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FIRST SESSION

SENATE

MONDAY, *February 8, 1926*

(Legislative day of Monday, February 1, 1926)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	King	Sheppard
Bingham	Fess	La Follette	Shipstead
Blease	Fletcher	McKellar	Shortridge
Borah	Frazier	McLean	Simmons
Bratton	George	McMaster	Smith
Brookhart	Gerry	McNary	Smoot
Broussard	Gillett	Mayfield	Stanfield
Bruce	Glass	Metcalf	Stephens
Butler	Goff	Moses	Swanson
Capper	Gooding	Neely	Trammell
Caraway	Hale	Norbeck	Tyson
Copeland	Harreld	Norris	Underwood
Couzens	Harris	Nye	Wadsworth
Curtis	Harrison	Oddie	Walsh
Dale	Heflin	Pine	Watson
Deneen	Howell	Ransdell	Weller
Dill	Johnson	Reed, Pa.	Williams
Edge	Jones, Wash.	Robinson, Ind.	Willis
Edwards	Kendrick	Sackett	
Fernald	Keyes	Schall	

Mr. JONES of Washington. I wish to announce that the Senator from Wyoming [Mr. WARREN], the Senator from North Carolina [Mr. OVERMAN], the Senator from Wisconsin [Mr. LENROOT], the Senator from Colorado [Mr. PHIPPS], and the Senator from Delaware [Mr. BAYARD] are engaged in a hearing before the Committee on Appropriations.

I also desire to announce that the Senator from Iowa [Mr. CUMMINS], the Senator from Kentucky [Mr. ERNST], and the Senator from Colorado [Mr. MEANS] are detained at a hearing before the Committee on the Judiciary.

The VICE PRESIDENT. Seventy-eight Senators having answered to their names, a quorum is present.

PETITIONS AND MEMORIALS

Mr. McKINLEY presented resolutions adopted by the board of supervisors of Livingston County, Ill., favoring the passage of the so-called Dickenson bill, granting relief to and stabilizing the agricultural industry, which were referred to the Committee on Agriculture and Forestry.

He also presented the memorial of Jesse R. Gentley, of Chicago, Ill., remonstrating against the abrogation of the present policy of charging fees for grazing privileges in the national parks and forests and substituting individual grazing rights upon an area basis in said parks and forests, which was referred to the Committee on Public Lands and Surveys.

Mr. WARREN presented a resolution adopted by the Women's Departmental Club of Casper, Wyo., authorizing an adequate appropriation for the construction and operation of the proposed Casper-Alcova irrigation project, which was referred to the Committee on Irrigation and Reclamation.

He also presented a resolution adopted by the Women's Departmental Club, of Casper, Wyo., protesting against any further extension of the boundaries of the Yellowstone National Park, which was referred to the Committee on Public Lands and Surveys.

He also presented resolutions adopted by the Lander Commercial and Kiwanis Clubs, in the State of Wyoming, favoring the extension of the boundaries of the Yellowstone National Park, which were referred to the Committee on Public Lands and Surveys.

REPORTS OF THE DISTRICT COMMITTEE

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 2041) to provide for the widening of First Street between G Street and Myrtle Street NE., and for other purposes, reported it without amendment and submitted a report (No. 151) thereon.

He also, from the same committee, to which was referred the bill (H. R. 4785) to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of the land authorized to be acquired by the public buildings appropriation act, approved March 4, 1913, for the connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park, reported it without amendment and submitted a report (No. 152) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and a joint resolution were introduced, read the first time and by unanimous consent the second time, and referred as follows:

By Mr. SHORTRIDGE:

A bill (S. 3033) for the relief of Charles R. Sies; to the Committee on Naval Affairs.

By Mr. GOODING:

A bill (S. 3034) authorizing the Secretary of the Interior to dispose of certain allotted land in Boundary County, Idaho, and to purchase a compact tract of land to allot in small tracts to the Kootenai Indians as herein provided, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. ASHURST:

A bill (S. 3035) granting a pension to Anna S. Tenney (with accompanying papers); and

A bill (S. 3036) granting a pension to Rachel E. Berry (with accompanying papers); to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 3037) to provide retirement for the Nurse Corps of the Army and Navy; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 3038) for the relief of Joseph L. Keresey; to the Committee on Claims.

By Mr. ODDIE:

A bill (S. 3039) to provide a water system for the Indians living at the Dresslerville Indian colony near Gardnerville, Nev.; to the Committee on Indian Affairs.

By Mr. CAPPER:

A bill (S. 3040) to amend an act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended by an act of Congress approved December 30, 1910; to the Committee on the District of Columbia.

By Mr. WILLIS:

A bill (S. 3041) granting an increase of pension to Saretta L. Henderson (with an accompanying paper); to the Committee on Pensions.

By Mr. DALE (for Mr. GREENE):

A bill (S. 3042) granting an increase of pension to Flora E. Collins; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 3043) granting an increase of pension to George Milams (with accompanying papers); to the Committee on Pensions.

By Mr. ERNST:

A bill (S. 3044) granting a pension to Mary Cole Leach (with accompanying papers); to the Committee on Pensions.

By Mr. DILL:

A bill (S. 3045) granting a pension to T. J. Clancy; and

A bill (S. 3046) granting an increase of pension to Rosanna McWhorter; to the Committee on Pensions.

By Mr. HEFLIN:

A bill (S. 3047) for the relief of Charles O. Green; to the Committee on Claims.

A bill (S. 3048) to amend the United States cotton futures act as amended; to the Committee on Agriculture and Forestry.

By Mr. BRUCE:

A bill (S. 3049) for the relief of Mrs. M. McCollom, Margaret G. Jackson, and Dorothy M. Murphy; to the Committee on Claims.

By Mr. HEFLIN:

A joint resolution (S. J. Res. 52) authorizing an appropriation for a monument to Maj. Gen. William Crawford Gorgas, late Surgeon General of the United States Army; to the Committee on the Library.

AMENDMENT TO AGRICULTURAL APPROPRIATION BILL

Mr. FLETCHER submitted an amendment proposing to increase the appropriation for enabling the Secretary of Agriculture to investigate and certify to shippers and other interested parties the class, quality, and/or condition of cotton and fruits, vegetables, poultry, butter, hay, and other perishable farm products when offered for interstate shipment or when received at such important central markets as the Secretary of Agriculture may from time to time designate, or at points which may be conveniently reached therefrom, etc., from $348,755 to $353,755, intended to be proposed by him to House bill 8264, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

AMENDMENT TO FIRST DEFICIENCY APPROPRIATION BILL

Mr. HALE submitted an amendment proposing to appropriate $11,000 for the repair of damage done to roads, water systems, schools, and other public buildings as the result of the hurricane which visited American Samoa on January 1, 1926, intended to be proposed by him to House bill 8722, the first deficiency bill, 1926, which was referred to the Committee on Appropriations and ordered to be printed.

AMENDMENT TO NAVAL APPROPRIATION BILL

Mr. HALE submitted an amendment intended to be proposed by him to House bill 7554, the naval appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 42, line 16, after the sum "$4,100,000," insert the following: "for new construction and procurement of aircraft and equipment, $4,962,500: *Provided*, That in addition to the amount herein appropriated and specified for expenditure for new construction and procurement of aircraft and equipment the Secretary of the Navy may enter into contracts for the production and purchase of new airplanes and their equipment, spare parts and accessories, to an amount not in excess of $4,100,000."

OBJECTIONS TO PROHIBITION

Mr. EDWARDS. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by my colleague [Mr. EDGE] on the 4th instant.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

RADIO ADDRESS BY SENATOR EDGE, FEBRUARY 4, 1926

My fellow citizens, any law that has brought in its trail the havoc, the defiance, and the corruption which has followed the Volstead Act can not be successfully defended. It has not brought temperance; it has increased intoxication.

It is entirely beside the question to insist all law, no matter how unpopular, should be obeyed. No one disputes that. Neither does such insistence solve the problem.

This act has been given a fair trial. Hundreds of millions of dollars have been expended in an unsuccessful effort to enforce it, and yet violations have increased year after year.

The time has arrived to face the facts and no longer fall back on bluster and subterfuge.

To-day we have all the evils of preprohibition days plus increased drunkenness and arrests, increased alcoholic insanity and deaths, widespread corruption in the public service, more dives than we formerly had saloons, an appalling increase in liquor drinking among young men and young women, practically unknown before prohibition, and a general disrespect for all law that threatens the very foundation of the Republic.

What can we do about it?

I can offer at least one immediate method for relief.

We should make the Volstead Act as honest as is possible to accomplish through legislation. To-day it is an indefensible contradiction.

Do you realize that under its terms citizens are permitted to produce wine and cider for home consumption up to the point of proven intoxication, while the same citizens are criminals if they make or possess beer or cereal beverages containing one-half of 1 per cent alcohol, which all admit is not intoxicating or near intoxicating? I ask my opponent who will follow me if this is not absolutely true.

This discrimination in itself furnishes an excuse, warranted or otherwise, for thousands of citizens to utterly disregard a law so inconsistent and so unjust.

The prohibition amendment only prohibits intoxicating beverages. Then why should Congress prohibit nonintoxicating beverages?

At least Congress can rectify this indefensible condition, and Congress has no moral right to refuse to do so, whatever the result.

Government prohibition officials, district attorneys, and Federal judges engaged in enforcing the law now freely admit that these inconsistencies make their work impossible. How, then, can Congress longer refuse to squarely and fairly meet the issue?

Everyone is desirous of a temperate condition. But the Volstead Act has not brought that about.

Modification of the act within the clear terms of the Constitution would partly subdue the spirit of protest and challenge now so apparent.

Again, would it not be far better for the morals of the Nation to have a temperate condition than prohibition that does not prohibit, but rather breeds defiance, and in addition leaves in its wake a rapidly broadening trail of misery and corruption?

In discussing the colossal failure of the Volstead Act I seldom refer to the stupendous expense to the taxpayers. Were real results accomplished, no one would question the cost.

However, when a Federal officer sworn to enforce the law frankly exposes the situation, as did United States District Attorney Buckner in New York a few days ago, it is time to sit up and take notice. The district attorney disturbed those who decline to admit failure by claiming with present Federal appropriations, which according to Attorney General Sargent amount now to $30,000,000 a year, he was unable to more than make an effort to cover one-fifth of the violations.

If District Attorney Buckner's estimate is correct that it requires $30,000,000 to pursue one-fifth of the violations and then fail, it would apparently require $150,000,000 annually to conduct anything like a complete campaign of enforcement.

This is entirely apart from the millions States and municipalities are spending and the millions it costs to maintain the courts of the country, both State and Federal, whose work to-day is almost exclusively confined to violations of the prohibition act. Just think of it! One hundred and fifty million dollars a year from the taxpayers. Why, do you realize that the last Federal appropriation for the great Department of Agriculture, with all its ramifications in every State in the Union, was less than this amount? Can't you imagine when the American people actually realize this situation they will arise en masse and demand a termination of the bluff which instead of bringing about temperance is demoralizing the public service of the country?

O fellow citizens, the time has passed for stubbornness and politics, for impugning motives and misrepresenting facts. This intolerable situation in which we find ourselves must be remedied. A solution can not be reached through vilification. The facts are with us and we can no longer evade them.

I will quote but one statistic. It should be convincing. The Federal Bureau of the Census recently issued a table showing the combined death rate in the country from all causes as gradually decreasing, while during the same period the deaths from alcoholic poisoning have increased without exception in every single State in the Union. Is that sectional? And yet defenders of the Volstead Act claim progress. There has been progress, but the trouble is it has been in the wrong direction.

I have always admitted modifying the Volstead Act, while greatly helping the situation, will not solve the entire problem.

We can well afford to heed the much better moral and social condition prevailing in the various so-called wet Provinces of our neighbor on the north, Canada.

Most of the Canadian Provinces tried our experiment and, following us, voted dry. All but one—Ontario—has returned to some form of wetness. Surveys and reviews of the results have clearly and positively demonstrated generally improved conditions.

These countries have apparently decided governmental distribution of pure and legalized liquors was preferable to the bootleggers' distribution of poisonous substitutes. That's what we have to-day.

We could profit through their experience and some day we will, but it is appalling to contemplate the havoc in the meantime.

The bootleggers and the extreme drys are together resisting all efforts for modification. Public opinion, however, as now daily expressed from pulpit and forum, is demanding action and freely admitting the error we have made. Only pure, unadulterated stubbornness maintains otherwise.

I earnestly hope the demand for modification, now so manifest, will grow stronger and stronger, in order that cooperative action can be assured and respect for law renewed.

Is it not significant when prominent educators, like Dean Gauss, of Princeton, and President Butler, of Columbia, demand modification? They are in daily contact with those approaching manhood. They unhesitatingly admit the calamity of the present situation.

Only to-day an association of the powerful Episcopal Church, through Doctor Empringham, secretary of the Church Temperance Society, came out flatly for modification. Certainly no sane man would question their sincerity.

The common-sense result of modification would be a lower consumption of hard liquors. That's true temperance.

We are not enlisted in an effort to tear down but rather to build up. To amend an unworkable law is not to violate it, but rather to make it worthy of the great Republic in which we live. We can and will no longer perpetuate a lie.

[Senator DILL followed, whose address appeared in the proceedings of the Senate of Saturday, February 6 (legislative day of Monday, February 1), 1926.]

REBUTTAL BY SENATOR EDGE

My friends, as I anticipated, and yet with every good feeling to my colleague, he has adopted the usual old tactics, fallen back on the same old worn-out claims which I have on previous occasions completely punctured and disproved.

He asked me two questions, and in the limited time I have I don't want him to have the opportunity to say I have evaded anything. I will answer both of them.

He asked if I really am in favor of 2.75 per cent beer or some other voltage of beer, or whether I believed that the eighteenth amendment should stand, or if it should be amended or repealed.

When he attempts to minimize the inconsistencies and the discriminations of the present Volstead Act by using the expression that the cider and wine privilege of that act was for a few housewives to make fruit juices, then I must accuse him of evasion. Does he know that in the State of California alone over 45,000 permits were asked for and issued to enable citizens of that State to make what he calls fruit juices—in reality to make, of course, wine, and to make wine as intoxicating as 90 per cent of them could make it? They would not have bothered with permits otherwise. And when I contend that the Volstead Act, unless it be fair to all classes of citizens, invites the protest and challenge we now know exists, I simply repeat what every citizen knows and will admit if he wants to admit the facts.

Why should there be any objection to at least making the Volstead Act consistent in this regard? The Senator admits that we can not amend the Constitution through an act of Congress. I absolutely agree with him. Any amendment we add to the Volstead Act allowing 2.75 beer or whatever voltage that is not proven intoxicating as now allowed wines, the Supreme Court will have the final say. Why should Congress refuse this privilege? In refusing the privilege they invite the protest which is evident over all this country, and naturally so.

In his second question, as I recall it, he claimed a large quantity of beer was drunk before prohibition went into effect. I agree with him. And this is one of the main arguments I present. I say this because of the great number of people to-day who are drinking all kinds of substitute poisonous concoctions of every character. Our Nation was 100—yes, 1,000 per cent better off when they were drinking beer than when they are drinking the concoctions of to-day. My dear Senator, I think you made the statement that you looked forward to the day when the use of alcohol will have passed. We all look forward to the day when we, at least, can be temperate, but you can not look forward to impossibilities. We are facing an issue we can not evade, and we should admit it is the duty of Congress to meet the issue. Perhaps my solution is not the best, but I want to see the time when both sides are free from bias and not extreme either way, when they will sit around a table recognizing the problem and solve it fair to the rights of all American citizens.

SARAH A. LUCAS

Mr. CURTIS submitted the following resolution (S. Res. 143), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay to Sarah A. Lucas, widow of James J. Lucas, late a laborer employed under the Sergeant at Arms of the Senate, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed a bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker of the House had affixed his signature to the enrolled bill (S. 1423) to relinquish the title of the United States to the land in the donation claim of the heirs of J. B. Baudreau, situate in the county of Jackson, State of Mississippi, and it was thereupon signed by the Vice President.

HOUSE BILL REFERRED

The bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. WILLIS. Mr. President, one of the amendments which will be found upon the desks of Senators, and to which attention will be drawn when we come to amendments other than committee amendments, relates to the subject of living revocable trusts, on which I shall desire to make some observations when the time comes. Meanwhile I ask permission to have printed in the RECORD resolutions that have been adopted by the Cleveland (Ohio) Chamber of Commerce touching the question of living revocable trusts.

The VICE PRESIDENT. Without objection, the resolutions will be printed in the RECORD.

The resolutions are as follows:

THE CLEVELAND CHAMBER OF COMMERCE,
Cleveland, February 6, 1926.

Hon. FRANK B. WILLIS,
United States Senate, Washington, D. C.

DEAR SIR: The secretary has the honor of bringing to your attention the following action of this chamber:

"Whereas it has come to the attention of the Cleveland Chamber of Commerce that creators of revocable trusts have been subjected to a hardship in the administration of the income tax laws for the years 1919 to 1923, inclusive, occasioned by the voluntary reversal of the policy of the Treasury Department as to the taxation of the income of such trusts; and

"Whereas persons who have created such trusts, of whom there are many in the vicinity of the city of Cleveland, have in effect been penalized for relying upon the rulings and regulations of the Treasury Department that were in force prior to such voluntary reversal thereof; and

"Whereas Senator FRANK B. WILLIS, of Ohio, has indicated his intention to introduce in the Senate of the United States an amendment to the revenue bill now pending before Congress, which amendment will correct by retroactive enactment the injustice that has been done as aforesaid; and

"Whereas the purpose of said amendment is to enact and make the law for such prior years as it was considered to be by the Treasury Department and by Congress when revenue acts prior to the revenue act of 1924 were passed: Now therefore be it

"Resolved, That the Cleveland Chamber of Commerce, upon the recommendation of its committee on taxation, go on record as favoring said amendment as being a means of affording justice to taxpayers who will otherwise be subjected to a penalty for relying upon the rulings and regulations of the Treasury Department."

Very truly yours,

MUNSON HAVENS, *Secretary.*

Mr. SMOOT. Mr. President, I desire now that the Senate shall resume consideration of the amendment making tax returns public records, the amendment being found on page 113.

The VICE PRESIDENT. The Clerk will state the amendment of the committee and the pending amendment to the amendment.

The CHIEF CLERK. The committee proposes, under the subhead "Returns to be public records," on page 113, line 2, before the word "shall," to strike out "but they" and insert "but, except as hereinafter provided in this section and section 1203, they," so as to read:

SEC. 257. (a) Returns upon which the tax has been determined by the commissioner shall constitute public records; but, except as hereinafter provided in this section and section 1203, they shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary and approved by the President.

The Senator from Nebraska [Mr. NORRIS] moves to amend the amendment of the committee on page 113, line 1, by striking out all after the word "records" down to and including the word "President" in line 5, and in lieu thereof to insert: "and shall be open to examination and inspection as other public records under the same rules and regulations as may

govern the examination of public documents generally," so as to read:

Returns upon which the tax has been determined by the commissioner shall constitute public records, and shall be open to examination and inspection as other public records under the same rules and regulations as may govern the examination of public documents generally.

Mr. NORRIS. Mr. President, I desire briefly to explain the pending amendment. Many Senators have asked me whether the adoption of the amendment would mean that officials of the Government would be required to publish income-tax returns. There is no such thing contemplated in the amendment. It is true that under the existing law it is the duty of the revenue officials to publish the names of the taxpayers together with the amounts of taxes which they pay. That provision of law is repealed by the bill as it passed the House and no attempt has been made by the Finance Committee of the Senate to restore the provision. The amendment now pending, known ordinarily as the publicity amendment, does not restore that provision of law.

The amendment upon which we are to vote when we reach a vote on the pending question is identical word for word with an amendment which I offered when we had the prior revenue bill before the Senate. It is in the exact language in which the amendment passed the Senate by a vote of 48 yeas and 27 nays. It simply provides that the income-tax returns are public documents and that they are subject to the right of anybody to examine them under the same conditions as any other public document.

If this amendment I have offered shall be agreed to, it will put the bill, so far as this part of it is concerned, word for word, in exactly the same condition in which the last tax bill was when it passed the Senate. If the amendment shall be agreed to, the bill will then read as follows:

SEC. 257. (a) Returns upon which the tax has been determined by the commissioner shall constitute public records and shall be open to examination and inspection as other public records under the same rules and regulations as may govern the examination of public documents generally.

Mr. COPELAND. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield to the Senator from New York.

Mr. COPELAND. Will the Senator from Nebraska make clear to the Senate how it was, then, that the Treasury Department gave out these records?

Mr. NORRIS. I will make that perfectly clear right now.

Mr. COPELAND. I think it is very necessary that that should be understood.

Mr. NORRIS. When the last tax bill passed the Senate it had in it just the provision which I have read. The bill went to conference, and the conferees struck the provision out and put in lieu the existing law, which provides, as I have stated, that the names of the taxpayers shall be published together with the amount of tax which they pay. That was not in the bill as it passed the Senate. The present provision of the law was a compromise, which was agreed to in the conference committee.

Mr. HARRISON. Mr. President——

Mr. NORRIS. I yield to the Senator from Mississippi.

Mr. HARRISON. The provision with reference to the publication of names and the amount of tax paid was optional, was it not? It was not mandatory upon the department to publish that information?

Mr. NORRIS. I think it was mandatory on the Treasury Department to furnish the information, but the department did not have to publish it.

Mr. HARRISON. It is my impression that it was optional; it was given out by the Secretary of the Treasury on the eve of an election.

Mr. NORRIS. Yes; but no newspaper was compelled to publish it unless it wished to do so. I do not mean to say that publication was imperative, of course.

Mr. COPELAND and Mr. REED of Pennsylvania addressed the Chair.

Mr. NORRIS. I yield first to the Senator from New York.

Mr. COPELAND. As I understand the Senator from Nebraska, this feature was not in the bill when it left the Senate?

Mr. NORRIS. It was not.

Mr. COPELAND. And it was not in the bill when the bill left the House of Representatives?

Mr. NORRIS. It was not.

Mr. COPELAND. But it was embodied in the bill by the conferees?

Mr. NORRIS. Exactly; that is correct.

Mr. COPELAND. As I understand, the Senator from Nebraska is now seeking an amendment which will make these records public records but will keep from the bill any such outrageous use of the material as was perpetrated upon the country by the Treasury Department?

Mr. NORRIS. Yes; that is correct.

Mr. REED of Pennsylvania. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I now yield to the Senator from Pennsylvania.

Mr. REED of Pennsylvania. If the Senator from Nebraska will look at the bottom of page 230 of the comparative print, I should like to ask whether he does not consider that clause (b) of section 257 of the revenue act of 1924 made it obligatory upon the part of the Commissioner of Internal Revenue to prepare for public inspection each year in the office of the collector of each internal revenue district a list containing the name, address, and amount of income tax paid by each taxpayer?

Mr. NORRIS. Yes, sir; I think that is so.

Mr. REED of Pennsylvania. So that there was nothing optional on the part of the Commissioner of Internal Revenue about making public that list?

Mr. NORRIS. No: I do not think there was anything optional on the part of the Government officials, but it was perfectly optional on the part of any newspaper whether or not it would publish the information.

Mr. REED of Pennsylvania. Yes; but the suggestion of the Senator from Mississippi [Mr. HARRISON], as I understood it, was that the Treasury Department had exercised some option and had voluntarily made these lists public. The Senator from Nebraska does not mean to imply that that did happen?

Mr. NORRIS. I do not.

Mr. HARRISON. I think that my question implied that the law probably was susceptible of that construction, but on now reading I wish to state that I was in error. There was no optional feature to it; it was mandatory.

Mr. DILL. Mr. President——

Mr. NORRIS. I yield to the Senator from Washington.

Mr. DILL. Did it ever occur to the Senator that this provision, which is now a part of the law of 1924, was written for the very purpose of making publicity unpopular? In other words, as the bill passed the House of Representatives there was no provision on the subject; the Senate adopted a provision making income-tax returns public records, but the conferees wrote a new provision which invited all the newspapers of the country to publish this information. That being the case, the newspapers did publish it, and gave an opportunity to build up the opposition to it.

Mr. NORRIS. Of course, I can not say what was in the minds of the conferees. I have not criticized and I do not now care to make any criticism as to the matter. The result, however, is perfectly clear. There is not any doubt about what the law is; there is not any doubt about how it came to pass. The facts have been briefly stated to me. Personally I do not care to go any further into that discussion.

Mr. SMOOT. Mr. President——

Mr. NORRIS. I yield to the Senator from Utah.

Mr. SMOOT. I was one of the conferees on the bill which became a law in 1924, and I will assure the Senator from Washington that there was no such intention. It was not intimated by any member of the conference committee, and I never heard such a suggestion until the present moment.

Mr. DILL. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. Yes.

Mr. DILL. Whether what I have suggested was in the minds of the conferees or not, the fact remains that no provision could have been written in reference to the publicity of income-tax returns that would have served to make it as unpopular as it has been as the result of this provision. I call attention to the fact that in no other law do we provide for lists and then invite the newspapers to publish the taxes from $1 up to $1,000,000 paid on incomes.

Mr. COPELAND. Mr. President——

Mr. NORRIS. I yield again to the Senator from New York.

Mr. COPELAND. I want to have it made clear, Mr. President, how it is that this paragraph, which was just referred to by the Senator from Pennsylvania, got in the law.

Mr. NORRIS. It was put in by action of the conference committee. The conference committee put that in in lieu of the provision which the Senate had adopted, and which I am seeking again to have incorporated in the pending bill.

Mr. COPELAND. Let us make that certain by other evidence. Not that I doubt the Senator at all, but I want the Senate to know positively and definitely and certainly that that is the way it got into the bill.

I should like to ask the Senator from Utah [Mr. SMOOT] was the provision just referred to by the junior Senator from Pennsylvania in the bill as it passed the House or the Senate?

Mr. NORRIS. I can answer that question. I have just said that it was not in the bill as it was passed by the House or as it passed the Senate, but was added in conference.

Mr. SIMMONS. Although not in identical terms, I think it is substantially the same as the provision adopted by the Senate.

Mr. SMOOT. I will endeavor to get copies of the bills.

Mr. COPELAND. It will be brought out, then, later in the morning from the record what did happen, but I think the Senator from Nebraska is right. That is the way I remember it, but I think we should know certainly about it.

Mr. SMOOT. I have sent for a copy of the bills.

Mr. NORRIS. If we had the bill here, I think it would show what I have stated to be the fact.

I desired to make clear and bring out without any question of doubt so as to satisfy Senators just what the proposed amendment now pending will do. The law as it now stands was not proposed either in the House bill at that time or the Senate bill; it is not proposed by this amendment, and can not get into this bill unless the conferees should put it in again as a compromise. I hope they will not do so. If the Senator from New York will refer to the RECORD he will find that when the conference report came back to the Senate I addressed the Senate in opposition to the approval of the conference report. I did so mainly on the ground that the amendment which they had put in as a compromise in lieu of what the Senate had inserted was of no importance at best; it was only a sop. I doubted the wisdom of it and thought then it would be just as well to leave the returns secret as to adopt the provision agreed to by the conferees. So I voted against the conference report mainly on that ground. Of course, I realized then that it was an impossibility to defeat the conference report, because everybody was anxious to get away; everybody was anxious that the tax bill should be voted on, as will be the case when the conference report comes back on the pending bill with a compromise in it. That is true of every conference report, as a rule, and it is particularly true when we are nearing the end of a session and Senators want to get away.

The point I want to make clear is that the adoption of this amendment will not require the Government to do anything with these returns that is not done with every other public document. Tax returns are on all fours with all other public documents, and we should not allow rules or regulations that will make these public documents any different as to their examination from other public documents. Anybody can examine a public document under reasonable rules and regulations, and tax returns should be subject to examination in the same way.

Mr. SIMMONS. Mr. President, may I interrupt the Senator?

Mr. NORRIS. I yield to the Senator from North Carolina.

Mr. SIMMONS. The Senator does not deny the fact that if his amendment shall be adopted all income-tax returns, including, of course, the complete statements with respect to all of his business transactions during the year, will be open to the newspapers for inspection and publication, if they so desire.

Mr. NORRIS. They will be open, and the information will be available to the extent that the tax returns show it. They will be open to the same extent that the returns which the Senator from New York makes in the city of New York to the local assessor and on file there are open to every citizen who wants to examine them. They will be open to the same extent, and only to the same extent, that a tax return made by the Senator from North Carolina in his home town is open to inspection there; there will be no difference.

Mr. SIMMONS. All I meant to ask the Senator was whether they would not be open not only to any taxpayer in the country, whether or not he was directly or indirectly interested in a particular return, but whether they would not be open likewise to every newspaper and to every attorney who might want to find out about the return of a particular taxpayer.

Mr. NORRIS. Yes; certainly they would.

Mr. SIMMONS. And the record that would be so opened contains the minute history of the taxpayer's business and operations for the year in which the return is made.

Mr. NORRIS. To the extent that the law requires him to return such a history in his tax return that is true. In other words, it is just the same as the case of a man out on the farm who has 12 horses, 13 cows, 40 acres of wheat, 50 acres of corn, 27 hogs, 450 bushels of oats, which he returns to the assessor. He may also have five watches; he may have a diamond ring, though, if he be a farmer such a ring would be one that had descended to him from somebody else. He makes a return of all his property to the local assessor. It is all there on file. I can go and examine it if I want to do so. So can anyone else. Any newspaper in the town can look at it, and say, "Sam Jones, a farmer, returned 15 horses. We have been out and counted them, and he has 22." There is usually a provision—I think it is true practically without exception—that anyone who thinks the taxpayer has made an improper return can make complaint, and there are proper officials to hear it and take the matter up and go into it and see whether or not the taxpayer has or has not made a proper return. So, if he has been assessed too high, or thinks he has been assessed too high, he has the right to go and have the matter adjudicated. There is not any such provision in the Federal tax laws. So that publicity in this case will, perhaps, not go as far ultimately as local tax publicity goes.

If the Senator means to imply that that would not be fair, then there is not a tax return anywhere in the United States that is fair. This is nothing new. It involves no new principle. It simply makes a public document of what even the committee say ought to be a public document; but they surround it with a provision that nobody can look at it, even if it is a public document, unless the President permits it to be done.

Mr. SIMMONS. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. SIMMONS. The Senator, of course, wants the facts of these matters brought out.

Mr. NORRIS. Certainly; and I am not objecting to interruptions, I will say to the Senator.

Mr. SIMMONS. The number of horses and mules and other items of visible personal property that a taxpayer owns and the amount of land that a taxpayer owns are matters that every man's neighbors know. They know that he owns that land and those horses and mules, and so on.

Mr. NORRIS. And it does not hurt him any, either; does it?

Mr. SIMMONS. But he is not required by any law of the States, so far as I know, to make a minute statement of all of his business transactions involving profits, losses, interest paid, debts due, and all that sort of thing, as in the other case. I think the cases are not quite analogous; and if the Senator will reflect upon the character of the returns that are made public in the States, I think he will see the difference.

In my State—I do not know how it may be in other States—lands are not valued by the taxpayer. They are valued by a committee representing the community. Personal property in the first instance is valued by him, but before it is entered upon the tax lists it is subject to review by a board. So that there is absolutely no objection on the part of anybody, so far as I know, to making public a thing which is already public.

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. NORRIS. Just let me answer that first.

Mr. SIMMONS. I will say frankly to the Senator that while we have an income tax law in my State and we have an inheritance tax law in my State, I am not now advised whether the returns under those laws are made public or not. I will try to find out.

Mr. NORRIS. Mr. President, I think what the Senator has said is an additional argument why these income-tax returns should be made public documents and subject to inspection. The Senator says it does not hurt the farmer any when he has to return the number of horses he owns, because his neighbors know how many horses he has, and he can not make a misstatement without being caught. Suppose it were secret; suppose the law provided that this tax return should not be disclosed and that it was a public document that could not be examined unless the President gave permission to have the examination made. Would the Senator expect the man with 10 horses to make as careful a return as he would if it were public?

It is true, nevertheless, that the ordinary tax collector or assessor in most of the States, perhaps all of them, requires the taxpayer to tell about the bonds that he owns, the mortgages that he owns. It does not require him to tell how much he has made on them. That is public. John Jones shows that he has so many bonds, so many notes, so many Government bonds, so many State bonds. His neighbors may know that, or his neighbors may not know it. They may know that he is in the loaning business and loaning money, and necessarily that he has a great many notes. When he makes his return to the local assessor he tells the amount. When he makes his Federal return he tells the profit he has made. Does that hurt him any more than disclosing the amount?

You know, in a general way, if you can figure interest, about what a man makes if you know how many notes he has. A bank must make a return, not only to the assessor but to the Federal Government, of its loans. It shows what it makes. It shows how many bonds it has, the kind of bonds, how much cash it has, and the dividends that it has paid. Does that

hurt the bank? There was a fight against that when we enacted the national bank act, but nobody would change it now. The real bank that is prosperous makes statements even when not required by law, in order that the public may know the kind of business that it is doing.

In the case of a merchant who has a store, he reports to the local assessor the value of his stock. He reports the kind of stock, but he does not have to tell in his return how much money he made out of it. When the merchant makes a return to the Federal assessor, because the Federal Government assesses on his profits, he shows what his profits are. There is not any new principle involved. There is not anything new about it. It is as old as government. No one would stand for a moment for secrecy in the tax returns that are made to our local assessors. Nobody has been hurt by it unless the man is engaged in a dishonorable, dishonest business, and publicity might injure him.

Mr. GEORGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Georgia?

Mr. NORRIS. I do.

Mr. GEORGE. I should like to ask the Senator two or three questions, because I am interested in this phase of the tax act and voted in 1924 for the amendment, which I think was substantially the same as the one that is now under consideration.

Mr. NORRIS. Identically the same.

Mr. GEORGE. I should like, however, to call the Senator's attention to this fact:

When it comes to returns of tangible property, either real, personal, or mixed, there can be no serious objection, of course, to making those returns public, and there may be some good accomplished by it. I may desire to know whether my neighbor, who owns exactly the same kind of property that I own, is paying at the rate that I am required to pay; and it is conceivable that some good may result from comparing the values placed upon actual property. I submit this case to the Senator, however:

Two men may be engaged in the same kind of business. They may be located on opposite sides of the same street. They may start out with the same amount of capital; but those facts do not tell whether one is making money or whether he is losing money. The fact that my neighbor has made an income would be of slight benefit to me, or a slight indication of what my income tax should be upon my business.

In other words, I am trying to point out the difference between a return of real estate or of personal property, tangible property having an actual value, when the effort is to find the actual value of the property, and the inherent impossibility of knowing whether a man has made money on a given investment.

Mr. NORRIS. Mr. President, to my mind it is not injurious to the man to let the public know the amount of money that he is making, any more than it would be injurious to me, if I were in the loaning business, to have to tell the people how much money I had loaned out, or any more than it is injurious to a bank to have to tell the public what dividends it has declared, if any, during the preceding year. I can not see that it would be any injury to the person. I can not see that he is going to be interfered with in any way, unless he is trying to cover up something.

Mr. GEORGE. Mr. President, I was not asking the question to indicate whether he was going to be hurt or not. I am directing my question to the Senator now for the purpose of trying to elicit from him how anybody is going to be benefited by the publicity of his return.

Mr. NORRIS. I am going to try to show that as I proceed.

Mr. GEORGE. Of course, if nobody is going to be benefited, the Senator would not insist upon the amendment.

Mr. NORRIS. No; if no benefit is going to come from it, I do not care anything about it. I concede that.

Mr. GEORGE. I apprehend that that is true.

Mr. NORRIS. Mr. President, I do not care at this time to be diverted on that point, because I am going to spend some time on it in the argument I shall make.

Mr. HARRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Georgia?

Mr. NORRIS. In just a moment.

I want to say now, briefly, that publicity in public affairs always benefits the public. I see the Senator shaking his head. The contrary thing is likewise true. Secrecy in Government affairs always injures the Government and the standing of the Goverment with the people, and always, if persisted in and carried on, brings inefficiency and ultimately corruption. The history of civilization demonstrates that the public business ought to be transacted in the eyes of the public. It goes without saying that if the returns to the local tax assessor were going to be forever secret, men would take advantage of that secrecy and would shave their returns; dishonest men would make erroneous returns and thus escape their just share of taxation, while the honest man, returning all his property fairly and squarely, would have his burdens of taxation increased to the extent that the dishonest man avoided taxation.

The very fact that we have publicity, standing all alone, will bring honesty in returns, because the dishonest man, knowing that his return is going to be subjected to scrutiny, to public gaze, to public examination if anyone wants to examine it, will hesitate before he makes a dishonest return and covers up his property or his gains or his losses.

I yield now to the Senator from Georgia.

Mr. HARRIS. Mr. President, objection has been made to publicity on the ground that the public should not know what profits men of wealth are making or losing in their business transactions. There is one thing that the Senator from Nebraska has not brought out in this discussion that I should like to remind him of.

A merchant, large or small, starts a business, and has a competitor across the street, or two men buy farms and are neighbors; one of them is not successful, and has to place a mortgage on his stock of goods or property or farm, which is recorded in the county clerk's office. If he is successful, and buys the property with a mortgage on it, he pays off that mortgage and this is canceled in the clerk of the court's office. All such transactions are made public, because it is placed on record; all town, county, and State tax records are public. Not only that, but the financial standing of all persons engaged in mercantile manufacturing or other business in the United States are public, as mortgages, laborers' liens, and so forth, are shown on court records. Bradstreet and Dun and other mercantile agencies make public their financial standing of all such persons. Why should men of wealth be allowed to have their income-tax returns kept secret. I can not see why there should be this discrimination. I think tax returns of the Government should be made public just the same as State, county, and town taxes are made public.

Mr. NORRIS. I thank the Senator for his observation. I think that is applicable.

I believe the Senator from Michigan wanted to interrupt me. I yield to him now.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield first to the Senator from Michigan.

Mr. COUZENS. Mr. President, I just wanted to say this in response to the question of the Senator from Georgia, with respect to the difference between filing with a local assessor a statement of assets, personal or otherwise, and the matter he brought up of filing with the Federal Government or with any State, so far as that is concerned, a statement reporting income and earnings.

One of the outstanding arguments against publicity—or accessibility, as I prefer to call it—of these public records is, as the Senator from Georgia has said, that a man's competitors may find out what he is doing. That is the outstanding argument from business institutions throughout the country. I submit that anyone who has had any experience with banking, as many of the Senators here have had, or with big business, knows full well that by subscribing to Dun or Bradstreet, or any other credit agency, he can find out the most intimate details of his competitor's financial standing.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit a question on that point?

Mr. COUZENS. Yes, Senator.

Mr. REED of Pennsylvania. Most of the reports made by Dun and Bradstreet's that I have seen gave a man's balance sheet. They showed what property he had, and what debts stood against him; but they did not show his annual earnings or his annual deficit. If they did they would run a lot of people out of business very quickly.

Mr. COUZENS. The Senator does not wait until I complete my statement. The statement from Dun and Bradstreet's, it is true, shows a balance sheet, but you can get appended thereto "Remarks," by special request, showing the amount of profits, the amount of dividends a man has paid, and the general condition of the business. Not only that, but bankers interchange that information.

Mr. REED of Pennsylvania. They do if the taxpayer is willing to have it given out; but has not the Senator seen many a return in which the taxpayer had declined to answer that question, but had replied that he was solvent and that his earnings were nobody's business?

Mr. COUZENS. That is entirely true; but I want to say that if I have a competitor and am doing business with a bank other than the bank with which the particular competing corporation or individual is doing business, I can go to my banker and find out substantially everything that I want to find out about my competitor's business. It is true that it is given to me in confidence, but I might by those means ascertain almost any intimate detail of any individual or corporation in business that I desired to know.

Mr. NORRIS. In much more detail than you can get it from his tax return to the Government.

Mr. COUZENS. Yes. For instance, I have here samples of reports filed by corporations and individuals which indicate what I mean. I submit that it would take more than a Philadelphia lawyer—it would probably take a Pittsburgh lawyer—to analyze these and obtain from them any specific information one desires to know. It would take days and days to go through them and get the information one desired, as is shown by the fact that auditors in the Bureau of Internal Revenue, who are trained in such matters, spend days upon auditing these returns.

Mr. GEORGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Georgia?

Mr. NORRIS. I yield.

Mr. GEORGE. When one calls on Dun's or Bradstreet's or any other commercial agency, he enters into a confidential relationship with them. That is a matter of business, and I apprehend that neither Dun's nor Bradstreet's nor any other respectable agency would give out information merely for the purpose of harassing men in business would furnish a competitor information merely for that purpose. That is a matter of business; it is a matter of confidence. The reports are confidential. That stands on altogether a different footing from a proposal to make the income-tax returns public. I am not discussing whether it hurts the income-tax payer, but I am asking what possible good can come from publicity of a man's income-tax return.

If I own real estate and my neighbor owns exactly the same kind of real estate, the taxing authority may be benefited by a comparison of the amount of taxes paid by my neighbor and myself, but one man may have a given amount of capital engaged in identically the same business followed by another, and he may make a success and pay an income tax, where the other man may make a complete failure, and there is absolutely nothing to be gained by a comparison of the income and earnings of the one man with those of the other.

Mr. NORRIS. Does not the Senator believe that the dishonest taxpayer will take advantage of the fact that his return is going to be secret, and will not make the same kind of a return that he would make if he knew it was going to be open to public inspection?

Mr. GEORGE. If he is dishonest, he will continue his dishonesty, because there is nothing to be gained by a comparison of returns.

Mr. NORRIS. He will not be induced to make an honest return or dishonest return because he is afraid of any comparison.

Mr. GEORGE. Mr. President——

Mr. NORRIS. I will ask the Senator to wait until I have finished this. The dishonest taxpayer will make a dishonest return in order to save money for himself. He will not return his gains; he will not return his profits. He will conceal in devious ways what he ought to disclose, if he knows that nobody will have the right to examine his return. He runs the risk only of some official examining it, and he knows that it is a physical impossibility for the officials to examine all of the returns.

Mr. WATSON. Mr. President, will the Senator yield?

Mr. NORRIS. I wish Senators would let me proceed for a while. I will yield to everybody in due time if it takes all week, but not to everybody at once.

The dishonest taxpayer is the man we want to get. We are trying to pass a law so that he will not be able to escape his just share of taxation. The honest man does not need such a law. Criminals are responsible for the enactment of practically all criminal laws. The dishonest taxpayer will seek a loophole by which to escape, and whenever you let him out you increase the burden of the honest man. My contention is that the same principle applies to this that applies to any other governmental business. If publicity prevents corruption and dishonesty, then we ought to have it everywhere. If it does not, then there is no use having it anywhere. We might just as well discharge these reporters of our proceedings and save that expense. We might as well close those doors and keep the newspaper men and the public out from the deliberations of this body and say, "We are going henceforth to do business in secret. Publicity does not do anybody any good. Whom will it help?"

I might not be able to point out just where it would help. I might have to admit that we could run along in secret and perhaps do better for a time than we would otherwise. But when I read the history of civilization, when I read about the rise and the fall of governments that have been born and have grown up and have died, I see that one of the greatest reasons why those governments have gone by the board and have failed is because of secrecy in public matters, because public officials have covered up their tracks. It enables dishonest men to take advantage, and although the machinery may be as pure as angels at the beginning, there has never yet been an exception; as time has gone on and secrecy has been permitted, eventually the government has become corrupt.

More than that, in a democracy, where the people are supposed to be familiar with the public business, to know how it is transacted, when it is done, and all about it, if it is covered up in secret methods everyone will naturally become suspicious, sometimes when there is no reason for suspicion, I admit. People will imagine that things are wrong often when no wrong exists. That is one of the evils of secrecy in public affairs.

Mr. WILLIAMS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. NORRIS. I yield.

Mr. WILLIAMS. I would like to ask whether in the State of Nebraska there is a statutory system under which the citizens of Nebraska become tax ferrets against their neighbors?

Mr. NORRIS. Mr. President, I wonder whether the Senator is in earnest in that question? I wonder if he is in good faith when he asks whether we have a system in Nebraska that induces one neighbor to ferret out the secrets of another neighbor? I do not think we are any different from the people of Missouri. Missourians have to be "shown" oftener than we do, perhaps, but I presume our laws are about the same.

Mr. WILLIAMS. Mr. President——

Mr. NORRIS. I will get to the Senator's question. He must let me talk a little while I have the floor. I submit to his questions, even though I do not think he is proceeding on very fair ground.

I presume the laws of Nebraska are very much like the laws of Missouri, under which the great Senator who is now asking the questions has been sent here. Under the law of Nebraska the return of the local assessor is a public document, subject to inspection by everybody who wants to go to his office and examine it. If his neighbor wants to examine it, he may do so. If a newspaper man wants to examine it, he may examine it. Anyone may examine the return. Our law also provides that if I think my neighbor is not assessed correctly, or that any other man in the county is not assessed properly, I can make a complaint before the board of equalization, the corporation or man against whom I make the complaint will be summoned before the board, and a trial will be had to see whether the assessment ought to be increased.

The law provides also that if I have been wrongfully assessed, I can complain of my own assessment, and that matter will be taken up and heard. As far as I know, from the date Nebraska became a State down to now, there has never been a voice raised against that publicity. As far as I know, there has never been an attempt on the part of anyone, rich or poor, to have returns made secret, indicating that the taxpayers are afraid that their neighbors, through that law, might be turned into detectives prying into the business of somebody else. The curious one may do that, but the curiosity will disappear in 24 hours, and the right of examination will not be abused.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. NORRIS. I yield again to the Senator.

Mr. WILLIAMS. I meant exactly what I said to the Senator in asking him whether they had a system of tax ferrets in the State of Nebraska.

Mr. NORRIS. Tax what?

Mr. WILLIAMS. Ferrets, f-e-r-r-e-t-s, meaning one who seeks out and pries into the business of others and gets a reward if he finds that a man who has made a return has not made as full a return as he may be able to prove he should have made. In the State of Oklahoma I think they call them tax ferrets, and I think that the tax ferret in Oklahoma is given a reward if he can show that the State or the county should have received a higher tax than the one which would have been received had the return not been dishonestly made. I asked the question in good faith, to find whether the same system prevailed in the State of Nebraska.

Mr. NORRIS. I will answer the question in the same good faith. If we have such a law, I am not aware of it; I never saw it; and I do not think we have such a law. I have never known anyone engaged in that business.

Mr. WILLIAMS. It does not exist in the State of Missouri. In the State of Missouri we do not make returns to the local assessor for stocks in Missouri corporations; nor do we make returns for stocks in foreign corporations, if the foreign corporations pay taxes in the States in which they do their business; nor do we make returns of property which is exempt from taxation, as Government, State, or municipal bonds; nor do we make returns of notes held by the people of Missouri against people in Nebraska. So that the returns made by taxpayers in the State of Missouri of their general personal property are not in the least informative. Again, the real estate is not returned by the owners in the State of Missouri, but is assessed by the assessor of the county, and of course his assessments are public.

Mr. NORRIS. That is the point; his assessments are public.

Mr. WILLIAMS. But it is of property, not income.

Mr. NORRIS. Of course it is property; and if a man has property that is covered up, which he carries in his pocket like a note, if he makes an honest return, he will return it; and if his return is to be made public, he is afraid to conceal it, for fear somebody, even the man who owes the debt to him, might disclose the truth.

Mr. WILLIAMS. No; Mr. President, he will not return it, because the supreme court of our State has held that if a citizen of Missouri holds a note due from a citizen of Nebraska that is not taxable in the State of Missouri.

Mr. NORRIS. That was not the case I put at all. Now I yield to the Senator from Indiana.

Mr. WATSON. The question I am about to ask is not the one I rose to ask a few minutes ago, but I will ask this one anyway.

Mr. NORRIS. Very well.

Mr. WATSON. Has Nebraska a State income tax law?

Mr. NORRIS. We do not have an income tax.

Mr. WATSON. The Senator said a while ago that publicity would lead to honesty?

Mr. NORRIS. Yes.

Mr. WATSON. That the dishonest taxpayer would evade payment of his tax under the seal of secrecy?

Mr. NORRIS. Yes.

Mr. WATSON. If that is a fact, it should be disclosed by the last tax returns, should it not? The New York Times sent out a questionnaire to all collectors in the United States, and the universal response was that no greater collections had been made on account of publicity.

Mr. NORRIS. But that does not mean anything. The Senator does not contend that that amounts to anything? If I had stolen a horse and some one sent a questionnaire to ask me if I was the thief of course, I would answer no.

Mr. WATSON. The collector did not know about any stolen horse.

Mr. NORRIS. No; the collector did not know about it.

Mr. WATSON. The Senator has said that publicity would lead to the payment of greater taxes.

Mr. NORRIS. Yes.

Mr. WATSON. The collectors know whether or not greater taxes have been paid as a result of publicity, and they say there have not been.

Mr. NORRIS. We have not had publicity.

Mr. WATSON. What have we had?

Mr. NORRIS. We have had secrecy.

Mr. WATSON. Under the last law?

Mr. NORRIS. Practically the only publicity that ever came out of the plan has been the investigation by the so-called Couzens committee, and I am going to discuss that before I get through. I think the disclosures made by that committee ought to demonstrate to any fair-minded man that on account of secrecy we are losing hundreds of millions of dollars of taxes justly due the Government, and, on the other hand, many men are paying unjust taxes because of the secrecy and their inability to find out whether they have paid too much or not.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield.

Mr. DILL. A few moments ago there was a discussion as to what was contained in the 1924 bill as it came from the House at that time with regard to income-tax publicity. I want to read just what that provision of the 1924 act was as it came over to the Senate. Subsection (b) of section 257 then read as follows:

> The commission shall as soon as practicable in each year cause to be prepared and made available to public inspection in such manner as he may determine, in the office of the collector in each internal revenue district and in such other places as he may determine, lists containing the names and the post-office addresses of all individuals making income-tax returns in such districts.

The provision of the conference report on the House section changed the wording, and instead of "post-office addresses of all individuals" inserted the words "of each person," and then at the end, in lieu of the provision adopted by the Senate, which made those lists public records, the conferees added the words "together with the amount of income tax paid by such persons."

In other words, the House provision was innocuous; it meant simply that under that provision each district would furnish a list of the taxpayers without any reference to how much tax they paid. The conference provision, instead of using the language of the Senate provision with reference to public records, added the amount of tax paid, and to that extent invited the newspapers of the country to publish every income-tax return of $1.50 to $1,000,000, as I said a while ago. Nothing could have been done that would have been so effective in building up sentiment against the publicity of income-tax returns. We did not have publicity of income-tax returns at all; we had publicity of the amounts paid.

Mr. COPELAND. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. Certainly.

Mr. COPELAND. The statement made by the Senator from Washington referred to the bill as it came from the House providing that the lists containing the names and post-office addresses should be supplied. Then in the Senate, on the motion of the Senator from Nebraska [Mr. NORRIS], the House provision was amended, and this language was added:

> And shall be open to examination and inspection as other public records, under the same rules and regulations as may govern the examination of public documents generally.

That is what we heard discussed in the Senate. That is what we voted on. Then the bill went to conference, and out of conference came the language and the action which has brought clouds of criticism upon the Senate. In the conference the language was added, "The amount of income taxes paid by such taxpayer." It never was intended by the Senate, when we took action upon the bill, that we should have publication in the newspapers in the way it has been carried on since the adoption of the conference report and the enactment of the bill into law.

Mr. DILL. It was not at least intended that the Government should use its own employees to furnish the lists to the newspapers.

Mr. COPELAND. Certainly it was not.

Mr. McLEAN. But the Senator from New York will not contend that under the amendment proposed by the Senator from Nebraska any newspaper reporter can not come to Washington and get not only the amount of tax but every detail and item and publish it?

Mr. SMOOT. He will not have to come to Washington; he can get it in every district in the country.

Mr. COPELAND. Of course I admit it.

Mr. McLEAN. It does not seem to me it will be any less objectionable.

Mr. COPELAND. But it never was intended by the Senate, and I do not believe that Senators ever understood that there was any such provision in the conference report as that the income-tax returns might be published in every newspaper in the country.

Mr. SMOOT. The amendment to the amendment would permit that. That is exactly what will be permitted if we vote favorably on the amendment which the Senator from Nebraska now offers; that was voted into the 1924 act.

Mr. COPELAND. The Senator from Nebraska had no idea, at least I did not have any idea, that those records should be spread all over the country in the outrageous way in which it has been done. All public records, of course, are open to the public.

Mr. McLEAN. If the amendment is adopted that is offered now they can do the same thing. If the Senator votes for the amendment offered by the Senator from Nebraska, that is what he is voting may be done.

Mr. COPELAND. I do not like to say this, but I am forced to say that I believe the Treasury Department purposely did that to bring criticism upon this body.

Mr. SMOOT. Oh, I do not believe that at all.

Mr. McLEAN. That is not the point. The objection raised by the Senator from New York is that the amendment which

was written into the law last year was exceedingly obnoxious because it permitted the newspapers to publish the amount of taxes paid.

Mr. NORRIS. Mr. President, I want to say a word on that subject. It did not give any real information. I think that is the only objection to it. If the Senator made his return and it showed on the face of it that he paid an income tax of $1,000, that would not be any real information. There is nothing in that information to indicate whether he has covered up anything or whether he has been dishonest or honest. In other words, the information that was given could be used for the purpose of bringing about a misunderstanding on the part of the public because it did not give sufficient information to really tell anything. A man may be a very wealthy man and his income may be very small. He may be perfectly honest and his return will show that he is perfectly honest and square. On the other hand, he may not return nearly all of his property, and if nobody ever has an opportunity to find it out, that situation will never be corrected. That is what I am trying to cure by my amendment.

Mr. McLEAN. I am trying to compare the law as it is with the amendment offered by the Senator from Nebraska.

Mr. NORRIS. They can publish the whole return if they want, the same as if the Senator buys a piece of property from me and I give him a deed for it, every newspaper in the United States can publish the deed in full if they want to do so.

Mr. McLEAN. The representative of any inquisitive yellow journal can get not only——

Mr. NORRIS. Oh, yes, or religious journal. It does not make any difference whether it is a yellow journal or brown journal or white journal, anybody can publish it.

Mr. McLEAN. It is not the same.

Mr. NORRIS. Publicity is the cure for governmental evils.

Mr. McLEAN. Will it be any less obnoxious?

Mr. NORRIS. The yellow journal now can come along and say, "Mr. A has swindled the Government out of its just dues, because his tax return is only so much." Everybody knows that he has made such a return, but we do not know whether it is true or not. We may raise a cloud of doubt and suspicion all over the country that is absolutely unjustified. If the truth were known, if publicity were given so that the truth could be known, there would not be that kind of thing.

Mr. REED of Pennsylvania. Mr. President, will the Senator from Nebraska permit a question at that point?

Mr. NORRIS. I yield.

Mr. REED of Pennsylvania. Does the Senator from Nebraska realize that there will be filed this year between 6,500,000 and 7,000,000 tax returns; that publicity of all of them is utterly impossible; that only a selected few which the yellow journals want to flaunt will be mentioned in the papers; but as to them every detail of the taxpayers' private affairs will be disclosed under the Senator's amendment, such as the amount of their contributions to charity, the amount of their losses, the amount and the manner of all their gains, the amount of their taxes paid, and every debt that goes bad? Every item that is their business and nobody else's business will be published as to a few people, but the other 6,500,000 will go on just as much in secrecy as they did before the act of 1924.

Mr. NORRIS. No; they will not. The Senator speaks of publishing their contributions to charity, the money profits they have made, or the losses they have sustained. Most of the men who make large and numerous contributions to charity themselves publish it. They are glad to publish it.

Mr. WADSWORTH. Mr. President, will the Senator permit an interruption?

Mr. NORRIS. In just a moment. Whether they do or not, does not the man who has millions or billions and is contributing, we will say, in millions of dollars to charity, owe any duty to the Government of the United States? Is he going to say, "My business shall be secret? I will cover up whatever I please. The public be damned. I will give where I want to, but I will not contribute to my country." Has he no responsibility to the Government? Suppose it is an annoyance to him? If he is a patriotic citizen, he knows and must know that publicity is the cure for most governmental evils and ills, and he will even submit to an annoyance because it is his patriotic duty.

I now yield to the Senator from New York.

Mr. WADSWORTH. Has it ever occurred to the Senator from Nebraska in relation to the matter of giving to charity that a very large number of people are rather hesitant at making public their gifts or contributions to charitable undertakings greatly from a sense of modesty?

Mr. NORRIS. Yes; I think so. I agree with the Senator. I know men in this body who feel that way. In a very small way, very, very small, only in pennies as compared to some with big contributions to charity, I have not made any return of my own contributions, and yet it would not hurt me if everybody knew I had given $5 to the Presbyterian church of which my wife is a member or that I had contributed $100 to the Young Men's Christian Association of my home town. I have not been advertising it.

Mr. WADSWORTH. I have not said the Senator had been.

Mr. NORRIS. Even if it did affect my modesty a little, if it is my duty as a citizen to make public those contributions, I ought to do it. It would not hurt me to do it.

Mr. WADSWORTH. Will the Senator state what governmental purpose would be accomplished if everybody who gives to charity should publish the amount and the recipient of the charity?

Mr. NORRIS. We can provide in the law, if the Senator wants to do so, that charitable donations shall not be published or shall not be made known in the returns, but immediately when we did it we would open the door to fraud. The very fact that we require such contributions to be made public is because men will make contributions under the guise of charity, when as a matter of fact they do it to escape taxation.

Mr. COUZENS. Mr. President——

Mr. NORRIS. I yield to the Senator from Michigan.

Mr. COUZENS. Does not the Senator know there is no requirement that anyone shall return his charitable gifts in his tax returns unless he desires credit for them on his income tax?

Mr. WADSWORTH. Certainly; and for that matter there is no requirement under the law that the taxpayer shall deduct anything from his gross income.

Mr. COUZENS. Certainly not.

Mr. WADSWORTH. But the Government has established the policy, and I think a wise one, that where a man, whether he be rich or of merely moderate means, has given money or property to deserving undertakings of a charitable or educational nature, he should be encouraged to continue that policy, and we encourage him by allowing him the deduction which is authorized. Let us get it out of our minds that this is a practice indulged in by millionaires alone. There are very few of that class taken out of the 6,000,000, or the 2,000,000 who are going to pay taxes under the present bill. Most of the money given in charity is given in $10 or $15 or $50 lots by people of very modest means. Many of them are ashamed in a sense to confess publicly that they are not able to give more. Their means are so modest; they have such difficulty in getting along anyway, and yet they are so desirous of helping others who are less fortunate than they that they give what they can. Now it is proposed to make those people either refrain from deducting such contributions from their returns or else publish them, and if there be one thing that the Government could do to discourage the giving to charitable and educational institutions, it is compulsory publicity of that kind.

Mr. NORRIS. Oh, Mr. President, compulsory publicity will bring about a whole lot of contributions that are not being made now. There will be many more who want the public to know what they contribute to charity than there are those who do not want to have it known.

Mr. WADSWORTH. With that conclusion I sharply disagree.

Mr. NORRIS. It will not help anybody either way.

Mr. WADSWORTH. I think the average man does not want his gifts to charity known.

Mr. COUZENS and Mr. CARAWAY addressed the Chair.

Mr. NORRIS. I yield first to the Senator from Michigan [Mr. COUZENS].

Mr. COUZENS. I think here are two members of the Finance Committee who are in violent disagreement. The Senator from New York [Mr. WADSWORTH] points out that there will be an exposé of all these small and minor gifts if this amendment shall be adopted, while the Senator from Pennsylvania [Mr. REED] suggests that only the yellow press will pillory the rich whose tax returns shall be published.

Mr. REED of Pennsylvania. Mr. President, the Senator from Michigan did not hear what I said. The Senator from Nebraska was talking about publicity. I told him my view as to the kind of publicity which would be obtained. The other kind of use that will be made of the opening of tax returns will not be publicity, but it will lead to an even greater abuse. I think the Senator did not hear me when I said that. The collector in my district says:

> This publicity clause has done no good whatever, but, on the other hand, has become a source of information used extensively by solicitors

for questionable transactions, collection agencies, mail-order concerns, bogus charities, and competitors in business.

That is not publicity, but it is a rank abuse of the accessibility to tax returns. I think the Senator from New York and I are in exact agreement.

Mr. COUZENS. But the Senator talks about the old law, and the statement he read from the collector is based on the experiences of the 1924 act.

Mr. REED of Pennsylvania. Exactly; and the provision you are proposing to put in is ten times worse, because it shows the details, while the present law only shows the single figure as to the tax paid.

Mr. COUZENS. Yes; but a newspaper which wants to go into any details will have to make a request for the papers in the case of the individual whose return it wants, and then it has got to go through all of these volumes of returns and find out what it seeks. I say that is much more difficult than to do what they have been doing under the 1924 act.

Mr. WADSWORTH. Mr. President, will the Senator from Nebraska yield to me for a moment?

Mr. NORRIS. Yes.

Mr. WADSWORTH. May I ask either Senator, or both, does either or do both of them doubt for one moment that once a provision such as this is placed on the statute books information concerns will be organized which will advertise that they will get any information as to tax returns at so much per?

Mr. COUZENS. How about the income-tax returns in the Senator's State of New York? Are they open to inspection?

Mr. WADSWORTH. Of course not.

Mr. COUZENS. They are not open?

Mr. WADSWORTH. No.

Mr. COUZENS. I submit that anyone there can make a record of them. I can be an employee of the Internal Revenue Bureau now and make a complete list of all returns, and I can leave the department, and can then publish that list and sell it.

Mr. WADSWORTH. Then, the Senator would be committing a crime.

Mr. COUZENS. Yes; if I got caught; but they are not getting caught, because nobody wants them to get caught.

Mr. GEORGE. Mr. President, let me ask the Senator from Michigan if that is not what he has been complaining about in part, and if he does not think that he will create a whole army of men here in Washington who will spread this information broadcast over the country and encourage litigation between citizens?

Mr. COUZENS. I think not, because if the records are public you will not have to rely upon the specialists who have inside information.

Mr. NORRIS. Mr. President, if I may now, having the floor, be permitted to say a word, I should like to say, in reference to the suggestion made by the Senator from New York, that I presume the Senator from New York voted for the conference report on the law that is now on the statute books?

Mr. WADSWORTH. Yes. I did not like that feature of it, but I did not want to vote against the whole bill on that account alone.

Mr. NORRIS. I did not, either. I voted against it on account of this feature. I did not think it amounted to much. I think that is the answer to the letter which the Senator from Pennsylvania has read; it does not give sufficient information to be of any value. I myself would just as lief it should be covered up entirely as to give information that would only be misleading; that would often lead people to mistrust, when an honest recital of the truth would leave no ground for mistrust or suspicion.

In reference to the idea that there is going to be an organization formed to secure this information, let me say that a man would be foolish to pay to a corporation money in order to get something that he could get for himself. I do not care, however, whether that will happen or not, although I think there is no danger of it occurring. I suppose now that in the States there are many more millions tax returns filed with the local assessors throughout the United States than there are Federal tax returns; and I never heard of anybody advertising that a corporation had been formed so that they could show how much property this man or that man had, because, as a matter of fact, that information is already public and a man does not have to pay to get it. He can go to the local tax assessor and get it himself. In the beginning, there might be some curious people who would want information as to tax returns, but it would last only for a few days, and it would not be any more common than it is now in the various county seats of the United States where people who have the curiosity can go and find out what property is owned by this man or that man according to his return to the assessor. If a local return is made that on its face is open to suspicion, that shows that it is erroneous on its face, that may result in a complaint and a rectification of it and the payment of an additional tax and, perhaps, a penalty under some other law.

Mr. WADSWORTH. Mr. President, will the Senator yield for a question there for information?

Mr. NORRIS. In just a moment I shall yield. Here, however, we have a proposition to make the returns to the Federal Government public, putting them in the same category as the returns to the local assessors and making them public documents. The benefit of such a provision, it seems to me, will not come by reason of the complaints which may follow, but will come from the care which dishonest men will exercise in making their returns, because they will know that they will be exposed if they make false returns. If you put a policeman on the corner, the store is not robbed; there is no robbery. It may be said, "Well, there has been no robbery, so what is the use of a policeman?" But if you take the policeman away the store is robbed.

Mr. WADSWORTH. Yes; but, Mr. President, we do not open the store wide up for strangers to walk through all night.

Mr. NORRIS. But we do not cover it up with a shield of secrecy, either; we do not cover it up with a blanket and not let anybody see it; it is public; anyone can go there and see the store. I am not talking about the business of the man inside; but anyone can look through the window; he can see that the proprietor is doing business and, perhaps, has a thriving business; but we do not cover the store up; we do not put a guard about it and say, "You can not go within 40 feet of this store." Take the policeman away, however, and the store is not safe.

Mr. SMOOT. Mr. President——

Mr. NORRIS. I yield.

Mr. SMOOT. I am in receipt of a letter from No. 246 Sumner Street, Boston, Mass., dated January 27, 1926, which reads as follows:

DEAR SIR: The unusual opportunity to secure lists of people who have paid an income tax of $100 and over means that you can obtain from us excellent lists of people with money.

The States indicated below are those for which we have names compiled from income-tax records.

Won't you check the territory which interests you and return this letter to me?

———.

California, District of Columbia, Illinois, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Washington.

Mr. NORRIS. That corporation is headed for the rocks, for anyone with any intelligence will not contribute anything to it when he can get the information without paying anything, if that is what the concern proposes to do.

Mr. SMOOT. Oh, no.

Mr. NORRIS. I do not know but that is a corporation organized as a part of this propaganda that is going over the country; I do not know as to that; but certainly it will not be a profitable business.

Mr. SHIPSTEAD. Mr. President, anyone can get the same information from Bradstreet, can he not?

Mr. NORRIS. Oh, yes.

Mr. SMOOT. Oh, no.

Mr. WADSWORTH. Oh, no.

Mr. NORRIS. The same information can be obtained, because anyone can go into the tax assessor's office and ask for it or look at the list if it is posted up on the wall.

Mr. WADSWORTH. The Senator must realize that there are a good many people who can not afford to travel, and that it is easier to drop a letter to this concern and get the information for a 2-cent stamp plus a little commission.

Mr. NORRIS. Well, let them get it.

Mr. WADSWORTH. That is the purpose for which the concern is organized.

Mr. COUZENS. There are 248,000 taxpayers in the city of Detroit, according to my recollection, and one can go and get a list of those 248,000 taxpayers and the amount of taxes paid by them any time he likes.

Mr. WADSWORTH. I, for instance, have not the time to do that.

Mr. NORRIS. Do not do it, then.

Mr. WADSWORTH. I would hire somebody else to do it for me if I cared enough about it.

Mr. NORRIS. This proposed law does not compel one to do anything; no one is going to be required under the law to do it.

You can close your ears, your eyes, and your mouth if you want to do it and be silent. There is not anything in the provision to compel the Senator from New York or anybody else to go to all that trouble to find out this information.

Mr. WADSWORTH. Of course, that is why a concern of that kind is being organized—to get the information for those who desire it.

Mr. COUZENS. Why do they not do that in the city of Boston or New York? Anyone can get a list of the taxpayers there.

Mr. WADSWORTH. I suppose they are a little more ambitious; they need to extend their operations over the country so as to get more money out of the "suckers."

Mr. COUZENS. They can do it as well in the city of New York, where there are plenty of them.

Mr. WADSWORTH. They probably will if you will give them time.

Mr. COUZENS. They can make a list for the city of New York as to general taxes.

Mr. WADSWORTH. I am not speaking about general taxes; I am speaking about returns which show how a man makes his living, about which so many people are curious.

Mr. COUZENS. I point out to the Senator that if any concern such as the one referred to wants to find out how many people in the city of New York pay taxes and how much they pay it can go to the records of the city of New York and get the same kind of a list that it would make from the records of the Bureau of Internal Revenue under the amendment of the Senator from Nebraska.

Mr. NORRIS. Mr. President——

Mr. COUZENS. It can do the same thing in New York or in Detroit. It can go to Detroit and take off the names of 248,000 taxpayers, list them and the amount of taxes they pay, and make just as desirable a list as it would be possible to make under the amendment from the records of the Bureau of Internal Revenue.

Mr. NORRIS. Mr. President, with the amendment in the proposed law that is now pending the partnership, or individual, or corporation whose letter has been read here by the Senator from Utah will be required to show in their return—they will do that anyway—just how much they made and how many "suckers" they bled.

Mr. SMOOT. No.

Mr. NORRIS. Yes; they will.

Mr. WADSWORTH. After they have done it.

Mr. NORRIS. They will not, of course, make a return before they have done anything. We must not expect an impossibility; but, after the return shall be filed, it will be public, and when it is public it will be disclosed that they have been in an unprofitable business. I dare say there will not be one such institution in any State that will make enough to put in any income-tax return.

Mr. WADSWORTH. If the business is unprofitable, of course, no returns will be made.

Mr. COUZENS. I differ with the Senator. They will make a return whether they make any profit or not.

Mr. WADSWORTH. Well, they will pay no taxes then.

Mr. NORRIS. Mr. President, there is no just or logical reason why income-tax returns should not be considered public documents and be subject to examination under the same rules and regulations as all other public documents generally. No one has been able to point out a single instance where the publicity of such returns would bring about an injury, either to the public or to the taxpayer.

Taxation is always burdensome. I would be glad if it were possible to relieve everybody from the payment of taxes, but taxation is one of the burdens of civilization. Recently this burden has been greatly increased by the enormous debt, which we contracted during the war. It is always difficult to provide for a fair and just system of taxation. To properly distribute its burdens is one of the greatest difficulties of honest legislation. It is sometimes impossible to tell in advance, with any degree of accuracy, just exactly how any particular system will work out; and in order to profit by legislative errors and mistakes that always creep into legislation no matter how carefully it is considered, it is absolutely necessary that the system, in all its details and all its ramifications, should be made public.

PUBLICITY WILL INCREASE THE REVENUE

That publicity of income-tax returns will increase the revenue derived from the law is conceded by all close students of the questions involved. The dishonest taxpayer, knowing that his return is going to be kept secret and that no one except a few employees in the Bureau of Internal Revenue will have any opportunity to examine it, has every inducement in the world to cheat the Government out of taxes that he justly and honestly owes. The dishonest man does not hesitate to make a false return, and can only be kept in the honest class by fear of punishment; and if he knows his tax return is going to be locked up in the secret vaults of the Treasury where no one can have access to it, and that, therefore, there is but little danger of his dishonesty being discovered, he will not hesitate to withhold important items of his income in order that the amount of taxes he is required to pay shall be lessened. To a great extent it is left with him entirely as to the amount of tax he shall pay. Secrecy to him means the saving of vast sums of money. To a great extent he is the judge and the jury trying his own case. To him secrecy of income-tax returns is a source of much unlawful profit, and affords him a haven of financial rest where even his questionable conscience may not be disturbed.

The amount of money that the Government loses on account of this secret provision of the law can not be definitely told. The only way to find out the definite amount of the loss would be to throw off the bond of secrecy and expose these millions of returns to public scrutiny. The loss, however, is conceded to be great. It will reach hundreds of millions every year, and during the time that we have had such a law upon the statute books there is no doubt whatever but that the Government of the United States has lost billions of dollars to which it was honestly and legally entitled.

On the other hand, the honest man makes a fair return and pays to the Government the tax which he honestly owes. His burdens, however, are increased to a very great extent by the loss which the Government sustains from the dishonest taxpayer. He must not only pay the tax that he justly owes but he must pay his proportionate share of the tax which his dishonest competitor neglects to pay. Such a law, therefore, discriminates against the honest man and in favor of the dishonest man. It lays its heavy hand upon the patriotic man who is willing to bear his share of the burdens of government and compels him to pay an additional tax properly owed by the dishonest taxpayer and which secrecy of income-tax returns permits him to avoid.

One of the greatest sins of government is discrimination against any particular class of its citizens, and when that discrimination is against the honest citizen and in favor of the dishonest one it becomes not only a burden but a governmental crime. If the Government, by its own laws, holds out advantages in favor of dishonesty, levying its heaviest burdens upon those who are honest, how can it expect always to have a patriotic citizenship ready to go to the relief of the country in times of stress? How can we expect permanently to retain patriotic, united citizenship, if, by our own laws, we discriminate in favor of dishonesty?

PUBLICITY OF INCOME-TAX RETURNS NECESSARY FOR LEGISLATIVE PURPOSES

It is extremely difficult to draft a revenue measure. It will always be found that there are loopholes through which men and corporations avoid the payment of their just proportion of the tax. It is a matter of common knowledge that the very wealthy corporations employ the keenest of attorneys for the purpose of ascertaining means and methods by which they can avoid the payment of a large proportion of their taxes.

No revenue law has ever been passed that was free from defects by which many taxpayers succeeded in depriving the Government of large amounts of honest revenue. It has always been found necessary in subsequent Congresses to amend the law with a view of closing up these loopholes and defects. In trying to remedy any such defects Congress is brought face to face with the fact that on account of the secrecy of income-tax returns it is unable to ascertain just what the defects are, and therefore is at a loss to know how to remedy the situation.

Publicity of income-tax returns would at once remedy this situation. It would place before the legislative body the exact methods and manner by which the intent of the law had been avoided. The income-tax returns would themselves show just how the law had been circumvented, and the remedy would be a comparatively easy matter.

Since the adoption of the income-tax amendment to the Constitution we have passed various revenue measures. We have never yet succeeded in enacting such a law that did not have many loopholes by which wealthy taxpayers were enabled to avoid the payment of their just share of revenue. We have known all the time we were not getting the money we ought to get, and that in many ways the spirit of the law was being violated, but we have not known with any degree of accuracy just how all these violations have taken place. Congress as well as the country has been in the dark to a great extent, and they have been in the dark simply and solely because of the secrecy that has surrounded the whole transaction.

The remedy for it all is publicity. When the method of avoiding existing law becomes known Congress can easily pass the necessary remedial legislation; but until publicity is had and these defects are known, Congress in trying to remedy the problem is simply groping in the dark and to a great extent guessing.

Secrecy deprives the honest man of a square deal. It increases the tax burdens of the honest man. It relieved the dishonest taxpayer from his just share of governmental burdens. It deprives the Government of hundreds of millions of dollars in revenue, and in addition to all this it surrounds Congress with a shroud of ignorance by which it is deprived of the knowledge necessary to pass remedial legislation. Publicity of income-tax returns will remedy it all.

PUBLICITY OF TAX RETURNS WILL INJURE NO HONEST TAXPAYER

It is impossible to conceive how any honest taxpayer would be injured by publicity. Every State in the Union provides for a system of taxation through the assessment of property by the public assessor. The returns of all these assessors are public documents, subject to examination by the public generally. No one has ever complained that this has brought any injury to any honest taxpayer. No one has even proposed that the tax returns of the local assessors should be locked up in secret. The merchant can go to the courthouse and get the tax returns of his competitor across the street. The farmer can ascertain without any difficulty all items of property listed by his neighbors. The return of the banker is likewise subject to public scrutiny, and no one has ever for a moment even claimed that such return might result in a run on the bank.

Everywhere all over the United States the assessment of property, both personal and real, is made in public, and the returns are public documents. From the date of the passage of the national bank act, all national banks have been required to make public returns showing not only their property but their profits as well. Similar laws are required from all the States in the Union on the part of State banking institutions; and it is conceded by everybody that such publicity tends to the financial strength of every honest banking institution.

It is sometimes claimed that publicity of income-tax returns would injure the credit of the individual or the corporation making the return. It is difficult to conceive how this could occur, except in a case where such credit ought to be, as a matter of good business, properly curtailed. If the return of the taxpayer shows that he is not entitled to credit and that his business is in a failing condition, then it would be to the interest of the public if honest investors were able to secure this information, so they would not make additional loans to an institution that was in a failing condition; and while in such a case it might prevent a corporation from getting additional money on account of the unsatisfactory condition of its business, yet it would save the honest investor in many instances from loaning to an institution not worthy of credit. Publicity might prevent some taxpayers from borrowing additional money, but it would be only in cases where they ought to be prevented from borrowing, and it would protect the honest investor from making such loans.

PUBLICITY WOULD PROTECT THE HONEST TAXPAYER IN GETTING REFUNDS WHERE AN HONEST MISTAKE HAS OCCURRED

It has no doubt very often happened that in making tax returns mistakes have occurred to the disadvantage of the taxpayer. The law ought to protect the taxpayer as well as the Government; and if a man has overpaid through some mistake or misunderstanding of the law, he ought to be able to have the excess refunded without the necessity of employing expensive attorneys to secure relief. The very large taxpayers are not the ones, as a rule, who make such mistakes. They employ experts in making their returns; but if a mistake does occur and the millionaire taxpayer pays more than he is required to pay under the law, he is able to secure a refund of the excess because his experts have knowledge of the error. The smaller taxpayer, as a rule, possesses no such knowledge, and if he has paid too much he never finds it out.

Mr. SIMMONS. Mr. President——

Mr. NORRIS. I yield to the Senator from North Carolina.

Mr. SIMMONS. In connection with this interesting portion of the Senator's argument, I should like to ask his opinion about a suggestion that has been made with reference to claims for refunds that might be made against the Government as a result of throwing open these tax returns to the examination of any person who might desire, for profit or from motives of curiosity, to examine them.

The Senator knows that there is a class of lawyers who specialize in tax cases, a great many of them in the Capital, and a great many of them who do not live in the Capital, but who nevertheless specialize in tax practice before the Treasury Department and the Board of Tax Appeals. Might not that class of lawyers—some of them, not all of them, it is asked—be disposed to capitalize this provision and take advantage of this opportunity to examine the tax returns of select taxpayers, with a view of seeing if they could not find some ground on which to hang a claim on the part of the taxpayer for a refund?

Having examined a return, such a lawyer finds that there is opportunity or pretext for such a contention. He puts himself in communication with the taxpayer and suggests to him that if the taxpayer desires his services he thinks he can help him get a refund from the Government. That, it is suggested, might become a very common practice, and it might lead to endless litigation which otherwise would never take place.

Mr. NORRIS. All right; let us suppose that it does.

Mr. SIMMONS. Let me ask the Senator further——

Mr. NORRIS. The Senator asks a question, and I should like to answer it. He can make a speech on it afterwards.

Mr. SIMMONS. I am not going to make a speech.

Mr. NORRIS. Very well.

Mr. SIMMONS. The Senator will remember that years ago, when the returns with reference to pensions were open in the Pension Bureau, it was claimed that attorneys were abusing the privilege and were using the information they gained by reason of this permission to examine the returns to stir up trouble with reference to the functions of the Pension Bureau; and I think the Government had to resort to some drastic means to stop that. I desire to ask the Senator if he thinks a similar situation might develop in connection with the practice of law here in these tax cases.

Mr. NORRIS. I shall answer that in two ways. First, I say, suppose it does? The Senator is afraid that eventually, if all these returns are made public, some lawyer will look at them and find that Mr. A has paid too much taxes under the law, and he will write to Mr. A and say, "You have paid $100 too much. I can get it back for you." Suppose that does happen, and suppose the Government pays it back. Why should it not pay it back? If Mr. A had been assessed too much and some lawyer found it out and got his money back, why was that not all right?

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. NORRIS. In just a moment. Let me answer further. I am not afraid of that. If anybody has paid too much taxes, he ought to have it back; and if any particular lawyer finds it out and charges a fee for getting it back, the taxpayer ought to get it back just the same, though I would rather have him get it back without having to pay a fee. If the returns were public, and if it were discovered that in a certain case Mr. A got back $100 because of a certain kind of error he had made, some other man who had made the same kind of an error would get his money back without paying any fee. He would not get it back if Mr. A's case were not made public.

What happens now, when these returns are secret? All the time men in secret, behind the doors of the Internal Revenue Bureau, get information about Mr. A and Mr. B, all down the alphabet a dozen times. Some employee in the bureau finds that out and resigns. Perhaps he has helped to bring about a ruling that will be favorable to a certain class. He has secret information that is not possessed by other attorneys, and he is in a position, therefore, to hold up the taxpayers because he has that secret information. He is in a position to say, "I will take your case if you will pay me a 50 per cent contingent fee." He knows what exists behind the closed doors; attorneys generally do not. So that the evil now is a thousand times greater wherever a refund takes place, and there are thousands of instances undoubtedly where there ought to be a refund where the honest taxpayer never finds it out.

A few days ago the Senator from Virginia told us of an incident that happened in the State of Virginia. Did Senators hear the eloquent Senator from Virginia state what is taking place now? His constituent would not have been held up to that degree if there had been publicity. But a secret knowledge obtained by men who are in the employ of the Government and who resign and go out enables them to hold up the taxpayers in the instances where they believe too large a tax has been paid.

Now I yield to the Senator from Michigan.

Mr. SIMMONS. Mr. President, if the Senator will pardon me——

Mr. NORRIS. First I yield to the Senator from Michigan.

Mr. COUZENS. I think the Senator from Nebraska in part covered what I was going to draw to his attention, that under the suggestion made by the Senator from North Carolina that might be an open matter, but under the present system it is a monopoly. I object to monopolies.

Mr. SIMMONS. Mr. President, I have no doubt in the world that the abuses to which the Senator from Michigan

called attention the other day have gone very far. These men in the department have seen the chance of making so much profit from the utilization of the information they gained in connection with their work in the department that they have been actually induced to resign their places and to go out and capitalize their information.

Mr. COUZENS. That is true.

Mr. NORRIS. That would not happen if we had publicity.

Mr. SIMMONS. If these records were open to every attorney or their tax experts, and they were permitted to capitalize this information, which would no longer be secret, I have an apprehension that the Treasury Department might be flooded with lawyers examining returns to see if they could not work up a case.

Mr. NORRIS. Suppose it is. If the Treasury has the taxpayers' money unlawfully, what objection can there be to some one examining the records and seeing whether they have made a mistake? That is publicity.

Mr. SIMMONS. There is no objection, if a mistake has been made; but I do not think it is wise public policy to invite men to go into the department, offering them a high inducement to work up cases, and then, through the taxpayer, bring about litigation.

Mr. NORRIS. There is no such inducement.

Mr. SIMMONS. I fear the Treasury Department might be flooded with cases that never would be opened up but for that fact.

Mr. NORRIS. There is no such inducement in this amendment. There is no such reward offered by this amendment. It takes away the monopoly that exists now in a few who get the knowledge in secret. This amendment gives no monopoly.

Mr. SIMMONS. The information which some experts of the department have obtained is capitalized and has become a source of profitable practice to them. If these records are opened to every lawyer who practices before the department, I have a suspicion, I have a conviction, that it will be utilized and capitalized tenfold as much as now.

Mr. COUZENS. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. COUZENS. In reply to the Senator from North Carolina, it is not the information contained in the returns themselves that makes this inside information valuable. The mere returns of the taxpayer contain nothing that offers a suggestion to the attorney or the taxpayer, but it is the fact that only 15 per cent of the precedents, the rulings, used for determining these cases have been available. It does not matter whether you go and look at the income return——

Mr. SIMMONS. The Senator has not caught my point at all. I say that in the department there may be a germ of information which might lead to litigation, and these gentlemen who are seeking to increase their practice and to create new practice will go and hunt out those defects with a view ultimately of making profit out of it.

Mr. COUZENS. The Senator thinks I have not caught his point——

Mr. SIMMONS. It may be that I was mistaken.

Mr. COUZENS. I have his point exactly, but I think the Senator is confused. There is nothing in the return that a lawyer can find that will enable him to manufacture a case, because if all the rules and regulations are published there are no precedents, there is no information from which he can manufacture a case that is not already in the rules and regulations that are used to determine the taxes.

Mr. GLASS. If there is nothing of value in the return, why make the return public and print it in the newspapers?

Mr. COUZENS. That is outside of the question.

Mr. GLASS. It is not outside of the question at all. That is the real question we have here.

Mr. CARAWAY. And the only question.

Mr. NORRIS. If the Senator's objection is a good one, the thing can be reversed. If there is nothing in it, if it does not make any difference whether it is public or secret, we are all fooling away our time.

Let us get the point of the Senator from North Carolina. He said that if we make these returns public a lot of lawyers will look over the returns and find out where the taxpayers have been paying too much money unlawfully, either by mistake or otherwise, and they will write to the taxpayers and tell them about it, and it will become a great business. It will not become a great business unless the taxpayers have been unlawfully assessed, and if they have been unlawfully assessed, let it be a great business or any other kind of business, no excuse can be made on the part of the Government for refusing to pay back money to a man which has been paid unlawfully and through mistake in the way of taxation. It does not make any difference whether there are a thousand of them or a million of them; whenever there is such a case the man ought to have his remedy, and he ought to have his money back. Of course, there will not be millions of such cases. The Senator has an exaggerated idea of that.

Mr. SIMMONS. I did not say there would be millions. I said there would be a flood of them.

Mr. NORRIS. The Senator said it would result in a big business, in a lot of money being taken from the Government. If the Government has obtained money to which it is not entitled, it ought to pay it back. We ought to be just as anxious to refund the money unlawfully collected from a taxpayer as we are to have the man who has not paid enough pay what he ought under the law.

Publicity of income-tax returns and of the refunds of excess taxes that are made would bring relief to those who have overpaid their taxes and have not discovered it.

Again, the honest man would benefit by publicity, and publicity is about the only remedy that would bring him relief.

Publicity, therefore, would not only correct the evil and enable the Government to get money improperly withheld from it, but it would bring relief to the honest taxpayer who has overpaid on account of ignorance or misunderstanding of the law.

Secrecy in governmental affairs brings corruption. All governmental business should be transacted in public. This is one of the fundamental cornerstones of every free government. Secrecy in governmental affairs will ultimately and surely bring corruption. If we should extend the secrecy now prevailing in our Internal Revenue Bureau to all branches of the Government, it would ultimately bring about the destruction of the Government itself.

No free government can long endure when its business is transacted behind closed doors and important and fundamental matters of government concealed from citizenship. Transaction of governmental affairs in secret may at the beginning be honest and honorable, and the public officers may in this secret way start out on a honest basis, but as time goes on the public official himself who is doing his official work in secret and concealing his official acts from the eyes of the public will eventually become corrupt. Dishonest men will seek such positions for the profit there is in the office rather than for the salary that is paid.

The cure for such governmental evils is publicity. One of the most important functions of government is the levying of taxes. No government can exist without them. Every citizen in one way or another contributes of his financial means to the common governmental funds. If this most important function of government is to be transacted in secret, and the official acts of those in office concealed from the public, then the burdens of patriotic citizens will be necessarily increased, respect for government and for law will disappear, and ruin and desolation will eventually take the place of honest government.

For more than 10 years we have had secrecy in the Bureau of Internal Revenue. During that time more than 60,000,000 returns have been made. That bureau has handled over $38,000,000,000 of public money. It has over 6,000 employees, all of them transacting public business in secret. For more than 10 years, for about 13 years, in fact, this has been going on, and the first time the public ever had an inkling of what was going on was when the so-called Couzens committee started on its investigation. It is not necessary to charge the officials with being corrupt. It is not necessary to say that the head of this bureau or that department is dishonest. The fact that they are doing a secret business, where they have as many employees as are in that bureau, means that favoritism will result. Let us admit that all the superiors are honest, doing their duty. It is impossible for them to know what is going on in detail throughout that great bureau, and when the public is kept in ignorance of it, how can you expect a fair and an honest result to come from such secrecy carried on to the very great extent that it is necessary that the business should be carried on?

Would any man want to extend the secrecy that characterizes the transaction of the financial affairs of our Government to all of the departments?

Should we make the Department of Labor a secret institution? Should we make the Department of Agriculture secret? Would any citizen stand for a moment for secrecy of legislative proceedings here where we are doing public business? And yet, legislating for the people, we are deprived of knowledge of methods to remedy any defect in our laws as far as

our internal revenue is concerned, as far as the collection of billions of dollars is concerned, because of the cloak of secrecy that surrounds that institution.

Mr. President, I am going to read one or two opinions of men who have stood high in the councils of the Government and who have stood high even in the councils of the world. I am going to bring to the witness stand one man at least whom some Senators, who are afraid we are going to ruin our Government if we let the sunlight of publicity shine in, will admit is a strong witness. I am going to bring one witness whose opinion at least Senators must respect even if they have no respect for my opinion or the opinion of those who believe as I do.

First, I want to read an article written by Horace Greeley. In an editorial in the New York Tribune May 24, 1866, he wrote:

> The Evening Post has a Washington dispatch which says: "The Committee on Ways and Means have agreed to an amendment of the tax bill providing that lists of incomes shall not be published nor furnished for publication, but they shall be open to private inspection at the office of the collector."
>
> We would like to believe this untrue. We believe that publicity given to the returns of income submitted by individuals to tax gatherers has already put millions of dollars into the Treasury and gone far toward equalizing the payments of the income tax by rogues with that of honest men and saved thousands from being imposed upon and swindled by false pretenses of solvency and wealth, made on purpose to incur debts preordained never to be paid. The knaves who sought credit on assumption of wealth belied by their returns of incomes, of course, hate publicity given to those returns; but why should an honest man seek to pass for any more (or less) than he is worth?
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> * * * * * * *
>
> We learn that the publishing of the list of income-tax payers in this city, against which there has been so much absurd outcry, is likely to prove beneficial to the revenue as well as to the consciences of some of our "best citizens." Already, as we understand, considerable sums have been returned to the assessors and paid to the collectors by persons who have discovered "errors" in their original returns of incomes since the publication of the lists referred to, and assessors have received valuable information in reference to the incomes of some gentlemen who should, but have not yet, amended their returns.

Mr. President, let me call an ex-President of the United States as the next witness. If he were in the White House to-day, instead of President Coolidge, there would be no doubt of the adoption of the amendment. There would be no doubt that the influence of his administration would be used in favor of the enactment of a law which would provide for publicity, and those who follow sometimes blindly, I think, but always lawfully, I concede, the advice of the President, who is supposed to be the leader of their party, would stumble over each other to support the amendment instead of trying various methods of finding fault with it. Listen to Benjamin Harrison, former President of the United States and one of the great minds of his day. He made a speech before the Union League Club of Chicago on February 22, 1898, and the subject of his address was "The obligations of wealth." He said:

> We have too much treated the matter of a man's tax return as a personal matter. We have put his transactions with the State on much the same level with his transactions with his banker, but that is not the true basis. Each citizen has a personal interest, a pecuniary interest, in the tax returns of his neighbor. We are members of a greater partnership, and it is the right of each to know what every other member is contributing to the partnership and what he is taking from it.

He said again:

> The great bulk of our people are lovers of justice. They do not believe that poverty is a virtue or property a crime. They believe in an equality of opportunity and not of dollars. But there must be no handicapping of the dull brother and no chicanery or fraud or shirking. If our plan of taxation includes notes and bonds and stocks, they must be listed. The plea of business privacy has been driven too hard. If for mere statistical purposes we may ask the head of the family whether there are any idiots in his household and enforce an answer by court process, we may surely, for revenue purposes, require a detailed list of his securities.

I wish Senators would remember that paragraph. We provide by law that the head of the family must give the information he has mentioned. He must tell for the purpose of statistical information required by the Government even whether any of his children are idiots, whether they are born out of lawful wedlock, whether they have color blood in their veins. He must answer all those questions. He is forced to answer them. Nobody complains about that. We say that is right, because we are getting statistical information.

But when we come to inquire, "What is your income; how much did you make in Wall Street; how much have you made on bonds; how much have you made on this or that transaction?" then we say, "Oh, that is private information, and we can not get it." The dollars are much more important than the welfare of the human race. "You care more to keep private the ill-gotten gains you are making than you do to disclose the innermost secrets that exist in the family relations." My God, Mr. President, it seems to me that can not be possible in a free government. When it comes to the dollar then a man can close his mouth, but we can require him to say whether he is legally married to the wife with whom he is living; we can require him to tell whether his children were born before marriage or afterwards; we can delve into anything of that sort simply for the sake of statistics, to give information, to give publicity. But when we ask how he made this dollar, then he can draw a shroud of secrecy about himself and say, "That is none of the Government's business." Do not make a man tell about his contributions. He may not want to do it. Do not make him disclose the source of the dollars he has made during the war, even though we do compel him to tell everything socially or morally that might disgrace him in the eyes of the public; but save him from divulging the source of his wealth. Yes; those who want this would go to church on the Sabbath Day; they would sing halleluiah to the great King; they would make contributions liberally as the box was passed; they would wind up the service by hailing the great King halleluiah; but if the lowly Nazarene on Monday morning went into the place of business and asked to look at the books to see how this money was made, they would pick Him up by the back of the neck and kick Him out into the dirty alley. Money is sacred even beyond human life.

Let me read further from what Benjamin Harrison said on that occasion:

> The men who have wealth must not hide it from the taxgatherer and flaunt it on the streets. Such things breed a great discontent. All other men are hurt. They bear a disproportionate burden. A strong soldier will carry the knapsack of a crippled comrade, but he will not permit a robust shirk to add so much as his tin cup to the burden.
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> There is a feeling that some men are handicapped; that the race is sold; that the old and much-vaunted equality of opportunity and of right has been submerged. More bitter and threatening things are being said and writttn against accumulated property and corporate power than ever before. It is said that, more and more, small men, small stores, and small factories are being thrown upon the shore of financial drift; that the pursuit of cheapness has reached a stage where only enormous combinations of capital, doing an enormous business, are sure of returns.
>
> It is a part of our individual covenant as citizens with the State that we will, honestly and fully, in the rate of proportion fixed from time to time by law, contribute our just share to all public expenses. A full and conscientious discharge of that duty by the citizen is one of the tests of good citizenship. To evade that duty is a moral delinquency, an unpatriotic act. I want to emphasize, if I can, the thought that the preservation of this principle of a proportionate contribution, according to the true value of what each man has, to the public expenditures is essential to the maintenance of our free institutions and of peace and good order in our communities.

The wealth of the country has attempted to discredit the law making income-tax returns public. It is argued that such publicity is annoying and embarrassing to the taxpayer. I grant that it is, but making public the amount of assessment and taxes on real and personal property also is annoying. It is embarrassing to be called into court as a witness and compelled to bring your books and papers and give testimony in public in regard to your business, and many times your family matters, and have the newspapers publish it, yet people are compelled to do this frequently. It is annoying to a bank to have the bank examiner look over every book and paper in the bank. It is embarrassing for a bank to publish its statement when it may show a loss of deposits and that it is losing ground in comparison with its competitor in the same town, yet the public good requires it, and since such examinations and publicity have been given, there have been fewer bank failures, so that no one would advocate abandoning such examinations and publishing the bank's statement.

Mr. President, as I said a while ago, there has been, so far as I know, no objection anywhere in the United States to the publicity of tax returns which exists everywhere under State law. The only reason why this clamor against making income-tax returns public exists is because a few of the very large tax-

payers, those who have immense fortunes, do not want them made public. No adequate excuse so far, in my judgment, has been offered why there should not be publicity. I have not heard anyone claim that publicity would injure him financially; I have not heard anyone claim that it would injure him morally. We have had one Senator state to-day that it is not right because men's contributions to charity would be made public, and some men do not want such contributions made public. Concede it; but there are some other men, good men, who do not want such contributions made public. I myself have a great abhorrence to paying any tax; I do not like to pay taxes; it is a burden on me. Why should I be required to pay taxes? I do not wish to do so. Why should publicity be given if a man does not desire it shall be given?

It has also been said that it will deter men from making contributions to charity. On the other hand, I suppose there are some men not in as good a class, I concede, as those conscientious individuals who do not want to give publicity to their charitable acts, but men who like to have their contributions advertised, who would probably make more charitable contributions if those contributions were made public than they otherwise would. Are we going to handicap the law because of such silly excuses as that? Are we going to have the billions and billions of public funds handled behind closed doors, without even Congress having any knowledge of the method in which they are handled? Are we going to conceal from view, even of the legislative body of the country, the thousands of income-tax returns, making up the great bulk of the income of the Government, simply because of what to me seem such almost foolish objections as that somebody does not like it; somebody does not wish to have his profits known? As Benjamin Harrison once said, It may be embarrassing to some, but it is not a serious matter.

I have been getting letters from all over the United States inspired by this great propaganda opposing publicity of income-tax returns. I remember getting one letter from a lawyer in one of the great cities of the United States making an extended argument against publicity of income-tax returns on the ground, and the sole and only ground, that it would enable his competitors, the other lawyers in the city where he lived, to know how much income he made. He said, "They will find out I am making a great deal more money than they think I am making; they will realize I am charging bigger fees than they think I am charging." That was annoying to that man; he did not want that information to be given to the other lawyers of the town. But is that a serious matter? Shall we permit a bureau of the Government, where nearly all the money of the taxpayers in the United States is handled, to proceed in secret? Shall we continue that practice forever merely because some silly, little objection of that kind is made?

Our duty, the duty of every citizen to the public, it seems to me, even though we believed it would in some instances grate on the consciences of the taxpayers, demands that there should be publicity for the public good as well as for the protection of the taxpayers who are willing and anxious to pay what they justly owe under the law.

The Senator from Utah said in the course of his address at the beginning of this debate:

> It is not apparent that any useful purpose has been served by the publication of the amount of income tax paid by the various taxpayers.

I am inclined to agree with the Senator from Utah in that statement. The thing that I am asking for now, and that I am contending for here is not the present law; I concede that there can not be much good come from the existing law, but I hope Senators will not get into their minds the fact that that is what we are contending for. I tried to make plain at the beginning that that is not the object of this amendment. This amendment is exactly, as I have previously stated, word for word, the language that we put into the preceding tax bill, but which went out when it got into conference. Further along in his speech the Senator from Utah stated:

> It is not apparent that the information so disclosed has been intelligently availed of by anybody. The Treasury Department has been unable to trace any additional tax receipt from the fact of publicity.

I concede that. The information as disclosed has not brought in any additional receipts, because the publicity that is now provided by law is practically nil, for it does not give any information that would be of any value to the Congress in making a new law and very little value to the citizen generally if he wanted to criticize the tax returns of the large taxpayer.

The Senator from Utah again stated:

> In other words, the publicity feature is an additional incentive for delay in the final settlement of tax liability and is a hindrance rather than an aid to the Treasury Department in its desire to have tax matters settled as promptly as possible.

I think that is unimportant, although I do not agree with that statement. The Senator from Utah further stated:

> To the contrary, there is every incentive for concealment of actual facts generally for reasons based upon a construction of the tax laws as to which there may be an honest difference of opinion. So that actual fraud neither can be charged nor proved.

That is true under existing law.

Mr. President, I have introduced an amendment to the bill which provides that all returns shall be public records and open to inspection. It is evident the remarks of the Senator from Utah are as well directed at this amendment as they are the existing publicity provisions of the law.

We may well realize the Treasury Department has and probably will not find any additional tax because of public records, for the Treasury Department has been and is to-day committed against the public knowing anything concerning the administration of the tax laws or of the public having any records of the work of the Income Tax Bureau.

But as to whether publicity results in increased revenue to the Government, I think can be understood without difficulty. We recently had an inquiry by a select committee of the Senate relative to the administration of the tax laws. There we had some publicity, some examination of the returns of taxpayers, and there is no one who will contend that the Treasury Department has not found much additional revenue as a result of that inquiry.

The report of the majority of the select committee, on page 4, says:

> All amortization allowances exceeding $500,000 have been reviewed by the committee's staff, and improper allowances in this class alone appear to amount to $210,665,360.40. The tax on about two-thirds of this amount can be saved to the Government by prompt action of Congress.

Is there anyone who will contend that that condition would have been exposed had it not been for the publicity obtained through this committee? Is there anyone who will contend that the Treasury Department would have stopped these improper allowances had it not been for this investigation? The tremendous refunds of the last few years is a mute answer to that question.

But, if there is anyone who will contend otherwise, I am told that the representatives of the bureau fought and opposed the representations of this committee at every step and defended everything that had been done and was being done. When it was shown that the United States Steel Corporation had spent more money for plant extension in the post-war period than it spent during the war period, and yet was being allowed some $25,000,000 of amortization because the corporation contended the war plant was waste, I understand the bureau defended and fought any contrary view, and only after days and days was there any admission that the whole thing was wrong and would have to be corrected. Is there anyone who will contend that the bureau, admittedly in this frame of mind, would have corrected that condition had there not been an investigation and publicity?

Mr. President, I take it from the committee's report that the United States Steel Corporation was claiming amortization to the amount of $25,000,000. It is claimed that under the law it was entitled to that deduction for amortization because during the war it had expended that much in new plants, but it developed, so the select committee says, that that was not true. If during the war, for a war purpose, the Steel Corporation had expended money and built new plants simply for war purposes, and after the war they were useless, under the law they would be allowed to amortize that expenditure, to deduct it and get credit for it in their subsequent income-tax returns; but if it developed, as the committee says it did develop, that they had more business after the war then they had during the war, and that these plants erected during the war were after the war working 100 per cent, then under such a condition they were not entitled to that $25,000,000 deduction, for there had been no expenditure as a war proposition that would enable them to amortize it.

Did anybody in the country know what was going on? No. Did anybody know that they were about to get a deduction of $25,000,000 when they were not entitled to it under the law? No. Publicity of this committee's work gave the country knowledge of it; and while the question is undetermined as yet, it is believed that this money would not be taken from the

Treasury of the United States. Publicity has saved it, if it shall be saved. If the statements are correct, then the bureau had no legal right to give that $25,000,000 back to the United States Steel Corporation, and they never would have attempted to do it if there had been publicity. The proceedings, however, went on in secret.

I concede that there may be a contention that all of it or part of it ought to be amortized. From what the committee says, I judge that can not be so; but, admitting for the sake of the argument that it is a disputed question, yet with $25,000,000 of the taxpayers' money at stake in the case of this one corporation alone can anyone defend a proceeding behind closed doors? Would it hurt anybody if that case were admitted to the public gaze and tried as I must try my lawsuit in a court of justice? But it is said——

Mr. SMOOT. The bureau never allowed that case. It is not settled to-day.

Mr. NORRIS. No; it is not settled as yet; but the committee says that everybody in the bureau was contending that it should be settled; everyone there was fighting for it; they were all on the side of the Steel Corporation.

Mr. SMOOT. It would have been settled if that had been the case.

Mr. NORRIS. It has not been settled as yet, but even though you go so far as to concede that the amount ought to be allowed, the very fact that that amount of money in which the Government has a direct interest is at stake should be sufficient to condemn a secret proceeding behind closed doors and call for the doors to be opened in order to let the public know what is being done with their own property.

But it is said by the Senator from Utah:

> There may be an honest difference of opinion.

Is it not strange that in such a situation as that of the United States Steel Corporation the difference of opinion weighs so heavily against the Government until the thing is exposed? Is it not strange that there should not be any difference of opinion until publicity comes on, and that these secret governmental officials are all in favor of the Steel Corporation rather than the Government—until the doors are opened, at least? If we have public records, is it not fair to believe as a result of this recent investigation that publicity will force this bureau to decide now and then that the Government is entitled to some consideration when there is a difference of opinion?

The Senator from Utah adds that actual fraud can neither be charged nor proved.

Let us consider that statement. Unless we have public records, of course, anyone interested in defending the Treasury Department can make those general statements and get away with them. We have had some slight publicity through the select committee, and I desire to read some excerpts from their report.

The National Aniline & Chemical Co. case is reported on page 203 of the report of that committee. I will read from that part of the report on page 205. Referring to certain intangible values illegally allowed by the bureau, the report goes on to say on page 205:

> If this action was correct, the vendor companies were liable for income tax on the profit which they received upon the sale of these intangibles. In relation to this matter Solicitor Mapes, in a memorandum to the commissioner, said:
>
> "The third question in this case is whether the several constituent corporations realized income at the time of the exchange from the transfer of their assets to the National Aniline & Chemical Co. in exchange for its stock. My opinion on this question was that the constituent corporations realized income from the exchange measured by the difference between the cost or value as of March 1, 1913, of the property and the market value of the stock received in exchange.
>
> "I understand that the legal correctness of my opinion on this point is not questioned, but as a matter of policy it is deemed advisable to close the case on the other basis in accordance with which it has been prepared.
>
> "This is a matter of policy concerning which I hesitate to express an opinion."

That was the solicitor speaking. The report of the committee continues on this point:

> The vendor companies were not taxed on the profit made by them on the sale of the intangible assets above mentioned.
>
> Thus in the month of June, 1922, the Commissioner of Internal Revenue, against the advice of the solicitor, grants as refund of $3,035,771.55, which is largely based upon an allowance, as invested capital, of an excess of the amount allowable to the former owners of this property, and in the same month publishes a cumulative bulletin proclaiming that such a thing can not be done under the circumstances in this case.

I want to read from a part of this committee's report a little beyond the quotation that I have just read. This is some more of it:

> From the solicitor's memorandum above quoted it also appears that the tax on $11,500,000 of profit is also waived "as a matter of policy," although the legality of the tax is not questioned.

What do we have here, Senators? The legality of the tax on $11,500,000 not questioned, says the committee. Nobody questioned the legality of the tax and yet they waived it, and in their language—I presume it is copied from the order waiving it—it was waived; why? "As a matter of policy"; that is all—secret, behind closed doors!

Would anybody have been injured if that had been done in public? Mr. President, if there had been no secrecy that would not have occurred. If the officials who waived the tax on $11,500,000 knew when they waived it that their action was going to be public they would not have waived it; and that is what I have been contending for. If we had publicity these things would not occur; at least, not all of them.

Did anybody know that that was going on? Did anybody know that this Aniline & Chemical Co. was having a secret hearing behind closed doors, and that our officials in secret were waiving a tax that they said was legal on $11,500,000 of income? Did anybody know it? Was there any way to find it out? It never was known until this committee gave some publicity to it.

Senators say: "Oh, this committee have not found any fraud. They have not found anything bad." Was that fraud? Was there anything about it that was wrong? Is there any man who can defend carrying on the official business of our country with that much involved and doing it in secret, keeping it from the very officials of our own Government? Is there any defense for such action? I should like to hear somebody defend it. I should like to have somebody tell the reasons for secrecy in the Internal Revenue Bureau in this case. Would it have hurt this company any to pay the tax that the committee say was legal, and its legality conceded? Would that have been embarrassing to them? Were they afraid that their competitors in the chemical business would find it out; and is that a sufficient excuse for this secret action of our governmental officials? Is not that a fraud which can be charged and proved? If the Solicitor of the Bureau of Internal Revenue makes a statement that a certain tax is legally due, and that no one questions the legality of the tax being due, but that, "as a matter of policy," the commissioner decides not to collect such a tax, is not that a fraud upon the Government?

Turning to another page of the report, page 98, we have a discussion of the case of the Standard Oil Co. of California. In that case, despite the legal opinion of the solicitor and the order of the commissioner, the chief engineer of the bureau determined to adopt a policy which would give the Standard Oil Co. about $3,000,000. While that is not a consummated fraud, is it not an attempted fraud?

Let me read from that case of the Standard Oil Co. of California:

> This case is of great importance, as illustrating the lack of control by the Commissioner of Internal Revenue over the engineering division of the Income Tax Unit, the general attitude of the head of the engineering division and the chief of the oil and gas valuation section toward the Government and the oil producers, and the kind of reasoning which governs this work.
>
> The regulations (reg. 45, art. 223) permit an oil producer to deduct development costs, as either current expenses each year as they are incurred, or to capitalize such costs and deduct them through depletion. This regulation provides that "An election once made under this option will control the taxpayer's returns for all subsequent years."

Let us get that. Under the law this corporation had a right to deduct its development costs from its yearly income as current expenses.

It did not have to do that, however. It could capitalize such costs and deduct them through depletion. It had its choice. It could do either one. The only thing required is that when it decided which way it would do, that should apply to all the years. In other words, it could not do one way this year and another way the other year. So this corporation decided, from the very beginning of its organization down to and including 1921, to capitalize its development costs. That was perfectly all right. It had a perfect right to do it.

> The taxpayer's original returns conformed to this practice, and the tax computed on this basis was paid.

Later, however, this taxpayer discovered that if, instead of treating these development costs as expenses, it had taken the other course it would have saved some money.

It was found that to convert such development costs from a capital into an expense item would reduce this taxpayer's taxes for the years 1918 to 1920, inclusive, $3,378,921.35.

They did this at the beginning; but when they got up to these years they found that as to these years they would have made more money if they had taken the other course; they would have saved some taxes; and so they proceeded to do it.

Now, there were the facts.

Mr. COPELAND. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Nebraska yield to the Senator from New York?

Mr. NORRIS. Yes.

Mr. COPELAND. How did they do it?

Mr. NORRIS. I am going to tell the Senator. I am going to read just how they did it:

It was claimed by Mr. Thayer, chief of the oil and gas valuation section, that in May, 1922, an oral agreement was entered into—

Remember, now, that was in May, 1922—

between the representative of the oil and gas valuation section and the taxpayer that in consideration of the waiver by the taxpayer of an unsubstantiated claim of some description, of which there is no record, the taxpayer would be permitted to file amended returns for 1918 and subsequent years, in which development costs would be deducted as current expense.

They had had the benefit of the other course up to 1918, getting the benefit as they decided. First, they decided to capitalize these costs. They did that as long as it was profitable, and when the profit would turn the other way they reversed the procedure, contrary to law and regulation, and made both of them work, as far as some of the officials of the bureau were concerned. They had to have an excuse to do that. They had to have some reason for it. They wanted to file amended returns and get their action reversed so as to make this something over $3,000,000; and as an excuse they concocted the scheme of having one of the employees—it was Mr. Thayer, the chief of the oil and gas valuation section—make an oral agreement, of which there is no record. The only thing we know about that oral agreement is that in consideration of some things which are not told, which may never have existed, they were going to be permitted to file amended returns, absolutely illegal, absolutely contrary to any warrant of law. They filed the amended returns, however; and so afraid were they of getting into trouble over filing those amended returns that they never signed them. As a matter of law there never was an amended return, because to be a return the paper must be signed and sworn to by somebody; otherwise, it is nothing but a scrap of paper. But these amended returns were not sworn to. They were not even signed. Did anyone know about what was going on there? No; it was done in secret. We never would have found it out if it had not been for this committee.

This would set a precedent under which other taxpayers could sustain claims for refunds to the amount of approximately $25,000,000 (Exhibit 12). (2825.) On September 1, 1922, the taxpayer was notified that such amended returns would be received.

On May 7, 1923, the taxpayer filed unsigned amended returns, in which development expenses were treated as capital charges (2806).

On June 9, 1923, the rules and regulations section ruled that the amended returns, changing the development costs from capital to expense charges after the taxpayer had elected to capitalize such costs, could not be received.

Mark you, the rules and regulations section ruled that that could not be done. Of course, it could not be done. Of course, it was a violation of law. In the first place, their amended returns, unsigned, unsworn to, would not justify them in doing anything, even though the act that they wanted to do had been legal. But it was illegal. It was a violation of the regulations. It was a violation of their own election. They sought to have it done without filing anything except what they called unsigned returns.

Let us follow this case. It is like a lawsuit, although it is being tried behind closed doors. Mr. Thayer, an unimportant employee, decided that the Standard Oil Co. of California could make a change in their returns which would yield them a benefit of something over $3,000,000 in taxes. He said it was an oral agreement, and in accordance with that agreement they had filed unsigned amended returns, which Thayer said would be all right.

Mr. SMOOT. They never got the refund, however.

Mr. NORRIS. Not yet. They probably would have had it if it had not been for this committee.

Mr. SMOOT. They would not.

Mr. NORRIS. They probably would have gotten it if it had not been for publicity, although it was contrary to the ruling of the commissioner himself, and of the solicitor, as I shall show.

On June 9, 1923, the rules and regulations section ruled that they should not be allowed to file this amended return and could not get this money back. On July 9 the solicitor sustained the regulation. He held that, as a matter of law, that could not be done. That should have settled it, should it not? It would have settled it if it had been out in the open day, but it did not settle it behind closed doors.

On September 10, 1923, Mr. Thayer—

The man who told them originally they could do this—

recommended that, notwithstanding the solicitor's ruling, the regulations, and all former precedents, the case be closed on the basis of the amended returns.

What do Senators think of that? Would that ever have taken place if there had not been secrecy there? Would anybody have dared to take that course? Would anybody for a moment have thought that such a thing would take place if there had been publicity?

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. NORRIS. Yes.

Mr. REED of Pennsylvania. In the first place, I understand they never did get their money, in spite of all this secrecy.

Mr. NORRIS. I am coming to that. Do not worry about that.

Mr. REED of Pennsylvania. In the next place, I am wondering how the Senator thinks his amendment providing for publicity of returns would make public the auditing such as he is talking about here.

Mr. NORRIS. I am coming to that. I will take that up, too. I am glad the Senator called my attention to that, for I might have forgotten it. If I do forget it, I hope the Senator will call my attention to it again, because I do not want to overlook that matter. There is quite a point in it for publicity.

Senators are anticipating me. They say, "Why, they did not get the money." They have not gotten it yet, it is true. But they do not say anything about this thing going on in secret. Nobody comes out, even in the Senate, and says, "It was all right to do that kind of business in secret." Nobody says that we would ever have known anything about it if it had not been for this Couzens committee. Now we have it, that the solicitor, as a matter of law, has disapproved it and said it could not be done, and this employee, Mr. Thayer, away down below the solicitor, recommended that, notwithstanding the solicitor's ruling, notwithstanding the regulations, notwithstanding all former precedents, "this case be closed on the basis of the amended returns." In other words, this secret tribunal, this man doing business for the public in secret, said, "Give them this money, even though it is a violation of law, even though it is a violation of every precedent, even though it goes contrary to the opinion of the solicitor himself."

Mr. SMOOT. Mr. President, the Senator knows, does he not, that all claims over and above $50,000 have to go to the solicitor?

Mr. NORRIS. Do not get off on that tangent.

Mr. SMOOT. It is not a tangent; it is a fact.

Mr. NORRIS. Of course, it is a fact, but it has nothing more to do with this case than a last year's bird's nest.

Mr. SMOOT. There is no man——

Mr. NORRIS. Let us keep to the text. Let us stay with this case.

Mr. SMOOT. If the Senator does not want to yield, that is all right.

Mr. NORRIS. Of course, I will yield; but I am not going to yield to the Senator to talk about the weather.

Mr. SMOOT. The solicitor is not the weather.

Mr. NORRIS. I am not going to have my attention distracted from the Standard Oil case, about which I am talking. Let us get through that, and then we will talk about anything else the Senator wants to talk about, even about the inspiration of the Holy Scripture.

Mr. Greenidge concurred in Thayer's recommendation.

On September 29, 1923, Mr. Bright, Deputy Commissioner in charge of the Income Tax Unit, with all the facts before him, ordered the case closed on the unsigned amended returns.

We are getting up a little higher. We have gotten up now to a deputy commissioner. He orders this done; in secret, it

is true. Would he have done that if there had been publicity? I do not believe he would. I do not believe he would have said, "Violate the order of the solicitor; violate every precedent; violate the rules; but allow this thing to be done." He would not have dared do that if he had had to act in public. But he was acting in secret, and so Thayer said:

We will do this anyway, no matter what the law officer says, no matter what the regulations are; we are going to give the Standard Oil Co. this money.

Then they notified the taxpayer that it was going to be done.

The amended returns were audited and resulted in a certificate of overassessment for a refund of $3,378,921.35.

That is the money that was involved in this secret transaction.

In accordance with the regular procedure this certificate of overassessment, involving more than $50,000, was sent to the solicitor for his approval.

Now, it gets back to him the second time.

The solicitor, Mr. Nelson T. Hartson, in a memorandum to Deputy Commissioner Bright, under date of January 29, 1924, says:

This certificate results from permitting the company to file amended returns in which there is charged to expense various items theretofore capitalized.

This office in a memorandum to you, under date of July 9, 1923—

He wrote this in January, 1924—

held that as a matter of law this could not be done, and for that reason the certificate is returned to you without approval.

It is understood, however, that the proposed adjustment has been discussed with the commissioner and you should dispose of the case as directed by him. File is herewith returned.

This brought the case to the attention of the commissioner himself, whose action is shown in the following memorandum. This is dated February 20, 1924:

My attention has been called to your letter of September 29, 1923, in regard to the Standard Oil Co. of California, wherein you advise the company that its amended returns for 1918 and subsequent years in which intangible development items previously capitalized or charged off to expenses will be accepted, and notifying them that their case will be audited on that basis.

I think your letter is in error. It appears that you based your letter on some verbal understanding had between the conferees of the natural resources division and the representatives of the company. Any verbal understanding of an important matter like this is most unfortunate, and I do not feel that the bureau can be bound by it. In the first place, a matter of so much importance should be reduced to writing; in the second place, while great weight is given to agreements on the part of conferees, their agreements are not binding, and no agreement can be binding unless it is approved by the commissioner.

This matter was called to my attention some months ago, and the facts as presented indicated that perhaps the understanding between the taxpayer and the conferees should be carried out, but a thorough investigation of the file convinces me that this would establish a dangerous precedent and should not be done. You will therefore please notify the taxpayer.

D. H. BLAIR, *Commissioner.*

Listen to this:

Notwithstanding the foregoing memorandum of the commissioner, the two rulings of the solicitor, the ruling of the rules and regulations section, as well as all of the published precedents, Mr. Greenidge, as late as November 26, 1924, did not acknowledge defeat in his effort to secure this refund of over $3,000,000 for the Standard Oil Co. On November 26, 1924, Mr. Greenidge—

A Government official, acting behind closed doors—

writes Mr. Bright as follows:

November 26, 1924.

In re: Standard Oil Co. (California), San Francisco, Calif.

Mr. J. G. Bright,

Deputy commissioner.

With reference to the still undecided question—

He says it is undecided. It had been decided twice by the solicitor; it had been decided once by the commissioner himself, the head of them all; it was contrary to every precedent that had ever been set up in the bureau; it was a violation of the rule, as everybody admitted, and yet this man Greenidge said it was still an undecided question.

With reference to the still undecided question of whether or not this company should be permitted to file amended returns in which development costs previously capitalized are charged to expense, your attention is invited to the attached copy of a recent recommendation from the solicitor's office, particularly to issue No. 4.

In the case of the Standard Oil Co., a certain part of its income is impounded each year from 1914 to 1920. It appears, therefore, under the solicitor's recommendations referred to, that this company might file amended returns reporting these impounded funds as income for the year in which they accrued. The adjustment necessary to file these amended returns would be relatively small, as the amount of funds impounded is not large, but once the right to file amended returns on any basis is conceded a precedent would be established for accepting amended returns for 1918 and subsequent years in which adjustment would be made not only for impounded funds but also for the change from capitalized development costs to expensed development cost.

It is suggested that this matter might be discussed informally with the solicitor.

Think of that ingenious proposition, where the commissioner, where the solicitor, where the bureau, where everybody had ruled against Mr. Greenidge. It does not appear that there is any way for the Standard Oil Co. to get this $3,000,000, and yet he does not give up. He says:

Here is a thing that might be used for the purpose of giving them the right to file amended returns. It is not of much importance, it is true; it does not amount to anything; but if you can ever get it established that they can file amended returns, then they can put in the very things which have been rejected and get the money back.

The committee says:

This memorandum is conclusive evidence of a most deplorable situation in the Income Tax Unit. Mr. Greenidge had sole charge of all of the work of determining the allowances for depletion, amortization, values of natural resources for invested capital, and profit and loss purposes. That this vast responsibility and authority should be vested in a man who is even capable of recommending that a taxpayer should be permitted to open the door to the opportunity to claim immense deductions under the subterfuge of filing amended returns for the purpose of reporting as additional income an inconsequential amount of impounded funds shows a most dangerous situation.

Does anybody think that that does not tend toward fraud? Is there any lawyer who ever had anything to do with fraud who will not admit that that is evidence of fraud? If it means anything on earth it means the deepest kind of fraud. It goes to indicate that there is corruption and that there is collusion by a Government official with the Standard Oil Co. on the outside. I do not see how anybody can deny it.

No further action—

Said the committee—

is taken in this case until January 19, 1925, when the deputy commissioner instructed Mr. Greenidge and the head of the consolidated audit section to assess the deficiency of tax for 1917, unless proper waivers are received before the statute of limitations runs (2830).

Notwithstanding the orders of the commissioner and the deputy commissioner, this case apparently went to audit with depletion determination based upon the amended returns, because on April 18, 1925, L. T. Lohman, head of the consolidated returns division, advises the deputy commissioner that he can not proceed with the audit until the receipt of the engineer's report.

Think of it. Notwithstanding all this, they were still allowed to file amended returns. Notwithstanding the fact that the high officials had denied the right, these subordinates went on just the same. I suppose if the commissioner did not know it and the solicitor did not know it it would have gone on and the company would have received the money. The commissioner and the solicitor assumed their orders had been obeyed; that when the solicitor said, "It is illegal, and you can not do it," when the commissioner said, "It is illegal, and you can not do it," and when the rules said, "It is illegal, and you can not do it," their subordinates would carry out the decision and the rules—but they did not do it. They took the amended returns.

On April 30, 1925, Mr. Thayer, chief of the oil and gas valuation section, sent a memorandum to Mr. L. H. Parker, chief engineer for this committee, which concludes with the following statements (2832):

"Inasmuch as the taxpayer has had already three letters, each contradicting the previous one, it is believed to be good policy to take no further action until the offices of the bureau are in accord, to the end that there shall be no further reversals of actions taken. The proper action to be taken is now a matter of discussion between the engineering and audit divisions.

"This is not a matter of law, but a matter of interpreting the regulations, and there are good and valid arguments on both sides. Moreover, it is purely an interoffice argument over an open case."

That is Mr. Thayer. He wrote that memorandum after the Couzens committee was appointed, I presume, knowing that

it was going to get to the committee. He said there were three contradictory letters, and that is true, because Thayer himself, to begin with just a minor official, wrote the Standard Oil Co., "You can have it." The solicitor said, "No," and after it had gone to Greenidge he said, "You can have it," and then the commissioner said, "No." These minor officials on three different occasions have written the Standard Oil Co. of California that they could file amended returns, although in every instance they knew that their superior officers had decided otherwise.

Said the committee:

Thus, in spite of the fact that the solicitor has twice ruled that the taxpayer was bound by its election to capitalize its development charges, and both the commissioner and the deputy commissioner have formally ordered the case closed on the original returns, the chief of the oil and gas valuation section still considers the question open to be settled by discussion between the engineering and the audit divisions.

The examination of the work in the engineering division of the Income Tax Unit has convinced this committee's staff that nothing is considered settled by Mr. Greenidge until the taxpayer is satisfied, notwithstanding the Commissioner of Internal Revenue, and that this principle governed the work of the oil and gas valuation section under Mr. Thayer.

I wish Senators would listen to this because it is very important. They did not get the money in this case because it had to go through the hands of the solicitor; but, said the committee—

Had this case involved a claim in abatement instead of a refund it would not have gone to the solicitor for approval, and the solicitor's failure to approve would not have brought the case to the attention of the commissioner.

Just think of that! If it had been a case involving a claim in abatement instead of a refund they would have received the money through the action of a man in the bureau who was little more than a clerk. But because it was a refund it had to go to the solicitor, and they could not overrule the solicitor when he said it was illegal except by an order from the commissioner, and the commissioner sustained the solicitor.

Inasmuch as the taxpayer has now filed a claim for a credit against other taxes the allowance does not now depend upon a refund requiring the solicitor's approval.

Listen to that, Senators. They are going to get it anyway without the solicitor or the commissioner ever finding it out, or would have gotten if if it had not been for the Couzens committee.

Inasmuch as the taxpayer has now filed a claim for a credit against other taxes, the allowance does not now depend upon a refund, requiring the solicitor's approval (2832). The above quotation from Mr. Thayer's memorandum to Mr. Parker shows that the oil and gas section did not regard either the solicitor's rulings or the commissioner's order as binding upon him, and if the chief of the audit division can be induced to pass the claim, it can be slipped by the commissioner without his attention being called to it.

We believe that this case warrants a serious doubt as to whether the work of the engineering division is under the actual control of the Commissioner of Internal Revenue.

Mr. President, it seems to me that we ought to pause for a moment when we have that kind of a condition before us, a case the commissioner has denied and in which the solicitor has rendered two opinions both saying it was illegal, and yet some inferior official of the bureau instigating a method by which he tells the taxpayer how he can get around the decision and the opinion. Would that happen if the business of the Government were transacted in public?

The Senator from Pennsylvania [Mr. REED] asked me a while ago what that had to do with the amendment that is pending. It has everything to do with it. If the amendment were adopted the filing of the amended return and of the original return would be public. The first return would show that the development expenses had been capitalized. The amended return for subsequent years, when it is profitable to take the other course, would show that they were considered as expenses instead of being capitalized. It would appear from the face of those two returns that the Standard Oil Co. of California used one method when the tax was easiest for them, and when to apply that same method in a subsequent year it would increase their taxes they switched around and used the other method. All that would appear on the face of the returns themselves. Moreover, the amended return was never sworn to and it was never signed. That fact would be published and the public would know it.

I think the amendment has a very important bearing on the particular case under discussion, but if the provision of the amendment had been the law and those transactions were going on the incident never would have occurred. No man would have dared to take the course that Mr. Thayer and Mr. Greenidge took in the Standard Oil case to help the Standard Oil Co. get from the Government of the United States more than $3,000,000 in taxes which it justly owed the Government.

Remember, that case is still pending. If Greenidge's advice is followed, they are going to get that money unless the publicity which came from the Couzens committee has stopped it. It may be, now that the attention of Commissioner Blair has been called to it publicly, that they will not be able to carry out the scheme, but if there had been no publicity, even though they had failed all the way through to get an illegal claim allowed, they would have carried it out through the method Greenidge suggested and it never would have come to the attention of the commissioner or the solicitor, but would have been paid without their knowledge.

Mr. President, I have been advised many times by responsible parties since the pending bill has been before the Senate that, regardless of conditions which exist in the bureau, an employee dare not divulge the fraudulent conditions that exist. In the first place, he is reminded of the secrecy clause of the statute. In the second place, the system of espionage and punishment by the superior officers, if he discloses fraudulent conditions to anyone other than his superiors, is constantly a compelling reason why he should remain silent. I know, Senators, that this kind of evidence is not satisfactory. I know that if I say a certain condition exists in the bureau, but that I can not give the name of my informant, it is not very satisfactory evidence. I ought to be able to give the name of the man and tell who it was that gave me the information. I know that I have had brought to my attention the knowledge of some employees down there and have asked them to come to my office. One evening I had arrangements for three to be there, but none of them came. They sent word and told me why they could not come. I do not mean to say the bureau is honeycombed with men who are dishonest—not by any means. There are many honest, patriotic men down there trying to do their duty, but they are handicapped by this secret method of doing the public business, and they dare not come to me or to any other Member of the Senate and tell the truth about what is going on there, because they are afraid they would lose their positions if they do. Then, too, when they do that they have violated the law, because we have a law against it. They have not any right to do it. It is a condition that it seems to me is unbearable in any free country.

Now, I wish for just a moment to consider—I am not going into it in detail, because the Senator from Michigan [Mr. COUZENS] is so much better qualified to handle the matter than am I—the views of the minority of the so-called Couzen's committee. I tried to bring this out when the Senator from Kentucky [Mr. ERNST] was reading the views of the minority, but he would not yield to me to do so. On page 20 of those views the committee in defending the secret methods which are going on in the Internal Revenue Bureau states near the bottom of the page:

Not only have these rulings of general application been published, but the bulletins in which rulings are published have contained for the last two years a statement on their covers as follows:

"No unpublished ruling or decision will be cited or relied upon by any officer or employee of the Bureau of Internal Revenue as a precedent in the disposition of other cases."

In the first place, Mr. President, I wish to call attention to the fact that the minority of the committee jump at the very first opportunity when they are able to show that there is some publicity down there. Why do they do that? Why do they call attention to the fact that there is some publicity down there? If they are right in their contention, they ought to be arguing the other way and saying, "We criticize the bureau because there is a little publicity." They ought to close the doors and have no publicity; but at the first opportunity afforded to show that there is some publicity, they say:

Not only have these rulings of general application been published, but the bulletins in which rulings are published—

They published some of their ruling; that is very true—

have contained for the last two years a statement on their covers as follows:

"No unpublished ruling or decision will be cited or relied upon by any officer or employee of the Bureau of Internal Revenue as a precedent in the disposition of other cases."

There is an admission from the bureau itself that there are unpublished rulings, but they say those unpublished rulings are not used as precedents. There is one of the dangers of secrecy. In effect, this little statement from the bureau is, "Yes, we have secret rulings which we do not publish, but we do not use them as precedents in the disposition of other cases." Of course they do not. Some of them would be too "rotten." They would not use a ruling like that in the Standard Oil Co. case; they would not use a ruling like the one made in the chemical case, to which I have called attention; they would not use rulings such as were made in many other cases to which I am going to call the attention of the Senate. No, they are secret; and, Mr. President, there is a confession of the danger of secrecy.

There is an admission that they have secret rulings, but they are not going to be used as precedents. Of course not. If they were to use them as precedents they would destroy the effect of secret rulings. That is the way secret government always ends; that is the way secret tribunals always carry on. They can not use their rulings as precedents. They are not good as precedents. They are themselves violations of precedents; they are themselves exceptions to the rules; they are themselves violations of rules; they are themselves violations of law and violations of fact. They are themselves secret rulings that give favors to particular interests, to particular individuals and corporations. Of course, they do not use them as precedents. Of course they are secret; nobody knows what they are except the employees in the office and the great big taxpayer who gets the money that the Government of the United States ought to have.

Mr. COPELAND. Mr. President——

Mr. NORRIS. I yield to the Senator from New York.

Mr. COPELAND. Does the Senator from Nebraska mean that in proceedings before the Treasury Department there is discrimination and that certain citizens receive more favorable consideration there than other citizens receive?

Mr. NORRIS. That is just exactly what I mean. That is what will always result from a secret way of doing public business.

Mr. COPELAND. Let us make it perfectly clear.

Mr. NORRIS. I think I made it perfectly clear in these particular cases.

Mr. COPELAND. I think the Senator did make it clear, but I want it outside of all future discussion. I want to hear from the Senator from Nebraska if he believes that there is inequality in the adjustment of claims before the Treasury Department?

Mr. NORRIS. I think so, I will say to the Senator. From the history of mankind, from the history of Government, from the history of civilization, without saying that the heads of the bureaus or departments are corrupt or that they are intentionally doing anything wrong, I think I am justified in saying that you can not carry on a big business in secret and keep corruption out. It is an impossible thing and it never has been done.

Mr. COPELAND. The Senator from Nebraska, of course, realizes that now we are not particularly interested in what happened in the days of the Roman Empire, but we want to know whether what he states is true now, this year?

Mr. NORRIS. Yes.

Mr. COPELAND. That there is this discrimination?

Mr. NORRIS. There is right now in the city of Washington.

Mr. REED of Pennsylvania. Mr. President, will the Senator from Nebraska yield for a question?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Pennsylvania?

Mr. NORRIS. Yes.

Mr. REED of Pennsylvania. Does the Senator know that it was stated by counsel for the Couzens committee when he appeared before the Finance Committee that in all of these exhaustive investigations he had come upon no evidence whatever of corruption on the part of any official of the bureau? He also stated that they were not particularly looking for corruption, but he stated that in no case which they had examined had they found any indication of anything of the sort.

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. REED of Pennsylvania. I think I am correct, but if I am not the Senator from Michigan will correct me.

Mr. NORRIS. I yield to the Senator from Michigan.

Mr. COUZENS. I think the Senator from Pennsylvania [Mr. REED] intends to state the facts. I think if he will read the stenographic report of the hearings before the Finance Committee—I have not a copy here—he will find that we did not say there was no evidence of fraud, but we stated we found no fraud. We specifically stated that we followed up no evidence of it. If I did not state it before the committee, I so stated in the Senate the other day.

Mr. NORRIS. There is not any real dispute as to what the facts are. There is probably a dispute as to the conclusions that have been drawn by different people.

Mr. COPELAND. Mr. President——

Mr. NORRIS. Just let me finish this statement. The Senator from Pennsylvania [Mr. REED] understands it perfectly well. He is a shrewd lawyer, and he knows what the Senator from Michigan said. The Senator from Michigan has been leaning backward. He said he did not find fraud; they were not hunting for fraud, and they never followed up any of these things to see whether or not there was fraud. For instance, in the Standard Oil Co. case of California they never went into the question as to whether Mr. Thayer, if that is his name, had received money or had been bribed or anything of that kind. They were not investigating in that way; they were not trying to run down cases of fraud. So the Senator from Michigan states, "We did not find fraud; we were not looking for it; that was not what we were after; but," he said, "we did find collusion; we found corruption."

Mr. WATSON. Oh, no.

Mr. NORRIS. I think he did. Let him state what he did find. He said here before the Senate, "We found collusion"; and I think he said they had found corruption——

Mr. WATSON. I do not think so.

Mr. NORRIS. That they had found dishonesty and inefficiency. Then he said: "If that constitutes fraud, why, then, there was fraud."

Mr. WATSON. I do not think so. In the first place, I do not think the Senator said that, and in the second place we did not find it.

Mr. REED of Pennsylvania. Will the Senator permit me to state what was said on this subject before the Committee on Finance?

Mr. NORRIS. It has been stated before, I will say to the Senator from Pennsylvania. We all know what the Senator from Michigan has stated, and I will yield to him to state it again if he desires to do so.

Mr. REED of Pennsylvania. Does the Senator from Nebraska decline to yield to me?

Mr. NORRIS. I will yield to the Senator from Pennsylvania afterwards. I am going to yield to him just as soon as I get through yielding to the Senator from Michigan. I ask him not to take offense; I am going to yield to him.

Mr. REED of Pennsylvania. The Senator from Nebraska will yield to me, who asked him to do so, after he has first yielded to all the Senators who have not asked him to yield.

Mr. NORRIS. I take it the great Senator from Pennsylvania is going to be offended if I do not yield to him now, and I yield to him right now. Let him go on and read whatever he wants to read. He is going to read something that is a repetition, and which has been stated before, but he wishes to do it, and I am going to humor him and let him go on and do it.

Mr. REED of Pennsylvania. I very much appreciate the fact that the Senator from Nebraska should yield to me, Mr. President.

Mr. NORRIS. Hereafter when the Senator from Pennsylvania interrupts we will drop everything else and yield to him and everybody else may sit down.

Mr. REED of Pennsylvania. The Senator from Nebraska seems to want to yield to all the Senators who have not asked him to do so, and I appreciate his finally yielding to me.

In the hearing before the Finance Committee, on page 73, appears this question by myself:

> Now, I am impressed by the vast discretion which the law has intrusted to very poorly paid engineers and officials in cases that involve millions of dollars. You find nothing to indicate that favoritism was corrupt?
>
> Mr. MANSON. No; I have never found anything in connection with an amortization case which indicated that any amortization engineer was——

Mr. NORRIS. Is that all? Will the Senator let me go on now? Will the Senator from Pennsylvania let the Senator from Michigan say a few words?

Mr. REED of Pennsylvania. If the Senator's kindness is not already strained to the breaking point——

Mr. NORRIS. No; it is not strained; it is unlimited.

Mr. REED of Pennsylvania. Perhaps he will permit me to read another extract.

Mr. NORRIS. All right.

Mr. REED of Pennsylvania. Mr. Manson was testifying before the committee. I read from page 70 of the hearings, beginning January 4:

Senator REED of Pennsylvania. May I ask one question more? In these cases, speaking generally, is the excessive allowance, in your judgment, due to mistakes of the bureau or is it due to corruption?

Mr. MANSON. Oh, I do not maintain it is due to corruption. I do not maintain that; get that straight.

Senator REED of Pennsylvania. I am asking in all sincerity, because I am not familiar with the facts.

Mr. MANSON. Oh, no.

Senator REED of Pennsylvania. Have you found any evidence of corruption?

Mr. MANSON. Oh, no; I haven't any evidence of corruption.

And that is in a bureau that has handled $30,000,000,000 of tax cases in the last five years.

Mr. NORRIS. Mr. Manson, though, had not examined those $30,000,000,000 of tax cases. The Senator might ask me whether I had found any corruption. I have not been inside the bureau. He might bring a dozen men to prove the innocence of a client and have them testify, and testify truthfully, that they had not seen the crime committed; that they did not know about it. The Senator from Michigan was not looking for fraud. Now, I yield to the Senator from Michigan and will let him make his own statement.

Mr. COUZENS. Mr. President, in the statement I made on Friday last I pointed out just as emphatically as I could that there were many cases presented as to which suspicion lodged in the minds of at least some members of the committee. There was an attorney by the name of Hickey who filed a number of affidavits. Mr. Hickey was a man who was for years in the employ of the bureau, but who, as I understand, resigned with a high reputation. He filed affidavits of collusion, of fixing, of distributing cases among certain employees where they were satisfied that they could get a favorable decision. There were cases innumerable—and I am going to recite some of them before I get through—that made several members of the committee, at least, suspicious that there had been collusion and favoritism.

We recognized, however, that we were not a grand jury. It was specifically said by the Senator from Indiana [Mr. WATSON], and I think the Senator from Kentucky [Mr. ERNST], all of which I concurred with, that this was not a grand-jury investigation; that we were devoted to the purpose of finding out what the system was, what the opportunities for corruption and collusion and favoritism were. We specifically said that we followed up not a single one of these inferences, and there were many inferences. We never even called to the witness stand Mr. Hickey, who filed several sworn affidavits. We did not even call the men who he suggested were corrupt. We made no attempt to catch individuals, because in the first place, as I stated, we were not a grand jury, and in the next place to have discovered corruption and collusion among those individuals would have been no benefit in correcting the system.

I think that is a fair statement. I can not say whether the Senator from Indiana, who sits near me, concurs in that statement or not. I do not know whether he has the same things in his mind that I have in mind. I do know that none of us at any time attempted to follow up individual allegations of fraud, either in the investigation of the Internal Revenue Bureau, the Income Tax Unit, or the Prohibition Unit. So far as the Prohibition Unit is concerned, hundreds of charges of fraud and corruption were filed with us, and I never even submitted them to the committee, because I understood that the disposition of the committee was not to go into these individual fraud cases, and we did not do that.

Mr. REED of Pennsylvania. Mr. President, I am glad the Senator mentioned Mr. Hickey, because it gives me an opportunity to correct a misstatement I made the other day. I had understood that he was discharged from the bureau and I referred to him in that way. He has written me to say that that is an error, that he was not discharged, and I am only too glad to make this statement as publicly as I made the other one.

As for the Senator's statement, he has stated the facts exactly as I understand them. The committee was not a pack of detectives. It was not trying to run down crime. I understand that; but it did examine very thoroughly into the workings of the bureau, and I was impressed by the fact that it found no evidence that to its mind was conclusive of corruption, although I fully understand that it did not go into all the clues that it might have followed.

Mr. NORRIS. Why, of course.

Mr. COUZENS. The Senator from Pennsylvania is correct.

Mr. NORRIS. Whenever there was an indication of fraud, the committee ran away from it. They did not follow up any of those leads.

Mr. REED of Pennsylvania. Mr. President, that is not fair to the Senator from Michigan. He did not run away from anything.

Mr. NORRIS. I did not mean what I said in any offensive way. They were not looking for fraud. They did not want to find fraud.

Mr. COUZENS. I would not say that we did not want to find it, but I would say that if it could have come to us without conducting a grand-jury investigation we would have received it.

Mr. NORRIS. Yes. Fraud, however, does not come to committees in that way. Men engaged in fraudulent business are not running around hunting committees to which to divulge their fraudulent actions. I think everybody understands what actually happened. The committee found many things that led to fraud. The Senator from Michigan, however, states—and I presume states with absolute correctness—that when they found something that looked as though it was wrong they did not follow it up. They did not try to find out what the end might be. They did not go where they logically would have gone and where I think they ought to have gone. So it is not right to say they found everything pure and holy in that secret tribunal. It is not right to say that there were not hundreds of leads that indicated that they were going to lead the committee into corruption and fraud if they had followed them.

Mr. COPELAND. Mr. President——

Mr. NORRIS. I yield to the Senator from New York.

Mr. COPELAND. Just for a moment, let us put the matter on a little higher plane. Without reflecting at all upon the head of the bureau or the Secretary of the Treasury——

Mr. COUZENS. Mr. President, in that connection will the Senator yield a minute?

Mr. NORRIS. of course.

Mr. COUZENS. No one has attempted in any speech or statement to reflect on the head of the Treasury Department or the head of the bureau. It is the system of which we are complaining.

Mr. COPELAND. That is exactly what I wanted to bring out, that many of us who are critical of administrative acts are not seeking to bring any suspicion upon the reputable men and the honest and reliable men who are in official position; but, if I understand the Senator from Nebraska and the Senator from Michigan, it has been clearly demonstrated that there are inequalities in dealing with individuals; that some are dealt with on one basis, and some on another. If that is true, it is a serious reflection upon the Treasury Department; and that, as I understand, is the charge made by the Senator from Michigan and the Senator from Nebraska. Their position is that there should be such a reform in the administration of the affairs of the department that rules and regulations will be formulated and published so that any citizen, without the intervention of a high-priced lawyer, may know that he can go to the department and have exactly the same fair and square treatment that every other citizen gets. If I understand the Senator from Nebraska and the Senator from Michigan, the situation is such that men are not treated equally in the department.

Mr. NORRIS. That being true, some men would say, "That is fraudulent; that is corrupt," and some men would say, "Oh, no; that is only a mistake." Have it as you please, call it by any name, the facts, as far as this committee have developed them—and they admit they have not gone to the end—are perfectly plain, I think.

Since we have been talking about this matter I notice that the junior Senator from Utah [Mr. KING] has come into the Chamber. He is a member of this committee. I will say to the Senator that there has been a dispute going on here as to whether this committee found any evidences of fraud, or whether they found everything beautiful, or whether they found things crooked, and if so how bad, and how far they went into that, and what was their conclusion? I should like to ask the Senator from Utah if he has any impression from their investigation as to whether there is anything wrong down here in this secret bureau?

Mr. KING. Mr. President, I have not heard the discussion which has taken place this morning; but, answering categorically the question just submitted by the Senator, I have no hesitancy whatever in stating that the bureau had a number of employees who were corrupt, some of whom have been discharged, some of whom have been arrested, and a few of whom, as I understand, have been sent to the penitentiary. It had a

large number of employees who obtained information in regard to assessments, some of which were improper—not through any fraudulent purpose upon the part of anybody—and which, as soon as auditation occurred, would have been discovered and a refund or an abatement would have been made. They promptly resigned, or in a few instances communicated their discoveries to some confederates upon the outside, and they sought the taxpayer against whom the assessment was levied which was not legal or not proper and got from him a contract for a large percentage of the tax in the event of their being able to secure an abatement. They did not really do anything, because, as I said, as soon as the error was discovered by the responsible officials of the department the abatement was made.

There has been a good deal of looseness. There have been many irregularities. I think that in the mineral division there was gross carelessness. I think that the conduct of many who were connected with assessments was of such a character as to justify the charge that they were guilty of a failure to discharge their duty, and, while I shall not say that they accepted money, their conduct was such as to relieve the taxpayers of the payment of taxes which they justly should have paid to the Government of the United States.

Mr. NORRIS. Does the Senator think those instances in the aggregate amount to a great deal of money?

Mr. KING. Undoubtedly.

Mr. NORRIS. How much?

Mr. KING. Take the matter of amortization: In my opinion the illegal amortization allowances will aggregate more than $100,000,000. I have not any doubt in the world that allowances have been made with respect to oil depletion and discovery depletion in the copper mines amounting to several hundred million dollars.

Mr. NORRIS. Have there been any irregularities in the handling of individual income-tax returns? Did the Senator go into that?

Mr. KING. Only to a limited degree. I was not at all satisfied with the returns of several publishing corporations. I shall not mention their names. I was not satisfied with some of the returns which were made by individuals as stockholders of corporations; and I think a careful examination of the records of the Internal Revenue Bureau will convince anybody that there have been misdeeds, irregularities, great carelessness, great looseness upon the part of officials, which have resulted in losses to the Government. I want to say, too, that the methods employed have resulted in improper levies upon taxpayers, and some taxpayers have been called upon to pay more than they should have paid. I do not say that there was any fraudulent purpose there; but my criticism is of the method which was employed, the failure to adopt a uniform policy, the failure to understand the rules and regulations, the failure to have proper supervision.

What is needed in the department more than anything else is supervision. If they will discharge about one-third of the employees and then get competent supervisors, many of the evils to which reference has been made and which were uncovered in the report will be obviated.

May I say to the Senator that the committee of which the Senator from Michigan [Mr. COUZENS] was the chairman has only touched the surface. I do not mean that any inferences adverse to anybody shall be drawn from that statement. I merely state that the matters to which we directed attention were only a fraction of the matters which, in my opinion, should receive the attention of some commission appointed by the Government.

Mr. McKELLAR, Mr. SIMMONS, Mr. REED of Pennsylvania, and Mr. McLEAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I yield to the Senator from Pennsylvania, although several other Senators addressed the Chair first.

Mr. REED of Pennsylvania. Mr. President, I am fully appreciative of this unusual generosity on the part of the Senator from Nebraska. I am almost but not quite overcome.

Mr. NORRIS. I hope the Senator gets through it alive.

Mr. REED of Pennsylvania. Yes; I think I can last for two minutes if the Senator has lasted three hours and three-quarters.

I desire to ask the Senator from Utah, who has given us facts as a change from philosophy, whether he thinks the conditions of which he speaks would be remedied by making all income-tax returns public?

Mr. KING. Mr. President, I confess that I dislike to argue that question now; and yet I will say this, because my friend is always so frank and my relations with him are so cordial, and I esteem his judgment so highly:

I am in favor of publicity. I believe that publicity is calculated to produce upon the part of officials greater care and greater scrutiny. I believe that it will relieve the taxpayer, if I may use that expression, of suspicion, and will satisfy the public, even though they never should go there to examine the returns, that things are going along in a proper way. As the Senator knows, the psychologoy of publicity has a wholesome effect, and much of our conduct in life as private individuals and as officials is the result of psychology. We act from psychological reasons oftentimes rather than from rational and purely intellectual reasons.

Mr. REED of Pennsylvania. Mr. President, it would interfere with efficiency, would it not, to throw all these returns open to the public and have them handled and being constantly withdrawn by examiners from the public, just when the examiners of the bureau wanted to work on them?

Mr. KING. Yes.

Mr. NORRIS. I still yield to the Senator from Pennsylvania.

Mr. REED of Pennsylvania. I am afraid of overdoing the Senator's courtesy.

Mr. NORRIS. The Senator can not overdo it.

Mr. KING. Will the Senator from Nebraska yield so that I may make answer in addition to merely saying "yes"?

Mr. NORRIS. Yes; I yield.

Mr. KING. I have no doubt that if the public to any great extent should avail themselves of the opportunity, if we should pass a law of that character, to visit the tax unit and ask for the returns of A and B and C and search the records, that it would interfere to a considerable degree with the activities of the department, with their efficiency. If publicity is permitted—and I shall vote for it—it should be only under reasonable rules and regulations, and at such times and under such circumstances as would reduce to the minimum any interference with the activities of the department. I think that could be accomplished. I shall not, of course, trespass upon my friend from Nebraska to outline how that might be done.

Mr. SIMMONS. Mr. President, will the Senator from Nebraska yield to me to ask the Senator from Utah a question?

Mr. NORRIS. I yield to the Senator from North Carolina.

Mr. SIMMONS. The Senator from Utah is a member of the so-called Couzens committee. He is also a minority member of the Finance Committee.

Mr. KING. Under the leadership of my friend from North Carolina.

Mr. SIMMONS. The Senate has had under discussion this morning for the past two hours, I should say, the disclosures of the Couzens committee's investigation. I wanted to ask the Senator if it was not true that the minority members of the Finance Committee, in the discussion of their attitude toward this bill, did recognize that the situation created by the report of the Couzens committee, as to its investigations, required some notice in this bill, and if it is not true that we did discuss the question of how we could reach the evils that we wish to remedy in this respect; and if, as the result of that discussion, in large part, we did not adopt section 1203, creating a commission; and if that section was not drawn chiefly by the Senator from Utah, the Senator from New Mexico [Mr. JONES], who was also a member of the Couzens committee and of the Finance Committee, and Mr. COUZENS himself, with a view, as we understood, and as I think they understood, that it was the desire of the committee that such section should be made as comprehensive and as complete as possible to effect the result which the committee had in mind. I ask the Senator if in these questions I have not correctly stated what took place?

Mr. KING. Mr. President, may I have time briefly to reply?

Mr. NORRIS. The question, of course, is a very short one, and I suppose the Senator will not take much time to answer it. I yield to the Senator.

Mr. KING. Mr. President, I do not like to attribute motives to any person. I think—and I believe this is a proper interpretation of the conduct of the majority, and I would not do them an injustice for the world—the majority believed that the situation in the department was such, in view of the report and in view of the facts of which they were cognizant, that it would be for the best interests of the public service to create a commission, representing the legislative branch of the Government, authorized to go into the tax division, and to be there constantly if the Finance Committee and the Ways and Means Committee desired that it should be, for the purpose of ascertaining just the modus operandi, just what was being done, how the law was being administered, whether favoritism existed, whether there was any discrimination, and to make recom-

mendations for remedial legislation to correct any abuses and any wrongs which were found there.

Mr. SIMMONS. And to investigate any cases.

Mr. KING. And to investigate any cases. I am sure the majority feel that that course was right; and I want to say if I may have just one minute more, that in making the statements which I have made criticizing the department I have acted wholly impartially. Democrats have been as much at fault as Republicans, and some of the officials there whom I have criticized are Democrats. It is not a party matter. It is a condition largely superinduced by reason of the war, supplemented by reason of the vast accumulation of returns and the chaos which followed the failure to have a proper organization, and the drifting into the service of many men of a low moral character.

Mr. NORRIS. Mr. President, I ask the Senator if he could not add to that that in addition the evil is superinduced by the secret handling of the work?

Mr. KING. I am in favor of a law that will give publicity in a proper way, and under proper restrictions and regulations, of the returns and the activities of the department.

Mr. SIMMONS. Mr. President, the amendment referred to provides that the commission shall report the results of their investigations and their findings to the committees of the two Houses and to the two Houses themselves.

Mr. KING. If I have trespassed too much on the time of the Senator from Nebraska, he must be to blame, because he asked me to answer the question.

Mr. BORAH. Mr. President, I want to ask one question of the Senator from Utah.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. I yield to the Senator.

Mr. BORAH. Does the Senator think that the provision which was adopted, to which the Senator from North Carolina has referred, is sufficient to bring about publicity?

Mr. KING. No.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska further yield to the Senator from North Carolina?

Mr. NORRIS. Yes; I yield to the Senator.

Mr. SIMMONS. I was speaking with reference particularly to the cases the Senator has been discussing, disclosed by the Couzens committee.

Mr. NORRIS. Now, I yield to the Senator from Michigan.

Mr. COUZENS. Mr. President, I want to say, in addition to what the Senator from North Carolina has said about the Couzens committee, and as to section 1203, which is the section creating a commission made up jointly from the Ways and Means Committee of the House and the Finance Committee of the Senate for the purpose of studying these individual returns and complaints, and for the purpose of checking up on the administration, I think section 1203 goes a long way toward reaching the trouble.

Mr. SIMMONS. That is the only phase to which I referred.

Mr. COUZENS. I think that goes a long way; but in my remarks Friday I particularly pointed out that I did not believe that even the adoption of the amendment proposed by the Senator from Nebraska would be an all cure for the trouble. I believe that the adoption of the amendment proposed by the Senator from Nebraska, plus the commission provided in section 1203 of the pending bill, ought to bring about an ideal condition, or a condition as nearly ideal as could be brought about by the minds of men.

I want to go back for just a moment to what I consider the results of this secrecy provision. No one knows better than the committee which went all through these cases about the results of these secret conferences. The junior Senator from Utah a while ago referred to some publishing companies, and I think it is apropos to draw the Senate's attention to a particular case, referred to on page 206 of the committee's partial report filed on January 12, 1926. This is one of a group of affiliated corporations controlled by Mr. W. R. Hearst:

> On December 31, 1903, the Star Co., of New York, was indebted to Mr. Hearst to the amount of $6,119,100.04, representing advances made by the latter. A journal entry was made on December 31, 1903, on the books of the Star Co. closing this account payable into surplus. In 1917 after a lapse of 14 years, this entry was brought to the attention of Mr. Hearst by an accountant who investigated the books. On November 30, 1917, Mr. Hearst addressed a letter to the Star Co. calling its attention to the fact that such entry was unauthorized and requesting that the entry be reversed to show the facts.

In other words, it was first transferred from a loan to capital surplus and then taken out of capital surplus and transferred to a loan, so that in case of difficulty the liability of the Star Co. to Mr. Hearst would be on a par with the liability the company had to other creditors.

> Mr. Hearst in this letter states:
>
> "Not only have I never authorized any such entries, but so far as I have been able to ascertain no such authorization was given by the board of directors of these companies. Nor was there any authorization of any entries which would in any way affect the credits which, prior to the making of the entries referred to, stood upon the books in my favor and which represented moneys advanced by me to those corporations."
>
> In 1918 the taxpayer took up the matter of including this indebtedness in invested capital with Doctor Adams, chairman of the advisory tax board, and on March 9, 1918, the latter sent the taxpayer a telegram, as follows:
>
> "Noninterest-bearing permanent indebtedness of a corporation represented by loan from sole stockholder without fixed time of maturity and not evidenced by written obligation may be treated in the return as invested capital as per letter of this date."

I submit it was against the law and against the statute to allow any such action. It was not permissible to put borrowed money into capital account.

On March 13, 1918, Doctor Adams wrote the taxpayer as follows:

> What I meant to convey by the above telegram is that while I have very little doubt about the status of such indebtedness and am willing to have the return of the company concerned made up on the assumption that such indebtedness is part of the capital, the question is nevertheless one which requires careful legal examination, and we must reserve the right to treat this item as a liability rather than invested capital if subsequent examination of legal precedents proves this to be necessary. You will be advised, of course, before any change of this kind is made.
>
> Attention should be called to this item in the return of the corporation, and you may state that I have informally authorised its inclusion tentatively in invested capital.

These were all in secret records of the bureau.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. REED of Pennsylvania. Who has the floor?

The PRESIDING OFFICER. The Chair will state——

Mr. NORRIS. Mr. President, I did not suppose there was any dispute about it. I think I have the floor, although if somebody objects to my yielding, as I did, to the Senator from Pennsylvania and others to make speeches, I presume that technically I lose the floor.

The PRESIDING OFFICER. The Senator from Michigan has not the floor in his own right, but having been yielded to by the Senator from Nebraska, the Chair will rule that the Senator from Nebraska has the floor.

Mr. COUZENS. I proceed with the reading:

> On the above authority the taxpayer included the Hearst personal account in its invested capital in submitting its returns for the years 1918 and 1919. In the audit the item was disallowed as invested capital by the Income Tax Unit. The taxpayer protested to the disallowance in a brief dated November 12, 1921. As a result of this protest a conference was held on November 18, 1921, at which the question was discussed, but the record does not indicate that a decision was reached.

I want to point out at that point that the taxpayer protested, in spite of the fact that he himself had required that the item be taken out of capital and put into a liability.

> As the result of this protest a conference—

One of the secret conferences—

> was held on November 18, 1921, at which the question was discussed, but the record does not indicate that a decision was reached.
>
> The next A-2 letter, dated August 11, 1922, to the taxpayer allowed this item of borrowed money as invested capital, referring to the above-mentioned conference as authority therefor. There is no other evidence in the record to show the authority on which this item was allowed as invested capital.

Not to take up the time of the Senator from Nebraska, I want to point out that these negotiations created a saving to the taxpayer of $1,737,000 just because of the reversal of the ruling in private conference and without the law.

Mr. NORRIS. Mr. President, I appreciate the parliamentary inquiry that was made by the Senator from Pennsylvania [Mr. REED] as to whether I had the floor. I would concede as a parliamentary proposition that I have lost the floor a great

many times this afternoon if strict parliamentary law were enforced. I lost it several times through my courtesy to the Senator from Pennsylvania himself, so I was a little bit surprised that he was trying to get a parliamentary inquiry addressed to the Chair that might have the effect of taking me off the floor when I yielded to somebody else. We have been very lax. I am willing that the law should be enforced technically to the limit any time the Senator wants to do it. I only want it to apply to everybody alike; that is all.

I am going to take up now some statements contained in an affidavit made by Mr. Hickey, a former employee of the Government, to whom reference has been made several times during the debate.

The Senator from Michigan gives him a very good recommendation as far as he knows. He has been in the employ of the Government for a good while. He has made an affidavit and sworn to it in which I think technically he has violated the law, perhaps, in disclosing some of the secrets of this great secret tribunal by giving information to Members of Congress. As I said a while ago, there are many of those who refuse to give information because of that law, who refuse to give information because they are afraid that if they do they will lose their positions. So when we start in to find out something about this great secret tribunal, with endless billions of the people's money involved, we are confronted with the fact that the doors are closed even against Congress, the lawmaking body of the country, and we are denied even the information that would be necessary to legislate efficiently for the management of that great tribunal.

Mr. Hickey has made a very interesting affidavit. I realize in reading from it that it is an ex parte proceeding. I realize very fully that he has not been placed on the witness stand and cross-examined, which every man who has had anything to do with the investigation of fraud, or, in fact, any investigation, civil or criminal, recognizes is a very important thing. I realize that when affidavits of this kind are made charging irregularities against officials of the Government, perhaps a full investigation, even without saying that the person who makes the affidavit is intentionally dishonest, might disclose that there was nothing wrong. I concede all that.

But, Mr. President, as long as we have a great portion of our Government dealing with the financial tax-paying ability of all our citizens, conducting the business of that great bureau in secrecy, surrounded by the mysteries that always surround secret operations of such magnitude, there is no way that I know of to ever break down the great wall of secrecy that stands in front of us whenever we try to do anything except to use the best evidence we can get.

I have tried to have personal conversations with some of those people. I have tried to meet some of the men who were in the bureau and who are now out of it engaged in business in this city, one man in particular, whose name would be familiar to every Member of this body and whose disclosures given confidentially were conclusions, it is true, but conclusions he had reached from his work in the bureau that would condemn it more severely than any condemnation that has taken place.

But he did not want his name used and did not want what he said used, because it would seriously interfere with the business in which he is now engaged in this city. I have had other people in the bureau tell me that the amendment ought to prevail; that they hoped it would prevail; and that if it did not, another amendment should be offered—which, as a matter of fact, was prepared by employees of the bureau and given to me, and which I am going to offer if the pending amendment fails—which gives to every employee in the bureau the right to make disclosures to Members of Congress and not to be criminally liable if they do so.

That is the dilemma in which we find ourselves. That is what some of us, it seems to me, are trying to perpetuate, and every year that we perpetuate it we make it worse.

Every government operated anywhere in the civilized world on a basis of secrecy in its public business grows worse and worse and worse every year. There is only one end, and we are headed for it if we conduct the business of our Government through secret tribunals. There is no more reason, as I said a while ago, why the Bureau of Internal Revenue, that deals with dollars and cents, should be secret than the Census Bureau, which goes out and inquires into my social habits and your social habits, your parentage, your children, and your wives' people. They get publicity when the morality of the citizen is involved, but when the dollar is involved it is too powerful and the line is drawn. We can get publicity about folks, and have all we want, regardless of the disgrace or inconvenience it may cause them, but when $38,000,000,000 of money contributed by the toiling mass of the country is involved we must have secrecy, because it might offend somebody to have somebody else find out just what was in his tax return.

It would be interesting if I read the affidavit of Mr. Hickey in full, but I am not going to take the time of the Senate to do it. I have picked out extracts from it, somewhat at random, which I am going to read. However, before I do it I want to read one more extract from the Couzens committee report on secrecy. I do not know whether the Senator from Michigan [Mr. COUZENS] read it the other day or not, but I want to quote the judgment of the majority of the Couzens committee. Some one has said this would not cure every evil, and I admit it. I know that. I know that things will go wrong here and go wrong there whether we have publicity or whether we have secrecy. I know that publicity will not make it unnecessary to have any more prisons or anything of that kind. I realize that. It is not a cure-all by any means. No one has claimed that. But that it will go far toward curing the deficiency, that it will increase the revenues of the Government many hundreds of millions of dollars, I do not believe any student of the subject can doubt for a moment. Here is what the committee said in a general way about publicity, on page 8:

> The unsatisfactory conditions developed by this investigation are the inevitable result of the delegation of almost unlimited discretion to be secretly exercised.

Nobody can dispute that. Nobody can think that over and look over the evidence and deny it.

> It is believed that but few of the unsound settlements to which attention has been called would have been made if it were not for the belief that they never would become public.

I do not see how anybody can dispute that. None of the instances that I have given this afternoon, in my judgment not a single one of them, would ever have occurred had it not been that those who were responsible for them believed that the facts would never see the light of day. The committee, which has not yet scratched the surface, should go on instead of stopping when it begins to look as though there was collusion between a man inside and a man outside. Instead of steering away from it, they should follow it out and see whether there is any connection between these men in the bureau giving away the funds of the Government to private corporations and men in the outside corporations.

It seems the only way to run down these fraudulent instances. There is no question about it that every member of the committee who started in on the work knows there are plenty of leads that would lead to the penitentiary if they were followed out—at least that is the indication as far as they have gone. If it turns out they are all Sunday-school people, all good, all pure, I would be satisfied and would be glad of it. Perhaps then they would have a more difficult matter to explain some of the things they have done than though they admitted they were not good.

With that statement of the committee, that judgment of the committee, after they had spent a year or two in investigating the matter without charging anybody with fraud, as they say, yet all these things have developed that are wrong. The committee say that probably none of them, at least not many of them, would have occurred if it had not been that the men who were guilty of them believed they would never see the light of day. I do not see how we can longer close the doors and windows of this great institution and thus enable it to dodge publicity and the sunlight of publicity that will drive out the germs that only grow in dark places. Publicity will kill and sunlight will burn to death the germs of corruption and collusion that always grow in secret recesses where there are billions of dollars involved, as there are here.

It would be interesting if I had the time to read the full affidavit of Hickey, written with a great deal of pains, I think, and which shows upon its face that the man who wrote it possesses, I believe, exceptional ability.

I am going to read first from section 7. I want to read a statement in regard to the consolidated division because not only in what I shall say, but if Senators will read the balance of the affidavit and also the Couzens committee report, they will find that that was a very important division and apparently in many instances, at least where it was desired to get something through, they always first maneuvered to get it before that division.

Mr. Hickey said:

> However, as we shall see later, the consolidated division handled the cases which were to be fixed cases, which should have gone to corporation or personal or natural-resource division. I shall now show by cases how the machine worked.

He has given an explanation of a good many things prior to this statement:

I shall now show by cases how the machine works, its purpose, and the results obtained. I shall also show the members of the machine or those members within my knowledge, and how the machine was developed by promotion and otherwise, and the operations of the machine. I shall demonstrate there was not the slightest justification in the law or procedure for the actions taken and of which I complain.

Then he proceeds to give some of the cases. He says, on page 8:

The affiliations section had been functioning about five months or more, and I had been promoted to the position of reviewer and conferee when the case of Roessler & Hasslacher Chemical Co., New York City, was handed to me by H. L. Robinson, my chief. He directed me to study the case closely and to let him know my opinion on the question of affiliations, telling me that the case was a "special." This may have been in February or March, 1922.

Upon examining the record of this case, I found that under the bureau's original ruling of June 3, 1920, two corporations had been denied the right to join in consolidated returns filed by the company mentioned, which I shall hereafter refer to as "R. & H." I found further that I. M. Meekins, general counsel for the Alien Property Custodian, was urging that all of the companies involved be ruled to be affiliated and therefore entitled to join in the consolidated returns. Meekins had written a letter, or memorandum, to Commissioner Blair, requesting that the question be taken away from the Income Tax Unit entirely and decided elsewhere. I was at a loss to understand Meekins' interest in the case, in view of his position with the Government, and concluded that he had his own ends to serve in the matter. This made me suspicious of the case at the very outset.

Now what has he said thus far? Here is a case where the commissioner gets a letter from an attorney, I. M. Meekins. Who was I. M. Meekins? He was in the employ of the Government at that time. He was attorney for the Alien Property Custodian, and while drawing a salary from the Government as such attorney was acting as attorney for a private party before the Income Tax Division in order to get a return of money. That may not mean anything; that may not be out of place in the minds of some people, and I may be entirely wrong when I condemn that kind of a practice. I may be entirely in error when I say that is wrong, and I may be entirely in error when I say that were it not for secrecy it would not occur; that a man while acting as attorney for one governmental department would be defending a private corporation having an interest against the Government before another department of the Government. Senators may square that if they want to, but that would not happen if public business were conducted in the open light of day. I will read on. There is more about this case. This man Hickey under oath says:

I studied the facts in the case and the arguments for affiliation advanced by the representatives of "R. & H." in a very elaborate and exhaustive brief, and after three or four days wrote an opinion fully covering all points raised by the taxpayer and reaffirming the original nonaffiliated ruling of June 3, 1920.

Now, remember before he got the case it had been ruled that they could not affiliate. He looked it up as a lawyer and upheld that opinion, and likewise said that they could not affiliate. Now, listen to what happened:

I submitted my opinion to Mr. H. L. Robinson, my chief, telling him of my conclusions and remarking that the case was not even "close," as the minority interests were so very large. He said: "I know it; you are right; but we are going to have to give it to them," smiling at me in what I took to be a significant manner. This confirmed my suspicions, which had been aroused by the I. M. Meekins communication referred to.

As shown by the record, Robinson sent this case to L. E. Rusch, then assistant chief of the consolidated returns subdivision, calling Rusch's attention to my "dissenting opinion"—

In fact, it was not a dissenting opinion. He puts the words "dissenting opinion" in quotation marks. He simply approved in his opinion what had been decided before it was given to him—

and requesting Rusch to instruct him on the way the case was to be ruled.

While it is to be noted that Rusch gave no written instruction, so far as the record shows, an auditor named J. B. Krop ruled all of the corporations affiliated, regardless of the facts in the case and the established interpretation of the controlling statutes, writing the taxpayer under date of April 8, 1922, to that effect and also advising that the original—and unlawful—ruling of June 3, 1920, was revoked. When this improper ruling came through to my desk in regular routine for review, I recalled what my chief had told me and felt that protest upon my part would be futile, as I was comparatively a new man in the subdivision. I therefore made sure that my "dissenting" opinion was still among the papers in the case to protect myself, and signed the work record and the ruling forms as reviewer. (In Exhibit E, p. 3535, "hearings," the commissioner ordered "special consideration"—

The words "special consideration" are in quotations—

to Meekins.)

At that time the rule of the affiliations section was to require 95 per cent ownership or control of stock by the same parties and in substantially the same percentages, except where there were strong reasons for slight relaxation, the principal one of such reasons being unity of action and frequent intercompany business relations with only small minority stockholdings and those in the hands of minor employees. In the "R. & H." case the minorities totaled over 40 per cent in one of the companies improperly admitted to the consolidation, and nearly 50 per cent in the other company so admitted. No amount of intercompany transactions, regardless of the character thereof, could possibly overcome the obstacle to affiliation constituted by the large minorities; and besides, Germans and British, who had been at war with each other, were the holders of these minority interests. The years covered by this ruling were 1917, 1918, and 1919.

This case impressed me as a definite and direct fraud upon the Government. It set a very bad precedent and was heard of outside of the unit, as well as discussed therein. On several subsequent occasions, L. E. Rusch, assistant chief of the subdivision, volunteered the comment that the ruling was wrong, thus confirming my conviction that the authority for it had originated higher up than he. It now appears that the Government was, in fact, defrauded out of $671,409.13, from testimony in the hearings before the Select Committee on Investigation of the Internal Revenue Bureau. (See bottom of p. 3521 of the published "hearings.")

In this connection reference is made to a news story—

Mr. Hickey says frankly that he is giving a quotation from a newspaper appearing about this time—

In this connection reference is made to a news story appearing on the front page of the Washington Herald, issued November 10, 1925, under the caption, "United States questions Meekins's $40,000 fee."

Remember who Meekins was. Meekins was attorney for the Alien Property Custodian, drawing a salary from the Government and appearing against the Government in this tax case in behalf of this chemical company.

This article, after discussing cases of alien insurance companies in which Meekins received fees, although an official of the Government, takes up the Roessler & Hasslacher Chemical Co. case and recites that, due to Meekins's activities therein, in conjunction with Treasury Department officials, taxes of the companies permitted to consolidate their income and profits tax returns were cut $700,000.

The newspaper article goes on to state:

"Attorneys for the companies offered to split the $100,000 fee received for this work with Judge Meekins, allowing him one-third, or $33,333.

"Meekins states that he felt that sum too high, but that he did receive $20,000."

Incidentally, Mr. Meekins is now a Federal judge in North Carolina.

Mr. President, of course we have nothing but the affidavit of Mr. Hickey and nothing but the newspaper report. He does not pretend to say that that is true, but he tells us where we can find out the facts; he gives us the dates of the newspaper article and the name of the newspaper, so that we can look it up, if we want to, where this statement is made that Mr. Meekins got a fee of $20,000. I presume if he got that fee of $20,000 while in the employ of the Government there was some statute of the United States that he violated and that that newspaper is subject to legal action if that newspaper account is not true. It is disclosed, however, that in this secret tribunal a man drawing a salary from one bureau was acting as attorney for private parties against the Government in another bureau. Do Senators suppose that would go on very long if we had publicity? Do they suppose if there was no opportunity to keep such practices secret that that would continue?

Continuing with the Roessler & Hasslacher case, Mr. Hickey says on page 12 of his affidavit:

Returning now to the Roessler & Hasslacher Chemical Co. case: In October, 1923, this case came up for a ruling on affiliations for the years 1920 and 1921. James K. Polk, jr., ruled that the two companies with the large minority interests heretofore mentioned were not affiliated for these years. He also reopened the case for the years 1917, 1918, and 1919 because of the manifestly illegal ruling previously

made on those years, and reinstated the original legal ruling that these companies were not affiliated. Polk wrote a letter notifying the taxpayer of his action.

After the taxpayer received this letter from Polk, his section chief, Mr. F. R. Leary, and Polk were summoned to the office of Deputy Commissioner Bright. This conference was also attended by Mr. Everett Partridge, an agent of the special intelligence unit of the Treasury Department, and Lawrence A. Baker, of Baker & Baker, attorneys for the taxpayer.

Mr. Partridge was introduced to Mr. Baker by Mr. Bright as "the auditor on the case." After being questioned by Bright, Mr. Polk was excused from the conference, the others, however, remaining. Bright had told Mr. Polk that as a matter of policy he should not have reopened the case for the years 1917, 1918, and 1919, and that it would have to stay closed for those years. When Mr. Leary returned to his section from this conference he told Mr. Polk that Mr. Bright had ordered that this case be held in abeyance as to the years 1920 and 1921, pending instructions from Bright.

The law provided for affiliation, as heretofore stated, only where the parent company owned or controlled substantially all of the stock of the subsidiaries, or where substantially all of the stock of the companies under consideration was owned or controlled by the same interests.

The decisions of the authorities of the bureau had been to this effect; and if cases were ruled otherwise, they were contrary to the authorities. * * *

On or about January 15, 1924, we affiliators received notice that a Solicitor's Opinion No. 154 had been written and that this opinion reversed the interpretation of the word "control" in the statutes governing affiliations, and that thenceforth a "more liberal construction of the statute was to be followed." Instead of the proper interpretation, "legal control," so-called "moral" or "actual" control, was thereafter to be recognized.

On January 16, 1924, I wrote Commissioner Blair, protesting that this opinion "was contrary to law and was further evidence of the corruption which I allege then existed in the unit." I demanded its recall.

On January 19, 1924, all the unit auditors working on affiliations were summoned to the office of L. T. Lohmann, head of "Consolidated." Lohmann officially informed us of the issuance of Solicitor's Opinion 154 and said that thenceforth we were to operate under it. Mr. Polk immediately asked him whether we were "to throw out the statute and regulations and use Solicitor's Opinion 154 alone, or whether we were to try to interpret the statute and regulations in the light of Solicitor's Opinion 154." Mr. Lohmann hesitated for a moment, and then said he would look that question up and let us know.

In reply to my inquiry Mr. Lohmann stated that he and Mr. Bright had been instrumental in securing the issuance of the opinion under discussion. I asked him when it would become effective. He replied that if no protests were made within 10 days it would then be published and become the rule. I told him that I intended to protest it. He demanded to know if I dared protest an opinion signed by the solicitor and commissioner. I told him that in fact I had already protested it. Lohmann pounded his desk and said:

"Do you mean to tell me you have gone over my head?"

"Why, certainly," I replied; "you're one of the men whose motives I question in this matter. I claim this thing is not on the level."

Scarcely anything more was said, and the meeting adjourned almost immediately. In leaving Lohmann's office, it was discovered that a stenographer had been placed just outside the door in a position to take down what had been said.

A day or so after the issuance of Solicitor's Opinion 154, Deputy Commissioner Bright called Mr. Leary, chief of section A, on the telephone and told him to allow affiliation to all companies associated in the Roessler & Hasslacher case, for the years 1920 and 1921.

It was evident that Mr. Bright was keeping in close touch with this particular case.

Mr. Polk advised Mr. Leary that a conference regarding the years 1920 and 1921 had been set for February 1, and he suggested that action in the question of affiliations be deferred until this conference was held. Mr. Leary thereupon secured Mr. Bright's consent to this delay. At the conference, Mr. F. A. Linzel, ranking conferee, ruled one of the contested subsidiaries affiliated and the other one not affiliated. Mr. Polk, junior conferee, dissented, claiming no distinction could be made between these companies.

On February 9, 1924, Nelson T. Hartson, Solicitor of Internal Revenue, personally stated to me that "it was absurd" to allow affiliation to either of the two contested companies in this case in any year in view of the facts.

Later, after a hearing on Solicitor's Opinion 154, and an order from the commissioner rescinding and suppressing that opinion, Mr. Linzel's ruling was revoked and the two contested corporations were ruled "not affiliated" for the years 1920 and 1921. The illegal ruling for the years 1917, 1918, and 1919, however, was permitted to stand, by Bright's orders, costing the Government $671,409.13 by fraud.

Mr. President, it may be said that everything that Mr. Hickey has said there is untrue. I do not know anything about it except his affidavit. I have met the man. I have heard the commendatory things said about him by the chairman of the committee. He was in the employ of the Government for a good many years. He resigned, and is engaged in the practice of law in this city now. He could be summoned at any time before any committee of the Senate; but what he said, as far as I know, has not been disputed. In connection with these facts that he has alleged he has given dates, he has copied memoranda, he has quoted newspaper articles, he has given the orders that were made on certain dates, and has stated by whom the memoranda were signed. They must all be there, in that secret chamber, unless they have been destroyed. It can be easily found out whether he is telling the truth about such things, or whether what he says is false.

Let me read a little more of it. Let me take up another case.

On page 18 of this affidavit, after referring to several other things that I have not read, Mr. Hickey says:

At the very outset, however, I wish to emphasize that H. L. Robinson, my chief, frankly told me that irregularities were being put through the unit by way of his section. The following is what was said on that occasion, in October, 1923. (I had been protesting to him against action taken in the Little Estates Corporation case and action then being taken in the case of the American Lumber & Manufacturing Co.):

"Mr. ROBINSON. The higher-ups just have to have some things done which do not look right but which they can not explain to us, and we subordinates should be good soldiers and follow orders."

"Mr. HICKEY. I do not subscribe to any such doctrine, Mr. Robinson."

"Mr. ROBINSON. Well, Dan, I am an older man than you are, and it has been my observation that the successful men in life are those who display a disposition to work with other men."

"Mr. HICKEY. Well, if by success you mean dirty dollars, and if by working with other men you mean indulging in unlawful practices, I guess you are right; but you and I will have to travel different paths hereafter, for we divide at this point."

Mr. Robinson was the first person to tell me about the improper ruling for the year 1917 in the Mellon National Bank case. He said it was "ridiculous" to hold that the three banks in question were not in the same or a closely related business.

I mentioned that the other day, and got an idea just exactly contrary to what actually took place in the case itself. As he says, Robinson said it was ridiculous to hold that the three banks in question were not in the same or closely related business. I was under the impression that they had asked to be affiliated, when, as a matter of fact, they were taxed separately; but, as a matter of fact, they were taxed separately and saved a whole lot of money by being thus taxed.

After I had made the statement, and the Senator from Pennsylvania [Mr. REED] had likewise made a statement that showed that he was in error as well as I was, I had a letter from Mr. Hickey in which he put the thing right, I think. I send it to the desk, and in order to get the matter right in the RECORD, I ask that the letter, except the last paragraph—I do not care about that being read, because that is a personal matter—may be read.

The VICE PRESIDENT. In the absence of objection, the letter will be read.

The Chief Clerk read as follows:

WASHINGTON, D. C., *February 1, 1926.*

MY DEAR SENATOR: Just to keep the record straight, I request that you read this letter to-day in the Senate.

I noticed you read from my affidavit relative to the consolidated return of the Mellon National Bank, the Union Trust Co., and the Union Savings Bank.

Senator REED of Pennsylvania says that this is a perfect example of the companies which should be consolidated. Senator REED is exactly right. They should have been. But they were not consolidated for the year 1917 and therein the Government was defrauded of this sum of money, $91,472.37. Senator REED makes just my argument and the argument the Treasury Department denied when the department agreed with Mr. W. A. Seifert, attorney in this case. I am happy to have Senator REED on my side.

The facts are these: The consolidated return section of the law is practically the same in 1918 that it was under the regulations of 1917. In 1918 and subsequent years the companies filed a consolidated return. The only difference between the 1917 rule and the 1918 rule was that under 1917 the companies must be in "the same or a closely related business."

Mr. Seifert contended that these companies were not in the "same or a closely related business."

Now, Senator, the solicitor held many times this law meant "the same or a closely related line of business." These companies never disputed that interpretation and neither did any other company.

Then Mr. Seifert claimed these companies were not in a "closely related line of business."

And the Treasury Department agreed with him. I am glad to have Senator REED of Pennsylvania expose this also. Certainly he is right. These companies should have been consolidated. If they had been, they would have paid the Government $91,000 more taxes than they did pay.

If there is any Senator who believes or will contend for one moment that these "companies were not in a closely related line of business," I can make no further argument. Even Senator ERNST, certainly not an opponent of the Treasury Department, tells in the Senate committee hearings how closely related is the business of banks and trust companies. Of course Senator ERNST is right.

Now that Senator REED agrees with me, and I commend him, then I must differ with him on another point. I was not a discharged employee. Even though I reported about a dozen cases of fraud to the commissioner, even though the intelligence unit agreed with my representations, even though in several of these cases the solicitor agreed with me, the men who perpetrated these frauds were kept in their high positions, and I was transferred to the estate-tax division. They did try to get me out of the way, but they did not dare to fire me. I resigned in good standing and with commendation from my superiors. Senator REED will be glad to know that he agrees with a man with that kind of a record in the bureau.

But to return for a moment to the Mellon bank case.

You will note these facts: Mr. W. A. Seifert handled this case for the companies. The companies had themselves filed a consolidated return for the year 1917. The bureau had agreed with this. The company, or, rather, Mr. Seifert, came in later and insisted that the company should not be compelled to do that which it had done of its own accord and rightfully done.

You will notice that Mr. Seifert's communications in this case were addressed always "Attention Mr. Rusch." Mr. L. E. Rusch was then the assistant chief of "Consolidated" and was the active head of it, so far as directing work is concerned. It was then through Mr. Rusch, or to Mr. Rusch, that Mr. Seifert made his claims and got them. You will note also this ruling was made even before Mr. Seifert filed a brief in the case. His brief was filed after the ruling.

You will note in the affidavit, then, that not so many months later Rusch resigned, the same Rusch. He appeared 13 days later in the George Bros. case, associated with Mr. Seifert, the same Mr. Seifert. They were the attorneys in that case. What did they do there? Why, they got the George Bros. case, which was in its rightful place, transferred to consolidated corporation audit section on a trumped-up claim of consolidation. The claim was quickly kicked out, and although the rules and procedure required such cases, as I show in my affidavit, to be returned to their proper place, these returns were retained in the consolidated and audited there. In other words, Mr. Rusch gets this case handled by his former subordinates.

And what was the ruling in this case?

The ruling was that earnings of this corporation, distributed in strict accordance with stock holdings, distributed regardless of any showing that any man had done more work than another, or better work, or more important work, were distributions of salaries instead of dividends. Again this decision was a reversal of all rules and procedure. The Government lost more than $150,000 in this case as a result of this decision.

This was the same Mr. Rusch and the same Mr. Seifert who worked in the Mellon bank case, although then Mr. Seifert was on the outside and Mr. Rusch was on the inside.

I know Senator REED will agree with me here also. Really, I am very hopeful, now that he has agreed with me in the Mellon bank case, that he will see that these cases are reopened, the money restored to the Government, and the guilty participants in these cases shall be punished.

You may read any portion of this into the RECORD you desire. I think some of it, at least, should be read in to keep the record straight.

* * * * * * *

Yours sincerely,

DANIEL F. HICKEY.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. NORRIS. I yield for a question.

Mr. REED of Pennsylvania. I am curious to know what we are going to do about it. The wicked theory which prevailed in behalf of the Mellon bank, and ended in practically abstracting $90,000 from the Government in a refund, is the same theory which the Senator from Nebraska defended with his usual eloquence on the floor of the Senate the other day. I, who did not know anything about the case, took the view that Mr. Hickey took, and I thought these companies were consolidated. But the Senator from Nebraska made such a powerful argument that he overwhelmed me, and he proved that they should not be. Now I understand that the proposition he proved the other day to my discomfiture is the thing that was guilty when Mr. Seifert proved it in the Treasury Department. It seems to me very strange, if the Senator from Nebraska proves their proposition, and I, who am a champion of sin, have proved the proposition of Mr. Hickey?

Mr. NORRIS. Is the Senator through with his question?

Mr. REED of Pennsylvania. That is the question.

Mr. NORRIS. Mr. President, it is peculiar that the great Senator from Pennsylvania was mistaken. It is not peculiar that I was. As a matter of fact, I stated at the time that if I had an opportunity to examine the charters of those banks I might completely change my mind; that I had not made up my mind; that I might disagree with the man who I supposed had said they were not affiliated. As a matter of fact, he had not said that. I was mistaken when I said that. I did not express any opinion as to whether they ought to be affiliated or not. I simply called attention to what I believed to be the fact—that the man making the affidavit had said that they ought not to be affiliated, or that they ought to be affiliated; it makes no difference whichever way it was; that it was not necessary, for the purposes of the illustration, to either agree or disagree; that the fact was, however, that I misstated what he said were the facts. Hickey had said that these banks ought to be affiliated in making their returns; that their business was just the same. I said I could not tell whether they were or not unless I examined their charters. The Senator from Pennsylvania said:

> This is on all fours, a case that illustrates the point. They ought to be affiliated.

Yet it seems that his law partner convinced the fellows up in the department that they ought not to be affiliated, and, incidentally, it happens that by that kind of a proof, the Mellon interests make something over $100,000. That just happens incidentally.

Whether that is right or wrong, whichever way is right, is it not just a little bit embarrassing for us, citizens of this country, that the interests of a man occupying the high position of Secretary of the Treasury should be passed on in a secret tribunal, before men who are in his own department, who are subject to his rule and his control, passing upon financial matters where he has hundreds of thousands of dollars involved? Is not that just a little bit embarrassing? Is it not just a little embarrassing to say that our Secretary of the Treasury, in his own department, is getting a refund here or being relieved from taxation where he ought to be taxed, by these secret proceedings? Is not that true, even though we admit that he is holy and pure from head to foot? Is it a little embarrassing that we have a law that would give the Secretary of the Treasury the personal right to appear, or his corporation to appear, demanding a refund of taxes, or demanding a change in taxation, demanding that these three banking institutions should not be affiliated, although they are owned by the same people, and his own subordinates must pass on it? Would it not be more honorable, and would not the people of this country have more respect for our Government, if that question could be passed on by the public?

Is our Secretary of the Treasury the kind of a man who will insist that we pass a law enabling his corporation to appear before himself in secret? If his subordinate, if his office, are to pass on his personal financial interests, let them do it in the open sunlight.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator yield to the Senator from Pennsylvania?

Mr. NORRIS. I yield.

Mr. REED of Pennsylvania. The Senator has been patient, but I am going to ask him to yield once more, because this is a personal matter to me.

Mr. NORRIS. Very well.

Mr. REED of Pennsylvania. The Senator spoke of my law partner presenting a tax case.

Mr. NORRIS. I do not intend to cast any reflection on the Senator.

Mr. REED of Pennsylvania. I would like to make the matter clear.

Mr. NORRIS. Very well; I will be very glad to yield to the Senator.

Mr. REED of Pennsylvania. That is a subject which has sometimes been mentioned. I am practicing law, in addition to my work in the Senate, but it is not only bad taste, it is a felony, I understand, for a Senator to practice in the departments. Consequently, when I came to the Senate in 1922 I

severed all connection with any practice in any Government case or with any practice in the departments. I do not share in any such work. I do not even know what work is carried on by my associates in Pittsburgh, and I would not want the statement to remain unchallenged or allow the inference to be drawn that I was so engaged.

Mr. NORRIS. I want to say to the Senator that I did not want to draw any such inference and I did not cast any such reflection.

Mr. REED of Pennsylvania. I know the Senator would not.

Mr. NORRIS. And I very gladly yield to the Senator to make the explanation.

Mr. REED of Pennsylvania. It is an embarrassment that all of us who are lawyers have to be on our guard against.

Mr. NORRIS. I certainly did not want to cast any reflection or make any intimation that the Senator is getting any personal gain out of anything of this kind, because he happens to be in partnership with a man who appeared in this case.

That is not all about Mr. Mellon. It appears that Mr. Mellon had a personal claim, either for a refund or some change in what was being done there, and let us see what happened to that. It seems that not only were these Mellon corporations permitted to make separate returns when this man under oath says under the law and the rulings they ought to have been consolidated, but it appears that Mr. Mellon had a financial interest of something over $100,000——

Mr. COUZENS. Ninety-one thousand dollars.

Mr. NORRIS. Ninety-one thousand dollars, and it does seem queer that this action should have been taken in secret. It seems to me that the great Secretary of the Treasury ought to be glad to welcome full publicity of his cases that are pending before his own subordinates. Otherwise it would necessarily lead to suspicion, however wrong it may be. But in this case it appears that at least on the surface this action, returning this $91,000, making a difference of $91,000 in favor of the Mellon Union Trust Co., was illegal; it was wrong. They held that these three banks should not be affiliated. That relieved them of $91,000 in taxes. If that is right, it ought to be done in public. It ought to be done openly and aboveboard, and nobody ought to be more anxious to have it done that way than Mr. Mellon himself.

It seems that Mr. Mellon had a personal income tax to pay—of course a very large one; one of the largest in the United States. His return was sent where it did not belong. It was sent to this consolidated division, which I described at the very beginning when I commenced to consider the Hickey matter. That was the division that seemed to have handled all cases, he says, in which it seemed that there was some particular reason that it should not go through its regular channels. Mr. Mellon may have been assessed erroneously; he might have been entitled to a refund or a reexamination or a reconsideration of his tax return; he may have made a mistake when he made his return by which he overcharged himself. I concede all that. He had the same right that anybody else ought to have to have it rectified if he made any such mistake. But he did not have the right to ask that when that came up it should go through a favored course. It should have gone to the same place where the return of the Senator from Tennessee [Mr. MCKELLAR] would go if he made such an application. It should have gone before the same tribunal that would try me if I went there. But it did not.

Mr. REED of Pennsylvania. Was that before or after Mr. Mellon became Secretary of the Treasury?

Mr. NORRIS. I do not know. I do not think Mr. Hickey states in his affidavit whether it was before or afterwards. But he says it did go there. It went to this consolidated unit, which had nothing to do with personal income-tax returns. It did not belong there. They audited it. They passed upon it. They gave judgment on it.

Is it not just a little humiliating in our country that that should occur; that apparently a special favor should be granted to the man who is the head of a department in which all these officials are acting? But that is what Hickey under oath says happened. I do not know. He swears to it. I do not want to be understood as saying that Mr. Mellon should not be entitled to the same consideration as any other person.

But if through ignorance or for any other reason when he made out his personal tax return he made a mistake against himself and wanted to get the money back, then there ought to be the same procedure applied to his application that would be applied to any other citizen's application. It seems that before this consolidated unit there were others besides Mr. Mellon's personal return considered. This man says under oath that the cases of the estate of J. W. Cannon, of Concord, N. H.; H. C. Frick, and John C. Leslie were likewise sent wrongfully to this subdivision. It is a little peculiar that the man J. W. Cannon was the father-in-law of Mr. Blair, the Commissioner of Internal Revenue. It does not necessarily follow, I concede, that there was anything wrong anywhere; but, mind you, this was all secret. Nothing of this was known by the public. From the affidavit it would appear that at least a favorable consideration more than goes to the ordinary person's return was given to these individuals. That would not have happened if we had had publicity.

Mr. MCKELLAR. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. NORRIS. I yield to the Senator from Tennessee.

Mr. MCKELLAR. The Senator will recall that shortly after Mr. Mellon took office the Gulf Refining Co., known as one of the Mellon companies and in which he was a very large stockholder, had a refund of $3,300,000. A day or two ago I read of the case of the Koppers Co., which is another Mellon company, that had had more than $2,000,000 refunded, and a number of refunds amounting to $100,000 each, though I think the usual amount was about $500,000, were made to the Aluminum Co. of America, another well-known Mellon company. I think the Senator is right that where the Secretary of the Treasury is thus largely financially interested in these great corporations and refunds are made in these enormous sums—they may not be enormous to some people, but looked at from my financial standpoint they seem quite enormous—that at least the Secretary should have demanded of the Congress that the fullest publicity be given so that no one could doubt for a moment the good faith in making these enormous refunds.

Mr. REED of Pennsylvania. Mr. President, will the Senator from Tennessee, before he sits down, tell us whether it is not true that the Gulf Refining Co. refund was made before Mr. Mellon was Secretary of the Treasury and when Mr. Houston was Secretary of the Treasury?

Mr. MCKELLAR. I shall be very glad to state just what the facts were about that. The application was made prior to the time Mr. Mellon became Secretary of the Treasury, as I recall, in January or February, 1921, when every employee within the Treasury Department knew that Mr. Mellon was going to be the head of that department. Of course, I may be mistaken about the exact dates, but the fact is pretty well fixed in my mind that Mr. Mellon went into the Treasury Department on the 4th of March, 1921, and on the 30th of April, less than two months afterwards, a check for $2,337,000 was given to the Gulf Refining Co. I do not know anything at all about the matter except these facts, and nobody else can find out anything about it, unless a committee of Congress were sent down to examine some of the specific matters involved.

Mr. GLASS. Mr. President, I want to inquire if it has been ascertained or charged that the refund was wrongfully made?

Mr. MCKELLAR. No; but it is a remarkable thing.

Mr. GLASS. What difference does it make whether it was under Secretary Houston or Secretary Mellon or any other Secretary? If it was right, it was right; if it was wrong, it was wrong.

Mr. MCKELLAR. Nobody knows. It was done in secret. The Senator from Virginia does not know, and I do not know, and no other Senator knows whether it was a proper refund or not. It was done in secret. It was done by those who were under the direction of the head of the department.

Mr. REED of Pennsylvania. Was it not approved by Mr. Roper, the Commissioner of Internal Revenue?

Mr. MCKELLAR. I do not know whether that is true or not.

Mr. REED of Pennsylvania. He did not expect to stay on under Mr. Mellon.

Mr. MCKELLAR. That was one of the very large refunds made in 1921.

Mr. GLASS. No; it was not done under Mr. Roper; it was done under Mr. Williams. But what difference does it make under whom it was done? If it was right, it was right; and if it was wrong, it was wrong. If anybody has any charge to make, let him make it and let us investigate it and ascertain the facts.

Mr. MCKELLAR. How can it be investigated when no one has the right to examine any of the returns or any of the settlements?

Mr. REED of Pennsylvania. The charge is made, or the implication is made, that if any money is paid to any company in which Mr. Mellon is interested at any time since he has been Secretary of the Treasury there is suspicion that something dishonest has occurred.

Mr. NORRIS. I do not make any such charge, either directly or indirectly. I do say that it seems to me to be just a little humiliating that here we should have an affidavit of a man

who has been in the employ of the Government who says that Mr. Mellon's personal taxes were not considered by the regular unit that should have considered them. He says, furthermore, that they had to reverse what everybody conceded to be a fair ruling as a matter of law in order to save those three banks from paying something like $91,000 in taxes. It may be that this lawyer Hickey is not telling us the truth in his affidavit; but if it be true as he has outlined it, it seems to me that it is a sad commentary on the laws of Congress that the very head of this great financial part of the Government should in secret have claims in which he is interested passed on in an irregular way. I do not know whether they were right or whether they were wrong. Publicity would have cured it and there would not have been any trouble.

Contained in this affidavit is a description of the Little Estates Corporation of New York. Mr. Hickey said in relation to that matter:

The Little Estates Corporation case, New York City, is the fourth of the cases to which I refer on page 27 hereof as supporting my argument that L. E. Rusch, while still an employee of the bureau, forced subordinates to grant concessions improper in character to tax practitioners with whom he proposed to be associated immediately after his intended and impending resignation from the bureau.

Early in 1922 the Income Tax Unit ruled that the Little Estates Corporation, J. J. Little & Ives Co., and the St. Nicholas-Seventh Avenue Theater Co. were not affiliated during the years 1917 to 1920, inclusive, and therefore were not entitled to join in consolidated returns. The taxpayer subsequently objected to this ruling.

Here is a case where it was to the interest of the taxpayers evidently to have affiliation and they wanted it. Some of those corporations evidently had lost money, and by affiliation they could offset those that gained against those that lost. In the Mellon case it was to the interest of the taxpayer that there be no affiliation, because I presume all the corporations made a lot of money and if they were affiliated the tax would go up into the higher brackets, and, of course, they would have to pay a higher tax.

An unusual number of conferences were granted this taxpayer to begin with, at each and all of which, however, the bureau's original ruling was reaffirmed.

Finally at, perhaps, the last conference, the taxpayer's representative, who was associated with George V. Newton, former deputy commissioner in charge of income tax, explained to the conferees on the case that while he understood their position in denying affiliation in view of the bureau's interpretation of the law, still, since his principal, Mr. Little, was paying him and insisting that he make repeated visits to Washington in the matter, he had no choice but to keep agitating the question. The representative went on to say that Mr. Little was a clubman in New York, and that in discussing this income-tax case with fellow club members he had been assured that he could get whatever he wanted from the Income Tax Unit, provided he "got the right man."

The records of the case disclose that the field officer had no little trouble with these people in trying to ascertain certain of the facts essential to a correct tax computation. This fact, taken with the taxpayer's insistence, might be said to constitute an indication of what reasonably could be expected in efforts to evade taxes.

In September, 1922, George V. Newton, himself, wrote a letter addressed to the commissioner stating that, as the authorized representative of the taxpayer, he protested the bureau's ruling on the question of affiliation, and requesting that the case be sent to the committee on appeals and review. But either Newton saw his mistake himself or some one in the "Consolidated" pointed it out to him, for the case never was sent to the committee until I reported it to the commissioner, because of the fraud perpetrated in it. The published rulings of the committee plainly were unfavorable to the taxpayer's case, and he could hope for no relief in that quarter.

Shortly after the receipt of Newton's letter, therefore, L. E. Rusch summoned a prominent affiliator to the office of the chief of the subdivision for whom Rusch was acting at the time. He showed the schedule of stock ownership in the three corporations to this young man and asked him what he thought of the taxpayer's case.

The affiliator called Rusch's attention to the large minority interests and material divergencies in the ownership of the stock by some of the persons interested in more than one of the corporations; and he told Rusch that the bureau's ruling was plainly correct. Rusch thereupon told this young man to leave the case with him—Rusch. At this time Rusch was assistant chief of the subdivision. His discussion with the affiliator, and activities in the case shortly thereafter, quite definitely establish his "personal knowledge" of the case while in the bureau. He personally dictated the impropriety committed.

It transpired that, following his talk with the affiliator, Rusch carried this Little Estates Corporation case to the office of H. L. Robinson, then chief of the affiliations section, and asked Robinson to look it over within a day or two and see what he thought about it. When Robinson looked into the affiliations, he at once decided, as he himself stated to one of the conferees on the case, that there was no merit at all in the taxpayer's contention. So he laid the case aside on his desk. Rusch called upon Robinson in the latter's office after a few days and reminded him of the case, asking what Robinson thought about the bureau's ruling. Robinson told Rusch there was nothing to the case and that (quoting Robinson), "We can't give it to them." Whereupon Rusch replied, "You'll have to give it to them; do as you are told." This was only a short time before Rusch resigned.

Robinson turned this case over to the same auditor who made the improper reversal in the Roessler & Hasslacher Chemical Co. case, telling this auditor that, while he (Robinson) didn't agree with Rusch's position, they had to be "good soldiers" and follow orders.

A letter was written the taxpayer under date of November 23, 1922, advising that the original ruling was revoked and affiliation allowed. The conferees on the case discovered the carbon copy of this letter and protested to Robinson, his chief, who thereupon confessed the facts. Much indignation was manifested among the conferees of the section.

On April 13, 1923, after the affiliations section had been abolished and H. L. Robinson made chief of audit section B, with a group of affiliators assigned to him (including myself), the case came to our section in the routine. The taxpayer had filed a protest about some audit matter, but L. J. Potter, an able and indignant affiliator, seized upon the opportunity to reopen the case as to affiliations and reinstated the original and legal ruling, writing the taxpayer to that effect. Rusch had in the meantime resigned on October 31, 1922.

If this man tells the truth in his affidavit, here is what had happened: This case had been acted upon; they had decided it wrongfully, if he is correct, against the Government and in favor of the taxpayer; but the taxpayer, not satisfied with what he was going to gain out of that, thought that he could get a little something on a technicality of a different nature, and so he made application to the man before whom it came, knowing of the wrong which had been committed against the Government in reversing the rightful and honest ruling that had previously been made. He seized upon the opportunity allowed by the claim to reopen the whole case and thus get it back again. That is where it is now.

On April 24, 1923, 11 days after Mr. Potter's reinstatement of the original ruling on affiliations, Rusch, the very man who had coerced Mr. H. L. Robinson into reversing the original ruling while he (Rusch) was an official of the bureau, came into Mr. Robinson's office, against the rules of the subdivision, and made him reinstate the illegal ruling. Mr. Robinson had Mr. Potter do the necessary work in this corrupt transaction; but Mr. Potter made a notation on the work record ruling forms to the effect that the proceeding was not in accordance with the facts, law, or regulations. Robinson detected these notations on the ruling forms, and had new forms made out, but Mr. Potter's protest on the work record was not discovered, and still stands to his credit.

If this man's affidavit is true, what he states here is there now on the record. He states the notation was made, and whether it is true will be shown on the record.

In this case by this ruling of Mr. Potter, seizing upon this opportunity to reopen it, he saved the Government over $56,000.

Now I am going to read about another case which this man describes:

The case of the National Refining Co., Cleveland, Ohio, is next in order for discussion because of the fact George V. Newton also had something to do with this case, as shown by notes therein made by one or more employees of the natural resources division where the case went in regular routine and where it properly belonged. Also, improper action was taken on it by H. L. Robinson, chief of section B, at just about the same time that Rusch came back into the unit and had Robinson reinstate the corrupt ruling in the "Little Estates" case for Newton. Bright and Lohmann played their parts in this "National Refining" case, as already related on page 23 hereof.

In this case the bureau on December 17, 1920, ruled that 8 or 10 companies associated with the "National Refining" were affiliated within the meaning of the acts, but that two certain corporations were not affiliated with the others, and therefore should be excluded from the consolidation for tax purposes. This ruling stood for over two years, and was eminently correct from every standpoint.

On or about April 2, 1923, J. G. Bright, then assistant deputy commissioner, directed this case to be sent to L. T. Lohmann, who had succeeded him as assistant chief of the "consolidated," for reconsideration of the question of affiliations. Mr. A. H. Fay, head of natural resources division, where the case had been and where it belonged, put a memorandum in the case explaining his unusual action.

Now they are sending the case where it does not belong; they are doing it in secret. They could not have done such a thing in the open light of day. They would not have sent this case to the wrong place if it had not been that it was all shrouded

in secrecy. They never expected the public to find it out. The very fact that the case is sent where it does not belong under the rules is an indication that things are not right. It does not follow that the case has not merit; it does not follow that the taxpayer in the case is not entitled to everything he is asking for on that ground; I admit that; but it does follow that because of this secret method of doing the public business there is great opportunity, at least, for fraud; and there never was an instance in the history of civilization where the opportunity afforded by a secret method of doing governmental business extended over many years but that fraud actually took place. It is just as natural as the rising and setting of the sun.

In due course—

I am going back again to this case—

Mr. Robinson, of section B, received this case and ordered one of his affiliators to allow affiliation to the two companies originally excluded. The affiliator knew this action was illegal; but employees of the Income Tax Unit feel that if their superiors desired to be crooked and run the risk of punishment that is entirely a matter for the superior. So this affiliator did as he was told; but he made a notation on the work record stating that this action was by order of his chief of section.

You can find out whether this man's statement is corroborated or not by examining the record. He said that this man knew that he was asked by his superior officer to do an illegal thing, and that he made a notation on the record itself that he did it because he was commanded to do it by his superior. That is down there; examine it; find out whether this man is telling the truth or not in this affidavit. I read further.

When I reported the "Little Estates" case to the authorities of the bureau, I also reported this case to Mr. Blair. It was investigated by agents of the special intelligence unit, and afterwards sent to the committee on appeals and review, by which body I was again sustained, as in the "Little Estates" and "Diamond Alkali" cases.

It is a matter of record as to whether or not he is telling the truth.

As hereinbefore stated, on page 22, there were skilled affiliators and auditors in "natural resources" where this case was being handled before it was moved by Bright's orders. All concerned knew full well that the case should be handled and audited in "natural resources," to which division it was sent—returned—after my protest on the illegal ruling ordered by Robinson had been sustained by the "committee." Why—

Asks Mr. Hickey in this affidavit—

did J. G. Bright send this case to "consolidated" to his friend and successor, L. T. Lohmann? Why did Lohmann send it to section B? Why were all these corrupt cases invariably routed into section B when there were several other audit sections in "consolidated"? Why did Robinson tell his auditor arbitrarily to change the original ruling when there was no new evidence or argument in the case? Who gave the order to Robinson? Will it be said that Lohmann, to whom the case was sent by Bright, knew nothing of this impropriety? Did Bright, the man who moved the case in the first place, know anything about all this? Wasn't this just another case where Robinson was doing things for the "higher-ups" under the "good-soldier" doctrine? Who were the "higher-ups"? Why didn't Commissioner Blair punish anybody for this corruption in this case? Does he know who the "higher-ups" are?

I am going to read another case referred to by Mr. Hickey in his affidavit:

The American Lumber & Manufacturing Co., Pittsburgh, was sent from "Natural Resources," where it also properly should have been audited, to "Consolidated." This case accompanied the "National Refining" case under memorandum dated April 2, 1928. This memorandum, like that in the "National Refining" case, was signed by Mr. A. H. Fay, head of natural resources division, was addressed to L. J. Lohmann, assistant chief of "Consolidated," and recited that by orders of Assistant Deputy Commissioner J. G. Bright, the case was being sent to "Consolidated" for reconsideration of the question of affiliations.

L. E. Rusch was the tax representative in this case. The years involved were 1917 to 1920. Prior to February 9, 1922, the unit had ruled that certain corporations associated with the "American Lumber" were not affiliated, and that they should, therefore, be denied the privilege of filing consolidated returns. On memorandum signed by William P. Bird, chief of "consolidated," on the date mentioned this case was accordingly sent to "Natural Resources" for audit, ruled "not affiliated" as to the certain companies specified. This would support my claim that the case was a natural resource case, if my claim as to that point be questioned.

As soon as Bright and Lohmann had cooperated through their official positions to get the case into the control of H. L. Robinson, chief of section B, Rusch and his employee, a Mr. Wallerstedt, began visiting Robinson regarding the case. In due course Robinson summoned Mr. L. J. Potter, who was his supervising affiliator at that time, and requested Mr. Potter to reverse the original ruling. Mr. Potter objected that this would be a very imprudent thing to do, especially as to 1917; whereupon Robinson deferred action for the time being.

After some days, however, and after Rusch's man, Wallerstedt, had again visited Robinson in the latter's office, instead of calling first at the office of the subdivision, as was prescribed by the rules, Robinson directed Potter to make the reversal which Potter opposed. Mr. Potter followed orders, noting on the case that his chief had directed him so to do. This was in the spring or early summer of 1928.

Mr. President, a very important matter is involved here—that a man was ordered by his chief to do an illegal thing. He did it according to orders, but he noted on the record why he did it. That will be in the record. Let us look into it and see. Is Hickey lying about all these things? Many, in fact most, of the statements he makes refer to records and dates by which they can be substantiated, or overthrown, as the facts may warrant when they are looked into.

By this time I had become convinced of the existence of a conspiracy to defraud the Government, because of what I had seen in other cases; so I protested to Mr. Potter that while the reversal of the old and legal ruling was bad enough for 1918 and later years, there could be no argument, however flimsy, for reversing the previous ruling on 1917, because of the absence of the word "control" in the act controlling class B cases in 1917. Potter thereupon went to Robinson and had Robinson hold up the rulings for all years again.

Rusch's man, Wallerstedt, visited Robinson again and again, and Robinson finally had him see Potter; but Mr. Potter stood fast. Just at this time—about July—Robinson went on his vacation; but before he left I heard him tell Mr. Potter not to take any unfavorable action on the case against the taxpayer until he got back.

After Mr. Robinson returned from his vacation, I looked over his "hold" cases one evening, and found that with his own hands he had made out a new ruling form allowing affiliation to the originally excluded companies for the year 1917. The next morning I called upon him and told him I was going to see if I couldn't put a stop to such improper practices, and I warned him that no matter how long the chase I would stick on the trail until convinced beyond all doubt I could bring no one to justice for his sins in such matters.

After my talk with Robinson, as mentioned, he became worried and called me in for talks about the cases to which I objected. By this time the year had progressed to about September, and it was about this time he so frankly stated that the "higher-ups" had to have some things done which did not look right, but which they could not explain, and that we subordinates should be "good soldiers" and follow orders. In the meantime this American Lumber & Manufacturing Co. case was being held in abeyance; and finally Mr. Robinson told me that it had developed that a field investigation was being made and that it had been decided to wait until the revenue agent made his report before making a final decision on affiliations. I knew then I had carried my point, and was satisfied to wait.

Before the revenue agent's report was received on this "American Lumber" case, however, I preferred my charges against Rusch in the "Little Estates" case, thereby greatly displeasing Mr. Lohmann, who had failed to heed my protest to him in the matter. My charges had the effect of making Robinson, at least, pretty careful; and when the field examiner's report on the "American Lumber" was finally received Robinson told me he saw there were no grounds for a reversal of the old ruling on affiliations and that therefore it would be allowed to stand. It was of course gratifying to realize that I had saved more money for the Government in this case, in preventing another fraud.

There are several more cases; but I am only going to read one more, Mr. President, referred to by Mr. Hickey in this affidavit. I have not had time even to read all of the cases he has cited, so I have not picked these cases out especially from the others. I have selected them practically at random.

Commencing on page 43 of this man's affidavit, he states as follows:

In the Stewart Furnace Co., Sharon, Pa., and Brown Transit Co., Cleveland, case the original ruling of the bureau was the companies were not affiliated. A conference was then held, and the conferees allowed affiliation, but stated in their conference memorandum that they had conferred with L. E. Rusch, then assistant chief of "Consolidated," and Rusch had said he had "procured" an affiliation ruling in this case.

As a refund of $147,283.98 was involved, the case automatically went to the solicitor. On January 14, 1924, the solicitor rejected the case, reversed the ruling Rusch had "procured," and sent the case back to the unit, directing that it be audited on the basis of separate returns for each company.

These cases should have gone separately to "corporation audit." However, as in other cases hereinbefore complained of, this case improperly was sent back to H. L. Robinson, chief of section B in "Consolidated." Robinson placed this with other cases marked "Hold."

A few days later Solicitor's Opinion 154, issued January 15, 1924, was promulgated. Robinson immediately ordered that the solicitor's ruling of January 14 be disregarded and the improper ruling of "affiliation," which Rusch had "procured," be reinstated. In the meantime I had protested Solicitor's Opinion 154, and Robinson had gone on a trip for a few days. While he was away Robinson's assistant, Mr. C. A. Jacquette, recalled this case, the Door case and others, thus frustrating Robinson's intent in these frauds upon the Government.

This case, with the circumstances involved, was also reported to Commissioner Blair in my charges of corruption in the unit.

That money in that case was saved by the activity of this man.

Mr. President, I have said before that this evidence is ex parte. If I were sitting in judgment either in a civil or in a criminal case, I would not expect to render judgment with the evidence that has been introduced up to this point. Of course, if no other evidence is offered, it stands undisputed, uncontradicted that these things have been going on here that I think are terrible, are humiliating to every citizen of the United States; but I admit that the evidence is ex parte. If we were trying a lawsuit, we would hear the other side, and I want to hear the other side. If you had the thing done in public, you never would have this kind of a condition coming up. The public would know about it. You would not get absolute purity of government; mistakes would happen; frauds would occur; and many inefficient actions would be brought about by reason of inefficient employees. I know that all of that is true; but these awful things that are disgraceful to our Government would not occur except behind closed doors. It can not be possible that in this great bureau, doing millions of dollars in value of business, the things would happen that have been narrated here by Mr. Hickey and that have been reported by the committee, if everything were done in the open light of day.

To my mind, Mr. President, there can be in this case, as in every other case where public business is involved, but one course of procedure, and that is that the public business should be transacted in the open light of day; and I believe that any other method pursued indefinitely will bring destruction and corruption, and, if applied to all Government activities, will bring about the ruin and destruction of the Government itself.

A republic, a democracy, is founded upon the theory that one of the pillars of human freedom is that every member of the great country is a member of the corporation, if it may be designated as such; that every citizen has an interest in the governmental affairs; that every taxpayer has the right to know not only that he is taxed fairly as compared with his neighbor but that the money he pays in taxes is expended according to law for legitimate, honest, and honorable purposes. If government is carried on in secret, however, that can not be done; that can not be known.

There is not any other end of a secret government than its own destruction. It is bound to come. The Russian Government is a sample of it. Under the old Czar, where secrecy, of course, went much farther than it is going here now—I concede that—where men were tried in secret, where human life was decided upon in secret, where property rights were likewise disposed of by secret tribunals, one portion of the people were peasants, downtrodden, practically slaves; and eventually, after centuries of that kind of secret rule, there was a revolution. Revolution always means unreasonable things, unfair things, injudicious things, and the effect will last for centuries.

The patriotic taxpayers and citizens of our country have a right to know that everybody is being treated on the same level; that every taxpayer has the same right, the same privilege of having his matters adjusted; that all public business shall be transacted according to law. That never can occur when a great portion of our governmental business is transacted in secret; and suspicions oftentimes arise where there is no justification for it. I know that; and the harm that will come from such suspicions is often as detrimental to good government as though the suspicions were well founded.

Suspicion always comes from darkness, from misunderstandings, from secret dealings. Those things always arouse suspicion, even though there is nothing wrong. Then, Senators, why not repeal the law of secrecy? Why not say that these income-tax returns, involving hundreds of millions of dollars every year, shall be public documents, open to inspection the same as any other public document?

No man has pointed to a single instance where an injury would come to anybody if that were done, and it is no answer to say that the Cousens committee has not sent anybody to jail or to prison. It is no answer to say that no fraud—even if we admit that, which I do not—has yet been discovered. The fact remains that just as surely as two and two are four, corruption will breed itself in dark places, in suspicious corners, where immense volumes of business are transacted without the knowledge of the citizenship of the country. It can not be otherwise. It is a law of human nature. There is no exception to it in civilization, and it will be true in America as it was true in Russia. It will be true anywhere. We will have trouble enough if all this business is done publicly; and God knows we will have in the end ruin and destruction if it is done secretly and that secrecy is continued indefinitely.

THE WORLD COURT

Mr. McKINLEY. Mr. President, the Senate of the United States, in harmony with the platforms of both the Republican and Democratic Parties in 1924 and complying with the recommendations of the American Legion, the American Federation of Labor, the National League of Women Voters, the National Chamber of Commerce, the American Bar Association, the National Association of Business and Professional Women's Clubs, and scores of other patriotic, civic, and religious bodies, by a vote of 76 for and 17 against, has agreed to join the civilized nations of the world in creating a tribunal to prevent war and promote peace in the world.

Mr. President, from the letters I am receiving it would appear a great many people, not having the opportunity to read Senate Resolution No. 5, known as the World Court resolution, are not fully informed as to how by its wording it absolutely prevents the United States from participating in European affairs. Therefore it seems to me the duty of the Members of Congress to acquaint the people with the actual situation by freely distributing the World Court of Arbitration resolution, and particularly calling to their attention the reservations which, concretely, are as follows:

(1) That it involves no legal relation to the League of Nations and no assumption of obligations under the Versailles treaty.

(2) That the United States shall participate with the members of the league in electing judges of the court.

(3) That the United States shall pay a fair part of the court's expenses as determined by the United States Congress.

(4) That the United States may at any time withdraw from the court, and that the constitution of the court shall not be changed without the consent of the United States.

(5) That the court shall not render any advisory opinion affecting any question in which the United States has an interest unless the United States consents.

And further it is provided the United States shall not ratify until the other nations shall consent to its reservations that the United States shall take no case to the court unless an agreement by treaty is made for doing so, and that in adhering to the court the Monroe doctrine (not mentioned by name) is retained as a United States policy.

The next to the last clause means that if any question arises concerning the United States the same can not be considered, no matter whether it comes up to-morrow or 20 years from now, until after the Senate of the United States by a two-thirds vote at that time has so consented.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes, the pending question being on the amendment offered by the Senator from Nebraska [Mr. NORRIS] to the committee amendment on page 113, line 1.

Mr. REED of Pennsylvania obtained the floor.

Mr. COUZENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Capper	Ferris	Harris
Bayard	Caraway	Fess	Harrison
Bingham	Copeland	Fletcher	Heflin
Blease	Cousens	Frazier	Howell
Borah	Cummins	George	Johnson
Bratton	Dale	Gerry	Jones, Wash.
Brookhart	Deneen	Glass	Kendrick
Broussard	Dill	Goff	Keyes
Bruce	Edge	Gooding	King
Butler	Edwards	Hale	La Follette
Cameron	Fernald	Harreld	Lenroot

McKellar	Norris	Schall	Trammell
McKinley	Nye	Sheppard	Tyson
McLean	Oddie	Shipstead	Wadsworth
McMaster	Overman	Shortridge	Walsh
McNary	Pine	Simmons	Warren
Means	Pittman	Smith	Watson
Metcalf	Ransdell	Smoot	Weller
Moses	Reed, Pa.	Stanfield	Willis
Neely	Robinson, Ind.	Stephens	
Norbeck	Sackett	Swanson	

Mr. JONES of Washington. I desire to announce that the senior Senator from Kansas [Mr. CURTIS] is necessarily absent on account of illness.

Mr. GERRY. I wish to announce that the junior Senator from Texas [Mr. MAYFIELD] is detained from the Senate on account of illness.

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. NORRIS] to the committee amendment.

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DILL. Mr. President, if the representation now in the Senate Chamber had been here for the last two or three hours and had heard the revelations regarding the Internal Revenue Bureau as presented by the Senator from Nebraska [Mr. NORRIS], I think there would either be a number who would not want to vote, or they certainly would not vote with the committee. I did not hear them all, but I heard enough to convince me that if there were no other reasons why the light of publicity ought to be allowed upon these returns, the way they have operated behind closed doors in the past in that department is in itself conclusive.

TAKE NO BACKWARD STEP

When for years a policy has been fought for and finally won, and then when it has been improperly applied, and when a practice has been called publicity which is not publicity at all, and all this is unsatisfactory, I do not understand why we should then be expected to repeal the real publicity provision for which the Senate voted two years ago by such an overwhelming majority.

HAVE NOT HAD REAL PUBLICITY

Why do I say that the so-called publicity of income-tax returns which we have had for the past two years is not publicity at all? Because what we have had has been simply publicity of the amounts returned, and that was not originally voted for by the Senate at all, but was brought in in the conference report which had to be accepted or rejected as a whole. So we have had Government employees preparing lists for the newspapers, and then the newspapers publishing those lists, giving the income taxes paid by men from $1.50 up to a million dollars. At the same time, the doors and books are closed, so that it is impossible for anyone to go into the records and find the explanation of any seeming discrepancies between the amounts paid and the amounts earned.

LONG FIGHT FOR PUBLICITY

This proposal for publicity of income-tax returns is not new. Publicity existed during the Civil War and added millions to the Treasury. The Ways and Means Committee of the House of Representatives in 1866 inserted a secrecy provision in the revenue bill so that the returns should thereafter be made secret. Later the income-tax provision was repealed.

In 1894, when the income tax law was enacted, the returns were again made secret, and when the Supreme Court declared the law unconstitutional the returns were ordered destroyed by law.

In 1913, when the income tax was again adopted, the returns were made secret, and fight after fight has been made in both the House and the Senate to secure the same measure of publicity for the income-tax returns that exist regarding other public records.

I remember, as a Member of the House of Representatives some years ago, I made the motion myself to amend a revenue bill to provide for publicity of income-tax returns, but I was unable to get enough support to secure a roll call. Year after year that motion has been made, until last year the demand became so strong in this body that by an overwhelming majority we put a provision into the statute that is perfectly natural and perfectly proper, namely, that these income-tax returns should constitute public records.

Then, when the bill went to conference, the provision of the House, which was an innocuous, meaningless provision, namely, that the lists of the taxpayers' names and addresses should be printed, was adopted, and the words added to it, "with the amount that each man has paid." The very fact that a newspaper can now publish the names of all the taxpayers, and the amount of money which each taxpayer pays, without anyone being able to investigate the returns and find the explanation, arouses much suspicion in many cases, and is very unsatisfactory.

Instead of repealing the provision which we did have, we ought to enlarge it so that the objections which now exist would be removed and we would treat income-tax returns exactly as we treat other documents of the Government.

PUBLICITY HAS DONE NO HARM

It is said that publicity of tax returns is annoying. I have been unable, in listening to the arguments and in reading the discussion, to find out what is so annoying or so objectionable about the returns of a man's income being made public any more than the returns of his property taxes or his other taxes in his home community. I ask those who are proposing to close the books and keep all information secret, what harm has been done in the two years we have had even this unsatisfactory kind of publicity? I want to know whose business has been ruined? Who has been hurt by this publicity? It is clearly evident from the report of the majority of the committee, especially from the revelations made here this afternoon by the Senator from Nebraska [Mr. NORRIS], that instead of closing the books we ought to open them more widely, and instead of shutting down upon the information that is there we ought to throw open the doors. I believe that the increase in the amounts of income taxes paid last year by the wealthy is due largely to the publicity section of the 1924 law.

The Senator from Tennessee [Mr. MCKELLAR] a few days ago in speaking on the subject brought into direct contrast the secret methods now pursued in connection with income-tax returns and refunds and the public method of handling such proposals, when he proposed that we have a court that hereafter would handle all questions of refund. What would Senators think of a court hearing the case of a man who applied for a refund saying that because the question affected the man's income the court would close the doors and make it a secret trial? Yet that is what is going on now in the Internal Revenue Bureau and will continue to go on. The results are becoming more and more burdensome to the Government. The amount of refunds is becoming greater every year. I notice in the estimates that are made for receipts and expenditures the amount of refunds, we are told, will be greater next year than last year. In fact, in estimating the amount of money that is going to be in the Treasury they estimate that so much will have to be paid back to taxpayers, and all of the hearings and proceedings leading up to these refunds are secret.

I do not know of anything more objectionable that the Congress could do than to continue a system that invites the clerks and subordinates in the Internal Revenue Bureau, who have the information in secret, to resign from the department and go to those concerning whose returns they have secret information and become their attorneys or representatives to bring about a refund in which, of course, they share largely. If the books were open, if the records were public records like other records, then that sort of thing could not happen, because the men inside the service would have no secret information which those outside could not secure.

The records show that something over 6,000,000 people paid income taxes last year. It is proposed by the pending bill that their income taxes shall be secret, but all the taxes of all the rest of the people, some 80 per cent of all kind of taxes, shall be public. Why discriminate in favor of secrecy for those who have sufficient incomes that they make an income-tax return while we turn the light of day upon all the taxes of the rest of the people who have smaller amounts of property? Abraham Lincoln favored income-tax publicity. Horace Greeley favored it; Benjamin Harrison favored it. This Senate favored it in 1924 and should pass this amendment.

MILLIONAIRE TAX REDUCTION BILL

It is a striking fact to me that the revenue bill called a tax reduction bill is, after all, written primarily in the interest of those with great wealth, and that at this time the publicity provision is to be wiped out, in addition to all the other things that are being done for those of great wealth. I recognize that the bill does contain some provisions in the interest of the common people. About 2,500,000 people are to be relieved of income-tax returns whose incomes are less than $3,500 in the case of married people and $1,500 if they are single. I recognize that it abolishes about $130,000,000 of sales taxes. But when I have said that I have said about all that can be said about the bill in the interest of the masses of the plain people.

Over against that we will have something like $10,000,000 of miscellaneous taxes and $29,000,000 of theater taxes, $46,000,000 of stamp taxes, and about $69,000,000 of automobile taxes continuing on business, if you please. These sales taxes are to remain upon the people as a permanent peace-

time system, because we have practically reached the limit in the reduction of expenditures. The Budget report of the President states that in the coming year we shall spend $90,000,000 more than we did last year.

The estimate is that in 1927 the reduction will be about $120,000,000, but unexpected demands for money will probably absorb that. So we are passing a tax reduction bill that proposes to leave a large amount of sales taxes on the people, while we are, first, cutting to the extent of 50 per cent the taxes of those whose incomes are more than $100,000 and, in the next place, we are wiping out $110,000,000 of inheritance taxes. Doctor Seligman estimates the inheritance tax would bring in $120,000,000 next year, enough to abolish all the sales taxes. Then we are going to wipe out the gift taxes on the wealthy, too. Since the bill does all this for the millionaire class, naturally those who wrote it want to wipe out the publicity section also.

LOWERING SURTAXES LOWERS RECEIPTS FROM WEALTHY

I have never seen a tax bill since I have been studying tax legislation that did so much for the millionaire class. I have been amused as well as amazed at the arguments that are presented in behalf of the lowering of the surtaxes on the big incomes of rich men of the country. To me the most ridiculous argument that is made is that if we cut down the surtaxes we will bring in more revenue. I heard that so often that I thought it would be interesting to take the records and see whether the men who wrote the tax bills during the war to raise large sums for war purposes knew what they were doing. I examined the records to find out how much money we secured on the big incomes above $100,000 when we had a rate of 65 per cent, which we are now reducing to 20 per cent. I want to give the figures because I think they are interesting.

In 1916, when the normal rate was 2 per cent and the surtax 13 per cent, the total taxes paid by those with incomes in excess of $100,000 a year were $126,000,000. In 1917, when the normal tax rate went to 4 per cent and the surtax to 50 per cent, the amount of income taxes received from people with incomes of more than $100,000 was $361,000,000. In 1918, when the war was at its height and we raised the normal tax to 12 per cent and the surtax to 65 per cent, we received $469,000,000 from people whose incomes were more than $100,000 a year. In 1919, when we reduced the normal tax to 4 per cent and 8 per cent but retained the 65 per cent surtax, from those with incomes of more than $100,000 a year we received $533,000,000.

That $533,000,000 is the answer to those who say we get more money when we lower the surtaxes on the big incomes. In 1919, I repeat, with a 65 per cent surtax on incomes of over $100,000 a year we got $533,000,000. In 1920 the receipts fell off to $323,000,000. I think there were two causes—one that the business of the country was not so good, and the other that many of those with the greater incomes were leaving their surpluses in great corporations undivided, and so did not have to pay the tax. In 1921, as conditions grew worse, the receipts dropped down to $202,000,000. In 1922, when we reduced the surtax to 50 per cent, we received $311,000,000; and, of course, that is used as an answer to all the other arguments.

That fact has been cited repeatedly in the debate both here and in the other Chamber. The fact of the matter is that many of those with big incomes allowed their corporation surpluses to remain undivided and they could not be reached, knowing a reduction was coming, and when the reduction came, they made their returns and the receipts rose to $311,000,000. In 1923 the receipts dropped to $212,000,000 because they were looking forward to another reduction, and last year, 1924, when we reduced the surtax to 40 per cent, we got $300,000,000. I refer to those figures to prove that almost double the amount of tax was received from surtaxes when the 65 per cent rate was being collected, instead of the lower rate, from those with incomes in excess of $100,000, because we received more than $533,000,000 as against $200,000,000, and $300,000,000 at the lower surtax rates.

WHAT REDUCTION MEANS TO MILLIONAIRES

Let me show just what this surtax reduction means to the millionaires. Last year three taxpayers made returns on incomes over $5,000,000. Their combined income was $27,955,319. The tax paid was $11,000,000. The reduction under this bill to these taxpayers will be approximately $5,340,000. That is a greater reduction than is given to the 2,000,000 taxpayers with incomes of $2,500 per year. Three other taxpayers with incomes of more than $4,000,000 will have their taxes reduced approximately $2,600,000, so that the six highest taxpayers under this act will have a reduction of nearly $8,000,000. Mr. Mellon, under whose influence this bill was written and is being passed, had an income in 1924 of $4,158,750. In 1921, when he was sworn in, his tax on that would have been $2,636,000. If this proposed law passes, the tax will be $1,625,000, giving Mr. Mellon an annual saving hereafter of $1,610,000. This is a considerable addition to the $15,000 annual salary of the Secretary of the Treasury resulting from his efforts to bring about tax reduction.

FAVOR PROPORTIONATE DECREASE

I do not want to be misunderstood. I have no desire to see the surtax rate set so high as to discourage legitimate returns to those who have large business enterprises. I believe that as we reduce the rates for the man with the small income we should reduce the rates for the man with the big income.

In 1924 it was proposed by those who support the idea that the lower the surtax the greater the amount of income we get from the big incomes in the way of taxes, that we should reduce the surtax rate to 25 per cent. A fight was made in the House and in this body, and we made the surtax rate 40 per cent. I think that was fair. I thought so then and I think so now. If this bill when brought in, had contained a proportionate lowering of the tax rate on the brackets above $100,000 that it carried on the lower bracket surtaxes I should have had no objection. But what they have done is to apply the old Mellon rates, which they tried to get two years ago, and then make a proportionate reduction of them. Thus this bill includes the Mellon rates of 1924 and the proportionate reduction of this bill, too. That is why we have lowered the surtaxes 50 per cent, and the other taxes from 25 to 30 per cent.

What does this reduction in income taxes do? It lowers the tax on the poor, those with incomes of less than $3,500 a year, about $20,000,000. That is, for the 2,500,000 taxpayers it is less than $10 apiece. The other three or four million who pay taxes on larger incomes save their proportionate share also on the exemptions and lower normal rates as well.

ABOLITION OF INHERITANCE TAXES

Another thing that shows this bill is so strongly in the interest of the wealthy classes is that it proposes to abolish the inheritance tax. It seems to me that if there was one thing in it above another which can not be defended that is the thing. I have heard it repeatedly stated on this floor that we can not secure income taxes from the man with large amounts of money invested in tax-exempt bonds. Under the inheritance tax if we can not tax him while he is alive and because he invests his money in tax-exempt bonds, we will get some part of it when he dies.

The other House went part way in abolishing the inheritance tax by reducing it, but when the bill got into the Senate committee they went all the way and recommended it be eliminated entirely. So under this bill, if this provision shall stand, the man who puts his money into tax-exempt bonds will be practically tax free in this country. We will have lowered his surtax to 20 per cent on all his income above $100,000, and then it is provided in the bill that his estate shall not pay any inheritance tax at all to the Federal Government.

I doubt if the House provision is constitutional; I doubt if we have a right to provide that the States shall receive a certain amount of a tax which is levied by the Federal Government; but I have no doubt nor has anyone else any doubt about our right to collect inheritance tax on great fortunes. Had the committee seen fit to raise the exemption from $50,000 to $100,000, for instance, there might have been justice in that, leaving all of an estate under $100,000, as we do now in the case of $50,000, for taxation by the State alone; but when men accumulate great fortunes of millions and hundreds of millions of dollars they draw those fortunes from the entire country, and when those fortunes pass by descent or by devise it is only fair and right that a Government which must raise more than $3,000,000,000 per annum should get part of that money from those who receive it purely by the operation of law.

INHERITANCE TAX LEAST BURDENSOME

There are many theories of taxation, but there is no theory that is so satisfactory to the people as the theory that taxation be made the least burdensome possible. I know of no tax that is less burdensome than the tax on great inheritances. When a man receives $50,000 as an inheritance and then the Government takes 1 per cent on what he receives over $50,000 and 2 per cent above $100,000, and so on, I submit that that man never did get and never will get money at so little expense as by such a tax. Yet, it is proposed here that we shall wipe out this entire system of inheritance taxes, and that the great fortunes from which come the great incomes, shall be free from taxation so far as the Federal Government is concerned.

Sir, the inheritance tax is a tax that is almost as old as government itself; it is a tax that was used long ago under other governments; in our own country it was used as early as 1797. Such a tax was imposed then; it has been imposed

at various times throughout our history, and it has had the indorsement of the best and greatest authorities on taxation that the country has produced.

ERA OF BIG BUSINESS

Yet to-day it is proposed that we shall wipe out that inheritance tax of $110,000,000, and leave taxes on automobiles, taxes on theater admissions, stamp taxes, and taxes on miscellaneous items of every kind. Why? Because this is the era of big business; this is the era when great wealth is in control of the Government; this is the era when the Government does the bidding of those who would have the Government operate in the interest of the great combinations of capital under the control of one man or of a few men.

In addition it is proposed to abolish the little gift tax which produces $7,000,000. Of course, if we are going to abolish the inheritance tax we might as well abolish the gift tax also, because the gift tax was created to protect the inheritance tax.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. McNARY in the chair). Does the Senator from Washington yield to the Senator from New York?

Mr. DILL. I yield.

Mr. COPELAND. Mr. President, I dislike to have this matter passed without saying to the Senator from Washington that there might be some persons who feel that they are really friendly to the people and yet do not quite follow the Senator in his logic. I agree that it is a very easy thing to collect an inheritance tax. The head of a family dies, and from the mourning widow, helpless, perhaps, even though she has a high-priced lawyer, it is easy to take this money. I can not see—and I have said it before in this Chamber—why the minute a man dies his estate owes money. Why does not the man owe the money to the Government while he is alive? The minute he dies, the next hour after he dies, the State interferes to take away from the estate a certain portion of the property which he has accumulated.

I said the other day, and I desire now to repeat to my friend from Washington, that I think a great many fortunes are built up, not alone through the efforts of the man whose estate pays an inheritance tax, but through the efforts of the wife and the family of that man. So it has always seemed to me that it is a cruel thing, simply because a man has died, to provide that a portion of that property, accumulated through the joint efforts of members of his family, must go to the State.

I want to speak of that to my friend from Washington because it is my purpose to vote with the committee in this matter of the inheritance tax; and I do not want him to read me out of the good group because I shall take that particular step.

Mr. DILL. Well, Mr. President, I would not attempt to do that to the able Senator from New York, whom I love and admire, and whose progressive stand on so many questions in this Chamber while we have been here together has won my highest admiration; but I want to remind the Senator, taking the case at its worst as he states it, that when a man and his wife have worked and accumulated a fortune, and she is left $50,000 of it without its being touched by the Federal Government, and the Government takes only 1 per cent of the next $50,000 and then takes 2 per cent of the next so many thousands, and so on, and not until $1,000,000 is reached does the Government take 40 per cent——

Mr. LENROOT. Not until the estate amounts to $10,000,000.

Mr. DILL. That is better still. I did not have the brackets correctly in mind. I think it is of some value to live under a Government under the operation of which such great masses of property can pass securely and safely protected by the law.

I wish to say further that I think when the husband dies and all of his property is left to the widow and the family alone she can well afford to pay the small tax which is required—and the taxes are small until the immense estates are reached. I do not know of anything that can more easily bear the burden of a tax than the part of the fortune that goes into the hands of the widow or her family to be used by them without any incumbrance whatsoever.

Mr. COPELAND. Mr. President, will the Senator yield further?

Mr. DILL. I yield.

Mr. COPELAND. I would join the Senator in an improvement of the bill, in making the tax really a graduated tax as to the man while he is alive who has a great income and has accumulated a great amount of property. I think he should bear his full proportion of the tax, and I would go with the Senator as far as he cares to go in that direction; but I have always thought it was cruel, just after the funeral was over, to step in and say to the mourning family, "While the head of the family was alive he owed nothing to the Government, but now that he is dead we insist on taking away a portion of that wealth." Let us impose the tax while the man is alive.

Mr. DILL. Ah, Mr. President, I, too, am in favor of a tax that will take a larger percentage of his income when it reaches $100,000 or more while he is alive, but then I want to take some of his remaining estate, too. Not that I want to punish people of great wealth, but I remind the Senator that there are governments in this world where men can not accumulate such fortunes; that there is a condition of society in this world where these great masses of money can not be concentrated together and then passed on to those who come after the original owner, and when such a good government exists and such a fine organization of society exists that men can concentrate great masses of capital, as in this country, remembering the millions and millions who struggle year in and year out to provide a place to lay their heads, to provide food with which to feed and raiment with which to clothe their children, and to make enough actually to live decently—when I remember these things, I say, I would rather take the necessary money to run this Government and pay the war debts out of the big estates that run up into the millions than I would to carry on a system of taxation that bears down upon the masses of common citizens of this country.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. DILL. Yes.

Mr. LENROOT. May I say to the Senator that under the present law an estate of $100,000 pays only a tax of $500.

Mr. DILL. I thank the Senator for that statement.

Mr. COPELAND. Mr. President, will the Senator from Washington yield further to me?

Mr. DILL. I yield.

Mr. COPELAND. I do not care what the amount is; I do not care if it is only $1.50; it is the principle of the thing to which I object. Here is a man who goes through life and accumulates a great fortune and the Government does not pretend to confiscate any of it while he is alive. When he is dead, however, the Government says to his family, "We are going to take away some of that money."

Mr. LENROOT. Mr. President, then, I take it, the Senator from New York is also opposed to the States imposing any inheritance taxes for the same reason, if it is a matter of principle?

Mr. COPELAND. I will say to the Senator that I am.

Mr. LENROOT. I understand the Senator's position.

Mr. COPELAND. Yes, sir; I am opposed from the beginning to the end, whether it is a Federal matter or a State matter, to the idea of an inheritance tax. I think it is an immoral and indecent tax. In time of war and of the Nation's necessity it is all right to say we are going to take money wherever we can get it, and an inheritance tax is an easy way to get it, but in times of peace, in ordinary times, I am opposed to the inheritance tax.

Mr. DILL. The Senator realizes that to-day we have to spend annually something over a billion dollars for interest charges because of the war we had recently, and the money must come from somewhere; and the Senator realizes further that according to the vote taken in the Senate we have cut the surtaxes on the big incomes of more than $100,000 to 20 per cent. The rich man can put his money into tax-exempt securities, and we can not touch him while he is alive, and thus the Senator under this bill is unable to do the thing which he wants to do; and I ask him how he is going to get any taxes out of the people who put large amounts of money into tax-exempt securities?

Mr. COPELAND. Mr. President, if the Senator will permit me, I did not suppose that I would ever stand up here to defend this bill.

Mr. DILL. I hoped the Senator would not.

Mr. COPELAND. But, as a matter of fact, if I understand the bill correctly, it cuts out something like 2,500,000 taxpayers.

Mr. SMOOT. Two million three hundred and fifty thousand.

Mr. COPELAND. It is a "cussed" bill, of course; we agree with the Senator; and yet, after all, when we consider that the terms of the bill are such that 2,350,000 persons who paid taxes before are not going to pay any taxes under the bill, it is not so bad after all. But I will go with the Senator. He asked me a question, and it justifies my taking a little of his time. I do feel that in the upper brackets we did not do as we ought to have done. I think there are certain inequalities in it which should be corrected; but I suppose any tax bill would be considered an imperfect one. It is impossible to

have it exactly right; but let us give the devil his due once in a while and say of this tax bill that on the whole it is an improvement on what we have had in the past.

Mr. DILL. Then the Senator is not only willing that we shall stop all increases of surtax on the incomes above $100,000, which he knows has been done by a vote of the Senate, and yet he is willing to support this provision of the bill permitting men with these tremendous fortunes to put them into tax-exempt securities, and thus escape all Federal taxation; is that true?

Mr. COPELAND. No. You know, Mr. President, a man has to be judged according to his general actions. So far as I am concerned I am opposed to all tax-exempt securities.

Mr. DILL. But the Senator knows that there are many, many billions of them in existence.

Mr. COPELAND. I know it; and if I had my way, I would wipe them out.

Mr. DILL. But there is no way of wiping them out.

Mr. COPELAND. They have led nations and States and municipalities into extravagances of every sort, and I wish we could wipe them out, and I have no quarrel with the Senator in regard to what should be done with these upper brackets while the men are alive. The fault I find with his position is that he wants to make the attack on the poor widow after the man is dead.

OPPOSED TO TRANSFER OF POWER BY DESCENT

Mr. DILL. I am thinking most of the millions of others, whether widows or not, who never have any inheritances—aye, not even incomes upon which to pay taxes. Mr. President, the Senator said something about principle in connection with the inheritance tax; and I want to discuss this matter of principle a little from another angle.

If there is any one thing that American institutions are erected against, it is the transfer of power from parent to child, the transfer of power by descent. I have read arguments to the effect that a high tax on inheritances would tend to break up great fortunes that might be left. I do not think it would tend to break up any that should not be broken up; and if I could be certain that it would break up some of them, I would be all the more in favor of it. We live, however, in an age and in a condition of society in which money is power; and it is very seldom that those who inherit money inherit the ability of those who have the power to accumulate and bring together the money. When we permit these great fortunes to pass unimpaired and untouched we transmit power into the hands of those who as a rule are not worthy of using that power and who can not and will not use it in the interests of society, or as it probably would have been used by those who earned it. So I say that from the standpoint of principle there is an argument in favor of the inheritance tax, because it tends to put a limit upon the transmission of power by descent.

THIS BILL LEADING TO SALES TAX

Mr. President, I want to say one other thing. This bill, fathered by those by whom it is fathered and managed by those by whom it is managed, is a very natural product. There has been for many years a vast difference between the theories of taxation advocated by the two political parties. The Democratic Party has not only been in favor of a graduated income tax, but, so far as I have been able to learn up to this time, they have carried out that graduation in a regular form. This bill has abolished all of the graduated income tax that it could abolish. The Democratic Party has stood for a graduated inheritance tax, but the authors of this bill have wiped out all the inheritance taxes, graduated and other kinds, too, they have wiped out all the gift taxes, even though to do so they were forced to leave a tremendous amount of sales taxes still on the business of the country.

Do you remember two or three years ago the agitation which was carried on in this country by the leaders of the Republican Party, particularly Mr. Mellon and those who worked with him, in favor of having a sales tax to replace these taxes? I say to you that this bill leads directly toward the eventual adoption of a system of tariff and sales taxes if those now in control of the Government can have their way.

This system leads to the abolition of the taxes on wealth and to the abolition of the taxes on estates, even in spite of the fact that we have to spend a billion and a quarter dollars every year to pay the interest on the war debt alone; and then, on top of that, the colossal failure of statesmanship on the part of those in control of the debt settlements has brought a further problem upon us.

DEBT SETTLEMENTS DISGRACEFUL

I do not intend to go into the debt settlement, although I think very properly it ought to be a part of this tax bill, for we can not consider this taxation system without considering the debt settlement also. I venture the assertion that no country ever called a settlement a debt settlement that made such terms as this Government's representatives have made with some of these foreign governments. It ought to be called a debt-remission settlement or a defalcation settlement, because, as the junior Senator from Nebraska [Mr. HOWELL] showed the other day, we are actually canceling the principal of these debts, and the countries that are indebted to us are not even paying the regular interest of 4¼ per cent according to the understanding upon which they borrowed the money. I say it is all a part of this great system of assisting those with great wealth.

LOOKING BACKWARD

Mr. President, I can look into the future a few years, when I probably shall have passed my three-score and ten of allotted years, and as an old man I shall hear discussed this period of American history, and I shall hear discussed the betrayal of the interests of the masses of the American people by those now in charge of the Government. I shall hear stories told of how those in charge of the Government, beginning with the millionaire Secretary of the Treasury, whose income ran into the millions annually, supported by a President in the White House who in his quiet but scheming way assisted in every possible manner and then, supported by the leaders in the House and Senate, Mr. GREEN and Mr. SMOOT, established a taxation system that freed great wealth from bearing its proportionate share of the tax burden resulting from the war. They will tell how it was brought into the House of Representatives and the high taxes on great fortunes cut tremendously and the inheritance taxes cut 50 per cent. Then they will explain that when the bill came to the Senate, the Senate Committee approved of all the other cuts of taxes on great wealth and abolished the inheritance tax entirely.

After that length of time has elapsed this millionaire tax reduction bill will be seen to have been only part of a series of governmental manipulations and machinations in the interest of the concentration and consolidation of great wealth under the control of a small number of wealthy men in this Republic. In those days they will tell the story of the legislation that compelled great railroad corporations in this country to consolidate. They will show how the Federal Trade Commission, originally established to prevent monopolies, closed its eyes to monopoly and connived, if it did not openly permit, the greatest combination of capital the world has ever known. They will tell how the Tariff Commission was changed from an independent body into an organization that served these interests, and the great triumverate of that story, the big three who sat behind the scenes of action and pulled the strings that manipulated the whole scheme, will be none other than the biggest millionaire in our day, the Secretary of the Treasury, Mr. Mellon; the President, Mr. Coolidge; and the genial leader from Utah [Mr. SMOOT]. It will be truly recorded that they did a wonderful job, and I congratulate them now upon the perfection of their work, which will not be realized entirely until a later day. If I were on their side, I could not conceive of how it could be more completely and more perfectly accomplished than they are now doing it.

On such occasions, as an old man, I shall sit and listen and reflect upon my career in this body. I shall sometimes arise and say, "I was in the Senate then. I knew those men. I associated with them almost daily. They forgot the interests of the millions and served the interests of the few, and the political and economic ills that resulted from their action should be henceforth and always a warning against such a betrayal of the people's interests in the future history of this Republic."

TIDE WILL TURN

I shall not attempt to-day to be such a prophet as to try to tell you how the people will overthrow this system long before those years have passed. I only know that when the pendulum of public sentiment swings to the other extreme the people will go to the polls and by their votes will rebuke the betrayal of trust that I have described.

Let no man think that this tide of reaction that now dulls the public sentiment of the masses into indifference is a permanent state of affairs. Let no man think that these monopolies and billion-dollar corporations controlling the food of the country, the industries of the country, and the resources of the country will be permanent in America, or that a few men shall continue permanently to exploit the hundreds of millions of people and those who come after them.

No, sir; I say to you the pendulum will swing the other way, and at a little later period—it may be two years, it may be five years, but it will not be long—the masses of the people of America will understand this situation. They will know who the men responsible for it are. When they do understand and

when they do know, they will act and act decisively. God grant that the reaction, when it comes, may be peaceful, orderly, and constitutional.

BILL BOTH GOOD AND BAD

Mr. President, I know that there are some good provisions in this bill; but the bad things in it that give an advantage to great wealth are such that they balance, if not overbalance, whatever good things are in it and a Senator can justify voting either for or against its final passage. The publicity of income-tax returns is only one feature of this legislation; but it is a fitting part of a scheme that makes the Government the assistant to monopoly and consolidations of business, rather than the protector of the people against monopoly and consolidation.

Mr. LA FOLLETTE. Mr. President, I do not intend to detain the Senate long in discussing the amendment offered by the Senator from Nebraska [Mr. NORRIS]. I do, however, believe that the experience of the State of Wisconsin under a similar provision of law is in point.

The provision of the Wisconsin law regarding income-tax returns is substantially that now proposed in the amendment offered by the Senator from Nebraska [Mr. NORRIS]. The provisions regarding secrecy of income-tax returns were repealed in chapter 39, Laws of Wisconsin, 1923. At the time this provision was under discussion there the same arguments which are raised against the adoption of this amendment were brought forward in the Wisconsin Legislature. It seems to me, therefore, that the experience of the State since that time has bearing upon the consideration of the present amendment and what may be expected should it be written into law. In that connection I desire to read two telegrams which I have received concerning the experience of the State of Wisconsin since the income-tax returns have been treated as our other public records in that State. The first is from Hon. John J. Blaine, Governor of the State of Wisconsin, and I read:

Fears created by repeal of secrecy clause in State income tax law were unfounded and there is no demand to reinstate secrecy clause. Benefits flowing from publicity of income-tax returns have been substantial and direct. Greater care has been taken in making income returns by taxpayers, resulting in more accurate and full returns of incomes. Publicity of income-tax returns has promoted generous and valuable assistance to income-tax officers by the public. Suspicion that prevailed under secrecy clause has been swept aside as taxpayers now know that they may know whether their neighbors make full and accurate returns. Carefulness and honesty in making income returns has been promoted. The most significant fact is that since repeal of secrecy clause income-tax field auditors have been unable to find back income taxes withheld in any way comparable with amount of back income taxes withheld under secrecy clause.

The second is from Hon. Herman L. Ekern, attorney general of the State of Wisconsin. For the information of the Senate, I read his telegram:

The Wisconsin law wiping out all provisions for secrecy of income-tax returns has been in force since April 16, 1923. Hon. Carroll Atwood, now chairman and member of the Wisconsin Tax Commission since 1921, states that the present law operates beneficially, has resulted in no serious abuses, and that experience has been such that there is no general demand for restoration of the secrecy clause. I agree fully with his conclusion. It is certain that the treating of income-tax returns the same as other public records discourages violations or attempted evasions of the law, indicates necessary readjustments of taxes and other laws, promotes honesty in administration, and inspires public confidence in the integrity of those who administer the law. In Wisconsin the studies of income-tax returns made possible by the removal of the secrecy clause has disclosed in a striking way the excessive total tax burdens borne by farmers and the great mass of home owners when their total taxes are compared with their total incomes. It has also exposed in a concrete way the most vociferous opponents of income taxation as those who enjoy the very large profits.

As suggested in the telegram which I have just read, Hon. Carroll D. Atwood, chairman of the Wisconsin Tax Commission, has made the following statement:

Comparatively few instances in which income-tax returns have been examined since the secrecy clause was repealed, but an increasing number of such examinations made in recent months. There is no case of known misuse of these returns, and publicity feature has in no manner interfered with the administration of the law.

The Wisconsin Tax Commission has placed no restriction whatsoever upon the examination of income-tax returns except to insist that these returns must be examined in the office of the commission. It has, however, allowed parties to freely make copies of these returns if desired. Nor has it demanded that it be advised of the purpose of examinations made, but in most instances the parties have voluntarily given this information to the tax commission. I am advised that the most surprising feature has been that only a comparatively small number of returns have been examined by anyone. There are no known instances of examination of income-tax returns by credit men, whom it was anticipated by opponents of the publicity provision would make extensive use of these returns.

During the period of great profits from 1916 to 1920 an audit conducted by the tax commission showed wholesale understatements in the income-tax returns made to the Wisconsin Tax Commission. This fact is established by the audits, which resulted in the assessment of $3,500,000 of back income taxes. As suggested by the governor in his telegram—

carefulness and honesty in making income-tax returns has been promoted [by publicity]. The most significant fact is that since the repeal of secrecy clause income-tax field auditors have been unable to find back income taxes withheld in any way comparable with amount of back income taxes withheld under secrecy.

As has been frequently stated in the debate upon this amendment, the compromise provision for partial publicity provided in the 1924 act was an ineffectual measure. It provided merely for the publication of the total tax paid and in no way met the situation.

The publication of the amount of tax paid does not bring to bear upon the income-tax returns of individuals the moral effect of public scrutiny. Individuals and corporations making income-tax returns under the existing provision knew full well that their returns were not available for inspection, and the compelling force of the knowledge that their income-tax return would be subject to inspection was entirely lost.

Both the Ways and Means Committee of the House and the Finance Committee of the Senate failed to offer anything but a negative argument. The Finance Committee says on page 7 of its report:

With no evidence before it of any useful purpose served, the committee recommends the repeal as proposed in the House bill.

The Ways and Means Committee of the House states on page 9 of its report:

The Treasury Department informs your committee that no useful purpose has been served by the publication of the amount of income tax paid by the various taxpayers. The committee therefore recommends its repeal.

It is hardly necessary to point out that neither the statement of the Finance Committee nor of the Ways and Means Committee is an argument in point against the present amendment.

To my mind the experience which the Federal Government had in the sixties is much more in point. At that time there was no provision for secrecy in the income tax laws. An editorial which was quoted upon the question, when it was under consideration during the debate upon the 1921 tax bill when an amendment was proposed by Senator La Follette, is worthy of repetition at this time. The editorial was written by Horace Greeley in the New York Tribune of May 24, 1866. I read it:

The Evening Post has a Washington dispatch which says:

"The Committee on Ways and Means have agreed to an amendment of the tax bill providing that lists of income shall not be published nor furnished for publication, but they shall be open to private inspection at the office of the collector.

"We would like to believe this untrue. We believe that publicity given to the returns of income submitted by individuals to tax gatherers has already put millions of dollars in the Treasury and gone far toward equalizing the payments of the income tax by rogues with that of honest men and saved thousands from being imposed upon and swindled by false pretenses of solvency and wealth, made on purpose to incur debts preordained never to be paid. The knave who sought credit on assumption of wealth belied by their returns of incomes, of course, hate publicity given to those returns, but why should any honest man seek to pass for any more (or less) than he is worth?"

In another editorial, written January 26, 1865, the New York Tribune says:

We learn that the publishing of the list of income taxpayers in this city, against which there has been so much absurd outcry, is likely to prove beneficial to the revenue as well as to the consciences of some of our "best citizens." Already, as we understand, considerable sums have been returned to the assessors and paid to the collectors by persons who have discovered "errors" in their original returns of incomes since the publication of the lists referred to, and assessors have received valuable information in reference to the incomes of some gentlemen who should but have not yet amended their returns.

The fight continued to prohibit publicity of income-tax returns, and finally in 1870 those seeking secrecy were successful. Following the adoption of secrecy in that year, the number of

returns decreased, and presumably the amount of tax, more than 20 per cent. I quote from Senator La Follette's speech on that occasion:

The statistics published by the Internal Revenue Bureau are such that comparisons in all the classes of incomes taxed are not possible, but a comparison of the returns of those reporting incomes over $2,000 is almost conclusive.

In 1870 when the returns were published, the number showing incomes over $2,000 were 94,887. In 1871 when publicity was prohibited, the number fell to 74,000—that is, from 94,000 to 74,000—then to 72,000 in 1872, and this in spite of the fact that, as shown by individual bank deposits, bank clearings, etc., 1871 and 1872 were more prosperous years than 1870. Similarly in North Carolina, when the income-tax returns under the State law were published by the Hon. Josephus Daniels in his paper, the News and Observer, the tax collections immediately more than doubled.

In the previous debates upon this vitally important subject the remarks of former President Harrison have been quoted, but before the Senate votes upon this proposition again I think that excerpts from his address delivered before the Union League Club of Chicago on the 22d of February, 1898, are worthy of the serious attention of this body:

* * * * * * *

The special purpose of my address to-day is to press home this thought upon the prosperous, well-to-do people of our communities, and especially of our great cities, that one of the conditions of the security of wealth is a proportionate and full contribution to the expenses of the State and local governments. It is not only wrong but it is unsafe to make a show in our homes and on the street that is not made in the tax returns.

It is a part of our individual covenant as citizens with the State that we will honestly and fully, in the rate or proportion fixed from time to time by law, contribute our just share to all public expenses. A full and conscientious discharge of that duty by the citizen is one of the tests of good citizenship. To evade that duty is a moral delinquency, an unpatriotic act. * * * I want to emphasize if I can the thought that the preservation of this principle of a proportionate contribution, according to the true value of what each man has, to the public expenditures is essential to the maintenance of our free institutions and of peace and good order in our communities.

Mr. Lincoln's startling declaration that this country should not continue to exist half slave and half free may be paraphrased to-day by saying that this country can not continue to exist half taxed and half free.

We have too much treated the matter of a man's tax return as a personal matter.

We have put his transactions with the State on much the same level with his transactions with his banker, but that is not the true basis. Each citizen has a personal interest, a pecuniary interest, in the tax return of his neighbor. We are members of a greater partnership and it is the right of each to know what every other member is contributing to the partnership and what he is taking from it.

Prof. C. C. Plehn, in his book "Introduction to Public Finance," has something to say concerning the publicity of income-tax returns. Before reading it, I wish to remind Senators that Professor Plehn is one of the leading tax authorities of this country. For 25 or 30 years he has been connected with the University of California. He is a former president of the American Economic Association and of the National Tax Conference:

To a people unaccustomed to an income tax it may seem that one's income is a very intimate, personal, and private affair, and there is a natural dread of letting one's business rivals know one's business. But as a matter of fact the income-tax statement or return would be no more likely to be examined out of sheer curiosity or for purposes of gossip than are the property-tax returns, about which no such veil of secrecy is drawn; and the business rival generally has better information already than he could possibly obtain from the returns. Against such dark secrecy it may well be urged that it is very important to feel assured that all incomes—my neighbors as well as mine—are fairly and truly assessed, a thing that can never be if the final assessments never see the light of day. Fear of publicity is a bogie man. This does not mean, however, that publicity should be used as a means of duress, to force assessments in excess of what is right, just, and equal.

Mr. President, we have general Federal statutes making public all records of the Government. We have State statutes providing that State records shall be public records. General property tax returns in every State in the Union are public records. There is no compelling argument based on sound governmental policy for making a special secrecy provision regarding Federal income-tax returns. No man has any right, no man should want to conceal the amount of his income unless perchance there is something false in his return or unless he is ashamed of the manner in which he has accumulated his income.

As has been pointed out in this debate, a provision similar to the one now pending was adopted in this body by a vote of 27 to 47 in 1924.

I point out that not only has there been no change in the situation since that time which would justify any man in changing his vote upon the proposition, but on the contrary the evidence produced by the select committee which has gone into the situation in the Internal Revenue Bureau more than justifies the action which was taken at that time. It seems to me that the startling facts produced by the committee should furnish any Senator with an open mind, who will study the question, ample evidence that the amendment should be adopted.

I trust that the amendment offered by the Senator from Nebraska will be agreed to. I hope that those Senators who stood foursquare on this proposition in 1924 will consider carefully the evidence presented in the debates and set forth in the report of the committee which was headed by the able Senator from Michigan. If they do I am certain this amendment will prevail.

Mr. SHIPSTEAD obtained the floor.

Mr. SMOOT. Mr. President, if the Senator from Minnesota will yield to me, I desire to offer a unanimous-consent agreement, and I am asking the Senator to yield because a number of Senators want to know whether it is going to be accepted or not.

Mr. SHIPSTEAD. I yield for that purpose.

Mr. SMOOT. I offer the unanimous-consent agreement, which I send to the desk.

The PRESIDING OFFICER (Mr. HEFLIN in the chair). The clerk will read the proposed unanimous-consent agreement.

The Chief Clerk read as follows:

Ordered, by unanimous consent, That on the calendar day of Monday, February 8, 1926, at not later than 7.30 o'clock p. m., the Senate will proceed to vote without further debate upon the amendment proposed by Mr. NORRIS to the bill H. R. 1, the revenue bill, to strike out, on page 113, all after the word "records," in line 1, down to and including line 5, and insert in lieu thereof, "and shall be open to examination and inspection as other public records under the same rules and regulations as may govern the examination of public documents generally;" and then, upon the reported amendment on page 113, beginning in line 2, before the word "shall," to strike out "but they" and insert "but, except as hereinafter provided in this section and section 1203, they."

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. NORRIS. Mr. President, I make no objection if the Senator wants to vote on the pending amendment at 7.30, but what is the latter part of the proposed agreement?

Mr. SMOOT. To vote on the committee amendment following the vote on the Senator's amendment.

Mr. COUZENS. The committee amendment is the same as the House text?

Mr. SMOOT. No, we have inserted the words "except as hereinafter provided in this section and section 1203."

Mr. NORRIS. I have not any objection to either proposition, but there may be other Senators who want to debate the question. Why does not the Senator simply offer an agreement that we vote at 7.30 p. m. on the pending amendment? So far as I know, there will be no objection to that.

Mr. SMOOT. My object in asking unanimous consent was to have final action on the section.

Mr. WATSON. Does the Senator from Nebraska have any objection to cleaning up the whole section when we vote?

Mr. NORRIS. Probably not, but I would not like to say before my amendment is disposed of. It might interfere with some other Senator's intentions. We have not been discussing the committee amendment at all. Some one might want to discuss it. I am frank to say that I do not know of anybody who does want to discuss it, but in the absence of Senators I would dislike to make that kind of an agreement.

Mr. SMOOT. The committee amendment is nothing more nor less than a reference to the point in another section.

Mr. NORRIS. Oh, yes; but there may be debate on the amendment after all.

Mr. COUZENS. May I say to the Senator from Nebraska that I have talked to most of the Senators who are interested and I do not think there will be any such debate.

Mr. NORRIS. If that be true then I have no objection, but what is the use of doubling it up now?

Mr. SMOOT. I simply want to know whether we are going to get through with the section to-night, or not.

Mr. NORRIS. The only way to find out is to have the unanimous consent granted that we vote at 7.30 on the pending amendment, and we may then vote on it all.

Mr. SMOOT. Very well; I will agree to that.

Mr. WALSH. Does it mean that we vote at 7.30 or at any time between now and 7.30?

Mr. SMOOT. The unanimous-consent agreement reads, "not later than 7.30."

Mr. NORRIS. I think we had better fix it definitely at 7.30.

Mr. WALSH. As it reads now the vote might be taken at any time between now and 7.30.

Mr. SMOOT. Make it "at 7.30" and then there will be no objection by anyone.

Mr. COUZENS. Let us have it read again. I am not clear just how it reads.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement as modified.

The Chief Clerk read the modified unanimous-consent agreement, as follows:

Ordered, by unanimous consent, That on the calendar day of Monday, February 8, 1926, at 7.30 o'clock p. m., the Senate will proceed to vote without further debate upon the amendment proposed by Mr. NORRIS to the bill H. R. 1, the revenue bill, striking out on page 113 all after the word "records" in line 1 down to and including line 5 and inserting in lieu thereof "and shall be open to examination and inspection as other public records under the same rules and regulations as may govern the examination of public documents generally."

The PRESIDING OFFICER. Is there objection?

Mr. SHORTRIDGE. Why can we not make it 7 o'clock instead of 7.30?

Mr. COUZENS. I will state to the Senator from California that some Senators have gone to dinner, and I told them there would not be a vote before 7.30.

Mr. SHORTRIDGE. Very well.

The PRESIDING OFFICER. The Chair hears no objection, and the unanimous-consent agreement is entered into. The Senator from Minnesota will proceed.

Mr. SHIPSTEAD. Mr. President, on page 25 of the Treasury report dated November 20, 1924—nearly six months after the President signed the bill—Secretary Mellon officially told the country:

> The revenue act of 1924 will reduce tax receipts over $450,000,000 annually, it is estimated, and in addition some of the sources of revenue during the past few years, such as realizations on war assets and back taxes, are rapidly becoming exhausted.

From the information available, it is apparent that the Secretary of the Treasury was off in his guess about $474,000,000. Where the Secretary fell down on his revenue prophecies was in overlooking the effect of publicity on the tax dodgers. Both the President and Secretary told the country that publicity would cut down tax receipts. Moreover, they dreamed that they had publicity blocked by administrative measures, despite the publicity provisions enacted by Congress. When the courts dismissed the injunctions against the press the administration prophecies failed. Then it came to pass, as the Bible foretold 2,000 years ago:

> If there be prophecies, they shall fail.

The Senate, it will be recalled, amended the 1924 revenue bill with three excellent publicity provisions, every one of which was fought by the Secretary of the Treasury and his Senate followers and afterward condemned by the President in his message. Those three publicity measures were as follows:

First. The Norris amendment making income-tax returns public records, subject to public inspection, like the tax records of the 48 States.

Second. The McKellar amendment making tax refunds and abatements public records.

Third. The Jones-Walsh amendment making the proceedings of the Board of Tax Appeals public records, with public hearings, and published proceedings available through the Government Printing Office. As the President complained, the Senate made the Board of Tax Appeals almost a "court of record," which apparently was not the administration plan.

Thus, the revenue act of 1924 embodied an effective revenue producer, the most persuasive and practical in the world, namely, publicity, and applied publicity to every step of the revenue process: Tax returns, tax refunds, and tax appeals. The veil of secrecy safeguarding the tax dodgers was torn away. The shroud of mystery screening $1,000,000,000 of tax refunds and abatements in three years was torn off the Treasury windows. The plan to make the Board of Tax Appeals a secret vault for tax-reduction claims was defeated.

These were the revenue producers that our Napoleons of finance overlooked.

Now arises the practical question, Who were the tax dodgers that publicity smoked out?

I apprehend that the Treasury itself has exposed them, perhaps inadvertently. I presume Members of the Senate have in their offices, if not on their desks, an invaluable analysis issued by the Treasury, under the caption, "Statistics of income from the returns of net income for 1923," published in 1925.

I wish to call attention to a table that is found in the report on page 17. It is a table giving the total, by States, of the corporations reporting no net income and at the same time having paid something like $500,000,000 in dividends. I ask unanimous consent that the table may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

TABLE 8.—*Corporation returns—Distribution by States for the United States*

[Income returned for the calendar year ended Dec. 31, 1923]

States and Territories	Corporations reporting no net income						
	Number	Per cent	Gross income	Deduction	Deficit	Dividends	
						Cash	Stock
Alabama	1,247	34.69	$79,503,094	$86,793,755	$7,225,661	$363,668	$10,796
Alaska	70	50.72	1,305,579	1,522,839	217,260	15,750	
Arizona	1,014	64.92	30,265,586	35,817,307	5,551,722	196,038	20,700
Arkansas	943	36.10	72,364,090	79,477,831	7,213,801	759,603	10,750
California	8,852	40.51	1,046,814,428	1,146,811,410	99,996,982	25,833,716	5,085,703
Colorado	3,708	58.45	175,895,200	201,309,854	25,414,654	5,438,025	1,044,173
Connecticut	2,119	38.58	482,077,605	519,672,459	37,594,854	7,556,417	75,740
Delaware	528	47.31	48,161,704	57,248,274	9,086,570	2,575,541	760,060
District of Columbia	652	41.40	48,092,317	53,330,053	5,237,736	943,001	75,000
Florida	1,587	43.34	78,608,312	90,463,759	11,855,447	985,691	389,584
Georgia	1,869	37.66	160,496,503	177,492,967	16,996,464	2,677,533	1,074,387
Hawaii	922	37.88	18,018,652	19,494,472	1,475,820	1,113,253	
Idaho	1,111	58.95	39,057,882	44,378,170	5,320,288	442,749	
Illinois	9,301	36.85	2,680,948,250	2,817,472,923	136,524,673	12,029,786	24,359,398
Indiana	3,678	35.37	324,219,913	360,239,016	36,019,103	4,206,844	1,291,349
Iowa	3,548	39.31	222,390,726	245,433,161	23,042,435	2,711,696	686,903
Kansas	1,941	30.40	185,240,432	202,773,160	17,532,728	5,404,060	370,767
Kentucky	1,772	34.39	133,990,263	147,254,905	13,264,642	1,835,024	138,454
Louisiana	2,268	44.39	254,596,681	277,631,531	23,034,850	2,919,899	709,761
Maine	1,200	30.31	133,219,190	143,539,207	10,320,017	739,024	584,300
Maryland	1,973	41.28	199,168,209	215,470,109	16,301,840	2,258,354	10,804
Massachusetts	6,375	40.19	1,192,622,315	1,318,265,747	125,643,432	14,838,577	1,107,750
Michigan	4,880	40.09	468,049,639	538,097,451	70,047,812	10,397,047	6,858,908
Minnesota	4,773	45.16	465,878,203	501,889,434	36,011,109	4,976,476	2,887,281
Mississippi	552	30.58	48,575,550	53,365,294	4,789,738	748,942	
Missouri	5,544	38.07	617,221,554	668,489,540	51,267,986	20,030,862	4,950,347
Montana	2,441	63.15	60,978,797	73,321,912	12,343,115	880,763	10,627
Nebraska	2,001	41.19	183,346,425	198,550,576	13,204,151	1,176,356	288,334
Nevada	819	70.85	12,705,295	15,999,247	3,293,953	156,387	
New Hampshire	871	33.20	98,382,367	30,798,147	2,815,780	400,696	220,567

TABLE 8.—*Corporation returns—Distribution by States for the United States*—Continued

States and Territories	Corporations reporting no net income						
	Number	Per cent	Gross income	Deduction	Deficit	Dividends	
						Cash	Stock
New Jersey	4,943	37.83	$605,263,192	$659,009,722	$53,746,530	$11,847,869	$939,131
New Mexico	529	55.51	13,781,881	16,675,926	2,894,045	125,319	
New York	29,015	41.53	5,425,969,275	5,963,424,812	537,455,537	100,666,000	14,415,260
North Carolina	2,177	26.36	141,622,905	153,277,934	11,655,029	1,131,735	219,840
North Dakota	1,604	54.59	47,765,724	53,113,974	5,348,250	291,909	25,809
Ohio	8,339	37.74	1,048,538,737	1,167,535,036	118,996,299	24,159,367	3,388,784
Oklahoma	3,094	54.19	340,075,520	394,118,021	54,042,501	10,575,575	2,192,206
Oregon	2,709	51.10	142,873,528	157,344,091	14,470,563	1,548,385	1,676,383
Pennsylvania	9,178	40.51	1,462,337,416	1,599,113,617	136,776,201	23,778,685	23,929,110
Rhode Island	912	38.76	116,864,732	142,208,801	25,344,069	5,148,455	
South Carolina	1,803	43.23	85,863,018	93,690,970	7,827,952	1,668,246	205,311
South Dakota	1,320	46.22	39,254,897	43,317,024	4,062,127	383,244	50,568
Tennessee	4,776	36.54	205,544,529	221,135,814	15,591,285	1,949,905	315,489
Texas	3,954	38.66	812,923,189	881,384,461	68,461,272	16,643,413	2,085,896
Utah	1,577	51.79	65,310,686	73,448,334	8,137,648	1,214,828	
Vermont	283	27.26	21,678,095	24,661,785	2,983,690	230,658	
Virginia	2,246	37.70	277,472,020	305,108,083	27,636,063	1,662,933	165,100
Washington	4,902	50.09	209,548,948	236,052,001	26,503,053	2,831,674	221,991
West Virginia	1,974	39.00	207,208,816	227,225,273	20,016,457	3,502,084	398,145
Wisconsin	4,916	38.42	314,715,621	352,320,582	37,604,961	3,761,886	863,059
Wyoming	889	54.34	28,511,679	34,168,446	5,656,767	874,029	35,175
Grand total United States	165,594	41.51	21,106,184,230	23,119,739,217	2,013,554,987	348,498,036	104,118,481

Mr. SHIPSTEAD. Senators will note that the Treasury here presents an exhibit, by States, of 165,594 corporations, or 41.51 per cent of the corporation total, that report to the Treasury "no net income."

But in parallel columns appears the astounding fact that these same 165,000 corporations "reporting no net income" pay $348,498,036 in cash dividends and issue on top of that $104,118,481 of stock dividends.

Having discovered a fruitful possible source of increased revenue, the problem now before us is to ascertain if this productive source actually contributed to the increased revenue of 1925. As the calendar year is now finished, but the final report thereon will not be available for some time, the solution of the problem at first blush appears a trifle difficult.

But here again the Treasury, perhaps again by inadvertence, helps us to the solution. On the second floor of the main Treasury building, a few doors down the hall from the chief clerk's office, there is a large transparency painted "Information" If you step into the "information" office, a charming young lady will hand you the monthly summary of income-tax receipts. This summary will show an analysis of the income-tax returns, differentiating corporate income-tax receipts from personal returns. We now have an opportunity to discover the source of increased income-tax revenue for the present calendar year by months.

Income taxes paid are on the third and fourth installments of corporations and other large income taxpayers. The small taxpayers paid their taxes on March 15. So we know that the small taxpayers got the reduction that the Senate voted them under the "Simmons plan," for the March 15 tax payments in 1925 are much below a year ago, notwithstanding the increased revenue undoubtedly contributed on the first installment payments of the corporations and large incomes.

The significant figures which prove beyond controversy that the revenue increase for 1925 is from corporations I shall now lay before you.

I have here a photostatic copy of a compilation of revenue collections from July 1, 1925, to October 31, 1925, the first four months of the fiscal year beginning July 1 last.

This Treasury chart shows that income-tax receipts for the four months July 1 to October 31, 1925, were approximately $460,000,000, an increase of $27,816,341 over the same months last year. But the striking point which the Treasury chart further brings out is that the increase is wholly from the source corporation income taxes.

During this four-month period corporations paid on income in 1925, $253,482,519, against $225,187,861 in 1924, an increase of $28,294,657, or 12 per cent, in four months.

As the quarterly installments presumably are comparatively uniform, there was a similar rate of increase in corporation-tax receipts on March 15 and June 30, and likewise during December. It is plain that corporations are paying into the Treasury at least $100,000,000 more this year than last year.

Individual tax payments on the quarterly installment basis, presumably on the larger incomes, appear to be about the same this year as last. During the four months following July 1, 1925, individual taxes were $204,441,473, against $204,919,789 last year, a difference of only one-fourth of 1 per cent.

Therefore the tax reduction shown in March 15 returns was wholly due to tax relief for small incomes. Final analysis by the Internal Revenue Bureau after the year's returns shall be complete will probably show that small incomes not availing themselves of the quarterly installment payment plan realized a total relief of possibly $100,000,000 in their annual tax burden. Larger individual incomes will show little change, while the corporations contributed the entire volume of revenue gain.

There is yet one point to be examined before we may logically maintain that the corporate tax dodgers reported in Treasury Table 8, already mentioned, the 165,000 reporting "no income" and yet paying $450,000,000 in cash and stock dividends, are the taxpayers who "came across." That point is, Did the corporations of the country do a bigger and more profitable business in 1924 than in 1923? In other words, did they have a greater income on which to pay taxes in 1925 than in 1924?

Again the administration affords us with the economic answer. This time the conclusive information is furnished us first by the Federal Reserve Board—of which Secretary Mellon himself is the ex officio head—and we have this information reinforced by the figures furnished by the Commerce Department. The Federal Reserve Bulletin and the Current Survey of Business by the Commerce Department both testify conclusively that 1924 was materially behind 1923 in the country's industrial activity and volume of business, fully 15 per cent behind in production of the leading manufacturing industries, and over 10 per cent behind in the total level of employment. Moreover, 1924 showed a decline in prices in substantially everything excepting wheat—and wheat is not yet produced to any marked extent by corporations.

Take the Commerce Department survey of 1924, compared with that of 1923, as to production in the leading industries. I have here Secretary Hoover's excellent Survey of Current Business, and I have obtained from that report some very interesting figures showing the comparative prosperity of the corporations of the country in 1923 and 1924. The survey was issued February, 1925, and compares business conditions in 1924 with those of 1923 and other years. A digest of similar data appears in the Federal Reserve Bulletin.

Pages 43 to 49, likewise pages 3 and 7, are devoted to the iron and steel industry, which is presumed to be the great economic barometer.

Iron ore shipments dropped from 59,200,000 tons in 1923 to 42,452,000 in 1924, a decline of 16,000,000 tons, or over 25 per cent.

Pig iron production in 1924 declined nearly 25 per cent.

Steel ingot production fell off in 1924 about 20 per cent.

United States Steel Corporation orders dropped over 30 per cent.

Wholesale prices of iron and steel averaged in 1924 10 per cent below the tariff-inflated prices of 1923, and there was a further decline in exports.

Page 7 of Secretary Hoover's survey shows parallel declines in industrial production along pretty much the whole line, as follows:

In the textile industries, wool consumption dropped from 641,000,000 pounds in 1923 to 537,000,000 in 1924—a decline of over 100,000,000 pounds, or 16 per cent. Cotton consumption fell off over a million bales, also about 16 per cent. Production of fine cotton goods declined in 1924 by over a million pieces, or about 20 per cent.

Bituminous coal production in 1924 was 96,000,000 tons, or about 16 per cent below 1923. There were also much lighter tonnages of anthracite and coke. Crude petroleum showed reduced production in 1924, and gasoline production fell off over 30 per cent.

Locomotive shipments in 1924 were reduced, and automobile production dropped over 10 per cent—the first material decline in years.

The industrial list of restricted production in 1924 could be widely extended, but the fundamental indices, iron and steel and fuel, tell the story for the whole. There were exceptions, such as building operations and stock market and produce market inflations along about election day; but the bursting market bubbles in February and March following exploded the "prosperity" pretenses when the full industrial history of 1924 was divulged in the yearly reports.

Every Government official exhibit of 1924 business, after the annual returns of industrial production were finally reported, showed a radical reduction for 1924 as compared with 1923.

That brings to mind the report that came from New York in the Sunday newspapers that brokers' loans carried by banks now total $3,500,000,000. That amount is $1,400,000,000 more than was reported on March 6, 1924, and $1,500,000,000 more than was reported in February, 1920, which marked the high peak of after-the-war speculation. We have now a greater inflation than we had after the war, a period of inflation marked by a tremendous rise in values, particularly in the stock market. That started when the Federal Reserve Bank of New York on May 1, 1924, cut the rediscount rate to 4 per cent; later cut it to 3½ per cent, and in August, 1924, just before the election, cut it to 3 per cent, and when call money went to 2 per cent and brokers' loans increased in Wall Street from the 1st of August to the 1st of March something like $700,000,000.

Of course, we have an inflation in values and in the stock-market gambling profits, and some people call that prosperity. Under the pending tax bill the high surtaxes are eliminated, and those who make tremendous fortunes running into the billions of dollars will now escape their just share of taxes on wealth that they have never themselves produced but have merely collected this wealth from others through stock gambling in an orgy of inflation of credit for speculation.

I thought it was a rather interesting spectacle to watch the debate upon this tax bill. We spent something like a week trying to prevent the Government from collecting just taxes from the profits of those who made tremendous profits in the speculative market, and at the same time, on last Saturday, we spent practically a whole afternoon in trying to compel the farmers to pay taxes, not upon their profits but on their losses, when the Senate debated the question of the exemption of mutual farm-insurance companies.

The story in a nutshell is revealed by the employment tables published by three Government authorities: The Labor Bureau, the Commerce Department, and the Federal Reserve Board. And here is the employment record.

I am now comparing the prosperity of corporations in 1923 with 1924:

Iron and steel employment in 1924 is 14 per cent below 1923.

Textile employment is 12 per cent below 1923.

The entire industrial group covering all industries in 1924 is 10 per cent below 1923.

With lower average prices in 1924 than in 1923, there is only one conclusion possible, and that is that the industrial and thereby the corporate income of the country for 1924 was below that of 1923 by a heavy margin, and therefore that there was less corporate income in the country in 1924 to pay 1925 income taxes than the year before.

Our circumstantial case, Mr. President, is therefore complete.

1. Corporation income taxes paid in 1925 on 1924 income are $100,000,000 greater in 1925 than in the preceding year.

2. Corporation income in 1924, paying the 1925 taxes, was actually much lighter in volume than the year before.

Therefore, the increase in 1925 corporate income taxes came from corporations that had evaded their previous year's taxes; and those corporations we have in Table 8—the 165,000 which reported "no income" while paying $450,000,000 in cash and stock dividends.

What was the condition under the revenue law effective in 1925, different from that under the 1921 act, effective in the previous year, that caused these "no income" but dividend-paying corporations to disgorge? That also we know; it was publicity. They were faced by publicity at every step, in their returns, their refunds, their tax appeals. The value of publicity we may estimate in dollars and cents.

Secretary Mellon, overlooking the revenue-producing power of publicity, predicted a tax reduction of $450,000,000. There was an increase instead. On the basis of the Treasury estimate, therefore, the value of publicity is approximately $475,000,000 per annum in public revenue.

The lesson of the case is this: If the country retains and strengthens the publicity provisions of the forthcoming revenue bill, it can stand far greater reductions in tax schedules than the Treasury estimates. The greater the publicity, the greater the volume of revenue. But if secrecy should again be thrown over income-tax operations—secret returns, secret refunds, secret abatements, secret tax-appeal proceedings—it is a question if any material reduction in tax provisions can be made by Congress without danger to public revenue to support the Federal Government and its enterprises. Tax refunds under a régime of secrecy, aggregating $150,000,000 a year, further tax abatements and allowances running from $200,000,000 to $300,000,000 yearly, as they have been doing, and a further grand tax reduction by wholesale tax dodging and evasion, protected by secrecy, amounting to $400,000,000 a year or more makes an aggregate Treasury loss of about $800,000,000 a year. Secrecy is a greater tax reducer and revenue loser than any act of Congress. And the underlying evil of the case is that those most able to pay and enjoying the bulk of the taxable income are the ones who escape their lawful burden, while those who work the hardest for the smallest income have to bear the burdens of the dodgers.

Mr. EDGE. Mr. President, I only want to take the time of the Senate for about five minutes to express my views on the pending amendment.

After listening more or less to the five and three-quarter-hour discussion of the Senator from Nebraska [Mr. NORRIS] to-day, opposing the plan of the Finance Committee not to permit the publication of tax returns, it seems to me that his entire argument was that if publicity were permitted we would avoid unnecessary and unwarranted suspicion, as it were. As I followed him at different times during the discussion, he seemed to want to make it clear that he was not accusing any one of crime, but that the mere fact that there was not publicity of the details of the tax returns placed citizens under suspicion.

In my judgment, the reverse would result in placing the American taxpayer in a position where he would be perhaps not warranted but certainly encouraged to practice a type of evasion which, in the very natural course of his business responsibilities and obligations, he would feel necessary, in order, for one reason at least, that competitors might not be acquainted through recourse to his tax returns with the details of his business development.

In facing big problems of this character, I do not believe in proceeding on the assumption that men, generally speaking, are dishonest. I believe the old-established rule of evidence, as I understand it, from a layman's standpoint, that a man is presumed to be innocent until proven guilty, is a pretty good system for this old country of ours. If we are going to proceed on the assumption that a large proportion of the taxpayers of this country are dishonest, or that a large proportion of the personnel of the Internal Revenue Bureau are dishonest, then we are naturally going to create in a large proportion of our citizens a spirit of resentment.

We are certainly going to place the great army of business men throughout this country—and when I speak of business men I do not mean particularly the wealthy or signally successful business men; I mean business men of all classes, including the farmers, who are business men, and engaged in running a very important business—in such a position that evasion is bound to result.

All these insinuations and inferences that we hear from those who believe in unlimited publicity, referring particularly to the Internal Revenue Bureau, suggest the possibility that some of these refunds may have been improper. A Senator rises and interrupts and refers to a refund—perhaps in the case of the Gulf Refining Co., perhaps some other large or well-advertised refund—and, when questioned as to whether he knows whether there is anything wrong or improper or dishonest about it, he immediately replies: "No; but if we had publicity we would know better whether there was anything irregular about it."

Mr. President, I am very glad that I can not live with any satisfaction in an atmosphere of that type of suspicion. I have

great respect for my friend from Michigan [Mr. COUZENS], who has spent a great many days and weeks and months, perhaps, in a partial investigation of the activities of the Internal Revenue Bureau. As far as I have been able to follow his very intelligent presentation of his views as the result of this investigation, he does not actually make any definite accusations of corruption. He says these things sound unusual.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. EDGE. I yield.

Mr. COUZENS. The Senator quotes me correctly so far as fraud is concerned; but we did not, in the majority report of the committee, indicate at any time that there were no irregularities.

Mr. EDGE. I will change the word "irregularities" to "fraud." I think that is a better word. As I understand the internal-revenue system of handling large or small cases—particularly large cases, because they would involve very much deeper inquiry—they can not be handled by a single man. They go through various degrees of investigation, from the early day, perhaps, when the Collector of Internal Revenue is asked to make a cursory or summary investigation, from the day that some one appeals to the Internal Revenue Department for a referee, from the day that the referee investigates more or less, so far as his responsibility goes, as to whether the return has been a correct one or otherwise; and so it goes on through various departments of the Internal Revenue Bureau.

If I must accept the inference that many men are involved in an intrigue of some character to defraud the Government when these suggestions are made that perhaps these refunds were improper, these refunds that necessarily pass many eyes and many investigations; if I must believe that there is a combination in the Internal Revenue Bureau of the Government which operates from the early acceptance or early filing of such an application for a refund up until it is finally permitted by a board, or a referee, or perhaps the Board of Tax Appeals, I would feel that this Government was reaching such a position that we had almost better consider the establishment of a new form of government.

I do not believe in this continual suspicion. I believe that we will get 100 per cent more out of the citizens of this country by trusting them a bit not only in their tax returns but in any other matters that are more or less directed to the personal honesty and integrity of our citizens.

I believe that this feeling of suspicion encourages intrigue, encourages defiance, encourages protest and challenge; and if we ever adopt the Norris amendment, which provides for the publication of all the details of a tax return, both large and small, we are going to develop and encourage and almost invite a condition in this country where the business men of all classes perhaps will not defy but certainly will resist any such unwarranted inquisition into their personal matters, or the activities which probably have made them successful in their various business lines.

Trust your Nation if you want your Nation to respond to the high ideals of Americanism; and in my judgment, Mr. President, this whole idea of publication of tax returns is founded on a wrong principle, a principle of suspicion which never will win.

I simply wanted, at some time during the hour before the vote, which I understand is scheduled for 7.30, to say without reservation that I am absolutely opposed, even after a five and three-quarter-hour speech, to trying to remove suspicion by placing the public upon notice that you are suspicious. It is so inconsistent that it is not worthy of more than a six-minute answer.

Mr. REED of Pennsylvania. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SACKETT in the chair). The Secretary will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	Lenroot	Robinson, Ind.
Bayard	Fess	McKellar	Sackett
Bingham	Frazier	McLean	Schall
Blease	George	McMaster	Sheppard
Bratton	Goff	McNary	Shipstead
Brookhart	Gooding	Means	Simmons
Broussard	Hale	Metcalf	Smith
Bruce	Harris	Moses	Smoot
Butler	Harrison	Norbeck	Stephens
Cameron	Heflin	Norris	Trammell
Capper	Howell	Nye	Wadsworth
Copeland	Johnson	Oddie	Warren
Couzens	Jones, Wash.	Overman	Watson
Edge	Kendrick	Pepper	Weller
Edwards	Keyes	Pittman	Williams
Ernst	King	Ransdell	Willis
Fernald	La Follette	Reed, Pa.	

The PRESIDING OFFICER. Sixty-seven Senators having answered to their names, there is a quorum present.

Mr. SIMMONS. Mr. President, I wish to put into the RECORD a telegram received to-day from the commissioner of internal revenue of my State in response to a telegram sent him by Representative LINDSAY C. WARREN, of my State. I shall first read Mr. WARREN's telegram, and then the answer as follows:

FEBRUARY 8, 1926.

Hon. R. A. DOUGHTON,
Commissioner of Revenue, Raleigh, N. C.

Wire me immediately if inheritance and income tax returns are open to public inspection in North Carolina.

LINDSAY C. WARREN.

(Reply)

RALEIGH, N. C., *February 8, 1926.*

Hon. LINDSAY C. WARREN,
House of Representatives, Washington, D. C.

Inspection income returns prohibited by State. No prohibition as to inheritance returns. Inspection not encouraged by department.

R. A. DOUGHTON, *Commissioner.*

Mr. REED of Pennsylvania. Mr. President, before we vote on the pending amendment there are a few things which it seems to me ought to be understood by the Senate.

There will be filed in 1926 somewhere between six million and a half and seven million income-tax returns. Of those, probably two million to three million will show incomes below the point of exemption. They will be incomes which are not taxable. Nevertheless, under the provisions of the law, those returns will have to be filed.

Every Member of the Senate has before him this volume of the comparative print of the revenue law of 1924 and the bill now pending before the Senate. Let us, to visualize this problem, imagine all the returns to be printed on paper as thin as that used in this volume of the comparative print. As a matter of fact they are not, but let us suppose they are. These returns that will be filed this year, if printed on such paper as is used in the comparative print, would occupy 36,000 volumes of the size of this red booklet which I hold in my hand, the comparative print of these two laws.

Mr. WILLIS. Thirty-six thousand?

Mr. REED of Pennsylvania. Thirty-six thousand volumes would constitute the internal-revenue returns for a single year. If they were placed on a single shelf, they would occupy a shelf more than 3,000 feet in length. That is the body of the material with which the Bureau of Internal Revenue must deal each year.

Let us suppose, if you please, that that great body of material were open to the inspection of the general public, including the solicitors for charities, the prospectors who want to sell oil stock, the people who are preparing what are called sucker lists, the attorneys in Washington who are looking up cases out of which they think they may make something, and all of the thousand and one individuals who have a curiosity to pry into other people's affairs. Imagine a single shelf over 3,000 feet long, with 36,000 volumes the size of this one on it. Then imagine, if you please, 6,000 persons in the department of internal revenue trying to audit those returns in the midst of this throng of reporters, agents for oil stock, compilers of sucker lists, and others who would throng about that shelf, and you get some idea of what this fantastic proposition means in the administration of the Bureau of Internal Revenue. The practical difficulties, it seems to me, answer all of the theoretical advantages which have been urged throughout these hours of argument in favor of this proposition to which we have listened.

What can be done about it? It is perfectly obvious that the rights of the United States must be safeguarded. It is perfectly obvious that false returns must be detected by somebody. We turn to look to see what has actually been done. In the last four years and nine months refunds have been made amounting to about $450,000,000. We find, when we look to the figures, that $17,000,000 of that was directly ordered by Congress in 1924. We can not blame the bureau for that. We made them do it. That was in payment of the rebates we ordered in the law of 1924.

We find, when we look further, that the payment of $148,000,000 of that total was compelled by the decisions of the Supreme Court and of the Circuit Court of Appeals; and we can not blame the Internal Revenue Bureau for that. They merely obeyed the injunctions of the courts which decided the cases before them.

Looking at it fairly we see that in their solicitude to get the last penny that was coming to the United States, the bureau took $148,000,000 more from the taxpayers of the country than the law justified them in taking, and when a decision was rendered in favor of a taxpayer, of course, the bureau had to refund.

Mr. EDGE. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. EDGE. Has the Senator made any effort to ascertain the amount of money received by the Internal Revenue Bureau through reassessments?

Mr. REED of Pennsylvania. I am coming to that.

Mr. EDGE. Demonstrating that even if a return were properly made, or a taxpayer had tried to evade honestly paying something he owed the Government, what the Government had gotten back.

Mr. REED of Pennsylvania. I am coming to that in just a moment.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Ohio?

Mr. REED of Pennsylvania. I yield.

Mr. WILLIS. While the Senator is on that point, will he not state very clearly, for the information of the country, just what the nature of a refund is. I make the request because I know that in the minds of a good many people the idea obtains that a refund is something which really belongs to the Government but which some generous official just gives back to the taxpayer.

Mr. REED of Pennsylvania. I am glad the Senator asked that, because throughout all the discussion has obtained the idea that when we speak of a refund it meant an individual who by some kind of chicanery secured a check from the Government for Government funds which were paid to the taxpayer and covered by him into his own pocket and that the Government was out of pocket that amount. A refund, Mr. President, is a tax illegally collected. A refund indicates that through excessive zeal the authorities in the Bureau of Internal Revenue have taken from the taxpayer without regard to his momentary needs a large amount of tax which he did not owe. They have taken it from him regardless of the difficulties of his business situation at the moment. They have made him pay it into the United States Treasury and they have held the money in the Government Treasury when in all fairness and truth it belonged to the taxpayer himself. Yet we see paraded in the reports of the investigation of the Bureau of Internal Revenue a list of refunds that looks as though those individuals had taken that much money from the Government. Every one of those refunds, every dollar that is in them, constitutes a tax illegally collected.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I am glad to yield to the Senator.

Mr. COUZENS. Does the Senator know that and has he checked them up to know that they have all been illegally collected?

Mr. REED of Pennsylvania. I know they have been or they would not be paid back.

Mr. COUZENS. The taxpayer did not pay them in voluntarily, and then ask for a refund, but they were all illegally drawn out of the taxpayer?

Mr. REED of Pennsylvania. Sometimes the taxpayer did pay them voluntarily, and sometimes he did not ask for a refund. Sometimes the bureau officials, checking them over, found that he had paid too much. It has happened to me, and it has happened to the Senator, I dare say.

Mr. COUZENS. Yes; it has.

Mr. REED of Pennsylvania. And they deliberately paid it back because we paid too much of our own accord. Sometimes they compelled too much to be paid, and in other cases it is money which the Government can not in good conscience hold on to for one moment after the illegality of the payment is ascertained. When we talk about "refunds" we must remember that it is the taxpayer's own money that is coming back to him and which never ought to have left him. So let us remember the fact when we are looking over the schedule of refunds that these are people from whom the United States has borrowed money without any warrant of law to do so, and in all good conscience it ought to be paid back.

I have spoken about the amount of refunds. In all it is about $450,000,000 in four years and nine months.

Mr. WARREN. Mr. President, may I interrupt the Senator?

Mr. REED of Pennsylvania. Certainly.

Mr. WARREN. The collections that have been made since the income tax law was enacted have amounted to something like $570,000,000 in the entire time.

Mr. REED of Pennsylvania. Yes; $570,000,000 since the income tax law was enacted.

Mr. WARREN. And we have collected more than $30,000,000,000 in the meantime.

Mr. REED of Pennsylvania. About one-sixtieth of all the money collected has been refunded to the taxpayer. Let me carry the picture a little further. Something over $200,000,000 has been refunded because the bureau found the taxpayer had paid too much, either voluntarily or under compulsion.

Now, let us turn to the other side of the picture. Let us see what the bureau itself, working under the methods that Congress has laid down for it, has done for the Treasury of the United States. During this time they have collected from the taxpayers on a reaudit of the returns of the taxpayers $2,800,000,000. So efficient has been the audit of the bureau in that time that they have discovered shortages in the tax returns amounting to nearly $3,000,000,000, and that amount has been collected, gathered into the Treasury of the United States by those officials whom we have heard condemned here to-day, working silently, faithfully, underpaid, under immense temptation. They have collected $2,800,000,000 more than the returns showed was due. Then we begin to have shivers about whether the interests of the United States are adequately protected.

Now, Mr. President, it is worthy of note that although the Couzens committee began its investigation back in 1924, about two years ago, although they have had the most diligent prosecution of their inquiry from the Senator from Michigan—and I do not utter one syllable of reproach for what he has done; although they have had the most able assistance from Mr. Manson, who, in my judgment, is one of the most capable of the tax experts that we have here in Washington; although they have had a staff of upward of 75 experts working for them; although they have had the free run of all of the records of the Bureau of Internal Revenue; although they have had a free hand in their archives and have been able to see every letter written and have been able to know everything that was done; although they have investigated with all the care they could during these two years, yet the collections——

Mr. COUZENS. I hope the Senator will permit me to interrupt him?

Mr. REED of Pennsylvania. I gladly yield.

Mr. COUZENS. There were not two years involved. The Senator will remember that from the time the resolution was first introduced until the time we were permitted to have any money to conduct the investigation a considerable period elapsed. The first resolution was introduced in March, 1924. I have not all the dates here, but we were some considerable time without any funds. The Senator will recall that it was some time along in April or May when we were given funds. After we were given authority I went to the hospital and nothing was done from April until the following fall after I got out of the hospital. The then chairman of the committee, the Senator from Indiana [Mr. WATSON], never prosecuted the investigation, never employed an individual, and never started the investigation. As a matter of fact, the investigation was carried on for less than a year.

Mr. REED of Pennsylvania. Very good. The Senator from Michigan knows that I do not want to say anything that would be an overstatement about their work; but I think he will agree with me that in the investigation they made they worked with a fine-tooth comb, they worked ably, they worked assiduously, and during all the time the Senator from Michigan was able to superintend the investigation they left no stone unturned to come to the truth of the situation in the bureau. I mean that quite as I say it and without any oblique reference to the Senator.

Mr. COUZENS. Mr. President, will the Senator yield again?

Mr. REED of Pennsylvania. I am glad to yield again to the Senator from Michigan.

Mr. COUZENS. I would like to remind the Senator that our time expired, as he will recall, in the early spring of 1925. After considerable urging we got authority to continue the investigation until June 1, 1925, when we were required to withdraw from the bureau. I submit, and I intend to make the report before I get through, that we did not discuss the auditing section. We did not investigate the auditing section because of the campaign conducted by the Treasury Department before the Finance Committee and others to get us out of the bureau so as to save what they said was interference with their work. I think that is correct history. I do not want the Senate to get the impression that we anywhere nearly covered the field.

Mr. REED of Pennsylvania. I am very glad to agree with what the Senator has said. The work was so vast that they were not able to cover all the activities of the bureau, and I do not mean in any way or in anything that I say to ask him to absolve the bureau in any of its activities. What I do say is that what they investigated was investigated well, was investigated thoroughly, and they did not spare anybody, friend or foe.

Mr. COUZENS. That is true.

Mr. REED of Pennsylvania. I think that is a fair statement. Now, let me call the attention of the Senate to what the conclusion of all that was as disclosed by the testimony of Mr. Manson, the chief counsel of the committee, who testified before the Finance Committee, at page 70 of their hearings. He had been talking about amortization allowance. This examination of Mr. Manson occurred within the last six weeks. In the course of that examination I asked him about the amortization allowances on which the principal criticism had been based, if I gather the point correctly. The question was:

May I ask one question more? In these cases, speaking generally, is the excessive allowance in your judgment due to mistakes of the bureau or is it due to corruption?

Mr. Manson replied:

Oh, I do not maintain that it is due to corruption. I do not maintain that. Get that straight.

Senator REED of Pennsylvania. I am asking in all sincerity because I am not familiar with the facts.

Mr. MANSON. Oh, no.

Senator REED of Pennsylvania. Have you found any evidence of corruption?

Mr. MANSON. Oh, no. I have not any evidence of corruption. This matter of amortization is largely in my opinion a question of law.

Again, on page 78, I came back to the matter, and asked:

You understand me, I am not taking any position for or against it, but in all other wars there have been so many charges of that sort. Here was evidently a very great opportunity for it and I am, just as a matter of public interest, asking whether you ran upon any traces of it, although I know that you were not making a particular search for that sort of thing.

Mr. MANSON. I am not a detective.

Senator REED of Pennsylvania. I know you are not.

Again I said:

I am not asking this in any way in criticism of you or the committee.

And Mr. Manson replied:

I am frank to say that I am not a detective, for I have not been hunting graft. I have been trying to get at how things have been done in the bureau for the purpose of seeing how I could suggest improvements.

Mr. President, $30,000,000,000 was collected in the bureau in the last nine years. The committee, which could not be accused of being unduly friendly, had access to everything in the bureau. The committee were the butts, if I may use that term, for every disgruntled employee in the bureau. Every man with a grouch came to the committee to tell his troubles, and yet, from the chief counsel of the committee came the statement that as a result of it all, in the collection of that $30,000,000,000, he had no evidence whatever of corruption. I pass that point right there.

Mr. President, this afternoon the Senator from Nebraska [Mr. NORRIS] was talking about the results to the public of the lack of publicity. He said that it is conceded that the Government has lost because of secrecy.

It is not conceded, Mr. President. It is not conceded by any person who has studied the functioning of the Bureau of Internal Revenue that there has been any loss because of the prevailing practice of respecting in that bureau the privacy of men's affairs. If there were a loss, if every irregularity that has been pointed out involved a loss, if every difference of opinion about the construction of the law were held to be a loss to the Government, I say—and I believe that the country will back me in it—that that loss is less than the value of the privacy that has resulted.

For centuries men have been fighting for the right to mind their own business. Our Constitution could not be ratified until we agreed, among the first 10 amendments, to the fourth amendment, which provided against unreasonable searches and seizures. We would not have any Constitution to-day, we would not have any Congress or Senate or Government at Washington if we had not agreed that unreasonable searches and seizures should be avoided, should be illegal, should be prohibited to the National Government that was being erected. That privacy that men fought for, that right to mind their own business is preserved for them in the fourth amendment of our Constitution. Now, forsooth, so that any long-nosed gossip may intrude his curiosity into any man's affairs, we are asked to expose to public ridicule, to the curiosity of competitors, to the public gaze all of the intimate personal affairs of the millions of taxpayers of the United States.

What reason has been given for doing so? I listened with attention to the five or six hours of argument which we had to-day from the Senator from Nebraska [Mr. NORRIS], and all I could find in his argument in favor of publicity of tax returns was the contention that as the assessment lists of our cities and counties are made public so similarly should the assessment lists of income taxation be made public.

It is perfectly obvious that the distinction is fundamental. We make public the assessment lists of the city or of the county so that each taxpayer may know the assessment that is placed on the real property or the personal property of his neighbor in order that he may make sure that his lot is not assessed more per front foot than is the lot of his next-door neighbor; and proper enough is it that it should be so. Such assessments are made public, for each taxpayer has a natural interest in seeing that his land is not assessed at a higher rate than that of the man who lives next to him. However, in income taxation that reason ceases to exist. We are dealing with money values. It does not help me at all to know how my neighbor's income runs, because, whatever it may be, it is reported in dollars just as is mine. It is not a question of contrasting assessments or property which has not any exact money value. Every reason for publicity in city and county returns ceases when we come to income-tax returns of the United States Government.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Nebraska?

Mr. REED of Pennsylvania. I am glad to yield to the Senator.

Mr. NORRIS. Does the Senator from Pennsylvania contend that it makes no difference to a taxpayer whether his neighbor or somebody who is not his neighbor, in fact, anyone in the United States, is not making a full return of his income? Does the Senator not know if one man understates his income that the man who does not understate his income has his burdens increased to the same extent that the man who owns a lot must pay a higher tax if his neighbor's lot of equal value is assessed at a lower rate?

Mr. REED of Pennsylvania. Of course, Mr. President, I know that just as I know that all of the exemptions with which we are loading the income tax law put the burden of government on a few people where it should be borne by all. Of course I know that by these exemptions that Senators vote into the income tax law every year in order to appeal to this class of voters or that class, what they are actually doing is piling the burden of the cost of government onto a part of the population which should be borne by all.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania further yield to the Senator from Nebraska?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. NORRIS. The Senator from Pennsylvania is discussing a different proposition entirely now from what he was discussing when I interrupted him. As I understand, he admits the contention which I have made; and he is not now even claiming that it is going to harass the taxpayer or be an injury to him because his income tax is made public any more than the owner of the lot is harassed because his tax is made public.

Mr. REED of Pennsylvania. Mr. President, the Senator from Nebraska was not present when I began, and he did not hear what I said about the number of returns.

Mr. NORRIS. I did hear what the Senator said, however, about it making no difference to the taxpayer; that he was not interested in the income tax paid by his neighbor or some other individual. I did hear that; and that is what my question was directed to. The Senator has now admitted that he is interested, as is every taxpayer, in knowing that no other taxpayer has taken advantage of the Government but that he has returned his full income.

Mr. REED of Pennsylvania. Of course, I am interested in that, Mr. President. If my neighbor does not pay his full share, then that is an unfair burden that I have to bear that he ought to bear; that is perfectly self-evident; but the question is, How can we best remedy that situation? Can I come to Washington and examine these million and a half tax returns in order to make sure that all my fellow citizens are paying their fair share? Of course, I can not.

Mr. NORRIS. Mr. President, the Senator forgets that as to the value put on the two lots about which he is speaking, which are located side by side, the very fact that the assessments are made public will prevent a man from understating the value of his lot; so the very fact that the income tax is made public will prevent the dishonest man from making a dishonest return.

Mr. REED of Pennsylvania. Mr. President, I have used nearly half an hour out of a long day, and I feel that I have taken too much time. I am going to quit with one more remark.

We ourselves can not do this thing. We have got to do it by some other authority. The Finance Committee, in section 1203 of the pending bill, which Senators will find at pages 328 to 331, have constituted a joint committee of Congress with power to inquire into everyone's returns, with power to employ auditors and clerks and to make inquiries that no single individual has power to make. That provision was drawn, as I understood, to the full satisfaction of the Senator from Michigan [Mr. COUZENS] and of the other Senators who are members of the select investigating committee. We have gone as far in reason as an American Congress ought to go in establishing an independent public scrutiny of income-tax returns, and on that point I ask the Congress to stand. I am glad to yield now to the Senator from Connecticut [Mr. BINGHAM], who has been standing for some time.

Mr. COUZENS. Mr. President——

Mr. REED of Pennsylvania. And then I will yield to the Senator from Michigan.

Mr. COUZENS. Has the Senator yielded the floor, or does he still retain the floor?

Mr. REED of Pennsylvania. I am retaining the floor for the right to answer either of the Senators, but I yield first to the Senator from Connecticut.

Mr. BINGHAM. Mr. President, would the Senator be willing to listen to a few remarks with reference to the bearing of the fourth amendment to the Constitution on this question?

Mr. NORRIS. Mr. President, I make the point of order that the Senator from Pennsylvania can not yield the floor for that purpose.

Mr. SMOOT. He can yield the floor.

Mr. NORRIS. Of course, he can yield the floor if he wants to.

Mr. REED of Pennsylvania. Mr. President, in fairness to the Senator from Michigan and to the Senator from Connecticut, both of whom want to be heard on this subject—and I realize I have taken more time than I ought to have taken or than I meant to take—I am going to ask that the unanimous-consent agreement be modified so as to put the vote at 7.45 p. m.

SEVERAL SENATORS. Oh, no!

Mr. REED of Pennsylvania. Just a minute. I ask that the vote be postponed to 7.45 p. m. instead of 7.30. That will make only 15 minutes difference, and in fairness I think it should be done.

Mr. BRUCE. Mr. President, I am very sorry to do so, but I object.

Mr. BINGHAM. Mr. President——

Mr. COUZENS. Mr. President, I wish to ask the Senator a question, and I should like him to answer it before he takes his seat. When the special investigating committee agreed with the Finance Committee on the amendment provided in section 1203, we, of course, assumed—and I still assume—that section 1203 would be carried out in all good faith by both committees of Congress.

Since we have agreed to that, however, intimations have been made that, because of the leaders of these committees not being in sympathy with the investigation, we may not expect it to be carried out in good faith. I ask the Senator from Pennsylvania, who is a very active and able member of the Finance Committee, if we may feel assured that the provision in section 1203 is to be carried on in good faith?

Mr. REED of Pennsylvania. Mr. President, I am not captain of anything but my own soul, but, so far as I am concerned, it will be.

Mr. SMOOT. And I will say to the Senator that this is the first time I have heard any intimation that it would not be carried out in good faith or that any person has made such a remark. It is the first time I have heard of such a thing from the time the bill was reported to the Senate up to this very minute.

Mr. COUZENS. I did not say, Mr. President, the Senator from Utah had said that it would not be carried out in good faith; I do not charge the Senator from Utah now with any such idea touching this case; but I say some Senators who believe that we have done very constructive work have been afraid that the continuation of this investigation, which needs to be continued, would not be carried out in good faith.

Mr. WATSON. There is no question about it being carried out in good faith.

Mr. COUZENS. With the assurance of Senators, I have no reason to doubt it, but the question has been raised with me and I wanted to raise it in open Senate and not behind closed doors.

Mr. BINGHAM. Mr. President, there will be nothing personal in what I have to say. Furthermore, what I shall say is not said with any idea of trying to make any Senator come to my opinion about any of these questions, but because I believe it to be my duty to state very briefly and informally certain convictions. I do not desire to attempt to convert anybody. I trust that it will not be regarded as presumptuous if I present my views at this time.

There are three observations which I should like to make. In the first place, it seems to me that in certain of the amendments offered to the pending revenue bill, and in certain of the speeches, there is a forgetfulness of, or perhaps, let us say, a tendency to disregard, one of the fundamental principles which has made our country a happy land, perhaps the happiest and most free from tyranny and despotism of any recorded in the annals of history. That principle is the fundamental one, which we all accept, but whose application we sometimes neglect, namely, that a man is to be held innocent until he is proven guilty. Our country has been peculiarly blessed in the past because of its charitableness. We are told in the Bible that "charity thinketh no evil." The modern worldly-wise man smiles with scorn at such a simple doctrine. To him most people are "trying to put something over" and must be watched.

It is true that there are many countries where a man accused of wrongdoing must prove his innocence. He is held to be guilty unless he can prove the contrary. We read in the pages of history of the burden of tyranny and oppression in certain countries of the Old World, where the average citizen was under constant suspicion of breaking the law or of doing something contrary to the regulations. No person can live happily in a family where his actions are constantly suspected. No citizen can live happily in a city where the authorities are constantly suspicious of him and his actions. It has been the glory of the United States that an American might live his life without laboring under the suspicion of his Government. It is true that people have taken advantage of this. Wrongdoers have profited by it. Crimes have been committed; thousands of murders have been committed. Is that any reason why every citizen should report to the police once a month or once a year and should leave his blinds up and his door unlocked so that the police might enter his house at any time to see whether he was engaged in plotting or committing murder or even a lesser crime? Let us not forget the fundamental American principle of presumption of innocence. Liberty and the pursuit of happiness can not be enjoyed if our attitude is to be one of suspicion.

My second point is this: It appears to me that there has been a growing tendency during the past few years—a tendency to which attention has been called in recent debates in the Senate—to forget a principle and an injunction as old as the Ten Commandments and as sacred to us as the Constitution of the United States. It will be remembered, Mr. President, the Tenth Commandment warns us against the sin of covetousness, which apparently was then and still is one of the most common of human failings. The governments of antiquity, the tyrants of the Middle Ages and of the earlier centuries of modern history were particularly prone to covetousness. The prosperous man was always a shining mark. To appropriate the evidences of his prosperity was an easy way for every sovereign, whether he were monarch, oligarch, or demagogue, to enrich his treasury, to provide for his necessities, to make up for his excesses and extravagances. Sometimes without process of law, more frequently through different forms of taxation or legal assessments, the property of the thrifty and the prosperous citizen was seized by the tyrants of antiquity. If my memory serves me, there was seen in southwestern Europe in the sixteenth century a wholesale persecution and even exile of a thrifty, hard-working race because they had become vastly more prosperous than their rulers. Laws were passed which eventually deprived them of their property and drove them out of their country or the country in which they lived and which presumably they loved.

Our Constitution provides that private property shall not be taken for public use without just compensation. It recognizes not only the right to life and the right to law, but the right to property. It recognizes no stigma attaching to the man who through his zeal, thrift, intelligence, and good fortune has accumulated far more than his neighbors.

It makes no appeal to the man who through misfortune or extravagance, or stupidity, or wastefulness, or faults of others has not been able to accumulate property. On the other hand, it recognizes the importance of giving everyone a square deal and protecting him in the possession of that which he has acquired, and of taking nothing from him without just compensation. Sometimes we forget this clause in the Constitution. Sometimes we feel that a "square deal" involves legislation approaching socialism or communism—beautiful theo-

ries which whenever tried have always resulted in unhappiness and disaster. Let us do nothing to pander to any spirit of envy or covetousness. Liberty depends on the right to enjoy the fruits of labor, either physical or mental.

In the third place, Mr. President, the Constitution of which we are so proud and which has been justly praised so often even by foreigners who are envious of our prosperity and our happiness has assured—

the right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures.

The Constitution promises that these rights shall not be violated and that no warrants shall issue—

but upon probable cause supported by oath or affirmation.

It seems to me, Mr. President, that there is a tendency to forget this part of our constitutional Bill of Rights. It seems to me that some of our best and most conscientious citizens sometimes become so wrought up over certain abuses which have arisen under the protection of this clause of the Constitution that they are anxious to amend it or, if not to amend it, to nullify it. I realize, Mr. President, that certain States, both in the North and in the South, have at times felt justified in entering upon acts of nullification not only of our statute laws, but also of certain provisions in the Constitution. Nevertheless I submit that there is nothing which is more characteristic of that tyranny and despotism from which our fathers fled in the Old World, nothing which interferes so greatly with those inalienable rights to life, liberty, and the pursuit of happiness as a practice which contravenes this right. The citizens of the United States have the constitutional right to be secure in their persons, houses, papers, and effects. Of course, when a citizen commits a crime and a grand jury or other authority discovers probable cause for search or seizure, the Constitution provides that the citizen forfeits this particular right.

The point which I am making, Mr. President, is that there appears to be a tendency on the part of certain earnest and zealous citizens, anxious for the public welfare, to do away with this right. They seem to be acting on the theory that human beings are so prone to err that there always is likely to be "probable cause" and that the public welfare demands that our right to be secure in our persons, houses, papers, and effects must be sacrificed.

Mr. President, some of the most notorious tyrants and despots of history were earnest and zealous men, striving to carry out their most sacred religious beliefs, striving to make sure that their subjects should be safe from eternal damnation, striving to give their countries good government, striving to promote the public welfare. Had they been asked, they probably would have said that they believed in a benevolent despotism. I have heard citizens of the present day express the same opinion. "Liberty" to such people is either not a very precious possession or else it is interpreted as the liberty of government to correct all human ills. If I may paraphrase the words of our distinguished President in his recent message to Congress, I believe that it does not at all follow that "because abuses exist it is the concern" of the Congress to attempt their reform in such a way as to deprive a citizen of his rights, when he has done no wrong and when no one can either swear or affirm that there is probable cause for search, and that in the interests of justice he deserves to be seized and his house and his papers to be searched.

There are some who believe that tyranny and despotism only exist under monarchies, oligarchies, or autocracies. It seems to me that they have failed to read history. Plato, observing the action of the Greek Republics, was led to affirm that "tyranny springs from democracy," even though the citizens of a democracy are at the time unconscious of it. Let it not be said of us, Mr. President, that our zeal for reform ever led us to sacrifice the liberties, the comforts, and the happiness of thousands of innocent citizens whose desire it is to maintain their own self-respect, to be self-reliant, to mind their own business, and to lead their own lives without interfering in the slightest degree with the liberty of others to do the same. The fathers who drew the Constitution were well aware that the zeal of former lawmakers and government officials had frequently led them to seize persons on suspicion, to enter houses on suspicion, to search papers on suspicion, feeling justified if they found that a percentage of the citizens had committed acts which justified this suspicion.

Let us hold fast to the constitutional provision which the fathers gave us. Let us not relinquish any of the provisions which, taken together, constitute the blessings of liberty. Let us beware of becoming unconscious of those precious privileges which, important as the air we breathe and as the water we drink, are, like them, frequently taken for granted and not appreciated until they become foul or impossible to procure. Let us hold fast to these constitutional rights and ask ourselves when proposing or voting for legislation here propounded whether we are in any danger of permitting our zeal to correct wrongs or to punish wrongdoers to interfere with our solemn duty to support and defend the Constitution and to bear true faith and allegiance to the same.

Mr. BRUCE. Mr. President, I did not know that the extension of time was asked for the benefit of the Senator from Connecticut. I withdraw my objection.

The VICE PRESIDENT. The hour of 7.30 o'clock p. m. having arrived, the Senate, under the unanimous-consent order, will proceed to vote on the amendment of the Senator from Nebraska [Mr. NORRIS] to the amendment of the committee, on which the yeas and nays have been ordered.

SEVERAL SENATORS. Let it be read.

The VICE PRESIDENT. The amendment of the Senator from Nebraska [Mr. NORRIS] to the amendment of the committee will be stated.

The CHIEF CLERK. On page 113, line 1, after the word "records," strike out the remainder of the paragraph and insert "and shall be open to examination and inspection as other public records under the same rules and regulations as may govern the examination of public documents generally," so as to read:

SEC. 257 (a) Returns upon which the tax has been determined by the commission shall constitute public records and shall be open to examination and inspection as other public records under the same rules and regulations as may govern the examination of public documents generally.

The VICE PRESIDENT. The clerk will call the roll on agreeing to the amendment to the amendment.

The Chief Clerk proceeded to call the roll, and Mr. ASHURST voted in the affirmative.

Mr. SMOOT. Mr. President, I was requested by a number of Senators to suggest the absence of a quorum.

Mr. ASHURST. I withdraw my vote.

SEVERAL SENATORS. Regular order!

Mr. COUZENS. I suggest the absence of a quorum.

The VICE PRESIDENT. The vote will proceed. The Secretary will continue the calling of the roll on the so-called Norris amendment.

The Chief Clerk resumed the calling of the roll.

Mr. FERNALD (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. JONES]. I transfer that pair to the senior Senator from Vermont [Mr. GREENE], and will vote. I vote "nay."

Mr. FLETCHER (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. DU PONT]. I understand that if that Senator were present he would vote as I shall vote. I vote "nay."

Mr. JOHNSON (when his name was called). I am paired with the senior Senator from Arkansas [Mr. ROBINSON]. If at liberty to vote I should vote "yea."

Mr. MEANS (when his name was called). I have a pair with the junior Senator from Texas [Mr. MAYFIELD]. I am advised that if he were present he would vote "yea." If I were at liberty to vote I should vote "nay."

Mr. NEELY. The junior Senator from Texas [Mr. MAYFIELD] is unable to be present because of illness. If he were present he would vote "yea."

Mr. SIMMONS (when the name of Mr. ROBINSON of Arkansas was called). I was requested by the senior Senator from Arkansas to state that if he were present he would vote "nay." I understand that he has a pair, but I do not know with whom.

The roll call was concluded.

Mr. JOHNSON. I am advised that I can transfer my pair to the senior Senator from Iowa [Mr. CUMMINS]. I do so, and vote "yea."

Mr. NORRIS. The junior Senator from Iowa [Mr. BROOKHART] is paired with the junior Senator from Arkansas [Mr. CARAWAY]. If the junior Senator from Iowa were present and at liberty to vote he would vote "yea."

Mr. SIMMONS. And the junior Senator from Arkansas, if present, would vote "nay."

Mr. WALSH. I rise to announce that my colleague [Mr. WHEELER] is absent on account of illness. If he were present he would vote "yea." He is paired with the Senator from Kansas [Mr. CURTIS].

Mr. JONES of Washington. I desire to announce that the Senator from Colorado [Mr. PHIPPS] has a general pair with the Senator from Tennessee [Mr. TYSON].

I also desire to announce that the senior Senator from Kansas [Mr. CURTIS], if present, would vote "nay." He is absent on account of illness.

The result was announced—yeas 32, nays 49, as follows:

YEAS—32

Ashurst	Frazier	King	Norris
Blease	Gooding	La Follette	Nye
Borah	Harris	Lenroot	Reed, Mo.
Bratton	Heflin	McKellar	Sheppard
Capper	Howell	McMaster	Shipstead
Couzens	Johnson	McNary	Smith
Dill	Jones, Wash.	Neely	Trammell
Ferris	Kendrick	Norbeck	Walsh

NAYS—49

Bayard	Fess	Metcalf	Smoot
Bingham	Fletcher	Moses	Stanfield
Broussard	George	Oddie	Stephens
Bruce	Gerry	Overman	Swanson
Butler	Gillett	Pepper	Wadsworth
Cameron	Glass	Pittman	Warren
Copeland	Goff	Ransdell	Watson
Dale	Hale	Reed, Pa.	Weller
Deneen	Harreld	Robinson, Ind.	Williams
Edge	Harrison	Sackett	Willis
Edwards	Keyes	Schall	
Ernst	McKinley	Shortridge	
Fernald	McLean	Simmons	

NOT VOTING—15

Brookhart	du Pont	Means	Tyson
Caraway	Greene	Phipps	Underwood
Cummins	Jones, N. Mex.	Pine	Wheeler
Curtis	Mayfield	Robinson, Ark.	

So Mr. NORRIS's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question is on the amendment of the committee.

Mr. COUZENS. Mr. President, while we have a fairly good attendance here, I want to register a complaint against unanimous-consent agreements. I consider that I was tricked by the Senator from Utah, the chairman of the committee.

Mr. SMOOT. In what way?

Mr. COUZENS. I propose to tell.

The Senator was anxious for a vote on this question, the same as he has been anxious for a vote on every question. He has wanted to railroad this bill through the way he wants it. When I went to him to-night and suggested that we had an hour and a half and that I would not require more than half or three-quarters of an hour to reply to the minority report of the Senator from Kentucky [Mr. ERNST] the Senator from Utah said that he would try to arrange a unanimous-consent agreement to vote at 7.30. At that time there was an hour and a half remaining. The Senator from Pennsylvania [Mr. REED] at once got the floor, and then surrendered it at the request of the Senator from Utah. The Senator from Connecticut [Mr. BINGHAM] was going to speak, and he said that he was not going to speak at this time; so it was perfectly obvious that within the hour and a half the argument that I proposed to put in in behalf of this amendment was blocked by the sharp practice of the Senator from Utah.

I want to go on record right now as saying that I will never consent to any future unanimous-consent agreement with the Senator from Utah in charge of any bill.

Mr. SMOOT. That the Senator has a perfect right to do, but I want to say, Mr. President——

Mr. REED of Missouri. Mr. President——

Mr. SMOOT. I have the floor, I think.

Mr. REED of Missouri. I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. I have not yielded the floor.

The VICE PRESIDENT. The Senator from Missouri will state his point of order.

Mr. REED of Missouri. My point of order is that the Senator from Michigan is violating the rules of the Senate by impugning the integrity of the Senator from Utah.

The VICE PRESIDENT. The Senator from Michigan will take his seat.

Mr. SMOOT. All I want to do is to show the unfair——

Mr. WATSON. The Chair has ruled the point of order well taken.

Mr. SMOOT. Now, Mr. President——

Mr. MOSES. What is the Senator from Utah doing? Is he speaking now to a question of personal privilege?

Mr. SMOOT. I do not care how I speak, Mr. President, just so I can tell the story.

When the unanimous-consent agreement was reached, the Senator from Pennsylvania [Mr. REED] expected to offer some administrative amendments which he had then and intends to offer now. He came to my desk and said: "Shall I proceed with the offering of these amendments and get them out of the way?" I said: "I would not do that, Senator, if I were you. Let the balance of the time be occupied in discussing the bill, and then we will offer those amendments, after we have voted upon the Norris amendment and agreed to the publicity section." That was all that was said and all that was done; and I can not conceive of the mind that would charge a Senator now with something that was not in his heart, nor ever thought of, nor ever said.

Mr. President, I ask the Senator from Pennsylvania if that was not all that was said, and if that is not just the way it was said?

Mr. BORAH. I do not suppose we need to take testimony on this proposition.

Mr. REED of Pennsylvania. Mr. President, I would like to say a word on that.

Mr. McLEAN. Why not take testimony?

Mr. WADSWORTH. Why not? There were several others in it.

Mr. BORAH. Very well; we will take testimony, then.

Mr. REED of Pennsylvania. Mr. President, when the Senator from Nebraska [Mr. NORRIS] finished speaking, I got the floor. The Senator from Michigan [Mr. COUZENS] called for a quorum. While the roll was being called, the Senator from Utah came in, and I said to him, "I want to talk about five minutes in reply to Senator NORRIS. I have a number of administrative amendments to offer, and this is a good chance to offer them. We might as well get rid of them now." He said, "Do not do it. Let us finish with the pending amendment. I want all of our people to keep quiet and let this amendment be voted on." And because of that, when the quorum had been announced, I yielded the floor without saying anything.

Mr. BINGHAM. Mr. President, I rise to a question of personal privilege.

Mr. REED of Missouri. Mr. President, I ask the Senator to pardon me just a moment. I made the point of order because I thought the Senator from Michigan had gone outside the rule. Under the rule, of course, the Senator from Michigan was compelled to sit down until the Chair should rule upon the point. I have no notion of compelling the Senator from Michigan to sit down and then have the discussion proceed to which he can not reply. I think this point of order ought to be disposed of, and then the Senate ought to permit the Senator from Michigan to proceed in order.

The VICE PRESIDENT. A motion is in order to permit the Senator from Michigan to proceed.

Mr. REED of Missouri. I move that the Senator from Michigan be permitted to proceed in order, so that he can reply to these observations if he cares to do so.

The motion was agreed to.

The VICE PRESIDENT. The Senator from Michigan may proceed in order.

Mr. COUZENS. Mr. President, I really could not proceed in order, in the contemptuous mood in which I am in at the present time. So I will have to take my seat.

Mr. BINGHAM. Mr. President, since my name has been brought into this discussion, and the Senator from Utah has been accused of using me as one of two to prevent the Senator from Michigan from speaking, I would like the privilege of making a brief statement. When I told the Senator from Michigan that I did not intend to speak it was on the understanding that we were to sit until 10 o'clock to-night and that no vote was to be held as early as 7.30. When I heard that an unanimous-consent agreement had been entered into whereby we would vote at 7.30 o'clock I told the Senator from Utah that I desired to speak. He then asked me to defer my remarks until after 7.30. That is the way the Senator from Utah carried out his understanding, by asking me to defer my remarks. I said that since my remarks were concerned with this amendment, and since I had sat here during five or six hours this afternoon while the other side had presented their arguments, I wanted to occupy 10 minutes. Actually, I took less than 10 minutes.

THE COAL SITUATION

Mr. COPELAND. Mr. President, I send a newspaper clipping to the desk, and ask to have it read by the clerk.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk read as follows:

[From the Washington Post, Monday, February 8, 1926]

MINE STRIKER'S WIFE DIES OF STARVATION

ASHLAND, PA., February 7.—The first death by starvation as a result of the anthracite strike was reported by the police to-day.

It was that of Mrs. Mary Harrington, of Mahanoy City, wife of a miner and mother of several children. The woman's husband had left the coal region to find work elsewhere. What food she had, the authorities said, she had given her children, and she was "too proud" to ask aid.

Mr. REED of Pennsylvania. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. REED of Pennsylvania. Is the pending amendment the committee amendment in section 257?

The VICE PRESIDENT. The pending amendment is the committee amendment on the top of page 113, in section 257.

Mr. REED of Pennsylvania. Question!

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. The Senator from New York has the floor.

Mr. COPELAND. Mr. President, I take this occasion to remind the Senate that the coal strike is unsettled. I have had my share of listening to the debate on the publicity clause of the tax bill. That is a very important matter, but it is even more important to read in the public press that people up in Pennsylvania are now dying of starvation. I think we can well afford to take a few minutes of the time of the Senate to give some consideration to the subject of the coal strike.

I would like to inquire of the Senator from Nevada, the chairman of the Committee on Mines and Mining, the present status of his bill relating to the control of the coal business.

Mr. ODDIE. Mr. President, in answer to the inquiry of the Senator from New York, I will state that the status of the bill I introduced is the same as it was on Saturday, when I made a statement in connection with it.

Mr. COPELAND. That statement was, if I remember it, that the bill has gone to the Secretary of Commerce for his consideration.

Mr. ODDIE. That is the fact.

Mr. COPELAND. Mr. President, I have learned from an authoritative source that the reason why the Senator from Nevada has not heard from his bill is because the coal operators are so displeased with it that their quite quiet influence is sufficient to keep the bill in storage.

I want Senators to know that we are dealing with a very serious matter. I am not going to read into the RECORD the telegrams which I have received, but I want to call attention to the fact that I have here a long telegram from the president of the board of aldermen of Scranton City Council calling attention to the situation in the anthracite valley. Since an appeal to the Senate on the ground of humanity has not accomplished much, let me read this from this telegram:

> It has been estimated that 60 to 75 per cent of the merchants in the anthracite valley are in the shade of bankruptcy and their life savings gone in their efforts to feed and clothe the affected people again.

I notice in the press, controlled by the great business interests, that the resolution which I presented Saturday is referred to as simply a matter of politics. Is it a matter of politics for a man to stand up in the Senate and to plead with the Members of the Senate to take a step looking to the solution of this problem?

The President of the United States, in view of the treatment which he has had from the Senate in the past, is not going to take a chance of proceeding on his own account. He knows perfectly well that if he were to take a step that was followed by failure, and perhaps an increase in the price of coal, and an elevation in the wages of the miners, the Senate would be the very first to attack him. On the other hand, if the Senate should indicate a sympathetic interest in this problem, and should invite the President to call these strikers here, then if he failed the Senate could not find fault.

Why should not the President of the United States call the strikers to the White House? Why should he not do that? The President of the United States personifies the public sentiment and public opinion of this country. If the President of the United States can not arbitrate the strike, nobody can.

Mr. WATSON. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Indiana?

Mr. COPELAND. With pleasure I yield to the Senator from Indiana, because if I can get him to help, this thing will be done. I yield to the Senator.

Mr. WATSON. I thank the Senator. What is the present status of the negotiations between the operators and the miners?

Mr. COPELAND. Just exactly what they have been for the past six months.

Mr. WATSON. It has been rumored about—and I am asking the Senator for information—that they had agreed substantially on all the terms, by which the miners should go back to work at the present wages and that working conditions would be made satisfactory until the 1st day of September, 1927, at which time a commission should be appointed, either by the President or by the Secretary of Labor, and that commission should be a commission of mediation, or negotiation, or arbitration, if you please; that the point of difference between them was as to whether or not the decisions of the board of arbitration should be compulsory or not compulsory; and that the point of difference upon which they finally split was as to whether or not the word "with" or the word "without" should be included in the agreement? Is or is not that so?

Mr. COPELAND. I would like to ask the Senator from Indiana if he has just heard that rumor? That is a rumor I have been hearing for the past three months.

Mr. WATSON. I have heard it for three months, but I hear it now with a considerable degree of authority. I want to know whether it is so or not.

Mr. COPELAND. I have heard the rumor, and I know perfectly well, as the Senator does, that on the part of the miners there is the greatest desire in the world to go back to work. Why should there not be? They are losing over $1,000,000 a day. There are some operators, too, who are independent operators, who naturally want to go to work. These men are not far apart, and I appeal to the Senator to join me in asking the President of the United States to bring those men here. If they are as near together as the Senator apparently thinks they are, the President could settle the matter in half an hour instead of two hours.

Mr. WATSON. Has the Senator ever suggested this matter to the President or consulted him about it?

Mr. COPELAND. I will say to the Senator from Indiana that last Friday three of my colleagues from New York, Members of the lower House, were refused audience by the President. He refused even to see them to talk about it.

Mr. WATSON. I am asking whether or not the Senator himself has ever suggested this matter to the President or sought audience with the President on this matter?

Mr. COPELAND. No; I have not.

Mr. WATSON. Let me ask the Senator another question. Suppose the President calls them together and they decline to agree. Then what? Then does the Senator propose compulsion of some sort?

Mr. COPELAND. I do not.

Mr. NEELY. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from West Virginia?

Mr. COPELAND. I yield to the Senator from West Virginia.

Mr. NEELY. Is the Senator from New York informed as to why the President refused to see this delegation of New York Members of the House?

Mr. COPELAND. I can not answer the Senator.

Mr. NEELY. If these Members of the House called on the President because of an alleged shortage of coal, of course, the President had the best excuse in the world for refusing to see them. West Virginia has an unlimited supply of coal now available at bargain-counter prices, which is better than any other coal ever used in New York City. We hope that the Senator from New York will see to it that his constituents, whom he so faithfully and ably serves, avail themselves of the present opportunity to become thoroughly familiar with the best coal in the world, which is the coal produced in West Virginia.

Mr. COPELAND. Mr. President, if the coal owners in West Virginia do not endow the Senator from that State and send him to the Senate for the rest of his life, it is because they do not appreciate what he has done to advertise the virtues of West Virginia coal. But, Mr. President, I have a suspicion, not that Senators, of course, would have this feeling, but that there are people living in West Virginia, Virginia, Ohio, Kentucky, Tennessee, and Pennsylvania who do not care whether the strike is ever settled or not, because they have soft coal to sell; because they have substitutes to sell.

A lot of people want to know why we do not use the substitutes in New York. My friend the Senator from Maryland [Mr. BRUCE] said I had not yet made clear to him why it is. Senators see the people in the pictures of the coal lines. They live in what we call cold-water flats, old ramshackle apartment houses that ought to have been dynamited half a century ago. They live in those places where the chimneys are built of rough brick with very small flues. They can not burn even the splendid coal from West Virginia in the stoves whose flues lead into those chimneys.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. COPELAND. Just for a question, but not to listen to a further dissertation on the virtues of West Virginia coal.

Mr. NEELY. I hope if the Senator yields at all that he will yield without "reservations" and permit me to say that,

regardless of the construction or the size of the chimneys in New York, anybody capable of burning anything can burn West Virginia coal.

Mr. COPELAND. Mr. President, in my State I find Republican papers like the Jamestown Morning Post and other papers devoted to the cause of the Republican Party, like the Perry Record, are demanding just as strongly as I am that the President call the strikers to the White House. When I say "strikers" I mean the operators who are striking against the good of the country and the striking miners as well.

I want to impress upon the chairman of the Committee on Mines and Mining and, I hope, upon the country that the bill which seeks to give the President the authority which he asked for in his message and the authority which Senators on the other side of the Chamber say the President must have if he is to settle this problem is held up by a member of the President's Cabinet, and it is because of the failure of the Republican administration to take action that we are in the present plight.

Mr. President, I am not going to ask for a vote to-night, but I am going to bring the matter up very shortly and ask for a vote. I hope when that is done we may have enough humane sentiment in the action of the Senate so that there may be relief. There is no man who has given more thought to the needs of the poor than the Vice President of the United States, who occupies the chair now. He has built lodging houses where the poor are taken care of in his city, and any man who knows the conditions in the Northeastern States knows that the coal lines mean suffering and misery. Up in Pennsylvania, as indicated by the clipping which I sent to the desk, they mean death and starvation, because those people have no money with which to buy food.

Ah, Mr. President, I wish I had words to make clear to the Members of this body how necessary it is that action should be taken. I can hardly resist the temptation of asking that action be taken at this moment, but I am going to postpone the request hoping that the kindness of heart which individuals possess may finally lead the Senate by some degree of unanimity to take a step forward in the solution of the problem which has to do with the lives of the people of the United States.

Mr. EDWARDS. Mr. President, I thoroughly agree with the sentiments expressed by the Senator from New York [Mr. COPELAND]. I, too, am receiving many telegrams and letters, and some of them very unique. One which I have just received reads as follows:

> Are you going to leave babies and children freeze? No coal.

I take it that the Senator from New York is not concerned about the operators or about the local dealers. He is concerned in having the strike settled. He believes that if the President of the United States would call the representatives of the operators and the representatives of the strikers together, the matter could be settled and coal would come. The senior Senator from Arkansas [Mr. ROBINSON] introduced a very fine bill here yesterday that is good for June but not for to-day. We are looking for relief right now. I thoroughly believe it can be brought about. I would very much like to see the Senator from New York press his resolution right now to a vote and let us see who are really the friends of the children and who are not.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

The VICE PRESIDENT. The question is upon agreeing to the amendment of the committee at the top of page 113.

Mr. BORAH. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Bayard	Edwards	Howell	Norris
Bingham	Ernst	Johnson	Nye
Blease	Fernald	Jones, Wash.	Oddie
Borah	Ferris	Kendrick	Overman
Bratton	Fess	Keyes	Pepper
Broussard	Fletcher	King	Pittman
Bruce	Frazier	La Follette	Ransdell
Butler	George	Lenroot	Reed, Mo.
Cameron	Gerry	McKellar	Reed, Pa.
Capper	Glass	McKinley	Robinson, Ind.
Copeland	Goff	McLean	Sackett
Couzens	Gooding	McMaster	Schall
Dale	Hale	McNary	Sheppard
Deneen	Harris	Means	Shipstead
Dill	Harrison	Metcalf	Shortridge
Edge	Heflin	Moses	Simmons
Smith	Swanson	Warren	Willis
Smoot	Trammell	Watson	
Stanfield	Wadsworth	Weller	
Stephens	Walsh	Williams	

The VICE PRESIDENT. Seventy-seven Senators having answered to their names, a quorum is present. The question is upon agreeing to the amendment of the committee, which will be stated.

The CHIEF CLERK. On page 113, line 1, after the word "records" strike out the words "but they," and insert in lieu thereof "but, except as hereinafter provided in this section and section 1203, they," so as to read:

> Returns upon which the tax has been determined by the commissioner shall constitute public records, but, except as hereinafter provided in this section and section 1203, they shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary and approved by the President.

The amendment was agreed to.

Mr. REED of Pennsylvania. Mr. President, I ask that the situation with reference to section 1100, on page 235, may be stated. I have the impression that the amendment of the committee was agreed to, but there seems to be some doubt about the provisions on page 236.

The VICE PRESIDENT. The amendment on page 235 was agreed to.

Mr. REED of Pennsylvania. Has the amendment on page 236, lines 5 and 6, been agreed to?

The VICE PRESIDENT. That amendment has not been agreed to. The clerk will state the amendment.

The CHIEF CLERK. The committee proposes, on page 236, Title VII, special taxes, capital-stock tax, in line 5, to strike out the words "this section," and insert in lieu thereof "section 700 of the revenue act of 1924," so that the paragraph will read:

> In any proceeding in court in respect of any tax imposed by section 700 of the revenue act of 1924 or by any prior capital-stock tax law.

The amendment was agreed to.

Mr. REED of Pennsylvania. I ask that the Senate now turn to section 1109 on page 291. I have the impression that when that section was reached the committee amendment was read but was not agreed to. Does the RECORD show that it was agreed to?

The VICE PRESIDENT. The RECORD shows that all amendments on pages 291, 292, 293, and 294 have been agreed to.

Mr. REED of Pennsylvania. Very well. I then send to the desk an amendment which I offer.

Mr. MOSES. Mr. President, a parliamentary inquiry: Are we still in the stage of committee amendments?

The VICE PRESIDENT. We are. The Clerk will state the amendment offered by the Senator from Pennsylvania.

The CHIEF CLERK. On page 165, line 10, strike out the period, insert a semicolon and the word "and," and after line 10 insert a new paragraph to read as follows:

> (3) As to any amount collected after the statutory period of limitations upon the beginning of distraint or a proceeding in court for collection has expired, but in any such claim for credit or refund or in any such suit for refund the decision of the board which has become final as to whether such period had expired before notice of deficiency was mailed shall be conclusive.

Mr. REED of Pennsylvania. Mr. President, this is a purely formal amendment and the purpose of it may be explained as follows: The provisions of this subdivision as reported by the Committee on Finance prohibit all suits for refund if the taxpayer has petitioned to the board. Paragraph (2) of this subdivision takes care of the case where the collector assesses more tax than is permitted by the final decision of the board. The same paragraph also takes care of the situation where the board has ruled that the statute of limitations has expired before the notice of deficiency was mailed, for in such cases under the provisions of section 906 of the revenue act of 1924 as amended by this act, the decision of the board that the statute has run is equivalent to its decision that there is no deficiency, and hence, any amount at all collected would be the collection of an amount in excess of the deficiency determined by the board. But the bill as reported to the Senate by the committee does not take care of the situation, where if the decision of the board has become final the commissioner fails to assess and collect the tax within the statutory period of limitation. In such a case the taxpayer would obviously have suit for refund inasmuch as section 3224 of the Revised Statutes prevents him from enjoining the assessment or collection. It is a technical amendment which I think everybody admits is correct.

Mr. REED of Missouri. Mr. President, has the Senator from Pennsylvania concluded his remarks on this matter? If so, I wish to ask him a question.

The VICE PRESIDENT. In this connection the Chair will suggest that in order for this amendment to be offered it will be necessary to reconsider the vote by which the amendment to which it is proposed was agreed to. Then the amendment to the amendment may be offered.

Mr. REED of Pennsylvania. I ask that the vote by which the committee amendment was agreed to may be reconsidered.

The VICE PRESIDENT. Without objection, the vote by which the committee amendment was agreed to will be reconsidered.

Mr. REED of Missouri. Mr. President, I wish to ask the Senator from Pennsylvania a question. As he knows, I have been necessarily absent for some days and I may be asking a question that has been threshed over; but does the amendment which has been reported propose that if the taxpayer appeals to the board he thereby cuts off his right to appeal to the court?

Mr. REED of Pennsylvania. Mr. President, in substance the provisions are these: The taxpayer has the alternative either to appeal to the board without paying the tax, in which case he goes on through the routine provided by the act to the board then to the Circuit Court of Appeals, and then to the Supreme Court, if necessary, or he has the alternative of doing, as he can now do, of paying his tax and bringing his suit in the district court to recover it. We have preserved that right.

As the Senate Finance Committee amendments were originally written they did not preserve the right to bring suit in the district court, but we thought it only proper that the right should be preserved, and during the absence of the Senator from Missouri a series of amendments was adopted which preserved that right to the taxpayer.

Mr. REED of Missouri. That is to say, under the proposed law as it is now written the taxpayer can refuse to pay his tax and appeal to the board, but if he wants to appeal to the court he must first pay his tax and then sue to get it back?

Mr. REED of Pennsylvania. That is the way the law is now.

Mr. REED of Missouri. Yes.

Mr. REED of Pennsylvania. And we have kept that. The House struck that out. The House limited the taxpayer to an appeal to the board, but we do not think that was fair. We wanted to preserve the present right to pay the tax to bring suit by a jury trial in the district court.

Mr. REED of Missouri. Does not the Senator think that a man ought to be allowed to enjoy the right to contest it in the court without first paying the tax?

Mr. REED of Pennsylvania. No, Mr. President; we did not think so. As a matter of fact, if that were done it would be used as a stay of execution by a great many taxpayers. Of course, the Senator must understand that there is always the right to file a bond; there is a system of jeopardy assessments provided. The commissioner may levy the assessment promptly, and in every such case the taxpayer has a right to file a bond to protect the Government, and then go on to his suit in court before a jury. So long as he protects the Government he may do that.

Mr. REED of Missouri. Do I understand that if the commissioner raises the assessment the taxpayer can appeal to the board without paying his tax, and if the board decides against him he can then appeal to the court?

Mr. REED of Pennsylvania. Yes; on the filing of a supersedeas bond.

Mr. REED of Missouri. He must give a supersedeas bond?

Mr. REED of Pennsylvania. That is right.

Mr. REED of Missouri. What I want to get away from—and I offered an amendment at the last session to cover it—is this process of levying an additional assessment, forcing the taxpayer to pay that assessment, and then get it back if he can.

Mr. REED of Pennsylvania. I think that is pretty well taken care of in the bill as the Finance Committee has drawn it. The taxpayer can contest that claim right through to the court of last resort, and in no case is it necessary for him to pay, although he must file an appeal bond if he goes up from the Board of Tax Appeals.

Mr. REED of Missouri. Suppose he is unable to file it?

Mr. FLETCHER. Then he is in bad luck.

Mr. REED of Missouri. Yes, he is in bad luck; and it is the bad-luck man that I am talking about. I have known of several instances of absolute bankruptcy being forced on individuals and concerns who never had a day in court and never had a chance to have a day in court to appeal from tax assessments that were unjust from every angle and from every consideration.

I have not any confidence in any taxpayer getting justice before one of these boards in the department. He may get justice; but he may not. I do not want to see this law so framed that a taxpayer who wishes to take that course can not appeal to a court unless he gives a bond. No citizen's right to his day in court ought ever to depend upon his ability to give a bond.

I grant that if the Government makes an assessment—and some of the assessments have been very arbitrary, very oppressive, very outrageous—and the Board of Appeals rules against the taxpayer, it is possible that the Government ought not to be restrained from collecting its tax during appeal unless a bond is furnished; but a taxpayer ought to be allowed to proceed with his appeal in that case, not, however, enjoying the right of supersedeas, just as the citizen is allowed his appeal in a civil case where he is unable to give bond.

Mr. REED of Pennsylvania. The Senator has expressed it better than I did. The taxpayer has that right. This is the first time, Mr. President, since these tax laws began that we have given the right to a judicial trial without either the payment of the tax or the filing of a bond—that is before the Board of Tax Appeals. Now, assuming they decide against the taxpayer, then he has three alternatives. He can either pay the tax and continue his appeal or he may file the bond and continue his appeal——

Mr. REED of Missouri. And the bond supersedes——

Mr. REED of Pennsylvania. The bond supersedes the action of the collector, supersedes the judgment.

Mr. REED of Missouri. Yes.

Mr. REED of Pennsylvania. Or he may do neither and continue his appeal. Then, of course, the collector's remedy of distraint and collection remains as before.

Mr. REED of Missouri. The Senator informs me that that is the present situation under this bill?

Mr. REED of Pennsylvania. That is the way the bill now stands; it never has been the law heretofore.

Mr. REED of Missouri. It is reasonably satisfactory in that shape.

Mr. REED of Pennsylvania. It seems to us to be fair.

The VICE PRESIDENT. Without objection, the amendment to the amendment is agreed to.

Mr. GLASS. Mr. President, the Senator from Pennsylvania says this is the first time the taxpayer has had available judicial process. I am wondering whether it may be described as judicial process. I am wondering whether or not we should permit attachés of the Internal Revenue Department or former attachés of the Internal Revenue Department to serve on the Board of Tax Appeals.

Mr. REED of Pennsylvania. We have complete control of that, Mr. President, because the nominations are all subject to confirmation by the Senate.

Mr. GLASS. Yes; that I know; but we have a tax board that, in my view, is literally saturated with bureau ideas. It is a tax board pretty much like the bureau itself, which thinks that it is established not to see that the taxpayer gets justice, but to see, primarily and first of all, that the Government gets every dollar that it may think is due the Government; and that notion it has above every other notion. Above any consideration of a judicial consideration, it has the idea that the Government must, first of all, be sure to get everything it can; not everything it should, but everything it can.

Mr. REED of Pennsylvania. I think that was true of the old tax board, and that is what we are trying to correct in this bill by lengthening the term and giving more complete independence on the part of the members of the tax board.

Mr. GLASS. But if a man imbued with that notion should get on the board, the longer his term the more I object to him.

Mr. REED of Pennsylvania. Then, we ought not to confirm him.

Mr. GLASS. If we preclude by statute membership on that board to anybody who has had an association of that kind and has become impregnated with that sort of spirit, then we would be more certain of getting the right kind of a board.

Mr. FLETCHER and Mr. KING addressed the Chair.

Mr. REED of Pennsylvania. I yield first to the Senator from Florida.

Mr. FLETCHER. I wish to suggest that, having seen some opinions rendered by the Board of Tax Appeals, I think the most important right that is preserved here—and, as I understand the Senator, it is preserved; that has been my understanding of the bill—is the right to go into the district court by the taxpayer upon the payment of the tax. I do not think that we ought to allow him to do that unless he does pay the tax; but when he pays the tax his right to go into the district court is preserved. To me that is the important right that he has, and it is worth a great deal more to him, in my judgment, than is the right to appeal to the Board of Tax Appeals.

Mr. REED of Pennsylvania. If the Senator will examine the amendments which we wrote to the original section, he will see that we have been scrupulous to preserve that right. The taxpayer did not have it under the House bill.

Mr. KING. Mr. President, I think the provisions to which the Senator has referred—and I was one of the subcommittee which considered them—are exceedingly liberal; indeed, I have been inclined to think they are in some respects rather too liberal. But I wish to say to the Senator from Virginia that I have an amendment attacking some provisions of the sections dealing with the Board of Tax Appeals. I agree with the Senator. I think this board is saturated with bureaucracy. Nearly all of the members were taken from the bureau. They were the ones who were performing the duty of passing upon these controverted questions. Four or five of them were brought back into the bureau after they had separated themselves from the bureau. The contention is that the salary paid is too small; and yet four or five of these men who had been with the bureau for some time and then went out to practice law, apparently were very glad to get back into the bureau.

I have here an amendment which attacks the tenure of office of the members of this board. The House had a provision giving these men positions for life. I am very glad to say that the Senate committee did not accede to the view of the House, and in that respect greatly improved the bill as it came from the House. I think the amendment which I have offered, and to which I shall call attention later, will be another improvement to the bill as it came from the House.

Mr. REED of Missouri. Mr. President, I desire to ask the Senator from Pennsylvania another question. I am asking these questions about matters which I ought to know myself; but as the Senator knows, I have had no opportunity yet to examine this bill.

In case an appeal is prosecuted from the Board of Tax Appeals to a district court——

Mr. REED of Pennsylvania. Pardon the interruption, but the appeal lies directly from the Board of Tax Appeals to the circuit court of appeals or the Court of Appeals of the District of Columbia.

Mr. REED of Missouri. Very well. When that case goes to the court of appeals, it goes solely upon the record that was previously made. Is that right?

Mr. REED of Pennsylvania. It goes on the record made in the Board of Tax Appeals; yes.

Mr. REED of Missouri. And in the Board of Tax Appeals is it not true that they consider affidavits and letters and hearsay evidence of every sort—evidence that does not come within the ordinary rules of evidence?

Mr. REED of Pennsylvania. I do not know what the practice has been in the past; but we have taken care that it shall not be so in the future, because we have provided in the bill that the rules of evidence in the Board of Tax Appeals shall be the same as those prevailing in the courts of equity in the District of Columbia; and if they should receive any such hearsay statements as the Senator has described, of course, that would be reversible error.

Mr. REED of Missouri. The reason why I ask the question is that my understanding is that the courts have sustained actions of boards based upon just the kind of evidence I described a moment ago.

Mr. REED of Pennsylvania. That is what we are trying to get away from now.

Mr. REED of Missouri. And I am glad to know that that has been avoided.

Mr. GEORGE. Mr. President, if the Senator will pardon me, I may suggest that every reasonable effort has been made to bring this board out of the class of a mere administrative body into the status of a court; and I think the rules of evidence to which the Senator refers have been amply cared for in this provision.

Mr. REED of Missouri. I am very glad to know that. Now just one further question:

Why is it that a taxpayer can not be given his day in court by direct action, without first requiring him to pay the tax that is assessed? I know I shall be met with the statement that it would mean interminable delay to the Government; but it frequently happens that the tax that is assessed is ruinous, and that the taxpayer can not raise the money. It always happens that it is a hardship if the tax is wrongfully laid. Why should not a taxpayer be allowed to litigate in good faith these additional assessments; and why can not the Government be protected against an abuse of the courts for purposes of delay by giving to the court the right to assess the costs and penalties if the suit is not brought in good faith and upon a meritorious cause?

Mr. REED of Pennsylvania. In substance, that is what we have done by giving the taxpayer the right to appeal to the Board of Tax Appeals without the payment of tax and without giving bond, but we did not think it right to give him the righ to file a similar appeal in any district court anywhere without either giving bond or paying tax. That is too liberal to the taxpayer.

Mr. REED of Missouri. No, Mr. President; here is the trouble, if the Senator will pardon me: I am simply trying to get at this on its merits. There is no spirit of controversy about it. The trouble is when you give an appeal to a Board of Tax Appeals it sits here in Washington, does it not?

Mr. REED of Pennsylvania. No.

Mr. SMOOT. It travels around the country.

Mr. REED of Pennsylvania. There are 16 members, and they sit in divisions. They sit all over the United States. It is really a more convenient court than the district court of the United States. It is an expert court. It is more up to date. It is more convenient to the taxpayer. Take the Senator's own circuit, which is a couple of thousand miles long: It is a whole lot harder for the taxpayers in many parts of that circuit to get to the nearest district court than it is for them to get to the nearest division of this Board of Tax Appeals.

Mr. REED of Missouri. No; the Senator is mistaken about that.

Mr. SMOOT. They held court one month at St. Louis and one month at Kansas City this year.

Mr. REED of Missouri. The Senator is speaking about the court of appeals?

Mr. SMOOT. No; I am speaking of our Board of Tax Appeals.

Mr. REED of Missouri. I am speaking about the district courts of the United States.

Mr. REED of Pennsylvania. Will not the Senator consider for a minute the predicament of the taxpayer in New York City, where the district court is literally choked with prohibition cases?

Mr. REED of Missouri. I consider that, yes, as one of the nuisances that attach to prohibition; but the answer to that ought to be that we should either create more courts or we should take away from the courts these police duties that are now forced upon them. The fact that somebody wants to have a man prosecuted for keeping a gill of whisky in the cupboard in his house is no reason why a taxpayer should be denied his day in court, where he may be assessed $100,000 by the arbitrary action of a wholly uninformed special agent sent out by the Government.

Mr. REED of Pennsylvania. The Senator's argument is unanswerable in logic, but it is pretty poor satisfaction to the taxpayer who wants action and can not get it.

Mr. REED of Missouri. Oh, no; let us see if the shoe is not on the other foot. I live in Kansas City, let me say. Some agent comes down from Washington and says that I owe $50,000 of taxes, which I do not owe. I say: "I will not pay it. Go into the district court over here and file your suit." Or I could be given the right to go into the district court and have the assessment enjoined. If I do not get a trial on that right away, I am not suffering tremendously. Besides, we can easily pass a law that those cases should be expedited. Now, if I file that case or make a defense in that case in bad faith the court could be authorized to assess not only the ordinary costs but attorneys' fees or penalties upon me. That will deter people from making false defenses; and these things are done, not once in a while but habitually.

A man comes down without any evidence that is worthy of consideration and raises some taxpayer's tax. I have in mind now a case that came to my attention only to-day. A lawyer collected a fee of about $10,000, which represented practically a year's work. He turned it in in his tax return as fees received. One of these bright young gentlemen from Washington landed in that town and without coming to ask him a word, having found out that a certain corporation in another State had paid him $10,000, proceeded to assess him $10,000, and said that was not returned, although it was the very item he had returned as fees. Now, of course, that lawyer will take care of himself. He is not an object of sympathy; but things of that kind are happening every day where these men, without any evidence that is worthy of the name, are going out and piling on immense assessments.

When you propose that a man shall go to the Board of Tax Appeals it is a good deal like going to be tried on a question of offense against the Mohammedan religion before a Turkish court; and you can go and try it hundreds of miles, perhaps, from your home. You can hire a lawyer to do it. If you are in your own home or in your own judicial district, it is not nearly so difficult; and my experience has been that the only

place in the world where you can get a controversy settled and settled right is in a court of justice. They make mistakes, but they try not to; and you have rules of law and evidence that protect you, and you have a right of appeal that protects you.

I think every citizen ought to have the right to refuse to pay his tax and to go into court and test the matter, provided always that there should be sufficient penalties attached to deter a man from bringing a wrongful suit—I do not mean a mere mistake; but even there the costs are sufficient—and I think that until we do that we are going to have this constantly increasing arbitrary action by the agents of the Treasury Department.

I do not say that to attack these men harshly. Many of them are men who are just overzealous; many of them are men who are lacking in experience; many of them are impelled by an ambition to make a great showing.

In my own personal experience I have had two clients who were absolutely ruined by assessments that were unjust and that could not have stood up in a court of justice. Of course, I could not represent them before boards and commissions down here. They were assessed without rhyme or reason, and in some way or other the day passed when they had any chance to protect themselves; and it was no protection to them to say, "Pay your taxes and then go into court," because they did not have the money to pay the taxes and could not raise the money to pay the taxes and be out of the money two or three years.

I do think that we ought to open the door of the courts wide, so that the citizens of the country can protect themselves against unjust taxation. I do not want to delay this bill a minute. I presume the right of amendment is open, and will be open until the final passage of the bill in the Senate; but I want to give notice that I am going to ask at the proper time for the consideration of an amendment such as I have referred to.

Mr. REED of Pennsylvania. I suggest that the Senator will have ample opportunity to study the bill and to renew these objections and offer any amendments when the bill is in the Senate.

Mr. McKELLAR. Mr. President, I indorse very heartily all the Senator from Missouri has said about the use of the district courts, and several days ago I offered an amendment, which I desire to read at this time for the benefit of the Senator from Missouri and of other Senators, on that subject. My idea was to make this amendment apply solely to the future and leave the machinery of the Board of Tax Appeals as it is. This amendment is to be offered on page 274, and is as follows:

DISTRICT COURTS

Exclusive jurisdiction is hereby conferred upon the district courts of the United States to hear and determine, according to the rules of equity, as in other cases where the sum involved exceeds $10,000, first, all claims of taxpayers hereafter arising for refunds; second, all claims of taxpayers hereafter arising for depletions and abatements; third, all claims for additional taxes claimed by the Government against any taxpayer, whatever the nature of the claim, when the amount is in excess of $3,000.

No action shall be maintained under this section unless brought within the statute of limitations two years from the date of payment of the tax; or if brought by the Government, two years from the date the tax became due: *Provided*, That in all cases of constructive fraud the action may be brought at any time within six years. Service of process upon the district attorney of the district in which the taxpayer resides, or his assistant, shall be binding upon the United States, and the district attorney shall defend all tax suits brought under this paragraph. All suits brought on behalf of the Government under this paragraph shall be brought by the district attorney of the district in which the taxpayer resides. The records of the Internal Revenue Bureau respecting such claims of taxes shall be sent to the district attorney in the event of a suit brought under this section and shall be available to the inspection of the taxpayer or his attorney. Appeals from the decision of the district judge are to be granted in accordance with the rules of practice in other equity cases arising in such courts.

The words "hereafter arising" are used in this amendment. If the Senator will indulge me a moment, I would like to say that the impelling motive with me in offering the amendment was this: Under the present system, a taxpayer is put to a world of trouble when a reassessment is made against him, and that is the usual case. For instance, if he lives in my State, a thousand miles away from Washington, he has to come to Washington himself and employ an attorney here, or employ an attorney at home and send him to Washington, at great trouble and expense. It is oftentimes not only many months, but sometimes years, before he gets action by the unit in the revenue office. Then he may take his case to the Board of Tax Appeals, and if he does not get what he wants up there, he has to employ probably another attorney, because the kind of an attorney who would go before the Board of Tax Appeals is not the kind of attorney who would file the proceedings in the circuit court of appeals, or in the Court of Appeals for the District of Columbia, in all probability, if he undertakes to carry the case up.

It seems to me, as the Senator from Missouri so well argued a few moments ago, that this is an imposition upon the taxpayer which ought not to be allowed. It seems to me our district courts ought to be open for the benefit of the taxpayers. That matter ought to be settled in favor of the taxpayer. The taxpayer has some rights which Congress ought to guarantee.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. REED of Pennsylvania. I send to the desk and ask to have read the following amendment.

Mr. McKELLAR. A parliamentary inquiry. We are still on committee amendments, and this is a committee amendment?

Mr. REED of Pennsylvania. These are offered as committee amendments.

The VICE PRESIDENT. The clerk will read the amendment.

The CHIEF CLERK. On page 289, after line 18, insert:

SEC. 1106 (a). The bar of the statute of limitations against the United States and against the taxpayer in respect of any internal revenue tax shall not only operate to bar the remedy but shall extinguish the liability.

Mr. REED of Pennsylvania. Mr. President, just a word in explanation of this amendment. The necessity for it arises from a very peculiar case. In a recent decision in the Court of Claims it has been held, in substance, that after the statute of limitations has run against the collection of a tax, the collector may nevertheless issue his distraint and collect the tax by a distraint, and then if the taxpayer brings suit against the United States to recover it back, he, being the plaintiff, can not plead the statute of limitations, although the United States would have been barred from a suit for the tax because the statute had run. It is a preposterous result, it seems to me, and a very great hardship to the taxpayer, to allow such a condition to continue, and while I feel reasonably confident, with all respect to the Court of Claims, that that case will be reversed on appeal, I do not think we ought to allow even a possibility that it will not remain, and we ought to correct it now.

Mr. REED of Missouri. I think the Senator is undoubtedly right about that; but what has the Senator to say about taking away this right of distraint?

Mr. REED of Pennsylvania. Oh, no; we can not do that. That is a right which almost every tax collector has. We have to keep that right.

Mr. REED of Missouri. We do not have it in my State until the taxpayer has his day in court, and it is not to be found in any white man's State.

Mr. REED of Pennsylvania. The distraint can not be levied under this bill until the taxpayer has had a chance for appeal, has had a chance for a redetermination of his tax, which he ought to have.

Mr. REED of Missouri. Then the law must have been changed very radically.

Mr. REED of Pennsylvania. It has been changed.

Mr. REED of Missouri. I am glad it has been. Let me ask one further question, and then I will not have to interrupt the Senator again in his labors. The return is made by the taxpayer, and somebody connected with the Government comes down and raises the amount. The taxpayer refuses to pay and appeals to the Board of Tax Appeals. That board's habitat, when it is home, is in Washington. Where is the record made up?

Mr. REED of Pennsylvania. The record will be filed, I suppose, in Washington. In fact, I am quite sure it will be.

Mr. REED of Missouri. How is the case tried? How is the evidence taken, and where is the evidence taken?

Mr. REED of Pennsylvania. The evidence is taken at any place where the division of the board may sit.

Mr. REED of Missouri. Does the Board of Tax Appeals sit to hear the evidence itself, or does it sit to pass on evidence that has already been collected?

Mr. REED of Pennsylvania. A member of the board himself is the examiner, and takes the evidence.

Mr. REED of Missouri. A single member?

Mr. REED of Pennsylvania. One or more members may constitute a division, and their decision, of course, is always subject to review by the full board.

Mr. REED of Missouri. Let me see, now. I return my taxes in Kansas City. Somebody whom I never saw before, without speaking to me at all or telling me anything about what he is going to do, suddenly notifies me that he has doubled my tax assessment. I get this notice. What is the next step?

Mr. REED of Pennsylvania. The next step is to go before the division of the Board of Tax Appeals, one or more members, present the case, try it out, argue it, and then you are notified of the decision.

Mr. REED of Missouri. How do I get to this one member; do I wait for him to come to Kansas City?

Mr. REED of Pennsylvania. Yes. He was in Kansas City last November and heard over a hundred cases there.

Mr. REED of Missouri. That is, one man?

Mr. REED of Pennsylvania I do not remember whether it was one or two.

Mr. REED of Missouri. Well, one or two. He hears the evidence, just as a court does?

Mr. REED of Pennsylvania. Yes; exactly like a court. He is bound by the same rules of evidence that govern a court, under this bill. Under the old act he has not been.

Mr. REED of Missouri. Suppose he does not come to Kansas City; what will I do?

Mr. REED of Pennsylvania. Then you do not have to pay any tax until he does come.

Mr. REED of Missouri. Is he obliged to come there at given terms?

Mr. REED of Pennsylvania. He is obliged to do as the circuit court does, to get around with reasonable frequency.

Mr. REED of Missouri. Are there any terms fixed?

Mr. REED of Pennsylvania. There are no terms fixed by the bill, but the board itself is given power to establish rules to control such matters. If there is any delay, you do not pay your tax, that is all. It is an ideal situation for the taxpayer.

Mr. REED of Missouri. I am not so sure. How do I stop the proceedings for distraint?

Mr. REED of Pennsylvania. There can not be any proceedings for distraint if you have taken your appeal in time.

Mr. REED of Missouri. Where do I lodge my appeal? In Washington?

Mr. REED of Pennsylvania. In Washington. It can be done informally, by telegram or by letter.

Mr. REED of Missouri. Then I wait, and when this individual, or these individuals, come into my district, I appear before them. How are the districts defined—by tax districts of some kind?

Mr. REED of Pennsylvania. There is no sharp definition. The members of the board go where the business requires them to go.

Mr. REED of Missouri. What notice do they give of their appearance there?

Mr. REED of Pennsylvania. That is fixed by a rule of the board. I do not know what it is.

Mr. REED of Missouri. And you do not know what it will be?

Mr. REED of Pennsylvania. I have no idea.

Mr. REED of Missouri. Then these gentlemen sit down and hear the case, the evidence is produced, and a record is made and preserved?

Mr. REED of Pennsylvania. Precisely.

Mr. REED of Missouri. Then when you come finally to have the case heard on appeal where do you go?

Mr. REED of Pennsylvania. It is tried on that record, either in the Court of Appeals for the District of Columbia or in the circuit court of appeals of the taxpayer's home circuit.

Mr. REED of Missouri. Either one?

Mr. REED of Pennsylvania. Either one, at the taxpayer's option. He may go to either one he prefers.

Mr. REED of Missouri. The taxpayer makes the choice?

Mr. REED of Pennsylvania. I was in error about that, I am advised. He can come to the District of Columbia only by agreement with the Commissioner of Internal Revenue. But he has a right to go to the circuit court of appeals of his home circuit.

Mr. REED of Missouri. Then, as a matter of fact, while there is a Board of Tax Appeals of 16 members, the taxpayer has his hearing before one or two of them who come out to his district?

Mr. REED of Pennsylvania. Precisely.

Mr. REED of Missouri. And if he is not pleased with that, then he can appeal to the circuit court of appeals of his circuit?

Mr. REED of Pennsylvania. In the meanwhile he can apply to the chairman of the board for a rehearing before the full board. That is provided, as the Senator will see, on page 268:

In case of a decision by a division—

That means one or more members—

the decision and the findings of fact—

Which they must make—

in connection therewith shall become the decision and the findings of the board after 30 days * * * unless within such period the chairman has directed that such decision shall be reviewed by the board.

So there is a chance for a reargument before the court in banc, so to speak, after the division has acted.

Mr. REED of Missouri. But the taxpayer can get that only when he can get the chairman of the board to bring the case up here, and when he does he has to come to Washington to argue it?

Mr. REED of Pennsylvania. He can make his application by mail, of course, but he has to come here to get before the full bench.

Mr. REED of Missouri. I think I understand it, but I want to be sure. A citizen's taxes are raised. He files his protest against the amount in the city of Washington with the Board of Tax Appeals. Thereafter one or two members of that board may go to his district where he has a hearing, and their judgment is final unless he can come or send to Washington and induce the chairman of the board to order the case sent to the full board, in which event he must come to Washington to present his case or employ attorneys to do that for him; or if he does not appeal to the general Board of Tax Appeals he can appeal from the decision of the district tax commission, or, having let it become final without such appeal, to the Circuit Court of Appeals of the United States for his district. In order for him to get a decision that is favorable to himself he must at least journey to the circuit court of appeals of his circuit or he must journey to the city of Washington.

Mr. REED of Pennsylvania. Provided the decision of the board goes against him.

Mr. REED of Missouri. Oh, certainly. If it goes in his favor of course he has no complaint. A taxpayer whose taxes are raised only $500 or $600 would a good deal better pay the tax than to subject himself to that kind of hardship and expense.

Mr. REED of Pennsylvania. That is what I have done, and I suppose the Senator has done the same thing.

Mr. REED of Missouri. Exactly. That is what thousands of people are doing. There has been provided no machinery by which they can get a speedy hearing before any tribunal except this tribunal that is composed of one or two men who are sent out from the tax commission.

Mr. REED of Pennsylvania. Yes. If it is only 5 cents, the taxpayer can pay it and bring suit in the district court to get it back where he can get a jury trial before his own neighbors.

Mr. REED of Missouri. That is, after he has paid it.

Mr. REED of Pennsylvania. But if it is a small amount he does not mind it.

Mr. REED of Missouri. But suppose it is a larger amount?

Mr. REED of Pennsylvania. Then it is worth while to take a trip.

Mr. REED of Missouri. I do not think so. I do not think it is worth while ever to make it so that a citizen of the United States has to journey across the continent to get a hearing before a court or before any tribunal on earth except the Supreme Court of the United States, and necessarily some cases have to go to that tribunal.

I know the Senator's purpose in this matter has been a very fair one, because I have heard him talk in the committee and I think there has been some improvement made in the measure. But I can illustrate, in a case that came directly to my attention, the hardships involved in the circumlocution we have set up. There was a corporation, an estate that had been incorporated. It had no net income. It was in fact hovering on the verge of bankruptcy, not because it did not have some assets but because they were encumbered and the encumbrance coming due. A gentleman landed in town one day and when he went out he had assessed them $5,000 tax. They had just about that amount of money gathered up to pay the interest on a deed of trust. They had to take the money to pay the tax and sue to get it back, and in the meantime the gentleman who held the trust is foreclosing on the property.

If that were a single instance, it would not be so bad. I think the bill needs just one more amendment in this particular, and that is a provision that any citizen can go into court with-

out paying any tax and resist the payment. In the meantime I agree that the Government for its own protection ought to be allowed, perhaps, in such a case as that to issue a distraint. But the idea that a man must first pay his money and then sue to get it back is anomaly in the law. It is not applied between individuals, and I hope the Senator can bring himself to my way of thinking, so that when an amendment is offered which I shall offer it can have the support of the committee.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The CHIEF CLERK. The next amendment is on page 289, line 19, to strike out "section 1106" and insert "(b)."

The VICE PRESIDENT. Without objection the amendment is agreed to.

Mr. REED of Pennsylvania. I have one more amendment to offer. The amendment was offered for consideration last Saturday, but was not acted upon. I ask that it be reported now and that we may act upon it at this time.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 334, after line 10 or the amendment heretofore agreed to, insert a subhead "Amortization deductions," and the following new section:

SEC. —. The deduction provided by paragraph (9) of subdivision (a) of section 214 or by paragraph (8) of subdivision (a) of section 234 of the revenue act of 1918, may (notwithstanding any provisions of the revenue act of 1921) be allowed for the taxable year 1918, 1919, or 1920, if claim therefor was made before March 3, 1924.

Mr. REED of Pennsylvania. Mr. President, this amendment was discussed at length on Saturday last. It is extremely technical. It has been submitted to a subcommittee consisting of the junior Senator from Utah [Mr. KING] and myself. It has been submitted to the Senator from Michigan [Mr. COUZENS], and by him to Mr. Manson, the counsel for the Couzens committee. It is entirely satisfactory to all those gentlemen and to the Bureau of Internal Revenue as well. A brief explanation of it is as follows:

Sections 214 (a) (9) and 234 (a) (8) of the revenue act of 1918 allowed the deduction from gross income of a reasonable allowance for amortization. Sections 214 (a) (9) and 234 (a) (8) of the revenue act of 1921 granted as a deduction from gross income the same allowance for amortization, but provided that such deduction should be allowed—

for any taxable year ending before March 3, 1924 (if claim therefor was made at the time of filing return for the taxable year 1918, 1919, 1920, and 1921).

This provision in the 1921 act has been held by the Board of Tax Appeals in the case of the Stauffer Chemical Co. (2 B. T. A. 841) as barring an allowance for amortization for 1918, 1919, or 1920 unless it was claimed on the original return. This decision is not in accordance with the intention of Congress in passing the 1918 or 1921 acts. The committee, therefore, offers the pending amendment to provide that notwithstanding the provisions of the 1921 act the amortization deduction for 1918, 1919, and 1920 shall be allowed if claim is made before March 3, 1924, which was the limit placed by the 1918 act itself upon the making of such claims.

The VICE PRESIDENT. Without objection the amendment is agreed to.

Mr. REED of Pennsylvania. Mr. President, I ask unanimous consent that when the Senate concludes its business to-day it shall take recess until 11 o'clock to-morrow morning.

The VICE PRESIDENT. Is there objection? The Chair hears none and it is so ordered.

Mr. COPELAND. Mr. President, I hope the Senator from Utah does not intend to stop soon. I do not see any reason why we should. The agreement was that we were to stay in session until 10 o'clock.

Mr. REED of Pennsylvania. We have not requested any cessation of activities now.

Mr. COPELAND. I think we should take up some of the minor amendments and get them out of the way.

Mr. SMOOT. If we proceed any further this evening I would like to take up Title 9, Board of Tax Appeals. I ask my colleague and the Senator from Mississippi [Mr. HARRISON] if they have any objection to taking that up?

Mr. HARRISON. I think it will be all right.

Mr. KING. I am not quite ready. I will say to my colleague. I did not think that amendment would be reached this evening.

Mr. SMOOT. My colleague asked that paragraph (b) go over. That is with reference to the term of office of all members who are to compose the board prior to June 30, 1926.

Mr. KING. Yes; I am familiar with the amendment.

Mr. SMITH. May I ask the chairman of the committee what change, if any, has been made in the munitions tax? Has there been any change?

Mr. SMOOT. There is no munitions tax in the bill.

Mr. SMITH. The 10 per cent tax on loaded shells has been left out?

Mr. SMOOT. It is not in the bill at all.

Mr. SMITH. I have had many inquiries about it.

Mr. SMOOT. It may be that the Senator refers to revolvers. We have a tax on revolvers.

Mr. SMITH. No; I am talking about loaded shells.

Mr. SMOOT. That is all out. There is nothing in the bill now about it.

There are a number of Senators who have asked that we take up the alcohol tax. I shall know to-morrow morning whether it is possible to disagree to the Senate committee amendment and allow the House provision on alcohol to stand.

Mr. SMITH. What was the reduction on the part of the House?

Mr. SMOOT. The House reduces it finally to the amount of $1.10. The tax to-day is $2.20. There is a graduated tax provided until it gets to $1.10, which was the point at which it stood before the war.

Mr. SMITH. Is that based upon the purity of the alcohol?

Mr. SMOOT. That is 96 proof alcohol.

Mr. HARRISON. I hope the Senator will let that matter go over until to-morrow and that he will come to the conclusion that we can accept the House provision.

Mr. McKELLAR. Does the Senator think we can do it?

Mr. SMOOT. My impression is that we can.

Mr. McKELLAR. I am very glad to hear it.

Mr. SMOOT. But I really do not know.

Mr. SMITH. The Senator thinks he can reach an agreement as to the reduction?

Mr. SMOOT. I can not say offhand to-night, but I will know to-morrow.

ALUMINUM CO. OF AMERICA

The VICE PRESIDENT laid before the Senate the following communication from the acting chairman of the Federal Trade Commission, which was read, and, with the accompany files of papers, referred to the Committee on the Judiciary:

FEDERAL TRADE COMMISSION,
Washington, February 6, 1926.

To the PRESIDENT OF THE UNITED STATES SENATE,
Washington, D. C.

DEAR SIR: I have the honor to acknowledge on behalf of the Federal Trade Commission the receipt of Senate Resolution 141, adopted February 5, 1926, reading as follows:

"*Resolved*, That the Federal Trade Commission be directed to transmit to the Senate, at the request of the Committee on the Judiciary, any evidence, documentary or otherwise, in its possession affecting the question of whether there have been infractions by the Aluminum Co. of America of the decree entered against it in the year 1912 in the District Court for the Western District of Pennsylvania."

In pursuance of the foregoing resolution the commission is pleased to transmit herewith to the Senate the files containing all evidence in its possession covered by the resolution.

Accompanying sheets identify the files, and it is requested that such files be returned to the commission when they shall have served their purpose, as the files contain original documents upon which a published report of the commission is based and original papers required in the prosecution of a case instituted by the commission for violation of law, which case is now proceeding.

By direction of the commission.

Cordially yours,

C. W. HUNT, *Acting Chairman.*

JUDGMENTS OF THE COURT OF CLAIMS—WAR DEPARTMENT (S. DOC. NO. 54)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Director of the Bureau of the Budget, transmitting, pursuant to law, a list of judgments rendered by the Court of Claims (submitted by the Attorney General through the Secretary of the Treasury and requiring an appropriation for their payment), under the War Department, amounting to $129,783.11, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS OF COURT OF CLAIMS—WAR AND NAVY DEPARTMENTS (S. DOC. NO. 52)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Director of the Bureau of the Budget,

transmitting, pursuant to law, a list of judgments rendered by the Court of Claims (submitted by the Attorney General through the Secretary of the Treasury and requiring an appropriation for their payment), under the War and Navy Departments, amounting to $991,725.24, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS OF DISTRICT COURT OF UNITED STATES (S. DOC. NO. 50)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Director of the Bureau of the Budget, transmitting, pursuant to law, records of judgments rendered against the Government by the United States district courts, as submitted by the Attorney General through the Secretary of the Treasury, amounting to $17,135.51, under the United States Veterans' Bureau, Navy Department and War Department, and requiring an appropriation for their payment, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. DOC. NO 53)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Director of the Bureau of the Budget, transmitting, pursuant to law, schedules of claims amounting to $229,982.29, allowed by various divisions of the General Accounting Office, under appropriations, the balances of which have become exhausted or carried to the surplus fund, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

ESTIMATES OF APPROPRIATIONS FOR DEPARTMENT OF COMMERCE (S. DOC. NO. 55)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Director of the Bureau of the Budget, transmitting, pursuant to law, supplemental estimates of appropriations, in the sum of $80,000, required for the Department of Commerce for the fiscal year ending June 30, 1926, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLYDE STEAMSHIP CO. (S. DOC. NO. 51)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Director of the Bureau of the Budget, transmitting, pursuant to law, a record of judgment rendered against the Government by the United States District Court for the Eastern District of New York, as submitted by the Attorney General through the Secretary of the Treasury in favor of the Clyde Steamship Co., amounting to $802.80, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

REPORTS OF THE COMMERCE COMMITTEE

Mr. BINGHAM, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 2784) granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Black River at or near Jonesville, La. (Rept. No. 153); and

A bill (S. 2785) granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Ouachita River at or near Harrisonburg, La. (Rept. No. 154).

WOODROW WILSON

Mr. NEELY. Mr. President, I present an editorial from the Wheeling Register of the 3d instant on the late President Woodrow Wilson, which I ask may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

[From the Wheeling Register, Wednesday, February 3, 1926]

WOODROW WILSON

To-day two years ago occurred the death of Woodrow Wilson, martyr President of the World War, after a long and lingering illness brought about by heart and body wounds suffered in line of duty. If one must die, what nobler death than fighting for the right against great odds?

The last audible words of Woodrow Wilson were, "I am ready!" His work here was done, but the dying man knew that the right for which he stood would conquer. Ofttimes it is that leaders must give, sacrifice, and die to perpetuate a cause—to ennoble and endow it with a triumphant spirit.

Shortly after the passing of the anniversary of Woodrow Wilson's birth, December 28 last, it was chronicled in the press that more than 500 dinners and meetings were held over the country in his honor, and these without the spur of organized propaganda, without an effort to be impressive, without ostentation—but spontaneously and feelingly, because living people who hold fast to the great faith and precepts of Woodrow Wilson wanted to meet in his name and renew, reaffirm, and repledge themselves in allegiance to that faith.

And now, on the second anniversary of his death, we find the United States (not the United States of the erstwhile irreconciliables, but the United States of to-day) petitioning for membership in the World Court, that tribunal of international justice established under the covenant of the despised League of Nations.

Passing time cures many ills, and tides of reality roll in upon the minds of the people and wash away hatreds, animosities, and jealousies, leaving there instead clearness, vision, and facts. Entrance into the World Court is much more heartily indorsed over the country than even the one-sided vote in the Senate indicated, and all because the American people now realize, soberly and sanely, that the world is calling for this great country to advance and assume the moral leadership which Woodrow Wilson saw and coveted for us.

It is our duty to forget selfishness and serve all humanity. And that can best be done through closer contact and better relations with other people who look to us for guidance. Because Woodrow Wilson has gone on, nothing mortal man can say to condemn him will so act. He has passed beyond the realm of the living. He must be judged by his works, and God knows his works stand out triumphant and enduring. They will continue to grow in importance, calling to mankind to climb those heights to which they ever point.

PROHIBITION OBSERVANCE

Mr. JONES of Washington. Mr. President, a few days ago there was placed in the RECORD an interview with, or statement by Doctor Empringham, of the Episcopal Church, with reference to prohibition. I have here an article from the New York Times of February 6, giving a statement from different bishops of that church, which I ask may be printed in the RECORD, together with an address by Bishop Manning of the same church.

The VICE PRESIDENT. Without objection it is so ordered. (The statement and address are as follows:)

MANNING REPUDIATES MODIFICATION PLEA; URGES DRY CRUSADE—BISHOP RALLIES THE CHURCH FOR NATION-WIDE DRIVE TO SUPPORT PROHIBITION—LAW NOT AN "IMPIOUS ONE"—IF EVER RESISTANCE IS NECESSARY HE HOPES IT WILL BE IN HIGHER CAUSE THAN LIQUOR—HIS STAND HEARTENS DRYS—WHEELER APPLAUDS IT—DOCTOR GRANT DISCLOSES WET MOVE BY CLUBS—EMPRINGHAM UNDAUNTED

Bishop William T. Manning repudiated the Church Temperance Society's "change of policy" favoring light wines and beer in a sermon on prohibition yesterday morning at the Cathedral of St. John the Divine. He said the society did not speak for the Episcopal Church of either the Nation or the diocese of New York. He made an earnest appeal for prohibition enforcement and expressed the belief that the country would never repeal the eighteenth amendment or the Volstead Act.

The modification policy of the Church Temperance Society was a subject of intense interest in church circles yesterday and was discussed in many pulpits by clergymen who were virtually unanimous in their support of views entertained by Bishop Manning.

The Rev. Dr. Percy Stickney Grant, former rector of the Episcopal Church of the Ascension, in a sermon in the morning at the St. Mark's-in-the-Bouwerie, charged that group identified only by number were being organized in clubs and colleges to coperate in fighting prohibition.

Wayne B. Wheeler, national counsel to the Anti-Saloon League, hailed Bishop Manning's stand for prohibition as destined to give heart to the forces that were fighting the movement of organized liquor interests to upset the Volstead Act.

EMPRINGHAM TO REPLY LATER

Soon after Bishop Manning had preached his sermon, Dr. James Empringham, national secretary of the Church Temperance Society, returned from Washington. He declined to explain why he went to the Capital or by whom he was invited. He said he would answer Doctor Manning later.

Dr. James V. Chalmers, former president of the Church Temperance Society, said Doctor Empringham had "backslidden" and that he must have acted without authorization of the board of managers of which Doctor Empringham was not a member in the administration of Doctor Chalmers.

Crowds surpassed only by the throngs that fill the great unfinished cathedral on Easter packed themselves into the edifice to hear Bishop Manning's prohibition sermon which he had announced on Thursday.

To take care of the overflow camp stools were placed in every corner of the crossing, along the winding reaches of the ambulatory, back of the choir stalls, and in the entrances of many of the chapels. Scores of worshipers found seats in the north gallery of the choir loft, and still there were hundreds standing at the head of the aisles and near the doorway of the crossing.

MORE THAN 2,500 HEAR HIM

Between 2,500 and 3,000 persons listened to Bishop Manning's sermon, according to an estimate of representatives of the cathedral. The congregation paid marked attention to every word.

In the course of his sermon the bishop raised the question of how the Church Temperance Society had reached its findings which, according to the Rev. Dr. James Empringham, national secretary of the society, showed that the 20,000 members of the society were overwhelmingly in favor of modification of the Volstead Act to permit manufacture and sale of light wines and beer. He also wanted to know, he said, whether the Church Temperance Society itself had authorized the announcement.

TEXT OF THE SERMON

Bishop Manning's text was from I Corinthians, viii, 13: "Wherefore, if meat causeth my brother to stumble, I will eat no flesh for evermore, that I cause not my brother to stumble." His sermon follows:

"There is at the present time much discussion of the question of prohibition, and in view of the great importance of this question to the life of our people, I feel it right, as bishop of this diocese, to make some statements upon the subject and to state clearly my own judgment in regard to it.

"Let me say first that undue importance has been attached to certain statements made in the name of the society known as the Church Temperance Society. This society has no official authorization and no right whatever to speak in the name of the Episcopal Church. It is a voluntary association and its statements have only such weight as may attach to those of any voluntary organization. They are not to be taken as representing the mind of the Episcopal Church. For some years past the church has scarcely been aware of the existence of this society and it has not been regarded as having weight and influence in the church.

CITES HOUSE OF BISHOPS' STAND

"How the findings were reached which were recently announced in the name of the society and whether this announcement was authorized and indorsed by the society itself we have still to learn. The mind of the house of bishops was expressed at the general convention in New Orleans last October by the adoption without a dissenting vote of the following resolution:

"*Resolved*, That facing the danger of the spirit of lawlessness in American life we welcome the renewed efforts of the Government of the United States to enforce strictly and impartially the prohibition laws and the antinarcotic laws which are so widely and cynically disregarded, and we call upon the people of our church to set a good example of that obedience to law without which no democracy can endure.

"As indicating the mind of our own diocese, our diocesan convention in 1923, after full consideration, adopted a resolution appealing to Governor Smith to veto the bill repealing the Mullan-Gage law. No action by the convention since that time has suggested any change in its sentiment upon the subject.

"My own judgment and conviction upon this question remain what they were when I addressed our convention upon the subject in 1922. I have given much study to the question and have considered carefully the evidence presented by those who believe in prohibition and by those who are opposed to it, and I have found no reason to change my views. I do not hold that to drink wine or other intoxicant in moderation is in itself a sin. But I believe that the prohibition law properly enforced will make us a healthier, stronger, and better people, and I believe that these laws can be and ought to be enforced and are being more and more generally observed in the country as a whole.

RECOGNIZES CERTAIN EVILS

"I recognize the truth of much that is said as to the increase of drinking among certain groups and classes of people, the lowering of standards, the flask-carrying, and other disgusting and degrading practices which have been introduced among those who ought to know better and to have nobler ideals of life. I recognize the evil and corruption connected with bootlegging in which, let us remember, the respected members of society who patronize the bootlegger and so create him are just as reprehensible as the men whom they thus tempt and pay to violate the law.

"We must remember, however, that the pictures of these violations of the law are drawn usually by those who wish to use them as an argument for the repeal or modification of the law. Other laws of our land are difficult of enforcement and are frequently violated, but we do not, therefore, suggest their modification or repeal. We must consider this law not in its effect upon certain groups or communities who willfully choose to defy and violate it, but in its effects upon the life of our country as a whole, and so considered there is, in my judgment, no room for serious doubt as to its beneficial results.

"By a great part of our people we see this law respected and obeyed. We see its observance in the country as a whole increasing and not decreasing. We see the lives and homes of our wage earners and our plain people immeasurably benefited by it. We see in many places jails closed because they are no longer needed. We see in such a situation as the present coal strike the entire absence of disturbance and disorder as a result largely of the prohibition laws. There is not the slightest likelihood that the country will ever repeal the prohibition laws, and we all know this.

CALLS WET PLANK IMPOSSIBLE

"Neither of the two great political parties could be prevailed upon even to consider a wet plank in its platform. Any political party which adopted such a plank would sign its own death warrant.

"I do not believe that the Volstead Act should be modified at this time. When the law is being so observed by all that we can be assured that its modification would not mean its practical nullification, when its modification is desired by the sincere friends as well as by the enemies of prohibition, some modification of it may and probably will be made.

"The return to the sale of wines and beer which some are advocating would, in my judgment, increase and not reduce the present evils and would make any enforcement of the law impossible. I do not believe that the country as a whole would listen to this.

"I see that some of our bishops and clergy say that this law can not be enforced. Instead of saying that it can not be enforced let us do our part to arouse the spirit which will insure its enforcement and give our help more strongly to our brethren and the other authorities who are laboring far more earnestly than we to secure this.

"Let me present briefly three or four of the main facts in regard to this question as I see them:

"1. This law is not a wrong or evil or impious one such as we should be justified in refusing to obey. I quote the words of John G. Sargent, Attorney General of the United States, in his recent address to the New York State Bar Association: 'That a traffic which for generations has been recognized and discussed and written about by economists, sociologists, and jurists as an evil may be marked for extinction by the lawmaking power and agencies of the country is not only settled law, settled beyond the stage of being longer open to question, but it has been settled and rests on foundations of soundest reasoning,' and our country had the full right to make that law.

SEES OBEDIENCE A DUTY

"The prohibition law being the law of our land, it is the duty of every good citizen to obey it. To quote the Attorney General again, 'In this country the will of the people, expressed at the ballot box, creates the duty of the citizen upon the subject voted upon.' The Attorney General no doubt recognizes, as I certainly do, that a law might be passed by a human tribunal so impious in its nature, so contrary to the law of God and of right that it would be our duty to defy and resist it to the death, but this is not such a law. If we are ever to resist the law in the name of personal liberty, I hope it will be in a higher cause than the right to buy and drink intoxicating liquors.

"3. Those who disapprove this law have the right to say so, and to work in lawful ways for its modification, or repeal, but no citizen of our land has the right to disobey this law or to encourage others to do so, and no one can do this without reflection upon himself and injury to the life of our country. As President Coolidge has said: 'It is the duty of a citizen not only to observe the law but to let it be known that he is opposed to its violation.' A democracy can endure only upon the foundation of observance of the law.

"4. The law has its great importance, but we must not depend only upon the law to promote temperance among our people. It is quite true that 'social legislation is never a substitute for social education.' In this one point, and this only, I agree with the recent statement made in the name of the Church Temperance Society. We need and should have by all the churches a continuous campaign of information and education as to the evils, physical, intellectual, economic, moral, and spiritual, which have cursed the world as the result of the use of intoxicating drinks.

URGES VOLUNTARY SUPPORT

"5. Last, I wish that we might lift this subject up from the level of mere law enforcement to the higher level of free, voluntary, willing support of the law for the sake of the common good.

"In view of what our race has suffered through the evils of strong drink, in view of the agony which fathers, mothers, and children have suffered from it, in view of the fact that its suppression means the reduction of poverty, sorrow, disease, and crime, may we not all of us be willing and glad to make such surrender of our personal liberties, or of our tastes, as the law calls for, and to see prohibition fully and fairly tried.

"We know that it was good for the young men of our land during the war and we know that it is equally good for them now. We are all stirred with pride and admiration at the wonderful and heroic rescue of those in danger by Captain Fried and the officers and men of the *President Roosevelt*. That is an example which is an honor to our country and gives all of us a fresh impulse for nobler living. What a magnificent thing it would be if for the aid of those who are endangered by strong drink we should all of us give our full support to the prohibition laws. What better exhibition could there be of the

idealism of America than such willing surrender of our preferences and tastes for the good of all and for the help especially of our weaker brethren? Shall we not all give our help to it?

"There is no nobler spirit than that which says with St. Paul, 'If meat maketh my brother to stumble, I will eat no flesh forevermore, that I make not my brother to stumble.'

"I wish that the clergy of our church and of all churches all over our land would join in a crusade for such voluntary and noble action in support of the law, and that the people of all churches and all good citizens would unite in such a movement. Can anyone doubt that this would be for the moral and spiritual good of our country?"

NINETEEN BISHOPS OF EPISCOPAL FAITH STAND BY DRY LAW—FIVE FAVOR MODIFICATION OF ACT AS PROPOSED BY CHURCH SOCIETY—MAJORITY FOR OBSERVANCE—FEAR RETURN OF THE CONDITIONS WHICH EXISTED BEFORE THE PASSING OF SALOONS—FOES RIDICULE THE LAW—THEY HOLD IT IS NOT ENFORCEABLE AND HAS BROUGHT ON GENERAL LAWLESSNESS

Twenty-four bishops and suffragan bishops of the Protestant Episcopal Church have answered an inquiry from the New York Times as to whether they approve the change of policy of the Church Temperance Society in favor of modifying the Volstead Act. Of that number 5 favor modification and 19 announced their opposition to a change in the present law.

The inquiries sent by the Times to the bishops and suffragans asked whether you "approve or disapprove of the stand of the Church Temperance Society favoring modification of the Volstead Act"?

The bishops lined up as follows:

FOR MODIFYING VOLSTEAD ACT

Bishop Frederick B. Howden, Alberquerque, N. Mex.
Bishop Cameron Mann, Orlando, Fla.
Bishop George Herbert Kinsolving, Austin, Tex.
Bishop A. C. A. Hall, Burlington, Vt.
Bishop John C. White, Springfield, Ill.

AGAINST MODIFYING VOLSTEAD ACT

Bishop William T. Capers, Dallas, Tex.
Bishop J. P. Tylor, Fargo, N. Dak.
Suff-Bishop W. Blair Roberts, Sioux Falls, S. Dak.
Suff-Bishop S. M. Griswold, Chicago, Ill.
Bishop John C. Ward, Erie, Pa.
Bishop James R. Winchester, Little Rock, Ark.
Bishop Benjamin Brewster, Portland, Me.
Bishop E. Cecil Seaman, Amarillo, Tex.
Bishop Walter Taylor Sumner, Portland, Oreg.
Bishop R. H. Mize, Topeka, Kans.
Bishop R. H. Weller, Fond du Lac, Wis.
Bishop Lewis W. Burton, Lexington, Ky.
Bishop Edwin S. Lines, Newark, N. J.
Bishop George A. Beecher, Hastings, Nebr.
Bishop J. M. Francis, Indianapolis, Ind.
Bishop James E. Freeman, Washington, D. C.
Bishop J. H. Darlington, Harrisburg, Pa.
Bishop James Wise, Topeka, Kans.
Bishop W. Blair Roberts, of South Dakota, wired:

"While I am not opposed to light wine and beer, I am opposed to any modification of the Volstead Act or the eighteenth amendment so long as civil officers are so remiss in enforcing the law and church members and other leading citizens show such utter disregard, not of that particular statute but of law, by persistently and openly disobeying it."

Bishop Thomas F. Gailor, of Tennessee, wired that he was not a member of the Church Temperance Society and could not express an opinion, and Bishop Edwin H. Coley, of Utica, "preferred to make no comment."

DISAPPROVES OF STAND

TOPEKA, KANS., February 5.—I entirely disapprove of the stand of the Church Temperance Society favoring modification of the Volstead Act. The history of the State of Kansas has demonstrated the value of prohibition and the practicability of its enforcement.

Bishop JAMES WISE.

PORTLAND, OREG., February 4.—Empringham statement does not represent church's attitude. What he may say, or small groups employing him, does not express the mind of the Episcopal Church. Most heartily disagree with his recommendations. After living 10 years in old Chicago red-light district, as chairman of Chicago's first Municipal Vice Commission, am convinced conditions to-day improved tremendously over wet years, socially, economically, morally, notwithstanding deplorable disregard for law enforcement in certain quarters and among certain classes. Drunkenness throughout old district almost universally due to beer drinking and vice protection by brewery interests.

Return to beer is for no other reason than to provide intoxicant. Those who deny this are either ignorant or interested in doing so. Volstead Act law is here to stay. Fathers and mothers and wives who have suffered will prevent its modification, which would ultimately and intentionally end its usefulness. It can be upheld and is bound to be more and more as time passes.

WALTER TAYLOR SUMNER.

CONDEMNS "LIQUOR RING"

FOND DU LAC, WIS., February 4.—I think the prohibition amendment as interpreted by the Volstead Act has done as much good as could have been expected, considering the looseness of its enforcement. During a long period it has been a football for politicians, but at present seems to be in the hands of its friends, who are making reasonable progress. The old saloon system, with all its attending evils, was under the control of the breweries and the distillers, and any radical amendment of the Volstead Act would put them in the saddle again. I do not think we can afford to admit that the liquor ring is stronger than the Government, nor do I think the Supreme Court would allow Congress to practically nullify the Constitution.

R. N. WELLER.

WOULD OPEN WAY TO LAWLESS

SALINA, KANS., February 5.—Am wholly out of sympathy with statements of the Church Temperance Society, which does not speak for the Episcopal Church, and probably has not members in the West. The Episcopal Church in these parts is whole-hearted on the eighteenth amendment and the Volstead Act. To modify the law would but open the way to further lawlessness. Most of us are glad to obey the law, and rejoice in the good influence upon our economic and social life.

R. H. MIZE.

SHOULD BE LARGER MODIFICATION

WINTER PARK, FLA., February 5.—I have not seen the proposition of the Church Temperance Society. But I am fully convinced that there should be very large modifications of the Volstead Act. The rights of individuals and the welfare of the community require this.

CAMERON MANN.

BELIEVES PEOPLE IMPROVED

LEXINGTON, KY., February 5.—Terrible things have been attributed to prohibition which have had other causes and which would have been worse without the constitutional amendment. This is true of the behavior of young people. It is the extreme of the new freedom and parents are reaping the harvest of the laxity, materialism, and irreligion they themselves have sown.

The disrespect for law had a serious menace in this country, even before the World War. I believe that the general condition of our people in this country has been decidedly improved by prohibition. Prohibition is a huge nation social experiment in the result of which the world is interested. Let respectable people and, above all, Christians, set an example of loyalty to law; let them deny themselves for the sake of weaker brethren. Such a stand will turn the tide in favor of prohibition and give us a nation sober and prosperous.

BISHOP LEWIS W. BURTON.

DISAPPROVES SOCIETY'S ACTION

NEWARK, N. J., February 5.—Bishop Lines of Newark entirely disapproves of the action of the officers of the Church Temperance Society and thinks no one ought to regard it as expressing in any way the minds of the Episcopal Church. The society had no official connection with the Episcopal Church whatever and the friends of strong drink are seeking unwarranted comfort from the report, while the enemies of strong drink should not be discouraged.

WOULD NOT VOTE FOR REPEAL

HASTINGS, NEB., February 5.—I do not believe that this action of the Church Temperance represents the feeling of the majority of the members of the Episcopal Church of the country. I did not vote for the Volstead law, but I would not vote to have it repealed. I disapprove of the principle of the modification of the act, because I do not believe there is a middle ground.

GEORGE A. BEECHER.

SUPPPORTS TEMPERANCE SOCIETY

AUSTIN, TEX., February 5.—I heartily approve the stand of the Church Temperance Society, and, in addition, have always been strongly opposed to extreme prohibition. The conclusions of the Church Temperance Society are, in my opinion, true and unanswerable.

Bishop GEORGE HERBERT KINSOLVING.

GLAD TO SEE MODIFICATION

BURLINGTON, VT., February 5.—While in favor of enforcement of existing laws, I should be glad of a modification of the Volstead Act. The Church Temperance Society should consult its members.

A. C. A. HALL.

CONSIDERS ACTION ILL-ADVISED

INDIANAPOLIS, IND., February 5.—I consider the action of the Church Temperance Society ill-advised and harmful in its effect. While I believe much more in temperance than in prohibition, I feel strongly that so long as the Volstead Act is in effect the law should be obeyed. The Church Temperance Society, which is a voluntary organization, does not and can not speak for the church.

JOSEPH M. FRANCES.

MAKES NO COMMENT

UTICA, N. Y., February 5.—Prefer to make no comment on the subject suggested.

Very truly yours,

EDWARD H. COLEY.

THINKS THE LAW IS A JOKE

SPRINGFIELD, ILL., February 5.—I am heartily in favor of the report of the Church Temperance Society and their stand for a modification of the Volstead Act. I do not believe that the present law can be really enforced without a standing army. It has become largely a great joke and a source of corruption of our young people and is a gold mine to bootleggers in every grade of our society. No use hoodwinking ourselves in the face of facts; they are well known to everybody who wants to know.

JOHN C. WHITE.

CHURCH STANDS FOR ENFORCEMENT

WASHINGTON, D. C., February 5.—The church can ill afford to indulge in a discussion that must inevitably result in weakening of law enforcement. It is the business of the church to stand for the enforcement of law. It weakens its whole appeal when it joins with those who to-day are utterly heedless of their obligations to what is the duly constituted law of the land.

If the church would address itself more unremittingly to the supreme business of strengthening the moral character of the people, it would gain a firmer hold upon those who to-day lightly esteem it.

Such pronouncements as those recently made have behind them nothing of authority and make no impression whatever upon public opinion. The lawmaking bodies of this country are not affected by statements that proceed from such sources.

JAMES E. FREEMAN.

SHOCKED BY SOCIETY PROPOSAL

HARRISBURG, PA., February 5.—In answer to your inquiry would state that as vice president for many years of the Church Temperance Society and one of its oldest members I was shocked to read in the newspapers of the contemplated change in its policy from its past ardent support of the prohibition law. The society at its beginning supported high-license laws, but when they were found to be almost worthless in controlling liquor excesses its new superintendent, Doctor Empringham, published strong prohibition articles in our magazine called "Temperance."

When the Volstead Act was passed many felt that the society had accomplished its work, and so regular publication of the paper ceased for a time and the society advocated other reforms. Though I have paid dues to the society I have received no notice of meetings for several years, and had no knowledge of the recent meeting of the society, and so did not attend, and think that the bishops and other clergy and laity are by any great majority against exempting wine and beer, and in favor of supporting President Coolidge in the strict enforcement of the prohibition law as it now stands, as it has been so successful in the rural districts and many cities. There should be another meeting of the society held soon to reconsider and express the will of the majority of the church.

Bishop Talbot, recent presiding bishop, and I are both in favor of the present law. Bishop Colmore, of Porto Rico, told me yesterday that he held the same view. Bishop Ward, of Erie, favors prohibition, and his splendid resolution for stricter law enforcement was passed unanimously in the House of Bishops in New Orleans last October.

Rescue missions know that beer drunkards are hardest to reform. When I was in Berlin to lecture at the university last July a large vote was polled in the German Reichstag to limit the brewers' purchases of barley so starving children could have bread.

Due to the Volstead law there are now no open legalized liquor saloons from the Atlantic to the Pacific, wherein bad women and worse men, gamblers, panderers, and vote buyers can meet and corrupt our youth. In former coal strikes like the present there were rioting and bloodshed, but thanks to our prohibitionist and churchman, Governor Pinchot, and our law-enforcing judges, with miners idle for six months and much poverty and distress, there has been no disorder, no law-breaking. To weaken the national prohibition law, which is working so admirably when properly supported by the State authorities, would be criminal foolishness, and the plain people and business interests of the country will never submit to it. The diocese of Harrisburg, which covers a territory larger than the four States of Rhode Island, Connecticut, New Jersey, and Delaware, has twice in diocesan conventions voted unanimously for strict prohibition enforcement.

JAMES HENRY DARLINGTON.

SAYS CONDITIONS WARRANT ACTION

ALBUQUERQUE, N. MEX., February 4.—The stand taken by the Church Temperance Society in relation to the present application of the national prohibition is, in my opinion, warranted by actual conditions throughout the country. Prohibition as we now are attempting to enforce it has become a menace to the best moral and civic interests of the Nation, and the suggestion that the Volstead Act be modified seems a possible remedy. It should at least be given sympathetic consideration by Congress in a serious effort to bring relief to an intolerable condition of injustice, hypocrisy, and lawlessness.

Bishop FREDERICK B. HOWDEN.

DENOUNCES BREAKERS OF ALL LAWS

SIOUX FALLS, S. DAK., February 5.—While not opposed to light wine and beer in themselves, I am opposed to any modification of the Volstead Act or the eighteenth amendment so long as civil officers are so remiss in enforcing the law and church members and other leading citizens show such utter disregard not of that particular statute but of law by persistently and openly disobeying it.

Bishop W. BLAIR ROBERTS.

DISAPPROVES LAW HINDRANCE

EVANSTON, ILL., February 5.—I heartily disapprove any action which makes more difficult the enforcement of the prohibitory law.

Bishop S. M. GRISWOLD.

URGES STRICT ENFORCEMENT

ERIE, PA., February 4.—Years ago I became an honorary vice president of the Church Temperance Society, as I thought it was helping the cause of temperance. No one has a right to assume that the men who were interested in this society years ago approve of Doctor Empringham's present stand. Personally, I am strongly opposed to the modification of the Volstead Act and heartily in favor of the strictest enforcement of that act and of the eighteenth amendment. I think the strict and impartial enforcement of these laws would result in the greatest economical, social, and general advance of the whole Nation. As Attorney General Sargent pointed out, the real problem is to persuade otherwise respectable and law-abiding citizens to cease bribing bootleggers to break the laws of the United States. This great task of education and conversion is part of the responsibility of all the churches.

Bishop JOHN C. WARD.

CALLS EXPERIMENT TOO UNCERTAIN

PORTLAND, ME., February 4.—The remarks of the superintendent of the Church Temperance Society, if correctly reported, seem to me not to be based upon a thorough investigation of conditions throughout the country, especially in rural districts. Whatever criticism on theoretical grounds may be made of the principle of prohibition, I believe the duty of the hour is to promote the observance of the present law among all, rather than to hazard the experiment of a modification, which we are by no means certain would diminish the evils that arrive from the defiant attitude of some people. I therefore disapprove of the attempt to modify the Volstead Act.

BENJAMIN BREWSTER,
Bishop of Maine.

SAYS NATION ACCEPTED PROHIBITION

FARGO, N. DAK., February 4.—For more than 100 years prohibition was intensively and extensively studied and discussed. No question ever decided by the American people was better understood. Before national prohibition went into effect 33 States, acting separately for themselves, had adopted prohibition. More than three-fifths of the people and four-fifths of the territory were under prohibition. The eighteenth amendment was submitted by a vote of more than two-thirds by both Houses of the United States Congress and has been ratified by 46 of the 48 States.

By opinion of the United States Supreme Court in 1920 both the eighteenth amendment and the Volstead enforcement code were declared to be constitutional. With prohibition and every other law the good of the people can be enforced by placing men in authority who

have the inclination, courage, and ability to do what they are paid and sworn to do. For these reasons and for the fact that prohibition is succeeding I am opposed to the new position taken by the Church Temperance Society of the Episcopal Church if correctly stated in the press favoring modification of the Volstead Act to legalize beer and wine. I do not agree with the sentiments expressed by the Reverend Doctor Empringham.

Bishop J. P. TYLER.

URGES SUPPORT FOR DRY LAW

AMARILLO, Tex., February 5.—The announcement favoring modification of the Volstead law distresses me as lining up Doctor Empringham's unofficial society with organized liquor traffic, which is impeding law enforcement. In Texas good citizens sought not to modify the law against cattle stealing but gradually reduced the violation to a minimum by destroying offending organizations. Our church stands on the official action of the 1916 general convention and the 1917 House of Bishops as follows:

"This church places itself on record as favoring such action in our legislative assemblies as will conserve the largest interest of temperance and the repression of the liquor traffic." (Journal of general convention of 1916, p. 328.)

And, "grateful for the action of the President and of Congress in restricting the manufacture and sale of liquor, we urge all to support the authorities in enforcing the law and to set a personal example of abstinence.

"Individuals or societies taking any other position repudiate the church's position and in my opinion impede righteousness."

E. CECIL SEAMAN,
Bishop of North Texas.

DEMAND OF UNION LABOR FOR BEER

Mr. BROUSSARD. Mr. President, just immediately following the matter offered by the Senator from Washington [Mr. JONES] to be printed in the RECORD, I ask that there be printed in the RECORD an article appearing in the Washington Herald of this morning entitled "Union labor demands beer and asks clergy's aid."

The VICE PRESIDENT. Without objection it is so ordered.

The article referred to is as follows:

[From the Washington Herald, February 8, 1926]

UNION LABOR DEMANDS BEER AND ASKS CLERGY'S AID—DRY LAW FAILS, SAYS GREEN, IN OPENING DRIVE TO MODIFY ACT—LAST TWO FEDERATION CONVENTIONS INDORSED WINES AND 2.75 PER CENT BREW, HE POINTS OUT—CHURCH URGED TO HELP—CONFERENCE TO PROMOTE "REAL TEMPERANCE" IS PLANNED AS PART OF WORKERS' FIGHT

NEW YORK, February 7.—Organized labor is preparing to hurl its weight onto the scale against prohibition. With William Green, president of the American Federation of Labor, coming out flatfootedly for the amendment of the prohibition act and a national committee endeavoring to enlist the clergy of the country in the movement, the workingman is getting ready to open a drive for his beer.

Green's attitude is revealed in a bulletin being circulated to-day in national labor circles by the International Union of United Brewery, Flour, Cereal, Mill, and Soft-Drink Workers.

"PROHIBITION FAILS"

It quotes him as saying the last two Federation conventions favored 2.75 beer, and prohibition is a failure. He says:

"We feel that the failure to enforce prohibition is breeding contempt and disrespect for law in general."

At the same time the National Committee of Organized Labor to Amend the Volstead Act announces it will call an immediate conference with the clergy to bring about genuine temperance.

SPURIOUS DRINKS

John Sullivan, president of the Central Trades and Labor Council of Greater New York and Vicinity, representing 700,000 workers, to-day declared labor thinks light wines and 2.75 beer are the proper remedy "for the destruction and misery caused by spurious drinks."

He said the national committee will seek the support of clergymen of all denominations, adding:

"It is apparent that clergy of all denominations, Protestant as well as Catholic, see the necessity of bringing about an amendment of the Volstead Act."

THE FEDERAL ESTATE TAX

Mr. FLETCHER. Mr. President, I ask to have printed in the RECORD a short editorial from the Washington Post of yesterday, entitled "The Federal estate tax."

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

[From the Washington Post, Sunday, February 7, 1926]

THE FEDERAL ESTATE TAX

In defense of the Federal estate tax it is said that it will tend to check the growth of large fortunes. But is not such a Federal death tax a penalty on industry, thrift, and business success? Do not the possessors of large fortunes already pay a large income tax to the Government?

The estate tax is communistic in essence; and no party except the Socialist Party indorses the Federal estate tax.

It is claimed that Jefferson and Wilson indorsed a Federal estate tax. Where and when did Jefferson ever indorse such a tax? True, President Wilson in 1916 signed a tax bill containing a Federal estate tax, but that in the emergency of war, when revenue was needed from all sources.

Should not the South vote solidly against a Federal estate tax? Such a tax is not paid by great corporations, but is paid by individuals. A State inheritance tax is quite sufficient.

Take the State of Texas, for example. The House provision for a 20 per cent Federal estate tax, with 80 per cent refunded to the estate in Texas paying a State inheritance tax, says to the State of Texas: "If you refuse to obey my commands, instead of taking annually out of your State $4,000,000 as an inheritance tax, your State will be penalized, and for your disobedience it will be assessed a fine of $16,000,000 and will have to pay annually $20,000,000 to Washington, instead of $4,000,000."

Every dollar taken from the people by the Government not necessary to carry on the Government is governmental robbery. The Federal estate tax provided for in the House measure plainly states that the Government needs only one-fifth of the sum which it will take from the States if they dare refuse to do what the House demands.

The Senate bill repeals altogether the Federal estate tax. This amendment should stand and become a part of the law.

RECESS

Mr. SMOOT. I ask that the Senate carry out its unanimous-consent agreement to take a recess until 11 o'clock to-morrow.

The VICE PRESIDENT. Without objection, the Senate will stand in recess until to-morrow at 11 o'clock.

Thereupon the Senate (at 9 o'clock and 15 minutes p. m.) took a recess until to-morrow, Tuesday, February 9, 1926, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

MONDAY, *February 8, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art the King of kings and Lord of lords, to whom the rich and the poor, the tutored and untutored, the high and low, may look up with faith and call Thee "our Father," hear our prayer. We praise Thee that Thou art so infinitely divine; we are so human. Sometimes we fail and falter, and our judgment is weak, and desire takes the place of need. Do Thou endow us plenteously with those gifts that enlighten the mind, so that our daily labor and personal conduct shall be in harmony with Thy will. We pray that Thy Holy Spirit may be with our whole country, so that the nations shall know that we are the exponent of those wonderful virtues which were taught and incarnated in the life and character of Jesus of Nazareth, the Savior of men. Amen.

The Journal of the proceedings of Saturday, February 6, 1926, was read and approved.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ROBSION of Kentucky for one week, on account of important business.

DISTRICT BUSINESS

The SPEAKER. This is District day.

Mr. ZIHLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of District business now on the calendar. Pending that motion, I submit a unanimous-consent request that general debate upon all these bills be limited to three hours, one half to be controlled by the gentleman from Texas [Mr. BLANTON] and the other half by myself.

The SPEAKER. The gentleman from Maryland asks unanimous consent that general debate upon these bills be confined to three hours, one half to be controlled by himself and the other half by the gentleman from Texas [Mr. BLANTON]. Is there objection?

Mr. BLANTON. Mr. Speaker, that would be satisfactory, with the understanding that the committee program as understood in the committee be carried out in respect to certain bills.

Mr. TILSON. Mr. Speaker, will the gentleman from Maryland yield?

Mr. ZIHLMAN. Yes.

Mr. TILSON. How does the gentleman intend to carry out this agreement? After using a certain amount of time in general debate on one bill will the gentleman then lay that bill aside and proceed to general debate upon another bill; or will he complete one bill and lay it aside with a favorable recommendation before he takes up another one?

Mr. ZIHLMAN. My plan is to take up these bills, and as we pass on them lay them aside, and then report them to the House at one time.

Mr. TILSON. But the general debate provided for is to be in one block of three hours, to be devoted to all bills that are to be considered. How is the time to be divided among the different bills?

Mr. ZIHLMAN. That will be regulated by the Members having charge of the time giving time to those persons who wish to speak on the various bills before the committee.

Mr. TILSON. After the gentleman has yielded so much time under general debate on a certain bill is it then his intention to stop yielding time on this bill and proceed to consider it under the five-minute rule?

Mr. ZIHLMAN. That is my intention.

Mr. TILSON. And when that is finished go back and call up another bill?

Mr. ZIHLMAN. That is my intention.

Mr. BLANTON. On two of these bills there will probably not be much request for time. There are two on which there will be requests for time.

Mr. LAGUARDIA. Will the general debate be confined to the bills?

Mr. ZIHLMAN. Debate to be limited to the bills.

Mr. BLANTON. That would not so be under the rule unless it were agreed to specifically to limit debate to the bill.

Mr. ZIHLMAN. I supplement my request for unanimous consent by asking that general debate be confined to the bills before the committee.

Mr. DOWELL. Mr. Speaker, reserving the right to object, could not the gentleman put his request in the form of having a certain amount of general debate on each bill, and if the gentleman is going to set that aside and dispose of that bill, divide up the time equally between the number of bills the gentleman desires to call up?

Mr. ZIHLMAN. On some of these bills there have been no requests for time. We hope to get them out of the way in a short time, and then we intend to consume the time allotted for general debate on two bills that are of a major character and of great importance.

Mr. DOWELL. Under this agreement the committee can use all of the time on the first bill before any action has been taken upon it.

Mr. CHINDBLOM. Why not agree on general debate to be had immediately on all of the bills and then consider them afterwards? Then the membership of the House will know when the bills are taken up under the five-minute rule.

Mr. ZIHLMAN. I have no objection to that of the Members desire to consider them in that order.

Mr. VESTAL. Mr. Speaker, will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. VESTAL. I think the suggestion made by the gentleman from Illinois is a proper suggestion—that we have three hours of general debate on all of these bills. Then, when the general debate is over we can take up the bills under the five-minute rule. Let Members discuss whatever bill they desire to discuss and get through with all of the general debate before we read any of the bills at all.

Mr. BLANTON. That might defeat all of the bills. There are two bills here on which there will probably be no debate at all, and two bills which will be debated at length. The gentleman from Maryland [Mr. ZIHLMAN] has thrashed this out. I suggest that he call up the bills over which there is no controversy and lay them aside and then take up the others, and if the gentleman from Indiana [Mr. VESTAL] desires time I will see that he gets it out of my time.

Mr. ZIHLMAN. Mr. Speaker, I yield to the gentleman from Maryland [Mr. HILL].

Mr. HILL of Maryland. Under this unanimous-consent request the gentleman proposes to take up four bills on the tentative program, is that it?

Mr. ZIHLMAN. We have another bill on the calendar, and if we have time——

Mr. HILL of Maryland. Which is that bill?

Mr. ZIHLMAN. Relative to the park plan and commission, making five bills on the calendar, but there were only four when I submitted the program to the majority leader.

Mr. HILL of Maryland. And therefore, under the consent agreement, it is only proposed to take up the four bills on the program and one in relation to the park plan?

Mr. ZIHLMAN. Yes; that is right.

The SPEAKER. The gentleman from Maryland asks unanimous consent that general debate on these four bills continue for three hours, one-half to be controlled by himself and one-half by the gentleman from Texas [Mr. BLANTON].

Mr. LAGUARDIA. Mr. Speaker, and there is a further request that debate be confined to the bills in question.

The SPEAKER. And the debate to be confined to the bills. Is there objection? [After a pause.] The Chairs hears none. The question now is on the motion of the gentleman from Maryland——

Mr. GRIFFIN. Will the Speaker withhold that for a moment to enable me to make a unanimous-consent request, and that is that I have leave to extend my remarks on the deficiency bill passed on Saturday?

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The gentleman from Maryland moves that the House resolve itself into the Committee of the Whole House on the state of the Union for District of Columbia business.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of business for the District of Columbia, with Mr. DOWELL in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of certain District bills on the calendar.

POLICEMEN AND FIREMEN'S RELIEF FUND OF THE DISTRICT OF COLUMBIA

Mr. ZIHLMAN. Mr. Chairman, I call up the bill H. R. 5010, a bill to provide for the payment of the retired members of the police and fire departments of the District of Columbia the balance of retirement pay past due to them but unpaid from January 1, 1911, to July 30, 1915.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 5010) to provide for the payment of the retired members of the police and fire departments of the District of Columbia the balance of retirement pay past due to them unpaid from January 1, 1911, to July 30, 1915.

Mr. ZIHLMAN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The motion was agreed to.

Mr. ZIHLMAN. I yield 10 minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Chairman, this is another one of the bills which I have been accused of having an obsession against and frequently oppose. A bill providing a gratuity, pure and simple, from the Treasury, of the taxpayers of the District of Columbia. I want to bring to the attention of the Members of the House some of the provisions of the bill. If Members will be patient with me for just a moment, I will first jump back to 1916. Previous to that time there was no real pension system authorized by Congress for the payment of pensions to the firemen and policemen of the District. Previous to that time pensions had been paid, however, to those two classes of employees collected from various sources. The men themselves contributed a dollar a month out of their pay to the pension fund. They also contributed all fines levied by the department; the dog tax, licenses, fees, also went into this fund, as did all presents or gifts to members of the police and fire departments. There was no control on the part of the Congress, so far as I know, or any authorized organization in the allotment of the amounts paid to the various members who retired. Due to that fact—and I will not go further into that—there was not enough money in the Treasury to pay retirement charges. In 1916 Congress passed a retirement bill, and there was nothing said or suggested in that bill that it should be retroactive. If Congress had intended at the time to put previously-retired members of the police and fire departments on the retired list, Congress should have done it at that time. The failure to do so, to my mind, is sufficient evidence that Congress did not intend anything of that character.

I am not going into the sob stuff connected with this bill; perhaps some member on the committee will tear at your heart strings and bring tears to your eyes about the condition of those men who have bravely given so much of their life to the service of the community. That is all right. They were paid for it; they knew what they went into when they went into it. There was no retirement fund, except that which they drew from a voluntary association and a self-administered treasury. The taxpayers had nothing to do with it. I want to bring to your attention the consequence, if you pass this bill. We have at the present time—and every Member of

Congress has been importuned by some of his constituents to vote in favor of a readjustment or increase in retired pay of post-office clerks, carriers, and other employees. Suppose you vote that increase. Then you will have those who have previously been retired under the provisions of the law which exists to-day come here and ask you to increase their retirement pay.

Perhaps they are justified in doing so, but there is this to be said about that: The proposed bill increases the amount which every employee must pay into the retirement fund from 2½ per cent, I think, to 3½ per cent. In this case you put men retired previous to 1916 on the same plane and pay as those who have been retired since, who have paid 2½ per cent of their salary into the pension fund. In other words, you are giving the same amount, the same treatment exactly, to those who have contributed very little to the previous retirement fund or pension fund and putting them on the same basis with those who have contributed 2½ per cent of their total salary since 1916.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. WILLIAMSON. Has any protest come from any of the employees against this bill?

Mr. UNDERHILL. Of course not. Why should it? It would not cost them anything.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. BLANTON. It does cost all the others in the class who helped to make this fund, and none of them object to it.

Mr. UNDERHILL. It does not cost them a cent. It does not come out of their fund. It comes out of the appropriation of $68,000, which Congress authorizes under this bill.

Mr. BLANTON. But it does affect the annuity fund to which they all subscribe.

Mr. UNDERHILL. Not in the least. It is a gratuity to these men who retired previous to 1916. While I have written and offered no minority report from the committee, I am opposed to that kind of legislation.

Mr. ZIHLMAN. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. ZIHLMAN. Is it not the law that since 1885 the policemen and firemen have been contributing to this fund under an act of Congress?

Mr. UNDERHILL. I have already stated that they were making a voluntary contribution of $1 a month up to 1916. They were not obliged to contribute. I do not doubt but that most of them did contribute. But there are people who will benefit under the provisions of this bill who never contributed a cent.

Mr. BLANTON. But by law to this annuity fund fines and other things have been allowed to the fund?

Mr. UNDERHILL. Yes.

Mr. BLANTON. Now, if you put these men on the roll, they will draw from this annuity fund in the future, and it does affect all of them.

Mr. UNDERHILL. Oh, no. The gentleman either has a different conception from what I have or my understanding of the bill is wrong. This bill authorizes an appropriation of $68,000 to make up a deficiency in the fund which was voluntarily contributed. There was no law which required that these men should contribute such fines and gifts as they received. It was a voluntary association. What they should have done at that time, when it was found that this fund was insufficient to pay pensions at the rate which they arbitrarily assigned themselves was that they should have increased the amount they contributed so as to meet the amount which was then in the Treasury. But no. They had previously, in 1896, come to Congress, and Congress then, in a reckless mood of generosity, had made up a deficit at that time. So they thought they would continue along in this direction, just as public employees usually do, and then Congress, taking the money, not from the policemen and firemen but from the pockets of taxpayers, would give it away to public employees.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ZIHLMAN. Mr. Chairman, I ask that the bill be read.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That the amount of retirement or pension pay withheld from members of the police and fire departments of the District of Columbia, or from their widows, on account of deficiencies in the policemen's and firemen's relief funds during the period from January 1, 1911, to July 30, 1915, amounting to $68,425.06 be, and it hereby is, appropriated and authorized to be paid, wholly from the the revenues of the District of Columbia, and the Commissioners of the District of Columbia are hereby authorized and directed to adjust and settle all of said claims for deficiencies in the payment of allowances made by them to the members of said departments or their widows. In case of the death of any beneficiary under the provisions of this bill the amount due such beneficiary shall be paid to his widow, or, if none, to the child or children of the deceased.

SEC. 2. That all acts and parts of acts, so far as they are inconsistent with the provisions of this act, are hereby repealed.

Mr. UNDERHILL. Mr. Chairman, I raise a point of order against the bill inasmuch as on line 8 it appropriates from the Treasury of the United States $68,425.06.

Mr. ZIHLMAN. Mr. Chairman, I think the gentleman is entirely correct, and I move to amend the bill by striking out in line 8, on page 1, the words "is appropriated," and in line 9, after the word "paid," to insert the words "to be authorized," so that it will read, "And it is hereby authorized to be appropriated and paid wholly from the revenues of the District of Columbia," etc.

Mr. UNDERHILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. UNDERHILL. I have offered this point of order against the bill. Is it parliamentarily in order for the gentleman from Maryland to offer this amendment?

Mr. ZIHLMAN. They can only rule the language out of order.

Mr. CHINDBLOM. If the language is ruled out of order and the point of order is made against the entire section, the entire section goes out.

Mr. BLANTON. Mr. Chairman, I want to call the attention of the Chair to the ruling made by our distinguished Speaker [Mr. LONGWORTH] and by our distinguished majority leader, the gentleman from Connecticut [Mr. TILSON], and by others, following the ruling made by Mr. Speaker GILLETT, which holds that when you violate the rule with regard to placing an appropriation in a bill, coming from a committee that has no power to appropriate, it merely vitiates the language of the appropriation, and an amendment can be offered from the floor to correct it. The first ruling of the Speaker was that it vitiated the entire bill, which was later changed; but the uniform practice since then has been that the Speaker merely sustains the point of order to the language appropriating, which is vicious, and the Member in charge of the bill is permitted from the floor to insert language, which merely authorizes the appropriation. That has been the uniform ruling for the last year or more.

The CHAIRMAN. For the better understanding of the Chair, if anyone has any different authority, the Chair will be pleased to hear him. But the gentleman from Texas has stated the proposition as the Chair understands it.

Mr. UNDERHILL. Mr. Chairman, my language was that I made the point of order against the bill, because it carried an appropriation, making that point of order against the bill. I contend that the Chair would have no discretion.

The CHAIRMAN. The Chair will rule on the question of appropriation. The gentleman from Maryland is seeking to take out, by an amendment, that clause calling for an appropriation.

Mr. TILSON. Mr. Chairman, I think the gentleman from Texas has correctly stated the latest ruling by Mr. Speaker GILLETT on this subject. It has been some time since that ruling was made, but, as I say, I think the gentleman from Texas has correctly stated it.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Maryland.

Mr. CHINDBLOM. Mr. Chairman, a point of order. The Chair has not yet ruled upon the point of order made by the gentleman from Massachusetts.

The CHAIRMAN. There is no question about the point of order made by the gentleman from Massachusetts. If the gentleman from Massachusetts insists upon his point of order against the section, the gentleman from Maryland will be obliged to offer another amendment. The Chair will sustain the point of order made by the gentleman from Massachusetts.

Mr. SNELL. Mr. Chairman, I am not clear as to exactly what the point of order is as made by the gentleman from Massachusetts. Is it against the entire bill or against this section of the bill?

The CHAIRMAN. It is only against this section; it can not be against the entire bill.

Mr. SNELL. And that point of order has been sustained.

The CHAIRMAN. The point of order has been sustained as against the section, but not as to the other part of the bill.

Mr. ZIHLMAN. Mr. Chairman, I offer, in lieu of the section stricken out, section 1, with the words "appropriated and" and "to be paid" stricken out, so the section will read—

and it hereby is authorized to be appropriated wholly from the revenues of the District of Columbia.

The CHAIRMAN. The gentleman from Maryland offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ZIHLMAN: After the enacting clause insert:

"That the amount of retirement or pension pay withheld from members of the police and fire departments of the District of Columbia or from their widows, on account of deficiencies in the policemen's and firemen's relief funds during the period from January 1, 1911, to July 30, 1915, amounting to $68,425.06, be, and it hereby is authorized to be appropriated wholly from the revenues of the District of Columbia, and the Commissioners of the District of Columbia are hereby authorized and directed to adjust and settle all of said claims for deficiencies in the payment of allowances made by them to the members of said department or their widows. In case of the death of any beneficiary under the provisions of this bill, the amount due such beneficiary shall be paid to his widow, or, if none, to the child or children of the deceased."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland.

The amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. I just want to answer one contention made by our distinguished colleague from Massachusetts, who is usually very clear-headed and a very profound thinker. He is mistaken in saying that those in interest have not passed upon this bill. You will note that the money authorized to be appropriated under this bill comes wholly out of the revenues of the District of Columbia. Not a dollar comes out of the Federal Treasury; the money comes out of the revenues of the District of Columbia. The Commissioners of the District pass upon these matters and they have not raised any protest against this bill. We have seventy odd citizens' associations here, which represent the people of the District of Columbia, which represent the taxpayers, from whose pockets this money will be paid, when we appropriate it out of the District revenues, and not one single one of them during the six years that this matter has been before the committee has raised one voice against it. They have considered that it is a just and equitable law that should be passed.

Mr. UNDERHILL. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. UNDERHILL. The gentleman makes the statement that this money comes out of District funds?

Mr. BLANTON. Yes; wholly out of District revenues.

Mr. UNDERHILL. Has the District any mint or mine somewhere out of which they can dig that money?

Mr. BLANTON. The District has money that it receives from revenues derived through taxation. It has a great many other means of revenue that, if I had the time, I could tell the gentleman about; for instance, the fines and forfeitures of its courts, and the gasoline tax on automobiles.

Mr. UNDERHILL. But all that money goes into roads.

Mr. BLANTON. Also the dog tax. The little tax you pay on your dogs brings in $34,400 a year, that one item alone. It has various means of raising revenue. As I say, not one single person connected with the District or even the folks whose money is to make this pension has raised one voice against it in six years.

Mr. UNDERHILL. The money raised from the gasoline tax goes to the maintenance and construction of roads. That was specifically provided in the bill we passed last year or two years ago.

Mr. BLANTON. Oh, yes; and therefore they have that much more money left out of other taxes that do not go to that purpose that may be expended for other purposes.

Mr. UNDERHILL. But it all comes out of the taxes?

Mr. BLANTON. Yes; the District has many means of producing revenue, and it is out of that revenue that this money comes. Now, I have taken this position: When this comes out of the District revenues, when it is their money, when they raise it by their taxation, and they are willing to have it used for this purpose, what have I to do with it?

I am not going to stand up here and interpose my objection to their business when they want to pay it. This is no reflection on my distinguished friend from Massachusetts [Mr. UNDERHILL], because he is one of the most valuable men in this Congress. I am proud that he is a member of the District Committee, and he earns his salary every time he attends a meeting of that committee. There is not a more valuable man on the floor of Congress than my friend from Massachusetts, but are we going to interpose an objection to this District matter when the District people themselves want this bill passed?

Mr. UNDERHILL. Will the gentleman yield further?

Mr. BLANTON. Yes.

Mr. UNDERHILL. The gentleman tries to disarm me by his most flattering allusions.

Mr. BLANTON. And I meant them sincerely.

Mr. UNDERHILL. But was this bill introduced at the request of the Commissioners of the District, was it introduced on the initiative of any one of the citizens' associations, or was it introduced by an individual who benefits thereby?

Mr. BLANTON. The gentleman from Vermont [Mr. GIBSON] so advises us. This bill has been favorably reported out of the committee every year for six years. Do you gentlemen realize that?

Mr. UNDERHILL. And killed in the Senate.

Mr. BLANTON. But it has been reported favorably for six years by our committee.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GIBSON. Mr. Chairman, this bill proposes to enable the Commissioners of the District of Columbia to pay to certain retired members of the police and fire departments of the District, and the widows and children of deceased members, a deficiency in monthly payments of pension allowances between January 1, 1911, and July 30, 1915. The amount of this deficiency is $68,425.06.

This question has been before this House at other sessions. The precise proposal was before us at the last session and was acted upon favorably January 26, 1925. It was not reached prior to adjournment, and no action was taken in the other body.

There has been a policeman's pension fund and a fireman's fund for a great many years. This was collected from various sources. It came from deductions of $1 per month from the pay of officers and men of each department, fines imposed on members for infractions of rules, annual tax on dogs, police-court fines, gifts, donations, and other sources. Up to 1916 the ability of the commissioners to pay these pensions in full depended upon the amounts collected from these sources. It happened that at times the funds were insufficient to make payments. During the period covered by this proposal the funds were insufficient to the amount named.

Congress has taken cognizance of the situation, and in 1909 passed an act (35 Stat. 1066) authorizing the payment of deficiencies from June 1, 1894, to May 31, 1896, wholly from the revenues of the District of Columbia. This is a precedent for the action now asked by the District government.

Beginning with September 1, 1916, Congress, by the terms of the District of Columbia appropriation act abolished the then existing funds, one for the police department and one for the fireman's department, and consolidated them into one. The law then passed provided that this fund should be made up of fines imposed by the commissioners upon members of the departments by way of discipline, rewards, proceeds of gifts, and deductions of 1½ per cent of the monthly pay of the officers and men, and that any deficiency existing should be made up by payments from the collection of taxes into the Treasury of the United States. That is the present law. It is another precedent for the proposal of this bill.

Under the present law the Congress for the first time placed the pension system of the police and fire departments on a sound financial basis.

So it has been the policy and the law for many years for the District to make up deficiencies that have occurred in the administration of the funds. It can not be done for the only remaining period except by the authorization of the Congress. That is what is sought and all that is sought by this bill.

I can appreciate the objection of the gentleman from Massachusetts. He is a very able Member of this House. He is consistent. He always opposes openly anything that savors of paternalism, or what he thinks tends that way. His argument is based on the theory that this is a dole, that this is class legislation in behalf of a certain class of public servants. But this is not in the nature of a dole. It proposes to carry out what we are morally obligated to carry out. Does this Government want the word to go out that we are unwilling to complete what we have undertaken in the way of dealing with these funds? All that this bill does is to carry out a settled policy and complete the relief that was promised these men who have served in these departments. They rendered service with the understanding that they and their families would have the benefit of this retirement pay. Is it not unjust at this time to deal differently with those who retired in the period

from 1911 to 1915 than we have dealt with those who served and retired from 1892 to 1911 and from 1916 to the present day?

Upon four or five occasions the District auditor has recommended this authorization and has prepared bills for that purpose. The commissioners have recommended its passage. The proposal has been submitted to the Bureau of the Budget and the commissioners have been informed that it is not in conflict with the financial program of the President. Every department of the District government concerned has been consulted and the unanimous recommendation is that the proposal should have the sanction of the Congress that the matter may be cleaned up.

These payments will be made entirely from the revenues of the District. The United States does not share in any part of the expense. It is essentially a District matter. The commissioners in their recommendation say that the payments are moral obligations that the District of Columbia should discharge, and that these payments are morally due to the pensioners involved.

Mr. BEGG. Will the gentleman yield?

Mr. GIBSON. Yes.

Mr. BEGG. I can not clearly understand, in my own mind, why there is a deficiency for four years. What caused the deficiency?

Mr. GIBSON. There was a deficiency for those four years because the sources of the funds provided by law did not produce sufficient to meet the demands.

Mr. BEGG. Will the gentleman yield further?

Mr. GIBSON. Yes.

Mr. BEGG. Was that because there was an unusual dropping off among the membership or an unusual casualty list among the firemen and policemen, or was it because of too great generosity to the few who did get it, whereby the many found themselves $68,000 short? It seems to me that is the question that is vital in this matter.

Mr. GIBSON. My understanding is it was because of the demands upon the funds.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. GIBSON. I will.

Mr. CHINDBLOM. Did the provision of September 1, 1916, under the District of Columbia act, in any way help to create this deficiency?

Mr. GIBSON. Oh, no.

Mr. CHINDBLOM. Do I understand, then, that the deficiency has arisen under the natural, ordinary operation of the law with reference to the creation and the increase of this fund?

Mr. GIBSON. Prior to 1916.

Mr. CHINDBLOM. And this deficiency occurred prior to 1916?

Mr. GIBSON. Yes.

Mr. CHINDBLOM. Then what obligation, I will ask the gentleman, is there upon the Federal Government to make good this deficiency?

Mr. BLANTON. The Federal Government is not making good the deficiency.

Mr. GIBSON. We are not asking the Federal Government to make good a deficiency, but asking that it be paid out of the revenues of the District of Columbia.

Mr. CHINDBLOM. Of course——

Mr. GIBSON. Wait a moment and I will answer your question. There is not only one precedent for this action but half a dozen precedents running through the years.

The CHAIRMAN. The time of the gentleman from Vermont has expired.

Mr. CHINDBLOM. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more, because I have taken up some of his time.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CHINDBLOM. Will the gentleman permit me to proceed one step further?

Mr. GIBSON. Yes.

Mr. CHINDBLOM. Of course, you are taking it out of the revenues of the District of Columbia, but the Federal Government does the legislating and the appropriating of funds for the District of Columbia, so that the Congress has the responsbility. What obligation is there upon anybody to increase this fund by an appropriation either out of the District treasury or the Federal Treasury when it simply amounts to a failure of the original law to provide the necessary amounts?

Mr. GIBSON. There is a moral obligation, to say the least. We did it once before; in fact, we have done it several times by making up the deficiency out of specific District incomes and once before by a specific act of Congress in 1909, Thirty-fifth Statutes, page 1066, appropriating a specific sum for a deficiency.

Mr. CHINDBLOM. May I go one step further? When the law was passed under which these amounts were set aside for this pension fund, does the gentleman think a fair construction of the law would mean that the Congress intended that all the beneficiaries should be fully paid or that the beneficiaries should be paid to the extent that the money contributed by the force would be sufficient?

Mr. GIBSON. I will answer in the language of the District Commissioners, that while possibly no legal obligation rests upon the District to pay it, yet a strong moral obligation rests upon the District to meet these payments. The commissioners have recommended the proposal. It was submitted to the Budget Bureau and the Bureau reported it was not in conflict with the financial program of the President.

Mr. ZIHLMAN. May I interrupt the gentleman?

Mr. GIBSON. Yes.

Mr. ZIHLMAN. Has not the Congress recognized this obligation since 1916 by appropriating sums ranging from $180,000 per annum up to the present year when the amount paid from the District revenues amounts to $540,000?

Mr. CHINDBLOM. That is for all purposes.

Mr. ZIHLMAN. No; for the firemen's and policemen's fund.

Mr. GIBSON. For the firemen and policemen.

Mr. CHINDBLOM. For the firemen and policemen only?

Mr. GIBSON. Yes, sir.

Mr. UNDERHILL. But under the provision of the bill passed in 1916.

Mr. ZIHLMAN. Since 1916 Congress has recognized this obligation by appropriating various amounts ranging from $180,000 in the fiscal year 1917, up to the present year, when it amounts to $540,000, and the estimate for the next year is $450,000.

Mr. GIBSON. Yes.

Mr. CHINDBLOM. That is exclusively for the firemen's and policemen's fund?

Mr. ZIHLMAN. For the policemen's and firemen's relief fund.

Mr. GIBSON. Let me further answer the suggestion of the gentleman from Maryland. Congress recognized its obligation in 1916; Congress recognized it by the act of 1909; and Congress recognized its obligation by the act of 1896, in 29 Statutes, page 409, wherein it provided that—

> Hereafter the Commissioners of the District are hereby authorized and directed to deposit with the Treasury of the United States out of receipts from fines in the police court a sufficient sum to meet any deficiency in the policemen's and firemen's fund.

It recognized it in the act of February 28, 1901, 31 Statutes, 820, when it enacted a similar provision.

Mr. SNELL. Will the gentleman yield?

Mr. GIBSON. Yes.

Mr. SNELL. I understood the gentleman to say this deficiency arose out of the ordinary activities of the departments during this time?

Mr. GIBSON. Yes.

Mr. SNELL. Do I understand that a part of these people received full pay and some did not, or did all receive part pay; how did the deficiency arise?

Mr. GIBSON. I can not say specifically, but I have been informed that all received some and that the District Commissioners have made a survey and tabulation and have determined how much is due to make up the deficiency to all.

Mr. SNELL. They all received full pay up to January, 1911, and there is nothing back of that?

Mr. GIBSON. Nothing back of that. It has all been made up to January, 1911.

Mr. SNELL. What became of the deficiency since 1916?

Mr. GIBSON. That has been made up by the act of 1916.

The Clerk read as follows:

> SEC. 2. That all acts and parts of acts, so far as they are inconsistent with the provisions of this act, are hereby repealed.

Mr. UNDERHILL. Mr. Chairman, I move to strike out the last word. I will only take about half a minute to clear up the situation which seems to prevail in the minds of some Members. Since 1916 Congress, under the act passed at that time, made up such deficiencies as have occurred in this fund until this year, when it reaches the sum total of almost half a million dollars. Previous to that time the only time that Congress made up a deficiency was in 1901 for a period that extended from 1898, when there was another deficiency, and Congress then, as I said in my former remarks, established the

precedent of making up a deficiency which occurred at that time.

None of the advocates of this measure tell you that the amount paid by the policemen and firemen previous to 1916 was only $12 a year from their salary; that was the only provision whereby the fund was created. Under the act of 1916 every policeman and fireman contributed out of his pay at least $50 a year. Now, you are going to put the men who contributed $1 a month, or $12 a year, on the same basis and give them the same retirement as men who have paid $50 a year, and that, as is shown, has increased to half a million dollars a year, and will increase as time goes on.

Mr. CHINDBLOM. Mr. Chairman, I want to ask some lawyer on the District Committee whether there is any real necessity for section 2. Section 1, of course, will change existing law to the extent that is necessary for the accomplishment of the purpose desired. Section 2 goes on and makes a specific repeal. We are not in the habit of making specific repeals and I do not know what the effect of a wholesale repeal may be, but I suggest it is unwise. I know that it says "so far as it is inconsistent with this act," but gentlemen know that an implied repeal is different from a specific repeal.

Mr. BLANTON. Will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. BLANTON. The gentleman propounded his question to some lawyer on the District Committee, and I am a lawyer, as well as the gentleman from Vermont [Mr. GIBSON], and this language is the language of the District Commissioners, sent up in this bill to have passed. They want it in the bill and I think they ought to have it.

Mr. CHINDBLOM. This is the first time I ever knew the gentleman from Texas to subordinate his opinion to the opinion of others.

Mr. BLANTON. Well, they have a corporation counsel.

Mr. CHINDBLOM. Mr. Chairman, I move to strike out section 2.

Mr. ZIHLMAN. Mr. Chairman, I see no necessity for the action proposed by the gentleman from Illinois. The first section of the bill provides that $68,000 plus be authorized to be appropriated to pay certain deficiencies to the policemen and firemen occurring between the years 1911 and 1916, and it is proposed if there are any laws inconsistent with that that they shall be repealed.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. CHINDBLOM. Does the gentleman recall a single instance where we passed an authorization for an appropriation and then have gone further and repealed existing law?

Mr. ZIHLMAN. I have no recollection of any specific instance, but I see no danger in doing it. We simply say that if there is any law inconsistent with this that it shall be repealed, so far as it conflicts. I do not think it is a matter of great importance, but I see no reason why section 2 should not remain in the bill.

Mr. BLANTON. This bill is to amend a law, and every time we amend a law it is usual to attach this clause to the bill.

Mr. CHINDBLOM. That is so when you take a particular act and proceed to amend a certain portion of the act and specify the sections one after the other. Then you sometimes have a repealing clause; but you are not doing that here. You are authorizing an appropriation, and now you want to repeal all existing law on the subject. Of course, you do qualify it by saying "inconsistent with this act." You authorize the appropriation, and if you get it, what more do you want?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. CHINDBLOM) there were 16 ayes and 24 noes.

So the amendment was rejected.

Mr. ZIHLMAN. Mr. Chairman, I move that the bill be laid aside with a favorable recommendation.

The motion was agreed to.

UNIFORMS FOR THE METROPOLITAN POLICE

Mr. ZIHLMAN. Mr. Chairman, I call up the bill (H. R. 3807) granting relief to the Metropolitan police and to the officers and members of the fire department of the District of Columbia.

The Clerk read the bill, as follows:

Be it enacted, etc., That uniforms and all other official equipment prescribed by department regulations as necessary and requisite in the performance of duty shall be furnished without charge to Metropolitan police and to officers and members of the fire department of the District of Columbia.

Mr. ZIHLMAN. Mr. Chairman, I ask that the bill be read for amendment.

The Clerk again read the bill.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. I rise to read to Members of the House the report on this bill. It is as follows:

Mr. RATHBONE, from the Committee on the District of Columbia, submitted the following report:

By a unanimous vote the Committee on the District of Columbia has directed me favorably to report H. R. 3807 to the House for passage.

This bill grants their uniform and equipment to policemen and firemen in the District of Columbia.

Their present basic salary is $1,800, not more than sufficient to maintain their families. They have been required each year to buy their own uniforms and equipment. We feel that this is a burden which they should not bear. They fill positions of great danger. They are subjected to all sorts of inclement weather. The incidents of their service cause many injuries to their uniforms. Financial necessities force many to wear their uniforms until they become shabby. This entire force must be presentable at all times because of many parades and functions of national importance. There should be uniformity in dress, so that some will not present shabby appearance.

Figures from the department show that the total cost per man over a five-year period will be $358.45, or the sum of $71 average per man per year.

Many cities of comparable size with Washington are now furnishing such uniforms and equipment.

Just as Senators and Congressmen are furnished free with every facility for transacting their business, we believe that these uniforms should be furnished, and the Committee on the District of Columbia recommends to the Congress the passage of this measure.

Mr. BLANTON. And Mr. Chairman, that is a good report, for at the request of the gentleman from Illinois [Mr. RATHBONE] I wrote every word of it myself.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. BEGG. Under this bill how many uniforms can a policeman or a fireman be furnished with—one per week, or one per month, or how many?

Mr. BLANTON. They will be furnished by the District Commissioners, and would get whatever that body ordered. I understand that the Commissioners of the District would under no circumstances order over two, except in emergencies. I have discussed that matter with police authorities here.

Mr. BEGG. Does not the gentleman think that Congress ought to put a limitation upon that? Under this bill they can be furnished with a dress uniform, with a uniform for ordinary wear, for uniforms for parades, and every other kind of occasion.

Mr. BLANTON. I thought about that, but there are three Commissioners of the District of Columbia in charge of District affairs. They are presumed to look after the taxes of the people of the District of Columbia. The pay for these uniforms will come out of the taxes of the District of Columbia. It will not come out of the Public Treasury. I presume that the three Commissioners of the District are going to see to it that no more than the necessary number of uniforms are allowed these men when the people of the District are paying for it.

Mr. BEGG. Which police force of the Government does this bill apply to?

Mr. BLANTON. It applies to the only police force that the District of Columbia has, the Metropolitan police force.

Mr. BEGG. Then the gentleman wants the Congress to vote the Metropolitan police force uniforms; but so far as the park police and the Capitol police are concerned, they may buy their own.

Mr. BLANTON. Mr. Chairman, usually the gentleman from Ohio is very well informed, and one does not catch him napping. The park police have their uniforms furnished now.

Mr. BEGG. Who furnishes the Capitol police with their uniforms?

Mr. BLANTON. I do not know. That is something for Mr. Lynn and the Sergeant at Arms, who have them in charge.

Mr. BEGG. I asked the gentleman the question. He is usually well informed, and it is not often that we can catch him napping. Why should we not provide uniforms for them in this bill?

Mr. BLANTON. Oh, the Capitol police are patronage jobs. They do not arrest a man more than once in a hundred years. They rarely subject themselves to danger.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. UNDERHILL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. UNDERHILL. If a particularly active policeman on a particularly busy beat gets into a jam once a month and has his uniform torn off him, why should not we give him a new uniform?

Mr. BLANTON. Of course, we ought to do it. And in such case the commissioners would furnish it. I have studied this question for nine years. If there are any set of men on God's earth who deserve special consideration, it is the policemen of Washington and the firemen of Washington. There is not a day that passes but that policemen in this city subject themselves to danger. They constantly take their lives into their hands. There is not a day passes but that when they leave their wives and children at home in the morning, they do not know whether they are going to see them on their return. There is not a day in the city of Washington but that some firemen face death and subject themselves to danger. They face danger and death which may mean that they will not see their families again. It is for these brave and worthy men who serve in the cold, who serve in the rain, who serve in the snow, who serve when the weather is freezing and when it is scorching hot, for the protection of your family and mine, for the protection of the people of the District of Columbia, I now speak and ask for this relief. We ought not to make them pay for their uniforms out of their little salaries to which their wives and children have a right to look for their sustenance.

Mr. HILL of Maryland. Mr. Chirman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HILL of Maryland. I think the gentleman said that this is a unanimous report from the committee?

Mr. BLANTON. Yes. And there are 21 members on that committee. And whenever you can find 21 members on the Committee on the District of Columbia who agree to something, it must have merit in it.

Mr. HILL of Maryland. That is why I am going to vote for it. I never heard of the committee being unanimous before.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. LINTHICUM. I am in favor of the bill, but who is going to manufacture these uniforms? Is the Government going to do it, as it is persisting in doing in the Navy?

Mr. BLANTON. No.

Mr. LINTHICUM. Is it going to be done by merchant tailors on the outside?

Mr. BLANTON. The major and superintendent of police has communicated with certain uniform manufacturers, and I understand that these uniforms can be procured for less than $30 each.

Mr. HILL of Maryland. We have some contractors for uniforms right in Baltimore City who would be very glad to make these uniforms.

Mr. BLANTON. They have been given consideration.

Mr. HILL of Maryland. They should be given consideration.

Mr. LINTHICUM. I agree with the gentleman. What I want to bring before the committee at this time is that in the Navy the Government is competing with these very men you speak of in the manufacture of uniforms.

Mr. LAGUARDIA. If the gentleman will permit, are these shops in Baltimore you are talking about union shops?

Mr. LINTHICUM. Wo do not have anything but union men in Baltimore.

Mr. LAGUARDIA. Thank you.

Mr. UPDIKE. Mr. Chairman, I am in favor of this bill, and I would like to know whether there is any provision made here in reference to policemen wearing big, heavy uniforms down here when it is hot weather?

Mr. BLANTON. Well, if the gentleman will read the report I made to the House about two or three weeks ago he will see I inveighed against that very thing; and their collars have been changed this last week by order of the board down here to ones more humane, and in the future they will not be choked with woolen collars in hot summer.

Mr. MONTAGUE. Will the gentleman yield?

Mr. BLANTON. I will.

Mr. MONTAGUE. What is included in this uniform?

Mr. BLANTON. It is the uniform and cap, raincoat, overcoat, and leggins, and such equipment as the commissioners may designate as "official uniform."

Mr. MONTAGUE. No shoes?

Mr. BLANTON. It embraces the official uniform, and, of course, if the commissioners want to give shoes and designate a particular kind of shoes they will be embraced within the estimate.

Mr. HUDSPETH. Will the gentleman yield?

Mr. BLANTON. I will.

Mr. HUDSPEH. I have not had the time to read the bill, but this is in addition to the salary?

Mr. BLANTON. Yes; the basic salary is $1,800 a year, which barely lets them live.

Mr. HUDSPETH. They would be furnished with this uniform in addition to the salary?

Mr. BLANTON. Yes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KELLY. Mr. Chairman, I rise in opposition to the pro forma amendment. I desire to congratulate the District Committee for reporting out this measure. For a number of years I have taken great interest in the police department and fire department, and I am convinced that these great protective organizations are among the topmost departments in the United States. I know that they are at the present time most economically administered. The other day I called up the Census Bureau to secure the records as to the cost of fire protection in various cities. I found that about $4 per capita is the cost of fire protection in many of the large cities, and sometimes it reaches $4.60 and $4.75. The cost in the city of Washington is $3 per capita. Therefore, on the basis of economy and efficiency Washington is being protected in splendid manner at very reasonable cost.

Further, this measure to provide uniforms and equipment for the fighters against fire and crime is a measure for economy. It will not cost the Government anything when the entire result is figured. This bill as reported states the average cost of uniforms will be $71 per year. That will not be added cost; it will really be a saving through conservation of health. At the present time the firemen are required to have running suits for responding to fire alarms. There can not in all justice be strict regulations laid down for men who must pay the added expense out of salaries which are barely a living wage. The result of inadequate covering is such that many firemen are on sick leave, when proper protection would prevent it. The saving by the passage of this bill on sick leave alone will cover this expense.

Then, too, the unjust requirement that firemen and policemen buy their uniforms out of their salaries has had another result. It was the original plan to require two uniforms, one of 21-ounce goods for winter and one of 14-ounce goods for summer. Recognition that this was too great an expense led to the adoption of 17-ounce goods for both summer and winter.

It means discomfort in both seasons, but it has been welcomed by these public servants because it meant a little less deduction from their salaries.

Many small cities years ago took the step we are taking for Washington in this bill.

Through its enactment the Capital City is only coming up to the standards set by other cities. So I congratulate the District of Columbia Committee in favorably reporting this bill. It is a source of especial gratification to me because I have long urged that these uniforms and equipment be purchased by the Government, which specifies the equipment to be provided by the policeman and fireman. [Applause.]

Mr. ZIHLMAN. Mr. Chairman, I move that the bill be laid aside with a favorable recommendation.

The CHAIRMAN. The gentleman from Maryland moves that the bill be laid aside with a favorable recommendation. The question is on agreeing to that motion.

The motion was agreed to.

ARTIFICIAL BATHING BEACHES, DISTRICT OF COLUMBIA

Mr. ZIHLMAN. Mr. Chairman, I call up the bill (H. R. 6556) for the establishment of artificial bathing beaches in the District of Columbia.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 6556) for the establishment of artificial bathing beaches in the District of Columbia.

Mr. ZIHLMAN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. ZIHLMAN. Mr. Chairman, I ask that the gentleman from Texas [Mr. BLANTON] use some of his time.

Mr. BLANTON. Does the gentleman want to present the measure?

Mr. ZIHLMAN. I will say to the gentleman that the gentleman from Vermont [Mr. GIBSON], the chairman of the subcommittee that prepared the report on this bill, is not present at the moment. I ask that the gentleman from Texas use some of his time now.

Mr. BLANTON. Mr. Chairman, under the agreement I am to be recognized for an hour and a half. I now yield myself five minutes.

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. BLANTON. Mr. Chairman and gentlemen, there are just two amendments that ought to be placed in this bill. There ought to be such bathing beaches. There is no question about that. I have been contending for it all the time. But the people here should pay the cost. This bill is to provide bathing beaches for the people of the District of Columbia, and there ought to be a provision, just as there was in the Gibson bill that you passed a moment ago, requiring that the expenditure of this $345,000 ought to come out of the revenues of the District of Columbia. That is not specifically stated in the bill. It ought to be specifically stated, and I am going to offer an amendment when the time comes to have that stated in the bill.

Now, there is another amendment that ought to be passed. These being bathing beaches for the people of the District of Columbia they ought to be constructed and maintained and operated and controlled by the District Commissioners, who are the people's representatives here. District bathing beaches ought to be controlled by the District Commissioners. They ought to be built and maintained by the Commissioners of the District of Columbia.

I want to call your attention to what you are doing. You are providing that the Director of Public Buildings and Public Parks, who is an Army officer, shall take this sum of $345,000 and build two beaches, one for whites and one for colored people, and then that he should operate them and maintain them. I want you to remember that this Congress has spent $200,000 on bathing beaches heretofore. You intrusted $200,000 to the hands of Colonel Sherrill for the bathing beach down here in the Tidal Basin. Now, what has happened? That bathing beach on the Tidal Basin has been destroyed. It cost $10,000 to destroy it, to remove it. There was nothing the matter with it. There could not have been a better one in the District. It has been stated by Colonel Sherrill himself that the water in the Tidal Basin was just as sanitary for bathing purposes as the water at Coney Island or any water that you would find in any other bathing beach.

We first gave to Colonel Sherrill $25,000 to construct a colored bathing beach, and then added $50,000 and gave it to him to finish constructing the bathing beach for colored people. What did he attempt to do? He knew that there was no disposition on the part of the intelligent colored people of this District to intrude upon the white people in the District. He knew that there was no disposition on the part of the colored people to invade the theaters of the white people here, because they all recognize the situation, that it is best for both races to keep themselves separate, for the happiness and best interest of both races. They recognize that.

You have separate schools for white children and for colored children, and you do not find better schools anywhere in the United States. You have here separate churches for white and for colored people, and you do not find better churches in the United States. You have separate theaters and separate places of amusement, and there has been no disposition on the part of the colored race to have a change. Yet, when we found out what Colonel Sherrill was doing with the money, we found that he was building a colored bathing beach in the same Tidal Basin with the white bathing beach, and some of our Members here would not stand for it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. I yield to myself another five minutes.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. SNELL. In the bill it speaks of a bathing beach, and in the report it is a pool. Can the gentleman explain that?

Mr. BLANTON. It is to be an artificial bathing beach or pool.

Mr. SNELL. What will it be?

Mr. BLANTON. We do not know yet just what he will decide to do, or what this Army officer will do with this $345,000. You are to trust it to him. You are to trust to him as to what he will do. Nobody knows. There is nothing in this bill that restricts or directs or says, "You shall do so and so."

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. BEGG. I would like to ask the gentleman a question right in that connection. I think the gentleman from New York [Mr. SNELL] ought to have pursued that a little further.

Mr. BLANTON. Before you ask me the question, will not you let me tell my colleague what has become of the Tidal Basin?

Mr. BEGG. That is immaterial now. We want to know what is going to be done hereafter.

Mr. BLANTON. You can only argue what will be done from what has been done. Where is the tidal basin now? Who has destroyed it? After he spent $200,000 to build the tidal basin, he spent, as I say, $10,000 more of the people's money in destroying it.

Mr. CHINDBLOM. Did not Congress authorize that?

Mr. BLANTON. I will tell you about that. When we found out that Colonel Sherrill was attempting to make the white and the colored people bathe in the same pool we objected to it; and I want to say right now that the best element of the colored people in the city do not want that.

When Colonel Sherrill put those two bathing beaches in the same pool he was actuated, controlled, and influenced by the demands of a number of the colored race who did not represent the best element of that race in Washington, and when Congress objected to it and refused to make an appropriation for maintenance, then the members of the Committee on Appropriations forced an item into that bill which authorized the destruction of it.

Mr. SPROUL of Illinois. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. SPROUL of Illinois. I know the gentleman means to be absolutely fair, and generally he is fair, but they did not put the white people and the colored people in the same pool. There were two pools, one for the white people and one for the colored people.

Mr. BLANTON. Where were they? They were both in the same pool—tidal basin.

Mr. SPROUL of Illinois. Right down there. The white bathing beach was started first; then afterwards Congress appropriated money—and the money was properly spent—for the construction of a colored bathing beach, but in the last Congress you knocked it out.

Mr. BLANTON. But they were both in the tidal basin, which is one pool.

Mr. SPROUL of Illinois. They were both in the Tidal Basin, but they were separate.

Mr. BLANTON. They were separate bathhouses and beaches, but they were in the same pool; they were both in the tidal basin, which was one pool. Let me tell you another thing. There was already a bathing beach for the colored people and all that was needed was a little more money to enlarge it. That bathing beach was at Jones Point. Now, last summer, when this question came up, the authorization which Congress gave Colonel Sherrill did not require him to remove this beach until next July. He had until July 1, 1926, to remove this beach; he had all the months to come between now and July 1 to remove it under the authorization given him by Congress. I went to him and I said:

> Colonel Sherrill, do not destroy that $200,000 investment until Congress can have a chance to pass on this question when it meets and gives you direction about it.

I wired to the members of the District legislative committee, and later I am going to put in the RECORD in connection with this speech to-day the telegrams which came from different members of the District legislative committee to the effect that they did not want that beach destroyed. They concluded:

> We are going to ask Congress to keep it, and we are going to build a splendid new bathing beach at Jones Point for the colored people and give them as adequate facilities as have been given to the white people. So we do not want the beach destroyed and lose that $200,000 and have it wasted.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BLANTON. Mr. Chairman, I yield myself three additional minutes.

Mr. LINTHICUM. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. LINTHICUM. Being from Maryland, I am very properly interested in the Potomac River. Under the grant, as you know, Maryland's boundary is to the south side of the Potomac River. While you are talking about all these bathing beaches being as pure as the Coney Island bathing beach, why is it your committee has never brought in a bill asking for the construction of a sewage system so that you will not dump your

raw sewage into the Potomac River, as you have been doing all these years.

Mr. BLANTON. The gentleman from Maryland is a Member of this House, and he has 365 days in the year to introduce bills. He could introduce a bill of that kind to-day, and I will guarantee that if he introduces such a bill it will receive the consideration of this committee, just the same as all other bills receive consideration, because this committee does consider the bills that are sent to it. So there is nothing to keep the gentleman from introducing such a bill, if he desires to do so.

Mr. LINTHICUM. I shall get up such a bill; but, of course, I can not do it to-day.

Mr. BLANTON. I will now yield to the gentleman from Ohio.

Mr. BEGG. What I want is information. I do not believe—although I may be in error—that under the language of this bill you can build a swimming pool. The definition of a beach, as given in Webster's dictionary, is "a portion of the shore line." Now, this bill provides for the construction of artificial bathing beaches. I am not particularly interested one way or the other; but if you are trying to build a swimming pool, why do you not say so in the bill; and if you are trying to build artificial bathing beaches, why not say that?

Mr. BLANTON. I am not particularly interested in that question just now.

Mr. BEGG. I think it is a vital question.

Mr. UNDERHILL. Will the gentleman from Texas permit me to answer the gentleman from Ohio?

Mr. BLANTON. Not now, because I want to ask the gentleman from Ohio a question. Does not the gentleman from Ohio think we ought to turn this over to the District commissioners and let them handle the bathing beaches, and let them pay for them?

Mr. BEGG. But if that is done, do not keep them from doing what they want to do.

Mr. BLANTON. They can do what they want to do, if we so provide in the bill.

Mr. BEGG. They can not under the bill as it is now drawn.

Mr. BLANTON. Under this bill, they can build such a pool as the gentleman wishes.

Mr. UNDERHILL. Will the gentleman permit me to answer the gentleman from Ohio?

Mr. BLANTON. I do not want the gentleman to do it in my time. Let the gentleman get his own time.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. ZIHLMAN. Mr. Chairman, I yield one minute to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Chairman, I want to take this one minute particularly for the purpose of saying that Colonel Sherrill was absolutely within his rights when he removed the bathing pool and the bathing apparatus from the Tidal Basin last summer, because in so doing he was following the directions of this Congress, the Congress of the United States, which had ordered him to remove that bathing beach. Colonel Sherrill could have permitted the beach to remain, as the gentleman says, over the winter, but if he had done so he would have incurred additional expense not only for the people of the District but for the people of the United States. If Colonel Sherrill had maintained that beach during the winter, with the snow and ice accumulating there, it would have cost more money to remove it this coming spring than it actually cost to remove it last summer, so that Colonel Sherrill was acting in the interest of economy when he removed the beach last summer.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ZIHLMAN. Mr. Chairman, I yield two minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. I would like to answer the inquiry of the gentleman from Ohio. The bill calls for a bathing beach, and according to the definition given in the dictionary that means a piece of the shore line, and that is just what they want here. The common acceptance of the word "pool" is an artificial pool established somewhere in the interior, not on the shore line. We have a pool at the present time under the shadow of the Monument, but that pool is not big enough to hold the whole population of Washington who desire to take a swim on the hot summer days. They want a couple of beaches here.

Mr. BEGG. How are you going to get filtered water in a shore-line beach?

Mr. UNDERHILL. I do not know how they will get filtered water in a shore-line beach.

Mr. BEGG. I do not either, and I do not think anybody else does.

Mr. SNELL. And that is what is provided for according to the report of the committee. According to the report that is what you are trying to do.

Mr. UNDERHILL. The report has nothing to do with the bill except to try to explain the bill, which it does not do very well. The report says filtered water, and probably the writer of the report had in mind the basin over which all of this controversy has been in the past.

Mr. BEGG. The bill says:

Provisions for the use of filtered water, purification of the water.

How are you going to provide that with respect to the entire river?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ZIHLMAN. Mr. Chairman, I yield myself five minutes.

I will say to the members of the committee I am very sorry I yielded time to the gentleman from Massachusetts to explain the provisions of the bill, because his explanation is just contrary to my understanding of the bill and the purposes thereof. [Laughter.]

The report on this measure very clearly sets forth it is the intent of those favoring the legislation to provide for the construction of two artificial bathing beaches or pools in the city of Washington, and the members of this committee know that last year Congress withdraw the maintenance appropriation for the bathing beach down on the tidal basin, and because of the withdrawal of that appropriation for maintenance, and in accordance with the expressed wish of the chairman of the Committee on Appropriations, the Tidal Basin bathing beach was closed and there were no bathing facilities afforded the people of Washington during the past summer.

In an endeavor to meet that situation during the coming summer, the committee proposes that there be constructed here in Washington two bathing pools or bathing beaches, to be erected under the direction of the Superintendent of Public Buildings and Grounds, with the approval of the National Capital Park Commission and with the advice of the Fine Arts Commission. It is specified in the bill that none of this money shall be spent for land, but that it shall all go into the construction of two artificial bathing pools. The report speaks of these recreational places both as pools and beaches.

Mr. SNELL. Will the gentleman yield?

Mr. ZIHLMAN. In just a moment. There is proposed in the report to be a combination of a wading pool and a pool designed strictly for swimmers. Beaches of this character have been erected in connection with the park system of a great many cities and towns in the United States, including the following: Baltimore, Cleveland, Chicago, Indianapolis, St. Louis, Kansas City, Minneapolis, Omaha, Memphis, Dallas, and Fort Worth. The pools in Baltimore were inspected by the Director of Public Buildings and Grounds in making the estimate carried in this bill, namely $345,000. There are two pools estimated for, one of which would be 400 feet long by 200 feet wide and accommodate 2,000 bathers at one time or a maximum of 10,000 per day, and the other would be 260 feet long by 190 feet wide and would accommodate 1,000 bathers at once or a maximum of 5,000 per day.

I now yield to the gentleman from New York.

Mr. SNELL. The gentleman says he knows what they intended to build. Will the gentleman tell us in a few words whether they intend to build an inclosed bathing pool with artificial water or is it to be an open pool on the beach with the water of the river running through it?

Mr. ZIHLMAN. It is to be an artificial beach opened to the air and sunshine, and it is provided in the bill that suitable lockers, shower baths, and suitable buildings shall be erected.

Mr. SNELL. That does not answer the question.

Mr. ZIHLMAN. They are to be artificial pools or beaches.

Mr. SNELL. Is it to be an inclosed bathing beach with no water entering except that which comes from the mains?

Mr. ZIHLMAN. It is a saucer-shaped.

Mr. SNELL. And no water comes into it except what comes from the mains?

Mr. ZIHLMAN. Yes; filtered water.

Mr. SNELL. Then it is not to be a beach at all, but a pool using filtered water?

Mr. ZIHLMAN. I think the point made by the gentleman from New York and the gentleman from Ohio is well taken as to the language, and I am perfectly willing to accept an amendment as to the phraseology and to substitute the word "pools" for "beaches."

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. ZIHLMAN. Mr. Chairman, I yield myself five additional minutes.

Mr. GASQUE. Will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. GASQUE. I would like to call my colleague's attention to the fact that the question raised by my friend, the gentleman from Ohio, gave the definition of a beach, but the gentleman did not give the definition of the word preceding the word "beach" in this bill, "artificial," and that word "artificial" before the word "beach," it strikes me, has something to do with the interpretation of it.

Mr. ZIHLMAN. I think the gentleman from South Carolina is entirely right and the report states just what kind of a pool or beach, whichever you choose to call it, is to be constructed: "By means of the uniformly sloping bottom the depth of the water varies from nothing at the edge to diving depth at the center," and the report further states, "thus reproducing as nearly as possible the depth conditions of a natural beach.

Mr. BEGG. In reply to the gentleman from South Carolina [Mr. GASQUE], I do not think the gentleman from Ohio is in error at all. A natural beach is just whatever you find on the shore line—gravel, sand, mud, muck, or whatever it may be; if you remove that gravel, sand, and so forth, and build up a concrete meeting there of the water and the land, that would be an artificial proposition, and I am only interested in helping the gentleman get a bill that will do what they want done. If they want pools, then the bill should provide for pools, and if they are to be artificial beaches, and they want to concrete the beaches so they will be nice and clean, that is another thing.

Mr. ZIHLMAN. A beach is a part of the shore line, and this pool, of course, will have a shore line. The bill says an artificial beach which would cover it.

Mr. BEGG. No; you can not put a new definition on the word "shore" and get around it in that way.

Mr. LANKFORD. Will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. LANKFORD. Has the gentleman's committee any assurance from the negroes of the town that they will use a separate beach if one is built for them?

Mr. ZIHLMAN. I will say to the gentleman we do not go into that question in the bill. We simply provide for the erection of these two pools.

I take it for granted that the people of Washington want it because there have been a number of articles in the newspapers—some of them editorials—and there has not been a single objection except that of the gentleman from Texas, who has heretofore been insistent in urging bathing beaches.

Mr. LANKFORD. Will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. LANKFORD. I have understood that the position taken by the colored people is that if they could not bathe with the white people they did not want a pool at all.

Mr. HOUSTON. Do you not want to provide for an approach to the pool also?

Mr. ZIHLMAN. The matter of the approach is to be left largely to those having charge of the construction. It is left to the approval of the National Capital Park Commission and also the Commission of Fine Arts.

Mr. HOUSTON. In the bill there is no provision for the approach. You can improve a beach under the bill but you do not provide for an approach where the bathing is supposed to be done or for the pool.

Mr. ZIHLMAN. I am perfectly willing to accept an amendment inserting the word "pool" so that it will read "pool and bathing beach."

Mr. HOUSTON. I would suggest that it read "bathing beach and pools."

Mr. ZIHLMAN. I will accept the gentleman's suggestion.

Now, Mr. Chairman, I reserve the balance of my five minutes.

The CHAIRMAN. The gentleman reserves one minute.

Mr. BLANTON. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. BEGG] and reserve the balance of my time.

Mr. BEGG. Mr. Chairman, I think it is unnecessary to take any time if the chairman of the committee suggests what he is going to do. I simply called the attention of the committee to this matter because I did not believe that you could build pools under the bill as drawn by any stretch of imagination.

Mr. BANKHEAD. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. BANKHEAD. If the gentleman is correct, would it not be subject to a point of order if any gentleman saw fit to make a point of order, adding the words "and pools."

Mr. BEGG. I would not add the words "and pools"; I would make it "or." I think a careful reading of the bill—and that is what I am calling attention to; that you could not build a bathing pool or a swimming pool under this language—certainly you could not have a bathing beach with filtered water; that is physically impossible. So the two things are inconsistent. Either you do not mean to supply it with filtered water or else you are going to build a pool and not supply it with filtered water. That is all I wanted to call attention to. I yield back the rest of my time.

The Clerk, proceeding with the reading of the bill, read as follows:

Be it enacted, etc., That the Director of Public Buildings and Public Parks be, and he is hereby, authorized and directed to locate and construct, subject to the approval of the National Capital Park Commission, and to conduct and maintain two artificial bathing beaches in the District of Columbia, with suitable buildings, shower baths, lockers, provisions for the use of filtered water, purification of the water, and all things necessary for the proper conduct of such beaches. The Commission of Fine Arts shall be consulted as to the location and construction of said beaches. The cost of these beaches, with buildings and equipment, shall not exceed $345,000, and the appropriation of such sum for the purposes named is hereby authorized. No part of the sums appropriated for the purposes of this act shall be expended in the purchase of land, and the beaches herein provided for shall be located upon lands acquired or hereafter acquired for park, parkway, or playground purposes.

Mr. ZIHLMAN. Mr. Chairman, I would like to submit an amendment.

The CHAIRMAN. The gentleman from Maryland offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 1, line 7, before the word "beaches," insert the words "pools or." Page 1, line 12, before the word "beaches" where it occurs the first time, insert the words "pools or." Page 1, line 12, where it occurs the second time, insert the words "pools or." Page 2, line 5, before the word "beaches," insert the words "pools or."

Mr. ZIHLMAN. And I also move to insert the same language in line 10, page 1.

The Clerk read as follows:

In line 10, page 1, after the word "beaches," insert "pools or."

Mr. WINGO. Mr. Chairman, I rise in opposition to the amendment. Unfortunately I have not been able to be here during the discussion. I notice in the last paragraph of the report that the location of the pools has not been determined. Is that an accurate statement?

Mr. ZIHLMAN. If the gentleman will read the language in the first part of the bill, he will see that it states that these pools or beaches should be erected under the direction of the officer in charge of public buildings and grounds, with the approval of the National Capital Park Commission and with the advice of the Commission of Fine Arts, and they are given authority to locate and construct the pools subject to the approval of these officials.

Mr. WINGO. I have read that, but the question is, Is the last statement in the report an accurate statement?

Mr. ZIHLMAN. It is.

Mr. WINGO. How did they arrive at the number of 1,067 feet of concrete curb? I understand they are to be elliptical in shape.

Mr. ZIHLMAN. I will say that the Director of Public Buildings and Grounds visited the bathing pools in Baltimore and he has submitted two plans which we have here showing the two bathing beaches and the estimated cost, but the location has not been determined upon, except the bill provides that it shall be located on land owned by the United States, or hereafter acquired for parkway or playground purposes.

Mr. WINGO. It has got to be in some park or playground?

Mr. ZIHLMAN. Park or playground, or land owned by the Government of the United States.

Mr. WINGO. And you can buy any land for park purposes and then turn it into this bathing beach?

Mr. ZIHLMAN. Yes; that could be done.

Mr. WINGO. So that is a distinction without a difference.

Mr. ZIHLMAN. I would say to the gentleman that we think the location of the pool sufficiently safeguarded by the language of the bill. I might also say that locations were tentatively discussed, and when I make the statement that nothing has been agreed on, I am stating the actual facts.

Mr. WINGO. Is it not true that it is pretty definitely understood that the authorities who are authorized by this bill to locate these pools have definitely located one of them? That is, they feel absolutely sure where it is going to be? Does not the gentleman know where it is going to be?

Mr. ZIHLMAN. I do not. I speak not only as a member of the committee having this matter in charge, but as a member of the National Capital Park Commission. No definite decision has been reached as to the location of the pools. I would say to the gentleman that I have discussed this matter with the chairman of the Fine Arts Commission and also with several members of the park commission in an informal and unofficial way, and it has been suggested that one of them could be constructed on some part of the Mall, and the other, perhaps, in the grounds surrounding the Howard University, but nothing definite has been decided upon, nor has the matter been discussed at any meeting of the park commission.

Mr. WINGO. I understood that possibly there was some organization very much in favor of putting the colored bathing beach in the rear of the White House grounds.

Mr. ZIHLMAN. I have never heard of that.

Mr. WINGO. Understand, I am satisfying my curiosity.

Mr. ZIHLMAN. I am sorry that the gentleman interjected that, but I have made an accurate statement in respect to it.

Mr. WINGO. The gentleman does not think that it will be at the present time, but it could be done under this bill.

Mr. ZIHLMAN. The gentleman knows that it would not be done.

Mr. WINGO. No. I am just teasing my friend. When the gentleman tells me as a Member of this body that he does not know where it is going to be located, of course I take his statement for it.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Maryland.

The amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 2, line 3, after the word "authorized," strike out the period and insert the following: "wholly out of the revenues of the District of Columbia."

Mr. BLANTON. Mr. Chairman, certainly we want to pass this amendment. We do not want to take $345,000 out of the Public Treasury to build bathing pools for the people of the city of Washington. Why should you do it? Why should they ask it? The people themselves do not ask it. That is put in by somebody else for them. The people of the District are willing and able to pay for their own bathing pools. Your people back home have to pay for their pools. Your people back home have to spend their money to get swimming places in the summer, and they ought not to be asked to contribute $345,000 of their money to build bathing pools for the people of the city of Washington. It is not just. We are here in a dual capacity. We represent not merely the people of the District but we represent the people back home. The gentleman from New York [Mr. LAGUARDIA] represents his constituency back there, which sends him to Congress in spite of his uneconomic views, and my friend from Illinois [Mr. MORTON D. HULL] represents his constituents back home. They are depending upon him to take care of their money. They are depending upon him to see that they are not improperly taxed. They are now back at home attending to their own business, knowing that he is going to stand here on the floor and see that their money in the Public Treasury is protected. You ought not to have to argue a question like this before this body. This is a request to take $345,000 of your constituents' money back home and build bathing beaches for the people of Washington. I am merely asking that it be taken out of the revenues of the District people, who are to enjoy it themselves. That clause has been put in these other bills. Why did we not take the $68,000 for the pensions for these policemen out of the Public Treasury? Because they are Washington policemen, and it is the duty of the people of Washington to look after their annuities, and we provided just such an amendment.

It is all right for these people to have their bathing beaches. They should have them, and I am ready to vote for them; but we have already given them $200,000 out of the people's Treasury for Tidal Basin, which has been wiped out by the wave of the hand, and we do not want to spend $345,000 more of the people's money out of the Public Treasury in building these beaches.

Mr. SWING. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. SWING. Is the $9,000,000 lump sum in effect?

Mr. BLANTON. Yes.

Mr. SWING. If it is, how does this come out of that?

Mr. BLANTON. We have already given the $9,000,000 in addition to this.

Mr. ZIHLMAN. Oh, no.

Mr. BLANTON. Oh, I know better than my friend from Maryland. He gets so many hand-outs for his Maryland people that he can not view this matter impartially. He and the gentleman from Virginia [Mr. MOORE] are continually getting hand-outs for their people. Why, they are asking now that the people over in Virginia be furnished with water from the Washington water system and with electric light from the Washington electric-light system and with sewer facilities from the Washington sewer system and with free access over the bridge to Virginia, although not paying one single penny for the upkeep of this city.

Why, my friend from Maryland [Mr. ZIHLMAN] and my good friend from Virginia, WALTON MOORE—you know those two men—have 2,500 school children who attend the Washington schools right now. Two thousand five hundred of them are here from Maryland and Virginia who get their schooling absolutely free and are furnished free school books. I do not wonder that the gentleman jumps up and interferes when I am trying to make this money come out of the District people's revenue.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. May I have two minutes?

Mr. ZIHLMAN. I object.

Mr. BLANTON. Oh, the gentleman does not want to do that.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. ZIHLMAN. Mr. Chairman, I did not interfere with the gentleman, and if I made any noise at all I beg his pardon; I did not intend to interfere.

Mr. BLANTON. I am not opposing some of his measures because they are good. I am not asking anything unreasonable by this amendment. Why, some of his people over in his Maryland district will get the benefit of this pool because they come here frequently to see him. I am not objecting to that. I have not offered any bill here to stop the school children from Maryland and Virginia coming here and getting their schooling at the expense of the people; I am not opposing that, but when we are already paying this year in this District $9,000,000 out of the Treasury for the upkeep of this city and in addition to the $9,000,000 you will pay Howard University out here this fiscal year, $585,000 and for St. Elizabeths Hospital, which is a local institution, you spent nearly a million dollars this year and will spend nearly a million dollars next year; when for the Freedmen's Hospital you will expend about $50,000 next year and spent nearly that much the present fiscal year, and remember these sums are in addition to the $9,000,000 you have already contributed. How much more do they want? Should not this $345,000 come out of their own money? I submit that to my colleagues now in all fairness.

Mr. UNDERHILL. Mr. Chairman, I rise in opposition to the amendment. Those of us who were Members of Congress during the period when Congress was in session all through the summer months will remember under what tremendous discomforts we labored. For two sessions of Congress I remained here through the summer. Congressional business brought me back here at other times during the summer months of the last two sessions. I want to tell you a little story of how some of us kept ourselves fit during those hot summer months. There were Members from California, Alabama, Minnesota, Massachusetts, Georgia, Indiana, Illinois, Kansas, Florida, Pennsylvania, and Kentucky, and there may have been others, but those I know of myself, who, every morning at 6 o'clock during the heated season, put on bathing suits, got into automobiles, and went down to the swimming pool and there had a fine, cool swim up to 7 o'clock. When we came back, and after taking a shower at home had breakfast, we came over here and were able to meet the demands of the day. I think that is the one thing that kept us fit. I do not believe any one of those Members who enjoyed that privilege at that time got into any fight, as I remember it. I remember Members of Congress being driven by this extremely hot weather, not only bodily heat but heat of mind, indulging in little fracases on the floor of the House. Those of us who had the benefit and privilege of a morning swim did not. Now, I do not believe my constituents back home begrudge the small amount they may contribute to the upkeep or building of these pools. I do not believe there is a Congressman, if he put the question up to his district, who would get a negative answer from a single one of his constituents as to their willingness to con-

tribute to the building and maintenance of these pools. Furthermore, this city is a Mecca of tourists. Right in the vicinity of where these pools are to be located is the public camping ground. Tourists come here from every State in the Union. They stay here anywhere from 24 hours to 2 weeks, and about all the city provides free is running water. Now, they need water to bathe just as much as they need drinking water. It is ridiculous to take the position that the gentleman from Texas does that every blessed thing that Congress provides or requires in the city of Washington shall be paid out of the District revenues when Congress has adopted a plan making a lump-sum appropriation instead of the old plan of 50–50 or 40–60. So, in behalf of those Members who, if emergency calls them here to attend sessions of Congress during summer months; in behalf of the tourists from my State and from your State; and in behalf of the millions of people who visit Washington and are likely to use these conveniences, I say that the view of the gentleman from Texas is rather a selfish one and should not prevail.

Mr. BLANTON. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. BLANTON. Does not the gentleman think it would be wiser for Congress to appropriate about $25 or $40 apiece for all these Members who enjoyed that privilege and pay that to the people of the District and let them build their own pool rather than take the $345,000 from the Treasury in order that the gentleman from Massachusetts bathe early in the morning at 7 o'clock?

Mr. UNDERHILL. The gentleman from Massachusetts is always willing to pay his share, and always has been, and so have his constituents.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ZIHLMAN. Mr. Chairman, I see no necessity for the amendment offered by the gentleman from Texas [Mr. BLANTON]. I ask the members of the committee to turn to page 2 of the bill, where it is provided that the appropriation of such sum for the purposes named is hereby authorized. I think that that language clearly leaves this matter as to the ratio to be borne by the District and by the Federal Government entirely in the hands of the Committee on Appropriations of this House. The Committee on Appropriations at the last two sessions of Congress determined on a lump-sum plan of contribution. The estimates as submitted by the Budget Director at this session of Congress for the coming fiscal year, 1926–27, recommend a lump-sum appropriation of $9,000,000. If that plan is adhered to as submitted by the Director of the Budget this sum of $345,000, which is herein authorized, will be paid entirely from the revenues of the District of Columbia.

I am glad to see the gentleman from Texas supporting this bill, but the gentleman from Texas is insisting in all legislation upon the language, "payable entirely from the revenues of the District of Columbia," so that if Congress after investigation should determine upon some other plan of fiscal relationship between the District of Columbia and the Federal Government, the proposals made by him would carry on from year to year, notwithstanding any plan which might be adopted by Congress.

I am not seeking by the language of this bill to have the Federal Government contribute one cent to the construction of these bathing pools. It is provided that they shall be erected on land purchased for park or playground purposes, and it is prohibited in the bill that land shall be purchased upon which to construct them. I contend that that matter should be left with the judgment of Congress and with the judgment of the Committee on Appropriations. I am not attempting to specify that this money shall be paid out of the Federal Treasury. I think the language proposed by the gentleman from Texas is entirely unnecessary and should not be inserted in this bill, and that the method of payment and the cost of construction of these pools should be left to the plan agreed upon by the Congress and the Committee on Appropriations. We have not attempted to set forth any plan in this bill. We simply authorize the appropriation to be made in accordance with the judgment and the wisdom of the Committee on Appropriations and subject to the approval of the House.

Mr. WINGO. Mr. Chairman, I do not know that I have anything in particular to say concerning this amendment; but when I came into the House it was my impression that this bill was intended to provide a bathing beach for the poor unfortunate people who are compelled to live here in the District of Columbia. My friend from Massachusetts [Mr. UNDERHILL] usually is very candid with the House, and he probably felt that his conscience would not stand for misleading the House, and he therefore confessed what the real object of the bill is. He drew a beautiful picture of himself and these other Members of Congress last summer getting into their pink tights—or perhaps red tights—at 7 o'clock in the morning, and he spoke of rising at the hour of 6 o'clock as if he thought that was a terribly early hour. [Laughter.] I asked my friend from Alabama [Mr. BANKHEAD] why did they wait until 6 o'clock. Of course, I do not think it accounts for that slanderous article which was published in one of the scandalous sheets printed in New York some months ago to the effect that Congress contains some Members of the dilettante class who wear pink ribbons on their B. V. D's. [Laughter] I think that was a slander on Members of Congress, but the gentleman from Massachusetts in his pink tights taking his bath probably inspired the suggestion. I think if Members of the Committee on the District of Columbia want to do something for the District, they want to present some argument better than that provided by the gentleman from Massachusetts, that this proposed bathing beach will give an opportunity for an early plunge in cool water in the heat of summer for the gentleman and his pink pals who are threatened with insanity for lack of congenial surroundings in the office to which they are elected. [Laughter.]

Mr. UNDERHILL. Perhaps it would be beneficial to the gentleman from Arkansas if he would join with the rest of us who consider cleanliness as being next to godliness. [Laughter.]

Mr. WINGO. If I decide to bathe outside my bathroom, I shall not want an elliptical-shaped pool with concrete bottom costing $200,000. I shall return to the old-fashioned swimming hole. Nor shall I wear pink suits, but plunge, as of old, in the "altogether." [Laughter.]

Mr. BOYLAN. Mr. Chairman, I move to strike out the last word.

Mr. ZIHLMAN. Mr. Chairman, will the gentleman from New York yield to me for a moment?

Mr. BOYLAN. Yes.

Mr. ZIHLMAN. I ask unanimous consent that the debate on this paragraph and all amendments thereto close in five minutes.

Mr. BLANTON. I have one more amendment to offer.

Mr. ZIHLMAN. I ask unanimous consent that all debate on the amendment offered by the gentleman from Texas shall close in five minutes.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent that all debate on the amendment offered by the gentleman from Texas shall close in five minutes. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. BOYLAN. Mr. Chairman and gentlewomen and gentlemen of the House, this is a very important bill, and it will be of considerable value about five or six months from now. But just at this time there are not many people bathing in rivers or in harbors or along the beaches of our coasts. There is a more pressing measure affecting our people at this immediate time, especially the people of the North and East, and that is a proper supply of anthracite coal.

Mr. UNDERHILL. Mr. Chairman, I rise to a point of order. The agreement which was reached earlier in the session was that debate should be confined to the bill.

The CHAIRMAN. The gentleman will proceed in order.

Mr. BOYLAN. I am speaking on the bill. I am speaking for the people who are going to use the beach in the summer time. I want to keep them alive until the summer comes by supplying them with heat, and without coal they can not survive, so that when the ides of July come they will be unable to use this wonderful beach on the Potomac.

Mr. WINGO. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. WINGO. I am not authorized to speak for the gentleman, because the gentleman can speak for himself, but I suggest that the tender-hearted gentleman from Massachusetts may be willing to loan that pink bathing suit he has described to us. I reckon it is all wool and probably he would be willing to loan it.

Mr. BOYLAN. Yes; something like that might help. It might help if we had the use of the pink bathing suit to which the gentleman has referred, but we would have to get a fur collar on it and get fur earlaps on it unless we have a supply of coal to keep these people alive until summer time.

Mr. UNDERHILL. Mr. Chairman, I insist upon my point of order.

The CHAIRMAN. The gentleman from New York will proceed in order.

Mr. BOYLAN. The gentleman is speaking to the question. I want to preserve these people who are going to use the bathing beach until the time comes when they can use it. [Laughter and applause.] If the people of Washington perish through the

lack of heat during the winter, naturally they will be unable to use the gentleman's bathing beach, even if they have pink tights with green trimmings and fur earlaps.

Mr. UNDERHILL. Mr. Chairman, I insist that we are not talking about pink tights or the conservation of coal. We are talking about water.

Mr. BOYLAN. I suggest that the gentleman from Massachusetts is assuming my prerogatives.

The CHAIRMAN. The gentleman from New York will proceed in order.

Mr. BOYLAN. I ask you gentlemen, without asking the appropriation of a single dollar, to see if you can not do something to loosen up your hearts and let a little humanity come forward, especially the gentleman from Massachusetts, and ask the administration to give coal to the people of the North and East in order to keep them alive. We have had, I regret to say, plenty of prohibition but no coal. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

Mr. BLANTON. Mr. Chairman, may we have the amendment again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The amendment was again reported.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 37, noes 43.

Mr. BLANTON. Mr. Chairman, I demand tellers.

The CHAIRMAN. The gentleman from Texas demands tellers. All those in favor of taking this vote by tellers will rise and stand until counted. [After counting.] Eighteen gentlemen have risen, not a sufficient number.

So tellers were refused, and the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 1, line 3, after the word "the," strike out "Director of Public Buildings and Public Parks" and insert in lieu thereof the following: "Commissioners of the District of Columbia."

In line 4, strike out "he is" and insert in lieu thereof "they are."

Mr. BLANTON. Mr. Chairman, I am not satisfied to place this $345,000 in the hands of the Director of Public Buildings and Parks of the National Capital for him to waste. He has stated that he intended to carry out the policy and program of his predecessor, Col. Clarence O. Sherrill, and that policy was one of flagrant waste and wanton extravagance. There was not a finer artificial swimming pool anywhere than Tidal Basin bathing beach, and Colonel Sherrill destroyed it with just a wave of his hand. That could happen again.

Mr. TAYLOR of Tennessee. In what way did he destroy it?

Mr. BLANTON. He just tore it up; he just removed everything he had put there, after he had spent $200,000 of public money on it, and left it like it was before he built the bathing beach there.

Mr. WOODRUFF. Did he do that under the direction of Congress?

Mr. BLANTON. Well, he did it because in the closing hours of Congress some of this membership got into a fuss here over the race question. So he destroyed that fine beach, and that could be done again.

During this past summer I checked up much of the work of Colonel Sherrill, and if you could have seen what I saw about his waste and extravagance, you would not want to put this $345,000 into the hands of his successor, especially when he asserts that he intends to carry out the policy of Colonel Sherrill. I have here a communication which I sent Colonel Sherrill, protesting against the manner in which he conducted his department, and I intended to use much of my hour and a half of general debate in placing same before you, but since I have permission to extend my remarks, I will place these facts in the RECORD without taking up your time to read same.

TAKES $345,000 OUT OF PUBLIC TREASURY

Notwithstanding the fact that Congress is already giving to the people of Washington $9,000,000 in cash each year toward the civic expenses of Washington people, and in addition is contributing several hundred thousand dollars each year to Howard University and the St. Elizabeths Hospital and the Freedmen's Hospital and it was understood that no additional sums were to be given, but that all such bills as the present should provide that the sum carried in the bill should "be appropriated wholly out of the revenues of the District of Columbia," this bill does not require this $345,000 to be appropriated "wholly out of the revenues of the District of Columbia," but seeks to have same taken out of the Public Treasury of the United States. That important correction I shall ask my colleagues in the House to make when this bill is read for amendment.

WHY SHOULD AN ARMY OFFICER CONTROL WASHINGTON BATHING BEACHES?

This bill provides that this $345,000 shall be turned over to Major Grant, to be controlled and spent by him and such bathing beaches to be under his management and control, he being the successor of Col. Clarence O. Sherrill, who until recently was the Director of Public Buildings and Public Parks of the National Capital.

Have the people of Washington asked that their bathing beaches be controlled by this Army officer? Have they expressed satisfaction concerning the management of their former bathing beaches by such Army official? Has such Army officer in the past conducted their bathing beaches to the best interest of Washington people and the Government of the United States? If not, just why should same be controlled by such Army officer, and why should he spend this $345,000 and manage the project himself thereafter?

Why should not the Washington people, through their duly authorized officials, spend their own money, construct and manage their own bathing beaches, and not be subjected to the uncertain whims and caprice of some Army officer controlled by political influence?

SHAMEFUL HISTORY OF TIDAL BASIN BEACH

I have been wondering just why the committee did not mention in its report the present necessity for spending $345,000 to construct new bathing beaches. Just why did not the committee see fit to mention what has become of Tidal Basin beach? And why is the committee so silent respecting the kind of management heretofore given the people of Washington by the particular Army officer who had absolute control? And just why does not the committee explain the reason for not letting such bathing beaches be policed by members of the Metropolitan police of the District of Columbia? There are now 1,344 Metropolitan police instead of the former number of 1,180. Are not these 1,344 Metropolitan policemen qualified and able to properly police their own bathing beaches in their own city for their own people of Washington? Just why does the committee think that it is necessary to maintain a special police force at Government expense, officered by an Army major in control, to run bathing beaches, wading pools, and playgrounds for Washingtonians? If such Army officer had made a success at it in the past, and if he had successfully officered this special force of park police, and if he had successfully managed for Washington people the monetary concessions connected with bathing beaches, and other concessions connected with the public parks and playgrounds, then there might be some excuse. But I will attempt to show in this minority report that such management in the past has been wasteful, extravagant, wholly disregardful of the rights of Washington people, and has cost the Government hundreds of thousands of dollars in mismanagement. I expect to show that this special force of park police has been used to shield and protect special favorites in wrongdoing, have shielded law violators from just prosecution, have been guilty of inexcusable discriminations, and have been punished for doing their duty, and have been incited and even directed to be not diligent in the detection of crime and enforcement of law. I expect to show that concessions covering valuable rights of the people have been given to special favorites, who have grown rich in enjoying monopolies.

$191,498 FOR CONSTRUCTION AND MAINTENANCE OF TIDAL BASIN BATHING BEACH

Nowhere in the United States was a more suitable or more beautiful, or more enjoyable, semiartificial bathing beach than the one Congress had placed in Tidal Basin. Tide water influenced from Chesapeake Bay up the Potomac flowed in at one end and then out into the ship channel connecting with Anacostia River. The beautiful Japanese cherry trees surround Tidal Basin. This beach was made by many carloads of sand being blown into the water. A commodious bathhouse was erected, with ample accommodations for both men and women. Congress gave and Colonel Sherrill spent $107,838 for construction. Congress gave and Colonel Sherrill spent $83,660 for its maintenance. This totaled the enormous sum of $191,498 that Congress gave to this Army officer, Colonel Sherrill, which he spent on Tidal Basin, and then when the people of Washington had barely commenced to enjoy it, what became of it? What have we now to show for it all? With one magic sweep of his hand Colonel Sherrill wiped it all out by spending $10,000 more to dismantle it, and it is gone; $200,000 wasted! Was it because Washingon people wanted it done? Oh, no! It was caused by the arbitrary action of one man, who was mad. And while dismantling this splendid bathing beach in July last

year, when all Washington was begging that it might be used, as they would operate it by private subscriptions, Colonel Sherrill ruthlessly destroyed it, and announced publicly that he would ask Congress to give him $200,000 more to build another one. His main idea was to have Congress give him new money to spend, not to furnish Washingtonians bathing facilities that would be certain and adequate.

And we can not forget that this Army officer, Colonel Sherrill, without giving Washington people the opportunity to take charge of this beach and run it themselves, granted the concession to one of his friends as a money-making enterprise, and then granted to another favorite the monopoly of running his exclusive line of cabs and busses to this pleasure resort. And we can not forget that he spent $100,000 of Government money on the golf clubhouses, and then turned them with all of Potomac Park down to Hains Point over to another favorite to grow rich in enjoying a monopoly of such concessions, with the exclusive right of making all sales of the various kinds of commodities on this Government property, and running his exclusive line of busses from the Treasury Building through this property to Hains Point. No wonder this favorite, who not long ago borrowed $300 to enter the business, has now been able to buy and conduct a similar business in Philadelphia.

We might expect some improvement but for the fact that Major Grant has announced that he would carry out the policies of his predecessor, Colonel Sherrill. He surely can not be ignorant of such policies, for he has been in Colonel Sherrill's office and knew exactly how these public concessions had been mismanaged. He knew of the scandal connected with the tourist camp. He knew of the scandals connected with the régime of Capt. W. L. McMorris, the superintendent of park police under Colonel Sherrill, and that when this superintendent was supplanted with another last October that Colonel Sherrill caused a banquet to be given to Captain McMorris; and he knew just how Colonel Sherrill had caused Tidal Basin to be dismantled and $200,000 wasted; and instead of asking for the $200,000 to build another, as Colonel Sherrill last July gave notice he would ask for, since Colonel Sherrill has gone to a job in Ohio, and he has succeeded Colonel Sherrill, Major Grant now comes in and asks Congress for $345,000, shortly after he had announced that he would carry out the policies of his predecessor.

CRIME AGAINST WASHINGTON PEOPLE

In the District appropriation for the fiscal year of 1923, Congress gave to Colonel Sherrill $25,000 for the construction of a bathing beach and bathhouse for the colored population of Washington. He had estimated that such sum would be adequate. Bathing facilities had already been provided, though not complete and adequate, for the colored population at what is known as Jones Point. By expending this $25,000 there Colonel Sherrill could have furnished the colored people with bathing facilities commensurate with those enjoyed by the white people.

But instead of exercising good judgment, and without getting the approval of Congress, he quietly began spending said $25,000 in constructing a colored bathing beach in Tidal Basin, and came back to Congress asking for an additional $50,000, which, without knowing his plans, Congress gave to him in the District appropriation bill for the fiscal year of 1924.

But when Congress found out in January, 1925, that Colonel Sherrill was building a colored bathing beach in the same Tidal Basin with that of the one for the white people, Members of Congress immediately asserted that they would not stand for it at all. Just why should Colonel Sherrill want them to bathe in the same pool?

We have separate schools for the white people and the colored people in Washington. We have separate theaters for the white people and the colored people in Washington. We have separate churches for the white people and the colored people in Washington. We have separate hotels for the white people and the colored people in Washington. We have separate restaurants for the white people and the colored people in Washington, and the intelligent, industrious, honest, self-respecting colored people of Washington, in whom the white people have confidence and who have confidence in the white people here, would not have it different. Colonel Sherrill did not have any colored guests associated with him in his exclusive Army and Navy Club here in Washington. Just why did he want to start all that row by trying to make whites and colored bathe together? He knew that he could not put it over. If he did not know it, he had awfully poor judgment.

SQUABBLE IN CLOSING HOURS OF CONGRESS

So when Congressmen would not permit Colonel Sherrill to force white people and colored people to bathe together in the same Tidal Basin pool they made angry the chairman of the Committee on Appropriations, and he caused to be inserted in the second deficiency bill which was approved March 4, 1925, just a few minutes before Congress adjourned sine die, the following item, to wit:

For expenses incident to the removal of the bathhouse and bathing facilities on the east side of the Tidal Basin and of all construction work which has been done on the proposed bathhouse on the west side of the tidal basin and for the restoration of the grounds to their original park conditions, for expenditure under the office of Public Buildings and Public Parks of the National Capital, fiscal years 1925 and 1926, $10,000.

But under the wording of the bill, even if he deemed such language mandatory, he had until June 30, 1926, in which to have dismantled said tidal bathing beach; and as he had done nothing toward dismantling it and June hot weather came on, the people of Washington naturally wanted to use it and proposed that they would raise the necessary funds by private subscription and run it themselves under his direction and supervision.

MEETING WITH CITIZENS' ADVISORY COMMITTEE

In Washington there is a citizens' advisory committee, selected by all of the numerous federated citizens' associations of the city, to act and speak for the people before the commissioners and on civic emergency problems. In June, 1925, I arranged a meeting between Colonel Sherrill and this citizens' advisory committee at the Franklin School, and the colored population was represented by two colored members on such committee. In this meeting Colonel Sherrill admitted that in his judgment the water in Tidal Basin and at Jones Point was just as sanitary as that in most bathing pools in most cities, and that he knew that it was just as sanitary as that at Coney Island. And he agreed that if the chairman of the Committee on Appropriations would authorize him so to do, and if Washington citizens would raise the necessary expense money by private subscriptions, he would let the white people use Tidal Basin and the colored people Jones Point during the summer of 1925, and he would not dismantle Tidal Basin until after Congress met, so that it would have an opportunity to give him specific directions about it, as he had until June 30, 1926, to dismantle it. I immediately wired the chairman of the Committee on Appropriations, and also all accessible members on the Legislative Committee on the District of Columbia, explaining to them the emergency situation and requesting their position.

LETTER TO SHERRILL

And then I wrote the following letter to Colonel Sherrill:

HOUSE OF REPRESENTATIVES,
Washington, D. C., June 9, 1925.

Col. CLARENCE O. SHERRILL,
Superintendent Public Buildings and Grounds,
Washington, D. C.

MY DEAR COLONEL SHERRILL: Relative to the plan under consideration to open and maintain the Tidal Basin beach this summer with private subscriptions, and to enlarge the beach at Jones Point for the colored people, I wired such members of the District Committee as are accessible to know whether they would approve such plan and whether when Congress meets they would support legislation to retain Tidal Basin as a permanent bathing beach. No one has disapproved the plan.

I am inclosing you telegrams from the five members I have heard from, and you will note therefrom that—

Congressman RATHBONE, of Illinois, says: "I favor postponement of dismantling tidal basin beach, and legislation retaining beach."

Congressman HAMMER, of North Carolina, says:

"I shall gladly support measure for adequate appropriation to maintain tidal basin beach for white people and adequate appropriation for bathing for colored elsewhere, and do best to get such legislation enacted at earliest opportunity."

Congressman FITZGERALD, of Ohio, says:

"Favor legislation to equip, maintain, and extend bathing facilities for Washington."

Congressman GIBSON, of Vermont, says:

"I am heartily in favor of legislation for retention of tidal basin beach, with some provision for colored people."

Congressman BEERS, of Pennsylvania, says:

"Am favorable to bathing beaches for Washington. Plan looks good."

I think that it would be a crime against the people of Washington not to open and maintain Tidal Basin beach and enlarge and maintain Jones Point for the colored people. Both Congressman LAMPERT, of Wisconsin, and Congressman ZIHLMAN, of Maryland, approved such plan yesterday. I sincerely hope that you will see fit to grant such bathing facilities.

Very truly yours,

THOMAS L. BLANTON.

COLONEL SHERRILL'S REPLY

And I received from Colonel Sherrill the following reply:

OFFICE OF PUBLIC BUILDINGS AND PUBLIC
PARKS OF THE NATIONAL CAPITAL,
June 10, 1925.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR MR. BLANTON: Receipt is acknowledged of your letter of June 9 inclosing telegrams from five of your fellow members of the District Committee.

I am glad to know the attitude of these Members of Congress as to the continuance of the bathing beach for the white people and the authorization of bathing facilities for the colored people.

It would be very helpful to me if you could secure favorable reaction from Representative MADDEN, chairman of the Appropriations Committee of the House on this matter, for he was most emphatic in saying to me that Congress had clearly expressed itself to be opposed to any bathing whatever in the Tidal Basin this summer in view of the elimination of the colored bathing beach.

I have no doubt whatever of the legality of authorizing bathing this summer in the Tidal Basin and at Jones Point, but I do feel that while such action would be undoubtedly legal, yet it would be directly contrary to the implied wishes of Congress, and, therefore, such leaders as the chairman of the Appropriations Committees of the Senate and House should, it seems to me, take the responsibility for the reestablishment of these bathing facilities under this office.

Personally I am in entire accord with you as to the urgent need for these bathing facilities, and I am going to do everything that I feel can properly be done to reestablish them there once again.

If in addition to the approvals that you have already secured, I get a similar approval from Senator WARREN and Representative MADDEN, the chairmen of the two Appropriation Committees, I believe I would be justified in opening the beaches at once and would be very glad to do so.

In reference to the general subject of bathing in the District, my present thought is that permanent bathing facilities for large numbers should be provided for the white people at the downstream end of the Georgetown Bridge on the Virginia side of the river, and for the colored people at Jones Point east of Washington Barracks. These two sites would then take care of the bulk of the bathers, and with the provision of bathing pools in the next year or two at the present Sixteenth Street Reservoir site for white people and the construction of a similar large bathing pool by this office in the vicinity of Howard University for the colored people, would, I think, solve the whole question for a number of years to come.

Yours very truly,

C. O. SHERRILL, *Director.*

P. S.—If Mr. MADDEN were told by the Colored Federated Civic Association that they favored Jones Point, etc., it would probably remove his opposition.

C. O. S.

BUT CHAIRMAN OF COMMITTEE ON APPROPRIATIONS BALKED

From Chicago, Ill., on June 13, 1925, both Colonel Sherrill and I received telegrams from the chairman of the Committee on Appropriations and he refused to give his consent. And then Colonel Sherrill wrote me his ultimatum:

I regret very much indeed that this matter has been left in such condition by Congress as to make it impossible to carry out your wishes in reference to bathing in the Tidal Basin.

Yours very truly,

C. O. SHERRILL, *Director.*

And instead of permitting that $200,000 Tidal Basin beach to remain there until Congress met and could pass on the question of whether or not it wanted that much property wantonly destroyed, Colonel Sherrill began in July to spend $10,000 more in destroying it, notwithstanding that he had until June 30, 1926, to dismantle it.

THE SAME DESTRUCTION MAY HAPPEN TO THE $345,000

How do we know that the same wanton destruction will not happen to the new bathing beaches after we let Major Grant spend this $345,000 on same? Suppose in vacation the chairman of the Committee on Appropriations orders Major Grant to dismantle them. What would Major Grant do? He says that he expects to carry out the policies of Colonel Sherrill. If he does, will not he be just as subservient to whims as was Colonel Sherrill?

COMMISSIONERS SHOULD BUILD THESE BATHING BEACHES

If the Congress agrees with me and adopts my motion to recommit, this $345,000 will be taken out of the revenues of the District of Columbia and not out of the Public Treasury. And then, being the money of the people of Washington, it should be spent by their officials. And the bathing beaches should be controlled and operated by their officials. And they should be policed by Metropolitan police and not by Government park police. And we ought to do away with the ridiculous personal police force of park police and transfer them to the Metropolitan police, and have one set of laws and one set of policemen for the entire District of Columbia, and not have six-sevenths of the city controlled by Metropolitan police and the remaining one-seventh of Washington controlled by park police, controlled by an Army officer, to waive law violations for favorites according to the will of his superior officer.

THE SHERRILL POLICY

It is well that I go into detail and prove to my colleagues just what was the policy of Col. C. O. Sherrill, which policy Major Grant says he will pursue. I can best do this by quoting here a letter, which I sent to Colonel Sherrill on July 18, 1925:

HOUSE OF REPRESENTATIVES,
Washington, D. C., July 18, 1925.

Col. CLARENCE O. SHERRILL,
Superintendent Public Buildings and Parks,
Washington, D. C.

MY DEAR COLONEL SHERRILL: Business of more importance has prevented my answering sooner your recent letter, which you had your colored aid bring me at noon after you had given it to the press the preceding day and published it in full.

You evidently didn't like to have your departments checked up and got out of your usual good humor, for in the Herald in box-car headlines you petulantly had me designated as a "busybody," intimating that I was a "meddler" in your business, and charged that my remarks, which I made to your policemen, were improperly made and were a menace to their morale, and that I did not have any right to obtain any information from them, but only through you, and from you alone.

The public must be misinformed with any such erroneous impressions. The record must be kept straight. I am a "busy" body—being one of the busiest men in the United States—but I am not a meddler, and I have investigated not yours, but Government business. My address to your policemen was proper in every respect and did not menace their morale. When you check up and substantiate all the facts I am going to apprise you of in this report, you will agree with me that their morale was destroyed long before I began my investigation. I approached this work as your friend and admirer, with no motive other than to perform my duty under my oath of office.

The people rightfully hold Congress responsible for all moneys appropriated and for all waste and extravagance, as all of it comes out of their pockets in taxes. President Coolidge can only recommend; Congress alone can effect economy, by causing the needless spending to cease.

Being responsible to the public, every Congressman has the right to check up and find out just what becomes of the money he helps to appropriate, and to post himself with first-hand information concerning all Government business. When Congress is in session, watching over 6,000 bills, mostly bad, he hasn't time to procure any information except such unenlightening generalities as bureau chiefs seeking large appropriations deign to give the five members of the subcommittee in charge of that measure. Few Members are willing to sacrifice their vacation in personally making check-ups, hence the Congress knows very little about the details of expenditures.

Jurisdiction of all legislation affecting the District of Columbia is vested in the District Committee. In the last Congress I was the acting ranking Democrat on said committee, and controlled one-half of the House debate on every District measure. My colleagues expected me to be informed and to give them full data on every bill. If Democrats were now in power—Mr. SULLIVAN, of New York, preferring his other committee—I would be chairman of the District Committee.

As it is simply impossible to gather more than superficial information while Congress is in session, I am spending my entire nine months of recess in making a personal study of existing conditions in our Nation's Capital, for the civic improvement of which the Government has already donated about $200,000,000. It would be much more enjoyable for me to be at home with my constituents, but I am doing this disagreeable work so that I will be prepared to make proper recommendations when the District Committee meets, and be able to act with full knowledge and intelligence in helping to solve its problems.

In the last Congress I was a member of the Rathbone subcommittee on law enforcement and police efficiency in Washington. Naturally that subject was one of the many others I placed on my program for special study, and I have investigated it from every angle.

I mention the foregoing only to prove that I was not a "meddler" when I went to your police inspection. I learned that Captain McMorris, your superintendent of park police, regularly inspected your force, having them gather from every portion of the District, and that the time spent in coming to inspection, cleaning themselves and their equipment, undergoing inspection, and returning to their beats, consumed at least two hours, and that your entire force of 61 park

policemen with their officers rendered no police protection whatever to this District during such two hours.

I was anxious to learn just what benefits were gained from such regular inspection that would offset this two hours' loss of time. So on June 17, at inspection time, I went to the Ellipse, where every other person in Washington had the right to go at will, to witness the inspection. Neither the Constitution nor any one of our voluminous statutes required me to first obtain your permission. I stood off some distance from the inspection, having no idea that I would be recognized. Almost immediately Captain McMorris kindly sent Lieutenant Carroll over to where I was standing and cordially invited me to come and inspect his men with him. I did so. Then Captain McMorris courteously invited me to give his men a talk. This I did. I never dreamed that you would object. I merely congratulated your men on their showing, expressed regret that Congress had not given them one day off each week in lieu of Sunday, which it gave to Metropolitan police, and I regretted also that Congress had not provided them with uniforms without requiring them to furnish same out of $100 of their salary, and I promised them that I would push legislation to rectify such inequalities. I then requested permission from Captain McMorris to ask them a question, which he granted, and I asked your men, should there be a measure before Congress to transfer them to and consolidate them with the Metropolitan police, whether they would favor or disfavor same? Many expressed their preference for transfer. None expressed disfavor. The above embraced my entire connection with said inspection. And the press did not learn of it from me.

But the morning Herald of June 19 asserted that I was "urging" a police merger, and quoted you as saying:

"Sherrill said: BLANTON has always believed in a consolidation of the police systems. Last year he had it up before the reorganization committee. After investigating thoroughly they decided to let the system remain."

None of such assertions was correct, and I informed you of your error. The Star for June 19 quoted you as saying that if your men advocated consolidation they would lose their jobs. Why? Aren't they American citizens? What makes it a crime for them to express a preference?

I am now convinced that there should be a consolidation of police systems in Washington. It would stop overlapping and duplication of effort. The attitude of your commanding officers during my investigation has convinced me. To my surprise, evidence of great probative conclusiveness has forced me to the opinion that no czar has ever been in more complete control than you are of over one-seventh of the District of Columbia. Surveyor Hazen advises me that the public grounds controlled exclusively by you constitute over one-seventh of the District's area. And the evidence I have gathered indicates that you arrogantly and pompously preside as the sole and exclusive dictator, law maker, law enforcer, contract letter, concession granter, employee hirer, employee discharger, money disburser, judge, jury, and executioner, from whose iron decree there is no way of escape.

I helped to write, frame, and pass the new traffic code, and we all thought that it created a traffic director and provided laws for the entire District of Columbia coextensive with its boundaries. But I now find on the last page an innocent looking little clause which provides that nothing contained in this act shall be construed to interfere with the exclusive charge and control heretofore committed to you, and that you are authorized and empowered to make and enforce all regulations for the control of vehicles and traffic, and limiting the speed thereof on roads, highways, and bridges within the public grounds in the District of Columbia.

How that provision got into this law, I don't know. It simply slipped by me at a time when many important bills were being passed with only a few moments' consideration. But it won't ever happen again.

I have been hunting for some sane reason for the numerous police systems, separate and distinct, now existing in Washington. Why shouldn't the Metropolitan police department, with its 1,180 officers, be qualified to protect the entire city? Why shouldn't the Commissioners of the District of Columbia be Commissioners *of* the entire District? Why shouldn't the police courts of the District of Columbia have jurisdiction over the entire District?

Why is it necessary to put a little more than one-seventh of this District in your exclusive charge and control? Can that part be run only by a colonel in the United States Army? The law already provides that one of the three commissioners shall be an Army engineer. Isn't that enough representation for the Army in peace times?

I can find no good reason for a separate system of police in the House Office Building, responsible only to the House of Representatives. I can find no good reason for a separate system of police in the Senate Office Building, responsible only to the United States Senate. Outside of their respective buildings they are helpless as lambs. The fact that they are patronage jobs is no good reason but really a deterrent to good police service, for all laws should be applicable to Senators and Congressmen the same as to all other persons. I can find no good reason for a separate system of police for the Capitol and Capitol Grounds, responsible only to Congress. I can find no good reason for a separate system of police for the Zoological Park, responsible only to the Smithsonian Institution. I can find no good reason for a separate system of police for the Agricultural Grounds between B, Twelfth, and Fourteenth Streets, responsible only to the Secretary of Agriculture. They are given the same authority as a Metropolitan police, but belong to and are responsible only to the Department of Agriculture. I can find no good reason for a separate system of 33 police for the White House Grounds, as the President is in absolute control of the entire Metropolitan police department through the police commissioner, and could have 33 or any other needed number of hand-picked Metropolitan officers detailed for service at the White House. And I can find no good reason for a separate system of 61 park police, ordered and controlled by a captain in the United States Army, under your command, to obey and carry out your orders, and to enforce your decrees, wholly controlling in over one-seventh of this Nation's Capital.

Spending 20 minutes in Washington one could come within eight separate, distinct, different police systems, all responsible to different heads and controlled by different regulations. And just why the voteless, voiceless, helpless 450,000 people here have silently stood for it so long is beyond my comprehension.

During my entire study of conditions I have been actuated by no personal feeling. As an American, I am proud of your attainments while a cadet in West Point from June 19, 1897, to February 18, 1901. I am likewise proud of the splendid record you and your brother engineers made in the late war. I commend you for it. As a trained military officer you are an expert. But as a civilian executive spending millions of public funds and commanding hundreds of civilians in peace times I am afraid that you haven't been a success, in my opinion. West Point training is not conducive to economy. Army officers are taught to accomplish their objective regardless of expense. That is all right in war. But just as the cobbler should stick to his last, so should Army officers stick to things military and not attempt to run all of our Government's civilian affairs in peace times.

From the office of Congressman MADDEN, chairman of the Committee on Appropriations, I have been furnished the following information:

That you were made a member of the Zoning Commission.

That you were made executive officer of the National Capital Park Commission.

That you were made a member of the Washington National Monument Commission.

That you were made executive and disbursing officer of the Rock Creek and Potomac Parkway Commission.

That you were made a member of the Public Buildings Commission.

That you were made executive officer of the Meade Memorial Commission.

That you were made executive and disbursing officer of the John Ericsson Memorial Commission.

That you were made executive and disbursing officer of the Grant Memorial Commission.

That you were made executive and disbursing officer of the Commission on Memorial to Women of the Civil War.

That you were made executive and disbursing officer of the Arlington Memorial Amphitheater Commission.

That you were made executive and disbursing officer of the Arlington Memorial Bridge Commission to spend $14,750,000 recently provided for by Congress.

And besides, you are the director of public buildings and parks in the National Capital and disburser of the big appropriations for renovating public buildings, including $50,000 repairs on the White House and also the $600,000 for parks turned over to you the first of this month, with an authorization from Congress of $1,100,000 allowable each year hereafter for parks, and have in your control several hundred guards and other civilians employed in public buildings.

And I will almost guarantee that there are at least 400 Congressmen who do not know that you hold more than one Government position.

Naturally some would burn when you have too many irons in the fire. And being your friend I am charitable enough to believe that you have had so much to attend to you haven't been able to keep up with what was going on in all of your departments. That is the reason that I promised to tell you some things about your police force which I felt sure you must be ignorant of, or you surely would not have permitted same.

Special Orders, No. 3, issued from your office March 27, 1925, signed by Capt. W. L. McMorris, superintendent, required park police to inspect at least once every hour between dark and dawn, the tourist camp, the East Potomac golf field house, the West Potomac golf house, and the colored golf house north of Lincoln Memorial, paragraph 6 stating:

"Should any of these places be broken into and it is shown that the officer on duty failed to make the prescribed inspection, he will be subject to trial for neglect of duty."

Now, the tourist-camp property has been given by you as a concession to the welfare service, supervised by your office directly through Captain McMorris. Here the Government gives everything and re-

ceives nothing. The welfare service gets all receipts. These tourists spend hundreds of thousands of dollars in Washington benefiting every citizen here. And the welfare service spends all of its receipts on public tennis courts and other playgrounds benefiting Washington citizens. The various commodities kept for sale in this Government tourist house, such as vegetables, fruit, groceries, lunches, ice cream, cold drinks, cigars, tobacco, chewing gum, oils, and gasoline, all belong to the welfare service and not to the Government. Yet you are furnishing them hourly police service throughout the night at Government expense. The manager, Mr. Siegel, after ringing you up on the telephone and getting permission to answer my questions, told me that he had been there since the latter part of February, and had never been checked up or audited, that his receipts for last month were over $4,000 in cash, that he kept no books whatever except the registrations of receipts made by the cash register. With several different people there constantly selling things for cash, there should be a permanent record of sales, receipts, and business done kept there, so that six months or a year from now there would be a proper way of checking up the business. I asked your manager whether if he should ever have there a salesman who was not honest, and he should be paid $4, and he only registered up $2, what way he had to ascertain the error. His only answer was that he took an inventory once in a while. As tourists pay 50 cents per night per car, and 50 cents per night for tent and bed, and the registration cards are printed in any quantities desired and not counted when delivered, I could see no way whatever of checking up. And as one of my friends advised me that he was informed by another welfare service representative that the receipts of the tourist camp last month amounted to over $5,000. I wasn't much impressed with the office end of the camp, though I liked the outside, which is about the finest tourist camp in the United States. But why should the Government furnish this camp and also hourly police service throughout the night for the goods, wares, and merchandise of this welfare service?

On July 20, 1921, you let Mr. Loeffler have the golf course concessions, and he entered into a contract to pay the Government $850 per annum until December 31, 1926. Last year you made a new contract with Mr. Loeffler, wherein you waived his paying the $850 for 1925 and 1926 and granted him all of the concessions until December 31, 1929, without his paying one cent to the Government for same.

He thus gets the East Potomac golf course, with the $100,000 clubhouses, the private speedway leading down to same, the splendid body of Government land running down to Hains Point; the West Potomac golf course with golf house; the colored golf course with golf house, north of the Lincoln Memorial, with the exclusive privilege of selling golf clothes, bags, sticks, balls, paraphernalia, ice cream, cold drinks, cigars, cigarettes, tobacco, lunches, permits for playing on courses, motor oils and gasoline, and the exclusive privilege of operating five busses, three from the Treasury to Hains Point and the other two from the Treasury to your golf courses, all without any competition and without the payment to the United States of $1, from January 1, 1925, to December 31, 1929.

Your idea seemed to be that if Mr. Loeffler would put these courses in shape and keep them in shape, without expense to your office, you could afford to grant the concessions free. At the end of Mr. Loeffler's contract, regardless of what he spends, this property won't be worth $1 more to the Government than it was on January 1, 1925, when you canceled $1,700 lease that Mr. Loeffler was under contract to pay for 1925 and 1926. If through public advertisement you had apprised the people of Washington that these concessions were to be let, with exclusive privileges and no competition, I feel sure that you would have had numerous bids from substantial parties offering substantial sums as lease. The Government is now paying $9,000,000 tax per year to the District of Columbia, because it owns this and other property, most of which is daily used by Washingtonians for their convenience and pleasure. I happen to know the man here in Washington whom Mr. Loeffler admitted to me loaned him his first $300, and in the same conversation Mr. Loeffler told me that he had recently borrowed $25,000, hence he must be making money.

You will remember last April when one of your men, Mr. P. A. Porter, filed charges against your superintendent of park police. You gave Mr. Porter no chance whatever to get counsel or offer witnesses to prove his charges, but after devoting a few minutes to questioning Porter in the presence of your superintendent, you discharged Porter, although he has a wife and five little children, and served his country all through the World War, being in numerous battles, at Aisne, Marne, St. Mihiel, and Meuse-Argonne, and was awarded the croix de guerre, silver star, and special citation by our War Department. But your superintendent must have had faith in Porter for he immediately secured him a more lucrative position with Mr. Loeffler, driving one of his concession busses. I happened to check up the receipt of this one bus for Saturday, July 4. And on the following Monday I asked Mr. Loeffler if Porter didn't turn him in as much as eighty-odd dollars in cash for Saturday's business. He denied having received half that much from Porter. Then I sent for Porter and had him come to the House Office Building, and he swears that on Sunday morning, July 5, he paid to Mr. Loeffler's father $87.75 being cash received by him for Saturday, July 4, and that of same $76.25 was for passengers he carried on his bus. And on the next day Mr. Loeffler came back to my office, and asked me if Porter had been to me. I told him no, I had been to Mr. Porter. He then told me that in his contract with you, the right to pass on his employees was retained by you, and that as he was a close friend to both you and your superintendent, he was going to fire Porter for not being loyal. His idea of loyalty seemed to be "not telling on anybody." I advised him that all three of you had better think twice before persecuting Porter, because he hadn't carried tales, and had never seen me until I went to him, after learning of the facts from several other persons, and that if he is fired for answering a Congressman's questions pertinently relating to Government business, I would never rest until an investigation was had of the whole matter, and the whole facts put before the people of the country. Mr. Loeffler has threatened that unless Porter signs a retraction of the charges against your superintendent he will be discharged. I would appreciate your reopening this Porter case, and giving me an opportunity in his behalf to question your superintendent and five other witnesses before you.

Mr. Loeffler seemed to be correct in his assertion that your office has a say with respect to his employees, for he admitted that on another occasion at the request of your superintendent he gave a position to one of your superintendent's friends. After giving all of these valuable concessions to Mr. Loeffler for five years without his paying the Government one dollar, I can't understand just why the Government should furnish his three golf courses with hourly police protection throughout the night, when the personal property therein which thieves would break in to steal is all the private property of Mr. Loeffler, and if he needs special night guards to watch his property and sign up every hour of the night he should furnish same at his own expense.

For the past three years, without charge therefor, you have granted to the New Taxi Service Co., operating the red-top cabs, the exclusive right to maintain cab stands at the Washington Monument and Hains Point. As late as June 15 you wrote this company concerning its application for a renewal of its contract which expired on June 30, 1925, that upon compliance with a certain regulation you would give favorable consideration to their application for renewal. Then by my attending your police inspection on June 17 you learned of my investigation of your office affairs, and you learned further of my studies from my letter to you of June 20. And on June 22 you wrote President Klein, of the New Taxi Service Co., acknowledging that he had complied with the regulation you had required of him, but you stated that since you wrote him on June 15 you had decided to invite new bids for all cab service for the fiscal year ending June 30, 1926, and you inclosed him a mimeographed notice, dated in your office June 20, 1925, stating that until noon of June 27, 1925, you would receive sealed proposals for cab-stand concessions at nine different points in the city.

I have never yet been able to find any published notice from you that you would receive such bids, hence I presume that only such persons as you saw fit to send these mimeographed copies to knew anything about it. I have never believed in granting any such monopolies in the first place, but if they are to be granted in the Nation's Capital they should be advertised in such a way that the general public would have notice of it. I happen to know that when preparing its bid President Klein first wrote an offer of $125 per month for the concession, but having enjoyed a monopoly for three years without paying anything for it, he believed he would get it anyway and changed his bid to only $75 per month. I understand that you have let two of these important concessions to two colored men, and that they haven't standard cab equipment.

The general public of Washington and this Nation inherently own the streets and thoroughfares of this District, and inherently have the right of easement into every public place, yet at the Terminal Station the general public are forced to ride in black and white taxis, to get in and out of the depot, unless they dodge through them to an outside post, and a private company sells this franchise which belongs only to the people. So it is with the Willard Hotel, which sells to one taxi company the exclusive right to stand their cabs in the people's street outside. And the Raleigh Hotel sells the people's street outside to another taxi company, with exclusive cab facilities. And the Washington Hotel does likewise. And other private corporations do likewise. And I am disgusted with these exclusive monopolies, and I promise you that there is going to be a man's fight in the next Congress to break it up. Taxi fares are higher in Washington than in any other comparable city in the United States, and these growing monopolies cause it. The people are entitled to have fair competition.

On June 20, 1925, I wrote you that in my judgment the special instructions issued from your office in writing to your park police on May 16, 1925, and signed by your superintendent, were calculated to destroy the initiative and morale of your force, and make them worthless as law enforcers. Your denial convinced me that you were not aware of some facts. I quote from said special instructions issued by your office the following:

"Two recent cases have occurred on this force in which the officers failed to make investigations but instead 'lay in wait,' or as one officer

put it, 'tried to get a line on them.' In one case a car was parked with its lights out in an unlighted section of the park area. The officer instead of immediately walking up to the car and ascertaining why it was in there, called a Metropolitan officer into the park and approached the vehicle under cover of nearby shrubbery. Repetition of similar cases as these pointed out will result in charges being preferred against the officer for improper performance of duty."

All of your men know that when charges are preferred your lieutenant prefers them, your superintendent is the prosecutor, and you are the judge and jury. The facts concerning the above case are well known to most of your force, for your park policeman happened not to be the only one present. It was your own superintendent your policeman spied on. Your superintendent one night drove a closed car over in the middle of the Rose Gardens, away from the regular thoroughfare, and turned out his lights. Within five minutes after turning out his lights both a park policeman and a Metropolitan policeman, whose beats joined, started to the car. Your superintendent jumped out and reprimanded both of them. Now, I purposely refrained from getting a statement from your park policeman about this, as I didn't want to take any chances on his being punished when Congress wasn't in session, and I don't want you to let anyone attempt to hold him responsible for my knowledge. But your superintendent will not deny that he drove in the Rose Gardens, and his purpose in going there may be entirely satisfactory to you.

And if you would like to know more about the other case of "laying in wait" and "trying to get a line on them," if you will kindly call a hearing and permit me to examine your superintendent and several other witnesses before you, I will convince you that your policemen were simply doing their duty.

I wish every Member of Congress would read your personnel order No. 92, dated June 29, 1925, shifting your chiefs, captains of the guard, and inspectors of the guard, and your many other military orders in peace times tending to prussianize the several hundred guards of public buildings here in Washington.

They get $85 per month, have to buy their own uniforms, definitely specified in minute particular, wear white shirts and collars, shave every day, wear military shoes shined every day, hair cut smartly, and their woolen coats buttoned up to their neck this sweltering hot weather, except after 10 o'clock at night.

I have a written document showing the reprimand of one of your $85-per-month guards for wearing tan shoes.

I have one of your written decrees reprimanding one of your guards for failing to turn off an electric fan, and without a hearing punishing him by taking from him two days of his annual leave, when the fan was left running by another employee.

I have one of your written decrees reprimanding one of your guards because it was reported to you that he had two days' growth of beard on his face, and without a hearing you punished him by blackening his record and taking from him one day of his leave.

I will attach hereto just one affidavit made by one of your guards, Percy Barham, who swears that he has a wife and child, that on the battle fields of France he had the muscles of his right arm, his left arm, his right leg, and his left leg torn by shrapnel, that he lost the most of three toes off his right foot, and has a piece of shrapnel embedded into the skull over his left ear, his right arm being crooked from wounds, and that he suffered in hospitals two and a half years; that he receives $85 from you per month, furnishes his own uniform, does not get a day off each week in lieu of Sunday, which every Government employee except yours gets, that while obeying your orders he was grossly insulted by a captain of the guard, and because he tried to explain was reported for "insubordination"; that you reprimanded him without a hearing, and took from him three days of his annual leave, besides marking it against his record; that on June 17, 1925, he was publicly reprimanded for having a torn place in his sleeve and insultingly ordered to hold his right arm down straight by his side, and when he tried to explain that it was wounded, he was told to do it anyhow. And I have your written decree, dated June 25, 1925, reprimanding him without a hearing, and again punishing him by marking his record down, and taking from him three more days of his annual leave, and noting that this was his second offense, and threatening that if he should be reported again, drastic action would be taken. Colonel Sherrill, I learned of these facts from others, and I induced this boy to come to the House office to testify before some prominent Republican witnesses, who examined his wounds, and if you attempt to punish him for making this affidavit I promise you now that if necessary I will spend every dollar I possess to place his treatment before every American Legion post, and the people of every State in the United States. And if you have a hearing on him or any other employee, I insist on my right of appearing for them, and swearing and questioning certain witnesses before you.

I have before me a copy of your personnel order No. 49, issued over your signature May 22, 1925, appointing 59 of your guards special policemen, advising them that such appointment confers upon them the same powers exercised by park police and Metropolitan police. Thus at $85 per month you require them to do dangerous police duty worth about double their salary.

I have before me instructions to guards, signed by one of your captains, ordering that whenever you entered the building all guards must report the fact at once. Why this waste of effort?

I have a document signed by you, dated June 7, 1925, indicating that because you had an unexpended balance of the appropriation for the fiscal year ending June 30, 1925, that you would make temporary promotions of certain employees for the one month of June so as to exhaust the appropriation. The only way that you could raise salaries was to promote the men to a higher grade. And you realized on this June 7, 1925, that unless you used this money before June 30, 1925, it would not be available but would revert back to the Treasury. So on June 8, 1925, you promoted certain of your employees, specially named, for the one month of June, to a $100 higher salary, making the promotion retroactive to the first of that month. In your order No. 61 you promoted 32, one being Group Supt. Howard R. Owen, raised from $2,900 to $3,000; Alexander B. Eadie raised from $2,800 to $2,900, and Edward F. Batchelor, Samuel W. Hawkins, and Robert O. Jennings, each being promoted from $2,700 to $2,800, but just for the month of June, 1925, this order of June 8, 1925, reciting:

"Effective June 1, 1925, to cover the period of June 1 to 30, 1925. On July 1, 1925, the pay status of each employee promoted will revert back to that of May 31, 1925."

And likewise on June 8, 1925, you issued the following: "Order No. 62, promoted 28; order No. 63, promoting 36; order No. 64, promoting 29; order No. 65, promoting 36; Earl G. Marsh being raised from $3,600 to $3,700, Irving W. Payne being raised from $3,200 to $3,300, E. F. Conklin being raised from $3,000 to $3,100, and Thomas C. Jeffers, F. D. Owen, and Charles J. Peters, jr., each being raised from $2,700 to $2,800; order No. 66, promoting 17; James F. Gill being raised $3,100 to $3,200; order No. 67, promoting 36; order No. 68, promoting 36; order No. 69, promoting 28; order No. 70, promoting 26; order No. 71, promoting 27; order No. 72, promoting 19; and order No. 73, promoting 15; their basic salaries being raised from $60 to $100 each." You thus promoted and raised their salaries for June in order to consume an appropriation to the 361 of your employees, and of such 361 only 24 were $85 per month guards, or those receiving as low as $1,020 per year. I have closely watched the proceedings of Government officials for years, and I didn't even dream that any official could exercise such arbitrary preferment affecting such a great number of employees. I promise you now that there is going to be a fight in Congress against future issuance of retroactive orders eating up unexpended balances of appropriations just before the fiscal year ends.

I am afraid that you are not informed about a great many things affecting your department known to many of your force.

You seem to be the only one unfamiliar with what has gone on in the vicinity of I and Thirteenth Streets NW.

You seem to be the only one unfamiliar with what has gone on at the Hibbs Building on Fifteenth Street between New York Avenue and H Street.

You seem to be the only one unfamiliar with what has gone on up in Monkey Hollow.

You seem to be the only one unfamiliar about certain charges filed in Cathedral Lodge.

When I asked you in my letter of June 20 whether your police could enforce the law against your brother Army and Navy officers, and whether they had to show them special consideration, you denied it to me and in the newspapers, and said that you didn't even let your police recognise the congressional tag, which the Commissioners of the District properly issued to Senators and Congressmen to enable them to park at Government buildings when they were transacting official business for the people of the United States. This proves again that we ought not to have two separate heads in the District of Columbia, the Commissioners of the District issuing a special auto tag that is good in only six-sevenths of the District, because you say you won't recognise it in your one-seventh. I have never used my congressional tag on my car. I imagine, however, that if Senator SMOOT, or any other Senator, or Congressman MADDEN, or any other Congressman, were to park their car anywhere in your bailiwick on official business, that no policeman of yours would molest them, if you knew about it. That part of your communication reminded me of President Calles's recent pronunciamento.

To prove that the law was applied to Army and Navy officers you cited four cases: Lieut. Frederick A. Henney, Capt. Carrol P. Price, Col. Henry C. Whitehead, and Capt. Louis M. Bourne. You should have familiarized yourself with the history of these four cases before citing them. I have looked up the records.

When Lieut. Frederick A. Henney was arrested your park policeman required him to put up a $5 collateral for his appearance. Lieutenant Henney told Assistant Clerk Byrne, so Byrne says, that he couldn't be bothered to come back. And he didn't come back. He merely forfeited his $5, and nothing was ever done about bringing him before court.

When Capt. Carroll P. Price was arrested, charged with "reckless driving," he put up collateral, and forfeited it, and nothing more was done about it, and he was not brought before the court. Moreover, this was a District case.

Col. Henry C. Whitehead was arrested for "reckless driving" on Fourteenth Street, and it was a District case, and not committed in

your bailiwick, and he was taken directly before the court, which fined him $30.

Capt. Louis M. Bourne was arrested June 12, 1925, upon one charge of "reckless driving" and also upon another charge of "breaking glass in street." He forfeited his collateral and has never appeared in court for trial, and nothing more has been done about his case.

Now, I want to cite you just a few of quite a number of cases concerning Army and Navy discrimination, upon which I have gathered the facts.

On April 24, 1924, one of your park police arrested a Mrs. C———, whom I am informed claimed to be the wife of one of your particular friends and classmates at West Point. This police brought her to No. 1 station and there under Docket No. 101 charged her with "failing to grant right of way," and under Docket No. 102 charged her with "failing to give signal." This police claimed at the time that he was following and trying to arrest a man running away on an Indian motor cycle, that Mrs. C——— refused to give him the right of way allowed by law to an officer, and also refused to slow up, and would have run over him, but he swerved his machine, and another car ran over him; he also claimed that when first arrested she refused to go to the station, but, when required to drive there, she immediately called your office, and that your office instructed that no collateral be taken and nothing done, and that your office prevented papers from being filed in court against her, and no case was docketed against her in court; and then you reprimanded your police and punished him by taking from him five days of his annual leave.

Now, I want you to understand distinctly that I got my facts from other parties, and your police refused to give me a statement, because he claimed that it was against instructions, and if you attempt to punish him for what I know I demand that I shall be heard with witnesses.

When one of your police courteously requested Mrs. Sc———, who is the wife of a prominent officer, to move her car from in front of a fire plug she ignored him. When he insistently told her that it was a violation of law she replied, "You must not know who I am, and if you bother me any more I will make you lose your job." He said: "Well, madam, I have a wife and children, and can't afford to lose my job," and he walked off.

On March 24, 1924, one of your police arrested Major H———, whom he charged at No. 3 station with driving 34 miles an hour. Major H——— put up $5 collateral which he forfeited, and he never appeared at court, and nothing has been done about it since.

On March 5, 1924, a naval officer was arrested by one of your police, who at No. 3 station charged him with "operating while drunk" and with "colliding with another car," and he put up collateral for his appearance. The "operating while drunk" became cause No. 767265, in which he put up a bond for $400 for his appearance in court, and the "colliding" case became No. 767266, in which he put up a bond for $100 for his appearance. He merely forfeited his collateral, and neither case was prosecuted against him in court, and neither the $400 bond nor the $100 bond was forfeited.

One of your friends has advised me that in your office you now have about 500 per cent more employees than your predecessor, Colonel Ridley, had, and he claims that he once heard the most valuable employee you ever had (Francis E. Gillian) tell you that the majority of complaints about the Government conveniences furnished the people in and about the public parks came from supercilious Army officers. It was a great loss when you let Mr. Gillian go. He is now getting double the salary your office paid him.

I will inclose you the affidavits of two of your policemen, Thomas J. Osborne and Orville Staples. Mr. Staples served on a battleship during the war. Mr. Osborne had a splendid record as a watchman in the National Museum. He had a splendid record during the four years he served in the Navy, being highly recommended by Admiral E. W. Eberle. As a member of your park police he has an absolutely clear record for six years, with just one exception, and that was you charged him with having smoked a cigarette on duty and reprimanded him for it and took away from him two days of his annual leave.

And then your police had to sign that questionnaire giving their fraternal affiliations, about which I wrote you June 20. You wrote me that this questionnaire was not issued with the idea of requiring compliance with the fraternal organization paragraph, and the copy you sent me had that question marked off, but you admitted that when this questionnaire was submitted to you a day or so after it was issued, when there was a controversy about it, you canceled it. If you know no more about this questionnaire than you have indicated to me, you couldn't be an exclusive source of information for me. And this questionnaire caused poor Osborne's downfall. I send you the affidavits of Osborne and Staples, because concerning this questionnaire practically your entire force will corroborate them.

Mr. Osborne swears to the following: That about October 9, 1923, he became a master Mason; that your lieutenant in direct charge of your police is a Catholic, who became angry when at the funeral of Policeman Allen he learned that Allen was a Ku Klux; that a threat was made that all park police would have to answer a questionnaire that would disclose whether they were K. K. K.'s or not, and a few days thereafter the questionnaire appeared, and a sergeant presented him with a copy and instructed him to fill it in while on duty and return it, and not take it home; that the last question was, "What, if any, fraternal organizations are you a member?"; that being afraid not to answer it, he answered that he was a Mason and member of United American Mechanics, which permitted only Protestant Americans to join; that he was not a Ku Klux but was suspected of being one, and was persecuted and hounded; that the next month without a hearing you wrote him reprimanding him for an alleged flimsy charge and suspended him for two days without pay. And the next month, without a hearing, you wrote him requesting him to resign; that when he would not resign you suspended him and had charges filed against him, which were presented by your lieutenant, prosecuted by your superintendent, and decided by you against him, without allowing him to present all of his defense, and that you discharged him upon charges that were framed up against him, but which, if true, were of minor importance and not comparable in seriousness with the conduct of other officers whom you did not discharge, case after case of which he recites. And in the same way Staples was persecuted.

I am not a Ku Klux and never have been one. But for a quarter of a century I have been a Shriner, a Knights Templar Mason, and a thirty-second degree Scottish Rite Mason. I would not stand for persecuting a Catholic out of his job because he was a Catholic, and I am dead sure that I am not going to stand by silently and see a Mason persecuted out of his job simply because he is a Mason.

I have implicit confidence in our commissioners and in Traffic Director Eldridge, and I am backing them up with all there is in me in their worthy efforts to bring order out of chaos. But when the time comes, I intend to fight for legislation that will pay Inspector Headley, of the Metropolitan force, his inspector's pay both now and in retirement. And Inspector Headley is a Catholic.

And from the same sense of justice, I respectfully request that you reopen two cases, one being that of Mr. Thomas L. Osborne, and the other that of Mr. Toland, who is another Mason whom his friends believe has not had a square deal since the questionnaire was answered, and restore these two men to their former positions. I tried to get Mr. Toland to give me a statement, but he claimed that it was against the rules and refused, but I have learned all about his case from his many friends and the records.

Every time I read the newspaper account of how you tried Mr. Toland, I feel that Congress should take action. It says that Toland is an overseas veteran and member of the American Legion. Not far from the Highway Bridge on the Virginia side, Policeman Howard Smoot arrested four men and a colored woman. One man struck down the Virginia policeman with an iron bar, got his pistol, and was about to kill the officer. Your Park Policeman Toland went to the rescue, saved the life of his brother officer, and arrested the whole bunch. He should have been promoted and rewarded, but the newspaper says that because your park police are ordered not to assist any other system of police in making arrests, Captain McMorris made a plea for conviction, and showed that Toland had assisted another officer in making an arrest. And it seems that you demoted him and suspended him several days without pay. I hope that you will reopen this case and grant another hearing and restore him. I had it in mind when the papers reported that you had gotten after Officer Rainey for assisting the vice squad in making arrests, and on June 20 I requested you to send me a copy of Mr. Rainey's replies to your questions propounded in writing, but you didn't do it, notwithstanding your assertion that you would furnish me all information.

I wouldn't be frank if I didn't tell you that in the next session of Congress I intend to wage a determined fight to force the Government out of private business.

Our Democratic Party has consistently stood for keeping the Government out of private business, and for encouraging private initiative.

The Republican platform says: "The Republican Party stands now as always against all attempts to put the Government into business. The American industry should not be compelled to struggle against Government competition."

President Coolidge has said: "I favor the American system of individual enterprise and I am opposed to any extension of Government ownership or control."

Secretary Hoover once said: "It is my own belief, as an engineer, that construction by contract for public works makes for national economy."

Yet your Corps of Engineers of the United States Army have been permitted to accumulate $50,000,000 worth of construction equipment, wasting millions hiring day labor, and constantly enlarging and pushing into the field of private endeavor.

The figures of their estimate and actual cost of the Wilson Dam No. 2 at Muscle Shoals, Ala., is illuminating, which I give as follows, not including mechanical equipment:

	Estimate, 1916	Cost to Jan. 1, 1925	Estimated cost to complete
Lock section	$1,250,000	$2,200,000	$3,600,000
Dam section	4,850,000	16,000,000	19,100,000
Substructure section	2,850,000	11,000,000	13,400,000
Land and clearing	550,000	1,600,000	1,500,000
Undistributed overhead (pro rata)	1,700,000	1,700,000	2,200,000
Total	10,700,000	32,500,000	40,200,000

And all together we will have about a $100,000,000 investment there.

The Treasury Department constructs its post-office buildings by contract, and it comes nearer getting value received for its money, but it has a better way of advertising for its bids than you have for your concessions.

The cost of the Potomac Highway Bridge was quite a large sum additional to the estimate. But Congress paid the bill.

The Francis Scott Key Bridge was first estimated to cost $1,000,000. Unless your Army Corps of Engineers were fooling Congress, it had the right to believe that such estimate was reliable. Yet before that bridge was built and completed it cost the Government $2,350,000. Both of these bridges span the Potomac from the District of Columbia to the State of Virginia. Yet the State of Virginia did not contribute one dollar.

For construction of the Tidal Basin bathing beach there was spent $34,838 in 1918, $38,000 in 1919, $20,000 in 1920, and $20,000 in 1921, making a total of $107,838 spent for construction. For its maintenance there was spent by the Government $14,946.05 in 1919, $15,000 in 1920, $15,000 in 1921, $14,956.47 in 1922, $11,916.21 in 1923, and $11,841.29 in 1924, making a total of $83,660.02 for maintenance during six years. And the concessionaire claims that he furnished his own lockers and most of the furnishings. I wish that every Member of Congress could have seen the character of work performed by the negroes you had there putting in some cement work.

And by the act of June 29, 1922, Congress appropriated $25,000 to construct a bathing beach for the colored people. It did not direct you where to put it. And you spent $14,819 attempting to put it in the same tidal basin pool with the white people's, and you asked Congress to give you an additional $50,000, which it did in the deficiency act of December 5, 1924, not knowing of your plan to thus mix up the two races. When I remember that during your work on this colored bathing beach you did not remove any of the cherry trees, but merely boxed them up to prevent injury by the workers, and let them continue to grow in the ground right where they were, I can not escape the conclusion that you expected Congress to stop you. And Congress did stop you, and gave you to understand that it did not want a colored bathing beach in the same pool with the white bathing beach, and in the controversy that ensued the chairman of the Appropriations Committee succeeded in passing an item of $10,000 to remove both beaches. Notwithstanding the fact that you have until June 30, 1926, to remove the white bathing beach, and members of the legislative District Committee have assured you that they will push legislation to retain the white beach where it is, and to authorize you to build an adequate colored beach wholly commensurate with the white one in every detail somewhere else, you are threatening in the press to remove it at once and thus waste almost $200,000 the Government has spent on same, and you are proposing to ask Congress for $200,000 more to build new beaches somewhere else. That is not Coolidge economy, and I promise you a man's fight against your plans.

For the Grant Memorial Congress first appropriated $10,000, then $50,000, then $40,000, then $42,000, then $25,000, then $35,000, then $25,000, then $23,000, and then $5,000, making a total of $255,000.

For the Arlington Memorial Amphitheater Congress first appropriated $5,000, then $250,000, then $250,000, then $400,000, then $100,000, and then $75,000, and the sum of $476 was left unexpended. And in one of these bills Congress made a specific direction that the total cost should not exceed $750,000.

For the John Ericsson Memorial Congress first appropriated $35,000, and then $35,000 more, and also authorized the acceptance of donations from the public.

For the Memorial to the Women of the Civil War Congress appropriated $400,000 and authorized acceptance of donations of $300,000.

Concerning the $14,750,000 Arlington Memorial Bridge, which is to span the Potomac from the District of Columbia to the State of Virginia, if anyone worked harder for this measure than the Virginia Representative into whose district it is to be built it was you, and you were finally successful and able to overcome the fight I made against it for three years. This should have been called the "Sherrill bill." When it was pushed through in the closing days of Congress, with practically no debate, I then called attention to the elaborate, expensive propaganda booklets that were opportunely distributed to each Member on the floor. I would like to know just how much they cost and who paid for it.

If your Army Corps of Engineers are so economical, why didn't you have them build this bridge? Why did you take it away from them? How does your Government equipment compare with their $50,000,000 construction facilities? You did provide in the act that when you deemed their services necessary the President could detail such of said engineers as were considered necessary. And this peculiar act further provides that you are "hereby authorized to employ the services of such engineers, architects, sculptors, artists, and other personnel as shall be determined to be necessary without reference to civil-service requirements." Why employ private engineers at big salaries when we already have our big Army Corps of Engineers already on the pay roll, with $50,000,000 construction facilities? With reference to the Virginia shore, this act provided that you were only authorized to buy approaches. Yet the press reports that you have already contracted for a body of land on the Virginia side which you intend to make into a park. Neither our Constitution nor our statute laws have ever contemplated that the District of Columbia should be further extended over into Virginia. Yet the press reports that within the past week you have dined with Virginia and Maryland representatives discussing further plans of extension.

I am afraid that much of this $14,750,000 is to be wasted in huge salaries to "engineers, architects, sculptors, and artists," and in the indifferent service most day laborers render when they are being paid with Government money. When I remember that the magnificent Francis Scott Key Bridge was finally finished, at a total cost of $2,350,000, I am wondering just how all of this $14,750,000 is to be spent. Congress already made a preliminary appropriation of $25,000 several years ago for plans. You ought to inspect the splendid, magnificent State capitol at Austin, Tex., built of solid granite, which cost only $3,000,000, paid for entirely with State land.

The press indicates that you have secured the services of Major O'Connor, who is a splendid gentleman, to make certain dredging and core borings. The stability of this bridge depends largely upon the stability of this work. I am reminded of the hearings that occurred before Congressman ANTHONY'S subcommittee on February 8 and 11, 1924, wherein Colonel Potter testified that Major O'Connor was the Army corps district engineer under whom the work was done in the third district, Mississippi River levees, and I remember that the work under him was found to be defective, which cost the taxpayers huge sums to repair.

Colonel Potter testified that they selected a committee of engineers to pass upon this work. This committee was composed of C. E. Huffstetter, junior engineer (districts Nos. 1 and 2); William McChilds, assistant engineer, district No. 3 (who represented Major O'Connor); and W. E. Elam, assistant engineer, Mississippi Levee Board. I have before me their very interesting report. Excavations covering bored sections of 48 feet each were made in three sections, and I want you to examine the three photographs, one of each section, and each photograph showing four different views of the logs and cordwood removed from the levee. All testimony shows that within a few years these logs rot and decay and the water works in during flood time, and eventually destroys the levee. This committee of engineers passing on this work reported that—

"To restore the berm and borrow pits to a standard section will require the handling of approximately 5,000,000 cubic yards of earth, at an estimated cost of $1,000,000."

And the tax-paying public will have to pay the repair account. And this committee further reported that—

"To bring the levee section up to standard it will require the handling of approximately 400,000 cubic yards of earth at an estimated cost of $120,000."

I have perfect confidence in your integrity, and also in the integrity of Major O'Connor, but sometimes good men use bad judgment, especially when they have too many responsibilities on their shoulders.

Laborers when working for private enterprise know that if they continue in employment they must assist their employer in making a profit on his contract, and they either keep busy and do their best or he promptly discharges them in self-defense. But laborers working by the day for the Government know that when the appropriation runs out the Army corps will go back to Congress for more money, and back again for more money just as long as more is needed, and they consequently do just as little as possible. And they are careless in wasting materials. And they are careless in letting Government equipment damage.

For three years I have fought against the plan of the Army Corps of Engineers to build a power plant at Great Falls, estimated by them to cost only $44,421,000, but which I have proven by the testimony of expert engineers will cost about $75,000,000 before it is completed. It has no relation whatever to navigation, and is not connected in any way with any necessity of Government, but the whole excuse for its proposal is that it will furnish cheaper electricity to the people of Washington. And I showed by credible evidence that the saving would be less than one street car token each month to each family in the District. But just as the big naval officers must have millions every year to spend on their various enter-

prises, so must the big Army officers have their millions to spend in peace times. Where is it all to end? With all that there is in me I am backing what the American people believe is the Coolidge economy program.

I was greatly amused when I read in the Herald for August 1, 1924, about the trip of inspection upon which you took President Coolidge. From it I quote:

"A visit was also paid to the new colonial building on Hains Point, which is to serve as a tea room for the Girl Scouts. Colonel Sherrill explained how money had been saved by having his own men do the job instead of paying private contractors."

How did you know you saved money? Did you have reputable contractors bid on your specifications? And if you did not, how were you able to tell President Coolidge that you had saved money? And just what particular interest have the taxpayers of New York, San Francisco, and Texas in this handsome tea house for Washington Girl Scouts, built and maintained with their tax money? They have to build with their own money tea houses for the Girl Scouts of New York, California, and Texas. And just what particular interest have the taxpayers of St. Louis and Chicago in the East Potomac golf clubhouses, for which you spent $100,000 for them and their surroundings and then turned them over to a concessionnaire gratis, just for what golf facilities he has agreed to furnish Washingtonians. You and I are friends personally, but we have crossed swords on what I consider governmental waste and bad governmental policy. And I fully realize that I have crossed swords with one of the most powerful and influential men in the Nation.

Since you caused the Herald to designate me as a meddling "busybody," I am likewise giving to the press a copy of my reply, so that the public may know that I was only diligently, earnestly, honestly, and sincerely striving to perform my official duties.

Very truly yours,

THOMAS L. BLANTON.

INDISPUTABLE PROOF OF EVERY CHARGE

I had numerous affidavits from reliable park policemen establishing without doubt the truth of every matter I brought to the attention of Colonel Sherrill. I had affidavits from other reliable citizens corroborating them. Colonel Sherrill was absolutely indifferent. He did not ask me to give him my evidence about what had been going on in the vicinity of I and Thirteenth Streets NW. He must have known already. He did not ask me to give him my evidence on what high official in his department handling large sums of Government money had been operating in the Hibbs Building. He must have known already. He did not ask me to give him the name of his high official and what he had been doing up at Monkey Hollow. He must have known already. He did not ask me about the serious charges filed in Cathedral Lodge against a high official of his department. He must have known about same already. He did not ask me to give him the proof I told him that I had concerning the many Army and Navy officers who had been turned loose after being arrested for law violations. He knew that I had the goods on him. He just accepted it all and quietly began to look around for another job.

And his superintendent of park police, Capt. W. L. McMorris, had himself transferred to another job away from Washington. And now that they are both away, it would be all right, were it not for the fact that Major Grant says that he intends to pursue Sherrill's policy. What does he mean by that? Does he mean that he intends to waste this $345,000 as Sherrill wasted many hundreds of thousands? Does he mean that he will use the park police force to break the law rather than to uphold and enforce it? Does he mean that he intends to grant concessions of valuable rights of the people to special favorites, and enable them to become rich at the expense of the people and the Government? If he does, I, for one, want to know it, because in such case I do not want to give him any additional jobs, or turn large sums of money over to him to spend.

WHY AT GOVERNMENT EXPENSE

Just why should the Government furnish an Army officer and a half a hundred park policemen at the expense of the United States to patrol private enterprises of Washington people? These bathing beaches will be let out to concessionaries who will have stocks of merchandise there to sell. The golf clubhouses are let out to private persons who have their own stocks there. The tourist camp brings in $5,000 per month during the summer and every dollar of this money goes to public welfare for Washington people. Why should Government police night watch the stocks of goods there? All proceeds from the public tennis court booths go to public welfare. Why should the Government furnish special park police to patrol same? To show you how this office of public buildings and public parks furnishes Government park police to patrol and protect private stocks of goods for concessionaires I want to quote the following from Special Order No. 3 issued by Colonel Sherrill's office on March 27, 1925, to wit:

2. The Potomac Park officers will make a thorough inspection of all buildings on their beats, including the following:
(a) Tourist camp.
(b) East Potomac golf-field house.
(c) Hains Point shelter and comfort station.
(d) West Potomac golf house.
(e) Golf house north of Lincoln Memorial.
(f) Boathouse near Paul Jones Statue.
(g) Bathing-beach building.
(h) Tennis court booths.

3. The Rock Creek Park officers will inspect the golf course, club house, tennis-court headquarters, and Pierce Mill tea house.

4. These places will be inspected between dark and dawn at least once every hour. Officers will see that all doors or other openings are securely fastened.

5. The lieutenant of park police will see that a book is placed at the tourist camp in which will be recorded the date, time, and initials of the officer making the inspection.

6. Should any of these places be broken into and it is shown that the officer on duty failed to make the prescribed inspection, he will be subject to trial for neglect of duty.

7. All failures to make these inspections on schedule must be reported in writing after each tour of duty.

By order Colonel Sherrill.

W. L. MCMORRIS,
Superintendent U. S. Park Police.

AND WHY PERSECUTE MASONS?

And just why does this Director of Public Buildings and Public Parks permit his Lieutenant Carroll, still in actual charge of the park police, to persecute those policemen who happen to be Masons? And why did such director permit the questionnaire gotten up by Lieutenant Carroll to be propounded to all park policemen to ascertain from them their fraternal affiliations? What business was it of Lieutenant Carroll that some were Masons?

Mr. Thomas J. Osborne, who was a park policeman under Colonel Sherrill, testified under oath to the following:

About October 9, 1923, I became a master Mason, and from that time my troubles began. I have been watched, hounded, and framed. Lieut. P. J. Carroll is a Catholic and a fourth degree Knight of Columbus. All the men under him know his prejudiced attitude against Masons. As soon as it became known that I was a Mason his attitude toward me changed, and I soon began to realize just what religious persecution means.

* * * Pat Tierney made the statement that Capt. W. L. McMorris would have all of the park police answer a questionnaire, and just a few days thereafter the questionnaire appeared. It was not dated and signed by Captain McMorris, and a copy presented to the men in the same way orders from Captain McMorris were handled, but my copy was presented to me by Sergt. O. O. Reese, who instructed me that I must fill in all the questions with my answers and return it before I went off duty, and I was not allowed to take it home with me.

The last question asked was: "What, if any, fraternal organizations are you a member?" Every man on the force knew that this was the real purpose of the questionnaire. I did not feel that they had any right to ask this question, but I was afraid not to answer it, so that I answered that I was a master Mason and a member of the Junior Order of United American Mechanics, to which organization none but Protestant Americans may belong. Some of the men refused to answer this question, and were told by their officer that they would be required to do it; and one of them caused the matter to be brought to the attention of General Lord, head of the Budget Bureau. Then a prominent official instructed Colonel Sherrill that he had "pulled a bonehead" in permitting this question to be asked, and then, and not until then, did Colonel Sherrill cancel the question and not require these few men who had objected to answer it. But most of the men had already answered it and returned their answers, and I know of several Masons who have been punished since then.

To show prejudice and discrimination, I will recite several cases: In December, 1924, a lady reported to No. 4 police station that Sergeant L——— was drunk in full uniform and had turned over his motorcycle at Fourteenth and Water Streets SW. about 8 o'clock a. m. The park police office was also notified. Just before the Metropolitan patrol wagon arrived Lieutenant Carroll arrived on the scene and took charge of L———, taking him to his office, and L——— was so drunk that he vomited on the floor in the presence of Carroll and Captain McMorris, and Private Staples was directed to take L——— to his home. Being thus drunk was a violation of law, yet they kept charges from being filed at No. 4 station, and Colonel Sherrill punished L——— himself with a slight discipline, but he is a sergeant now in the service.

In December, 1922, Lieutenant Carroll found B———, who is a police private, drunk on duty and asleep in an automobile at 3 o'clock a. m. in Rock Creek Park. Colonel Sherrill merely suspended him and then restored him to duty, and he is still a police.

In December, 1923, Sergeant Purtlebaugh reported Private C——— for being drunk in Rock Creek Park, and for insubordination, and he was merely suspended for a time, but Colonel Sherrill restored him to duty, and he is still a private on the police force.

Captain McMorris smashed up a Government car belonging to Colonel Sherrill's office, and no police report was ever made of it, as it was kept very quiet, and the car was repaired in the navy yard.

While there were no written orders to that effect, yet, from our experience on the force, we learned that we were expected to show special consideration to Army and naval officers and their families, and that if we failed to exercise discretion and pinned down on them in the same way that we would anybody else, that we would be punished indirectly ourselves.

THOMAS L. OSBORNE.

Sworn to and subscribed before me, the undersigned notary public, on this the 26th day of June, A. D. 1925. Given under my hand and seal of office in Washington, D. C.

[SEAL.] A. M. HUGUENIN,
Notary Public in and for the District of Columbia.

My commission expires April 23, 1930.

And the following is an affidavit from one of the finest young policemen we now have on the force:

AFFIDAVIT OF ORVILLE STAPLES

My name is Orville Staples. I am a private in the United States park police. Representative BLANTON, of Texas, having sent a messenger in his car to my home for me, and in the presence of six other men in the House Office Building asked me specific questions, I give the following as my answers thereto under oath, to wit:

On February 11, 1925, we had orders to be on the alert for any loiterers around the Tidal Basin bathhouse, as it had been burglarized. That night about 9 o'clock, while Sergeant Purtlebaugh, Private Rainey, and myself were standing under the bridge over the speedway we saw a colored man, suspiciously dressed considering the weather, get off the car at a point nearest said bathhouse, but six or seven blocks from any house, and started as if he were going to the bathhouse.

When we started toward him, and he saw us, he changed his course as if he were going up Fourteenth Street. We stopped him and asked him where he was going, and he said over in the southwest where he lived. We asked him what street and the number and he couldn't tell us. I happened to brush my hand against his hip pocket and felt a razor in it. I took the razor out of his hip pocket, and said "Sergeant, see he has a razor. I am going to take him to No. 1; do you want to go?" and he said "No; go ahead." At the hearing this colored man, Carlton Jacobs, claimed that he was moving, and that he also had a shaving brush in another pocket, and that such circumstances indicated that he was merely moving his razor and brush. Although when first presented to the district attorney and he examined the razor, he remarked to us that it looked like it had blood stains on it, and hadn't recently been used for shaving; the judge held that the evidence was not strong enough to convict and had the case dismissed. Both District Attorney Given and Judge Schultz commended Officer Rainey and myself for our action. To my surprise, on February 23, 1925, Colonel Sherrill wrote me a letter reprimanding me for making the arrest, when it wasn't sustained by conviction, and punished me by adjudging me to forfeit and lose one day of my annual leave, Colonel Sherrill in his letter using this language: "You are reminded that officers of the law must be careful in safeguarding the rights of citizens and not jump at conclusions and take ill-considered action, such as appears to have been done in this case." If I had been given a hearing by Colonel Sherrill before he adjudged me guilty and assessed my punishment, I could have shown that we had ample basis for making the arrest. Just a short time after this, the bathhouse was again entered, and the burglar took off the things he had left piled up on his preceding entry. Colonel Sherrill, so I am informed, inflicted the same punishment upon Officer Rainey, and sent a letter to Sergeant Purtlebaugh reprimanding him.

Either in February or March, 1925, at inspection, Sergeant Miskell detailed me to East Potomac and Annex and instructed me that he would pick me up in his side car and go with me to watch parties who had just gone by and who were known to violate the law in the vicinity of what was known as the "Pines." When we got there these parties were hidden in the pines, and we were near a bridle path where we could watch them and also be in sight of the thoroughfare. We had ample basis for arresting the parties on one charge, and in just a moment would have basis for arresting them on a more serious charge, but Captain McMorris came riding up on his horse, and in a loud voice demanded an explanation of what we were doing there. When Miskell told him, he looked over in the Pines and saw the people, and then turned to me and said, "Staples, there is a man down at the Point out of gasoline; go get him some." I went there and found a man in a fine large Packard car out of gas, and then went a mile for a 5-gallon can of gas for him.

About November 10, 1924, I arrested Mrs. J———, wife of Lieutenant J———, and daughter-in-law of Brigadier General J———, for speeding her car defiantly 32 miles per hour, she having driven around Lincoln Memorial three times, and then down the speedway. When I had her drive her car to No. 1, she said: "Look here, you don't know who I am; I am certainly going to take this up." She rang our office for Captain McMorris, who was not in, and reported the matter to Lieutenant Carroll, who advised me she was the daughter-in-law of Brigadier General J———, and for me to let her forfeit $5 collateral. The next day or two when I met Captain McMorris, he said: "Look here, boy, see what I am up against, here is an invitation to a big entertainment at Brigadier General J———'s house, and I can't go, because you have pulled his daughter-in-law."

While no orders have been issued to show special consideration to certain individuals, still from our experience as officers in making various arrests, we have gained the impression that by the instructions for us "to use discretion" when making arrests, means that if we treat influential Army and naval officers, or their families, like we treat other people, we may expect to be punished ourselves.

On February 6, 1925, I arrested a colored chauffeur who worked for one of C———'s friends, and the records of No. 1 station will show that I had him for driving 30 miles an hour, holding him to put up $10 collateral. Later, when I went back there to see whether he had put up the $10 collateral, the police clerk handed me this written authority signed by Captain McMorris instructing that this chauffeur, Matthew Curtis, be released on only $5 collateral, and with the speed reduced from 30 to 24 miles per hour. And Curtis put up $5 and then forfeited it. No one had authority to reduce the speed, for I rode behind this chauffeur with a sergeant, and we timed him, and for three blocks he drove 30 miles per hour.

In March or April, 1925, I arrested Lieutenant H——— for driving 35 miles per hour. I gave him a card to put up $10 collateral. He rang up the office and didn't do it. Lieutenant Carroll instructed me not to get out a warrant for him, as he would meet me in court the next day, and for me to let him go, by his putting up the minimum collateral, $5, and I obeyed such instruction. And he forfeited the $5.

Shortly after Private Allen's funeral a sergeant brought me a questionnaire asking us certain questions, the last of which was the organization we belonged to, and we were required to fill in our answers without taking same home and return it before going off duty. I was instructed that if I answered that last question falsely, with reference to fraternal organizations, that a trial would ensue. I answered all of the questions except the one about fraternal organizations. Then I was warned that I had better answer it, but I refused to do so, and later a special order came that we did not have to answer it.

Captain McMorris once told me that I was making entirely too many cases, and either the other men weren't doing enough or I was doing too much. I said: "Captain, when I am doing eight hours' duty I feel that I should be active eight hours, and in all of the cases made by me no one will complain that I ever treated them wrong." He said: "The Metropolitan police do that because they have to make a certain amount of cases, but we park police do not, and I am going to shake it down." And shortly after that Lieutenant Carroll ordered me to turn over my uniform and motor cycle to Private Connelly, who would give me his uniform. And he thus demoted me, which reduced my pay $10 per month, and said that it was the orders of Captain McMorris. My uniform was a new one, which I paid for out of the $100 allowed therefor per year, and I had to take the old worn-out uniform of Private Connelly's.

ORVILLE STAPLES.

Sworn to and subscribed before me, the undersigned notary public, on this the 27th day of June, 1925, in Washington, D. C.

[SEAL.] FLORENCE TICHENOR,
Notary Public in and for the District of Columbia.

Park Policeman M. A. Rainey in May, 1925, was called on by Metropolitan police to assist them in making an important raid where they were sadly in need of help. He responded and bravely performed excellent work that was noted by the press. He was immediately raked over the coals by the following letter and given to understand that assisting in the enforcement of law was not a part of his duties:

OFFICE OF PUBLIC BUILDINGS AND PUBLIC PARKS
OF THE NATIONAL CAPITAL,
May 20, 1925.

MR. M. A. RAINEY,
United States Park Police.

SIR: It has come to my attention through the public press that you recently participated in a raid against persons charged with violating prohibition laws.

You are requested to submit a written report as to the circumstances which necessitated your participating in this raid, and in particular

state whether it was done during your regular tour of duty or outside of same.

You will further report the amount of time, if any, which you are required in court as a witness in this case, and whether your attendance as such witness requires your being absent from your regular tour of duty as a park policeman.

Very truly yours,

W. L. McMORRIS,
Chief Protection Division.

DEPARTMENT NEEDS WORKING OVER

I have presented all of these facts connected with this department to which this bill would turn over this $845,000 for expenditure, because I hope to get my colleagues to help me weed out of it some inexcusable duplications in service and waste.

There is no necessity whatever for this separate park police force. It is duplication pure and simple and unneeded. And the matter of numerous important concessions involving tremendously monthly income must be overhauled.

MOTION TO RECOMMIT

I expect to offer a motion to recommit this bill to provide that this $845,000 shall be appropriated wholly out of the revenues of the District of Columbia. I have placed all of the foregoing facts in the RECORD for two purposes: (1) That my colleagues may know just how the $200,000 of the people's money, out of their Public Treasury, has been heretofore wasted by Colonel Sherrill on the Tidal Basin beach, so that they may vote intelligently on my motion to recommit; and (2) in order that the Senate may know how this department has been run in the past, so that when this bill reaches the Senate it may amend it and provide that these bathing beaches shall be built by the Commissioners of the District of Columbia and controlled by them, and that this $345,000 shall not be wasted by Major Grant, who has said that he would carry out the policy of Colonel Sherrill, which has been wasteful, improper, and extravagant.

I feel convinced that the committee will outvote me on my amendment and prevent this action in the House, but I am in hopes that the Senate of the United States may pay some attention to these facts which I have gathered this past summer concerning this department.

Look at the two clubhouses down on the golf links, which cost the people of the United States $100,000, as Colonel Sherrill wasted that sum in building them. Get an expert contractor and take him down there, and he will tell you he could have built those buildings with one-half of the money of yours that Colonel Sherrill spent in constructing them. Go down there and look at the tea house of the Girl Scouts at Hains Point and see what it cost Colonel Sherrill, and then get your contractor and take him down there, and he will tell you he could have built that Girl Scout's tea house for one-half of what Colonel Sherrill spent upon it, of your money out of the Public Treasury.

I do not believe in such a wasteful policy. I happened to watch the progress of the construction of the Tidal Basin bathing beach that was destroyed after you spent $200,000 on it. I wish you could have seen what I saw with respect to its construction. I saw a gang of workmen there, a bunch of colored men, laying that cement. There was about 1 out of 10 working and they were working about one-fifth or one-sixth of the time only. You never saw such waste in your life.

This amendment ought to be adopted and the work ought to be done under the direction of the Commissioners of the District.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ZIHLMAN. Mr. Chairman, the amendment offered by the gentleman from Texas [Mr. BLANTON] is another example of the consistency with which the gentleman from Texas legislates. It has not been a week ago that he was on the floor here criticizing the official acts of the District commissioners, challenging their competency, challenging their ability to perform the work assigned to them, and it has not been a week since he heard the District of Columbia Commissioners, before the committee of which he is a member, say they were unable to keep up with the work they now have assigned to them; that they are unable to give thought and consideration to many of the problems here. They have asked for an enlargement of the membership of the Public Utilities Commission of the District of Columbia so that there can be appointed additional members to take up the great problems before that commission, questions affecting the people in the District here to the extent of millions of dollars; and yet when we propose to put the construction of these bathing pools or beaches in the hands of the Director of Public Buildings and Grounds, in charge of the same officer who is assigned the great task of building the Memorial Bridge at a cost of more than $7,000,000, putting the construction of these pools under the direction of the man who has charge of the parks in which they will be erected, the gentleman from Texas comes here and proposes that the construction of these bathing pools be placed under the direction of the Commissioners of the District of Columbia.

I say to the members of this committee we feel we have sufficiently safeguarded the erection of these beaches when we place their construction in charge of the officer I have referred to. We provide the construction must be approved by the National Capital Park Commission and that the advice of the Fine Arts Commission shall be sought.

Why the gentleman wants the commissioners to go down in the public parks and build bathing beaches, I am unable to understand, unless it is because of the reference he made to a former director who is now city manager of the city of Cincinnati.

Mr. BLANTON. Will the gentleman yield?

Mr. ZIHLMAN. I yield.

Mr. BLANTON. When I am faced with two evils I always try to select the lesser of the two.

Mr. KELLER. Mr. Chairman, I would like to know what the two evils are. I do not see any, so far as the particular question of who shall construct the bathing beaches is concerned. I have faith in the men who are going to take care of this work, especially so far as the National Capital Park Commission is concerned. They are the highest type of men I ever met in my life on that commission.

Mr. ZIHLMAN. I will say to the gentleman, notwithstanding the statement made by the gentleman from Texas [Mr. BLANTON], the same authority, the President of the United States, appoints the commissioners as assigns the officer in charge of public buildings and grounds, so that the point made by the gentleman from Texas as to the commissioners being responsible to the people and this Army officer not being responsible is certainly not well taken.

I hope the amendment offered by the gentleman from Texas will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I offer another amendment, on page 1, line 3, after the word "parks," insert the words "of the National Capital."

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 1, line 3, after the word "parks," insert "of the National Capital."

Mr. BLANTON. Mr. Chairman, to show my colleagues that I am more in favor of building bathing beaches, when properly paid for, than even the chairman of the committee, I am providing that they shall be built by this amendment, because without this amendment there would be nobody authorized to build them. There is no such official known as the "director of public buildings and public parks," as designated in this bill, the proper designation of such official being by law the "Director of Public Buildings and Parks of the National Capital." That is his official position. Therefore I am showing my good faith in helping the committee get a bill that will build bathing beaches.

The only thing I objected to was putting this $345,000 in the hands of an Army officer and providing that the money should come out of the Public Treasury, when it should be paid by the Washington people. I wanted the people who use the bathing beaches to pay for them, and I wanted their commissioners to build them.

Mr. ZIHLMAN. Mr. Chairman, I accept the amendment and also the little lecture of the gentleman from Texas.

The amendment was agreed to.

Mr. ZIHLMAN. Mr. Chairman, I move to lay the bill aside with a favorable report.

The motion was agreed to.

The bill was ordered reported to the House with a favorable recommendation.

HOME CARE FOR DEPENDENT CHILDREN

Mr. ZIHLMAN. Mr. Chairman, I now call up the bill (H. R. 7669) to provide home care for dependent children.

The CHAIRMAN. The gentleman from Maryland calls up the bill H. R. 7669, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 7669) to provide care for dependent children.

Mr. ZIHLMAN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. ZIHLMAN. Mr. Chairman, I yield five minutes to the gentleman from Minnesota [Mr. KELLER].

Mr. KELLER. Mr. Chairman, there have been numerous requests from Members who want to be heard on this legislation, and I shall therefore try to be as brief as is consistent with an explanation of the bill. The bill recognizes the duty of the Government to provide proper facilities for the maintenance of children who have been so unfortunate as to lose the father by death, or for some other reason, so that with this aid the mother may keep the little family together and so that her children may receive a mother's care in an American home, as the children are entitled to under our Government.

At the present time there are a few good people in the District of Columbia who give aid by contributions to a certain fund, and that fund is distributed to the mothers. That board is called the Board of Charity of the District of Columbia.

I take the position that such aid is not charitable aid, but is an obligation of the State, and in this case it is an obligation of the District of Columbia. Such aid should be paid out of the revenues collected by taxation. A few years ago the commissioners had numerous complaints from citizens of the District of Columbia because of the overlapping powers of the welfare commission and the board and of the conflicting laws and regulations of such board. So the commissioners appointed a welfare commission of the District of Columbia, consisting of people residents of the District of Columbia. These people had in mind two things—one to analyze the laws and the powers of the different boards and to recommend such legislation as would unify the opinion of the people of the District of Columbia, so that they might come to Congress with a unified thought on such legislation as they wanted.

The first legislation recommended by Congress by this commission is the bill before you. This bill I introduced by request of the commission, and in substance it is about as they requested it, except in one particular, and that is the first section of the bill.

Originally the bill suggested that the administration of this law should be under the Board of Charities, a now existing agency of the District of Columbia, who have other duties to perform under the welfare work. The subcommittee took the position that such powers and regulations should come under a separate board, because experience has shown us that the best result of a law of this kind giving aid to dependent children should have a separate board who has no other duties to perform. So in section 1 we provide for a board of five members to be appointed by the District of Columbia Commissioners, such board to serve without compensation, and that they must be residents of the District of Columbia at least for three years preceding their appointment.

Section 2 provides for the person who may make application for receiving such aid; that is, the mother.

Section 3 provides certain information of investigation which the board shall make to find out whether the person making the application qualifies under the law.

Section 4 provides for the board to make findings in writing on all applications. The board may make an allowance to mothers by monthly payments.

Section 6 provides that the board shall employ certain persons, who shall make investigations each month or as many times as necessary of all the different homes where they give aid.

Section 7 provides that they shall keep a record of all applications and moneys expended.

Section 9 provides for punishment of persons who give false statements to the board on any stage of the proceedings.

Section 11 authorizes the appropriation of $100,000. This $100,000 is an arbitrary figure. The board of welfare commissioners received information from people in the work in the District of Columbia in order to find out how many there might be who would make application under the law, and then multiply by an average figure, taking the average of different States that have such a law in force.

Section 11 provides that they shall have power to appoint a supervisor and such other employees as are necessary to carry on the work of this law, and that such employees shall come under the classification act of 1923.

Mr. Chairman, this bill as it appears before you, in my judgment, is not a model bill. The President of the United States in his message last December mentioned that there should be some such law enacted. He also used the word "model." In my opinion, this bill is far from being a model for such legislation. I would go a good deal further than this bill. For instance, in the question of who should get the aid, I would say that if a mother dies that such aid shall be given to a near relative or any other person who is willing to take the children and provide for them. I would go even further. I think we should provide that if the mother dies and the father is disabled and can not care for the children, he should have the aid; or even further, that when the father is an able-bodied man and loses his partner in life whose duty it is to look after the children at home, then this aid should be given to him. I understand that in one State, Colorado, the law goes as far as that. We ought to go further than that, and if we find that certain persons who make application, whether mother or father, have $100 or even up to $1,000 in property or cash, they shall receive aid; but under this bill we do not go as far as that; we go only as far as it was recommended by the welfare commission of the District of Columbia.

At the present time aid is given to certain children in the District of Columbia who are turned over by the courts to a board called the Board of Children's Guardians. That board places those children in homes or in some institution. That aid is paid for out of the revenues that are collected by taxation in the District of Columbia.

I believe this principle is established in our country when we say that under our cooperative public school system every child should have at least an elementary education to be paid for out of the moneys collected by taxation. In this bill we go a little further. We say that we feel that if a child with a trained mind has not a strong physical body he is not fit, and we all must recognize that children who are unfortunate, who lose their provider in early years, can not get sufficient necessities of life to become strong men and women, and as long as that child is entitled to an elementary education we feel that he is also entitled if it be found in this condition to help to sustain it as far as food and clothing go. After all, when you analyze it a little deeper, every boy and girl who becomes of age and is a strong man and woman becomes an economic asset to society and the Government itself.

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Yes.

Mr. BLACK of Texas. In reading the bill I do not see any maximum allowance provided. Is there any regulation by law in respect to that at the present time in the District of Columbia?

Mr. KELLER. Not in the District of Columbia. Some States fix a maximum, and some do not. I do not think a maximum should be fixed for this reason: Suppose it be made $30, which seems to be the average price paid to private institutions by different States, and also here in the District of Columbia. If a mother makes application and she receives aid for a number of months, either she may die or some misfortune happen and she may get sick or the children may get sick, and then there is not sufficient money to supply the family with enough to carry on. Therefore, it seems to me there should not be any restriction upon it, and that on such occasions they may give more for a few months temporarily because if you have a restricted amount you will find in many cases that you will destroy the good of the act, particularly if they are unfortunate along the lines that I have suggested.

Mr. HOOPER. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Yes.

Mr. HOOPER. Is there any legislation of this kind in the District now in respect to widow's pensions or anything of that kind?

Mr. KELLER. No.

Mr. HOOPER. Then this is new legislation?

Mr. KELLER. There is a law that dependent children may be turned over by the courts to a certain board and that they may get aid out of revenues collected by the District by taxation, but there is no mother's aid law, so-called, in the District of Columbia.

Mr. BLANTON. Mr. Chairman, I yield five minutes to the distinguished lady from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Chairman, myself a mother, I consider it a great privilege to be permitted to address this House in behalf of the many mothers who will be benefited by this bill.

It is a bill worthy of the vote of every Member of this House. It may not be a perfect document, there are few such, but it is designed to fill the greatest necessity in our country to-day—to provide the necessary means to insure a home for a widowed mother and her fatherless children and to keep them together in that home.

It has often been said that the home is the foundation of society and the bulwark of the Nation. If this be true—and I do not believe there is a person present who will challenge its truth—then it follows that mother and child should not be separated, that the child should be given the benefit of mother love and care.

Much has been written of mother love and we have all felt its influence in our own lives. There have been moments in the lives of all here present, spent with an adoring mother, which they would not exchange for the greatest honor within the gift of this great Nation. Because of this, I feel that it is a rare privilege to be permitted to vote for this bill—to feel that by my vote I shall be able to bring a ray of sunshine into the life of even one mother. Some day perhaps the child of this mother may sit in this House and assist in framing laws for our beloved America—who knows?

The one thing we do know is that under the influence of mother and home all that is good in the girl and boy will be cultivated and developed. The children of to-day will be needed to-morrow to carry on, and our country will prosper, not through its wealth nor through its power, great as that may be, but through the proper development of its citizens—and in so far as we may we should do our duty in this development and no greater opportunity will ever present itself to us than is ours to-day—to help the mothers of the District. Let us make this bill unanimous and dedicate it to our holiest and most sacred memory—Mother. [Applause.]

In our State of New Jersey we have a very excellent mothers' pension law, which has done a great deal for the mothers of New Jersey. It is because I know the manner in which this law is working and the great assistance it has been toward keeping the mothers and their children together that I urge the Members of this House to vote unanimously for this bill. [Applause.]

Mr. BLANTON. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR of New York. Mr. Chairman and gentlemen of the committee, a few days ago some one said that this session of Congress was likely to adjourn without having done one worth-while thing for the people of this country. I submit that libel must be amended to-day by saying at least that this Congress is going to pass to-day, I hope, a piece of humanitarian legislation which will at least take care of the children of the District of Columbia. We from New York have lived with this kind of legislation for a number of years. Away back in 1913 the fight for widows' pensions, as we call it there, was led by that distinguished gentleman who now is the chief executive of the Empire State, Gov. Alfred E. Smith.

At first there was great opposition raised to the measure, but gradually it became almost unanimous when the Legislature of the State of New York realized that the greatest asset of the State was its children.

And, Mr. Chairman, credit should be given where credit is due. I am informed that great efforts in behalf of this bill have been made in this Congress by the distinguished gentleman from New York [Mr. MILLS]. So politics or partisanship enters into this measure not at all. Everybody who has studied the question realizes to-day that this problem must be faced—what to do with the children when they are left orphans.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. O'CONNOR of New York. I will.

Mr. BLACK of Texas. Does the New York law have any maximum amount? I do not see that this bill provides any.

Mr. O'CONNOR of New York. I understand that is left to the discretion of the child welfare board.

Mr. BLACK of Texas. It seems like delegating a large discretion. Is that the case in New York, that it is left entirely to the child welfare board?

Mr. O'CONNOR of New York. I so recall. In New York $5,000,000 is spent every year in behalf of the orphan children. Referring to another phase of this subject, in New York we have a board which functions all the time with an intense interest in the work. Sitting in the gallery to-day is a young lady who has done more for this kind of legislation than anyone else in this country. She has given her services gratis to the orphan children of the Nation—Miss Sophie Irene Loeb. She was the first president of the New York City board that has continued through these many years to function to the satisfaction of everybody.

Mr. GIBSON. Will the gentleman yield?

Mr. O'CONNOR of New York. I will.

Mr. GIBSON. The gentleman has referred to New York. I will ask the gentleman if he knows whether this particular scheme is asked only by the District of Columbia.

Mr. O'CONNOR of New York. This particular measure here? I do not. I presume, as it is brought in from the Committee on the District of Columbia, that it must meet with the wishes of the people of this District.

Mr. HAMMER. Considering in New York you have about 5,000,000 children, while here they are so few, there is no real necessity——

Mr. O'CONNOR of New York. Instead of turning these children over to a charitable department of the Government and make them objects of charity, under this bill, they are to be treated by an entirely different method. Of course, I regret that the bill does not go as far as I should like——

Mr. KINDRED. Will the gentleman yield?

Mr. O'CONNOR of New York. I will.

Mr. KINDRED. The gentleman stated that he regrets the bill does not go as far as he would like it to go.

Mr. O'CONNOR of New York. I do.

Mr. KINDRED. Does the gentleman refer particularly to the fact that the bill lacks any feature for the adoption of children outside of strictly orphan institutions, where they can go; that it lacks a provision under which children could be adopted in moderate good families rather than being No. 95 or 105 in large educational places?

The CHAIRMAN. The time of the gentleman has expired.

Mr. O'CONNOR of New York. I ask for one additional minute.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. O'CONNOR of New York. As I understand it, the principle of this kind of legislation is to prevent children going into institutions when there are opportunities for them to be provided for in a home; and my regret is that if there is no mother to preside over the home and there is some other woman who will serve in her stead, that provision has not been made to provide for that contingency.

Mr. KINDRED. That answers the question.

Mr. BLANTON. Mr. Chairman, I yield three minutes to myself. I want to answer the question my colleague from Texas [Mr. BLACK] asked a moment ago. Under the present law here in the District of Columbia the welfare board at will takes children away from their mother when they deem it advisable and pay as much as $30 apiece to outsiders to take care of those children, when if they paid half of the $30 to the child's mother the mother could take care of the child at home; and when our committee investigated this matter our committee was practically unanimous in the conclusion that the situation ought to stop, that no welfare board here in Washington should ever take a child away from its own mother on account of poverty and then pay money to somebody else to take care of that child. Hence this bill; and this is a mother's pension bill, pure and simple. It proposes that instead of paying money to an outsider the money is to be paid to the mother and she given an opportunity to raise the child in her home.

Now, I want to compliment the distinguished gentleman from New York [Mr. MILLS]. This is his bill. I believe in bestowing flowers when a man is alive. [Applause.] We know our colleague from New York as an expert financier, as a man connected with the money markets of the country, a man who knows the money question from A to Z; but we have not heretofore seen this side of him, the philanthropic side, that led him to bring in a bill that takes care of the little children and the mothers at this National Capital.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HUDSPETH. I see that this bill appropriates $100,000 from the revenues of the District of Columbia. Has the gentleman made an investigation, so that he can tell the House whether or not this sum will be sufficient to take care of these unfortunate children?

Mr. BLANTON. Yes.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Chairman, I yield to myself five minutes more.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HILL of Alabama. I notice in subsection (d) of section 3 that the board is required to provide for the child. What is the present law to-day relative to the father being compelled to provide for his children?

Mr. BLANTON. There is such a law here now, providing that the welfare board can compel him to do that.

Mr. HILL of Alabama. What penalty is provided?

Mr. BLANTON. It provides that, so far is his earning capacity is concerned, he may be forced to take care of them, and he may be fined if he does not do it.

Mr. HILL of Alabama. Suppose he does not. What penalty is provided?

Mr. BLANTON. A fine of $200, I think.

Mr. KINDERD. Yes; $200.

Mr. BLANTON. I want to compliment also the distinguished gentleman from Minnesota [Mr. KELLER] on his unselfish action in reporting this bill. You know there are some men who from pride of authorship about a bill, because they introduced a certain measure, want their own bill or none at all. They are not willing to give up their measure for a better measure.

I want to compliment the distinguished gentleman from Minnesota [Mr. KELLER] on the fact that when he read over the Mills bill and when he convinced himself that the Mills bill was a better bill than his own, he adopted the Mills bill and accepted it as though it was his own. He did not insist on the provisions of his own measure. When you find a man like that, he is a statesman, and not a mere ordinary legislator. It was his fight in the committee when he insisted on the idea of a separate board that won, when there was strong antagonism brought against it; and I think he deserves the commendation of the entire committee and of the Congress for adopting a measure which he considered a better measure than his own. [Applause.]

Mr. KINDRED. Does the distinguished gentleman from Texas believe that section 2 of the bill, which provides for visits by the inspectors of the board, covers amply the observation that should be kept up continually by the board?

Mr. BLANTON. Yes; and I will tell the gentleman why. This is to be a separate board. Their time is not to be taken up with other matters. They are to be patriotic women, I presume, practically all of them, who are willing to give their time and attention to it. You put it into the hands of women of that character and they will see to it that proper inspection is made.

Mr. KINDRED. There is ample inspection provided?

Mr. BLANTON. Yes; I think so.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. MOORE of Virginia. My impression is that in the last Congress, in dealing with legislation that was presented to us, we provided for a pension to mothers of children in their own homes?

Mr. BLANTON. Yes; and in that connection I remember that when I offered that amendment, it was the distinguished gentleman from Virginia [Mr. MOORE] who offered a perfecting amendment and helped to pass it. He deserves great credit for his action. It passed the House but was lost on the other side.

Mr. MOORE of Virginia. Everybody in the House agrees, whether you set up this new board or put jurisdiction on the board to be created, that you will have no difficulty on that point?

Mr. BLANTON. No. I agree with the gentleman.

Mr. SNELL. Mr. Chairman will the gentleman yield?

Mr. BLANTON. Yes.

Mr SNELL. Is the selection of a new board the only thing to which there was objection in the committee?

Mr. BLANTON. Yes. The only controversy that came up was on putting this into the hands of a separate board.

Now, Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BOYLAN].

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. BOYLAN. Mr. Chairman, ladies, and gentlemen of the House, it is with great satisfaction that I rise to say a few words concerning this bill. I was a member of the Legislature of the State of New York in the year 1913, when the mothers' pension bill was passed in that State. One of the leaders, and the prime leader, I may say in that movement, was that distinguished son of New York, and particularly of New York City, our present governor of the State, Alfred E. Smith. We rallied around him. And one of the greatest workers for that splendid and laudable legislation was a distinguished lady known to newspaper readers of this country, Miss Sophie Irene Loeb, whose presence we are honored with to-day. For the last 14 years she has labored unselfishly, without compensation of any kind, in order to endeavor by her humble efforts to put this laudable legislation on the statute books of the various States. I think great credit is also due to our distinguished committee, and particularly to one of the members of the subcommittee, the distinguished Congresslady [Mrs. NORTON], who has heretofore addressed you. [Applause.] She was the one who was able to iron out the points of difference and, with the usual woman's tact, bring the warring factions together and to unite under this bill.

I am glad that another distinguished son of New York has had an important part in the framing of this bill. I know that Congressman MILLS has done full well his share.

In considering this great credit we must not forget the distinguished Congressman from Minnesota [Mr. KELLER], who had the first thought for its introduction. The bill is big enough and broad enough to shed glory and credit upon everyone who has had part in its forming.

We know well that the greatest asset of the Republic is the children of the Republic. Our distinguished President, in his message in December last, said we ought to have a model law on this subject. I agree with him. I believe that the laws governing the District of Columbia and everything about the District of Columbia ought to be a model to the rest of the Nation. We ought to set up here a city with improvements that will serve as a model for the visitor, North, East, South, or West, in order that he may return to his home town and carry out the things that he has seen here erected by the Congress of the United States.

Mr. HAMMER. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. HAMMER. Does the gentleman realize that a committee of citizens of the District of Columbia for about 18 months has considered this welfare bill, and does the gentleman realize that this bill was prepared by that committee of ladies and gentlemen eminently equipped and well acquainted, and that it represents their views with the exception of the first section? The first section contains what New York believes is the proper kind of a bill. Is the gentleman aware of the fact that none of the citizens' associations in the District are in favor of or have asked for this particular section, amended at the instance of outsiders? Does the gentleman realize further that in the District there are very few children and that there is no real necessity, according to the opinion of the people who have given so much time to this measure, for a separate board and that the regular welfare board to be created in the welfare bill can do this better and is better equipped to do it than any other board?

Mr. LAGUARDIA. Will the gentleman from New York permit me to answer the gentleman from North Carolina?

Mr. BOYLAN. I will.

Mr. LAGUARDIA. Then will the gentleman state to his colleague from North Carolina that it is not a New York bill at all; that 30 States in the Union have exactly the same provision and that the provision which the gentleman now criticizes is the very heart of the bill. If you take that out you might as well go back to your old and disgraceful charitable system.

Mr. HAMMER. I think my friend should understand that there is a great deal of difference between the States and the District of Columbia. The District of Columbia does not have so large a population as some of the congressional districts in the city of New York. There are 23 congressional districts in New York City and this District does not have the population which the gentleman's district has, and there is no need, in my opinion, of a separate board in the District.

Mr. LAGUARDIA. That is not our fault.

Mr. BOYLAN. I might say, Mr. Chairman, in answer to the gentleman, that I have already stated that there is credit enough in this bill to cover everybody who has had a part in its framing. That is already in the RECORD. In answer to the second part of the gentleman's question, I would like to say to him that the word "charity" should not be associated with welfare aid to the child [applause], especially, sir, when the District Committee has other matters to attend to, such as the care of the indigent poor, the care of correctional institutions, and other matters of that kind, and they should be forever divorced from the words "child welfare."

I want to say, Mr. Chairman, that in the State of New York the passage of this bill put the orphan asylums out of business. Thank God there are no orphan asylums in the State of New York to-day on account of the passage of the meritorious mothers' welfare bill.

In passing this measure we are erecting a standard, although it may not be the highest that we desire; yet, like any legislation, it can be perfected in time, and additions can be made to it that will truly make it a model law, so that people writing to the commissioners of the board of child welfare of the District of Columbia may get information in order to set up in their particular State a similar law taking care of the greatest asset of our country—the children.

We should not stop here. Our humanity should extend to far greater realms. I have contended, during the period of time I have been here, that there ought to be more humanity in government. There ought to be a greater desire to reach out and do things that ought to be done in the various departments

of government in a humane way. Many of us, day after day, get letters from various departments telling us:

We regret that under section 31339 we can not comply with your request.

Or—

We are sorry to say that section 41141 does not permit us to take the action you desire.

There ought to be more elasticity in the interpretation of our statutes, because you know, gentlemen, there never was a law put on the statute books of the States or of the United States that was not intended to be broken at some time. So let us urge a little more humanity in the application of our laws. Let us not have gentlemen at the head of departments who, after the day's work is done, get together and say, "Well, how many did you knock out to-day? I knocked out 25." "How many did you knock out? I knocked out 33." Let us, gentlemen, have more humanity and less of red tape and regulation. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ZIHLMAN. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. BEGG].

Mr. BEGG. Mr. Chairman and members of the committee, this bill offers a most wonderful opportunity for a lot of sob stuff, and we have had plenty of it about humanity and so on to-day. There is not any difference of opinion on the question of public responsibility for the widowed and orphaned mothers and children.

However, there is an angle to this bill I want to distinctly call attention to. In the first place, I have no hesitancy in saying I am decidedly opposed to a separate board. The movement to-day not only in the Federal Government but in all the State governments is toward an elimination of superfluous boards, commissions, bureaus, and so forth, and we ought not to create any more boards in the District of Columbia, when it is admitted by all parties concerned that there is ample time, ample equipment, and ample authority in boards already established to do the work.

Great stress is put on the fact that, if we will create this new board with no salary, it will divest itself of any atmosphere of charity. Well, you can argue what you will, or say what you want, and call it what you may, in the last analysis the widowed mother or the orphan does not care two whoops whether she gets her monthly check from a separate board, or from a child welfare league, or whatever the name of it is in the District of Columbia, and such an argument is all hoax.

This nonsalaried board must have an office, and it must have some furniture, and, perhaps, some inspectors, if the work is to be done right; and it also must have some bookkeepers, clerks, and secretaries. You have appropriated $100,000 to do the work, and my guess is that before two years roll around you will come in on this floor and ask for greater appropriations. What for? Not for the mothers and the children, but for the working force in this nonsalaried board. I have yet to see a man work for the Federal Government for nothing who was worth any more than the salary he got.

There is another reason. I am against universal franchise for the District of Columbia, and I do not mind saying it publicly. Being against universal francise, I am just as much against bringing in experts, or others, from New York and telling the District of Columbia what to do, after they have studied the charity question for three years or more and have come to Congress with a united appeal for a charity machine that they want set up in a certain way. I am opposed, for one man, to letting New York City or any other city come down here and tell these voteless people, "You are all wrong; you can not centralize your charities under one board." That is what the District of Columbia wants to do; and, if they want to do it, Congress ought to permit them to do it. [Applause.] Instead of that, we are saying to them, "You do not know what is good for you. We have a theory up here in New York, and we want you to take our theory, and we know it will be better for you."

Mr O'CONNOR of New York. Will the gentleman yield for a question?

Mr. BEGG. In just one moment.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BEGG. May I have just three minutes more?

Mr. ZIHLMAN. I will say to the gentleman that the time under general debate is very short, but I will yield the gentleman two minutes.

Mr. BEGG. In reply to the gentleman, I will say to my knowledge there has been about an hour consumed in favor of the bill, and I think perhaps my five minutes is the only time that has been used against it.

Mr. BLANTON. I yield the gentleman three minutes.

Mr. BEGG. I may not want that much.

There are 450,000 people in the District of Columbia. They have no way of expressing their wishes save through their community organizations, their clubs, and so forth.

Mrs. NORTON. Will the gentleman permit an interruption?

Mr. BEGG. I will be pleased to yield.

Mrs. NORTON. Does not the gentleman know that the compromise was accepted by the District of Columbia?

Mr. BEGG. Well, my answer to that is very clear. I had some people from the District representing these organizations call on me, and they asked me if I would be willing to present their side of the argument. To me it does not make any difference, because they can not vote either for or against me; but I will say to the lady from New Jersey [Mrs. NORTON], if I am to be guided by the reports in the newspapers, they only acquiesced because they could not get anything else.

Mrs. NORTON. I did not understand it that way.

Mr. BEGG. That is what they say to me in writing.

Mrs. NORTON. They had an opportunity to be heard.

Mr. BEGG. They have said that to me orally also, and from the newspapers you can not draw any other conclusion than that they were forced to take this or nothing.

Mrs. NORTON. That is not the fact.

Mr. BEGG. If the lady will just permit one more sentence. I had representatives of this commission call on me and say they would prefer at this time no bill rather than to be compelled to take a bill they do not want.

Mrs. NORTON. Will the gentleman yield further for a question?

Mr. BEGG. Yes.

Mrs. NORTON. I do not so understand, for the reason I have had a great many of the same communications, and the tenor of my communications has been that they were very willing to accept this so that the mothers might get this help.

Mr. BEGG. Oh, God bless you, when you hang on the mothers, of course, you can make a sob speech. I am for taking care of the mothers, and so are the District people for taking care of the mothers, but does it behoove the State of New York to say to the District of Columbia, "Before you take care of your mothers, you must do it our way"?

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. BEGG. Yes; I will be glad to yield.

Mr. O'CONNOR of New York. Will the gentleman state what he imagines is the ulterior purpose of the people from New York in trying to inflict this "pernicious" bill on the District?

Mr. BEGG. I will say to the gentleman it has got me puzzled. [Laughter and applause.] I have tried to figure it out.

Mr. O'CONNOR of New York. There must be some ulterior motive.

Mr. BEGG. If it was OGDEN MILLS alone, I might think it was something political, but when my good friend the gentleman from New York Mr. O'CONNOR and my good friend the gentleman from New York Mr. BOYLAN both try to divide the honors with him I am not so sure I can figure it out, and even Al Smith has figured in it, and my friend LAGUARDIA, of the Socialist Party, is in it; so I will say frankly you have got me puzzled to the point I do not know what is back of it; but I do know this: I know you would have a short stay if you came to Columbus, Ohio, and tried to tell Columbus that we could not pass a law according to our united opinion but had to take it according to your way of thinking. I know you would not last long there if you tried that.

Mr. BERGER. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. BERGER. The Socialist Party will vote for this bill because——

Mr. BEGG. Because you can't get what you want.

Mr. BERGER. Because it is in the socialistic direction, but it is a milk-and-water bill. The best we can get, however. [Laughter and applause.]

Mr. BEGG. I think the gentleman from Wisconsin has stated the whole proposition. I think he stated the thing clearly, and I would hesitate to vote against this bill because it is going to take care of the mothers and orphans. I am going to vote for it, as is the gentleman from Wisconsin.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. LAGUARDIA. Does the gentleman know Doctor Kilgore, of Columbus?

Mr. BEGG. Yes; I know the gentleman very well.

Mr. LAGUARDIA. Does he know that he is the Ohio representative of this Children's Welfare Board, with the Representatives of the terrible people from New York who come to Washington?

Mr. BEGG. Oh, the gentleman is making my case—Ohio has no business to come here and tell us how the District shall manage its affairs any more than the people of New York.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BLANTON. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. MILLS].

Mr. MILLS. Mr. Chairman, let me say at the outset that New York did not inject itself into this situation, but it was very convenient for certain gentlemen, whose ideas differ from those of the proponents on the Keller bill, to do what is done so often in the House—when you want to beat a measure, say that New York is back of it, that New York is trying to cram it down some one's throat. As a matter of fact, this is the Keller bill. Why does not my friend from Ohio rail at Minnesota trying to cram it down the throat of the District of Columbia? Oh, no; it is more convenient to say it comes from New York and therefore it must be bad.

Mr. BEGG. Will the gentleman yield?

Mr. MILLS. I can not yield just now.

Mr. KELLER. Will the gentleman yield to me for a statement?

Mr. MILLS. I will yield.

Mr. KELLER. The bill now before you is the original bill I introduced in the House by request of the Welfare Committee of the District of Columbia. It is word for word as they wanted it with the exception that under the original bill we placed the responsible administration on the Board of Charities, an existing agency. But in my opinion and that of others, no law giving aid to mothers should come under any charitable institution whatever. [Applause.]

Mr. MILLS. Now let us get away, if we may, from all of this bunk and talk about New York and come back to what is the primary duty of this House, and that is to pass a proper bill.

The District of Columbia is not a unit. I have had any number of people, residents of the District, come and urge me to do everything I could to see that a separate board was provided for in the bill. But let us take the case of those who do not believe it is proper. My friend from Ohio, who is not familiar with the subject, rails against an unpaid board. But the proposition of these people who advocate the other side lodges the administration of this law in an unpaid board.

Mr. BEGG. Already established.

Mr. MILLS. Already established but about to be wiped out of existence. [Applause.] Now, if they want to be logical, they would not have to put it in the Board of Charities, which is not an administrative board at all but a supervisory board.

Mr. BEGG. Will the gentleman yield?

Mr. MILLS. I decline to yield. If they wanted to be logical they would have lodged the administrative function in the Board of Childrens' Guardians that has to do with children; but they did not lodge it there, because they are, apparently, dissatisfied with the Board of Childrens' Guardians, and therefore they did something illogical—they attempted to lodge it in a Board of Charities, which is not an executive board at all. Therefore, from the standpoint of good legislation their plan was thoroughly unsound. They admit that it was unsound but said it was only temporary and they had a bill coming along in which all public welfare functions would be put under a new board. I asked them to give me a picture of the set-up. They said we will have an unpaid board, and that new board will administer all the charitable and correctional enterprises of this great city.

The CHAIRMAN. The gentleman's time has expired.

Mr. BLANTON. Mr. Chairman, I yield five minutes more to the gentleman from New York.

Mr. MILLS. Mr. Chairman, under that board they propose to have an executive director, who will correspond for all practical purposes to the commissioner of charities in any of our great cities, who will supervise not only the charitable institutions, but the jails and the correctional institutions. Under that commissioner of charities they proposed to lodge a bureau that would be charged with the administration of mothers' aid. Under one bureau the jail, under the other mothers' aid, side by side, both under a paid commissioner of charities. That was the set-up.

What we have said to them is just this: During the interim period, until you create your new machinery, do not lodge these purely executive functions in an administrative board. Create a separate board for temporary purposes, and then when you set up your board of public welfare, instead of creating a bureau alongside of the correctional bureau, we ask you to put up this mothers' aid board under the board of public welfare. This bill as drafted and now before the House does not interfere in any way with their unification plan. It permits the creation of the board of public welfare, pulling together all these activities, and it places this mothers' aid board directly under the board of public welfare, instead of under the charities commissioner.

Why do we say it should not be under the charities commissioner if it can be kept away from him? Because back of all this child-welfare legislation, which has been adopted by the 42 States of the Union, there lies the fundamental principle that this is not charitable relief at all, and that has been recognized by 30 of the States. This is not a dole, this is not a charity. The State maintains at public expense public schools for the education of children. What good is it to educate the child in the public schools if you fail to provide home surroundings when you can? This bill recognizes that it is the duty of the State to provide for the education and to provide as well proper home surroundings, and experience has demonstrated in these 42 States that you can maintain the child in the home more cheaply than you can in a public institution, and at the same time give him all the benefits of a good home. So not only from the standpoint of the home and home surroundings, but actually from the standpoint of dollars and cents, you do better when you aid the mother to bring up the child than when you build a great institution of stone and mortar and load it up with paid employees to look after him. [Applause.]

If you want to carry out that principle in theory as well as in practice you must divorce the administration of this law from charity as such. You must not classify the little children, whose only trouble is the loss of a father, with the delinquent, the lame, the halt, and the blind, you must not classify these mothers whose only difficulty is to maintain a home for their children with paupers who beg in the streets for a dole.

There is nothing more demoralizing than pauperism, and there is nothing that the proud parent will resort to more reluctantly than an appeal to public charity. Even after we had adopted the first widow's pension law in New York and provided for a separate board we found that when we allowed the department of public charities in the city of New York to make investigation the mothers would not apply, because they would not be investigated by the department of public charities, and so the following year the Legislature of the State of New York amended the law so as to put all the administration of this act under this unpaid board.

Mr. WEFALD. Mr. Chairman, will the gentleman yield?

Mr. MILLS. Not now. Therefore it is more than a question of administration. There is a great phychological factor. We say to these women: "You are not paupers; you are not receiving charitable aid; you can apply freely as self-respecting citizens to receive from the State enough money to enable you to perform a duty, from which the State will benefit even more greatly than you and your children." And in order to carry this idea out in practice as well as theory you must divorce the administration of such a law from your department of charities and corrections. [Applause.]

Mr. ZIHLMAN. Mr. Chairman, I yield five minutes to the gentleman from Vermont [Mr. GIBSON].

Mr. GIBSON. Mr. Chairman and gentlemen of the committee, we have heard, from time to time, criticisms of the House District Committee. Already my distinguished and industrious friend from Texas [Mr. BLANTON] has delivered a speech in criticism of it, its organization and its work.

But I bring you to bear witness, my colleagues, that this day has justified the existence and work of that instrumentality of this House.

We have all listened with interest to the forceful address of the gentleman from New York [Mr. MILLS], who is one of the Republican leaders of that great State, and who has been credited with being the chosen standard bearer of his party in the coming election. We all know from his address to-day of his burning interest in the pending measure and of a heart filled with anxiety as to the welfare of destitute mothers and children of the District.

I have before me a clipping from the Washington Post of Saturday, which sets forth that Tammany, a somewhat well-known Democratic organization in the gentleman's home city, is also backing the New York plan for dependent children here in the District, and that no less a person than Gov. Al Smith has been at work to swing the Tammany delegation in Congress into line for the measure, because he thinks it would put a feather in his cap.

Now, I submit that any committee that, through its legislative proposals, can bring the gentleman from New York and

the distinguished governor of the great Empire State and the Socialist Party of the Nation unitedly back of a measure fully justifies the confidence of this House. [Applause and laughter.]

Oh, what an inspiring sight it would be to see our beloved colleague and Al Smith, the patron saint of New York Democracy, and my Socialist friend from Wisconsin [Mr. BERGER] goose-stepping behind a banner carried proudly forward in triumph by that able and enterprising lady, Sophie Irene Loeb.

Oh, one gentleman from New York spoke of how we are honored to-day by the presence of that little lady from New York in one of the galleries. I think, gentlemen, we are honored, too, by the presence of mothers of the District who have given thought and study to this proposal as it is now framed who do not want it.

But, seriously, what does all this mean? We are having the trail of New York politics dragged across the affairs of the District of Columbia—not across the affairs of business, but across the affairs of unfortunate mothers and children of the Capital City.

Now, this is a matter of great importance to the people of the District. They have given long, conscientious, and careful consideration to their plan of handling mothers' pensions. A committee was formed some years ago to conduct a study of the problem. The Russell Sage Foundation was called into consultation, and that organization detailed a lawyer of ability and versed in such matters to survey the situation and advise as to the form of legislation best suited to meet local conditions. He gave a year and a half to the work. There was called into consultation groups representing the people of the District, with the result that the so-called Keller bill was introduced.

Then there came the activity of the New York groups, who, without study and without that real sympathy that gives strength to a local measure, are determined to push the scheme down the throats of the people of the District, just as it was pushed down the throats of the people of New York.

One great trouble with legislation is that we have too many of these high-brow organizations bent on pushing legislation down the throats of the people. If they continue with success in the future as has crowned their efforts in the past, we may well despair of the preservation of the liberties of the Republic. [Applause.]

I shall not further oppose the passage of this bill. I am a member of the committee, was defeated in the meetings, and do not believe in fighting against a decision of a committee. Further opposition I shall leave to those not members. But I could not be fair to the House without calling attention to just what is being attempted. [Applause.]

Mr. ZIHLMAN. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LAGUARDIA]. [Applause.]

Mr. LAGUARDIA. Mr. Chairman, I am very proud of all the criticism that has been directed against the State of New York this morning. I am proud that the entire delegation from my State supports this worthy, progressive, and humane measure. I will say to the gentleman from Ohio [Mr. BEGG]—he and I have served in this House nearly eight years—that this is not the first time a lobby comes from New York. There is always a lobby here in Washington when a tax or tariff bill is before the House, and the gentleman from Ohio does not object. There was a lobby here on what I consider a disgraceful raid on the Public Treasury—the Cape Cod Canal. The gentleman from Ohio did not object. [Applause.] But when, as to-day, there is an unselfish, altruistic, humane lobby from New York coming to Washington only to give the committee the benefit of their actual experience and unselfish help, it seems to arouse the wrath of the gentleman from Ohio. Let me say to the gentleman who criticized New York's interest in this bill, and who stated that these people did not know anything about the District of Columbia but were forcing their ideas on the people here, that among the ladies who came to Washington to give the benefit of her experience to the committee was a young woman who lived in Washington for eight years. She knows the District as well as anybody in Washington. A young woman who knows the charity trust in New York and the charity bund in Washington, a young lady who had the courage to publicly express in connection with this bill her knowledge of the affairs in the District of Columbia, gleaned from actual experience and observation, a young woman who is a model to the girlhood of America, Miss Margaret Woodrow Wilson. [Applause.] Both Miss Sophie Irene Loeb and Miss Margaret Woodrow Wilson should receive the praise and thanks of the House. And surely Miss Wilson had no interest in this bill other than to get the best possible bill out of the committee. Why, the gentleman from Ohio [Mr. BEGG] refers to me as an outcast of his party. Mr. BEGG, who takes the floor on every opportunity on party regularity, is now not standing by his President. He is irregular now as I was on the tax bill last year. Why, the only human touch in the President's message in December referred to mother's aid. The only humane recommendation in the message was that Congress should adopt a measure which hereafter should be a model for all parts of the United States.

Mr. BOYLAN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BOYLAN. Does not the gentleman think if the gentleman from Ohio is not careful he will not be invited to any more week ends on the *Mayflower*?

Mr. LAGUARDIA. Oh, I do not know anything about that. You know I do not get invitations to the *Mayflower*. Here is what the President says:

> Although more than 40 of our States have enacted measures in aid of motherhood, the District of Columbia is still without such a law. A carefully considered bill will be presented which ought to have more thoughtful consideration in order that the Congress may adopt a measure which will be hereafter a model for all parts of the Union.

It is encouraging to hear our fiscal expert from New York [Mr. MILLS], expert on taxes, who takes the floor and talks about dollars and cents, about depletion and depreciation, about surplus and undivided dividends, about excess profits and surtax, come up here and plead for something human. [Applause.] I am proud of it in this connection——

Mr. TILSON. The rest of us are proud of him all the time. [Laughter.]

Mr. BLANTON. The gentleman had never seen that side of him before; he is just getting acquainted with him.

Mr. LAGUARDIA. I want to say to my friend from Texas that we live in the same town.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. Mr. Chairman, the gentleman from New York being the only member of his party, I yield him five minutes. [Laughter.]

The CHAIRMAN. The gentleman from New York is recognized for five minutes more.

Mr. LAGUARDIA. I want to say this much, Mr. Chairman, for the gentleman from Texas. He always takes a great deal of pleasure in criticizing me and my economic principles; but the gentleman is now showing improvement. When I first came to Congress, I will say to the gentleman from Texas, he would have called this bill socialistic. He would have gotten up on this floor and stormed and said, "Oh, gentlemen, it is not right; it is socialistic; it comes from New York." [Laughter.]

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Of course, I will yield to the gentleman. I got my time from him. Now he comes on the floor to-day and supports this bill. I tell you that is improvement. That is splendid. The gentleman is a hard-working Member. If he gives to some of these welfare matters a little more time and looks into both sides of each question he will be useful not only to his own State but to the country at large. [Applause.]

Mr. BLANTON. Will the gentleman yield? Then I will give him some more time if he wants it.

Mr. LAGUARDIA. Yes.

Mr. BLANTON. The gentleman from New York ought to remember that it was an amendment offered by "the gentleman from Texas" last year that placed on another bill a mothers' pension, and that it was perfected by other amendments, including that made by the gentleman from Virginia [Mr. MOORE], and it passed this House, and would have become a law if it had passed the other body.

Mr. LAGUARDIA. Yes; and the gentleman from New York was supporting the gentleman's amendment.

Mr. BLANTON. This is therefore no new idea of the gentleman from Texas.

Mr. LAGUARDIA. It is comparatively new. If the gentleman would give the same amount of thought to every welfare or economic measure that comes before the House, thought along economic lines, now that we have provided the means to take care of fatherless children and to take care of the dependent mothers, let us not stop there. Let us not be satisfied with helping the needy, but let us change conditions so that we shall not have needy and hungry children in this country. [Applause.]

Mr. BLANTON. It has been that very thought that has actuated "the gentleman from Texas" in the last nine years in fighting the reds, the socialists, and bolshevists, and communists, so that we shall not have the condition existing in

the United States which exists in Russia, where women and little children are starving to death. [Applause.]

Mr. LaGUARDIA. Let me say to the gentleman that it is easy to designate as red, and socialistic, and bolshevistic, and communistic any idea that does not meet the approval of the privileged classes of the country who control the wealth of the land. I saw the gentleman from Texas take the floor a few weeks ago to denounce a tax club that came up from his State to lobby against the inclusion of an inheritance tax or estate tax on the tax bill.

Those are the gentlemen who give rise to the development of bolshevists and communists by their efforts to oppose and destroy everything that would benefit or improve the conditions of the masses; and as long as this House and the American Congress will bow and be submissive and obedient to the small privileged classes who seek to exploit the great army of workers, so long will we have alleged reds and bolshevists and socialists and communists. Let us stop exploitation and privileged legislation and we will have no radicals.

Mr. BLANTON. Does the gentleman forget Emma Goldman's definition of a socialist? She said a socialist was a communist who had a clean shirt and a hair cut. [Laughter.]

Mr. LaGUARDIA. Yes; and that definition is accepted by the tax club of the gentleman's State, and by anybody who seeks to exploit the workers. [Applause.]

Mr. BLANTON. Does the gentleman want more time?

Mr. LaGUARDIA. Yes.

Mr. BLANTON. I yield to the gentleman five minutes more, Mr. Chairman.

The CHAIRMAN. The gentleman from New York is recognized for five minutes more.

Mr. LaGUARDIA. Now, in order that we shall not get away from the real purpose of this bill, the gentleman from Texas and I will work out the economic questions in due time elsewhere. May I say that we are only following the procession of 40 States of this Union, 30 of which have placed the care of dependent families under the direct supervision of a separate board. In New York City we spend about $5,000,000 a year for this work. But remember, gentlemen, that the entire amount is saved from appropriations which otherwise would go to orphan institutions, and as the work of the board increases, so the cost of those institutions decreases. As has been pointed out on the floor to-day, the care of the mother is better than that of an institution.

I repeat now what I said when the amendment by the gentleman from Texas was before us some time ago—that the worst home is better than the best institution. It took a long time, I will say, to drive home that idea right in our own State. It took two or three years of constant fighting and struggling in the Legislature of New York to convince some of the members, who are now in favor of it, that it was the right, progressive step to take.

Mr. HILL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. HILL of Maryland. I remember the gentleman's statement about this bill when it came up last year. I want to ask him if the bill as drawn this year does not eradicate all the objections made to the bill last year?

Mr. LaGUARDIA. Absolutely.

Mr. HILL of Maryland. As I understand it, this bill creates an entirely separate department or board to take care of this work?

Mr. LaGUARDIA. Yes.

Mr. HILL of Maryland. I am going to vote for this bill.

Mr. LaGUARDIA. If the first section of this bill is amended, it will take the very heart right out of the bill. You might as well vote the entire bill down as to put the administration of this work into the hands of a professional department of charities. We tried it in New York—if I may be permitted to make the comparison, New York not being as popular to-day as it was when the tax bill was under discussion. In New York when the law was first enacted it was placed in the department of charities. After one year it was found necessary to create a separate board. We have an unpaid board in New York—out of politics—and while we are on that subject I will say that it is the one place in the city where they have cut out politics. The board is composed of representative men and women, representing all religions, representing various economic conditions in life and social standing.

As president of the Board of Aldermen of New York City I had occasion to observe the operation of this board. I had occasion to make investigations as to the method and the way in which aid was given, and although I had hundreds of cases come under my observation I did not find one case where the board was improperly influenced by any outside conditions other than the actual need of the family.

Gentlemen, in closing I hope that this bill will pass as it is, and although the needs of the District of Columbia are very little, as suggested by the gentleman from North Carolina, it is not the number of children concerned that is the test. The gentleman would not humiliate one child any more than he would 1,000, and it is simply following the experience of other States in the administration of laws relating to direct aid to families, and it is doing in 1926 what should have been done 25 years ago. [Applause.] Let us stop this petty political banter and pass this bill, which will keep many homes together, many mothers with their children, and which is only doing for the unfortunate children of Washington that which nearly every State of the Union is doing for its children.

Just one more thought and I am through. When Miss Sophie Irene Loeb appeared before the committee she did not appear on behalf of the State of New York. She appeared for the Child Welfare Committee of America. This committee is a national organization. It is one of the few national organizations which works in perfect harmony among the members in the various States, and I may say is working unselfishly for one definite purpose and that is child welfare. The only desire of this great organization is to keep the home together, to save the children from an orphan asylum, keep them with their own mother, and give them the benefit of a mother's care and love.

Last May this organization did quietly and unostentatiously something which might be impossible for even Congress to do. It called a conference in New York City of welfare workers, of experts on child welfare, and of representative men and women directly connected with this kind of work. There at that conference in New York City ideas and thoughts were crystallized and the best of the various laws and systems of the various States taken and formulated into a program which every State would be asked to adopt.

The present measure before us is an outcome of the splendid work of that conference. President Coolidge heeded the call; he realized the responsibility and the knowledge of the men and women of the Child Welfare Committee of America and made reference to the need of mothers'-aid legislation for the District of Columbia in his message to Congress, which I have just quoted. This conference was no one-man or one-woman or one-State affair. Two hundred and ten delegates attended; 54 delegates were duly commissioned by their respective governors to attend; 12 were duly accredited by the official State child welfare commissions; and 36 represented national, social, and fraternal organizations. Among the delegates were three State governors, one lieutenant governor, and one member of the President's Cabinet. There were 52 speakers who were representative experts of child-welfare work in the United States. I have personal knowledge of how this great work of getting all the States together was started. At the risk of repetition, I want to add to the tributes which were paid to Miss Sophie Irene Loeb to-day, my humble tribute and appreciation for her great service to the childhood of America in conceiving the idea and doing the labor of getting this great organization together and to meet in a useful, constructive, humanitarian conference. It was a great work accomplished by a great woman.

The District of Columbia was invited. The welfare workers and the people directly interested received the same consideration and courtesy extended to every other State of the Union. In fact, they received greater consideration; they were even coaxed and begged to take an active part in the work of the committee and to attend the conference.

In response to the invitation of this committee, dated February 9, 1925, on February 27, Mr. Frank F. Nesbit, on the letterhead of the Commissioner on Public Welfare Legislation, wrote the following letter:

Miss SOPHIE IRENE LOEB,
Child Welfare Committee of America (Inc.),
130 Fifth Avenue, New York.

DEAR MADAM: I acknowledge receipt of your letter of February 9 extending an invitation to me to attend a conference on child welfare to be held in New York, May 15. I will be unable to attend on account of business engagements, but have referred your letter to the Commission on Public Welfare Legislation of the District of Columbia. The letter was considered at the last meeting, and, on motion, was laid on the table. I will advise you as soon as any further action is taken in the premises.

Very truly yours,

FRANK F. NESBIT, *Treasurer.*

On April 9, 1925, still anxious that the District of Columbia should profit, if possible, by the assembly of so important a

group of child-welfare experts, the following letter was addressed to Mr. Nesbit:

Mr. FRANK F. NESBIT,
Commission on Public Welfare Legislation, Washington, D. C.

MY DEAR MR. NESBIT: In accordance with your letter of February 27, I will appreciate it very much if you will kindly let me know if you are able to attend our child welfare conference, which takes place here from May 15 to 20; or if you are sending a delegate, will you kindly forward the name, so we may write and send the details as to the program, etc.

The response throughout the country has been most encouraging, and from all indications we will have a very fine representation of child-welfare workers throughout the States, as every governor is sending a delegate.

Will you be good enough to send me your reply by return of mail?

With every good wish, I am,

Sincerely yours,

SOPHIE IRENE LOEB, *President.*

No reply was received from Mr. Nesbit to this letter. On April 29 the following telegram was addressed to Mr. Nesbit:

Please wire, collect, 87 Fifth Avenue whether Commission Public Welfare Legislation will appoint delegate conference child welfare, New York, May 15 to 20. Practically every governor and child welfare commission has appointed representative, and President Coolidge has approved scope of organization. Anxious your commission be represented. If agreeable, please wire name and address your delegate, whose railroad and hotel expense will be borne by committee.

SOPHIE IRENE LOEB,
President Child Welfare Committee of America.

On April 30 Mr. Nesbit telegraphed the following:

Commission on Public Welfare Legislation has not appointed any delegate to your conference. Has adjourned.

FRANK F. NESBIT.

Surely no one can now say that the District of Columbia was ignored by these splendid people working for a good cause. We are all anxious to make the Washington law a model law as suggested by the President of the United States, and it is only with that in mind, only with the hope of doing something for these helpless children, that the Child Welfare Committee of America took an active interest in the District bill and sought to aid the committee in getting the best possible bill reported. Surely they have no apologies to make, and I feel that I am expressing the sentiment of the House when I say that we appreciate their efforts, we thank them for the work, and we wish them continued success in their efforts to bring about a proper, generous care of the children of America in every State of the Union.

And here, under the permission granted me, may I add the list of distinguished men and women who form the States council of the Child Welfare Committee of America (Inc.):

STATES COUNCIL OF THE CHILD WELFARE COMMITTEE OF AMERICA (INC.)

Alabama: Mrs. A. M. Tunstall, Greensboro, former director State child welfare department (designated by the governor to the child welfare conference).

Alaska: Marie E. Falldine, Juneau (designated by the governor to the child welfare conference).

Arizona: Mrs. H. A. Guild, Phoenix, president War Presidents Club, General Federation of Women's Clubs.

Arkansas: Mrs. O. N. Warren, Forest City (designated by the governor to the child welfare conference); Mrs. W. E. Massey, Hot Springs, president Arkansas Federation of Women's Clubs.

California.

Colorado: Mrs. A. R. Morse, Denver (designated by the governor to the child welfare conference).

Connecticut: Hon. Charles E. Dow, Hartford, commissioner child welfare bureau (designated by the governor to the child welfare conference); Mrs. Rosemary O. Anderson, New London, child welfare commission.

Delaware: Marie T. Lockwood, Dover, State board of health; Frances A. Griggs, Wilmington, executive secretary mothers' pension commission; Mrs. I. Layfield Long, Selbyville, Lizzie H. Woodruff, Milford, and Miss M. Sudler, mothers' pension commission.

District of Columbia: Mrs. Virginia White Speel, Washington, Federation of Women's Clubs.

Florida: Mrs. D. P. Council, Lake Worth (designated by the governor to the child welfare conference); Mrs. Clayton S. Cooper, Miami Beach; Mrs. Ruth Bryan Owen, Cocoanut Grove; Mrs. Harold Bailey, Miami Beach; Elizabeth Skinner, Dunedin, Children's Code Commission of Florida; Ralph A. Sonn, Maimi Beach.

Georgia.

Idaho: His Excellency C. C. Moore, Governor of Idaho.

Illinois: Roy James Battis, Springfield, superintendent department of child welfare (designated by the governor to the child welfare conference).

Indiana: Mrs. Carina C. Warrington, Fort Wayne (designated by the governor to the child welfare conference); Mrs. Albion Fellows Bacon, Evansville, president advisory commission, Indiana State probation department.

Iowa: Mrs. Mable M. Volland, Iowa City (designated by the governor to the child welfare conference); Mrs. Frances Edmund Whitley, Des Moines, Iowa, child welfare commission.

Kansas: Mrs. Walter Burr, Topeka, State board of health, formerly Children's Code Commission of Kansas (designated by the governor to the child welfare conference).

Kentucky: Prof. John F. Smith, Berea, vice chairman Kentucky Child Welfare Commission (designated by the governor to the child welfare conference); Frances Ingram, Louisville, chairman Kentucky Child Welfare Commission.

Louisiana: Agnes Morris, New Orleans, chairman welfare committee Louisiana State Federation of Women's Clubs.

Maine: Hon. Grube B. Cornish, Augusta, secretary State board of charities and corrections (designated by the governor to the child welfare conference).

Maryland: Anna Ward, Baltimore, Family Welfare Association (designated by the governor to the child welfare conference).

Massachusetts: Mrs. Ada Eliot Sheffield, Boston, advisory board, Department of Public Welfare of Massachusetts, director research bureau on social-case work (designated by the governor to the child welfare conference).

Michigan: Hon. Clark E. Higbee, Grand Rapids, judge of probate court, Grand Rapids (designated by the governor to the child welfare conference).

Minnesota: Mrs. R. N. Palm, Minneapolis (designated by the governor to the child welfare conference); Mrs. Robbins Gilman, Minneapolis, Minnesota State Code Commission, executive secretary Women's Cooperative Alliance.

Mississippi: Hon. John Frierson, Columbus, Palmer Orphanage (designated by the governor to the child welfare conference).

Missouri: Hon. Frank E. Kimball, Jefferson City, secretary State board of charities and corrections (designated by the governor to the child welfare conference).

Montana: Mrs. Dolly Dean Burgess, Helena (designated by the governor to the child welfare conference).

Nebraska: Judge Lincoln Frost, Lincoln, secretary department of public welfare (designated by the governor to the child welfare conference).

Nevada.

New Hampshire: His Excellency John G. Winant, governor of New Hampshire.

New Jersey: Mrs. H. Otto Wittpenn, Hoboken (designated by the governor to the child welfare conference); Frances Day, Jersey City (designated by the governor to the child welfare conference); Mrs. Cornelia B. Meytrott, Trenton, department of institutions and agencies (designated by the governor to the child welfare conference); Ruth Stratton, Princeton, overseer of the poor (designated by the governor to the child welfare conference).

New Mexico: Mrs. Tomlinson Fort, Roswell (designated by the governor to the child welfare conference).

North Carolina: Mrs. J. B. Waddill, Henderson (designated by the governor to the child welfare conference).

North Dakota: Mrs. E. O. Bailey, Dunn Center (designated by the governor to the child welfare conference).

Ohio: P. E. Kilgore, Columbus, director child care bureau (designated by the governor to the child welfare conference).

Oklahoma: Hon. W. J. Holloway, Hugo, lieutenant governor (designated by the governor to the child welfare conference).

Oregon: Hon. Milton A. Miller, Portland, member of the State senate (designated by the governor to the child welfare conference).

Pennsylvania: Dr. Neva R. Deardorff, Harrisburg, executive secretary State children's code commission (designated by the governor to the child welfare conference); Katherine A. Pritchett, Harrisburg, State department of welfare; Sophie Levin, Pittsburgh, Mothers' Pension League of Allegheny County.

Rhode Island: Ada L. Sawyer, Providence, executive secretary children's laws commission; Dr. Marion A. Gleason, Providence, director division of child welfare (designated by the governor to the child welfare conference); Helen A. Powers, Providence, bureau of mothers' aid.

South Carolina.

South Dakota: Hon. Lewis Larson, Sioux Falls, president State Child Welfare Commission of South Dakota (designated by the governor to the child welfare conference).

Tennessee: Dr. C. C. Menzler, president Tennessee Industrial School (designated by the governor to the child welfare conference).

Texas: Mrs. Bennett Smith, Temple (designated by the governor to the child welfare conference).

Utah: Hugo B. Anderson, Salt Lake City, formerly of State welfare commission (designated by the governor to the child welfare conference).

Vermont: Anna R. McMahon, Montpelier, department of public welfare (designated by the governor to the child welfare conference).

Virginia: Gay B. Shepperson, Richmond, director children's bureau, State board of public welfare (designated by the governor to the child welfare conference).

Washington: Hon. William Phelps Totten, Seattle, member of State legislature; Mrs. B. F. Westmore, president State Federation of Women's Clubs.

West Virginia: Sue A. Staunton, Charleston, president State board of children's guardians (designated by the governor to the child welfare conference).

Wisconsin: Mollie H. Widell, Superior (designated by the governor to the child welfare conference); Mrs. A. H. Shoemaker, Eau Claire, Wisconsin Federation of Women's Clubs.

Wyoming: Mrs. L. C. Tidball, Cheyenne (designated by the governor to the child welfare conference).

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BLANTON. Mr. Chairman, I yield three minutes to the gentleman from Virginia [Mr. MOORE].

Mr. MOORE of Virginia. Mr. Chairman, I would like the attention of the chairman of the committee or the gentleman from Minnesota [Mr. KELLER]. I want to know how to vote on this bill, and I am asking for information. You have now in the District of Columbia a Board of Charities?

Mr. KELLER. Yes, sir.

Mr. MOORE of Virginia. There is pending before your committee a bill to create a general welfare board in substitution for the Board of Charities?

Mr. KELLER. And two other boards.

Mr. MOORE of Virginia. If that general welfare board is created, and it is assumed that this bill does not pass, the general welfare board would take charge of the work provided for in this bill?

Mr. KELLER. Not if we have this bill passed as it is now, creating a separate board.

Mr. MOORE of Virginia. I mean if this bill does not pass, then the general welfare board would take charge of the work?

Mr. KELLER. No; you would have to pass a special law.

Mr. MOORE of Virginia. But it would be contemplated that the general welfare board would take charge of the work if this bill should not pass. Frankly, that is the fact, is it not?

Mr. KELLER. If you amend this bill and place responsibility on the Board of Charities, now in existence, and then pass a welfare bill, which would take in the three different existing boards and make them into one board, then they would administer this law.

Mr. MOORE of Virginia. I am trying to get at the facts. Suppose we were not dealing with this bill and the general welfare board bill is passed, then the mothers' pension work would fall under what jurisdiction?

Mr. KELLER. You would not have it unless you would pass some law.

Mr. MOORE of Virginia. But if you intrusted the work to the general welfare board, it would fall under the jurisdiction of that board, would it not?

Mr. KELLER. If you did that; yes.

Mr. MOORE of Virginia. So the one issue here is whether or not you will have all of the related activities administered by one board in the future or whether you will set up a separate board to deal with this particular subject? Is not that a fair statement of the issue?

Mr. KELLER. That is a fair statement.

Mr. MOORE of Virginia. And in the bill we have here, as I read it, you not only set up a separate board but you attach no limitation to the expenditures. There is no restriction as to the number of stenographers, clerks, and so forth, and no provision even as to the amount of money that shall be spent in any given case. Is not that true?

Mr. KELLER. Yes; that is true, and I think we will present arguments sustaining our position in not putting any limitation on any of the provisions.

Mr. MOORE of Virginia. I simply wanted to know the situation.

Mr. KELLER. The gentleman will have plenty of time to offer any amendments, and, as far as I personally am concerned, I would welcome amendments that will strengthen and broaden the bill.

Mr. MOORE of Virginia. I will say to my friend, to whom I am indebted for his courtesy, that having gotten at the real issue, I do not think it is proper to say that there is any question as to the committee being unanimous in its desire to do all that is necessary for indigent and helpless children. It seems, therefore, that a great deal that has been said is irrelevant because we have only one question, the question of the method of administration and as to whether we will have two boards or one board.

Mr. KELLER. That is correct.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. ZIHLMAN. Mr. Chairman, I yield five minutes to the gentleman from Delaware [Mr. HOUSTON].

Mr. HOUSTON. Mr. Chairman and gentlemen of the committee, my only reason for injecting anything into this argument at the present time is the fact that I was one of the subcommittee which considered this bill. When the subcommittee approached the consideration of this bill it had before it two bills—one, H. R. 4055, which we might call the Mills bill, and H. R. 347, which was a bill that had been presented by the people of the District of Columbia. It seems that about three years ago the people of the District who are interested in this kind of legislation asked the Sage Foundation to send a representative here to investigate the situation. After that investigation was made, the result of which has since been printed, this bill was prepared.

Coming from a State where we are in the habit of thinking for ourselves, I resent, as a member of that subcommittee, the imputation that has been cast upon it on the floor to the effect that we have been influenced by politics from the State of New York or by other ulterior motives. We have had this law in our State for a number of years and a separate board, so that I approached the subject in the beginning with the thought that we should have a separate board in the administration of matters of this kind. The subcommittee gave hearings, and I want to say that these people came before that committee not representing the State of New York, but they came before that committee representing a national association, and to that association belong States which many of you gentlemen represent.

The President of the United States had said to this Congress, "Give the people of the District a model bill," and the subcommittee in the consideration of that matter listened to the District people. They all had an opportunity to be heard. We heard people not only from the State of New York, but I think from the State of Massachusetts and from other States, so this subcommittee could arrive at what was the best kind of bill to put in effect in the District of Columbia. This is the result, and I want to say it was the unanimous agreement of that subcommittee after giving full hearings for four or five days.

As Members of the House we would like to give to the people of the District of Columbia what they want, but when in my own experience and when in the experience of other people throughout the United States of America it is clear that a separate board is what is needed in the administration of this kind of work, I say it is our duty, listening to the President of the United States, if you please, as Representatives of the people of other States to give to these people what we think is best.

Mr. BLANTON. Will the gentleman yield?

Mr. HOUSTON. Certainly.

Mr. BLANTON. Did we not discuss the proposition as proposed by the gentleman from New York [Mr. MILLS] in our committee, and did not our colleague, the gentleman from Minnesota [Mr. KELLER], agree he thought that proposition was better than his, and did we not adopt the proposition by quite a large majority?

Mr. HOUSTON. Absolutely.

Mr. BLANTON. So after all it was the judgment of the committee?

Mr. HOUSTON. Absolutely.

Mr. BLANTON. Surely the time has not come when something good can not come out of the State of New York.

Mr. LAGUARDIA. Something good that you will listen to.

The CHAIRMAN. The time of the gentleman from Delaware has expired.

Mr. ZIHLMAN. Mr. Chairman, I yield the gentleman one minute.

Mr. BLANTON. I yield the gentleman three minutes, Mr. Chairman.

Mr. HOUSTON. Representatives of the different welfare associations in this city were asked the question, and before the subcommittee voted upon this matter they agreed to accept a separate board in their bill as a compromise proposition.

We all wanted to give the District of Columbia this legislation. Forty-two States in the Union have it at the present time, and certainly the District of Columbia is entitled to it, and we wanted to give it to them, and in this bill we have tried to give the best obtainable.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman from Delaware yields back three minutes.

Mr. ZIHLMAN. Mr. Chairman, I yield one minute to the gentleman from Maryland [Mr. HILL].

Mr. HILL of Maryland. Mr. Chairman and gentlemen of the committee, the last time this bill came before the committee the discussion was chiefly along the same lines as it is at the present time. At the present time the first paragraph of the bill provides:

That there is hereby established in the District of Columbia a board to be known as the mothers' aid board, hereinafter referred to as the board, to be composed of five members appointed by the Commissioners of the District of Columbia. Appointments to the board shall be made without discrimination as to sex, color, religion, or political affiliation.

We went over this matter very carefully in this committee once before. This matter was the bone of contention, and I am very glad to see the District of Columbia Committee report a bill which has this provision in it. I was one of those who questioned the matter at the last session. I said at that time, and I still feel very strongly, that home care for dependent children is the best method of dealing with this particular situation, and that such home care should be under an entirely separate and distinct board from any other so-called welfare organization.

There has been a great difference of opinion on this question in this committee, and I am therefore especially glad to see that the proposed measure provides distinctly for a separate board to be known as "The Mothers' Aid Board." Nothing is more important in any municipality or any community than the proper care of dependent children. The gentleman from New York [Mr. LAGUARDIA] comes from a city which has had very great practical experience in this matter. In New York City about $5,000,000 a year is spent on this sort of work. New York's experience shows the advisability of placing the care of dependent families under the direct supervision of a separate board.

I was very much interested to hear from the gentleman from New York [Mr. LAGUARDIA] that the entire amount appropriated in New York City annually for this work is saved from appropriations which otherwise would go to orphan institutions, and that as the work of the board increased the cost of these institutions decreased. The care of the mother, regardless of cost, is infinitely better than that of any institution, but it is interesting to see that the adoption of this method of aid has decreased institutional work. I have a great respect for the opinions expressed by the gentleman from New York [Mr. LAGUARDIA] and by the very thorough analysis of the dependent-children situation given by the gentleman from New York [Mr. MILLS]. I therefore a few minutes ago asked the gentleman from New York [Mr. LAGUARDIA] if the bill as drawn up this year does not eradicate all objections we made to the last bill. He replied, "Absolutely."

Section 1 of the bill creates a mothers' aid board of five members. These members are to be appointed by the Commissioners of the District of Columbia for the purpose of administering the proposed act. It is very proper that appointments to this board are required to be made without discrimination as to sex, color, religion, or political affiliation. For many years I was treasurer and later vice president of the Children's Playground Association in Baltimore, and in that work I came indirectly into contact with many problems related to those which will come before such a board as that which is proposed, and it is especially important that neither politics nor religion be permitted to play any part in the work of such an organization.

The bill is recommended by the District Commissioners and by the Welfare Commission of the District of Columbia. The first section, however, which creates a mothers' aid board is after all a compromise between the sponsors of a bill introduced by the gentleman from New York [Mr. MILLS] and those who favor the bill sponsored by the Welfare Commission of the District of Columbia and the District Commissioners. I should not vote for this measure unless the duties and responsibilities provided by it were to be administered by a separate board, and not by the general welfare board combining supervision for delinquents, criminals, and insane of various sorts.

There is no question that far better results can be obtained by providing aid for children in their own homes. The old theory of taking a child from its home and placing it in an institution or under some outside influence is entirely outworn.

The work of providing for unfortunate mothers and children in the District of Columbia in the past has been carried on by private individuals and organizations as a charity. After all this is really no charity and should not be so considered. It really is the duty of the District of Columbia, since providing proper facilities for the maintenance and rearing of these children is a thing apart and separate from charity. It is a matter which should be taken care of through general taxation.

The purpose of this bill is to provide a permanent organization to which a worthy mother can apply for relief for her unfortunate children without attaching to it the stigma of charity, as the gentleman from Minnesota [Mr. KELLER] so well pointed out in his committee report. Forty-two States have enacted laws providing for child aid, and those who are familiar with the workings of these laws consider the present bill an excellent one. In view of the importance of this legislation, I shall take a few minutes to read this bill again. It is as follows:

Be it enacted, etc., That there is hereby established in the District of Columbia a board to be known as the mothers' aid board, hereinafter referred to as the board, to be composed of five members appointed by the Commissioners of the District of Columbia. Appointments to the board shall be made without discrimination as to sex, color, religion, or political affiliation.

The terms of office of the members first taking office shall expire, as designated by the commissioners, two at the end of the second year, two at the end of the fourth year, and one at the end of the sixth year, after the date of the enactment of this act. The terms of office of all successors shall expire six years after the expiration of the terms for which their predecessors were appointed, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired term of his predecessor, and any member in office at the expiration of the term for which he was appointed may continue in office until his successor takes office.

The board shall, at least biennially, designate a member to act as chairman.

Vacancies in the board shall not impair the powers of the remaining members to execute the functions of the board, and a majority of the members in office shall constitute a quorum for the transaction of the business of the board.

No person shall be appointed as a member of the board unless he has been a bona fide resident of the District of Columbia for at least three years immediately preceding the appointment. Members of the board shall not be entitled to receive compensation for their services on the board.

SEC. 2. That whenever the parent of a child under the age of 16 years is unable to provide for the proper care of such child in his own home, the mother of such child may make application to the board for the benefits conferred by this act: *Provided*, That she has been a bona fide resident of the District of Columbia for one year preceding such application and that she is a citizen of the United States or has made application to become a citizen.

SEC. 3. The board shall thereupon make an investigation for the purpose of securing the following information:

a. Whether the mother is a proper person to have the custody and care of the child.

b. Whether the home is a satisfactory place for the training and rearing of the child.

c. What resources may be available for the complete or partial maintenance of the child, including the full amount, if any, of real and personal property owned by the parent or held in trust for the child; whether there are any persons or organizations legally obligated to assist in the support of the child.

d. Whether legal steps have been taken to compel the father of the child, if he be living, to provide support when he willfully refuses to do so and with what result.

e. What amount of aid is needed to keep the child in its own home and to provide proper care.

SEC. 4. The board shall make written findings based upon its investigations. If it shall find affirmatively on subsections a, b, and d of section 2, and further that the income from, or the amount of, real and personal property owned by the parent or held in trust for the child, if any, is not of an amount or character which makes the giving of public aid inappropriate or unnecessary, the board may then make an order for a monthly allowance sufficient to insure the proper maintenance of the child in the home with the mother and, if it deems necessary, may impose such conditions upon the granting of the allowance as will promote the welfare of the child. The allowance shall be discontinued whenever the mother ceases to be a resident of the District of Columbia.

SEC. 5. The board may award an allowance from month to month or for a continuous period. It shall review all allowances at regular intervals and in no case shall an allowance be continued for more than six months without such review. Any allowance may be increased or decreased in amount, or discontinued, and the board may alter or amend the conditions upon which the allowance was previously granted upon a showing that the welfare of the child and the protection of the public interest demands such change, discontinuance, or amendment after reasonable notice has been given to the mother of the child.

SEC. 6. The board shall cause every home for which an allowance is made to be visited by its representative as often as may be necessary to observe the conditions which obtain in the home, the care which the child is receiving, and to offer such friendly counsel and advice as may be helpful to the mother and the child.

SEC. 7. The board shall keep on file a full record of each applicant for, or recipient of, assistance under this act, including the reports of investigations, correspondence, and other pertinent information, together with the orders of the board in each case.

SEC. 8. The board shall make such reasonable rules and regulations as may be necessary to the proper administration of this act.

SEC. 9. Any person who attempts to obtain, or obtains, by false representations, fraud, or deceit, any allowance under this act, or who receives any allowance knowing it to have been fraudulently obtained, or who aids or assists any person in obtaining or attempting to obtain an allowance by fraud, shall be punished by a fine of not more than $200 or imprisoned for not more than 12 months, or both.

SEC. 10. The words "child" and "parent" where used in this act shall be interpreted to include the plural.

SEC. 11. That in order to carry out the provisions of this act there is authorized to be appropriated for the fiscal year ending June 30, 1927, the sum of $100,000, payable from the revenues of the District of Columbia, and for the fiscal year ending June 30, 1928, and annually thereafter, the Commissioners of the District of Columbia shall include in the estimates of appropriations for said District such amount as may be necessary for this purpose. The Commissioners of the District of Columbia, upon nomination by the board, shall have power to appoint a secretary, a supervisor, and such investigators, stenographers, and clerical assistants as are necesary to administer this act, at such salaries as may be fixed for similar services by the provisions of the classification act of 1923. Such employees may be removed by the commissioners upon recommendation of the board.

The President, in his message in December, said:

Although more than 40 of our States have enacted measures in aid of motherhood, the District of Columbia is still without such a law. A carefully considered bill will be presented, which ought to have more thoughtful consideration, in order that the Congress may adopt a measure which will be hereafter a model for all parts of the Union.

It is therefore worth while to put into the RECORD the whole bill as it stands. Several amendments will be suggested to the bill which will perfect it in certain particulars; for instance, the gentleman from New York [Mr. LAGUARDIA] will propose, on page 2, line 23, after the word "mother," to insert the words "or guardian." There will also be offered amendments to take care of the situation in case the mother of a child on account of whom an allowance otherwise would be granted should be dead or considered an improper person to receive such an allowance. I feel very confident when this committee has finished the consideration of this bill it will recommend it to the House in such form as to comply with the recommendation of the President that we adopt a measure which may hereafter be a model for all parts of the Union.

On all such legislation as this for the District of Columbia we must take special pains, since both good and bad bills that are passed for the District are considered to have a special prestige throughout the country. We can not always depend on the recommendations of so-called welfare organizations, but the Child Welfare Committee of America appears to be a reliable organization. In Maryland Miss Anna Ward, of Baltimore, of the Family Welfare Association, was designated by the governor to act for the State in the child welfare conference, and that conference has approved the provisions of this bill.

I should not vote for it without the provision for a separate board, but with that incorporated I feel that this measure will be a great step toward the proper solution of the care of the dependent child. [Applause.]

Mr. BLANTON. Mr. Chairman, I yield three minutes to the gentleman from North Carolina [Mr. HAMMER].

Mr. HAMMER. Mr. Chairman, I have very high regard for the laws of New York. I have very high regard for the distinguished governor of that State, who, by sheer force of his own character, has made himself one of the greatest men in this country. He knows more about New York probably than any other governor that ever lived in the State, and it is natural that New Yorkers would favor a bill which contains this provision of the New York law.

However, as to this particular bill, for more than a year and a half the District Committee has deferred legislation on welfare matters to permit the District of Columbia, through a committee which has been appointed and known as the District of Columbia Welfare Commission and through the loan of an expert by the Russell Sage Foundation, to study welfare conditions here. This bill applies to a part of the welfare conditions which they have had under consideration. I was opposed to the consideration of this bill by the District Committee and by this House until the major bill which we have on the subject, the welfare bill, had been considered; but this has come up first, and we are placed at a disadvantage by having this administered, according to the bill as originally drawn, by the Board of Charities. I know there is objection to the word "charity," but, after all, this is charity. You may call it by whatever name you please. The welfare bill has not yet been reported by the District of Columbia Committee. I am not a member of that subcommittee, and I do not know exactly when they will consider it or what course it is going to take, but there is every prospect that the welfare bill will be reported favorably and will be enacted into law, and if I am informed correctly, there is a provision in that bill which creates a board of welfare, and the purpose of the bill is to abolish the Board of Charities as it now exists and to transfer the duties of the present Board of Charities to the welfare board. This welfare board is to be selected to take charge of all these matters, and for one I am of opinion that such a welfare board could manage this matter better than this independent board that has been grafted upon this bill.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BLANTON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HAMMER. I want to say, with all due regard to my friend, the gentleman from Texas, I think he was mistaken about the spirit which prevailed in the committee and about the idea which the committee had in mind when they made this favorable report, or else I have been misinformed.

My information is that certain people came before the subcommittee and left a very decided impression upon the committee that if they did not adopt this particular section as it was submitted to them, that there would be no legislation relating to mothers' pensions, and this section was accepted reluctantly because of fear of opposition to the entire measure. Now, if I am incorrect, I hope the gentleman from Minnesota will correct me, but I heard it from members of the committee.

Mr. KELLER. Who is the gentleman referring to?

Mr. HAMMER. I am referring to the gentleman from Minnesota. My statement is one that you have heard many times, that you were accepting this provision not because you thought it was better but because you thought you had to.

Mr. KELLER. That is not correct; no, sir.

Mr. BLANTON. That was just a rumor—I heard it, and when I attempted to trace it down I could not find any authority for it.

Mr. HAMMER. I would like to ask the gentleman from Minnesota if he thinks this a better provision than the one he had in his bill?

Mr. KELLER. This is not the Keller bill. The bill I introduced was introduced by request of the District of Columbia Welfare Commission. I am convinced after a discussion of it and advising with many people who have had experience along these lines that a separate board as provided for in this bill is preferable.

Mr. HAMMER. Does the gentleman think it better than the provision that he had in his bill?

Mr. KELLER. I do.

Mr. HAMMER. Has not the gentleman changed his mind on that?

Mr. KELLER. No, sir.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BLANTON. I yield the gentleman two minutes more.

Mr. HAMMER. I have been informed by a number of people that the gentleman accepted it, because he could not get anything better. I regret the statement, if I have been incorrectly advised.

Mr. KELLER. If Members of the House who disagree with the idea of a separate board will present an amendment in the House and the majority say they would rather have it the other way, I will accede to it, but personally I think a separate board is the ideal thing.

Mr. HAMMER. Does not the gentleman think if the welfare board act is enacted abolishing the Board of Charities, that it would be better to place the administration of this bill under the welfare board than have an independent board in a small city of the size of Washington, where you will not have more than five or six thousand dependent children to provide for under the provisions of this bill?

Mr. KELLER. No; my opinion on this question is that where a board is administering the law giving aid to dependent children, it should be under a board that has no other duty to perform. [Applause.]

Mr. HAMMER. That would be true if we were in a great city like New York, where they have 5,000,000 children, but in the District where we only have four or five thousand at the outside, it seems to me that an independent board is unnecessary.

Mr. BLANTON. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. JACOBSTEIN].

Mr. JACOBSTEIN. Mr. Chairman, I will take but a minute of the House's time. The last speaker stated that the special board was probably needed in New York City because of the size of that city and the large number of children to be cared for. I come from a city, Rochester, which is even smaller than the District of Columbia, and I observed that this New York State law has worked well in my community.

The two basic ideas in this bill are sound: First, giving of financial aid to the widowed mother in such form as to enable her to keep her children at home instead of placing them in an institution; second, the administration of the law by a separate board, nonsalaried and nonpolitical, has been found to be sound in some 30 States.

I want to call your attention to the fact that private orphan asylums have come to the conclusion that children ought to be placed in private homes.

I would like to ask those sponsoring the bill why they did not place a maximum amount of aid that might be given for each child. Would not such a specific limitation be advisable?

Mr. KELLER. My judgment is that it is not.

Mr. JACOBSTEIN. What is the experience of other States which are used as a model? Do they provide a limitation?

Mr. KELLER. Some do and some do not. You will find that in many cases the mother may get sick or the children may be hurt, and an emergency exists, and therefore they have extra expense for that family. If you place a limit, temporarily there would not be sufficient money to take care of the necessities. Therefore there should be no limitation, so that the board may increase the allowance for one, two, or three months until the emergency is passed, and so that the children may be taken care of.

Mr. JACOBSTEIN. I want to say that I indorse the bill, and as far as my experience goes with a similar law in New York State the results have been very beneficial and just. I yield back the balance of my time.

Mr. ZIHLMAN. Mr. Chairman, I ask that the bill may be read for amendment.

The CHAIRMAN (Mr. HAWLEY). The Clerk will read.

The Clerk read as follows:

SEC. 2. That whenever the parent of a child under the age of 16 years is unable to provide for the proper care of such child in his own home, the mother of such child may make application to the board for the benefits conferred by this act: *Provided*, That she has been a bona fide resident of the District of Columbia for one year preceding such application and that she is a citizen of the United States or has made application to become a citizen.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 2, line 23, after the word "mother," insert "or guardian."

Mr. LAGUARDIA. Mr. Chairman, the purpose of this amendment is to perfect the text in the event that the amendment that I shall offer on page 4 as to provision for payment of allowance be agreed to, which amendment will read:

If the mother of any such child on account of whom an allowance otherwise should be granted be dead, or be considered an improper person to receive such an allowance, the same may be made to any competent female relative of the child, or, if there be no such relative, to any other person who shall be designated a guardian and who shall accept responsibility therefor as may be deemed for the best interests of such child or children.

Mr. ZIHLMAN. Mr. Chairman, the subcommittee and myself have no objection to the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. The board shall thereupon make an investigation for the purpose of securing the following information:

a. Whether the mother is a proper person to have the custody and care of the child.

b. Whether the home is a satisfactory place for the training and rearing of the child.

c. What resources may be available for the complete or partial maintenance of the child, including the full amount, if any, of real and personal property owned by the parent or held in trust for the child; whether there are any persons or organizations legally obligated to assist in the support of the child.

d. Whether legal steps have been taken to compel the father of the child, if he be living, to provide support when he willfully refuses to do so and with what result.

e. What amount of aid is needed to keep the child in its own home and to provide proper care.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 3, line 6, after the word "mother," insert the words "or guardian."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

Mr. KELLER. Mr. Chairman, I shall not oppose the amendment, but I think there ought to be a little explanation in regard to both amendments made along this line. The welfare commission that prepared this bill that I introduced wanted to go quite a ways in giving aid, but they felt at that time that it would probably be impossible for Congress to go as far as that, and they propose giving aid in the bill only to mothers. Those people who want to be consistent and follow entirely the people of the District of Columbia of course would not want to vote for the amendment of the gentleman from New York. Personally I feel that the aid ought to go further than to mothers or to some near relative if the mother dies, or even further, to some person willing to take the child and take care of it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The Clerk read as follows:

SEC. 4. The board shall make written findings based upon its investigations. If it shall find affirmatively on subsections a, b, and d of section 2, and further that the income from, or the amount of, real and personal property owned by the parent or held in trust for the child, if any, is not of an amount or character which makes the giving of public aid inappropriate or unnecessary, the board may then make an order for a monthly allowance sufficient to insure the proper maintenance of the child in the home with the mother and, if it deems necessary, may impose such conditions upon the granting of the allowance as will promote the welfare of the child. The allowance shall be discontinued whenever the mother ceases to be a resident of the District of Columbia.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 4, after line 9, add the following: "If the mother of any such child, on account of whom an allowance otherwise should be granted, be dead, or be considered an improper person to receive such an allowance, the same may be made to any competent female relative of the child, or, if there be no such relative, to any other person who shall be designated a guardian and who shall accept responsibility therefor, as may be deemed for the best interests of such child or children."

Mr. LAGUARDIA. Mr. Chairman, the amendment explains itself. It is simply in order not to penalize the child who happens to have lost its mother or whose mother unfortunately is an improper person to care for it.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. McLAUGHLIN of Michigan. As I heard the amendment it seems to me that this relative may not assume any responsibility for the child. I think the amendment provides the money shall be given to any relative or anyone who has been appointed a guardian. It is not necessary that that relative shall have been appointed a guardian under the amendment as I heard it read.

Mr. HILL of Maryland. Mr. Chairman, I ask that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment.

Mr. ZIHLMAN. Mr. Chairman, I commend the gentleman from New York [Mr. LAGUARDIA] on the spirit with which he is approaching the problem presented by this bill, but I believe that this last amendment opens up a very wide field. We are just embarking upon a plan of mothers' aid in the District of Columbia. We are making available only the sum of $100,000 per annum. It was the intention of the committee in consid-

ering this legislation to provide aid for dependent mothers. I believe that the language offered by the gentleman from New York is so broad, so far-reaching in its effect, that it is going to complicate the administration of this law. I believe we should take up the problem of giving aid at this time to the dependent mothers, and then if Congress, after the law is put in operation and the benefits of it are apparent, wants to enlarge the scope of the law by extending it to relatives of children as well, well and good, but I do not believe that an amendment of this importance should be inserted in the bill at this stage of the consideration of the measure.

Mr. LaGUARDIA. Mr. Chairman, the only purpose of the amendment is in the event that a child is entitled to the allowance, and unfortunately the child has not a mother but has a female relative who is able to care for the child, but financially is unable to do so; or, in the event where the child would be given the allowance but unfortunately the mother is not a fit person to care for the child. Therefore instead of taking the child and penalizing it for no fault of its own and putting it in an institution, this amendment permits the board, in its discretion, to give the allowance which otherwise would go to the mother to a proper female relative. That is all there is to it.

Mr. ZIHLMAN. Well, does not the question arise as to what relative is going to receive this monthly compensation or credit?

Mr. LaGUARDIA. It is entirely in the discretion of the board.

Mr. ZIHLMAN. I think it just as well be left out of the bill.

Mr. BLANTON. If the gentleman will yield, we have a regulation covering every feature the gentleman has in his amendment under the present law. This bill merely protects the mother from having her child taken away while the child whose mother is dead will be cared for under another law.

Mr. LaGUARDIA. Will it be placed in this institution?

Mr. BLANTON. Maybe so, and maybe not.

Mr. LaGUARDIA. That is what I desire to know.

Mr. ZIHLMAN. We have here in the District a Board of Children's Guardians which places children in homes.

Mr. LaGUARDIA. I am trying to save the children from that board.

Mr. ZIHLMAN. You are not saving if you allow the language of your amendment to go in. Who shall be her relative or guardian? The word "relative" is a very broad word.

Mr. LaGUARDIA. Does the gentleman believe the law is sufficiently broad, in the event the child is motherless or the mother is morally unfit to care for the child, that the child will be protected under the provisions of this bill?

Mr. ZIHLMAN. Under the provisions of the existing law the child could be placed in a home——

Mr. LaGUARDIA. How about this bill?

Mr. ZIHLMAN. I do not think so under this bill.

Mr. LaGUARDIA. That is exactly what I am trying to do.

Mr. ZIHLMAN. I think that could be administered under the law now existing, which provides a Board of Children's Guardians which can place children in homes, in homes of the relatives if it deems wise to do so.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

Mr. TILSON. Mr. Chairman, I move to strike out the last word. As some of you know my great little State of Connecticut is sometimes called the "land of steady habits" by the people who live there. Sometimes it is called other things not quite so complimentary by people living outside of the State because it will not voluntarily accept as reforms all the proposed reforms attempted to be handed out to the several States. The people of my State do not readily swallow quack nostrums simply because they bear the reform label; but in all matters relating to children and the home they insist upon the wisest and best laws that can be devised. As to the bill under consideration I am glad to say that Connecticut has fully expressed its position in regard to legislation of this character. For a number of years we have had a law on the statute books of our State quite similar in its purpose to the bill now before this House. Our people believe that this is the wisest and best way to care for and support children who otherwise would become what are known as paupers. They believe that in the long run it is best for the State and for society to support these children at their homes, believing that the home influence is infinitely better than that of any institution however well it may be conducted.

Therefore, Mr. Chairman, believing that the District of Columbia, the home of the Nation's Capital, will be benefited by such legislation and that it should have the best, I shall support this bill very gladly. [Applause.]

The Clerk resumed and concluded the reading of the bill.

Mr. KINCHELOE. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the committee this question: Section 11 provides that the first appropriation shall be $100,000 in 1927 out of the revenues of the District, and for the fiscal year 1928 and annually thereafter the Commissioners of the District of Columbia shall include in the estimates of appropriation such amount as may be necessary for this purpose. What I wanted to know is where the second and subsequent years' appropriation is to come from, all from the District of Columbia?

Mr. ZIHLMAN. Yes; it is the initial appropriation——

Mr. KINCHELOE. No; it does not say.

Mr. ZIHLMAN. I think it does.

Mr. KINCHELOE. I would like for the gentleman to show me where it is.

Mr. ZIHLMAN. Under the present plan of fiscal relationship it would be automatic; it would be entirely from the revenues of the District.

Mr. KINCHELOE. If I understand, the Federal Government appropriates how much now?

Mr. ZIHLMAN. Nine million dollars.

Mr. KINCHELOE. Then, with these subsequent appropriations to carry out this act that is taken in a lump-sum appropriation from the District of Columbia plus $9,000,000?

Mr. ZIHLMAN. Nine million dollars of the lump-sum appropriation by the Federal Government. All sums over that for the expenses of the District must be levied by a tax rate.

Mr. KINCHELOE. And subsequent appropriations after the first year would come as a matter of fact, the same way as provided here, from the District of Columbia, plus $9,000,000, and are taken wholly from the District?

Mr. ZIHLMAN. The gentleman is correct; yes.

Mr. Chairman, I move that the bill be laid aside with favorable recommendation.

The motion was agreed to.

PARK AND PLAYGROUND SYSTEM

Mr. ZIHLMAN. Mr. Chairman, I call up the bill (H. R. 8830) amending the act entitled "An act providing for a comprehensive development of the park and playground system of the National Capital," approved June 6, 1924.

The CHAIRMAN. The Clerk will report the bill for the information of the committee.

The Clerk read the title of the bill, as follows:

A bill (H. R. 8830) amending the act entitled "An act providing for a comprehensive development of the park and playground system of the National Capital," approved June 6, 1924.

Mr. ZIHLMAN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to dispense with the first reading of the bill. Is there objection?

There was no objection.

Mr. ZIHLMAN. Mr. Chairman, not having received any requests for time in general debate on this bill, I suggest that we read the bill and consider it under the provisions of the five-minute rule.

Mr. BLANTON. Mr. Chairman, how does the time stand?

The CHAIRMAN. The gentleman from Texas has 11 minutes.

Mr. BLANTON. How much has the gentleman from Maryland?

The CHAIRMAN. The gentleman from Maryland has 30 minutes.

Mr. BLANTON. Mr. Chairman, I desire to yield myself a few minutes.

The CHAIRMAN. The gentleman is recognized for a few minutes, not to exceed that. [Laughter.]

Mr. BLANTON. Mr. Chairman, this bill goes further than I think it should go. We already have a commission, and its members are working fairly well. We are striking out two of these commissioners, and we are adding four more.

Mr. GIBSON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. GIBSON. In regard to taking away two of these commissioners, I have prepared some amendments restoring those.

Mr. BLANTON. Well, the gentleman did not say anything about that to the members of the committee when this bill was reported, when the bill which the committee authorized the gentleman to report did away with two.

Mr. GIBSON. Does the gentleman object to the restoration?

Mr. BLANTON. I want them back. They should not be eliminated. That is one of the points I raised in committee. But I do object to the manner in which four additional ones are to be selected. This bill provides that there shall be four

appointed, one of whom is to be a bona fide resident of the District. The others may be selected from anywhere in the United States. They may be selected while living in California or in Oregon or in Washington State. They are to be paid $10 a day and traveling expenses——

Mr. ZIHLMAN. No. It is provided that they shall receive no compensation, but the civilian members shall receive $10 a day for expenses.

Mr. BLANTON. The gentleman interrupted me in a sentence. They are to receive no salary, but every time they come to Washington, which could be many times in a year, they are to receive all their traveling expenses from San Francisco to Washington and back; or from Seattle, Wash., to the National Capital and back, or from Portland, Oreg., to Washington and back; and, in addition, they are to receive $10 a day for subsistence. Now, that is a pretty good sum for some people. There are some people whom I know who would be awfully glad to get that job. I have in mind a set of county commissioners once who received a per diem when they were in session and did not receive anything when they were not in session, and consequently they were in session most of the time. I do not think this is necessary. I do not think it is necessary to provide for selecting men from all over the United States. There are enough experts in Washington to do this work. There are enough experts here in Washington connected already with this Government drawing salaries, who could do this work, and who ought to do it.

Now, you followers of what is known as Coolidge economy, if you are for your President's economy, you will vote out this provision. I am going to give you a chance to vote it out.

Mr. COLE. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. COLE. What is the object of selecting outside men?

Mr. BLANTON. None in the world.

Mr. COLE. Do they know anything about the parks of the District?

Mr. BLANTON. Nothing in the world.

Mr. COLE. Then why have them?

Mr. BLANTON. It has been put in for fellows out of a job. The committee could not give me a reason for putting them in. I asked questions about it. They could not give a reason. They provided for one bona fide resident of the District. What is a bona fide resident?

Suppose I lived in Santa Barbara, Calif., and I wanted this job. Suppose I stand in with the President or I stand in with the distinguished gentleman who represents that district and he is close to the President. I come here to Washington and I say, "This is my home; I have cut loose from California; this is my home." I buy a place here. Do I not become a bona fide resident of the District of Columbia? Of course I do. And yet I might not have been here for 30 days, but I become eligible for employment as one of these four men, and the other three men who are to be appointed may never have been here a day in their lives.

Mr. SEGER. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. SEGER. If the gentleman left his home in Texas and became a resident of Washington he would not expect to go home and be reelected as a Member of this House.

Mr. BLANTON. If I should come here and ask the President to appoint me to this job, I would not expect reelection.

Now, what are you going to do about this business of continually appointing men to jobs of this kind? As you know, it costs a whole lot of money to come from California to Washington and go back. Ask one of the California Representatives what it costs. He will tell you it costs a whole lot of money. It costs a whole lot of money to come from Seattle to Washington, D. C., and back; it costs a whole lot of money to come from Texas to Washington and back. Ask some of the Members how much it costs. And you are to give these commissioners their expenses and $10 per day additional for subsistence every time they make a trip here, and if they are going to do good work as members of this board they will have to come here very often, and you know they will get their expenses every time they come, and in addition they get a subsistence allowance of $10 a day. Do you want to do that? It is up to you to do it if you want to do it, but I am not going to vote for it. I am going to vote against it, and I am going to give you an opportunity to vote against it, too.

Mr. ZIHLMAN. Mr. Chairman, I yield five minutes to the gentleman from Vermont [Mr. GIBSON], the chairman of the subcommittee having this bill in charge.

Mr. GIBSON. Mr. Chairman and gentlemen of the committee, this bill is offered in response to a very wide demand and is based on the theory that the Capital City is the city of all of the people of the country, the city of the gentleman from Iowa [Mr. COLE] as much as it is the city of the man who lives on Sixteenth Street.

Now, my friend from Texas—who passes out bouquets from time to time to the rest of us—is an industrious, hard-working Member of this House. He spent all of last summer here, during those fretful summer months, studying the problems of the District. I am sorry, indeed, that I can not agree with him on many of his propositions and this is one of them. He finds fault with this bill because it provides that one member is required to be a bona fide resident of the District of Columbia, and yet just a few minutes ago he was raising his voice in favor of a bill that had the same provision in it in regard to the members of the board for the administration of the fund for dependent children.

What is a bona fide resident of the District. It is one who has no residence in any of the States of the Nation. What does this bill seek to do? We passed at the last session of the Congress the bill known as the comprehensive park bill, providing for the creation of a board known as the National Capital Park Commission to acquire lands for park purposes. We provided for an appropriation of a sum equal to an assessment of 1 cent upon every man, woman, and child in the Nation. Then there came this demand—which has been a demand running for years—for a planning commission such as exists in over two hundred of the cities of the United States. Instead of creating a new commission we have enlarged the park commission and transferred the duties of a planning commission to this park commission. We enlarged it by providing that the President of the United States could appoint four eminent men well qualified in city planning, such as the commission that was appointed in 1901 and known as the McMillan commission.

On that commission we had Frederick Law Olmsted, Augustus St. Gaudens, Charles F. Burnham, and Mr. McKim, an eminent architect of New York City. That commission took the plan of the city and studied it, and it made recommendations in regard to parks and the location of public buildings.

The CHAIRMAN. The time of the gentleman from Vermont has expired.

Mr. ZIHLMAN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. GIBSON. Now, that is the principal provision of this bill. Then there is another feature. It does away with the highway commission. The highway commission is made up of the Secretary of War, the Secretary of the Interior, and the Chief of Engineers of the Army. Of course, the Secretary of War and the Secretary of the Interior can not give their personal attention to the duties of the highway commission. They delegate the duties and the responsibilities, and those delegated duties usually get back to the Commissioners of the District. So we have felt we could coordinate and correlate all of these activities, which naturally go together under this one planning commission and give this great Capital City of the greatest Nation of the world a commission which it actually needs to carry out the plans that were formulated by Washington and Jefferson, further helped by the McMillan commission in 1901.

Mr. Chairman, I yield back the balance of my time.

Mr. BLANTON. Mr. Chairman, whatever time I have I yield to the gentleman from Massachusetts [Mr. UNDERHILL].

The CHAIRMAN. The gentleman from Massachusetts is recognized for four minutes.

Mr. UNDERHILL. Mr. Chairman, I am neither going to advocate or oppose this bill. I do not think there is any particular harm in it, nor is it going to accomplish any particular good. I do want, however, to get into the RECORD my reasons for making the last statement. At the last session of Congress, after a long and exhaustive debate, Congress voted $1,100,000 per year, to run over a period of 20 years, making a total appropriation authorized of $22,000,000 for a comprehensive development of the park system of this city. It was following out the plan and procedure adopted by every great city in the Union. New York has spent millions; Boston, Cleveland, Cincinnati, Detroit, and San Francisco have all adopted this system of comprehensive park development when land was available and which could be purchased for a reasonable sum.

Washington had made no such provision for the development of open spaces, and consequently Congress decided it was time the Nation's Capital took a step in the right direction, and this sum was voted. What happened to it? The Bureau of the Budget cut it down to $600,000.

Mr. GIBSON. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. GIBSON. Is it not true that the Bureau of the Budget cut it down to $600,000 because of a recommendation on the part of the District Commissioners?

Mr. UNDERHILL. The Bureau of the Budget cut it down to $600,000, which provided only for the purchase of two minor lots of land that were available at that time, and the commissioners had to come before the Committee on Appropriations and beg that they should not cut out that $600,000 entirely.

What has happened this year? Do we get our $1,100,000 for this development? No; we do not get a cent. Consequently I say whatever plans may be contemplated in this bill they will amount to little or nothing in the end.

What has become of the bill which I introduced early in this session to eliminate the eyesores, the dumps, and the joints down on Pennsylvania Avenue, that would be a disgrace to any city anywhere located? Nothing has been done about it. It does not need a plan in the minds of the Members of this House or of the citizens of Washington or of the people of the United States who come here to visit, to show that this should be the first step in beautifying the city, and not only in beautifying the city but in providing building space for the great public buildings that are contemplated. What has been done? Nothing.

Mr. KELLER. Where is the gentleman's bill, may I ask?

Mr. UNDERHILL. It is before one of the committees of the House. No action has been taken on it and no hearing has been held.

Mr. KELLER. It is not before the District of Columbia Committee.

Mr. UNDERHILL. No. It has the unanimous support of the citizens of the District. It has the unanimous support of practically all the people of this Nation who have visited Washington, and yet it has died in committee. So what is the use of passing such legislation as this.

Mr. ZIHLMAN. Mr. Chairman, I ask that the bill be read for amendment under the five-minute rule.

The Clerk read as follows:

Be it enacted, etc., That section 1 of the act approved June 6, 1924, entitled "An act providing for a comprehensive development of the park and playground system of the National Capital," is hereby amended to read as follows:

"SECTION 1. (a) That to develop a comprehensive, consistent, and coordinated plan for the National Capital and its environs in the States of Maryland and Virginia, to preserve the flow of water in Rock Creek, to prevent pollution of Rock Creek and the Potomac and Anacostia Rivers, to preserve forests and natural scenery in and about Washington, and to provide for the comprehensive, systematic, and continuous development of park, parkway, and playground systems of the National Capital and its environs there is hereby constituted a commission to be known as the National Capital Park and Planning Commission, composed of the Engineer Commissioner of the District of Columbia, the Director of the National Park Service, the Director of Public Buildings and Public Park of the National Capital, the chairman of the Committees on the District of Columbia of the Senate and House of Representatives, and four eminent citizens well qualified and experienced in city planning, one of whom shall be a bona fide resident of the District of Columbia, to be appointed for the term of six years by the President of the United States: *Provided*, That the first members appointed under this act shall continue in office for terms of three, four, five, and six years, respectively, from the date of the passage of this act, the terms of each to be designated by the President; but their successors shall be appointed for terms of six years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. All members of the said commission shall serve without compensation therefor, but each shall be paid actual expenses of subsistence not in excess of $10 per day and of travel when attending meetings of said commission or engaged in investigations pertaining to its activities. At the close of each Congress the presiding officer of the Senate and the Speaker of the House of Representatives shall appoint, respectively, a Senator and a Representative elect to the succeeding Congress to serve as members of this commission until the chairmen of the committees of the succeeding Congress shall be chosen. The Director of Public Buildings and Public Parks of the National Capital shall be executive and disbursing officer of said commission.

"(b) That the said commission is hereby charged with the duty of preparing, developing, and maintaining a comprehensive, consistent, and coordinated plan for the National Capital and its environs, which plan shall include recommendations to the proper executive authorities as to traffic and transportation; plats and subdivisions; highways, parks, and parkways; school and library sites; playgrounds; drainage, sewerage, and water supply; housing, building, and zoning regulations; public and private buildings; bridges and water fronts; commerce and industry; and other proper elements of city and regional planning. It is the purpose of this act to obtain the maximum amount of cooperation and correlation of effort between the departments, bureaus, and commissions of the Federal and District Governments. To this end plans and records, or copies thereof, shall be made available to the National Capital Park and Planning Commission, and it shall be the duty of each member of the commission to adhere in principle to the official plan of the commission. The commission may, as to the environs of the District of Columbia, act in conjunction and cooperation with such representatives of the States of Maryland and Virginia as may be designated by such States for this purpose. The said commission is hereby authorized to employ the necessary personal services, including the personal services of a director of planning and other expert city planners, such as engineers, architects, and landscape architects. Such technical experts may be employed at per diem rates not in excess of those paid for similar services elsewhere and as may be fixed by the said commission without regard to the provisions of the act of Congress entitled 'An act for the classification of civilian positions within the District of Columbia and in the field services,' approved March 4, 1923, and amendments thereto, or any rule or regulation made in pursuance thereof.

"(c) The commission established by section 2 of the act entitled 'An act to provide a permanent system of highways in that part of the District of Columbia lying outside of cities' (27 Stat. L., pp. 532, 533), known as the highway commission, is hereby abolished, and all the functions, powers, and duties conferred and imposed upon said highway commission by law are hereby transferred to and conferred and imposed upon the National Capital Park and Planning Commission hereby constituted, and all records of said highway commission are hereby transferred to said National Capital Park and Planning Commission.

"(d) All authority, powers, and duties conferred and imposed by law on the National Capital Park Commission shall hereafter be held, exercised, and performed by the National Capital Park and Planning Commission hereby constituted. All appropriations heretofore made for expenditure by the National Capital Park Commission are hereby made available for the use of the commission hereby constituted."

Mr. GIBSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Vermont offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GIBSON: Page 2, line 8, after the word "of," insert "the Chief of Engineers of the Army."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont.

The amendment was agreed to.

Mr. GIBSON. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Vermont offers an amendment, which the Clerk will report.

The Clerk reads a follows:

Amendment offered by Mr. GIBSON: Page 2, line 9, after the word "Service," insert "The Chief of the Forest Service."

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Vermont.

The amendment was adopted.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 2, line 13, beginning with the words "and four," strike out all the balance of that page and the part of page 3 down to that part in line 4 embracing the word "activities."

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 2, line 13, after the word "Representatives," strike out the remainder of page 2 and all of page 3 down to and including the word "activities" in line 4.

Mr. BLANTON. Mr. Chairman, I want you gentlemen to realize just what you are doing. What better commission do you want than the one you have with the officers named? Why increase the number with four new outside men of whom you know nothing at all?

Mr. MONTAGUE. Will the gentleman permit me to ask him a question for information?

Mr. BLANTON. Certainly.

Mr. MONTAGUE. Who is the officer alluded to here as Director of the National Park Service? Who is he and where does he reside?

Mr. BLANTON. I think the distinguished gentleman from Virginia was correct in his statement to me that he is the superintendent of all the national parks.

Mr. ZIHLMAN. Yes; Stephen T. Mather.

Mr. BLANTON. Yes; Mr. Mather.

Mr. MONTAGUE. Mr. Mather is the director of all the national parks of the United States?

Mr. BLANTON. Yes.

Mr. MONTAGUE. Does he reside in the District of Columbia or does he reside in the Yellowstone National Park?

Mr. ZIHLMAN. I will say to the gentleman from Virginia that Mr. Mather has a residence here and his office is in the Interior Department. He is a very public-spirited and distinguished gentleman.

Mr. MONTAGUE. I thank the gentleman.

Mr. BLANTON. Now, gentlemen, notice what kind of commission we have already. We have the engineer commissioner, we have the Chief of Engineers of the Army, we have the Director of the National Park Service, we have the Director of Public Buildings and Public Parks of the National Capital, and we have the Chief of the Forest Service whom you added just a moment ago by amendment.

Mr. GIBSON. The Chief of the Forest Service.

Mr. BLANTON. Yes; the Chief of the Forest Service.

And then you have the chairman of the District Committee of the House and also the chairman of the District Committee of the Senate. Now, is not that sufficient? I am asking you to strike out the four additional ones for whom up to this time we have had no use. Why should we need them now?

A MEMBER. Probably because they want an office.

Mr. ARENTZ. The gentleman must admit that not much has been accomplished in the park system of Washington.

Mr. BLANTON. I have heard that statement before, but it is not correct.

Mr. ARENTZ. I believe it is true.

Mr. BLANTON. There are 1,200 parks in Washington to-day, counting the large and small ones. There is no more beautiful park in any city than Rock Creek Park, and there are other beautiful ones here. You are mistaken when you deny that Washington has beautiful parks. Get your car and let me drive you around for a week.

Mr. ARENTZ. I have driven around over the parks, but take the parks of Chicago and San Francisco, and where they are joined together, connected, something that we need in Washington but we have not.

Mr. BLANTON. We are now connecting Rock Creek Park with Potomac Park. I have driven through Rock Creek Park and through the Zoo and then down to the Potomac Park with many visitors here, and I have had men who have traveled all over the world say that Washington has some of the most beautiful parks in existence. We have spent a lot of money here for parks, and we are going to spend a lot more. This Congress has been unusually liberal. We passed last year an act in which Congress authorized an appropriation of $1,100,000 every year for 20 years for the park system here. Think of it! $1,100,000 every year for 20 years, and your Appropriation Committee has been very liberal. It has given at least $600,000 every year in an appropriation bill for parks.

If you want to create these useless new positions at great expense, it is your business, but I protest against these four new men being appointed who can come here and draw railway expenses across the United States and a per diem of $10 per day.

Mr. TILSON. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. TILSON. Is it not a fact that not a single man now on the board is either a landscape engineer or an expert city planner? They are mostly Army officers, good men, but does not the gentleman think it would be well worth while to have the benefit of men who are experts, skilled in these matters and just as much interested in behalf of this city as is the gentleman or myself?

Mr. BLANTON. I call the attention of the distinguished majority leader to this fact, that we now have on the pay roll of this Government some of the most expert landscape engineers in Washington to-day.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. Mr. Chairman, I ask for three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. I want to call attention to another provision, and I want my distinguished friend from Illinois to pay attention.

Mr. SPROUL of Illinois. I always pay attention to the gentleman.

Mr. BLANTON. Because he helped me out on a proposition, helped me to see the light of day on a very important proposition. You are providing in this bill that these men can employ as many experts as they want, of every kind, and you make no limitation on the amount of salary. A few years ago we built 9 or 11 new school buildings in Washington. We had a board of architects already on the pay roll of this District government drawing salaries who were expected to plan those buildings. My friend from Illinois, who is a distinguished contractor, showed me how they wasted money. He checked it up himself, and instead of these District architects, whose duty it was to draw these plans, drawing them, my colleague will tell you that they went outside and employed 9 or 11 outside architects, one for each building. Didn't they do it?

Mr. SPROUL of Illinois. No; not in other cities.

Mr. BLANTON. In this and other cities?

Mr. SPROUL of Illinois. The Board of Education had its own architect who was supposed to get up the plan. Congress had appropriated for nine schoolhouses, but instead of the architect doing this work he peddled it out to eight different architects in the city of Washington and paid them 3 per cent for drawing plans without drawing any specifications or details.

Mr. BLANTON. Then I was nearly correct.

Mr. SPROUL of Illinois. The gentleman said they went outside of the city.

Mr. BLANTON. Well, they employed private architects and paid them big fees, when our own architect should have done it. Now, if you will check up the money wasted on such clauses as we place in bills here without giving them much attention, you will find that we have wasted thousands and thousands of dollars.

Mr. ZIHLMAN. Mr. Chairman, I hope the amendment offered by the gentleman from Texas will not be adopted. This bill is presented in the hope that the present National Capital Park Commission will be augmented by giving representation on the commission to men skilled in landscape gardening, in city planning, and park development. This is in response to the agitation that has been carried on here for many years, to the end that the city of Washington might receive the very best advice in park development it is possible to obtain. I might add that the eminent expert, Mr. Frederick Law Olmsted, is coming here next month at his own expense and without compensation to consult with the National Capital Park Commission as to the plans they have before them for a coordinated and comprehensive plan of park development here in the District of Columbia. At the last session of Congress the Senate and House District Committees both reported a bill providing for an unpaid commission to make a survey and report for a plan of development of the National Capital park system. This bill carried an appropriation of $50,000, but it did not pass. Those who favored the bill continued to present reasons for representation on the commission of these experts and city planners, desiring that their services and the training and information they have might be available to the commission. This bill is in response to that demand, and we provide in this bill for the appointment of four additional men to be appointed by the President. It is presumed that the President will appoint members of the American Society of Landscape Gardeners, the Society of Architects, and the American Society of Engineers, but we have left that matter in his discretion.

Then we have provided that while they are attending the meetings of this commission they shall receive for subsistence a sum not in excess of $10 per day. That we are putting people on the pay roll and that they will travel from Seattle, Wash., or San Francisco, Calif., to get a subsistence allowance is ridiculous.

Mr. LAGUARDIA. Would this not be a good investment even though we had to pay all the gentleman from Texas says to get competent expert advice in the laying out of the parks here?

Mr. ZIHLMAN. Yes.

Mr. LAGUARDIA. We have a New York City landscape architect attached to every borough in New York. We have five expert landscape architects, and we pay them a decent salary to do just work.

Mr. ZIHLMAN. The gentleman is entirely right, and if we did pay these gentlemen $10 a day we would be getting their services at a ridiculously low figure. The bill also provides that the Highway Commission be abolished and the powers now vested in that commission be tranferred to the National Capital Park Commission. The commission is also charged with the duty of preparing, developing, and maintaining a comprehensive, consistent, and coordinated plan for the National Capital and its environs, which shall include recommendations to the proper executive authorities as to traffic and transportation; plats and subdivisions; highways; school and library sites; playgrounds; drainage, sewerage, and water supply; housing and zoning regulations; bridges and water fronts and other proper elements of city and regional planning. The

commission is authorized to employ the necessary personal services of a director of planning and other expert city planners, such as engineers, architects, and landscape architects.

Representation should be given to the citizens of the District who are interested in this great work and I am hopeful that with the passage of this bill we will be well on the road to a plan that will meet not only the ideas contained in the plan submitted by the McMillan Park Commission of 1901 but of those also who, from time to time, have lent their aid in this great work.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. ZIHLMAN. Mr. Chairman, I move that the committee do now rise and report this bill and the other four bills which have been acted upon by the committee back to the House, with the amendments that have been agreed to, with the recommendation that the amendments be adopted and that the bills as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. DOWELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 5010) to provide for the payment of the retired members of the police and fire departments of the District of Columbia the balance of retirement pay past due to them, with unpaid from January 1, 1911, to July 30, 1915; the bill (H. R. 8830) amending the act entitled "An act providing for a comprehensive development of the park and playground system of the National Capital," approved June 6, 1924; also the bill (H. R. 6556) for the establishment of artificial bathing beaches in the District of Columbia; also the bill (H. R. 7669) to provide home care for dependent children, with sundry amendments thereto, with the recommendation that the amendments be agreed to and that the bills as amended do pass; also that that committee had had under consideration the bill (H. R. 3807) granting relief to the Metropoliton police and to the officers and members of the fire department of the District of Columbia, and had directed him to report the same back without amendment, with the recommendation that the bill do pass.

Mr. ZIHLMAN. Mr. Speaker, I ask unanimous consent that the previous question shall be considered as ordered on the bills H. R. 7669, 5010, 3807, 6556, and 8830, and all amendments thereto, to final passage.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, I do not think a separate vote will be demanded, except upon one bill. Can we not have the others voted upon en bloc?

The SPEAKER. That can be done without objection.

Mr. BLANTON. Then I ask unanimous consent that that be done, and I ask for a separate vote on the bathing beach bill, H. R. 6556.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The first vote will be taken upon the bill H. R. 3807, the Metropolitan police uniforms bill, reported without amendment. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER. The question is on the amendments to the bills H. R. 8830, H. R. 5010, and H. R. 7669.

The amendments were agreed to, and the bills as amended were ordered to be engrossed and read a third time, were read the third time, and passed.

A motion to reconsider the votes by which the bills were passed was laid on the table.

The SPEAKER. The Clerk will report the bill upon which a separate vote is demanded.

The Clerk read as follows:

A bill (H. R. 6556) for the establishment of artificial bathing beaches in the District of Columbia, with amendments.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the question will be put in gross.

The question was taken, and the amendments were agreed to.

Mr. ZIHLMAN. Mr. Speaker, I ask unanimous consent that the title be amended to conform to the text of the bill.

The SPEAKER. Without objection, the text will be amended when the bill is passed.

The bill was ordered to be engrossed and read a third time, was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BLANTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. BLANTON moves to recommit this bill to the Committeee on the District of Columbia with instructions to report the same back to the House forthwith with the following amendment, to wit:

On page 2, in line 2, after the word "sum," insert the following: "wholly out of the revenues of the District of Columbia."

Mr. ZIHLMAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Texas to recommit the bill.

The question was taken, and the Speaker announced the noes appeared to have it.

Mr. BLANTON. Mr. Speaker, the House having divided, I make the point of order that there is no quorum present; and I ask if it can be arranged to have the vote on this matter in the morning. I do not like to ask that members of the committee be brought here this afternoon. Would the gentleman be willing to adjourn and let the vote be taken in the morning?

Mr. TILSON. If the gentleman intends to insist on having a roll call——

Mr. BLANTON. I intend to have a record vote on this matter, and I made the point of order of no quorum for that purpose.

Mr. TILSON. As far as I am concerned, I prefer to wait until to-morrow morning. We have reached the stage——

Mr. BLANTON. This will require a vote to-morrow morning, there being no quorum here.

Mr. TILSON. If the gentleman will withdraw the point of no quorum, I will move to adjourn.

Mr. BLANTON. If I do not jeopardize the vote in the morning, I will withdraw the point for the purpose of the Speaker signing papers.

The SPEAKER. The vote will come the first thing in the morning.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 1746. An act to authorize the Secretary of Commerce to transfer the Barnegat Light Station to the State of New Jersey; and

S. 2519. An act to enable the board of supervisors of Santa Barbara County to maintain a free public bathing beach on certain public land.

The message also announced that the Senate had passed without amendment bills of the following titles:

H. R. 5240. An act to authorize the construction of a bridge across Fox River in Dundee Township, Kane County, Ill.;

H. R. 6090. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a bridge and approaches thereto across the Fox River in the county of McHenry, State of Illinois, in section 18, township 43 north, range 9 east of the third principal meridian; and

H. R. 7187. An act granting the consent of Congress to the South Park commissioners and the commissioners of Lincoln Park, separately or jointly, their successors and assigns, to construct, maintain, and operate a bridge across that portion of Lake Michigan lying opposite the entrance to Chicago River, Ill.

SENATE BILLS REFERRED

Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2519. An act to enable the board of supervisors of Santa Barbara County to maintain a free public bathing beach on certain public land; to the Committee on the Public Lands.

S. 1746. An act to authorize the Secretary of Commerce to transfer the Barnegat Light Station to the State of New Jersey; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 5240. An act to authorize the construction of a bridge across Fox River, in Dundee Township, Kane County, Ill.;

H. R. 6090. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a bridge and approaches thereto across the Fox River in the county of

McHenry, State of Illinois, in section 18, township 43 north, range 9 east of the third principal meridian; and

H. R. 7187. An act granting the consent of Congress to the South Park commissioners and the commissioners of Lincoln Park, separately or jointly, their successors and assigns, to construct, maintain, and operate a bridge across that portion of Lake Michigan lying opposite the entrance to Chicago River, Ill.

LEAVE OF ABSENCE

By unanimous consent—

Mr. FUNK (on request of Mr. SPROUL of Illinois) was granted leave of absence for one week on account of important business.

Mr. KVALE was granted leave of absence for two days on account of illness in family.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 8 minutes p. m.) the House adjourned until to-morrow, Tuesday, February 9, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 9, 1926, as reported to the floor leader by clerks of the several committees:

APPROPRIATIONS COMMITTEE

(10.30 a. m.)

Appropriations for independent offices (subcommittee).

CIVIL SERVICE COMMITTEE

(10.30 a. m.)

To prescribe uniform allowance to officers and employees in all services of the United States while traveling and on temporary duty on official business (H. R. 7889).

FOREIGN AFFAIRS COMMITTEE

(10.15 a. m.)

To provide for the expenditure of certain funds received from the Persian Government for the education in the United States of Persian students (H. J. Res. 111).

INTERSTATE AND FOREIGN COMMERCE COMMITTEE

(10.30 a. m.)

To provide for the prompt disposition of disputes between carriers and their employees, and for other purposes (H. R. 7180).

NAVAL AFFAIRS COMMITTEE

(10.30 a. m.)

Consideration of a five-year program for the Bureau of Aeronautics, Navy Department.

RIVERS AND HARBORS

(10.30 a. m.)

For the purchase of the Cape Cod Canal property, and for other purposes (H. R. 8392).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HAYDEN: Committee on Indian Affairs. H. R. 6374. A bill to authorize the employment of consulting engineers on plans and specifications of the Coolidge Dam; without amendment (Rept. No. 223). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAYDEN: Committee on Indian Affairs. H. R. 8652. A bill to provide for the withdrawal of certain lands as a camp ground for the pupils of the Indian school at Phoenix, Ariz.; without amendment (Rept. No. 224). Referred to the Committee of the Whole House on the state of the Union.

Mr. CURRY: Committee on the Territories. H. R. 6117. A bill to amend an act entitled "An act to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes," approved March 12, 1914; with amendments (Rept. No. 225). Referred to the Committee of the Whole House on the state of the Union.

Mr. FREAR: Committee on Indian Affairs. H. R. 7814. A bill to provide for the permanent withdrawal of certain lands bordering on and adjacent to Summit Lake, Nev., for the Paiute, Shoshone, and other Indians; without amendment (Rept. No. 226). Referred to the Committee of the Whole House on the state of the Union.

Mr. BRIGHAM: Committee on Indian Affairs. H. R. 8184. A bill to authorize the Secretary of the Interior to purchase certain land in California to be added to the Cahuilla Indian Reservation and authorizing an appropriation of funds therefor; without amendment (Rept. No. 227). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 8185. A bill to amend sections 1, 5, 6, 8, and 18 of an act approved June 4, 1920, entitled "An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes"; with amendments (Rept. No. 228). Referred to the Committee of the Whole House on the state of the Union.

Mr. MONTGOMERY: Committee on Indian Affairs. H. R. 8913. A bill to provide for the permanent withdrawal of certain described lands in the State of Nevada for the use and benefit of the Indians of the Walker River Reservation; without amendment (Rept. No. 229). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WALTERS: Committee on Claims. H. R. 821. A bill for the relief of Lewis Williams, formerly collector of internal revenue for the State of Idaho; without amendment (Rept. No. 218). Referred to the Committee of the Whole House.

Mr. CARPENTER: Committee on Claims. H. R. 2254. A bill for the relief of Howard A. Mount; without amendment (Rept. No. 219). Referred to the Committee of the Whole House.

Mr. APPLEBY: Committee on Claims. H. R. 2329. A bill for the relief of John A. Olson; with amendments (Rept. No. 220). Referred to the Committee of the Whole House.

Mr. VINCENT of Michigan: Committee on Claims. H. R. 2933. A bill for the relief of H. R. Butcher; with amendments (Rept. No. 221). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 8894. A bill for the relief of the Royal Holland Lloyd, a Netherlands corporation of Amsterdam, the Netherlands; without amendment (Rept. No. 222). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 8987) granting a pension to Permelia E. Dugger, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER of Oklahoma: A bill (H. R. 9033) to authorize certain changes in homestead allotments of the Choctaw and Chickasaw Indians in Oklahoma, and for other purposes; to the Committee on Indian Affairs.

By Mr. EDWARDS: A bill (H. R. 9034) to provide for the establishment of an agricultural, dairying, and livestock experimental station at Statesboro, Bulloch County, Ga.; to the Committee on Agriculture.

By Mr. STRONG of Kansas: A bill (H. R. 9035) for the payment of claims for damages to and loss of property, personal injuries, and for other purposes incident to the operation of the Army; to the Committee on War Claims.

By Mr. VINCENT of Michigan: A bill (H. R. 9036) to amend the immigration act of 1924; to the Committee on Immigration and Naturalization.

By Mr. SINNOTT (by departmental request): A bill (H. R. 9037) validating certain applications for and entries of public lands, and for other purposes; to the Committee on the Public Lands.

Also (by departmental request), a bill (H. R. 9038) authorizing the Secretary of the Interior to delegate to supervisory officers the power to make temporary and emergency appointments; to the Committee on the Public Lands.

By Mr. HAWLEY: A bill (H. R. 9039) to amend section 8 of the act approved March 1, 1911 (36 Stat. 961), entitled "An act to enable any State to cooperate with any other State or States or with the United States for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers"; to the Committee on Agriculture.

By Mr. BACON: A bill (H. R. 9040) to amend paragraph 1542 of the tariff act of 1922, being chapter 356 of the act of September 21, 1922 (42 Stat. 858); to the Committee on Ways and Means.

By Mr. STEVENSON: A bill (H. R. 9041) to amend the agricultural credits act of 1923; to the Committee on Banking and Currency.

By Mr. SMITH: A bill (H. R. 9042) to provide for the acquisition, sale, and closer settlement of delinquent lands on irrigation projects by the Government to protect its investment; to the Committee on Irrigation and Reclamation.

By Mr. McLEOD: A bill (H. R. 9043) to provide for one additional judge for the eastern district of Michigan; to the Committee on the Judiciary.

By Mr. JAMES: A bill (H. R. 9044) to change the name of the War Department to the department of national defense, to abolish the Navy Department, to transfer all defense functions now carried on by the Navy Department to the department of national defense, to improve the air defense of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. BLAND: A bill (H. R. 9045) to establish a national military park at and near Fredericksburg, Va., and to mark and preserve historical points connected with the battles of Fredericksburg, Spotsylvania Court House, Wilderness, and Chancellorsville, including Salem Church, Va.; to the Committee on Military Affairs.

By Mr. BELL: A bill (H. R. 9046) for the purchase of a site and the erection of a public building at Gainesville, Ga.; to the Committee on Public Buildings and Grounds.

By Mr. CANFIELD: A bill (H. R. 9047) for the purchase of a site and the erection of a public building at Lawrenceburg, Ind.; to the Committee on Public Buildings and Grounds.

By Mr. SPROUL of Kansas: A bill (H. R. 9048) authorizing erection of a public building at Caney, in the State of Kansas; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9049) authorizing erection of a public building at Baxter Springs, in the State of Kansas; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9050) authorizing erection of a public building at Columbus, in the State of Kansas; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9051) authorizing erection of a public building at Fredonia, in the State of Kansas; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9052) authorizing erection of a public building at Sedan, in the State of Kansas; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9053) authorizing erection of a public building at Galena, in the State of Kansas; to the Committee on Public Buildings and Grounds.

By Mr. DAVILA: A bill (H. R. 9054) to amend the organic act of Porto Rico, approved March 2, 1917; to the Committee on Insular Affairs.

By Mr. McLEOD: A bill (H. R. 9055) to regulate the practice of chiropractic, to create a board of chiropractic examiners of the District of Columbia, and to punish persons violating the provisions thereof; to the Committee on the District of Columbia.

By Mr. BERGER: Joint resolution (H. J. Res. 155) providing for the Government acquisition and operation of the recently organized food-products monopoly; to the Committee on the Judiciary.

By Mr. DEMPSEY: Joint resolution (H. J. Res. 156) authorizing the modification of the adopted project for Los Angeles Harbor, Calif.; to the Committee on Rivers and Harbors.

By Mr. BANKHEAD: Resolution (H. Res. 128) directing the Secretary of War to furnish to the House of Representatives the total number of commissioned officers of the Army of the United States who are now assigned and engaged in duties of a civilian nature and not strictly in line with their military duties as officers, and the individual names of such officers, their rank, and the nature of the duty to which they have been assigned; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 9056) granting a pension to Almira J. Ashmore; to the Committee on Invalid Pensions.

By Mr. BACON: A bill (H. R. 9057) for the relief of Catherine A. Lapp; to the Committee on Claims.

By Mr. BACHARACH: A bill (H. R. 9058) granting an increase of pension to William J. Webb; to the Committee on Pensions.

By Mr. BEGG: A bill (H. R. 9059) granting an increase of pension to Annie E. Lutz; to the Committee on Invalid Pensions.

By Mr. BIXLER: A bill (H. R. 9060) granting a pension to Elizabeth Pheneciae; to the Committee on Invalid Pensions.

By Mr. BUSBY: A bill (H. R. 9061) to authorize Lieut. Commander Lucius C. Dunn, United States Navy, to accept from the King of Denmark a decoration known as a Knight of the Order of Dannebrog; to the Committee on Naval Affairs.

By Mr. CORNING: A bill (H. R. 9062) for the relief of John J. Gillick; to the Committee on Claims.

By Mr. CELLER: A bill (H. R. 9063) for the relief of Marie Yvonne Gueguinou; to the Committee on Claims.

By Mr. CRUMPACKER: A bill (H. R. 9064) for the relief of M. Barde & Sons (Inc.); to the Committee on Claims.

By Mr. FLAHERTY: A bill (H. R. 9065) authorizing the appointment of Jeremiah Joseph Murphy a captain in the Infantry of the United States Army; to the Committee on Military Affairs.

By Mr. FULLER: A bill (H. R. 9066) granting a pension to Helen L. Milmine; to the Committee on Invalid Pensions.

By Mr. HADLEY: A bill (H. R. 9067) to provide for a survey of the Skagit River, Wash., with a view to the prevention and control of its floods; to the Committee on Flood Control.

By Mr. HUDSON: A bill (H. R. 9068) for the relief of Allen B. Crow; to the Committee on Claims.

By Mr. HUDSPETH: A bill (H. R. 9069) for the relief of Frances Edith Gilmore; to the Committee on Ways and Means.

By Mr. JOHNSON of South Dakota: A bill (H. R. 9070) for the relief of John De Marrias; to the Committee on Indian Affairs.

By Mr. KNUTSON: A bill (H. R. 9071) granting a pension to Susan E. Williams; to the Committee on Invalid Pensions.

By Mr. LETTS: A bill (H. R. 9072) granting an increase of pension to Elizabeth Bold; to the Committee on Invalid Pensions.

By Mr. MAGRADY: A bill (H. R. 9073) granting a pension to John L. Walter; to the Committee on Invalid Pensions.

By Mr. MAGEE of New York: A bill (H. R. 9074) granting a pension to Mary C. Risley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9075) granting an increase of pension to Emily Jane Mills; to the Committee on Pensions.

By Mr. MANLOVE: A bill (H. R. 9076) granting a pension to John T. Ruffin; to the Committee on Invalid Pensions.

By Mr. MENGES: A bill (H. R. 9077) granting an increase of pension to Margaret Reichard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9078) granting an increase of pension to Sarah E. Liggit; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9079) granting an increase of pension to Mary E. Grove; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9080) granting an increase of pension to Missouria E. Murray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9081) granting an increase of pension to Elizabeth Gallagher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9082) granting an increase of pension to Louisa S. Swartzbaugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9083) granting an increase of pension to Anna Helfrick; to the Committee on Invalid Pensions.

By Mr. PERLMAN: A bill (H. R. 9084) to authorize the presentation to Dr. Victor C. Pedersen of distinguished-service medal; to the Committee on Military Affairs.

By Mr. ROWBOTTOM: A bill (H. R. 9085) granting an increase of pension to Anna Ruff; to the Committee on Invalid Pensions.

By Mr. SANDERS of New York: A bill (H. R. 9086) granting an increase of pension to Mary E. Haywood; to the Committee on Invalid Pensions.

By Mr. SMITH: A bill (H. R. 9087) granting an increase of pension to Jennie A. Moore; to the Committee on Invalid Pensions.

By Mr. STEVENSON: A bill (H. R. 9088) to allow a distinguished-service medal for service in the World War to be awarded to Maj. A. R. McAlily; to the Committee on Military Affairs.

By Mr. SWING: A bill (H. R. 9089) for the relief of Mabel Blanche Rockwell; to the Committee on Claims.

By Mr. TAYLOR of West Virginia: A bill (H. R. 9090) to reimburse W. R. Moore for money orders stolen; to the Committee on Claims.

By Mr. TILLMAN: A bill (H. R. 9091) for the relief of Andrew J. McCutchen; to the Committee on Military Affairs.

By Mr. TINCHER: A bill (H. R. 9092) granting a pension to Zachary T. Anthony; to the Committee on Pensions.

By Mr. WELSH: A bill (H. R. 9093) for the relief of Mary Ellen Tiefenthaler; to the Committee on War Claims.

By Mr. WILLIAMS of Illinois: A bill (H. R. 9094) granting a pension to Nancy A. Thornton; to the Committee on Invalid Pensions.

By Mr. GREENWOOD: Resolution (H. Res. 129) to pay Elizabeth Angleton, daughter of James H. Shouse, six months' salary and $250 to defray the funeral expenses of the said James H. Shouse; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

605. By Mr. ARENTZ: Petition of the Nevada Bar Association favoring passage by Congress of a bill to fix the salaries of certain judges of the United States; to the Committee on the Judiciary.

606. By Mr. BROWNE: Petition of members of Marathon County Board, asking for light beer and wine; to the Committee on the Judiciary.

607. By Mr. GALLIVAN: Petition of Whittemore Bros. Co., Cambridge, Mass., recommending favorable consideration of House bill 4798, providing for a reorganization of the Government service; to the Committee on the Civil Service.

608. Also, petition of Rust Craft, Publishers (Inc.), Boston, Mass., recommending favorable consideration of House bill 3991, prohibiting the sending of unsolicited merchandise through the mails; to the Committee on the Post Office and Post Roads.

609. By Mr. HICKEY: Petition signed by Mrs. Dora Austin, 749 North Diamond Avenue, South Bend, Ind., and several hundred other citizens of South Bend, Ind., protesting against any proposed legislation that will in any way modify the Volstead Act and liquor laws of the United States; to the Committee on the Judiciary.

610. By Mr. LEAVITT: Resolutions of woman's clubs at Roundup, Hobson, Florence, Hysham, Troy, Whitefish, Glacier Park, Pony, and Helena, Mont., and the Twentieth Century Club of Joliet, Mont., favoring continuance of the provisions of the Sheppard-Towner maternity act; to the Committee on Interstate and Foreign Commerce.

611. By Mr. LINTHICUM: Memorial of the National Association of Merchant Tailors, assembled January 28, 1926, at Hotel Statler, in St. Louis, approving House bill 3936 proposing to repeal the law which puts the National Government in competition with the tailoring trade and alleging that such competition is unfair, most costly, and paternalistic; to the Committee on Naval Affairs.

612. By Mr. MORROW: Petition of Mimbres Valley Farmers' Association, Deming, N. Mex., indorsing the enactment of Senate bill 575, the Gooding-Hoch bill; to the Committee on Interstate and Foreign Commerce.

613. Also, petition of Chavez County Game Protective Association, Roswell, N. Mex., indorsing Senate bill 2015, fish hatchery for New Mexico; to the Committee on the Merchant Marine and Fisheries.

614. By Mr. O'CONNELL of New York: Petition of the Chamber of Commerce of the State of New York, favoring the passage of House bill 6771, for the acquisition or erection of American Government buildings and embassy, legation, and consular buildings, and for other purposes; to the Committee on Foreign Affairs.

615. Also, petition of the American Citizens of Polish Descent of New York City, favoring the passage of House bill 7089; to the Committee on Immigration and Naturalization.

616. Also, petition of the Chamber of Commerce of the State of New York, favoring the passage of Senate bill 94, a bill to protect navigation from obstruction and injury by preventing the discharge of oil into the coastal navigable waters of the United States, and urges upon Congress its enactment into law, that our navigable waters, and water-front property, may be preserved and protected from pollution; to the Committee on Rivers and Harbors.

617. Also, petition of the Chamber of Commerce of the State of New York, opposing the enactment into law of Senate bill 1383 providing for the transfer of certain duties of the Steamboat Inspection Service from the Department of Commerce to the Department of Labor; to the Committee on Interstate and Foreign Commerce.

618. Also, petition of the Chamber of Commerce of the State of New York, favoring the passage of House bill 3853, to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a foreign commerce service of the United States to carry on work as outlined in the bill; to the Committee on Interstate and Foreign Commerce.

619. By Mr. THOMPSON: Petition of farmers of the fifth congressional district of Ohio, opposing proposed amendment No. 6741 to the immigration act of 1924; to the Committee on Immigration and Naturalization.

620. By Mr. TINKHAM: Petition of members of faculty of Boston University, the College of Business Administration, Boston, favoring an amendment to section 15 of the present copyright law; to the Committee on Patents.

SENATE

TUESDAY, *February 9, 1926*

(Legislative day of Monday, February 1, 1926)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT. The Senate resumes the consideration of the tax reduction bill.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. SMOOT. Mr. President, I ask that the estate tax may be taken up, on page 170 of the bill. I desire to have the amendment stated so that it will be before the Senate.

Mr. KING. Will not my colleague take up the automobile tax?

Mr. SMOOT. I think we had better take up the estate tax and get through with it now.

Mr. MOSES. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. Certainly.

Mr. MOSES. The Senator suggested last evening that it might be possible to get an arrangement with reference to the tax on alcohol. Has that arrangement been reached?

Mr. SMOOT. Not as yet. I hope to reach it to-day.

The VICE PRESIDENT. The clerk will state the estate tax amendment reported by the committee.

The CHIEF CLERK. Under the heading "Title III.—Estate tax," on page 170, after line 14, strike out:

SEC. 300. When used in this title—

The term "executor" means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent;

The term "net estate" means the net estate as determined under the provisions of section 303;

The term "month" means calendar month; and

The term "collector" means the collector of internal revenue of the district in which was the domicile of the decedent at the time of his death, or, if there was no such domicile in the United States, then the collector of the district in which is situated the part of the gross estate of the decedent in the United States, or, if such part of the gross estate is situated in more than one district, then the collector of internal revenue of such district as may be designated by the commissioner.

SEC. 301. (a) In lieu of the tax imposed by Title III of the revenue act of 1924 a tax equal to the sum of the following percentages of the value of the net estate (determined as provided in section 303) is hereby imposed upon the transfer of the net estate of every decedent dying after the enactment of this act, whether a resident or nonresident of the United States;

One per cent of the amount of the net estate not in excess of $50,000;

Two per cent of the amount by which the net estate exceeds $50,000 and does not exceed $100,000;

Three per cent of the amount by which the net estate exceeds $100,000 and does not exceed $200,000;

Four per cent of the amount by which the net estate exceeds $200,000 and does not exceed $400,000;

Five per cent of the amount by which the net estate exceeds $400,000 and does not exceed $600,000;

Six per cent of the amount by which the net estate exceeds $600,000 and does not exceed $800,000;

Seven per cent of the amount by which the net estate exceeds $800,000 and does not exceed $1,000,000;

Eight per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $1,500,000;

Nine per cent of the amount by which the net estate exceeds $1,500,000 and does not exceed $2,000,000;

Ten per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $2,500,000;

Eleven per cent of the amount by which the net estate exceeds $2,500,000 and does not exceed $3,000,000;

Twelve per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $3,500,000;

Thirteen per cent of the amount by which the net estate exceeds $3,500,000 and does not exceed $4,000,000;

Fourteen per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

Fifteen per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $6,000,000;

Sixteen per cent of the amount by which the net estate exceeds $6,000,000 and does not exceed $7,000,000;

Seventeen per cent of the amount by which the net estate exceeds $7,000,000 and does not exceed $8,000,000;

Eighteen per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $9,000,000;

Nineteen per cent of the amount by which the net estate exceeds $9,000,000 and does not exceed $10,000,000;

Twenty per cent of the amount by which the net estate exceeds $10,000,000.

(b) The tax imposed by this section shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or Territory or the District of Columbia, in respect of any property included in the gross estate. The credit allowed by this subdivision shall not exceed 80 per cent of the tax imposed by this section, and shall include only such taxes as were actually paid and credit therefor claimed within four years after the filing of the return required by section 304.

SEC. 302. The value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated—

(a) To the extent of the interest therein of the decedent at the time of his death;

(b) To the extent of any interest therein of the surviving spouse, existing at the time of the decedent's death as dower, curtesy, or by virtue of a statute creating an estate in lieu of dower or curtesy;

(c) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, in contemplation of or intended to take effect in possession or enjoyment at or after his death, except in case of a bona fide sale for a fair consideration in money or money's worth. Where within two years prior to his death and without such a consideration the decedent has made a transfer or transfers, by trust or otherwise, of any of his property, or an interest therein, not admitted or shown to have been made in contemplation of or intended to take effect in possession or enjoyment at or after his death, and the value or aggregate value, at the time of such death, of the property or interest so transferred to any one person is in excess of $5,000, then, to the extent of such excess, such transfer or transfers shall be deemed and held to have been made in contemplation of death within the meaning of this title;

(d) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, where the enjoyment thereof was subject at the date of his death to any change through the exercise of a power, either by the decedent alone or in conjunction with any person, to alter, amend, or revoke, or where the decedent relinquished any such power in contemplation of his death, except in case of a bona fide sale for a fair consideration in money or money's worth. The relinquishment of any such power, not admitted or shown to have been in contemplation of the decedent's death, made within two years prior to his death without such a consideration and affecting the interest or interests (whether arising from one or more transfers or the creation of one or more trusts) of any one beneficiary of a value or aggregate value, at the time of such death, in excess of $5,000, then, to the extent of such excess, such relinquishment or relinquishments shall be deemed and held to have been made in contemplation of death within the meaning of this title;

(e) To the extent of the interest therein held as joint tenants by the decedent and any other person, or as tenants by the entirety by the decedent and spouse, or deposited, with any person carrying on the banking business, in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have been received or acquired by the latter from the decedent for less than a fair consideration in money or money's worth: *Provided*, That where such property or any part thereof, or part of the consideration with which such property was acquired, is shown to have been at any time acquired by such other person from the decedent for less than a fair consideration in money or money's worth, there shall be excepted only such part of the value of such property as is proportionate to the consideration furnished by such other person: *Provided further*, That where any property has been acquired by gift, bequest, devise, or inheritance, as a tenancy by the entirety by the decedent and spouse, then to the extent of one-half of the value thereof, or, where so acquired by the decedent and any other person as joint tenants and their interests are not otherwise specified or fixed by law, then to the extent of the value of a fractional part to be determined by dividing the value of the property by the number of joint tenants;

(f) To the extent of any property passing under a general power of appointment exercised by the decedent (1) by will, or (2) by deed executed in contemplation of, or intended to take effect in possession or enjoyment at or after, his death, except in case of a bona fide sale for a fair consideration in money or money's worth; and

(g) To the extent of the amount receivable by the executor as insurance under policies taken out by the decedent upon his own life; and to the extent of the excess over $40,000 of the amount receivable by all other beneficiaries as insurance under policies taken out by the decedent upon his own life.

(h) Subdivisions (b), (c), (d), (e), (f), and (g) of this section shall apply to the transfers, trusts, estates, interests, rights, powers, and relinquishment of powers, as severally enumerated and described therein, whether made, created, arising, existing, exercised, or relinquished before or after the enactment of this act, except that the second sentence of subdivision (c) and the second sentence of subdivision (d) shall apply only to transfers and relinquishments made after the enactment of this act.

SEC. 303. For the purpose of the tax the value of the net estate shall be determined—

(a) In the case of a resident, by deducting from the value of the gross estate—

(1) Such amounts for funeral expenses, administration expenses, claims against the estate, unpaid mortgages upon, or any indebtedness in respect to, property (except, in the case of a resident decedent, where such property is not situated in the United States), to the extent that such claims, mortgages, or indebtedness were incurred or contracted bona fide and for a fair consideration in money or money's worth, losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, or from theft, when such losses are not compensated for by insurance or otherwise, and such amounts reasonably required and actually expended for the support during the settlement of the estate of those dependent upon the decedent, as are allowed by the laws of the jurisdiction, whether within or without the United States, under which the estate is being administered, but not including any income taxes upon income received after the death of the decedent, or any estate, succession, legacy, or inheritance taxes;

(2) An amount equal to the value of any property (A) forming a part of the gross estate situated in the United States of any person who died within five years prior to the death of the decedent, or (B) transferred to the decedent by gift within five years prior to his death, where such property can be identified as having been received by the decedent from such donor by gift or from such prior decedent by gift, bequest, devise, or inheritance, or which can be identified as having been acquired in exchange for property so received. This deduction shall be allowed only where a gift tax imposed under the revenue act of 1924, or an estate tax imposed under this or any prior act of Congress was paid by or on behalf of the donor or the estate of such prior decedent as the case may be, and only in the amount of the value placed by the commissioner on such property in determining the value of the gift or the gross estate of such prior decedent, and only to the extent that the value of such property is included in the decedent's gross estate and not deducted under paragraph (1) or (3) of this subdivision;

(3) The amount of all bequests, legacies, devises, or transfers, except bona fide sales for a fair consideration in money or money's worth, in contemplation of or intended to take effect in possession or enjoyment at or after the decedent's death, to or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes, or to or for the use of any corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to a trustee or trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. If the tax imposed by section 301, or any estate, succession, legacy, or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes; and

(4) An exemption of $50,000.

(b) In the case of a nonresident, by deducting from the value of that part of his gross estate which at the time of his death is situated in the United States—

(1) That proportion of the deductions specified in paragraph (1) of subdivision (a) of this section which the value of such part bears to the value of his entire gross estate, wherever situated, but in no case shall the amount so deducted exceed 10 per cent of the value of that part of his gross estate which at the time of his death is situated in the United States.

(2) An amount equal to the value of any property (A) forming a part of the gross estate situated in the United States of any person who died within five years prior to the death of the decedent, or (B) transferred to the decedent by gift within five years prior to his death, where such property can be identified as having been received by the decedent from such donor by gift or from such prior decedent by gift, bequest, devise, or inheritance, or which can be identified as having been acquired in exchange for property so received. This deduction shall be allowed only where a gift tax imposed under the revenue act of 1924, or an estate tax imposed under this or any prior act of Congress was paid by or on behalf of the donor or the estate of such prior decedent as the case may be, and only in the amount of the value placed by the commissioner on such property in determining the value of the gift or the gross estate of such prior decedent, and only to the extent that the value of such property is included in that part of the decedent's gross estate which at the time of his death is situated in the United States and not deducted under paragraph (1) or (3) of this subdivision; and

(3) The amount of all bequests, legacies, devises, or transfers, except bona fide sales for a fair consideration, in money or money's worth, in contemplation of or intended to take effect in possession or enjoyment at or after the decedent's death, to or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes, or to or for the use of any domestic corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to a trustee or trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used within the United States by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. If the tax imposed by section 301, or any estate, succession, legacy, or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes.

(c) No deduction shall be allowed in the case of a nonresident unless the executor includes in the return required to be filed under section 304 the value at the time of his death of that part of the gross estate of the nonresident not situated in the United States.

(d) For the purpose of this title, stock in a domestic corporation owned and held by a nonresident decedent shall be deemed property within the United States, and any property of which the decedent has made a transfer, by trust or otherwise, within the meaning of subdivision (c) or (d) of section 302, shall be deemed to be situated in the United States, if so situated either at the time of the transfer, or at the time of the decedent's death.

(e) The amount receivable as insurance upon the life of a nonresident decedent, and any moneys deposited with any person carrying on the banking business, by or for a nonresident decedent who was not engaged in business in the United States at the time of his death, shall not, for the purpose of this title, be deemed property within the United States.

(f) Missionaries duly commissioned and serving under boards of foreign missions of the various religious denominations in the United States, dying while in the foreign missionary service of such boards, shall not, by reason merely of their intention to permanently remain in such foreign service, be deemed nonresidents of the United States, but shall be presumed to be residents of the State, the District of Columbia, or the Territories of Alaska or Hawaii wherein they respectively resided at the time of their commission and their departure for such foreign service.

SEC. 304. (a) The executor, within two months after the decedent's death, or within a like period after qualifying as such, shall give written notice thereof to the collector. The executor shall also, at such times and in such manner as may be required by regulations made pursuant to law, file with the collector a return under oath in duplicate, setting forth (1) the value of the gross estate of the decedent at the time of his death, or, in case of a nonresident, of that part of his gross estate situated in the United States; (2) the deductions allowed under section 303; (3) the value of the net estate of the decedent as defined in section 303; and (4) the tax paid or payable thereon; or such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct tax.

(b) Return shall be made in all cases where the gross estate at the death of the decedent exceeds $50,000, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate.

SEC. 305. (a) The tax imposed by this title shall be due and payable one year after the decedent's death, and shall be paid by the executor to the collector.

(b) Where the commissioner finds that the payment on the due date of any part of the amount determined by the executor as the tax would impose undue hardship upon the estate, the commissioner may extend the time for payment of any such part not to exceed five years from the due date. In such case the amount in respect of which the extension is granted shall be paid on or before the date of the expiration of the period of the extension.

(c) If the time for the payment is thus extended there shall be collected, as a part of such amount, interest thereon at the rate of 6 per cent per annum from the expiration of six months after the due date of the tax to the expiration of the period of the extension.

(d) The time for which the commissioner may extend the time for payment of the estate tax imposed by Title IV of the revenue act of 1921 is hereby increased from three years to five years.

SEC. 306. As soon as practicable after the return is filed the commissioner shall examine it and shall determine the correct amount of the tax.

SEC. 307. As used in this title in respect of a tax imposed by this title the term "deficiency" means—

(1) The amount by which the tax imposed by this title exceeds the amount shown as the tax by the executor upon his return; but the amount so shown on the return shall first be increased by the amounts previously assessed (or collected without assessment) as a deficiency, and decreased by the amounts previously abated, refunded, or otherwise repaid in respect of such tax; or

(2) If no amount is shown as the tax by the executor upon his return, or if no return is made by the executor, then the amount by which the tax exceeds the amounts previously assessed (or collected without assessment) as a deficiency; but such amounts previously assessed, or collected without assessment, shall first be decreased by the amounts previously abated, refunded, or otherwise repaid in respect of such tax.

SEC. 308. (a) If the commissioner determines that there is a deficiency in respect of the tax imposed by this title, the executor, except as provided in subdivision (d) or (f), shall be notified of such deficiency by registered mail. Within 60 days after such notice is mailed the executor may file a petition with the Board of Tax Appeals for a redetermination of the deficiency. Except as provided in subdivision (d) or (f) of this section or in section 279 or in section 912 of the revenue act of 1924 as amended, no assessment of a deficiency in respect of the tax imposed by this title and no distraint or proceeding in court for its collection shall be made, begun, or prosecuted until the taxpayer has been notified of such deficiency as above provided, nor until the expiration of such 60-day period, nor, if a petition has been filed with the board, until the decision of the board has become final. The executor, notwithstanding the provisions of section 3224 of the Revised Statutes, may enjoin by a proceeding in the proper court the making of such assessment or the beginning of such proceeding or distraint during the time such prohibition is in force.

(b) If the executor files a petition with the board, the entire amount redetermined as the deficiency by the decision of the board which has become final shall be assessed and shall be paid upon notice and demand from the collector. No part of the amount determined as a deficiency by the commissioner but disallowed as such by the decision of the board which has become final shall be assessed or be collected by distraint or by proceeding in court with or without assessment.

(c) If the executor does not file a petition with the board within the time prescribed in subdivision (a) of this section, the deficiency of which the executor has been notified shall be assessed, and shall be paid upon notice and demand from the collector.

(d) If the commissioner believes that the assessment or collection of a deficiency will be jeopardized by delay, such deficiency shall be assessed immediately and notice and demand shall be made by the collector for the payment thereof. In such case the jeopardy assessment may be made (1) without giving the notice provided in subdivision (a) of this section, or (2) before the expiration of the 60-day period provided in subdivision (a) of this section even though such notice has been given, or (3) at any time prior to the decision of the board upon such deficiency even though the executor has filed a petition with the board, or (4) in the case of any part of the deficiency allowed by the board, at any time before the expiration of 90 days

after the decision of the board was rendered, but not after the executor has filed a review bond under section 912 of the revenue act of 1924 as amended. Upon the making of the jeopardy assessment the jurisdiction of the board and the right of the executor to appeal from the board shall cease. If the executor does not file a claim in abatement with bond as provided in section 312, the deficiency so assessed (or, if the claim so filed covers only a part of the deficiency, then the amount not covered by the claim) shall be paid upon notice and demand from the collector.

(e) The board shall have jurisdiction to redetermine the correct amount of the deficiency even if the amount so redetermined is greater than the amount of the deficiency of which the executor was notified, whether or not claim therefor is asserted by the commissioner at or before the hearing; but the board shall by rules prescribe under what conditions and at what times the commissioner may assert before the board that the deficiency is greater than the amount of which the executor was notified.

(f) If after the enactment of this act the commissioner has notified the executor of a deficiency as provided in subdivision (a), he shall have no right to determine any additional deficiency, except in the case of fraud, and except as provided in subdivision (e). If the executor is notified that, on account of a mathematical error appearing upon the face of the return, an amount of tax in excess of that shown upon the return is due, and that an assessment of the tax has been or will be made on the basis of what would have been the correct amount of tax but for the mathematical error, such notification shall not be considered, for the purposes of this subdivision or of subdivision (a) of this section, or of section 317, as a notification of a deficiency, and the executor shall have no right to file a petition with the Board of Tax Appeals based on such notification, nor shall such assessment be prohibited by the provisions of subdivision (a) of this section.

(g) For the purposes of this title the time at which a decision of the board becomes final shall be determined according to the provisions of section 916 of the revenue act of 1924, as amended.

(h) Interest upon the amount determined as a deficiency shall be assessed at the same time as the deficiency, shall be paid upon notice and demand from the collector, and shall be collected as a part of the tax, at the rate of 6 per cent per annum from the due date of the tax to the date the deficiency is assessed.

(i) Where it is shown to the satisfaction of the commissioner that the payment of a deficiency upon the date prescribed for the payment thereof will result in undue hardship to the estate, the commissioner, with the approval of the Secretary (except where the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax), may grant an extension for the payment of such deficiency or any part thereof for a period of not in excess of two years. If an extension is granted, the commissioner may require the executor to furnish a bond in such amount, not exceeding double the amount of the deficiency, and with such sureties, as the commissioner deems necessary, conditioned upon the payment of the deficiency in accordance with the terms of the extension. In such case there shall be collected, as a part of the tax, interest on the part of the deficiency the time for payment of which is so extended, at the rate of 6 per cent per annum for the period of the extension, and no other interest shall be collected on such part of the deficiency for such period. If the part of the deficiency the time for payment of which is so extended is not paid in accordance with the terms of the extension, there shall be collected, as a part of the tax, interest on such unpaid amount at the rate of 1 per cent a month for the period from the time fixed by the terms of the extension for its payment until it is paid, and no other interest shall be collected on such unpaid amount for such period.

(j) The 50 per cent addition to the tax provided by section 3176 of the Revised Statutes, as amended, shall, when assessed after the enactment of this act in connection with an estate tax, be assessed, collected, and paid in the same manner as if it were a deficiency, except that the provisions of subdivision (h) of this section shall not be applicable.

SEC. 309. (a) (1) Where the amount determined by the executor as the tax imposed by this title, or any part of such amount, is not paid on the due date of the tax, there shall be collected as a part of the tax interest upon such unpaid amount at the rate of 1 per cent a month from the due date until it is paid.

(2) Where an extension of time for payment of the amount so determined as the tax by the executor has been granted, and the amount the time for payment of which has been extended, and the interest thereon determined under subdivision (c) of section 305, is not paid in full prior to the expiration of the period of the extension, then, in lieu of the interest provided for in paragraph (1) of this subdivision, interest at the rate of 1 per cent a month shall be collected on such unpaid amount from the date of the expiration of the period of the extension until it is paid.

(b) Where a deficiency, or any interest assessed in connection therewith under subdivision (h) of section 308, or any addition to the tax provided for in section 3176 of the Revised Statutes, as amended, is not paid in full within 30 days from the date of notice and demand from the collector, there shall be collected as part of the tax interest upon the unpaid amount at the rate of 1 per cent a month from the date of such notice and demand until it is paid.

(c) If a claim in abatement is filed, as provided in section 312, the provisions of subdivision (b) of this section shall not apply to the amount covered by the claim in abatement.

SEC. 310. (a) Except as provided in section 311, the amount of the estate taxes imposed by this title shall be assessed within four years after the return was filed, and no proceeding in court for the collection of such taxes shall be begun after the expiration of five years after the return was filed.

(b) The running of the statute of limitations on the making of assessments and the beginning of distraint or a proceeding in court for collection, in respect of any deficiency, shall be suspended for the period during which, under the provisions of this title, the commissioner is prohibited from making the assessment or beginning distraint or a proceeding in court.

SEC. 311. (a) In the case of a false or fraudulent return with intent to evade tax or of a failure to file a return the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

(b) Where the assessment of the tax is made within the period prescribed in section 310 or in this section, such tax may be collected by distraint or by a proceeding in court, begun within (1) six years after the assessment of the tax, or (2) at any time prior to the expiration of any period for collection agreed upon in writing by the commissioner and the executor.

(c) This section shall not affect any assessment made, or distraint or proceeding in court begun, before the enactment of this act, nor shall it authorize the assessment of a tax or the collection thereof by distraint or by a proceeding in court (1) if at the time of the enactment of this act such assessment, distraint, or proceeding was barred by the period of limitation then in existence, or (2) contrary to the provisions of subdivision (a) of section 308.

SEC. 312. (a) If a deficiency has been assessed under subdivision (d) of section 308, the executor, within 30 days after notice and demand from the collector for the payment thereof, may file with the collector a claim for the abatement of such deficiency, or any part thereof, or of any interest or additional amounts assessed in connection therewith, or of any part of any such interest or additional amounts. If such claim is accompanied by a bond, in such amount, not exceeding double the amount of the claim, and with such sureties as the collector deems necessary, conditioned upon the payment of so much of the amount of the claim as is not abated, together with interest thereon as provided in subdivision (c) of this section, then upon the filing of such claim and bond, the collection of so much of the amount assessed as is covered by such claim and bond shall be stayed pending the final disposition of the claim.

(b) When a claim is filed and accepted by the collector he shall transmit the claim immediately to the commissioner, who shall by registered mail notify the executor of his decision on the claim. The executor may within 60 days after such notice is mailed file a petition with the Board of Tax Appeals. In cases where collection has been stayed by the filing of a bond, then if the claim is denied in whole or in part by the commissioner (or, if a petition has been filed with the board, if such claim is denied in whole or in part by a decision of the board which has become final), the amount, the claim for which is denied, shall be collected as part of the tax upon notice and demand from the collector, and the amount, the claim for which is allowed, shall be abated. In cases where collection has not been stayed by the filing of a bond, then if the claim is allowed in whole or in part by the commissioner (or, if a petition has been filed with the board, if such claim is allowed in whole or in part by a decision of the board which has become final), the amount so allowed shall be credited or refunded as provided in section 281, or, if collection has not been made, shall be abated.

(c) In cases where collection has been stayed by the filing of a bond, then if the claim in abatement is denied in whole or in part, there shall be collected, at the same time as the part of the claim denied, and as a part of the tax, interest at the rate of 6 per cent per annum upon the amount of the claim denied, from the date of notice and demand from the collector under subdivision (d) of section 308 to the date of the notice and demand under subdivision (b) of this section. If the amount included in the notice and demand from the collector under subdivision (b) of this section is not paid in full within 30 days after such notice and demand, then there shall be collected, as part of the tax, interest upon the unpaid amount at the rate of 1 per cent a month from the date of such notice and demand until it is paid.

(d) Except as provided in this section, no claim in abatement shall be filed in respect of any assessment made after the enactment of this act in respect of any estate tax.

SEC. 313. (a) The collector shall grant to the person paying the tax duplicate receipts, either of which shall be sufficient evidence of such payment, and shall entitle the executor to be credited and allowed the amount thereof by any court having jurisdiction to audit or settle his accounts.

(b) If the executor makes written application to the commissioner for determination of the amount of the tax and discharge from personal liability therefor, the commissioner (as soon as possible, and in any event within one year after the making of such application, or, if the application is made before the return is filed, then within one year after the return is filed, but not after the expiration of the period prescribed for the assessment of the tax in section 310) shall notify the executor of the amount of the tax. The executor, upon payment of the amount of which he is notified, shall be discharged from personal libility for any deficiency in tax thereafter found to be due and shall be entitled to a receipt or writing showing such discharge.

(c) The provisions of subdivision (b) shall not operate as a release of any part of the gross estate from the lien for any deficiency that may thereafter be determined to be due, unless the title to such part of the gross estate has passed to a bona fide purchaser for value, in which case such part shall not be subject to a lien or to any claim or demand for any such deficiency, but the lien shall attach to the consideration received from such purchaser by the heirs, legatees, devisees, or distributees.

SEC. 314 (a) If the tax herein imposed is not paid on or before the due date thereof the collector shall, upon instruction from the commissioner, proceed to collect the tax under the provisions of general law, or commence appropriate proceedings in any court of the United States having jurisdiction, in the name of the United States, to subject the property of the decedent to be sold under the judgment or decree of the court. From the proceeds of such sale the amount of the tax, together with the costs and expenses of every description to be allowed by the court, shall be first paid, and the balance shall be deposited according to the order of the court, to be paid under its direction to the person entitled thereto. This subdivision in so far as it applies to the collection of a deficiency shall be subject to the provisions of section 308.

(b) If the tax or any part thereof is paid by, or collected out of that part of the estate passing to or in the possession of, any person other than the executor in his capacity as such, such person shall be entitled to reimbursement out of any part of the estate still undistributed or by a just and equitable contribution by the persons whose interest in the estate of the decedent would have been reduced if the tax had been paid before the distribution of the estate or whose interest is subject to equal or prior liability for the payment of taxes, debts, or other charges against the estate, it being the purpose and intent of this title that so far as is practicable and unless otherwise directed by the will of the decedent the tax shall be paid out of the estate before its distribution. If any part of the gross estate consists of proceeds of policies of insurance upon the life of the decedent receivable by a beneficiary other than the executor, the executor shall be entitled to recover from such beneficiary such portion of the total tax paid as the proceeds, in excess of $40,000, of such policies bear to the net estate. If there is more than one such beneficiary the executor shall be entitled to recover from such beneficiaries in the same ratio.

SEC. 315 (a) Unless the tax is sooner paid in full, it shall be a lien for 10 years upon the gross estate of the decedent, except that such part of the gross estate as is used for the payment of charges against the estate and expenses of its administration, allowed by any court having jurisdiction thereof, shall be divested of such lien. If the commissioner is satisfied that the tax liability of an estate has been fully discharged or provided for, he may, under regulations prescribed by him with the approval of the Secretary, issue his certificate, releasing any or all property of such estate from the lien herein imposed.

(b) If (1) the decedent makes a transfer, by trust or otherwise, of any property in contemplation of or intended to take effect in possession or enjoyment at or after his death (except in the case of a bona fide sale for a fair consideration in money or money's worth) or (2) if insurance passes under a contract executed by the decedent in favor of a specific beneficiary, and if in either case the tax in respect thereto is not paid when due, then the transferee, trustee, or beneficiary shall be personally liable for such tax, and such property, to the extent of the decedent's interest therein at the time of such transfer, or to the extent of such beneficiary's interest under such contract of insurance, shall be subject to a like lien equal to the amount of such tax. Any part of such property sold by such transferee or trustee to a bona fide purchaser for a fair consideration in money or money's worth shall be divested of the lien, and a like lien shall then attach to all the property of such transferee or trustee, except any part sold to a bona fide purchaser for a fair consideration in money or money's worth.

SEC. 316. (a) If after the enactment of this act the commissioner determines that any assessment should be made in respect of any estate tax imposed by the revenue act of 1917, the revenue act of 1918, the revenue act of 1921, or the revenue act of 1924, or by any such act as amended, the commissioner shall notify the person liable for such tax by registered mail of the amount proposed to be assessed, which notification shall, for the purposes of this act, be considered a notification under subdivision (a) of section 308 of this act. In such cases the amount which should be assessed (whether as deficiency or additional tax or as interest, penalty, or other addition to the tax) shall be computed as if this act had not been enacted, but the amount so computed shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations (including the provisions in case of delinquency in payment after notice and demand and the provisions prohibiting claims and suits for refund) as in the case of the tax imposed by this title, except that the period of limitation prescribed in section 1109 of this act shall be applied in lieu of the period prescribed in subdivision (a) of section 310.

(b) If before the enactment of this act any person has appealed to the Board of Tax Appeals under subdivision (a) of section 308 of the revenue act of 1924 (if such appeal relates to a tax imposed by Title III of such act or to so much of an estate tax imposed by prior act as was not assessed before June 3, 1924), and the decision of the board was not made before the enactment of this act, the board shall have jurisdiction of the appeal. In all such cases the powers, duties, rights, and privileges of the commissioner and of the person who has brought the appeal and the jurisdiction of the board and of the courts shall be determined, and the computation of the tax shall be made, in the same manner as provided in subdivision (a) of this section, except that the person liable for the tax shall not be subject to the provisions of subdivision (a) of section 317.

(c) If before the enactment of this act the commissioner has mailed to any person a notice under subdivision (a) of section 308 of the revenue act of 1924 (whether in respect of a tax imposed by Title III of such act or in respect of so much of an estate tax imposed by prior act as was not assessed before June 3, 1924), and if the 60-day period referred to in such subdivision has not expired before the enactment of this act, such person may file a petition with the board in the same manner as if a notice of deficiency had been mailed after the enactment of this act in respect of a deficiency in a tax imposed by this title. In such cases the 60-day period referred to in subdivision (a) of section 308 of this act shall begin on the date of the enactment of this act, and the powers, duties, rights, and privileges of the commissioner and of the person who has filed the petition; and the jurisdiction of the board and of the courts shall, whether or not the petition is filed, be determined, and the computation of the tax shall be made, in the same manner as provided in subdivision (a) of this section.

(d) If any estate tax imposed by the revenue act of 1917, the revenue act of 1918, or the revenue act of 1921, or by any such act as amended, was assessed before June 3, 1924, but was not paid in full before the date of the enactment of this act, and if the commissioner, after the enactment of this act, finally determines the amount of the deficiency, he shall notify the person liable for such tax by registered mail of the amount proposed to be collected, which notification shall, for the purposes of this act, be considered a notification under subdivision (a) of section 308 of this act. In such case the amount to be collected (whether as deficiency or additional tax or as interest, penalty, or other additions to the tax) shall be computed as if this act had not been enacted, but the amount so computed shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations (including the provisions in cases of delinquency in payment after notice and demand, and the provisions relating to claims and suits for refund) as in the case of the tax imposed by this title, except as otherwise provided in subdivision (g) of this section, and except that the period of limitation prescribed in section 1109 of this act shall be applied in lieu of the period prescribed in subdivision (a) of section 310.

(e) If any estate tax imposed by the revenue act of 1917, the revenue act of 1918, or the revenue act of 1921, or by any such act as amended, was assessed before June 3, 1924, but was not paid in full before that date, and if the commissioner after June 2, 1924, but before the enactment of this act, finally determined the amount of the deficiency, and if the person liable for such tax appealed before the enactment of this act to the Board of Tax Appeals and the decision of the board was not made before the enactment of this act, the board shall have jurisdiction of the appeal. In all such cases the powers, duties, rights, and privileges of the commissioner and of the person who has brought the appeal, and the jurisdiction of the board and of the courts, shall be determined, and the computation of the tax shall be made, in the same manner as provided in subdivision (d) of this section, except that the person liable for the tax shall not be subject to the provisions of subdivision (a) of section 317.

(f) If any estate tax imposed by the revenue act of 1917, the revenue act of 1918, or the revenue act of 1921, or by any such act as amended, was assessed before June 3, 1924, but was not paid in full before the date of the enactment of this act, and if the commissioner after June 2, 1924, finally determined the amount of the deficiency, and notified the person liable for such tax to that effect less than 60 days prior to the enactment of this act, the person so notified may file a petition with the board in the same manner as if a notice of deficiency had been mailed after the enactment of this act in respect of a deficiency in a tax imposed by this title. In such cases the 60-day period referred to in subdivision (a) of section 308 of this act shall begin on the date of the enactment of this act, and, whether or not the petition is filed, the powers, duties, rights, and privileges of the commissioner and of the

person who is so notified, and the jurisdiction of the board and of the courts, shall be determined, and the computation of the tax be made, in the same manner as provided in subdivision (d) of this section.

(g) In cases within the scope of subdivision (d), (e), or (f), if the commissioner believes that the collection of the deficiency will be jeopardized by delay, he may, despite the provisions of subdivision (a) of section 308 of this act, instruct the collector to proceed to enforce the payment of the deficiency. Such action by the collector and the commissioner may be taken at any time prior to the decision of the board upon such deficiency even though the person liable for the tax has filed a petition with the board, or, in the case of any part of the deficiency allowed by the board, at any time before the expiration of 90 days after the decision of the board was rendered, but not after the person liable for the tax has filed a review bond under section 912 of the revenue act of 1924 as amended, and thereupon the jurisdiction of the board and the right of the taxpayer to appeal from the board shall cease. Upon payment of the deficiency in such case the person liable for the tax shall not be subject to the provisions of subdivision (a) of section 317.

SEC. 317. (a) If the commissioner has notified the executor of a deficiency or has made an assessment under subdivision (d) of section 308, the right of the executor to file a petition with the Board of Tax Appeals and to appeal from the decision of the board to the courts shall constitute his sole right to contest the amount of the tax, and, whether or not he files a petition with the board, no credit or refund in respect of such tax shall be made, and no suit for the recovery of any part of such tax shall be maintained in any court, except as provided in subdivision (b) of this section or in subdivision (b) of section 312 or in subdivision (b), (e), or (g) of section 316 of this act or in section 912 of the revenue act of 1924 as amended. This subdivision shall not apply in any case where the executor proves to the satisfaction of the commissioner or the court, as the case may be, that the notice under subdivision (a) of section 308 or subdivision (b) of section 312 was not received by him before the expiration of 45 days from the time such notice was mailed.

(b) If the Board of Tax Appeals finds that there is no deficiency and further finds that the executor has made an overpayment of tax, the board shall have jurisdiction to determine the amount of such overpayment, and such amount shall, when the decision of the board has become final, be credited or refunded to the executor as provided in section 3220 of the Revised Statutes, as amended. Such refund or credit shall be made either (1) if claim therefor was filed within the period of limitation provided for in section 3228 of the Revised Statutes, as amended, or (2) if the petition was filed with the board within four years after the tax was paid.

SEC. 318. (a) Whoever knowingly makes any false statement in any notice or return required to be filed under this title shall be liable to a penalty of not exceeding $5,000 or imprisonment not exceeding one year, or both.

(b) Whoever fails to comply with any duty imposed upon him by section 304, or, having in his possession or control any record, file, or paper containing or supposed to contain any information concerning the estate of the decedent, or, having in his possession or control any property comprised in the gross estate of the decedent, fails to exhibit the same upon request to the commissioner or any collector or law officer of the United States or his duly authorized deputy or agent, who desires to examine the same in the performance of his duties under this title, shall be liable to a penalty of not exceeding $500, to be recovered, with costs of suit, in a civil action in the name of the United States.

SEC. 319. (a) The term "resident" as used in this title includes a citizen of the United States with respect to whose property any probate or administration proceedings are had in the United States Court for China. Where no part of the gross estate of such decedent is situated in the United States at the time of his death, the total amount of tax due under this title shall be paid to or collected by the clerk of such court, but where any part of the gross estate of such decedent is situated in the United States at the time of his death the tax due under this title shall be paid to or collected by the collector of the district in which is situated the part of the gross estate in the United States, or, if such part is situated in more than one district, then the collector of such district as may be designated by the commissioner.

(b) For the purpose of this section the clerk of the United States Court for China shall be a collector for the territorial jurisdiction of such court, and taxes shall be collected by and paid to him in the same manner and subject to the same provisions of law, including penalties, as the taxes collected by and paid to a collector in the United States.

And in lieu thereof to insert:

SEC. 300. (a) Section 301 of the revenue act of 1924 is amended to read as follows:

"SEC. 301. (a) In lieu of the tax imposed by Title IV of the revenue act of 1921, a tax equal to the sum of the following percentages of the value of the net estate (determined as provided in section 303) is hereby imposed upon the transfer of the net estate of every decedent dying after the enactment of this act, whether a resident or nonresident of the United States:

"One per cent of the amount of the net estate not in excess of $50,000;

"Two per cent of the amount by which the net estate exceeds $50,000 and does not exceed $150,000;

"Three per cent of the amount by which the net estate exceeds $150,000 and does not exceed $250,000;

"Four per cent of the amount by which the net estate exceeds $250,000 and does not exceed $450,000;

"Six per cent of the amount by which the net estate exceeds $450,000 and does not exceed $750,000;

"Eight per cent of the amount by which the net estate exceeds $750,000 and does not exceed $1,000,000;

"Ten per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $1,500,000;

"Twelve per cent of the amount by which the net estate exceeds $1,500,000 and does not exceed $2,000,000;

"Fourteen per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $3,000,000;

"Sixteen per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $4,000,000;

"Eighteen per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

"Twenty per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $8,000,000;

"Twenty-two per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $10,000,000; and

"Twenty-five per cent of the amount by which the net estate exceeds $10,000,000."

(b) Subdivision (a) of this section shall take effect as of June 2, 1924.

SEC. 301. (a) So much of paragraph (3) of subdivision (a) and of paragraph (3) of subdivision (b) of section 303 of the revenue act of 1924 as reads as follows: "If the tax imposed by section 301, or any estate, succession, legacy, or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes" is repealed.

(b) Subdivision (a) of this section shall take effect as of June 2, 1924.

SEC. 302. (a) Section 319 of the revenue act of 1924 is amended to read as follows:

"SEC. 319. For the calendar year 1924 and the calendar year 1925, a tax equal to the sum of the following is hereby imposed upon the transfer by a resident by gift during such calendar year of any property wherever situated, whether made directly or indirectly, and upon the transfer by a nonresident by gift during such calendar year of any property situated within the United States, whether made directly or indirectly:

"One per cent of the amount of the taxable gifts not in excess of $50,000;

"Two per cent of the amount by which the taxable gifts exceed $50,000 and do not exceed $150,000;

"Three per cent of the amount by which the taxable gifts exceed $150,000 and do not exceed $250,000;

"Four per cent of the amount by which the taxable gifts exceed $250,000 and do not exceed $450,000;

"Six per cent of the amount by which the taxable gifts exceed $450,000 and do not exceed $750,000;

"Eight per cent of the amount by which the taxable gifts exceed $750,000 and do not exceed $1,000,000;

"Ten per cent of the amount by which the taxable gifts exceed $1,000,000 and do not exceed $1,500,000;

"Twelve per cent of the amount by which the taxable gifts exceed $1,500,000 and do not exceed $2,000,000;

"Fourteen per cent of the amount by which the taxable gifts exceed $2,000,000 and do not exceed $3,000,000;

"Sixteen per cent of the amount by which the taxable gifts exceed $3,000,000 and do not exceed $4,000,000;

"Eighteen per cent of the amount by which the taxable gifts exceed $4,000,000 and do not exceed $5,000,000;

"Twenty per cent of the amount by which the taxable gifts exceed $5,000,000 and do not exceed $8,000,000;

"Twenty-two per cent of the amount by which the taxable gifts exceed $8,000,000 and do not exceed $10,000,000; and

"Twenty-five per cent of the amount by which the taxable gifts exceed $10,000,000."

(b) Subdivision (a) of this section shall take effect as of June 2, 1924.

SEC. 303. Any tax that has been paid under the provisions of Title III of the revenue act of 1924 prior to the enactment of this act in

excess of the tax imposed by such title as amended by this act shall be refunded without interest. Where the tax imposed by such title is less than the tax imposed by such title as amended by this act, the tax shall be computed without regard to the provisions of section 300 of this act.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Edwards	King	Robinson, Ind.
Bayard	Ernst	La Follette	Sackett
Bingham	Fernald	Lenroot	Sheppard
Blease	Fess	McKellar	Shipstead
Borah	Fletcher	McKinley	Shortridge
Bratton	Frazier	McLean	Simmons
Brookhart	George	McNary	Smith
Broussard	Gerry	Metcalf	Smoot
Bruce	Gillett	Moses	Stanfield
Butler	Glass	Neely	Stephens
Cameron	Goff	Norbeck	Swanson
Capper	Hale	Norris	Trammell
Caraway	Harreld	Nye	Tyson
Copeland	Harris	Oddie	Wadsworth
Couzens	Harrison	Overman	Walsh
Curtis	Heflin	Pepper	Warren
Dale	Howell	Phipps	Watson
Deneen	Johnson	Pine	Weller
Dill	Jones, Wash.	Reed, Mo.	Williams
Edge	Kendrick	Reed, Pa.	Willis

Mr. OVERMAN. I desire to announce that the senior Senator from Iowa [Mr. CUMMINS] and the junior Senator from Colorado [Mr. MEANS] are engaged in the Committee on the Judiciary.

Mr. JONES of Washington. I was requested to announce that the Senator from Idaho [Mr. GOODING], the Senator from Louisiana [Mr. RANSDELL], and the Senator from Michigan [Mr. FERRIS] are engaged in committee work.

Mr. SHEPPARD. I desire to announce that my colleague, the junior Senator from Texas [Mr. MAYFIELD] is detained on account of illness. I will let this announcement stand for the day.

Mr. WALSH. I wish to announce that my colleague, the junior Senator from Montana [Mr. WHEELER], is absent to-day because of illness. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty Senators having answered to their names, a quorum is present.

THE COAL SITUATION

Mr. COPELAND. Mr. President, I feel like apologizing to the Senate for taking even five minutes of its time this morning. But I confess I hardly slept last night because I know so well what the sufferings are in a great city when the people are deprived of food or fuel. I do not know how Senators are impressed by the catastrophe in Pennsylvania, a poor woman dying without food, starved because from the soup kitchen, as the coroner said this morning, she could only get food enough to take care of her baby.

I am not going to make any speech. I am going to appeal to the Senate. In a moment I shall ask unanimous consent to vote, without debate, upon the resolution (S. Res. 134) requesting the President to invite the miners and the operators to the White House in order that he may impress upon them how important it is to settle the strike. I hope this morning that every Senator will be moved by the same impulse and will be willing to take a step which has in it the hope of an immediate adjustment of the situation.

So, Mr. President, I ask that Senate Resolution 134 be read from the desk, and I also ask unanimous consent that without debate the Senate vote upon the adoption of the resolution.

Mr. REED of Pennsylvania. Mr. President, may we first have the resolution read?

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 134) submitted by Mr. COPELAND on the 3d instant, as follows:

Resolved, That the President be requested to invite to the White House the committee of operators and miners in order that he may urge upon them the national importance of an immediate settlement of the anthracite coal strike.

Mr. BORAH. Mr. President, I desire to ask the Senator from New York a question, and I ask it in all sincerity. This resolution has the appearance to a great many people of passing on to the Executive a task that will amount to nothing. It gives him no power; if it shall have any effect at all it will only have the effect of moral influence which might be exerted by the President. In other words, it does not confer any power upon the President to enforce anything or to conclude anything; it gives him no power other than that which he now has. So the resolution is nothing more really than advising the President to do what we think he ought to do and what undoubtedly the President thinks he ought not to do. To use the elegant phrase that was used here the other day, it is "passing the buck." Would not the Senator from New York be willing to modify the resolution so as to ask the operators and the miners to meet with a committee of the United States Senate to see if they could arrive at a conclusion looking to a settlement?

Mr. COPELAND. Mr. President, last night, after the Senate took a recess, I read all the coal bills which are pending in this Congress and which were introduced in the last one. One of the best bills, from my standpoint, is the bill which was introduced by the Senator from Idaho [Mr. BORAH] in the Sixty-eighth Congress. I am not sure whether he has presented it in the Sixty-ninth or not. Has the Senator done so?

Mr. BORAH. No; I have not. I will say, however, that with the exception of one problem which is involved in the bill the bill is redrafted for the purpose of reintroduction; but there is a legal proposition involved in the question as to the mining of coal as an intrastate matter, which it would be very difficult for the Federal Government to control. That has given me some difficulty, and that problem I am trying, in connection with other persons, to work out; but the bill is practically in such form that I expect to introduce it.

Mr. COPELAND. I am glad to hear what the Senator from Idaho has stated.

Mr. SHIPSTEAD. Mr. President, will the Senator from New York yield for a moment?

Mr. COPELAND. I will yield to the Senator from Minnesota in just a moment. I am glad to hear what the Senator from Idaho has had to say, because I can readily see that the problem which the Senator from Idaho has in his mind is the same hurdle that the Committee on Education and Labor will have to get over in dealing with the Robinson bill.

Now, I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, will the Senator from New York permit me a minute in which to make an observation in view of the statement which has been made by the Senator from Idaho?

Mr. COPELAND. I have not quite answered the question of the Senator from Idaho. I am not evading it; I am going to answer it; but first I am glad to hear from the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, the question has been raised in reference to the authority of the Executive. A number of years ago Congress started to delegate its power to the Executive. The constitutional prerogative of writing a tariff bill has been delegated to the Executive; the constitutional prerogative of the House of Representatives to write appropriation bills and tax bills has been usurped by or delegated to the Executive, so that now Congress is asked to sign upon the dotted line when the Secretary of the Treasury writes a tax bill.

The Coal Commission in its report on the coal industry has reported that the power to make railroad rates has had a great deal to do with the production of coal, and in the debate last week the information was brought out that the Interstate Commerce Commission has reduced railroad rates to nonunion mines in West Virginia and Kentucky and therefore has used the power of the Government to discriminate against union mines in Pennsylvania and Ohio.

As a result the mines of Ohio have been shut down all winter. That part of its power to make railroad rates Congress has delegated to a commission appointed by the Executive. In view of the fact that so many commissions and bureaus seem to be operating according to pressure brought to bear upon them by the Executive, I can not see that the resolution of the Senator from New York is so entirely inappropriate. It is almost presumptuous to ask Congress to do anything now, in view of the propaganda brought to bear and the attacks that have been made upon Congress from all parts of the country, evidently carried on for the purpose of further divesting Congress of its remaining function and power.

Mr. BORAH. Do I understand that the Senator from Minnesota is in favor of the program which he has been recounting?

Mr. SHIPSTEAD. Oh, no; but it is the only program we have; it is the only program that is considered to be orthodox. I am not advocating such a program, but it is the only program that we seem to have. It is the only program the Congress seems to have the energy to pursue.

Mr. BORAH. In other words, the Senator from Minnesota is not orthodox?

Mr. SHIPSTEAD. My orthodoxy is so old that people call it heresy. If I were orthodox in a modern sense I should not be making this speech and calling the attention of the orthodox Senators who object to the resolution of the Senator from New York to the fact that if they are to be consistent in their orthodoxy they ought to adopt the resolution. Modern orthodoxy makes a virtue of inconsistency.

Mr. COPELAND. Mr. President, in further reply to the Senator from Idaho, let me say that I do know what may be the feeling of some one else about this resolution; I only know that, so far as I am concerned, I am not desiring to "pass the buck." I do not think I ever do that, if I may say so to the Senator from Idaho.

Mr. REED of Missouri. Mr. President, I should like to ask the Senator a question. I should like to ask the Senator if he is willing to support an amendment to the antitrust act which will provide that a conspiracy to prevent others from laboring in interstate commerce shall come within the provisions of that act?

Mr. COPELAND. Is the Senator asking that question of the Senator from Idaho?

Mr. REED of Missouri. I am asking the Senator from New York.

Mr. COPELAND. I should be glad to give consideration to that question, I will say to the Senator from Missouri.

Mr. REED of Missouri. Well, that is the only remedy there is except the patent remedies that cure everything and never have cured anything.

Mr. COPELAND. Mr. President, in the practice of medicine it often happens that doctors do not know just what is the matter with a patient or what the exact remedy may be.

Mr. REED of Missouri. Then the patient dies.

Mr. COPELAND. Not always, but a doctor is never excused if he does not do what he can to give comfort to the patient and perhaps to prolong his life.

Mr. REED of Missouri. May I ask the Senator if it is in those circumstances where the doctor does not know what is the matter with the patient that he gives him what used to be called a "shotgun dose," composed of various kinds of medicine, in the hope that some one of them may hit the mark?

Mr. COPELAND. I knew a doctor one time——

Mr. REED of Missouri. Do not doctors do that regularly in their profession?

Mr. COPELAND. I knew a doctor one time who had a jug in his office, but for other reasons than the Senator from Missouri may think for the moment. Around a doctor's office are numerous bottles without labels, and whenever the doctor I have in mind had such a bottle he emptied the contents into the jug. Then when he had a patient and did not know what to do with him he gave him something out of the jug. I suppose that is what the Senator from Missouri has in mind.

Mr. REED of Missouri. If the Senator will pardon me, is not that exactly what he is doing with this resolution, putting it into the White House jug along with all the other remedies?

Mr. COPELAND. I do not think so. The reply that I want to make to the Senator from Idaho is the reply I am going to make also to the Senator from Missouri. Here is a situation where the strikers and operators are close together, as the Senator from Indiana [Mr. WATSON] brought out last night. All they need is a little impulse, a little stimulation, and as a result, in my opinion, there will be an end of the strike.

It is not in the sense of "passing the buck" or putting the President in an embarrassing position that I am advocating the resolution. If I were the President of the United States, I would not act without the encouragement of the Senate, in view of the relations which exist between the President and the Senate. The Senate, I think, I may say, or a majority of it, is critical of the President on every opportunity occasion offers. Out of this meeting which the resolution contemplates it might happen that the price of coal may be increased or wages may be increased or that the conference utterly fails. If the President, without the encouragement of the Senate, were to call the strikers and operators to the White House and any one of those things should happen, the Senate would be the very first to criticize him.

I want to prevent such a contingency; I want to anticipate it. Therefore it is my thought that the Senate should indicate its desire that the President should invite these people here, and then, whatever the results may be, the Senate must be satisfied. It is not with any desire at all to play politics or to pass responsibility to the President that I have made this suggestion.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. REED of Pennsylvania. Would the Senator be willing to accept an amendment to his resolution, to insert after the words "White House," in line 2, the words "at such time as he thinks best"?

Mr. COPELAND. At the time the President thinks best?

Mr. REED of Pennsylvania. That would mean at such time as the President thinks best.

Mr. COPELAND. Of course, I would accept that, because it is only right that we should be courteous to the President. We do not want to be peremptory, and of necessity he would have to invite them when he saw best, even if we should pass the resolution. So I will be very glad to accept such an amendment.

Mr. REED of Pennsylvania. Mr. President, if I may take about two minutes of the Senator's time, I should like to explain how this resolution strikes us in Pennsylvania. Obviously the President has no power to do anything. This is a mere appeal to him to make an appeal to somebody else; we give him no power and he has no power. He can not compel anything. At the same time, this resolution has been generally discussed, and the people who are in despair throughout the mining regions have come to think of it as some sort of a remedy for their difficulties which is being withheld from them. It is just exactly as if a cancer patient came to the office of the Senator from New York and said that he had been told by many of his friends that bread pills were fine for cancer, and the Senator from New York should say in all sincerity, "You must not delude yourself with that idea. It is a hollow sham; you must not attach any importance to it or put any faith in it." That is what the Senator would say, because the Senator's practice of medicine is highly ethical.

It seems to us—perhaps we are wrong—that this resolution is a bread pill for the disease that is eating out the vitals of northeastern Pennsylvania. It seems to us that it is pitiful that those people should think that the passage of this resolution is going to ameliorate their condition. It will not, and we can not say to them too often that they are placing false hopes on it; but I can not see that it is going to do any harm. It is not helpful to the President to tell him that there is a strike going on. Heaven knows he has known that, and he has been worrying about it just as much as we have; and if he had seen any likelihood of useful interposition, I am sure he would have done it long before we ever began to talk about the resolution.

Mr. BORAH. Mr. President——

Mr. REED of Pennsylvania. Just a moment, and then I will yield.

Last night in New York there was a mass meeting of people who wanted to get this strike settled—people who use coal and people who are interested in the plight of the miners. They were addressed by a representative of the operators, who said that the operators would abide by anything that the President said was fair; that if President Coolidge would interpose in this matter they would submit the whole thing to him and do whatever he said was fair, or that they would let him appoint an arbitrator and they would do whatever that arbitrator said. The spokesman of the miners, if I am correctly advised, got up and replied to that, that the miners would not abide by what the President might decree or what the President's arbitrator might decree. What kind of a prospect is that for President Coolidge to face?

Mr. COPELAND. Mr. President, the Senator must not take too seriously what a speaker says in a Cooper Union meeting.

Mr. REED of Pennsylvania. I do not; but, while I may be wrongly informed, I have heard similar expressions from the same sources before. The President has not any reason to believe that his interposition will be successful, and to pass this resolution is just to hold out false hopes to these people, who, as the Senator has correctly said, are in desperate straits.

I do not believe that any of us understand how acute is the suffering up there in the anthracite regions. They have not done a tap of work since the 1st of September. I heard of one shop in a mining town that employs 12 clerks, and its total receipts last Saturday was $8. That is the way it has struck. Every business—not only mining, but every business of that community—is prostrate, and the suffering is simply terrific.

Do not let us hold this out to those people as a panacea. Let us pass it if you wish. I am not going to object to it any more, because it looks as though I were denying them that bread pill.

Mr. BORAH. Mr. President, I want to say just a word. If we pass this resolution, we are simply passing on to the President the request to do a wholly fruitless thing.

Mr. REED of Pennsylvania. Precisely.

Mr. BORAH. Mr. President, that does not seem to me quite the courageous thing for the Senate of the United States to do. The President of the United States must meet then what our

courage is not sufficient to undertake. In other words, we are no longer willing to stand out and say that this amounts to nothing, so we will pass it up to the President, and the President must say, "This which I have been requested to do amounts to nothing, and I will do nothing about it." That is not the courageous thing to do. We demand that he take this matter off our hands. That seems to me an unworthy thing to do.

Mr. COPELAND. What would the Senator do?

Mr. BORAH. If there is nothing to do about this thing, except to call these people down here and talk to them and morally urge them to do this and that, let a committee of the Senate meet these people, as we are asking the President to meet them, and see whether or not we can effectuate anything. What is the difference between our meeting them and the President meeting them? One has just as much power as the other; and, if it is a mere matter of moral influence, let us exert our moral influence to see whether or not we can bring about that which we know the President can not bring about. In fact, here to this body, as a branch of the lawmaking body, they should come, for I venture the opinion that we will have to legislate before we get relief.

Mr. REED of Pennsylvania. The Senator from Idaho is exactly right, Mr. President; but we have been spending a very large part of every day in the discussion of this resolution, and other important things have been postponed while we thrash this over. The motion to take up this resolution has almost been carried. It has been shown that a majority of the Senate favor the resolution. Let us get rid of it, and we will see how it works.

Mr. KING. Mr. President, will the Senator from New York yield to me to ask a question of the Senator from Pennsylvania?

Mr. COPELAND. I yield.

Mr. HEFLIN. Mr. President, let us vote on the resolution and get it out of the way.

The VICE PRESIDENT. The Senator from New York has yielded to the Senator from Utah.

Mr. KING. I should like to ask the Senator from Pennsylvania why the miners in Pennsylvania do not go to work. I am told by many that there are no obstacles to the resuming work under conditions more favorable than those which prevailed when they ceased work; that no opposition is made by the mine owners to their resumption of work. I am also told that the miners will prevent anybody else working who might desire to work, and that they have been so powerful as to secure the passage of an act in Pennsylvania by which no one may work unless he practically has the indorsement of the miners' union. What are the facts? Are there obstacles to their resumption of work if they desire?

Mr. REED of Pennsylvania. Mr. President, there is a law in Pennsylvania called the miners' certificate law, which requires two years' experience in anthracite mining before one can be certified as a qualified miner. As the entire population of the mines is unionized, and as they are all out on strike now, obviously there is nobody who can qualify for a miner's certificate, so that the law prevents the introduction of miners from bituminous districts.

The Senator asks me what the position of the miners is. I am not competent nor am I authorized to present their side of the case nor the operators' side. They have quit work, and they had a perfect right to quit work; and they are holding out with great fortitude for what they think is right, and they have a perfect right to hold out; and the mine operators have an equal right to refuse it. I am not qualified, because I do not know the facts well enough, to say who is right and who is wrong; but it is the ordinary case of an industrial dispute. Each of them is exactly within his rights; both of them have been entirely law-abiding, as far as I know, and they have stood rigidly for what is their right; and because they have shown such fortitude the conditions have reached the present pass.

Mr. COPELAND. Mr. President, it would be presumption on my part to suggest to the Senator from Idaho that his plan is not as good as mine, because he has had so much more experience in these matters; but it seems to me that after we pass this resolution the Congress will have plenty to do. There is pending before the Committee on Education and Labor the bill introduced by the Senator from Arkansas [Mr. ROBINSON]; there is pending before the Committee on Mines and Mining the bill introduced by the Senator from Nevada [Mr. ODDIE]—bills which deal with the chronic condition and seek to make impossible a recurrence of the present acute situation.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from North Carolina?

Mr. COPELAND. I yield.

Mr. SIMMONS. I want to say to the Senator from New York that it is suggested that what he is proposing to ask the Senate to do is a futile thing, a vain and hopeless thing. If I thought that, Mr. President, I would not vote for the Senator's resolution; but I do not think that statement is correct.

The Senator from Idaho [Mr. BORAH] admits that the President might exert a powerful moral influence which would have its effect upon this situation. I know that the President has no legal power to enforce his advice; but I think that the respect of the people of the country for the presidental office and for the present occupant of that office is so great that if he should bring to bear upon this very difficult situation the influence of his advice and of his office, it probably would accomplish very material and very substantial results. At least, Mr. President, that I think is the opinion of the country. I believe that there is a strong public opinion in the United States to-day that if the President should intervene and use the influence and authority of his office in the way of advice and persuasion his efforts would be effective.

I have heard the opinion expressed repeatedly by men of very large experience and observation that if the President would make his position very clear to these contending factions it would produce results. I believe it would produce results. Of course, nobody can say with any degree of certainty whether it will or not; but I should think the President would be glad to contribute his aid as far as he possibly can to the settlement of a dispute that is causing such disastrous consequences.

We are not telling the President that he shall do this thing. We have no authority to do that. We are simply expressing the opinion of the Senate of the United States that the President should use his good offices in trying to settle this dispute. The fact that the Senate of the United States makes this request of the President will carry weight in this country. It will help to crystallize public sentiment. It is bound to have its effect upon the contending parties in this controversy. We not only bring to bear upon this situation the advice and influence of the Senate, but we bring to bear upon it the weight of the opinion of the Congress of the United States.

Mr. BORAH. Mr. President——

Mr. COPELAND. I yield to the Senator.

Mr. BORAH. Does the Senator see any possible way to adjust this coal strike except through an increase of wages?

Mr. SIMMONS. Mr. President, I do not know how it can be adjusted; but if the Senate of the United States asks the President to do these things, thereby expressing its opinion that some effort on his part ought to be made, and the President acts upon that request, I hope and believe that it will have a very material influence in bringing about an adjustment.

Mr. COPELAND. Mr. President, I am sure nothing can be added to what the Senator from North Carolina has said; and, Mr. President, accepting gladly the amendment offered by the Senator from Pennsylvania, I ask for the immediate consideration of this resolution, modified so as to read as follows:

That the President be requested to invite to the White House, at such time as he thinks best, the committee of operators and miners, in order that he may urge upon them the national importance of an immediate settlement of the anthracite-coal strike.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

Mr. HEFLIN. Mr. President, I want to suggest to the Senator from New York and other Senators that if they will permit the President to put the question, I think the Senate will grant it, and then we can go along with the tax bill.

Mr. SMOOT. I want it distinctly understood that it will not lead to any debate.

Mr. COPELAND. If it is possible to link the two together, I ask unanimous consent that an immediate vote be taken upon this resolution, without debate.

Mr. SMOOT. If there is no objection to that, then I shall ask unanimous consent that we temporarily lay aside the tax bill.

Mr. ASHURST. For a vote.

Mr. SMOOT. Yes, for a vote.

The VICE PRESIDENT. Is there objection to laying aside the tax bill? The Chair hears none, and the tax bill will be temporarily laid aside.

The question now is on agreeing to the resolution offered by the Senator from New York.

Mr. COPELAND. As modified.

The VICE PRESIDENT. As modified in accordance with the suggestion of the Senator from Pennsylvania.

Mr. BORAH. As I understand, the resolution now is that the President be requested to invite these people whenever he sees fit to invite them?

Mr. HEFLIN. Yes.

Mr. BORAH. That is a very dignified and a very courageous thing to do!

Mr. EDGE. In other words, we have made the resolution more ridiculous and weaker than ever.

The VICE PRESIDENT. The question is on agreeing to the resolution as modified.

Mr. COPELAND and Mr. BORAH asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. DU PONT]. I am not advised as to how he would vote on this resolution, and in his absence I withhold my vote. If privileged to vote, I would vote "yea."

The roll call was concluded.

Mr. JONES of Washington. I desire to announce that the Senator from Oregon [Mr. MCNARY] and the Senator from Idaho [Mr. GOODING] are detained in attendance on a meeting of the Committee on Agriculture and Forestry.

I also desire to announce that the Senator from Minnesota [Mr. SCHALL] has a general pair with the Senator from Montana [Mr. WHEELER].

Mr. MEANS. I have a pair with the junior Senator from Texas [Mr. MAYFIELD]. Not knowing how that Senator would vote, I withhold my vote.

Mr. NEELY. I am authorized to state that if the junior Senator from Texas [Mr. MAYFIELD] were present he would vote "yea" on this question.

Mr. FERNALD. I transfer my pair with the senior Senator from New Mexico [Mr. JONES] to the senior Senator from Vermont [Mr. GREENE] and vote "nay."

Mr. SIMMONS (after having voted in the affirmative). I have a general pair with the senior Senator from Oklahoma [Mr. HARRELD]. I am told he has not voted, and I transfer that pair to the junior Senator from New Jersey [Mr. EDWARDS] and allow my vote to stand.

Mr. WALSH. My colleague [Mr. WHEELER] is absent on account of illness. If present, he would vote "yea."

The result was announced—yeas 55, nays 21, as follows:

YEAS—55

Ashurst	Curtis	La Follette	Robinson, Ind.
Bayard	Deneen	Lenroot	Sheppard
Bingham	Dill	McKellar	Shipstead
Blease	Ferris	McLean	Shortridge
Bratton	Frazier	Moses	Simmons
Brookhart	George	Neely	Smith
Broussard	Gerry	Norbeck	Stephens
Bruce	Hale	Norris	Swanson
Butler	Harris	Nye	Trammell
Cameron	Harrison	Oddie	Tyson
Capper	Heflin	Overman	Walsh
Caraway	Howell	Pepper	Weller
Copeland	Johnson	Ransdell	Willis
Cummins	Kendrick	Reed, Pa.	

NAYS—21

Borah	Fess	McKinley	Wadsworth
Couzens	Gillett	Metcalf	Warren
Dale	Glass	Phipps	Williams
Edge	Goff	Pine	
Ernst	Jones, Wash.	Sackett	
Fernald	King	Smoot	

NOT VOTING—20

du Pont	Harreld	Mayfield	Schall
Edwards	Jones, N. Mex.	Means	Stanfield
Fletcher	Keyes	Pittman	Underwood
Gooding	McMaster	Reed, Mo.	Watson
Greene	McNary	Robinson, Ark.	Wheeler

So Mr. COPELAND's resolution as modified was agreed to.

UNITED STATES INDUSTRIAL REFORMATORY, CHILLICOTHE, OHIO (S. DOC. NO. 57)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Director of the Bureau of the Budget, transmitting a supplemental estimate of appropriation, under the Department of Justice, fiscal year 1926, required for the United States Industrial Reformatory at Chillicothe, Ohio, amounting to $37,500, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PAY OF SPECIAL ASSISTANT ATTORNEYS, UNITED STATES COURTS (S. DOC. NO. 58)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Director of the Bureau of the Budget, transmitting a supplemental estimate of appropriation, under the Department of Justice, for pay of special assistant attorneys of the United States courts, amounting to $46,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

FIRES AND FLOODS IN NATIONAL PARKS (S. DOC. NO. 59)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Director of the Bureau of the Budget, transmitting a supplemental estimate of appropriation, under the Department of the Interior, for emergency reconstruction and fighting forest fires in national parks, 1926, amounting to $40,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SALARIES AND EXPENSES, BUREAU OF EFFICIENCY (S. DOC. NO. 56)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Director of the Bureau of the Budget, transmitting a supplemental estimate of appropriation for salaries and expenses, Bureau of Efficiency, fiscal year 1926, amounting to $25,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

GENERAL EXPENSES, WEATHER BUREAU AND FOREST SERVICE (S. DOC. NO. 60)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Director of the Bureau of the Budget, transmitting supplemental estimates of appropriations under the Department of Agriculture for general expenses of the Weather Bureau, 1926 (forest fire weather forecasts), amounting to $2,500, and for general expenses, Weather Bureau, 1927, (forest fire weather forecasts), amounting to $15,000, and for general expenses of the Forest Service, 1926, amounting to $800,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H. R. 3807. An act granting relief to the Metropolitan police and to the officers and members of the fire department of the District of Columbia;

H. R. 5010. An act to provide for the payment of the retired members of the police and fire departments of the District of Columbia the balance of retirement pay past due to them but unpaid from January 1, 1911, to July 30, 1915;

H. R. 7069. An act to provide home care for dependent children; and

H. R. 8830. An act amending the act entitled "An act providing for a comprehensive development of the park and playground system of the National Capital," approved June 6, 1924.

ENROLLED BILLS SIGNED

The message also announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 5240. An act to authorize the construction of a bridge across Fox River, in Dundee Township, Kane County, Ill.;

H. R. 6090. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a bridge and approaches thereto across the Fox River in the county of McHenry, State of Illinois, in section 18, township 43 north, range 9 east of the third principal meridian; and

H. R. 7187. An act granting the consent of Congress to the South Park commissioners and the commissioners of Lincoln Park, separately or jointly, their successors and assigns, to construct, maintain, and operate a bridge across that portion of Lake Michigan lying opposite the entrance to Chicago River, Ill.

PETITIONS AND MEMORIALS

Mr. WILLIS presented resolutions adopted by the Brotherhood of Railroad Trainmen, of Canton, Ohio, protesting against the passage of legislation amending the employers' liability act of 1908, which were referred to the Committee on the Judiciary.

He also presented a memorial signed by Carl Raid, Prof. P. A. Fant, Jos. Mussiay, Anton Lewandowski, Frank Svoboda, being the resolutions committee representing the foreign-language newspapers of the city of Cleveland, Ohio, remonstrating against the passage of the so-called Aswell bill (H. R.

5583) providing for the registration of aliens, which was referred to the Committee on Immigration.

Mr. NEELY. I present a memorial of the Rotary Club, of Fairmont, W. Va., remonstrating against the passage of the bill (H. R. 4478) to regulate the manufacture, printing, and sale of envelopes with postage stamps embossed thereon. I ask that the memorial be referred to the Committee on Post Offices and Post Roads, and printed in the RECORD.

There being no objection, the memorial was referred to the Committee on Post Offices and Post Roads, and ordered to be printed in the RECORD, as follows:

FAIRMONT ROTARY CLUB,
Fairmont, W. Va., February 2, 1926.

Hon. M. M. NEELY,
437 Senate Office Building, Washington, D. C.

DEAR SIR: At a regular meeting of the Rotary Club, of Fairmont, W. Va., held on January 28, H. R. 4478, a bill to regulate the manufacture, printing, and sale of envelopes with postage stamps embossed thereon, was carefully considered by the members of this club, and, after full consideration thereof and discussion thereon, I was directed by unanimous vote of all of the members of the club present at that meeting to advise you that such members were unanimously opposed to this bill being enacted into a law, and that they request you to use your influence in defeating this measure. I do not consider it necessary to point out the pernicious features of this bill or the harm which would result to all of the business men of this country if the bill became a law.

Very respectfully, H. E. ENGLE,
Secretary of the Fairmont Rotary Club.

"*Resolved*, That the board of directors of the Business Men's Association of Fairmont approve the existing regulations in regard to the manufacture, printing, and sale of Government envelopes; and be it further

"*Resolved*, That to restrict or limit the present method of manufacture, printing, and sale of stamp-embossed envelopes by the Government would cause unnecessary inconvenience to large users of postage without material financial gain to the one industry most affected by the passage of such restrictions as embodied in House of Representatives bill No. 4478 now pending before the National Congress; and be it further

"*Resolved*, That the secretary of this association forward a copy of this resolution to our two United States Senators and our Representatives in the National Congress."

I, G. R. Parsons, hereby certify that I am secretary of the Business Men's Association of Fairmont, and that the foregoing is a true copy of a resolution passed by the board of directors of said association in regular meeting held on the 2d day of February, 1926.

G. R. PARSONS.

Mr. CAMERON presented the following resolutions of the fourteenth annual convention of the Arizona Good Roads Association, at Yuma, Ariz., which were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

FOURTEENTH ANNUAL CONVENTION OF THE ARIZONA GOOD ROADS ASSOCIATION, YUMA, ARIZ., JANUARY 25–26, 1926

Resolution 2

To the Arizona Good Roads Association:

Your committee on resolutions recommends that this organization place itself unequivocably behind the Federal plan for good roads cooperation, and against the movement designed to withdraw Federal aid from the financing of roads in the Western States.

FOURTEENTH ANNUAL CONVENTION OF THE ARIZONA GOOD ROADS ASSOCIATION, YUMA, ARIZ., JANUARY 25–26, 1926

Resolution 5

Whereas the Grand Canyon of the Colorado River in Arizona is one of the great scenic wonders of the world and of the United States and has been a great national park; and

Whereas many thousands of visitors from all parts of the United States and of the world visit this great scenic wonder annually, and our Government is improving the roads within the park for the benefit of these visitors, but there is no improved road connecting the Grand Canyon National Park with the State highway system of Arizona; and

Whereas 98 per cent of the visitors to the Grand Canyon come from points without the State of Arizona; and

Whereas a survey has been made by the Bureau of Public Roads for an approved road to the Grand Canyon; and

Whereas any approach road to the Grand Canyon traverses forest or Government land from which the State of Arizona derives little or no revenue from taxation for the construction and maintenance of this road: Now therefore be it

Resolved by the Arizona Good Roads Association, That we urge and request our representatives in Congress to use their utmost endeavors to secure the necessary appropriation from our National Government to construct an approach road to the Grand Canyon and pledge our support to the measure.

Mr. CAMERON also presented resolutions of the fourteenth annual convention of the Arizona Good Roads Association, at Yuma, Ariz., which were referred to the Committee on Indian Affairs and ordered to be printed in the RECORD, as follows:

FOURTEENTH ANNUAL CONVENTION OF THE ARIZONA GOOD ROADS ASSOCIATION

YUMA, ARIZ., *January 25–26, 1926.*

Resolution 10

Whereas in the States of the Union known as the Rocky Mountain States land values are very low and in no wise comparable to land values in the middle and eastern States, and in said Rocky Mountain States distances between communities are very great and taxable property scarce; and

The people of the Rocky Mountain States have already expended more for good transcontinental roads than they are able financially to spend; and

It is necessary for the public convenience of the people of the Nation as a whole that good roads be maintained in said States, and in said States a great majority of the lands are still vacant public lands, Indian lands, forest reserves, and parks, all of which are nontaxable: Be it

Resolved, That it is the sense of the delegates to this convention that the Federal Government should build and maintain wholly at its own expense all public roads through Indian reservations, forest reserves, military reservations, and national parks or monuments in said States, and that said States be released from any expense in building or maintenance of public roads in such places.

That copies be sent to Congressmen, the Committee on Public Roads of the House of Representatives, to the United States Senate, and to the Department of Agriculture, and to good roads associations in the other States concerned.

FOURTEENTH ANNUAL CONVENTION OF THE ARIZONA GOOD ROADS ASSOCIATION, YUMA, ARIZ., JANUARY 25–26, 1926

Resolution 6

Whereas Congress made an appropriation of $100,000 to construct a highway bridge across the Colorado River near Lee's ferry, contingent upon the State of Arizona making an equal appropriation, but our State legislature has failed to make the necessary appropriation to match this fund, and

Whereas the construction of the bridge is of vital and paramount importance to the State of Arizona in developing a north and south highway connecting our State highway system with the State highway system of Utah and that section of Arizona lying north of the Grand Canyon: Now therefore be it

Resolved, That this Arizona Good Roads Association hereby indorses this construction of this bridge as absolutely necessary for the proper development of the resources of Arizona and the promotion of trade and travel between the States of Utah and Arizona, and urge that our State legislature make the appropriation necessary to provide the construction of this bridge at the earliest possible date.

REPORT OF BANKING AND CURRENCY COMMITTEE

Mr. McLEAN, from the Committee on Banking and Currency, to which was referred the bill (S. 1544) to amend section 202 of the act of Congress approved March 4, 1923, known as the agricultural credits act of 1923, reported it without amendment and submitted a report (No. 155) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON:

A bill (S. 3050) for the erection of a public building at the city of Placerville, State of California, and appropriating money therefor; to the Committee on Public Buildings and Grounds.

A bill (S. 3051) authorizing any tribe or band of Indians of California to submit claims to the Court of Claims; to the Committee on Indian Affairs.

A bill (S. 3052) to amend an act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June 30, 1906, as amended; to the Committee on Agriculture and Forestry.

By Mr. CAPPER:

A bill (S. 3053) to amend sections 5, 6, and 7 of the act of Congress making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal

year ending June 30, 1903, approved July 1, 1902, and for other purposes; to the Committee on the District of Columbia.

By Mr. MEANS:

A bill (S. 3054) for the relief of S. Livingston & Son and others; and

A bill (S. 3055) for the relief of Lawford & McKim, general agents, for the Employers' Liability Assurance Corporation (Ltd.), of London, England; to the Committee on Claims.

By Mr. DENEEN:

A bill (S. 3056) authorizing the President to appoint James B. Dickson a second lieutenant of the Air Service in the Regular Army of the United States; to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 3057) providing for the erection of a public building at Philippi, W. Va.; to the Committee on Public Buildings and Grounds.

A bill (S. 3058) granting a pension to Santford M. Nestor;

A bill (S. 3059) granting an increase of pension to Peter Titchenell;

A bill (S. 3060) granting an increase of pension to Mary C. Herrington; and

A bill (S. 3061) granting an increase of pension to Mary J. McBee; to the Committee on Pensions.

By Mr. WILLIS:

A bill (S. 3062) granting an increase of pension to Hetty Morey (with accompanying papers); to the Committee on Pensions.

By Mr. WATSON:

A bill (S. 3063) granting an increase of pension to Rose Dilley (with accompanying papers); to the Committee on Pensions.

A bill (S. 3064) for the relief of the Capital Paper Co.; to the Committee on Finance.

By Mr. SHEPPARD:

A bill (S. 3065) to provide for examination and survey of the Houston Ship Channel, with the view to its further improvement; to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 3066) restricting the issuance of passport visas in certain cases; to the Committee on Foreign Relations.

By Mr. CARAWAY:

A bill (S. 3067) for the relief of Rhetta H. Guild; to the Committee on Finance.

By Mr. McKINLEY:

A bill (S. 3068) authorizing the payment of $1,000 to William M. and J. S. Van Nortwick estates; to the Committee on Claims.

By Mr. DENEEN:

A joint resolution (S. J. Res. 53) authorizing and directing the Secretary of War to accept and install a tablet commemorating the designation of May 30 of each year as Memorial Day by General Order No. 11, issued by Gen. John A. Logan, as commander in chief of the Grand Army of the Republic; to the Committee on Military Affairs.

AMENDMENTS TO TAX REDUCTION BILL

Mr. NORRIS submitted an amendment intended to be proposed by him to House bill 1, the tax reduction bill, which was ordered to lie on the table and to be printed, as follows:

On page 43, after line 13, insert the following: "*Provided*, That the excess in value above $5,000 of any gift, bequest, or inheritance shall be considered and accounted for as gross income."

Mr. CARAWAY submitted an amendment intended to be proposed by him to House bill 1, the tax reduction bill, which was ordered to lie on the table and to be printed, as follows:

Page 334, after line 10, insert a new section, to read as follows:

"SEC. —. If any information relating to the liability of any taxpayer for any internal-revenue tax is obtained or received from any person other than the taxpayer and is considered by any officer, employee, or agent of the Treasury Department, or of any bureau or division thereof, in determining such liability, then the taxpayer shall, after due notice giving the nature of the information and the name and address of the person from whom such information was obtained or received, be afforded a reasonable opportunity to be heard in respect thereof."

AMENDMENT TO FIRST DEFICIENCY APPROPRIATION BILL

Mr. PEPPER submitted an amendment intended to be proposed by him to House bill 8722, the first deficiency appropriation bill, 1926, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 5, after line 14, insert the following:

"NATIONAL SESQUICENTENNIAL EXPOSITION

"To enable the Government of the United States to make an exhibit at the Sesquicentennial Exposition, to be held in the city of Philadelphia, Pa., in the year 1926, from its executive departments, independent offices, and establishments, including personal services, cost of transportation, rent, construction of buildings, traveling expenses, and for such other purposes as may be deemed necessary by the National Sesquicentennial Exhibition Commission to commemorate the one hundred and fiftieth anniversary of the birth of the Nation, $3,186,500, of which not more than $250,000 shall be allocated to the War Department, and not more than $350,000 to the Navy Department, of which latter sum $250,000 shall be used for making repairs and improvements at the Philadelphia Navy Yard: *Provided*, That so much of the money herein appropriated as may be allocated for the construction of buildings shall be expended by the Sesquicentennial International Exposition upon written approval of the National Sesquicentennial Exhibition Commission, and that the residue of the moneys herein appropriated shall be expended by the National Sesquicentennial Exhibition Commission."

SARAH J. M'DONNELL

Mr. SWANSON submitted the following resolution (S. Res. 144), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate, fiscal year 1925, to Sarah J. McDonnell, mother of Stella M. McDonnell, late an additional clerk in the office of Senator CLAUDE A. SWANSON, a sum equal to six months' salary at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on February 8, 1926, the President had approved and signed the following acts:

S. 1779. An act granting the consent of Congress to the States of Oregon and Idaho to construct, maintain, and operate a bridge and approaches across the Snake River at a point known as Ballards Landing;

S. 1810. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a bridge and approaches thereto across the Fox River in the county of La Salle, State of Illinois, in section 1, township 33 north, range 3 east of the third principal meridian; and

S. 1811. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a bridge and approaches thereto across the Fox River in the county of Kendall, State of Illinois, in section 32, township 37 north, range 7 east of the third principal meridian.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed a bill (H. R. 6556) for the establishment of artificial bathing pools or beaches in the District of Columbia, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were severally read twice by title and referred to the Committee on the District of Columbia:

H. R. 3807. An act granting relief to the Metropolitan police and to the officers and members of the fire department of the District of Columbia;

H. R. 5010. An act to provide for the payment of the retired members of the police and fire departments of the District of Columbia the balance of retirement pay past due to them but unpaid from January 1, 1911, to July 80, 1915;

H. R. 6556. An act for the establishment of artificial bathing pools or beaches in the District of Columbia;

H. R. 7669. An act to provide home care for dependent children; and

H. R. 8830. An act amending the act entitled "An act providing for a comprehensive development of the park and playground system of the National Capital," approved June 6, 1924.

CONSUMERS' COOPERATION

Mr. BROOKHART. I ask unanimous consent to have printed in the RECORD the Cooperative News Service of the 1st instant.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

COOPERATIVE NEWS SERVICE,
Cleveland, Ohio, February 1, 1926.

CO-OP BEATS CHAIN STORE TO STANDSTILL

One of the standard reasons for the slow growth of consumers' cooperation in America has been the prevalence of chain stores. With

their purported savings to purchasers through the familiar economies of mass distribution, these chain stores have been held to be ruinous competitors to cooperative stores.

Now comes the Waugegan (Ill.) Cooperative Trading Co. and knocks that explanation into a cocked hat. This co-op has been "suffering" from chain-store competition for five years and is now doing the biggest business of its career, while the chain store languishes in anemia. To be specific, the Waukegan Cooperative has trebled its business since the chain-store competitor opened shop.

The key to this success has been simply that the cooperative store handles honest merchandise at reasonable prices with profits divided among its members, while chain stores are generally notorious for inferior food products, "come-on" bargains in a few commodities and prices which in the long run are high because of the poor quality of the goods.

Nevertheless, the chain-store policy evidently appeals to the gullibility of the American consumer. There is no other explanation for the tremendous profits these concerns distribute to their wealthy owners. The S. H. Kresge Co., which handles 10-cent stores in wholesale quantities, reported profits of $4,100,000 last year, a million increase over the previous year. Profits in 1925 after payment of preferred dividends, were equal to $38 a share on 120,000 shares of common stock of $100 par value. In 1924 it was "only" $25 a share.

CONDUCTORS SAVE $22.50 ON EACH WATCH

The joy in Christmas giving was considerably tarnished for one Cleveland woman the other day when she discovered that a railroad man's watch which she had bought for her husband for $67.50 could have been obtained from the cooperative mail-order house of the Order of Railroad Conductors for $45. The watch is a standard make with a regular sale price, but because the conductors' co-op doesn't have to pay high rents or indulge in the advertising extravagances of jewelry shops, it is able to save $22.50 for each member on watches alone.

The conductors are also effecting a saving on shoes of $2 a pair. For railroad men this is a big item, since the nature of their work makes heavy demands on shoe leather. Members who are buying conductors' shoes for all the masculine side of the family are actually saving enough to pay their annual dues to the brotherhood.

BUTTER AND EGGS MEN TO UNITE

America's biggest cooperative will be the Tri-State Cooperative Creamery Association, if merger plans of dairymen in Iowa, Minnesota, and Wisconsin are consummated this spring. The nucleus of the new co-op will be the Minnesota association whose famous trade-mark, "Land O' Lakes," has been made familiar to every householder in the country through page advertisements. The combined forces of 90,000 farmers in the three States, united to market the Northwest's butter crop, would do an annual business of $75,000,000. Such economies would result that the dairy industry would be lifted to new heights of prosperity and the farmer's return made comparable with that of industry.

The Minnesota association will move into a new Minneapolis plant costing $300,000 this month in order to handle rapidly expanding business.

Cooperation is a civilizing influence of the highest kind. (Bishop Lightfoot.)

The only check against the excesses of competition is cooperation. (Ernest Jones.)

Under cooperation, the temptation to dishonest practices is withdrawn. (Earl of Derby.)

TORY GOVERNOR KILLS CREDIT UNION BILL

Although the conservative Washington State Senate passed the credit union bill by a unanimous vote, while the House placed its O. K. on the measure by a vote of 81 to 13, Gov. Roland Hartley used his veto power to kill this fundamental piece of farm-labor legislation. Even supporters of the governor, thoroughly aware of his reactionary political views gained through virtue of his position of lumber magnate, did not expect that the credit union bill, after obtaining unanimous approval in the senate, would fall under Hartley's disapproval. The credit union bill was in good company, however, as bills providing for old-age pensions, for vocational rehabilitation of cripples, and for pensioning aged municipal employees also suffered under the governor's veto ax.

The Washington Federation of Labor, which vigorously backed the credit union measure, through its president, William M. Short, will continue the fight for this cooperative legislation, as well as for other farm and labor measures, in the next session of the legislature.

GIANT POWER CO-OP FORMED

While America is merely talking about the public control of the giant power of electricity, French cooperators are making it a reality. A nonprofit cooperative society, composed of consumers, the state, provinces, and cities, the chambers of commerce, and the industries, has been formed to harness the river Rhone. Dividends are to be strictly limited and control will be vested in the hands of power users, who are also the shareholders. The scheme will take 15 years for development.

Similar organizations are working potash mines in Alsace and synthetic ammonia manufacturing in Toulouse. Financing and control are in consumers' hands, no profits are allowed, and interest on capital is strictly held to the current minimum rate.

EGGS SOLD DIRECTLY TO CONSUMER

Consumers who tire of being robbed by storekeepers foisting undersized eggs at oversized prices are finding relief in New England by patronizing a consumer's cooperative. The Maine Poultry Producers' Association, which sold 500,000 dozen eggs last year for its members, instituted the new idea in direct marketing by establishing egg routes in Portland, Me.; Portsmouth, N. H.; and Lynn, Mass. These have proved so successful that the cooperative trade-mark of "Pine Tree" on eggs is now a guaranty of 24-ounce eggs. Smaller eggs are sold as "juniors" at a lower price. Both farmers and consumers are happy over this new marketing plan.

FRANKLIN DIRECTORS REELECTED

A dividend of 7 per cent was voted by the Franklin Cooperative Creamery Association of Minneapolis, Minn., at the seventh annual meeting held recently at its northside plant.

Sales for the year 1925 showed an increase of $231,699.11 over the year 1924. The cooperative is now operating 176 routes.

As a result of the election, the following directors were reelected: Harold I. Nordby, Carl N. Norlander, Anthony Rud, John A. Mattson, Joseph Flor, T. A. Eide, and John A. Mattson.

Reports showed the cooperative in a state of healthy progress. Sales increased from $844,063.39 in 1921, the first year that the Franklin was in operation, to $3,533,175.13 for the year 1925.

In addition to declaring the 7 per cent dividend, $20,000 in bonds were paid off and retired during the year and more than $30,000 placed in the reserve fund.

PAYMENTS BY WAR DEPARTMENT TO LEATHER MANUFACTURERS (S. DOC. NO. 61)

Mr. WARREN. From the Committee on Appropriations I report back a communication from the Comptroller General of the United States with reference to payments made by the War Department to certain leather manufacturers, members of the National Saddlery Manufacturers' Association, in reimbursement of increase of wages paid to workmen when the contracts with those manufacturers did not provide therefor. This communication was sent to the Committee on Appropriations, and I ask that it may be printed and referred to the Committee on Claims.

The PRESIDING OFFICER (Mr. HEFLIN in the chair). Without objection, the communication will be printed and referred to the Committee on Claims.

COOPERATIVE MARKETING OF FARM PRODUCTS

Mr. HARRELD. Mr. President, I ask permission to have printed in the RECORD a speech delivered by Judge Robert W. Bingham, of Louisville, Ky., on cooperative farm legislation. It is a very fine speech, which he delivered a few days ago in Washington. I should like to have it printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered. The speech referred to is as follows:

SPEECH OF JUDGE BINGHAM

The most important thing that has happened in cooperative marketing during the past year has not happened inside of the cooperative movement itself. It has been the unreserved recognition of cooperative marketing by the President of the United States and the Secretary of Agriculture.

There has always been a sympathetic attitude by the President and his leading agriculture adviser; but until this year there never was a time when the cooperative movement, as such, was held out by the Government itself to the farmers as the single most important step to remedy the weaknesses in agriculture and to strengthen the chance for permanent prosperity.

A year ago we were fearful that the report of the President's conference would be enacted into law. We were afraid that Government regulation of cooperatives was about to come, and that the cooperative movement would become tepid and stale.

With regret—but nevertheless openly—we found ourselves in opposition to the attitude of the administration on some points. We expressed ourselves frankly and clearly, and with the aid of other important farm leaders we helped to persuade Congress that such legislation was unwise.

But we were not simply negative; we also stated that we believed that the administration could do something great and far-reaching for the farmer by placing itself squarely behind cooperative marketing and by giving real administrative support to the movement.

During this year the President came to know the cooperative movement and the cooperative leaders. His Secretary of Agriculture, himself a member of one of the wheat cooperative associations, not only understood commodity cooperative marketing but advocated it with engaging and convincing intelligence.

The administration, voicing itself through the head of the Government and his chief agricultural adviser, spoke eloquently in favor of the very program that had been worked out and advocated by this body.

Not only did they announce their faith and belief in cooperative marketing, not only did they urge universal support for cooperative marketing, but they discovered that the Department of Agriculture did not have enough men or other facilities with which to do sufficient work to provide adequate administrative support, and on their own initiative they recommended legislation which would establish a Bureau of Cooperative Marketing in the Department of Agriculture, so that the Secretary of Agriculture and specialists assigned to this bureau could help to guide and advise on all cooperative problems that may arise in America.

The President has courageously and effectively announced his approval and advocacy of cooperative marketing.

The leader of the cooperative movement in this country now sits in the White House, and we who have dreamed and hoped for this day—we must now follow that leader.

Everything that we asked for, everything that we hoped for, has now been given to us in the attitude of the President and his Secretary of Agriculture. We presented a program; we urged that program; and the President studied and listened—and now he has expressed that program more clearly, more definitely, and more forcibly than has ever been done by any Government official in this land.

We are the followers of the President and the supporters of the administration in its efforts to carry out the very program which this group presented a year ago.

That is the great thing that has happened during this year—a change in leadership from struggling group champions to the President of the United States.

(2) But the President by advocating our program has raised protests from other quarters.

Some organizations did not like to see the President stand on the foundation of commodity cooperative marketing. They construed his attitude as a recognition of this group as against other groups in the land. This is not necessary. The President is big enough to take the light from any source. We are honored in having carried to his hand this one clear torch of cooperation. We are not urging our policies as against other organizations. We do not infringe upon the spheres of interest of other groups. We simply urge what seems to be the necessary steps in the progress of cooperative marketing, and that policy we maintain in the face of the world.

But we do not ignore other things that may be said. Many sincere leaders are of the belief that our program is insufficient and that cooperative marketing does not offer an adequate solution to the problems of the farm.

These problems are many. In various sections land prices have been pyramided to an extent where fair return is almost impossible, where new farmers can not buy possession of land, and old ones can not maintain the basis of cost out of the products of the farm.

The burden of the farm mortgage is around $8,000,000,000, with a tremendous weight of interest on hundreds of thousands of farms in our land.

The tax problem is bitter. During good years the farmer generously voted on himself taxation for schools and other proper improvements. Even when prices collapse and farm prosperity dwindles, these costs still remain. The farmer pays a greater proportion of his income in taxes than any other group in America.

Practically all of his property is in sight. He can not hide it and he can not and would not cheat about it. Therefore he bears the burden of taxation on his land even when he has nothing but red letter returns on his crops.

On things like this there is very little that cooperative marketing can do in a direct way. We can not at this time judge what cooperative marketing can do over a long term of years on any of the great major crops. We have had laboratory experience in California. We have had wonderful experience in many European countries, such as Denmark. We have had an extraordinary demonstration of wheat cooperative marketing in Canada; we are still in the midst of extraordinary accomplishments in tobacco, cotton, butter, milk, and other commodities in our own country.

But what the movement is actually going to accomplish with the great national products we can not now speak with assurance.

We are just at the threshold of the real accomplishments of cooperative marketing. We have spent these years in working out the technique, in building the background of law, in finding out and announcing the economic principles, in developing methods of organization, in discovering managing personnel, in working out financing and marketing methods, in developing proper contacts between associations and members, in uncovering the weaknesses of old systems, the defects in our present system, and primarily the great need for education among farmers and others as to the principles of cooperative marketing.

We have done in the last five years more than was done by the corporate form of organization in the first 20 years in which corporations were first known.

And all that we have done has been done in the face of incredible opposition. We have not only had to educate our own farmers and to court the support of other farm leaders, but we have had to show bankers where they would fit in; we have had to satisfy the claims of lien holders; we have had to encounter open fight from all sorts of speculative interests; we have had to combat the inertia of our own farm classes; we have had to endure the weakness in performance of our own membership agreements.

It has been a tremendous fight all over the land. We have not always won; some of our fights have been lost. Cooperatives are failing and more will fail, but in their place new cooperatives will arise stronger for the experience of the old ones and more hopeful, because of that ripened experience.

We are learning from our failures to make our new efforts promise great success.

But we can not do this work in a day. It is the work of years. The old system has been with us for generations and we can not change every detail of it in a decade.

Why, we have not even been able to tie our own farmers, universally speaking, to the need for cooperative marketing.

Until the voice of the President gave his invincible national leadership you know how many farm leaders were cold, if not actually antagonistic, to our movement.

We have had to work with too many things against us.

Look at the results with cotton. They have less than 8 per cent of the cotton crop of America in the cooperative associations. Yet even the brokers at New York publish openly that the cotton associations have favorably affected the price basis for the farmers of the South.

With that small percentage these associations have guaranteed to the farmers honest grading of their cotton; they have narrowed down the differentials between grades of cotton, and in this one point alone these cotton cooperatives have brought to the southern farmers tens of thousands of dollars of benefit each year.

Because the country buyer no longer dares to penalize poorer grades 5 and 7 cents a pound when the differential at the mill is only 1 cent per pound.

He knows that the cooperative managements will somehow disclose that fact to their members and that the member will somehow make it public for all growers.

So the country buyers do not dare to widen the differentials any longer against either the cooperatives or the noncooperatives.

That one accomplishment would have been sufficient to justify the entire cooperative movement in the South during the last five years.

But the cotton associations have done more than that. They have taught the farmers to avoid country damage. They have arranged new plans for financing, whereby the farmers can do orderly marketing on cotton on an interest of 4½ and 5 per cent as against the old basis of from 10 to 12 per cent.

They have done orderly marketing and have held the basic price to fair levels by their refusal to dump.

They have made direct contacts with spinners and spinner organizations all over the world. They have blazed out the path so that these coming years will know where to point.

The cotton cooperatives, with their small percentages, have demonstrated beyond any question, with one of the great world crops, spread through 17 States of the Union, that cooperation can solve the marketing problem and every collateral problem attached to it, including standardized seed, production credits, ginning, financing, and orderly selling of products.

What the effect of this movement will be on the South when the growers support it to the extent of 50 per cent of the cotton, as they ought to be doing now and as they will inevitably do, no one can foretell.

The support of the President and the wise handling of cooperative problems by the present organizations indicate that these cotton cooperatives will soon have the opportunity to demonstrate what can be accomplished by cooperation when the greater part of the crop moves through the cooperative and not through the speculative buyers.

This is already being demonstrated by the wheat growers of Canada and by the Burley tobacco growers in Kentucky.

To be sure I know of all the criticisms and complaints that have arisen among Burley tobacco growers. I know how they recite the benefits accruing to the outsider and tell how the nonmember gets as much money, if not more, and gets his money quickly and all at once, while the cooperator takes the average of the season, gets only an advance payment, waits long periods for the balance of the payments, and sometimes does not sell the entire crop, but has to bear the great carry-over.

But this does not deny accomplishment to the Burley Tobacco Association.

That association, with more than 60 per cent of the Burley tobacco of the country, has raised the price of tobacco to the growers of Burley tobacco at least 5 cents per pound during these last four years.

It has done this service for the outsider as well as for the insider, and shame on the outsider who takes the advantage of this extra price and uses it to help break down the cooperative! It is bad enough that he takes a gain at the risk and cost of the other fellow and a disgrace when he tries to justify his own disloyalty to his class by tearing down the one hopeful thing that these farmers have done for themselves in this generation.

But the cooperators must see this thing clearly. Some outsiders will always get a better price than the insiders.

The cooperatives get the average of the season. This average includes top prices as well as low prices, and these top prices can ultimately be equaled on some days on the auction floors.

The outsider who gets these top prices will beat the average of the cooperative, but neither he nor a cooperative would be getting within 5 cents of their present price if the cooperative were not in existence.

We must not let our members deny a good to themselves, because it likewise brings a good to some one else, even though he does not deserve it.

In every generation the good have carried the evil, the strong have carried the weak, and the fine spirited have carried the sordid.

In agriculture the cooperative carries the selfish farmer, and nothing on earth can change this situation except a change in the spirit of the selfish farmer.

But the accomplishment of the Burley Association is a monument to independent effort on the part of the American farmers.

It has a large carry-over. Even if that carry-over were never sold but were dumped into the seas still the returns to the Burley tobacco growers exceed by millions of dollars what they would have received without a cooperative association.

In the dark tobacco district, where the cooperative efforts have been somewhat paralyzed, even there the very existence of that cooperative advanced the price several cents per pound, and the withdrawal of the cooperative from active business has caused a collapse in the dark tobacco prices to a tragic extent, and now the outsiders themselves are demanding the reorganization of the cooperative and pledging unanimous support to it.

The cooperatives have performed; and they are reaching behind the products and finding how to rebuild the agricultural life of America.

But they have chiefly blazed out the way. They have not finished their performance; nor have they always had a chance to demonstrate even a possible part of their performance.

The wheat growers are asking the Government to form a corporation to handle the so-called exportable surplus; and they have been led to think that their low returns have been due to the absence of such a corporation.

They speak of inequalities against agriculture and they attack the protective tariff as the basis of that inequality; and they say that the tariff taxes all that they buy and that the tariff is an evil to them. They assert that the tariff is here and they must get its benefit; and they evolve a system under which they think the Government may control the exportable surplus and sell the domestic wheat or cotton or tobacco or livestock or cheese or butter in this country on a protected domestic basis and sell the balance on the low world-market basis, with an absorption of any loss by the growers of the product.

Why should the Government interfere? It is an old principle with us never to ask the Government to do anything which we can do ourselves. If we can not do it ourselves after an adequate chance to do so, then we can throw up our hands and call in Government help.

Have we reached that phase even with wheat?

Surely the tariff argument gives no basis for such a viewpoint. If the tariff is wrong you can not make it right by making it universal.

I have never wholly accepted the protective tariff; but I do not here speak as its advocate or its opponent. I speak as a citizen of the United States, as the chairman of this national council; and I speak in the spirit of the hundreds of thousands of farmers of various political parties whose indirect representative I am in everything that I utter here.

In addition to all this, there is a tariff on wheat—a big, heavy tariff, 42 cents per bushel. That tariff has its effects, because the Chicago price of wheat is now more than 15 cents per bushel higher than the price at Winnipeg, thus showing some effect from tariff protection.

But the wheat growers say this is not sufficient. They complain that they are not able to get all the good effects of the tariff, although they claim that business gets all the good effects of industrial tariffs.

Why is it that the United States Steel Corporation gets the benefit of the tariffs on steel while, the wheat growers claim that they receive no benefit from their tariff?

The difference is not in the tariff; the difference is in organization. The people interested in steel, several hundred thousands of them, are members of the steel corporations.

The wheat growers, several hundred thousands of them, are using their energy and talent in persuading politicians to pass laws instead of following the primary leadership of the wheat pools that have already started to work out a probable solution in States ranging from Texas to North Dakota.

If the exportable surplus is the thing that breaks the market on wheat, why is it that Canada, selling more than 300,000,000 bushels of wheat, about three-fourths of the crop in the world market, with no tariff to help her, with no Government surplus corporation to aid—but with a powerful cooperative marketing association built up under the brilliant leadership of men like Brownlee and McPhail, is able to give greater returns to their wheat growers of Canada than the wheat growers of our own great States like Kansas, Nebraska, and Minnesota?

The Canadians are organized; only a small part of our growers has learned organization. It is not the tariff which counts; it is organization which alone can enable the farmers of this country to get the benefit of their own good wheat, either in the face of a tariff or in the absence of a tariff.

The average farmer in Kansas sold his wheat this fall, and he did not take advantage of the fine marketing association that the far-visioned men of Kansas have built up for him. Less than 10 per cent of Kansas wheat goes through the cooperative pool. Yet the Kansas wheat grower, with the 42 cents per bushel protection, with a present price of about $1.75 at Chicago, will receive about 30 cents a bushel less for his wheat than the Canadian farmer, with a $1.60 price at Winnipeg.

Freight rates do not make any difference in this relative statement. Climate makes no difference. World markets made no difference. The tariff itself seems to be working the other way. The one difference is made by cooperative organization.

The Canadians looked over the line and saw what was being done by cooperation in America. They had courage enough and vision enough to organize on American lines for the handling of their great world product. They are solving their problem out of their own strength and their own courage, while we in America still falter before our own picked remedy. We kick it aside and run down to Washington to ask the "great father" to hold our little feet in the paths of prosperity.

I shall never favor the interference of Government in the marketing of farm crops until cooperative marketing has had a fair trial on a large scale and has proved a failure. Before I urge men to become peasant-minded, to ask some one else to work out for them what they can do for themselves, I must first exhaust every opportunity to keep them independent American farmers.

Why all the clamor from the corn States? Why, the Iowa farmers must know that we produce about 70 per cent of the corn, and we eat practically all of that, chiefly in the form of hogs and stock.

If the country exports 2 per cent of the corn crop, it is a huge export quantity.

Corn is essentially a domestic problem; and the corn production is so concentrated that it can be handled practically by the efforts of the farmers in five or six States. Yet some of their leaders clamor for an export corporation. They have been caught by words and phrases and not by thoughts and facts.

This surplus problem can not be written into legislation until we recognize what surplus means. Crop surpluses are inevitable in some line or another.

If ever a price gets good on any commodity, the farmers put all they can of their land into that commodity. They do not always follow intelligent instruction on production. They go after the high-price commodity, even though the price is now there and the crop may not come in for another year.

There is always bound to be surplus of some kind in some crops.

Grapes in California this year; corn generally; perhaps cotton; certainly certain types of tobacco.

Some of these crops are not actual surpluses but are simply carry-overs. Some of them are useless and must run to waste. Some surpluses are wholly imaginary.

We have been advised from Washington that our wheat supply this year is practically on a domestic basis, although in the fall when the farmers had the wheat they ignored the statements of governmental officials to that effect.

If there is a surplus, it may be exportable, and it may be non-exportable.

If it is wheat, it is likely to be exportable. If it is prunes, it is likely to be nonexportable.

It may be perishable, as the overproduction of tomatoes in Delaware and New Jersey in recent years; or it may be nonperishable, as the overproduction of cotton in the South this year.

We can not establish one rule of help for the growers of wheat and not establish the same rule of help for the growers of tomatoes or cotton.

If it is right to have the Government stand under the one, it is only right to have the Government stand under the other.

Who shall say where the Government shall stand?

And who shall say that the Government should stand at all under any crop, where the growers of that crop have not yet exhausted full

opportunities to handle their own business in their own way through their own wisdom?

The problem of surplus is a huge problem. Much has been said on it; much has been written on it. Men are following like sheep where a few bold voices are heard. They are listening to the "easy way out." They have forgotten that the only permanent relief is the system which comes from men themselves, is upheld by the constant activity of men themselves, and is maintained by the responsibility of the growers themselves.

If there needs to be a Federal method for handling the surplus, I shall favor it, just as I know the President and the Secretary of Agriculture would openly favor anything that they believed is absolutely needed for America.

Does all this mean that I ignore the problem of surpluses? No; I recognize the problem, but I am trying to find its solution in an intelligent, permanent way.

I refuse to believe that it is the surplus which causes all the trouble in American agriculture. I refuse to believe that it is the exportable surplus which breaks the wheat farmer, when I see that the same type of problem prevails with the crops that have only a domestic surplus and frequently with crops that have no surplus at all.

All I ask is a fair chance for the farmers' own initiative to be exhausted before we ask the Government to carry our burden.

Even in the bill that the Secretary of Agriculture recommended to Congress, providing for the creation of a bureau of cooperative marketing, there is ample provision to enable him to call in from time to time men interested in a specific problem to help find the right way out of difficulties.

If that were enacted into law, the Secretary of Agriculture could call in all the men interested in the marketing of wheat or other crops and he could have them work out from time to time plans to solve any temporary or permanent difficulty in marketing, finance, or otherwise.

But he could thus enable them to do this as commodity commissions or commodity boards without the elements of price fixing by the Federal Government and without the elements of governmental control or Government operation of any major commercial activity in agriculture.

I am not able to see the need of a Federal method for handling the surplus as long as cooperative marketing has not been given its full fair chance.

If the growers of this land will try cooperative marketing on great national crops—try it with a full heart—try it with loyalty and with perseverance; and if the real farm leaders of the country will give more than lip support to cooperative marketing and will really advise their followers to direct their way behind the movement; and if the Government, under our President and Secretary of Agriculture, will continue to give administrative support, then I know that cooperative marketing will solve the problems of the farmers; will enable him to handle both his domestic sales and his foreign sales; and will enable him to adjust supply to demand without flying in the face of economic truths; will enable him to build up his own prosperity on his own efforts on a lasting and solid foundation.

I am confident this will be the result; but if I am proved wrong by the facts; if the actual results of such efforts do not meet my prophecy, then I shall be ready to go to the White House and say, "We have tried our own way; we have tried to work out our problems with the strength of our own arms, but we are weak and we are powerless, and we have failed. Come to our help! Take our business problems from us; give us returns; give us prices; give us money to buy our living and we no longer care for our spirit since our need for bread is so great."

I will go with such a message when cooperative marketing has been proven a failure, but not before.

Let us stand absolutely behind the President. He has trusted us. He has adopted our program. Our faith and honor are irrevocably committed to the program he adopted at our urgent suggestion.

Commodity cooperative marketing has proved that it will solve agricultural problems and difficulties, including surplus, so called, when operated intelligently and on a sufficiently large percentage of any given crop. The opportunity to adopt this method is within the reach of every farmer in this country.

His legal problems have been solved, his credit problems have been solved, his organizations have been justly and properly excepted from the inhibitions of the antitrust law, successful and unsuccessful experiences have developed to guide him, the bankers, the business men, the newspapers, the full support of the President and the Government of the United States are aiding him. Moreover, the wisest and most patriotic leaders of this country, through the institute of cooperation, with its admirable educational program, are giving him information and guidance. This council itself, through its system of schools, is giving him encouragement and enlightenment. The textbook committee, which includes in its membership some of the ablest and best informed of our countrymen, is preparing a textbook on marketing which will inform every child in the country upon this question, so vital to the stability of our institution and the prosperity of our country.

What more can be done, except to lend every effort to encourage the farmer to take advantage of his opportunity and help himself? There is nothing seductive or alluring about this program. It is far easier to tell, in honeyed tones, of some mysterious formula by which the Government will take over all the farmers' burdens, by which a Government bureau or commission will overcome drought and flood, hail and heat, laziness and ineptitude, and provide a profit for everything grown in this country, regardless of all other things and all other people. But the whole course of human history, the whole body of philosophy, establishes that there is no governmental substitute for knowledge, judgment, initiative, energy, persistence, patience.

I have gone into the struggle to better conditions under which the farmers must work and produce, because I believe the future of my country depends in a large degree upon the welfare of the American farmer. There is nothing but night and death before us if he, upon whom this hope is based, is not sound, intelligent, energetic, independent. I believe he is. I pin my faith to the American farmer. I believe he does not need and does not wish anything but a fair chance. That, I believe, he now has for the first time. When the ancient mariners strove against the perils of the sea, there were sirens who sang sweet songs of peace and ease to them, alluring and enchanting songs, and those who listened hearkened to the song of death.

Those who stopped their ears to the sirens' song and bent to their oars won through to safety. The farmer has been the backbone of America because he has been independent, because he has relied on himself. He has suffered but he has endured.

I would say to him now, keep that independence, rely on that judgment and initiative, take advantage of the finer opportunity which is now his; and thus, without risking the loss of spiritual values immeasurably precious, he will ultimately solve his own problems for himself.

TAX REDUCTION

Mr. SMOOT. I ask that the revenue bill, in accordance with the unanimous-consent agreement, be laid before the Senate, and that the amendment in Title III, relating to the estate tax, be considered.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee to "Title III—Estate tax," which has been read.

Mr. FLETCHER. Mr. President, the Senate now has under consideration the amendment appearing on page 170, in Title III, relating to the estate tax, to strike out all of the provisions of the bill as it came to the Senate down to line 2, page 208, and to insert, on page 208, line 3, down to and including line 3, on page 212.

The principal proposition is to strike out the provisions with reference to an estate tax, and to repeal the present estate tax law; so that if this amendment is agreed to, so far as the Federal Government is concerned, we will eliminate this entire field of estate taxes or death taxes.

Mr. SIMMONS. After January 1 of this year?

Mr. FLETCHER. Yes; after January of this year. Early in the session I proposed an amendment to this bill to that effect, and on January 5 I had occasion to discuss it at some length. I will not take up the time to-day reviewing all the points which might be made in support of this amendment, but I desire to call attention especially to just a few of the important reasons why this amendment ought to be agreed to in the Senate.

I am not combating the wisdom or the advisability of imposing death taxes. There are different views on that subject. Some arguments can be offered in favor of death taxes, and strong arguments can be offered in opposition to them.

I am not going into that discussion at all so far as the merits of imposing inheritance taxes are concerned. I am simply contending that it is a field of taxation which ought to be left entirely to the States and that the Federal Government ought not to attempt to impose death taxes of any kind, except in great emergency, like war, especially in the form of estate taxes. The act of 1924 and the provisions of this bill as it came to the Senate can not be defended or justified. I am contending that such a course, to wit, resorting to this source of revenue only in emergency and repealing such laws when the emergency is over, has been in accordance with the precedents of our Government and is consistent with the views which the Government has entertained for all the years. The fact remains that the Federal Government never has attempted to impose estate taxes except in cases of war or great emergency.

Mr. BORAH. Mr. President, may I ask the Senator a question?

Mr. FLETCHER. I yield.

Mr. BORAH. I understand the Senator is opposed to estate taxes, either State or national.

Mr. FLETCHER. I have just stated that I was not arguing the question or taking a position against estate taxes so far as the States are concerned. I am contending that it is a field that ought to be left to the States and that the Federal Government never has attempted to occupy that field except in case of war or approach of war.

Mr. BORAH. I read the Senator's argument the other day and heard part of it. As I understood his argument, he was opposed to the inheritance tax in principle, whether in the State or the National Government.

Mr. FLETCHER. I have not so stated. I am simply confining my discussion to the matter before us, which is a proposition for the Federal Government to levy an estate tax or, rather, to continue the estate tax.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. FLETCHER. I yield.

Mr. NORRIS. I think it would be illuminating to know, at least I know I should like to know, what the Senator's position is on the question of the States levying such a tax. I would like to know, if the Senator will tell us, whether he is opposed to the States levying an estate or death tax.

Mr. FLETCHER. I am perfectly willing to state my position in that regard.

Mr. NORRIS. I would be glad if the Senator would do so.

Mr. FLETCHER. I am very glad to do it. My contention is that it is a question of fact whether the State needs the revenue from that source or not. It depends upon the conditions in each State, the needs of each State. For instance, why insist that a State that has seven or eight millions of dollars in its treasury, with no bonded indebtedness whatever, impose an inheritance tax as a source of revenue? But a State where there is need of money for governmental purposes, which must be raised by taxation, where they must resort to all sorts of resources for collecting money, is justified in imposing an inheritance tax. I believe when it is found necessary to impose death taxes by the State the succession tax is the better form, rather than the estate tax, as we have it here.

Mr. NORRIS. I think I get the Senator's point, but if I do not I hope the Senator will correct me. The Senator is opposed to having the State levy that kind of tax unless it is a matter of emergency and they have to have the money?

Mr. FLETCHER. I do not say it must be a matter of emergency. I say if the conditions in the State justify taxing the people of the State in order to raise money for governmental purposes, this is a very good field for the State to occupy. I would be in favor of it under those circumstances. But then it should take the form of a succession tax rather than an estate tax.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

Mr. FLETCHER. I yield to the Senator from Arkansas

Mr. CARAWAY. That is a question for the State itself, though, is it not?

Mr. FLETCHER. Yes.

Mr. CARAWAY. What has the Congress to do with it whether the States shall levy an estate tax or not?

Mr. FLETCHER. It has nothing to do with it, and it has not any authority to dictate to the States in that regard.

Mr. CARAWAY. If we apply such a coercive measure in that way, why not make California abandon her land laws that offend the Japanese by saying that California shall have no participation in Federal revenue unless they do abandon that law?

Mr. FLETCHER. I propose to come to that later.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Utah?

Mr. FLETCHER. I yield.

Mr. KING. Of course, the Senator does not mean by that that the Federal Government has no power to tax estates within the State, and particularly now in view of the fact that so many estates consist of intangibles which may find existence in loci, if they can be located anywhere in the various States.

Mr. FLETCHER. The Supreme Court of the United States has declared that this is an excise tax and that it is within the authority and power of Congress to levy. I accept that as the legal situation, that the Congress has the right to impose estate taxes and they are classed as excise taxes.

Mr. KING. Does the Senator mean to say that it would be improper for a State to prefer a tax upon the real estate of the farmers, imposing a rather heavy burden upon them for State purposes, instead of receiving some contribution from the estates of rich persons?

Mr. FLETCHER. That is entirely for the State to settle for itself. The Federal Government has nothing to do with it, and no other State has anything to do with what any particular State may see fit to do in the circumstances.

Mr. KING. I agree with the Senator in that statement.

Mr. FLETCHER. While I say that the estate tax is authorized, as the Supreme Court has held, as an excise tax, being a tax on the transmission of property, which depends altogether on the laws of the State, the Supreme Court never has approved provisions, such as are set forth in the pending bill, that the Federal Government may impose a tax and then allow a deduction to the taxpayer in the States for 80 per cent of the amount of the Federal taxes where the States imposes an inheritance tax. They never have sustained that law, and I propose to show, if I am allowed to proceed, that that provision makes the pending bill absolutely unconstitutional, and in my judgment the act of 1924 is unconstitutional for the same reason. I believe if the question is ever brought into the courts they would so hold.

Mr. KING. I should be glad if the Senator would show in principle the distinction between the Federal Government collecting taxes, a portion of which come from the estates of decedents, and paying to the States a portion of that tax collected, and on the other hand the collection of taxes and the return to the State of very large portions of the sum for purposes which some call within the general welfare, for altruistic purposes, for philanthropic purposes, for various other purposes that are not clearly within the scope of the Federal Government.

Mr. FLETCHER. Of course, each instance of that kind must depend upon the facts and circumstances surrounding it. That does not answer the problem here, where we are to consider that the Government undertakes to impose a tax not for revenue at all. The proper disposition of the money after it is collected is an entirely different matter. It has no authority to impose taxation to promote uniformity of legislation in the various States or for some other purpose. It has authority only to impose taxes for revenue purposes and for the uses of the Government. The very fact that they propose to levy this tax and then reduce it by 80 per cent shows that they are not after revenue. The purpose is to exercise the taxing power to accomplish an object other than the raising of revenue. Under the guise of taxation the aim is to dictate legislative action by the States respecting their tax laws.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

Mr. FLETCHER. Certainly.

Mr. CARAWAY. If they could remit 80 per cent, they could remit 100 per cent?

Mr. FLETCHER. Certainly.

Mr. CARAWAY. And there is no relation between the question suggested by the Senator from Utah, that of the levying of a tax and remitting it to the States as a tax, and making appropriations for public highways, for instance. Those questions are not related at all.

Mr. FLETCHER. Not at all.

Mr. CARAWAY. They do not rest upon the same authority.

Mr. FLETCHER. What the Senator had in mind would depend altogether upon the facts and circumstances surrounding each particular instance. The fact is, getting back to the question suggested by the Senator from Nebraska and the Senator from Idaho, that in some States nearly 30 per cent of the revenue is produced from this source—death taxes. In some States not over 5 per cent of the revenue is produced in that way. In a few States, Florida and Alabama, for instance, none, of course, is produced in that way because they have no inheritance or income tax. In Nevada, after July next, they will have no inheritance or estate tax. So there will be three States where no revenue is derived from this source at all, and the other States derive revenue from it varying all the way from 5 per cent to 30 per cent of their total revenue. Within the last five years 27 States have changed their laws with reference to inheritance taxes, and in every instance the rates have been increased except in one. California changed her law, but did not raise the rate.

In 1910 the total amount of revenue received in the country from inheritance taxes was only about $10,000,000. In 1922 the total amount of revenue derived from death taxes, including the Federal estate tax, amount to some $220,000,000. Anyone who expects or apprehends that an effort will be made to induce the States to recede from inheritance taxes is mistaken, will find there is no foundation for that idea, because the tendency is all the other way. The tendency is for the States to reach out after this source of revenue, to increase their rates to get more revenue from it, increasing their yield of revenue from this source.

Mr. NORRIS. May I ask the Senator another question right at that point, if he will permit me to interrupt him?

Mr. FLETCHER. I yield.

Mr. NORRIS. I think it is true, just as the Senator has said, that the tendency has been that the States have increased the rates and some have enacted laws that had none on the subject before. Does not the Senator think that that very fact is going to drive some of the other States to do what Florida and Alabama have done and what California is now trying to do, and that therefore the tendency is going to be, at least with a large portion of the States, to decrease and to repeal entirely the estate taxes, so as to invite men to come within their borders and escape that kind of tax, whereas as to the Federal tax that could not happen?

It seems to me it is perfectly plain that a contest is going on which will eventually mean that the estate taxes as administered by the States will pass out of existence entirely and that the only power on earth that can make it uniform is the Federal Government.

Mr. FLETCHER. Not at all, Mr. President.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. FLETCHER. Let me answer the Senator from Nebraska first, please, and then I will yield to the Senator from Missouri.

The Senator referred to Florida as having recently taken the step of eliminating inheritance and income taxes. Florida never has had an inheritance tax law. Florida has never imposed any income tax.

Mr. NORRIS. When did Florida adopt the constitutional amendment?

Mr. FLETCHER. Two years ago; but that was simply making permanent a policy which has existed ever since Florida became a State.

Mr. NORRIS. What was the occasion for adopting the amendment unless they wanted to let the whole country know that they had to put it in their fundamental law, so they could not enact a statute to the contrary, and thus invite wealthy men to locate there?

Mr. FLETCHER. It was an effort to make permanent a policy that has existed in the State, in pursuance of views and practice that existed in the State continuously and always heretofore. If people are induced to go to Florida because we had no inheritance or income tax, they have had the same motive and the same opportunity since 1845.

Mr. NORRIS. Yes; but they did not have the assurance that the next legislature would not enact that kind of a law.

Mr. FLETCHER. That is quite true.

Mr. NORRIS. They have that assurance now.

Mr. FLETCHER. The fact that it never has enacted such a law, the fact that there was never any demand for such a law, the fact that they did not need such a law, the fact that they did not require these taxes at all for State purposes, were all outstanding and perfectly well-known facts before. They did adopt a constitutional amendment prohibiting the legislature from imposing these taxes in the future. Of course, that amendment itself might be changed in the course of time, but it was an effort to make permanent a policy which has existed there for all these years.

I now yield to the Senator from Missouri.

Mr. WILLIAMS. Will the Senator from Florida inform us whether it is not true that within the last two years there has been a constitutional amendment adopted in the State of Florida which provides that there shall be no inheritance tax imposed within that State?

Mr. FLETCHER. Yes; I have just stated that fact; but I say there never has been any inheritance tax law or income tax law in Florida.

Mr. WILLIAMS. I quite understand that. Now, suppose we take the converse of that situation; suppose instead of adopting a constitutional provision like that the State of Florida had adopted a constitutional provision or had passed a mere act of the legislature under which it was provided that in the State of Florida there should be no more inheritance as such; that the right of inheritance should be abolished in the State of Florida; suppose the converse of that situation were before us, then the Government could not collect an inheritance tax in Florida?

Mr. FLETCHER. I presume that is correct.

Mr. WILLIAMS. If that is true, then would the Senator not be opposed to an inheritance tax because it derived its whole origin from the State? In other words, the subject of the tax itself is created by the State.

Mr. FLETCHER. Descent and distribution depend on State laws, not Federal statutes at all. The Federal Government has nothing to do with them. Laws of inheritance are State laws, just as the Senator suggests. His position is correct, and I am glad he mentioned it.

Mr. SIMMONS rose.

Mr. FLETCHER. Let me answer the Senator from Nebraska [Mr. NORRIS] briefly on another point, and then I shall yield to the Senator from North Carolina.

The Senator from Nebraska suggests the idea of uniform State laws throughout the country as being desirable, and the effort being in that direction. I very much doubt, to be perfectly frank, if we ever can have uniform legislation in that regard.

Mr. NORRIS. I agree with the Senator from Florida absolutely in that statement.

Mr. FLETCHER. And I doubt very much if it is desirable that we should have such uniformity, because, as I have just stated, the needs of one State are different from the needs of another State. No State ought to impose taxes on its people merely for the purpose of taxing them; no State ought to levy more taxes than it needs for governmental purposes; and the needs of one State are altogether different from the needs of another State. Consequently, I do not see how it would ever be possible to have uniform legislation throughout the country; and that is the purpose of the legislation pending here, as has been brought out in the discussion in another body, in the press, and elsewhere. The whole purpose is not to raise revenue but to promote uniformity of legislation among the States on the subject of inheritances.

Mr. NORRIS. Will not the Senator from Florida admit now, since he has admitted that we can not get State uniformity, that the only possible way of having uniform legislation on this subject is by Federal legislation?

Mr. FLETCHER. That does not bring any uniformity at all; that violates all the principles of uniformity, as I shall show in a minute.

Mr. CARAWAY. Mr. President, may I ask the Senator from Florida a question?

Mr. FLETCHER. I ought first to yield to the Senator from North Carolina.

Mr. CARAWAY. Very well.

Mr. SIMMONS. Mr. President, I wanted to say to the Senator from Florida that it seemed to me that the objection raised was that the enactment of such legislation as has been embodied in the constitution of Florida has given to that State a great advantage over other States, and it is feared that if the levying of an inheritance tax is left to the States, without any interference on the part of the Federal Government, similar advantage will be sought by other States. I wish to ask the Senator from Florida, in connection with that situation and that contention, does he attribute the very remarkable movement which has taken place in Florida in the last year or so to the action of his State in providing in its constitution that there shall be neither inheritance nor income taxes imposed in that jurisdiction?

Mr. FLETCHER. Frankly, I do not. Anyone who is acquainted with the history of events and the processes of development that have been going on will know that the movement in Florida has been proceeding, while not with such rapidity as within the last 12 or more months, for at least 10 or 20 years back. During all of that period there has been this movement more or less pronounced into Florida. It has been growing and increasing as people have become acquainted with the opportunities and the advantages offered by that State. In my judgment, one of the main factors which has brought a wider acquaintance with these conditions and induced the development in Florida and brought people into the State has been the improvement of the public roads, opening up and improvement of the highways and the greater use of automobiles. Last year, for instance, 500,000 people went into the State of Florida in automobiles. They could not have done that five years ago. People move from every State in the Union, and from Canada, in automobiles to Florida; and they are able to see for themselves what the State offers. Increased transportation facilities generally by the highways, the railroads and waterways, in my judgment, have contributed more to promote the development of Florida than has anything else. These things and the dissemination of knowledge about the resources, the climate, and other conditions in the State have prompted the unprecedented migration to Florida.

Mr. SIMMONS. Mr. President, confirming the statement of the Senator from Florida, I wish to ask him if he does not know that in the western part of North Carolina, in the mountainous parts of the State, in the section which is known as the Hendersonville section of North Carolina, during the past year there has started a movement almost as large, although not covering so great a territory, in its effect upon real estate and values as has taken place in Florida?

Mr. FLETCHER. I think that is quite true; and again, I think that is largely due to the development of highways.

Mr. SIMMONS. I agree with the Senator. The development of highways in the State of North Carolina has contributed very largely to the immense movement that is going on in western North Carolina to-day, almost eclipsing the movement in Florida.

North Carolina, however, Mr. President—and that is the point I want to make—imposes a very considerable income tax and a very considerable inheritance tax. In fact, the State of North Carolina does not impose for State purposes any tax upon property at all, but it raises all the revenue which is necessary for the support of the State government by inheritance, income, and license taxes; and yet in the western part of my State there is going on to-day a movement within a limited territory, probably within a radius of 50 or 75 miles, which is as great as is going on in the State of Florida.

Mr. FLETCHER. I think the Senator is quite correct about that. My contention is that is a matter for North Carolina to determine for herself—how she shall raise her revenue and what she will do with her money—and that there is no power in Congress to dictate to North Carolina what her taxation laws shall be. If we once concede that there is any such authority in Congress there is no limit to which that power may go, so that, under the guise of taxation, the Federal Government may undertake to prescribe what the States shall enact in the way of tax laws.

Mr. BORAH. Mr. President——

Mr. FLETCHER. I yield to the Senator from Idaho.

Mr. BORAH. I quite agree with the contention that the Congress has no power—or, if it has, it is of such doubtful character that it ought not to be used—to force upon the States any system of taxation. I do not believe, either, that it is any part of the duty of Congress to collect taxes and turn them over to the States; but the question which I want to present to the Senator is this: Does he see anything unsound in the contention that great estates, whether a large amount of taxes is needed or a small amount is needed in a State, should bear their proportion of the taxes of the State or of the National Government?

Mr. FLETCHER. I do not, generally speaking. I have stated that already; but I submit that it is a matter for the State to determine whether or not they ought to impose or believe in imposing any inheriance tax or income tax upon their people, and not for the Congress. I believe the revenue for the National Government should be raised by other means.

Mr. BORAH. I should like to ask the Senator another question. I think the Senator was overmodest in stating that the great development in his State was due largely to the automobile, because the good roads leading out of Florida are just the same as the good roads going into the State of Florida.

Mr. FLETCHER. I think I said that that was one of the chief factors. I might mention transportation facilities generally, the increase in railroad facilities, and the development of waterways. All of those facilities have brought Florida close to the main markets of the country and made it accessible to the 60,000,000 or 70,000,000 people who before had difficulty in getting in and out of the State.

Mr. BORAH. Really, the key to the development of Florida is what Divine Providence left down there, is it not?

Mr. FLETCHER. I think undoubtedly the climate is the chief thing, and is eternal and everlasting and can not be taken away from us by Congress or by anybody else. It is because, in the last analysis, Florida has what the people of this country want and what they can find nowhere else—and the good Lord is not making any new territory—hence Florida is coming into her own and making such rapid progress and enjoying such splendid development.

Mr. SIMMONS. People are going to Florida, if the Senator will permit me, because of Florida's winter climate, and they are coming to the mountains of western North Carolina because of our summer climate. [Laughter.]

Mr. CARAWAY. Mr. President, may I ask the Senator from Florida a question?

Mr. FLETCHER. I yield to the Senator from Arkansas.

Mr. CARAWAY. I do not want the two Senators to imagine that the Lord has done something for Florida and North Carolina and done nothing for any other State. I am unwilling that the two Senators should be so modest as to admit that the people living in those States have nothing to do with it. I think there are good citizens in Florida and good citizens in North Carolina to whose efforts much may be attributed. However, passing that by, what I wanted to call the Senator's attention to was the remark of the Senator from Nebraska that there was no other way to force uniformity of taxation upon the States. That is the vital question, I think, in the provision of the House bill which has been stricken out. It was an attempt to force uniformity.

If the Federal Government can force uniformity with reference to taxation, it can do so with reference to marriage and with reference to divorce. It could abolish the separate school system in my State and compel all our children, however repugnant it might be, to attend the same school; and, with all due respect to the late Senator from Massachusetts, he would not have needed his force bill at all if this scheme had been called upon, because the Federal Government could say that, unless supervision of elections were permitted by Federal supervisors, the States should not participate in a certain tax. So there would be no end to the coercion that could be brought to bear upon a State if this unthinkable provision should be adopted by the Senate.

Mr. FLETCHER. I think the Senator is correct about that.

Mr. LENROOT. Mr. President, will the Senator from Florida yield to me?

Mr. FLETCHER. I yield to the Senator from Wisconsin.

Mr. LENROOT. Would the Senator say that when the constitutional amendment was adopted in Florida one of the reasons for it was—and was not that reason stated—to attract wealthy people to Florida?

Mr. FLETCHER. I never gave any such reason. I do not know what reasons the real-estate agents may have given.

Mr. LENROOT. I know the Senator did not give any such reason, but is it not a fact that since then it has been advertised all over the United States that the laws of Florida with reference to the absence of income and inheritance taxes constitute one reason why Florida should be attractive to people of great wealth?

Mr. FLETCHER. Very likely; and Florida is, indeed, proud that she does not have to lay income and inheritance taxes upon her people. And she invites good people from everywhere and for all the reasons that may appeal to and satisfy them.

Mr. LENROOT. I should like to ask the Senator one other question. The Senator said, in response to the Senator from Idaho, that he thought it entirely just that inheritance taxes should be levied. If the State of Florida does not need them, why should they not pay them to the Federal Government?

Mr. TRAMMELL. Mr. President, will my colleague allow me to ask the Senator from Wisconsin a question?

Mr. FLETCHER. Yes.

Mr. TRAMMELL. Do not other States and other cities advertise any advantages which they may possess in regard to taxation? Sometimes they say that the mileage is low and sometimes they say that real estate is not assessed for taxation but that the taxes are raised from other sources. They advertise what they consider the advantages of their taxing system. Has not Florida the same privilege?

Mr. LENROOT. Absolutely.

Mr. TRAMMELL. There is nothing wrong about it.

Mr. LENROOT. And I think it is a very great privilege; but the senior Senator from Florida undertook to say that the taxing system did not have any effect upon the growth of Florida, and that is the point I was making.

Mr. FLETCHER. I have not said that it did not have any effect. I said that I did not advertise it as an inducement for people to come to the State. Others no doubt did, and very properly. What I mean is that has not been stressed by me as the important or main reason why people should go to Florida. I presume likely it has had the effect of attracting people to the State. But with reference to the Senator's suggestion that Florida ought to pay her part of the revenue required by the Government, let me say that Florida does pay her part and she is willing to pay her part. This is not a revenue-raising provision. It is practically conceded by the Treasury Department that it will cost somewhere near 20 per cent of the entire revenue derived from this estate tax to collect it. Consequently the Government will get practically nothing out of it if the bill is passed as it is. It will be necessary to keep up the bureau, the division, the field force, the records, and so forth, and impose this tax. All of those things are paid for by the Government to collect the tax and deduct 80 per cent for the States, and out of that 20 per cent it will not be possible to pay the expenses of collection.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. FLETCHER. I yield.

Mr. REED of Pennsylvania. How does Florida raise the expenses of the State government? Is it by a tax on personal property or real property?

Mr. FLETCHER. Real property and personal property and licenses, and we have a gasoline tax.

Mr. WATSON. Mr. President, does Florida tax bank accounts?

Mr. FLETCHER. No; not as such.

Mr. REED of Pennsylvania. It is perfectly evident to me that the State of Florida must collect from its citizens enough to run its State government. If it does that, and if the citizens of Florida have to pay five times as much inheritance tax as the citizens of some other State, is it not obvious that the citizens of Florida are going to pay a double tax?

Mr. FLETCHER. Precisely; that will follow.

Mr. NORRIS. That would be too bad.

Mr. FLETCHER. I think it would be unfair anyhow. Florida is willing to bear her proportion of the burdens of Government, and she is doing it; but now let us come back to this proposition——

Mr. NORRIS. Mr. President, before the Senator leaves that point, let me ask him whether the same argument applies to the income tax? Because Florida does not levy an inheritance tax the Senator thinks it follows that we ought not to levy a Federal inheritance tax. Then, if Florida does not levy an income tax, ought not we to repeal our Federal income tax?

Mr. FLETCHER. Would the Senator propose to levy an income tax and deduct from it all the income taxes paid to the States? Would that be a sound proposition, or to deduct 80 per cent of them?

Mr. COUZENS. Mr. President——

Mr. NORRIS. No; but if we should levy a Federal inheritance tax and say nothing about giving the States anything, then I suppose the Senator would favor it. If he would, then I should be glad to amend it in that way.

Mr. FLETCHER. That is not this bill.

Mr. NORRIS. Then let us change it. If the Senator and those who are opposing it on his ground will support it if that change is made, I should be glad to go with them. I should be glad to levy a Federal tax and say nothing about giving any of it to the States.

Mr. FLETCHER. Of course that would very greatly improve the bill. There is no question about that.

Mr. SIMMONS. Mr. President, in agreeing to the House bill, as I understand the administration and the Treasury Department do agree to that bill, with this provision giving the States 80 per cent of the inheritance tax and retaining just about enough to pay the expenses of collecting that tax, is it not admitted that this levy is not needed for the purpose of obtaining revenue to run the Federal Government?

Mr. FLETCHER. Of course.

Mr. SIMMONS. With reference to the income tax, if the Senator from Florida will permit me, is it not recognized that the Government gets the larger part of its taxes for the support of the Government from income taxation?

Mr. FLETCHER. Yes.

Mr. SIMMONS. And there is no proposition anywhere on the part of the Government to surrender any part of that income tax?

Mr. FLETCHER. Precisely.

Mr. LENROOT. Mr. President, will the Senator yield once more? The Senator is aware that under the Federal income tax law income taxes paid in a State are deductible from the gross income. In Florida, there being no State income tax, there is no such deduction. Does the Senator complain of that?

Mr. FLETCHER. We make no complaint of that. It is a different matter. The deduction in case of income taxes is from the gross income, not from the tax itself. The deduction under paragraph (b) is from the Federal tax itself.

Mr. LENROOT. And yet there is the same nature of discrimination, except as to degree, is there not?

Mr. FLETCHER. I do not think the same principle applies. Let me deal with that for a moment.

This provision of this bill, in my judgment, is unconstitutional; and I refer Senators to section 8 of Article I of the Constitution of the United States, which provides:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defence and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

The uniformity required has been adjudged to be a territorial uniformity or a geographical uniformity, and not an intrinsic uniformity. (LaBelle Iron Works *v.* United States, 256 U. S. 392; Billings *v.* United States, 232 U. S. 282.)

As a result of this interpretation, taxation has been upheld although it operates unequally, provided there was found to exist a reasonable basis for the distinction in respect to the persons or the things upon which the law operated; but the line of cleavage must not be geographical, and the basis of classification or distinction must never be territorial.

The uniformity clause was intended to prevent sectionalism in the exercise of the taxing power.

Here we have the very worst type of sectionalism—a sectionalism aimed at a sovereign State and a tax law designedly framed to operate differently within the bounds of three States of the Union from the way in which it would operate in the other 45.

As the result of the provisions of paragraph (b), section 301 of the proposed revenue bill, as soon as the Commissioner of Revenue crosses the State line from Georgia into Florida he must collect an estate tax materially larger than the law permits him to collect in Georgia.

Is it not perfectly clear that the principle of uniformity is violated by these provisions when we think of an internal-revenue collector standing on the line between Georgia and Florida, for instance, and over in Florida collecting, we will say, $1,000 estate tax, and over in Georgia collecting $750? Just step across the line and you get this difference, or maybe more. The Georgia law now, I think, provides for this 25 per cent deduction as provided for in the act of 1924; and therefore the same collector steps over the line in Florida and collects $1,000, and over in Georgia he collects $750 in full settlement of the tax.

Mr. GEORGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Georgia?

Mr. FLETCHER. I do.

Mr. GEORGE. It is not material to the Senator's argument, but I should like to say merely that the Georgia inheritance tax hinges on the Federal tax. It is provided by statute that it shall not be more than 25 per cent of the amount fixed in it.

Mr. FLETCHER. Precisely. It is based upon the act of 1924, I take it. In the territory belonging to Georgia an estate of $100,000 will pay a certain amount, and in the State of Florida, across the line, an estate of $100,000 will pay a materially larger tax. In the one territory the law will operate very differently from the way in which it will operate in the other territory.

The operation of the law in each State is made to depend upon the policy of that State's taxing laws. The policy of a State is coextensive with its territory, so in the last analysis the classification attempted by the pending measure is a territorial or geographical one.

The Congress should take notice of this lack of uniformity and avoid it. Congress should do what the courts will be compelled to do should the estate tax be enacted as now proposed.

The provisions of the revenue law are framed so as to produce a certain amount of revenue for the uses of the Government, and the invalidity of this section of the law would seriously affect the general scheme.

In speaking of the child labor act, Chief Justice Taft, at page 39 of Two hundred and fifty-ninth United States Reports, says:

> So here the so-called tax is a penalty to coerce people of a State to act as Congress wishes them to act in respect to a matter completely the business of the State government under the Federal Constitution.
>
> This case requires, as did the Dogenhart case, the application of the principle announced by Chief Justice Marshall in McCulloch *v.* Maryland (4 Wheaton 316, 333), in a much-quoted passage:
>
> "Should Congress in the execution of its powers adopt measures which are prohibited by the Constitution; or should Congress under the pretext of executing its powers pass laws for the accomplishment of objects not intrusted to the Government; it would become the painful duty of this tribunal, should a case requiring such decision come before it, to say that such act was not the law of the land."

In a very recent case, Hill *v.* Wallace, in Two hundred and fifty-ninth United States Reports, at page 44, the Supreme Court said—I read now from page 66:

> It is impossible to escape the conviction from a full reading of this law that it was enacted for the purpose of regulating the conduct of business of boards of trade through supervision of the Secretary of Agriculture and the use of an administrative tribunal consisting of that Secretary, the Secretary of Commerce, and the Attorney General. Indeed, the title of the act recites that one of its purposes is the regulation of boards of trade. As the bill shows, the imposition of 20 cents a bushel on the various grains affected by the tax is most burdensome. The tax upon contracts for sales for future delivery under the revenue act is only 2 cents upon $100 of value, whereas this tax varies according to the price and character of the grain from 15 per cent of its value to 50 per cent. The manifest purpose of the tax is to compel boards of trade to comply with regulations, many of which can have no relevancy to the collection of the tax at all.

And then, going on, the court quotes from the child-labor case:

Out of a proper respect for the acts of a coordinate branch of the Government this court has gone far to sustain taxing acts as such, even though there has been ground for suspecting from the weight of the tax it was intended to destroy its subject. But in the act before us the presumption of validity can not prevail, because the proof of the contrary is found on the very face of its provisions. Grant the validity of this law, and all that Congress would need to do hereafter in seeking to take over to its control any one of the great number of subjects of public interest, jurisdiction of which the States have never parted with, and which are reserved to them by the tenth amendment, would be to enact a detailed measure of complete regulation of the subject and enforce it by a so-called tax upon departures from it. To give such magic to the word "tax" would be to break down all constitutional limitation of the powers of Congress and completely wipe out the sovereignty of the States.

And then adds:

This has complete application to the act before us and requires us to hold that the provisions of the act we have been discussing can not be sustained as an exercise of the taxing power of Congress conferred by section 8, Article I.

That is directly in point with the matter here before us; and even in a later decision which Justice McReynolds handed down, the case of H. B. Trusler, plaintiff in error, against Noah Crooks et al., decided in the October term, 1925, Justice McReynolds, speaking for the court, said:

The stipulated facts reveal the cost, terms, and use of "indemnity" contracts, together with their relation to boards of trade, and indicate quite plainly that section 3 was not intended to produce revenue but to prohibit all such contracts as part of the prescribed regulatory plan. The major part of this plan was condemned in Hill v. Wallace, and section 3, being a mere feature without separate purpose, must share the invalidity of the whole. (Wolff Packing Co. v. Industrial Court, 267 U. S. 552, 569.)

The court said further:

This conclusion seems inevitable when consideration is given to the title of the act, the price usually paid for such options, the size of the prescribed tax (20 cents per bushel), the practical inhibition of all transactions within the terms of section 3, the consequent impossibility of raising any revenue thereby, and the intimate relation of that section to the unlawful scheme for regulation under guise of taxation. The imposition is a penalty and in no proper sense a tax. (Child Labor Tax case, 259 U. S. 20; Lipke v. Lederer, 259 U. S. 557, 561; Linder v. United States, 268 U. S. 5.)

So they declared the act invalid. Those principles apply directly to the situation here. Without taking any more time, and without going further into the details or citing authorities, I am absolutely confident that the estate-tax provision in the revenue bill of 1926, passed by the House of Representatives on December 18, 1925, and the estate-tax provision in the law now in force, the revenue act of 1924, are unconstitutional and void; that the tax imposed by title 3, estate tax, of this bill, upon the transfer of the net estate of every decedent dying after the enactment of the bill, is a duty or excise within the meaning of section 8 of Article I of the Constitution, and as such is subject to the rule of uniformity as prescribed by the first clause of that section.

Third. By reason of the inclusion in title 3 of the proposed act of the provision, section 301, paragraph (b), allowing a credit of 80 per cent for estate, inheritance, legacy, and succession taxes paid to any State or Territory or the District of Columbia, the whole title is rendered repugnant to the uniformity clause of section 8 of Article I of the Constitution and is void.

I need not refer further to this clause in the Constitution and to various cases, such, for instance, as Edye v. Robertson (112 U. S. 580) and Pollock v. Farmers' Loan & Trust Co. (157 U. S. 429).

Fourth. I say that title 3 is an invasion of the rights reserved to the States by Article X of the amendments to the Constitution, and for that reason also is unconstitutional and void. I think the case to which I referred—Bailey against Drexler Furniture Co., decided by Chief Justice Taft (259 U. S. 20, 36, 37, and 39)—fully sustains the position.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Florida yield to the Senator from North Carolina?

Mr. FLETCHER. I yield.

Mr. SIMMONS. My attention was diverted at the time the Senator was reading that opinion. I am very much interested in it, and if it would not take much time I would be happy if the Senator would briefly state what it holds.

Mr. FLETCHER. The opinion in the case of Hill against Wallace held certain sections of the future trading act invalid. That was one opinion from which I read. The opinion was based on the ground that the act was an attempt to regulate, by means of a Federal tax, a business that was wholly intrastate. The case to which I last referred was the case of Trusler against Crooks, decided by Mr. Justice McReynolds. That related to a paragraph in the same act, and he held it unconstitutional. I will give the Senator a copy of that opinion.

I think these two paragraphs will be construed together, and that the rule that the whole title is void in its entirety applies, under the decision in Warren v. Charlestown (2 Gray 84).

The Supreme Court has said:

It is elemental that the same statute may be in part constitutional and in part unconstitutional.

There is a provision in this bill, as we usually have in all of our bills, that if one part of a statute is declared unconstitutional that does not necessarily make the whole bill unconstitutional. But that provision does not save this title at all.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Georgia?

Mr. FLETCHER. I yield.

Mr. GEORGE. I wish to ask the Senator if any of the cases to which he has referred have considered a provision analogous to this particular provision of the bill. The Senator will note that the tax levied is uniform, but that provision is made for credit against that tax—that is, credit for any amount paid by any taxpayer in any State on account of a similar tax. I would like to know, the Senator having gone into the legal phase of it, whether or not any of the cases deal with precisely that situation. In other words, it occurs to me that here is uniformity so far as the levy of the tax is concerned, but it is not uniform throughout all of the States that certain credits may be allowed. Those credits, of course, are not uniform, because every State does not have an inheritance tax. I wanted to know if, in the Senator's study of this question, he had thought of that particular phase.

Mr. FLETCHER. My position about that is that whereas the rates are uniform, as the Senator has in mind, there is a violation of the constitutional requirement of uniformity, which means territorial uniformity, and therefore this tax is not uniform as to all the States, because there are at least three States that have no inheritance tax at all under which any deductions can be made.

Mr. KING. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. KING. In line with the suggestion made by the able Senator from Georgia, if I understood him, I call the attention of the Senator from Florida to the fact that we have enacted a number of measures which were discriminatory in their gifts or contributions to the States. For instance, we have passed acts by the terms of which if certain States erected agricultural colleges they should receive certain grants. Other legislation which comes to my mind now, which we enacted, provided that if certain States would establish in their universities provision for teaching hygiene and the facts as to infectious diseases—and that was particularly during the war—various contributions would be made through the Public Health Service to those States.

Some States got money for nothing; that is to say, they obtained contributions from the Public Treasury which were not obtained by other States, simply because the other States did not follow the same course which they pursued. It would seem to me, if I understand the Senator's argument, that his challenge to this legislation upon the ground that it fails to conform to the constitutional provisions as to uniformity goes a little further than mere territorial uniformity, and that the suggestion made by the Senator from Georgia and the illustrations which I have given would negative the contention of the Senator from Florida that it is unconstitutional upon the ground of lack of uniformity.

Mr. FLETCHER. I think the Senator has in mind our making appropriations conditioned on certain things, which does not seem to me to apply to this question at all. We must not get away from this position: The Supreme Court has sustained this kind of a tax on the ground that it is an excise tax, a tax imposed upon the transmission of property, and, of course, when we reach that point we must recognize that the constitutional provision with reference to excise taxes must apply. In what sort of a position would we be if New York could impose certain customs duties upon imports and Florida certain other customs duties upon imports? We could not stand for that a moment. That is an excise tax. So is this an excise

tax. We must hold ourselves to that legal situation and then apply the constitutional provision, which the Supreme Court has said means territorial uniformity when it uses the word "uniform."

Mr. GEORGE. Mr. President, I was not seeking to enter into a controversy with the Senator, but I was making the inquiry for the purpose of obtaining information. It occurred to me, just from hearing the Senator's argument, that when the tax bill fixes, for instance, a certain tax upon estates of $6,000,000 or more, then there is a uniform levy of tax, and that that uniformity is not destroyed or affected by the fact that a citizen in one State may have a greater credit or a lesser credit to be taken from the total of the tax.

I asked the question in the utmost good faith, because of this further fact: Of course, the Congress of the United States must have notice of any constitutional limitation imposed upon any State. In other words, the Congress of the United States, at the time it passes this bill, if it does pass it as it came over from the House, has knowledge of the provision of the constitution of the State of Florida—that is to say, that no estate or succession tax can be imposed in Florida. Therefore, if the Congress should pass this bill, with the knowledge that the Florida citizen could not have a deduction on account of any payments made by him to the State, for the reason that his State was forbidden to impose an estate or succession tax, quite an interesting question would be raised, and I wondered if the Senator had thought of that particular phase of this question.

Mr. FLETCHER. I do not know that I quite get what is in the Senator's mind with reference to that. My impression now would be, from the statement the Senator has made—and I am glad he brought out that point—that it would simply be in defiance of the constitutional provision to attempt to pass legislation of this kind, knowing the conditions, as Congress must know them, as the Senator has said, with reference to certain States. Congress knows that citizens of Florida can not enjoy any deduction from this tax, absolutely. Congress knows that citizens of Alabama can not. But Congress says, "You have to do it or you will suffer; you will be penalized." I do not think Congress ought to attempt to do that sort of thing at all, and I do not think they have any power to do it, when it comes to the test of applying the Constitution to the question.

If paragraph (b) should be stricken out, the situation would be greatly improved, I admit, and there might be some sort of argument for the Federal Government simply holding a field of taxation, which it occupies, and does not want to give up merely for the purpose of holding it and enjoying whatever power may come from it. But, if you enact the two together, even though the court should hold that paragraph (b) ought to fall, it would involve the whole provision, in my judgment, and the whole title would go with that declaration of unconstitutionality.

Mr. LENROOT. Mr. President, will the Senator yield at that point?

Mr. FLETCHER. Let me just refer, as I intended to do sometime ago, to this record with reference to the imposition of this estate tax by the Federal Government. I refer to the report of the national committee on inheritance taxation at page 22:

> Although a Federal inheritance tax law was passed as early as 1797, the Federal Government has resorted to this method of raising revenue only under pressure of emergency caused by war, and heretofore the taxes have been repealed as soon as the pressure was removed. The statute of 1797 was repealed in 1802.
>
> Five years.
>
> A second statute was in force from 1862 to 1870.

That was eight years, and that was occasioned by the War between the States.

> A third from 1898 to 1902.

That was four years, and that was induced by the Spanish-American War. In all these instances where the Government has undertaken to impose an estate tax it has been in the presence of war, and as soon as that emergency was over the laws have been repealed. The present statute was enacted September 8, 1916, and after several amendments still remains in force.

> This field, therefore, in the past, has been left, except in war emergencies, entirely to the States, and the present encroachment by the Federal Government seriously affects the State revenues. The Federal Government is better able to give up this object of taxes than are the States.

That is the story. That is the history. Those are the precedents. Why insist now, 10 years after we began the taxation and over 7 years after the war was ended, upon continuing the legislation upon our statute books? We never have done it in all our history before.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Wisconsin?

Mr. FLETCHER. I yield.

Mr. LENROOT. The Senator, of course, agrees that the inheritance tax was levied in 1916, a year before the war began, does he not?

Mr. FLETCHER. The war began in 1914.

Mr. LENROOT. Not our war. We were not in the war then.

Mr. FLETCHER. But the war was on in 1914. I was over there when it started and I know.

Mr. LENROOT. Then does the Senator make the claim that if Great Britain and Turkey should get into war to-morrow we would be justified in levying inheritance taxes?

Mr. FLETCHER. Oh, we were looking ahead in 1916, as we had a right to look ahead. That act was to provide taxes for 1917.

Mr. LENROOT. Of course we were looking ahead, and yet the total expenditures of our Government in 1916 when we levied the tax were not nearly so great as they are to-day.

Mr. FLETCHER. We started with a mild tax.

Mr. LENROOT. And the reason why they are greater to-day is because we have not yet paid for the war. Why does the Senator say the emergency is over?

Mr. FLETCHER. The committee have here framed a bill entitled "A bill to reduce and equalize taxes." You are telling the people that the very object of the bill is to reduce taxes.

Mr. LENROOT. And the bill does reduce taxes.

Mr. FLETCHER. But the Federal Government does not need the revenue. The department will tell the Senator, I expect, that with these provisions in the bill we will not derive enough revenue from these taxes to much more than pay the expense of collection.

Mr. LENROOT. Oh, I beg the Senator's pardon. The department will tell us nothing of the kind.

Mr. FLETCHER. I do not know what they will say, but I am satisfied from the figures that were given—and I am convinced from the information we have—that it will cost practically within a few million dollars of what we will collect to make the collection. Of course in these days when we get to talking about a million dollars I am lost. I do not know what a million dollars is, but within a few million dollars—what we call small change when it comes to raising revenue of $4,000,000,000—of the total amount collected will be the cost of collecting this tax under the revenue bill that is now before us.

Mr. LENROOT. The Treasury makes no such estimate, but entirely on the contrary.

Mr. FLETCHER. What do they estimate?

Mr. LENROOT. Two per cent is what it has cost.

Mr. FLETCHER. And we do not get very much revenue from it now?

Mr. LENROOT. Oh, over $100,000,000.

Mr. FLETCHER. That is less than we have been getting?

Mr. LENROOT. It cost us $2,000,000 to collect that $100,000,000.

Mr. FLETCHER. Then the Senator proposes to collect $100,000,000 and give $80,000,000 of it away? He would only have $20,000,000 to cover the total expense of collecting it.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Utah?

Mr. FLETCHER. I yield.

Mr. KING. I have an amendment proposing to reduce the 80 per cent to 25 per cent; that is, to restore the existing rate. Personally I would prefer a low inheritance or estate tax by the Federal Government with no return or credit to the State. I am in sympathy with the argument of the Senator that we ought not to collect money through the taxing power merely for the purpose of returning it to the States, or for the purpose of enforcing uniformity. That argument to me is unsound and fallacious and a wholly improper argument. But I have offered the amendment reducing the 80 per cent, as provided in the House text, to 25 per cent. I adopted 25 per cent because I do not believe that I could secure the approval of an amendment that made no provision for returning anything to the State and because it is existing law, and with the hope that in the next year or two the situation may be so clarified that we may determine just what is wise to be done. I have in view the recommendations of the tax commission which has been function-

ing for many years, and which has considered the subject with a great deal of earnestness and ability, and has made certain recommendations with which the Senator is familiar, among them being that at least for six years there should not be a repeal of the estate tax.

Mr. FLETCHER. Their first impression was that the Federal Government ought to retire entirely from the field, that they ought not to continue this law and the imposition of estate taxes, and then they finally thought perhaps we ought to continue for six years. That was not the unanimous vote of the commission, but a majority favored a leeway of six years before the Federal Government actually retired. Really they favor leaving that field of taxation entirely to the States.

Mr. KING. I think perhaps that is true. I think that some members of the commission are in favor of the abolition of inheritance taxes absolutely, not only in the field of the existing Federal law but also the repeal of State laws which provide inheritance or death taxes. There are some members who took a different view. But in view of the complexity of the State legislation, its many incongruities and inconsistencies and the injustices which follow, the fact that there are isles of refuge being established, and among them the most beautiful being the State of Florida, and in view of other questions which I shall not intrude now upon the time of the Senator to discuss, they reached the conclusion that it were better for at least six years not to repeal the Federal estate tax law. It does seem to me we could very properly follow the admonition, or at least the recommendation, of the tax commission in dealing with the subject to-day. I am not in sympathy, however, with their view, as I recall their view, that we should credit 80 per cent back to the States.

Mr. FLETCHER. I think that originated in the fertile brain of somebody who had some idea that it would tend to promote uniformity of legislation in the States, and that was the purpose of the device. In my judgment, it vitiates the whole title.

I want to make one more point and then I am going to yield the floor, and that is that Title III is void in its entirety. The courts would not simply hold that paragraph (b) is void, but would hold that the whole title is void if the question should be raised before it. I cite as to that proposition what Chief Justice Shaw said in Warren against Charlestown:

> It is elementary that the same statute may be in part constitutional and in part unconstitutional; and, if the parts are wholly independent of each other, that which is constitutional may stand, while that which is unconstitutional will be rejected. And in the case before us there is no question as to the validity of this act, except sections 27 to 37, inclusive, which relate to the subject which has been under discussion; and as to them we think the rule laid down by Chief Justice Shaw in Warren *v.* Charlestown (2 Gray, 84) is applicable—that if the different parts "are so mutually connected with and dependent on each other, as conditions, considerations, or compensations for each other, as to warrant a belief that the legislature intended them as a whole, and that if all could not be carried into effect the legislature would not pass the residue independently, and some parts are unconstitutional, all the provisions which are thus dependent, conditional, or connected must fall with them." Or, as the point is put by Mr. Justice Mathews in Poindexter *v.* Greenhow (114 U. S. 270, 304; 5 Sup. Ct. 903, 962): "It is undoubtedly true that there may be cases where one part of a statute may be enforced as constitutional and another be declared inoperative and void because unconstitutional; but these are cases where the parts are so distinctly separable that each can stand alone, and where the court is able to see and to declare that the intention of the legislature was that the part pronounced valid should be enforceable, even though the other should fail. To hold otherwise would be to substitute for the law intended by the legislature one they may never have been willing, by itself, to enact."

Applying those rules to the legislation now pending, it must fall. The purpose here is to promote uniformity. One way of accomplishing it and the selected way of accomplishing it as devised is to insert paragraph (b), which provided a deduction of 80 per cent of the Federal tax where an inheritance tax is paid in the State, and the two go together. The purpose is there; the purpose could not be accomplished without the two going together; and if paragraph (b) falls, the whole title must fall; and therefore I say that the committee amendment ought to be adopted repealing all estate tax laws, striking out Title III.

Mr. SIMMONS. Mr. President, may I interrupt the Senator a moment?

Mr. FLETCHER. I yield to the Senator from North Carolina.

Mr. SIMMONS. Camouflage the situation as anyone will, I think it is generally understood—certainly it is very clear to me—that the purpose of retaining the inheritance tax is not to raise revenue to meet the necessary expenses of the Government, but it is for the purpose of enforcing uniform legislation on the part of the States with reference to inheritance taxes.

The Senator probably knows that the governors of thirty-odd States appeared before the Ways and Means Committee of the House, urging that the Federal Government retire from this field of taxation and leave it entirely to the States. That proposition and that insistence on the part of the governors of the several States was met by the Ways and Means Committee of the House with the proposition that they would so adjust the provisions of the bill as to give four-fifths of the entire receipts derived from the Federal inheritance tax to the States in order to induce them to conform their laws to this requirement of the United States Government, to bring about uniformity in the State laws. That was the purpose. My understanding is that the Government will realize net but very little revenue from the tax, and that this tax is not being advocated for the purpose of revenue but for the ulterior purpose of enforcing uniformity in taxation of inheritances by the States.

Again, the Senator said that we have never resorted to this form of tax except in cases of great pressure resulting from war. The Senator should have said "from war or threats of war." In 1796, when we levied it, we were threatened with war between this country and France, and to be prepared for that possibility it was found necessary to raise an additional amount of revenue, and we resorted to an inheritance tax. In 1916 we were not at war with any nation upon the earth, but a war was raging in Europe in which it was feared that we might be drawn. The public mind was apprehensive. There was a demand from one end of the country to the other that we should put ourselves in a state of preparedness. It was the preparedness argument that started the Government upon unknown and unheard-of expenditures at that time. We in that emergency enacted the law of 1916 imposing a tax upon inheritances.

It is true that in the year 1916 our expenditures were not very much greater than they were in the preceding year.

But that tax was not levied to raise revenue for the year 1916; it was levied for the purpose of raising revenue for the year 1917, in order to meet the extra expense that we recognized would be entailed upon the Government as the result of the preparedness program. It was in 1917, therefore, that the Federal inheritance tax began its operation.

What happened in 1917? In 1917 our expenditures, by reason of the preparedness program, rose from $741,000,000 for the year 1916 to $2,086,000,000 for the year 1917. Even after the imposition of the inheritance tax our receipts were during that year only about half sufficient to cover our expenditures. I wanted to make that clear to the Senator.

Mr. FLETCHER. I am very glad that the Senator brought those figures out.

Mr. LENROOT. Mr. President, may I interrupt the Senator just once more?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Wisconsin?

Mr. FLETCHER. I yield.

Mr. LENROOT. Is it the position, then, of the Senator from North Carolina that it is proper to levy an estate tax in anticipation of war expenses, but that it is wrong to levy one when the expenses have been incurred and not paid?

Mr. SIMMONS. Mr. President, if the Senator from Florida will pardon me, we anticipated this heavy expenditure, and it was even heavier than we anticipated. We levied the tax to increase our revenue for 1917 from $782,000,000 in 1916 to $1,124,000,000 in 1917; but even after we had increased our levy, almost doubling the amount of the tax that we raised in 1917, our revenues fell short by $1,000,000,000 of meeting the increased expenditures of the Government as the result of our entrance upon the program of preparedness for what we anticipated possibly might be impending.

Mr. FLETCHER. Mr. President, the Senator from Wisconsin [Mr. LENROOT] of course does not intend to say that we are not now engaged in a program of reducing taxes. We are not keeping up the high levies, the war duties, or anything of that kind, but we are in this bill reducing the war taxes all along the line.

Mr. LENROOT. Yes; and this bill does propose to reduce the estate taxes, but the Senator wants to wipe them out altogether. He does not, however, propose to wipe out altogether taxes on incomes of $5,000 or $10,000 a year. Why does he not?

Mr. FLETCHER. I think we ought to wipe this tax out, as I have undertaken to say, because we never have in all of our history imposed this species of taxation upon the people except in some great emergency. The first law for this pur-

pose was passed in 1797. The bill to which the Senator from North Carolina [Mr. SIMMONS] referred in 1916 was passed in September to provide taxes, as he has stated, for 1917.

Mr. SIMMONS. And I want to remind the Senator also that we have never considered the income tax as an emergency tax. It is the inheritance tax which we have treated as an emergency tax.

Mr. FLETCHER. We adopted a constitutional amendment for the purpose of providing for income taxes, but this does not come under that constitutional provision. This is not an income tax. This is a tax on capital, pure and simple.

Mr. LENROOT. No; the Senator does not mean that.

Mr. FLETCHER. It is an emergency tax. I have already discussed that, and I will not take up more time about it. We failed to repeal the inheritance tax law which was enacted in a time of emergency after a reasonable lapse of time; we waited longer about repealing it than we ever have any statute of the kind in the past. I submit, Mr. President, that there is no need to undertake to pass legislation of this kind. In my judgment, the courts are just as certain to declare it to be unconstitutional as they are certain to declare the act of 1924 to be unconstitutional if the subject shall be brought to their attention, as, of course, it will be.

Mr. SIMMONS. Mr. President, in effect, this is a tax upon capital, and a direct tax upon capital. There is but one thing that removes it from the constitutional inhibition against the Federal Government's levying a direct tax upon capital except through apportionment among the States, and that is that the States, forsooth, have established a system of inheritance taxes based not upon the fact that a decedent owned so much property but based upon the fact that the State has conferred upon the decedent the right to bequeath his property, has conferred upon the heirs of the decedent the right to inherit his property, and the State levies the tax upon the privilege. The Federal Government says, "I have a right to take advantage of that privilege, and I impose this tax upon the privilege of succession and inheritance." So the Federal Government, by taking that position, has avoided what otherwise would have been a constitutional inhibition. If there were no such excuse for levying this tax upon the part of the Federal Government, then it would be a direct tax upon property; and it would be unconstitutional unless the Federal Government provided for its apportionment among the States. It is, in effect, a tax upon capital, and a tax upon nothing but capital. It is a tax of a certain per cent on the value of the property left by a decedent at death, and in that sense it is a direct tax upon property.

The Federal Government, however, was able to protect itself against the claim of unconstitutionality by asserting that it was a mere tax upon the privilege of succession or inheritance.

Mr. KING and McLEAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Florida yield; and if so, to whom?

Mr. KING. As I first addressed the Chair, I think I have the floor. I desire to take the floor, but I will yield to the Senator from Connecticut.

Mr. McLEAN. I do not care to take the floor for a speech, but before the Senator from Florida [Mr. FLETCHER] closes I should like to offer a suggestion to him. If, however, the Senator from Utah [Mr. KING] desire to discuss this subject at some length, I will not interrupt him.

Mr. KING. I am willing to yield to the Senator from Connecticut in order that he may propound his question.

Mr. McLEAN. I am very much interested in the position which has been taken by the Senator from Florida [Mr. FLETCHER.] and the Senator from North Carolina [Mr. SIMMONS], which is entirely correct in my opinion. Strictly, perhaps, an inheritance tax is not a tax on capital, but it seems to me, by whatever process you flank the Constitution as a matter of fact it is a direct tax on capital in its effect.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Utah?

Mr. McLEAN. I yield.

Mr. KING. Is not a tax upon all property in effect a direct tax? Take, for instance, the unoccupied real estate in the Senator's State.

Mr. McLEAN. I have not finished my point. We pretend that we want to tax ability to pay. I think we not only should pretend to tax ability to pay, but should confine our taxes as far as possible to ability to pay. That means that we must in a large measure tax profits. When we impose an inheritance tax we impose it regardless of ability to pay on the part of the man who pays the tax.

A son who inherits a large property, a going concern, a mercantile establishment, or a factory thinks he has inherited great wealth possibly, but, if the factory is running at a loss it is worth less than nothing to him unless he disposes of it at a great sacrifice. The resources of the inheritance taxpayer are frequently weaker than those of the devisor or person from whom he inherited the property. A son who inherits a property may be young, or the person who inherits may be the widow; the property inherited may be an apartment house or a hotel or a factory; and, perhaps, there is not the previous efficiency of management; there is not the superintendence; there is nobody to take care of it possibly, unless some one is called in from outside for that purpose. To pounce upon that property and impose a heavy tax, if it comes at a period when no profits are being made, frequently may result in serious consequences. I submit that we are violating the principle upon which we base our Federal taxes—namely, taxing profits or capital gains or incomes which represent profits.

There is one other point to which I wish to call the attention of the Senator from Florida.

Mr. FESS. Mr. President, will the Senator before he leaves this matter allow me to interrupt him?

Mr. McLEAN. Yes.

Mr. FESS. I see the problem, I think, as the Senator from Connecticut does, that an inheritance tax in its result is a capital tax, and legislation that attempts to relieve the situation so as not to make too great an invasion on the use of the capital shows that the legislator has looked upon it as a capital tax. But this is what bothers me: It is certainly a system of taxation that is well established in many of the States and certainly in Europe; and although it appears to me that the Senator from Florida is entirely consistent, being opposed to all estate taxes, both Federal and State——

Mr. McLEAN. That is the point I am coming to next.

Mr. FESS. Yet as it is a system of taxation well established, which would be the better plan to accept?

Mr. FLETCHER. Mr. President, may I say to the Senator that I am making no quarrel whatever with anybody who favors an inheritance tax in the States. It is a matter for each State to settle for itself. Many States impose it; many States favor it; and many people favor it. I am making no suggestion even about that. I am only saying that it is a question for each State to settle for itself, and I am saying that the Federal Government never has attempted to impose this kind of a tax except in case of war or to meet a great emergency, and as soon as the emergency was over invariably it has retired from the field and repealed the legislation. That is the history of it from 1797 down to date.

Mr. KING. Mr. President, I will say to the Senator, as I think I have the floor in my own right——

Mr. McLEAN. Mr. President, I should like to answer the question propounded by the Senator from Ohio.

Mr. KING. I beg the Senator's pardon. I thought he was through.

Mr. McLEAN. No; I had not finished, and I shall be obliged if the Senator will indulge me about three minutes more.

Mr. KING. Very well.

Mr. McLEAN. It was stated here the other day by several Senators, and I think the Senator from Nebraska [Mr. NORRIS] stated, that the inheritance tax was recognized by all of the authorities as a wise and just system of Federal taxation. I have read some of the authorities on this subject, and I find that one authority—and I think we will all recognize that he is a high authority; I refer to Professor Seligman—is directly opposed to the imposition of a Federal inheritance tax.

Mr. FESS. And no Senator on the floor is better informed on the subject than the Senator from Connecticut.

Mr. LENROOT. Professor Seligman has changed his mind.

Mr. McLEAN. He may have changed his mind. I have here, however, the latest edition of his work on the income tax.

Mr. KING. Who is the author of it?

Mr. McLEAN. Professor Seligman.

Mr. KING. Professor Seligman has argued in favor of it recently before the committee——

Mr. LENROOT. Yes.

Mr. KING. And he made a very full and complete speech recently in the tax conference affirming his belief in it.

Mr. McLEAN. Let us see how consistent he is. He is discussing the income tax of 1894. Senators will remember that at that time we imposed a 2 per cent income tax on all incomes exceeding $4,000.

Mr. FESS. Was that when the income tax was pronounced unconstitutional?

Mr. McLEAN. Yes; and in that tax there was included a tax at the same rate on gifts or inheritances; that is, at that time a gift or an inheritance was considered as income. The professor devotes two pages to a discussion of the inheritance tax as a proper Federal tax. He may have modified his opinion since that time, but I think that the discussion of the subject in his book is much sounder than any opinion he has expressed recently.

I quote:

The third objection is one to which we have already alluded, the incorporation of an inheritance tax into the income tax law. It was discussed above rather from the point of view of the theory of income. To say, however, that the inclusion of inheritances is unscientific does not settle the question whether it was correct to tax inheritances as such.

It is, after all, immaterial whether the law provides for a separate inheritance tax or whether it is made a part of a nominal income tax. The real question is, Was it wise to impose an inheritance tax at all?

To answer this query it is necessary to consider the relations between Federal and State taxes. From the very origin of our Government it has been the practice to make a difference between the two and to apportion to each government certain sources of revenue upon which the other should not encroach. This principle has been violated only in some periods of extraordinary emergency, or at other times in some minor legislation, as, for instance, in the case of the whisky taxes in Delaware and Kentucky, which conflict with the national internal-revenue system. But the introduction of the inheritance tax, even in the modified form of a tax on successions to personal property only, is a serious break with this principle of differentiation or segregation of source.

I ask the Senate to pay particular attention to this:

One of the chief steps in the reform of American finance has been the growth of the inheritance tax as a Commonwealth tax and its development, together with the corporation tax, as a main, or in some cases almost an exclusive source of Commonwealth revenue, thus permitting the other sources of revenue to be relegated to the local divisions. The imposition of a Federal inheritance tax, while perfectly justifiable in itself, would tend to check this salutary development.

That is, the development of the State taxes along the line of the inheritance tax, the corporation tax, and the license tax.

It would supply the Commonwealths with a reason for not adopting the inheritance tax as a source of State revenue and it would render far more difficult a rounding out and logical arrangement of the entire tax system.

It may be said that just as an income tax is far better as a national than as a State tax, because so many complicated questions of domicile and double taxation are avoided, so in the same way, and largely for the same reasons, a Federal inheritance tax is preferable to a State inheritance tax. But even if this be true, the advantage is dearly purchased at the cost of an entire reversal in the march of progress toward a consistent and logical revenue system for the entire country. It may be possible to find some method of filling the gap created in the Commonwealth tax system. But it seems a pity, to say the least, to check a promising movement when the difficulties of making any changes at all are so great as in the local tax systems of the United States at present.

I do not care what the professor has said since then; it seems to me that his position taken in 1914 is absolutely sound. If we are to encroach upon the powers of the States in securing their revenues by insisting upon an inheritance tax, we are disarranging and so interfering with the logical and sane adjustment of this question that in my judgment the time will come when we shall have to stop the assessment of inheritances by the United States.

Mr. SIMMONS. Mr. President, will the Senator pardon me just a minute?

Mr. KING. Certainly.

Mr. SIMMONS. At that particular point I desire to say that so far as I am concerned—and I think that was the idea of the governors in coming up here to petition the Ways and Means Committee against levying a Federal inheritance tax—I am actuated by the same principle that they were, not to relieve wealth of this tax. I think it is a proper source of revenue. It has been fruitful for the Government in the emergency through which we have just passed. It is a fine source of revenue to the States; but if the Government continues its heavy levy, to that extent it makes it unavailable to the States, and the States have been forced by reason of the high Federal inheritance tax to reduce their inheritance levies to a minimum. The Federal Government needed this tax at the time it imposed it. It would not have imposed it unless it had needed it. The history of this tax, so far as it has been imposed by the Federal Government, is that it has been imposed only when the Government actually needed revenue because of some tremendous and unusual demand upon the Public Treasury, such as war or preparedness in prospect of war. Now, the need for it, so far as the Government is concerned, has passed. The States need for this revenue, their need to resort for increased taxes to this revenue, is just as much accentuated by the conditions that exist in the United States to-day as the demands and reasons of the Government for levying it were accentuated by the conditions that existed when we were about to enter the war with Germany.

Mr. McLEAN. The Senator reminds me of an illustration which I should like to insert here. Take the corn States, about which we hear so much at the present time—the seven corn States that need relief. Their bonded indebtedness in 1912 was $700,000,000. In 1922 it was $1,700,000,000, and I presume to-day it is $2,000,000,000. If they can borrow that money at 4 per cent, there are $80,000,000 of taxes which they must get somehow to meet the interest charges on their bonds. In the last census the assessed value of the visible property in those seven States was $80,000,000,000. That property, we must assume, is taxed, and if the rate were 15 mills upon the dollar—and I think that is a low average in most of those States—you have $1,200,000,000 to raise in direct taxes imposed upon the real property in those States, and if you add the $80,000,000 interest you have $1,280,000,000. Now, Mr. President, if we insist upon this inheritance tax and deprive the States of resorting to it, it seems to me that the farmers throughout this country are bound to suffer by an increase of direct taxes upon their real property.

In my own State we raise our State revenues from corporation taxes, license taxes, and inheritances. We have an inheritance tax. We have not resorted yet to a direct tax on real estate for the purpose of paying expenses, but if we are deprived of the privilege of this inheritance tax we may have to resort to a State tax upon our real estate. That hits the farmer; and I can not conceive how the gentlemen who are interested in the farmers of the country, the great agricultural interests, can insist upon a continuance of this inheritance tax, because it seems to me that it must be reflected in an additional tax upon real property.

Mr. SIMMONS. And every cent that the States will realize from this tax will reduce the ad valorem tax of the farmer, the laborer, the small householder, and the small business man to that extent.

Mr. KING. Mr. President——

Mr. SIMMONS. If the Senator will pardon me just one word, what I wanted to say to the Senator a little while ago was this:

The Federal Government now proposes, as I understand, substantially to retire from this field of taxation for revenue purposes. It does not need to resort to it any longer. The States, however, as I said a little while ago, by reason of conditions that have been created largely as a result of the late war, need it as they never needed it before. Everybody knows that all the States of this Union within the past five or six years have entered upon vast schemes of internal improvement, some of them made absolutely necessary by new conditions growing out of new inventions and development. When we did not have the automobile the rural population were getting along very well with the old-fashioned dirt road. When the automobile came it made it absolutely necessary, if we were to take advantage of this improved method of travel and transportation, for us to enter upon the great and extensive work of building hard-surfaced roads throughout the country. In order to do that an enormous burden is entailed upon the States, the counties, and the municipalities—the counties in building county roads, the States in building State roads, and the towns in building paved streets—and that fact alone, if we were not to consider the other modern improvements that the States have recently entered upon that they never thought of before, has enormously increased the burden of local taxation.

If all of that money has to be raised by ad valorem taxes imposed upon every acre of land and every little home and every little business in this country, it will be oppressive and burdensome to the last degree. Now, then, we have this situation: The Government does not need this source of revenue for the purpose of meeting any emergency and it has resorted to it heretofore only in order to meet an emergency; but the States have an emergency growing out of present conditions just as great for them as was the emergency which war imposed upon the Federal Treasury. What I am insisting upon is not, as some Senators upon this floor have seen fit to contend, to untax wealth, to untax the States. What I am insisting upon, and all I am insisting upon, is that we transfer this source of revenue from the Federal Government, which does not need it, to the States, which do need it.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER (Mr. BAYARD in the chair). Does the Senator from Utah yield to the Senator from Ohio?

Mr. KING. I have been yielding for half an hour; but I will yield to the Senator.

Mr. WILLIS. Very briefly, I just wanted to pursue the argument that has been made just now by the Senator from North Carolina and the Senator from Connecticut.

This complaint is heard—at any rate I hear it—that our efforts, and successful efforts, to reduce Federal taxation do not to an appreciable extent reach a great many of the people who are now complaining about the excessive burdens of taxation. They do not know just how it comes. They read in the papers that we reduced taxation $300,000,000 a year, but somehow it does not show upon their tax receipts.

As the Senator from North Carolina and the Senator from Connecticut have pointed out, if the Federal Government is to seize upon this source of revenue, not only in time of emergency but permanently, then it is absolutely inevitable that local taxation must be increased to meet the increased expenses of the States and various municipalities, the counties, and so forth.

On the other hand, if this is held simply as a fund to which access can be had in case of emergency, then it is left to the States, and they may have access to it, and the inevitable result will be, if they utilize that resource, that it will tend to lighten the burdens of local taxation and thus afford the remedy that we are all trying to afford.

Mr. SIMMONS. Everybody would get the benefit of it.

Mr. WILLIS. Absolutely.

Mr. KING. Mr. President, one of the most controversial provisions in the pending revenue measure is that dealing with estate taxes. Divergent views are taken by the House and Senate, the former declaring for a modified form of estate taxes, the latter insisting that the Federal Government shall collect neither inheritance nor estate taxes.

There are some Senators who believe that estates should be taxed, but that the States alone should exercise the right to tax them. There are others who insist that the Federal Government should enter this field of taxation, both in days of peace and in times of war, and derive a portion of its revenues therefrom. Throughout the country divergent views exist respecting this subject, and it is evident that there is a growing sentiment against the Federal Government imposing inheritance or estate taxes except in a national emergency.

This feeling is in part due to the fact that the growth of the States, and the more complicated industrial and social conditions, devolve upon them greater burdens and obligations. The result is that annual expenditures are increasing, and the sources of taxation are not enlarged. The States are spending hundreds of millions of dollars for roads and schools and internal improvements and other activities which they regard as important for the happiness and welfare of the people.

I have sometimes felt that the States and their municipalities, and other political subdivisions have been entirely too prodigal in expenditures and have assumed obligations not warranted and in many instances wholly unjustified. And there are evidences that many appropriations have been extravagant and wasteful. The readiness with which State and municipal securities have been marketed has, in my opinion, led to many improvident undertakings and to many unwise, if not foolish, expenditures.

The bond issues which have been put out during the past few years by the States and their political subdivisions amount to a stupendous sum and compel the conclusion that the entire country is suffering from a feverish malady which leads to excesses of various forms, and departures from the safe and sound paths of thrift and industry which have been regarded as attributes of American character. The war produced a frenzied condition, and the inflation both in currency and credits has contributed to this unnatural condition and strengthened the disease which manifests itself in extravagance and prodigality in public as well as in private life.

Undoubtedly there are reasons why the Federal Government should not resort to the estates of decedents for revenue, particularly since corporate taxes and personal-income taxes are such prolific sources of revenue. If the National Government will exercise proper economy, it should within a few years be able to meet its annual budget from customs duties, corporation and personal-income taxes, taxes upon tobacco in its various forms, and perhaps a limited number of excise taxes. For the present, however, I am in favor of the Federal Government obtaining some revenue from estate taxes.

In 1917 and 1918, I was one of the few Senators who indicated that as a general rule, Federal taxes should not be levied upon estates. I believed that with the heavy burdens which the States would have to bear and the rather limited field of taxation available to them, so far as possible estate and inheritance taxes should be left open for them. I indicated then, however, that if States for various reasons should not avail themselves of this source of revenue, or if unjust estate and inheritance taxes were imposed, a situation would be presented which would not only justify, but perhaps require the Federal Government to utilize the estates of deceased persons as a source of revenue.

I believe it just that estates should contribute to the Federal Government to meet the heavy burdens of the war, and I have felt that under the present conditions with a burden of $20,000,000,000 still resting upon the people, this source of revenue should still be resorted to.

The Senator from North Carolina [Mr. SIMMONS] has just indicated that it is improper, if not unjust, for the Federal Government to tax estates, because in so doing it deprives the States of the opportunity of imposing inheritance or estate taxes. It is argued that this will compel the States to resort to other sources of revenue. Of course, it must be admitted that with the Federal Government collecting estate taxes, there is a growing disinclination upon the part of the States to seek revenue from the same fields. I shall show, however, before concluding my remarks, that the States have availed themselves but little of estate or inheritance taxes to meet their heavy burdens; and it must be obvious that with certain Budget requirements by the Federal Government, if it derives no revenue from estates, it will be compelled to increase the taxes upon corporations or individual incomes or to expand the excise system which is so obnoxious in peace times. The largest annual tax ever collected by the Federal Government from estates was $154,000,000. By so doing taxes were lowered in other directions.

The Senator from North Carolina has been solicitous, and properly so, for the welfare of the States and the farmers, and the Senator from Connecticut [Mr. MCLEAN], who has just spoken, has insisted that all agricultural States should join together in a solid phalanx in opposition to this tax, because they have heavy responsibilities to meet. Undoubtedly the States are to be considered in all legislation; and agriculture, because of its paramount importance, will always have the attention of Congress when it is dealing not only with revenue legislation but with substantially all matters.

I agree with the statement made by various Senators that the integrity of the States must be preserved and their rights not infringed. I regret that some of the Senators who have given expression to these views have heretofore exhibited less interest in the rights of the States and in local self-government even when important measures were before Congress; measures which assailed the integrity of the States and infringed upon personal liberty.

I do not think that it can be successfully maintained that a Federal inheritance tax is an attack upon the States or an interference with local self-government. If it were, it would be unconstitutional. But no one dares to question the constitutionality of a Federal inheritance or estate tax. It is true that States provide for the devolution of property, and the rights of individuals in property are fixed and determined by the sovereign States.

But conceding this, it does not follow that it is unconstitutional for the Federal Government to obtain revenue from estates. In a sense, property obtained by devise or gift or bequest, is income, and if an income tax is not illegal or immoral, it would seem that there is no illegality or immorality in taxing the property of deceased persons which becomes income in the hands of heirs or devisees.

The maximum amount collected by the States in any one year was approximately $82,000,000, and this notwithstanding the fact that the returns of estates for that year in excess of $50,000 aggregated $3,000,000,000. It would seem therefore that States were unwilling to avail themselves of this productive source of revenue.

It is worthy of note that a number of States, instead of resorting to the estates of decedents for revenue, are deliberately announcing their purpose to not collect inheritance or estate taxes.

Florida has amended her constitution, and as amended, her legislature is prohibited from imposing any form of estate or inheritance tax. Nor does Nevada obtain taxes from this source, and we are told that one or more additional States purpose adopting Florida's policy. Moreover, it is a matter of common knowledge that a number of States are encouraging emigration by not imposing income taxes and very low rates of inheritance or estate taxes. It can not be denied that many individuals are establishing domiciles where State income taxes

are not imposed and where there are no inheritance or estate taxes. It is a matter of common knowledge that hundreds of wealthy individuals maintain a nominal residence in the District of Columbia, because there are no inheritance or estate or income taxes collected by the District government.

Can anyone deny the effect of the constitutional provision in Florida to which I have just referred upon migration to that State? We are told that there has been an enormous increase in Florida's population during the past year, and that many wealthy persons have established their residence therein.

It is unprofitable to moralize upon this subject; we all know the propensities of human nature and the disposition even upon the part of persons of the highest virtue and morality to protect themselves and their property from tax burdens. Investments are made in securities which are tax-exempt for the purpose of avoiding taxation. Industries are established or property acquired because the city or county or State has a low rate of taxation.

So in discussing the question of estate taxation and the relative rights of the Federal Government and the States to resort to estates for revenue, there are various questions to be considered. We can not ignore the facts to which I have just referred, and the seeming disposition of States for reasons which they deem sufficient to obtain their revenue from other sources than estate or inheritance taxes.

I do not approve of the Federal Government adopting any course which might be considered as coercive of the States. I have therefore opposed the proposition to remit to the States 80 per cent of the tax levied under the House bill, or 25 per cent of the tax levied under existing law in those States where inheritance or estate taxes were or may be levied equivalent to the amount derived from either percentage. If the Federal Government levies estate taxes, it should be because of its need for the revenue and because it believes such tax to be just and fair. But I shall discuss this matter later in my remarks.

Mr. President, the Progressive Party declared in favor of a Federal inheritance tax, and Mr. Roosevelt in his writings earnestly supported this view not only as a means of revenue but for the purpose of equalizing wealth. I do not approve of the levying of taxes for the purpose of equalizing wealth.

The Progressive Party pledged itself to enact—

> such a Federal law as will tax large inheritances, returning to the States an equitable percentage of all amounts collected.

Mr. President, a number of Senators who have spoken declare that it is socialistic for the National Government to impose inheritance or estate taxes, but they perceive nothing socialistic for the States to collect death dues. They insist that it is absolutely necessary for the States to exclusively enjoy this field of taxation. I can not perceive how it is socialistic for the Federal Government to tax estates and antisocialistic for the States to impose this tax.

When attention is challenged to the comparatively small revenue collected by the States from this source, no satisfactory explanation is offered for their apparent lack of interest in this matter. One would suppose that if this field of taxation was so imperatively required by the States, they would have resorted to it more freely than has been the case. But as I have stated, the tendency seems to be in the other direction. Indeed, many of the witnesses who appeared before the House committee, and many of those who are the strongest opponents of the estate tax feature of the House bill, boldly declared their opposition to all estate or inheritance taxes, basing their position upon the ground that it is a tax upon capital, that it is socialistic, and if not unconstitutional, is inconsistent with our political philosophy and accepted governmental principles.

Mr. President, there are some individuals who do not quite understand what socialism is. They often denounce as socialistic anything that is opposed to their industrial or economic or political views. There are too many in the United States who are idolators, worshipping capital and attributing to it a station so exalted and so omnipotent as to be above law or outside the reach of Government. It is only a few years ago when the income tax was denounced as socialistic. Indeed, there are some still who look upon it with abhorrence, as the ill-begotten child of communism and socialism.

It took years of fierce fighting to amend the Constitution of the United States in order than an income tax might be levied by the Federal Government. It was resisted by many men of wealth, by the reactionary forces of the land, and by those who had but scant sympathy with the toiling masses and who were unwilling to bear their part in alleviating the sufferings of the people and in contributing to the great social reforms necessary for the progress and development of our country.

Mr. President, the American people are not communistic, nor will they, without great provocation, give support to socialistic schemes. They believe in individualism and in the democratic principles which grant equal rights to all and special privileges to none. They want a free field and equal and free opportunity in the field of life. They do, however, look with deep concern upon selfish and predatory wealth and the special privileges and advantages which it seeks and which it has too often secured. They view with apprehension combinations of capital for the purpose of creating monopolies and exploiting the people. Many thoughtful persons are concerned at the great mergers of industrial enterprises and the utilization of capital to promote stupendous organizations to control trade and commerce and the manufacture, sale, and transportation of the commodities indispensable to life. Many regard with dismay the price fixing and various other organizations which seek monopolistic control of all articles entering into the lives of the people, and oppose measures and policies which centralize wealth and power in the hands of the few.

These movements and these dangers should rouse all patriotic people, because if unchecked they will inevitably affect our political and economic life and develop socialistic manifestations. If enormous fortunes are built up as the result of unjust laws or unjust social and economic conditions, and these fortunes and accumulations are massed and united for the control of the industrial, economic, and political life of the people, there will be developed opposition to the conditions which have produced these monopolistic organizations, and demands will be made that the Government take over or regulate and control these organizations and the wealth controlled and utilized by them.

Mr. President, estate and inheritance taxes are advocated by statesmen and economists who are not socialists, but exponents of the highest principles and the noblest forms of democracy. Indeed, some publicists believe that taxes of this character will prevent socialism. Mr. Carnegie advocated heavy estate taxes as an antidote to socialistic manifestations. Mr. Wilson supported measures levying estate taxes for Federal purposes.

I mentioned Mr. Roosevelt. In a letter to Senator Lodge he uses these words:

> All that you say about the tariff is extremely interesting and just about what I expected. As you know, I believe we should have a Federal inheritance tax aimed only at very large fortunes which can not be adequately reached by State inheritance taxes, if they are sufficiently high and the gradation sufficiently marked.

Mr. Carnegie in his book called The Gospel of Wealth, written, I think, in 1890, discusses the question of wealth, its production and its obligations to the State and to society. After referring to the death duties imposed by the British Parliament, he says:

> It is desirable that nations should go much further in this direction. Indeed it is difficult to set bounds to the share of a rich man's estate which should go at his death to the public through the agency of the State, and by all means such taxes should be graduated, beginning at nothing upon moderate sums to dependents and increasing rapidly as the amounts swell, until of the millionaire's hoard, as of Shylock's, at least "the other half" comes to the privy coffer of the State.

Mr. Carnegie further, in an article entitled "My partners, the people," printed in the British Review of Reviews for January, 1907, says:

> The problem of wealth will not down. It is obviously so unequally distributed that the attention of civilized man must be attracted to it from time to time. He will ultimately enact the laws needed to produce a more equal distribution. It is again foremost in the public mind to-day. We have evidence of this in the President's recent speech (April 14, 1906), in which he gives direct and forcible expression to public sentiment.

I might add that Mr. Carnegie was a professed believer in the law of competition. He declared that it is this law to which we owe our wonderful material development. He contended there were but three modes of disposing of wealth: It can be left to the families of the decedents, or bequeathed for public purposes, or administered by its possessors during their lives. The first plan he regarded as injudicious, and he referred to monarchical countries where the estates and the greatest portion of wealth are left to the first son so that the vanity of the parent may be gratified with the thought that the name and title may descend to succeeding generations.

The futility of this plan is observable in Europe to-day. Many successors have become impoverished through their own follies or from causes beyond their control, and in Great

Britain the law entail is inadequate to maintain a hereditary class. The land is passing into the hands of strangers or is being divided up among the children of the owners.

It may not be inappropriate to briefly mention that in Russia, where autocracy prevailed and where the lands were largely in the hands of the Czar, the church, and the nobles, a strong movement had been in progress before the revolution resulting in millions of acres of land passing into the hands of the peasants. The efforts of landed proprietors to prevent a division of or the loss of their lands were abortive, and when the revolution came and the Czar was overthrown a large per cent of the arable lands of Russia, including Siberia, were owned by peasants individually or by them under their village or communal system.

Returning to Mr. Carnegie, he argued that for the best interests of all classes, large estates should not be transferred to the families of decedents, and that the disposition to more heavily tax large estates, manifests a salutary change in public opinion. The laying of death duties, graduated in form, upon estates, he regarded as the wisest possible policy. It induces the rich to administer their wealth during life for the benefit of society, and thus tends to a reconciliation of any differences between the rich and the poor, thus promoting the welfare of the entire social organism. He does not accept the view that this form of taxation prevents individual enterprise or savings, or the accumulation of property.

Mr. President, I referred to the fact that there is an extensive propaganda in the United States in favor of the abolition of estate or inheritance taxes, both by the Federal Government and by the States. This propaganda is taken cognizance of in a recent editorial appearing in the Des Moines Register, a leading Republican paper. It is there declared that—

> * * * whatever confusion or inequality is involved results from the State taxes, not from the Federal levy. The estate tax is being made something of a national issue, and the stock argument is that this form of taxation should be left to the States. Surely such a course would result in but one of two things. Either the States would be induced by the competitive example of Florida to abandon estate taxes or the difficulties would continue or possibly be multiplied.
>
> The appeal to leave estate taxation to the States is really put forth in the belief that it will lead to an entire abolition of this form of taxation. That is the issue now being raised. The voter should not be confused. The need is for greater unity, not less. The last place to attack inheritance taxes is in its Federal application.

The New York Evening Post takes the same position as the paper just referred to. In a recent editorial it states that—

> the inheritance tax by the State is no sounder in principle than the same thing on the part of the Federal Government. Still, the matter must begin somewhere. Repeal of the Federal law will be a good beginning.

It declares that this country is opposed to a capital levy, and assumes that any inheritance tax necessarily must be a capital levy. It speaks about the "battle still raging," and that that is the issue upon which the House Committee on Ways and Means is "already showing signs of boggling." So I suppose the Committee on Ways and Means of the House have incurred the displeasure of this great journal and must be charged with having "boggled" this important issue.

The Government may tax the living, but it may not tax the property of the dead. The taxes upon incomes may be so heavy as to prevent accumulations. That is not taxing capital according to the view of those who are seeking to repeal the inheritance taxes. Why is not property income which is received by gift or as the devisee or legatee of a decedent? Is there any greater sanctity in it than property which comes as the result of toil and labor? Many legislators are differentiating between the unearned increment and property which is the result of labor. In the very bill before us we distinguish between earned and unearned income, taxing the former when under $20,000 less than the latter.

Mr. President, there are many evidences that back of the movement to secure the repeal of the Federal estate tax is the scheme to abolish State inheritance and estate taxes. Undoubtedly there are many rich people in the United States who are hostile to any form of inheritance tax, but are masking their true feelings and professing great solicitude for the States and a consuming desire that they shall have this source of taxation exclusively. Accordingly, they are opposing the House bill, or any proposition for a Federal inheritance tax. If successful in abolishing the Federal estate tax, their next assault will be upon all forms of State inheritance taxes. That their propaganda is bearing fruit must be admitted, and the evidences of their success must be gratifying to them.

The Senate Finance Committee, of which I am a member, with but one exception favored the abolition of the Federal estate tax and struck from the bill the House provision. I regret to say that after full consideration of this subject by the committee all of its members, except myself, voted to repeal the tax. I regret that my Democratic associates felt constrained to follow the Republicans. I believe their course to have been inexpedient and unwise and their views unsound. I think to repeal this tax at the present time most injudicious and manifestly unjust.

At the expense of reiteration, I want to emphasize that existing conditions do not justify this radical legislative step. We are owing $20,000,000,000, resulting from the war. We have repealed the excess-profits tax. This bill relieves the very rich and those whose incomes are more than $100,000 of tens of millions of dollars in annual taxes to the Government. The provisions of the bill dealing with surtaxes have been too favorable, in my opinion, to those who have incomes in excess of $100,000. Surtaxes in the upper brackets have been reduced from 40 to 20 per cent, and the incomes appearing in the lower brackets have likewise been most generously reduced.

The provisions of the House bill reduced the maximum taxes upon estates from 40 to 20 per cent. But with all these reductions, the opponents of inheritance taxes are not satisfied, and the Finance Committee has yielded to the demands of the opponents of the Federal inheritance tax, and has stricken it from the bill. Not satisfied with that, the bill is made retroactive, thus relieving the estates of decedents, where the tax has already been levied, of tens of millions of dollars.

I am utterly unable to comprehend the solicitude of the committee for the estates of rich decedents, and their anxiety to relieve the estates of many individuals who have left properties totaling hundreds of millions of dollars in value from the payment of a small tax to the Government—a Government which has protected them and under which they amassed their enormous fortunes. Moreover, we know that many of these estates received large accretions during and by reason of the war. Those who accumulated them profited by the war. They made hundreds of millions through and out of the war, and yet with these heavy war obligations hanging over the country the proposition is to free these estate from any contribution whatever to discharge this stupendous war indebtedness of $20,000,000,000.

And again, many estates own tax-exempt securities amounting to millions, which have thus far escaped taxation. But none of these arguments appealed to the Finance Committee, and with remarkable unanimity, Republicans and Democrats alike, voted to strike from the tax bill the entire provision imposing Federal estate taxes.

My loneliness and isolation in the committee brought no sympathy from my colleagues, but it is apparent from the attitude of the Senate—as I have been able to judge of it during this debate—that a majority of my colleagues here will support my position rather than that of the other members of the Finance Committee.

I have just referred to tax-exempt securities held by estates. I recall that one of the witnesses before the Committee on Ways and Means testifying in favor of the Federal estate tax declared that:

> We are developing a class of suit-case millionaires who have obtained large holdings of tax-free securities. They establish no domiciles and avoid taxes, and if they finally attach themselves to a State such as Florida or to the District of Columbia, they escape all forms of inheritance or estate taxes.

This witness insisted that a Federal death tax upon tax-exempt securities was the only way in which their owners could be compelled to contribute a fair share to the public welfare.

The Senator from Florida [Mr. FLETCHER] said that an estate tax is exclusively a war-time tax. Mr. President, I do not assent to this view. It is true that it has been imposed during our periods of war, but it was also imposed when there was no war. It was imposed during the Spanish-American War as well as during the Civil War and in the early days of the Republic. In 1916 it was made a part of our Federal revenue system, with the approval of the entire Democratic Party. It has found a secure place in the revenue systems of many civilized nations, and supplies a portion of the revenues in peace as well as in war. In Great Britain the last tax bill increased inheritance taxes on estates from £12,500 to £1,000,000 by a graduated tax of from 1 to 6 per cent. The

income tax was slightly reduced and the inheritance tax was increased.

For the fiscal year 1924 there were collected by the various States of our Union approximately $82,000,000 from estates, and in 1925 by the Federal Government $101,421,766. In the fiscal year 1924 Great Britain collected more than $231,000,000 as death dues, though her national wealth does not exceed $88,000,000,000, whereas our national tangible wealth amounts to $320,000,000,000. There have been collected by the Federal Government from 1917 to 1925, inclusive, estate taxes aggregating $863,750,842.

Permit me to say in passing that the Federal Government has contributed to the States to aid them in purely State and domestic matters more than $570,000,000 during the same period, so that if the Federal Government has collected estate taxes it is returned to the States to aid them in the performance of obligations which belong to them under our dual form of government a sum nearly as large.

Mr. President, no one criticizes the inheritance tax laws of Great Britain, notwithstanding the enormous amounts annually collected. In my opinion it is neither socialistic nor immoral to collect taxes from the estates of decedents, nor is it—and I shall discuss that question later—a tax upon capital.

Mr. President, the American Farm Bureau Federation has given careful study to this matter, and I wish to submit somewhat at length the views of this organization. In the brief which is submitted to the Ways and Means Committee this organization declared that it regarded the repeal of the Federal estate act as unwise at this time. It supports the fundamental principle of taxation, that all taxes should be levied in proportion to taxpaying ability.

May I pause for a moment to refer to the argument just made by the Senator from Connecticut [Mr. McLEAN]. He contended that in taxing estates, we are denying the theory of taxation announced by Adam Smith, and are not recognizing the principle of ability to pay. So far as the question of ability to pay is concerned, there is no difference in the application of the principle to two individuals, one of whom receives as a bequest from his father $100,000 and another who earns $100,000. The Senator admits that the income tax is just and that it should apply to the $100,000 earned, and that the principle of ability to pay finds expression in its application. But in dealing with the individual who received a bequest which he did not earn, to tax the bequest is a refutation or denial of the principles of ability to pay. In one case it is income, he contends, and can be taxed; in the other, it is property, and must be immune from taxation. It is income because it has been earned by the toil and efforts of the individual and can be taxed. If the $100,000 were bequeathed to the same individual, and were to consist of money, it could not be taxed because it is property.

I do not follow this logic, nor do I follow the Senator when he declares that for the Government to tax it, is tantamount to the destruction of property.

Mr. McLEAN rose.

Mr. KING. Does the Senator from Connecticut desire to interrupt me?

Mr. McLEAN. Mr. President, the Senator from Utah knows that I emphasized the fact that we were taxing, as far as we could, ability to pay, represented largely by profits. If the Senator should inherit a hotel, for instance, that had been running at a loss and he had to borrow money to pay expenses, hoping that when times improved he might make some money, if at that time he had a 20 per cent inheritance tax imposed upon that hotel, I think he would be pretty quick to say, "I am not able to pay this tax now and if I am compelled to pay it I shall have to sell this hotel at a great sacrifice." That is what I meant.

Mr. KING. There is much property of great value which is unproductive, but nevertheless, it is subject to taxation in one form or another. The Senator knows that there are thousands of farms in the United States now unproductive, but taxes upon the same are required to be paid annually. In our cities there are many valuable sites upon which there are no buildings or improvements and which return no income whatever, yet they are taxed very heavily for municipal and State purposes.

There is a presumption that ability to pay accompanies the possession of these holdings. Perhaps no system of taxation which the wit of man can devise will approach the standard of absolute justice, but unproductive property is not relieved from the ordinary State and municipal taxes.

If the Senator implies that inheritance taxes are at variance with the ability to pay or faculty doctrine, then I do not agree with him. A person who obtains property through devise or bequest or as a gift will have the ability to pay the tax, because the property itself may be taken as the measure of his ability. If the property is valueless, he need not accept it. If it is of value, above the taxes, then his ability to pay has been increased by the acquisition of the property to the extent of the value of the property over the total amount of the tax to be paid.

We do not rest the proposition entirely upon the fact that the property must be productive——

Mr. McLEAN. That is just what I am complaining about. If this tax be insisted upon, it will inevitably reflect higher taxes in the States where we have to pay a direct tax, where the poor farmer has to pay direct taxes whether he is losing money or not.

Mr. KING. I do not follow the Senator if it is his contention that unproductive property should not be taxed by the State or by the Federal Government, or subjected to inheritance taxes by the Federal Government. I repeat that unproductive property is directly taxed by the States. If estate or inheritance taxes are imposed, it is also subject to such taxes. Its productivity does not determine whether it shall be taxed or not. Of course, if unproductive, its value is less, generally speaking, than if it were productive, and therefore will pay less taxes. But I repeat that I am unable to perceive why property which may not for the time being yield a revenue, should not be subject to inheritance or estate taxes, either by the Federal Government or by the States. It is, in effect, an income to the devisees or heirs of decedents. No inheritance law, so far as I know, has differentiated between productive property and that which for the time being yielded no revenue.

I do not agree with the Senator that it necessarily follows that a Federal inheritance tax inevitably reflects higher taxes in the States. I have heretofore stated that if the Federal Government derives $100,000,000 of revenue from estates it collects that much less from incomes or corporate or excise taxes which would have to be paid by the people of the various States, and in many States where there is either no inheritance tax collected, or an exceedingly small one, it would seem that a Federal estate tax would be advantageous to the taxpayers of such States, for the reason that they would be required to pay less taxes to the Federal Government. To illustrate, if $10,000,000 are collected from estates in Florida and Nevada and the District of Columbia, where no estate or inheritance taxes are collected for local government, then the Federal Government will collect $10,000,000 less from all the States, and to that extent lighten the burdens of taxation upon the people.

Mr. McLEAN. But that money goes to pay the expenses of the Federal Government; it is of little advantage to the States which have their expenses to meet.

Mr. CARAWAY. Mr. President, will the Senator from Utah yield?

Mr. KING. I yield.

Mr. CARAWAY. I desire to ask the Senator if he approves the provisions contained in the pending bill, as it came from the House, with reference to estate taxes?

Mr. KING. The Senator from Arkansas was not in the Chamber when I addressed myself to that question. I stated that I did not approve the provision of this bill which remits on credits to the extent of 80 per cent of the tax collected in any State.

Mr. CARAWAY. I am glad to hear the Senator say that, because I think that of all the vicious legislation that has been before Congress since I have been a Member, that is the most vicious. It is without any defense, as I see it. If the Federal Government could coerce a State by levying an estate tax, it could make it do anything else. The State would become a creature absolutely subservient to the Federal Government, and every right a citizen has under the State would be destroyed.

Mr. KING. I have heretofore stated that this provision is objectionable to me and, as indicated by the Senator from Arkansas, will be regarded as an attempt to coerce the States into adopting a system of inheritance or estate taxation, though they might not desire to do so, or to impose heavier rates of taxation than they desire, in order to obtain the 80 per cent credit provided under the Federal law.

I repeat, if it is deemed wise to impose a Federal inheritance or estate tax, its rates should be low and should be levied without reference to whether the States impose estate or inheritance taxes.

Mr. CARAWAY. May I ask the Senator if he thinks there is any merit in this contention? Of course, I do not question the authority of the Federal Government to levy an estate tax, but I question very seriously the wisdom of it doing so. In the first place, let us suppose that two men are engaged in business of identically the same kind, with exactly the same capital, and having exactly the same earning capacity; they

each pay every dollar of tax assessed against them both by the State and the Federal Government; but one of them is so unfortunate as to die, and then an additional tax is levied upon his estate.

Under what theory of good morals is that done? Has it been a blessing to his family that he died, and, therefore, his estate ought to pay a tax for having gotten rid of the ancestor? I think that at least Anglo-Saxon society rests upon the belief that private property belongs to the man who honestly acquires it, and there goes with it the right to transmit it to his children or the beneficiaries that he may name. If it is right that he should have that privilege—and I think it is wise that he should, because I believe that the experience of all mankind is that to take away the right to acquire and transmit property destroys the incentive to work at all—and if it is morally right that he should transmit his property, upon what theory do we penalize his children who have the moral and legal right to receive his property by levying an estate tax or an inheritance tax upon it? There is no new wealth created; and if the man who created the wealth—and I take it that he must have been of some account or he would not have accumulated it—was of some advantage to his family, as he must have been, his taking away has not been a blessing, and, therefore, I do not see under what theory his family should be taxed and made to pay for having lost the man who accumulated the estate.

Mr. KING. Mr. President, as I understand the position of the Senator from Arkansas, it is that the Federal Government has the authority to tax estates of decedents, but he denies the wisdom of it. There are many who take this view. But the Senator further contends that in Anglo-Saxon countries it is believed to be an abridgment of individual rights for the Government to impose estate or inheritance taxes. The Senator particularly emphasizes, if I understand his position, the immorality or injustice of taxing estates which pass to the heirs of deceased persons.

Mr. President, I do not follow the Senator in all his arguments. I do not think the right to acquire or transmit property is unduly restricted by reason of taxes being levied upon property in the hands of devisees or legatees. Taxes are often imposed upon the transmission of property between the living. No one contends that the levying of such taxes is illegal or immoral. Heavy stamp taxes are often laid upon the transfer of land or of personal property, though the transaction may tend to diminish the estate of the grantor and pro tanto diminish the property which he leaves to his heirs.

The view of many publicists—and that view is emphasized by Mr. Carnegie in his writings—is that the incentive of persons to acquire property is not affected or diminished because, upon their death, the property which they accumulated may be subject to an inheritance tax. Indeed, the view has been expressed by some that there will be greater zeal and energy displayed in the acquisition of property in order that the amount which will finally be received by their heirs will meet all reasonable demands as well as satisfy the desires and expectation of the testator.

I insist, Mr. President, that no legal objection can be offered to this form of taxation, and as I perceive the question I can see nothing improper or immoral or illegal in taxing the estates of decedents.

Mr. CARAWAY. I am not questioning the legal right. I am talking about the moral right.

Mr. KING. I admit that moral and ethical questions are encountered in legislation, and of course no legislation should be passed that is unjust or immoral. Rational beings often dispute as to what conduct is moral and just and what is immoral and unjust. And standards vary as civilization advances. I think it may be said that the perfect standard in all political, social, and economic questions is not susceptible of ascertainment with mathematical certainty, or at any rate it must be admitted that what may be moral and just at one period may not be so regarded in another age. Slavery, for the greater part of the history of mankind, has been regarded in many parts of the world as not immoral or unjust. It is to-day in all parts of the civilized world regarded as both unjust and immoral.

An income tax, when first introduced in England and in the United States, was denounced as immoral, inquisitorial, and unjust. There are many persons who believe the State has social functions to perform and who feel that it would be wrong for the State to refuse to collect taxes from estates, particularly where such estates represent property of the value of tens of millions of dollars. The people of Great Britain have rather high standards of morality and public virtue. Indeed there are some students of current history who attribute to the English people the possession of public virtue and civic conscience that measure up to the highest standards. And yet the British impose exceedingly heavy death dues, so heavy indeed that the families of many deceased persons are compelled to part with holdings which have been in their families for centuries in order to meet the estate taxes levied by the Government.

And there are many persons in the United States who believe that it is not only moral and just, but that it is the duty of the Government to impose estate taxes, particularly where some States collect no inheritance taxes and where the estates of many decedents consist largely of tax-exempt securities or of stocks and bonds and various intangible properties, which have almost escaped, if they have not entirely escaped, taxation during the lifetime of the decedents.

Mr. CARAWAY. Let me stop the Senator right there. We should undertake, then, to punish all those who have been honest and paid their taxes in order to reach somebody who has been dishonest. That never was the principle, I think, underlying the liberty and rights of English-speaking people.

Mr. KING. I am merely stating the view of many respectable and patriotic people. They perceive the existence of large estates and have knowledge of the fact that some who accumulated them did not pay a just or fair tax upon their accumulations. And the Senator appreciates the fact, regrettable as it is, that there is much legislation enacted which is oppressive to honest citizens in order to reach vicious and unscrupulous and dishonest persons.

But I am not justifying such legislation and do not support the view that the end justifies the means.

Mr. CARAWAY. We can not afford to lay the hand of taxation upon the innocent in order to reach the guilty. We can not take their property in order to punish somebody who was dishonest with the Government and did not pay his taxes. We can not justify that at all, can we?

Mr. KING. I agree with the Senator.

Mr. CARAWAY. Then let me ask this question——

Mr. KING. I do not, however, admit that the taxing of the property of decedents is unjust or immoral; and I would not, merely to reach property which had escaped taxation while in the hands of the living, establish a taxing system which was unfair or unjust to the people. It is a fact, however, which some people regard as worthy of consideration, when revenue legislation is enacted, that property of great value has escaped taxation. I think it may be conceded that the sentiment in favor of inheritance and estate taxes by the States or the Federal Government, or both, is in part due to the conviction entertained by many people that valuable estates hold large blocks of tax-exempt securities which were so controlled by decedents in their lifetime that they escaped legitimate and proper taxation and the burdens laid upon similar property in the hands of more scrupulous and honest taxpayers.

I repeat I am not defending this position. I am merely stating what I believe to be a fact. But, Mr. President, I believe that the imposition of estate taxes can be justified upon ethical and moral grounds.

Mr. CARAWAY. I hope the Senator, then, will develop that thought, because I am frank to say that I have seen no justification in morals for an estate tax. I should like also to call the Senator's attention to this fact: A corporation which is merely an artificial person created by law, and never dies, never pays an estate tax, but when an individual who is competing with it in business—his estate is compelled to pay an estate tax, which in some States becomes a very great burden. Under what theory do we say that the corporation which is fictitious and never had a soul ought to enjoy under the law a privilege which we deny to every human being that lives within that Commonwealth?

Mr. KING. Modern industrial development is due in part at least to corporate organizations. Corporations have benefited our economic life, but undoubtedly their growth and omnipotent position, particularly in industry, have led some thoughtful persons to the belief that they have wrought more evil than good. But, as the Senator knows, corporations can not exist without people. The legal title to property and the franchise are held by the corporation, but the beneficial use and the equitable title to the property belongs to the stockholders. When a stockholder dies, his holdings in the corporation are subject to the estate or inheritance tax, the same as if the legal title to his share of the corporate holdings were in his name. His certificates of stock are evidences of his right to a share in the corporate property, and it is that interest in the property which is taxed upon his death.

I recall that Mr. Harriman, who was a large stockholder in the Union Pacific Railroad, was taxed in Utah, though he was domiciled in New York. Substantially all of his property

consisted of stocks and bonds of corporations. He paid a large estate tax in New York and nearly $1,000,000 in the State of Utah. The corporation did not pay the tax, but the heirs of Mr. Harriman paid it out of the estate which he accumulated in his lifetime. Perhaps indirectly the corporation paid inheritance tax to Utah because of the dividends which it paid to the estate.

Mr. CARAWAY. Oh, no; the corporation never had a dollar of its property taken to pay an estate tax. We never weaken it at all in the conduct of its business by reason of the estate tax, but we do in many instances destroy, and in every instance very greatly weaken, the estate of the individual who is engaged in a business of the same kind when he dies. There is a very great difference, it strikes me, between levying an estate tax upon a stockholder in a corporation that does not affect the corporation at all, does not diminish its capital, and levying it upon the estate of an individual when he dies and when it is less able to bear the loss.

Mr. KING. Mr. President, there may be some fine or broad distinctions such as indicated by my friend. But I shall not stop to discuss them now. I am departing from the point I was attempting to make when the Senator from Connecticut and the Senator from Arkansas propounded their questions. I may say, however, that there may be some hardships involved in meeting the demands of the Federal and State Governments, resulting from levying taxes upon the property of decedents. However, Congress has extended the time for paying the Federal tax for a period of six years, so that there need be no sacrifice of property to meet the same.

I am unable to see anything unethical, unjust, or immoral in levying taxes upon estates. If it is just and moral to impose an income tax upon a man who toils, I fail to perceive that it is less moral or just to levy a tax upon a gift or bequest or devise from his father or from any other person.

Mr. President, I was stating before the interruptions that the American Farm Bureau Federation contended that the farmer is bearing more than his fair share of the public burden, and that if the estates of decedents were not subjected to taxation, those burdens would be increased.

The Senator from Connecticut [Mr. McLEAN] a moment ago was pleading for the farmers of Iowa; their burdens will be heavier if the Federal tax upon estates is repealed.

Mr. CARAWAY. Mr. President, may I ask the Senator a question right there? Is there any justification for laying an unjust tax upon one person in order that some other class may escape taxation?

Mr. KING. We have heretofore discussed that question and I answer now, as I did then, no.

Mr. CARAWAY. Then that is not a good reason, is it?

Mr. KING. I repeat that we would not be justified in taxing estates to aid the farmers of Iowa or to aid any other class if by so doing an injustice were done to any other class. But I submit that the farmers, as well as others, might be justified in complaining if the property of decedents escaped taxation. I concede that people honestly differ in regard to this matter. There are some Senators as well as others who, upon principle, oppose either the States or the Federal Government levying estate or inheritance taxes. It is a fact that the farmers of the United States are heavily taxed and in many instances their burdens are proportionately greater than those laid upon wealth. The farmer's property is tangible and visible. The tax collectors of the States see it and tax it. Much of the wealth of the rich consists of intangibles and the owners escape taxation.

Mr. WATSON. But the Senator does not mean that the farmers are taxed more heavily for Federal purposes by the Federal Government?

Mr. KING. There is some question about that.

Mr. WATSON. They are taxed as a result of their own local laws, for roads and schoolhouses and all those things that they vote on themselves.

Mr. KING. I understand. The States and their political subdivisions are imposing heavy taxes which will, for the next fiscal year, amount to approximately $6,000,000,000, and the Federal Government will collect revenue amounting to approximately $5,000,000,000.

Under our form of Government the duties of the Federal Government are limited and their responsibilities are not so great as those resting upon the States and their political subdivisions. Purely national matters are cognizable by the States, but all matters relating to the domestic concerns and welfare of the people belong to the States. The great mass of the people are taxed upon their visible property as well as upon intangible property, for the maintenance of State government, and the agriculturalists and the laborers of the United States, whose property can be reached by the tax gatherer, pay a greater tax relatively than the rich, and suffer more from indirect taxation than do those possessing large fortunes.

Mr. WATSON. Does the Senator mean the tariff?

Mr. KING. Yes; I refer to the tariff as a species of indirect taxation.

Mr. WATSON. Of course, the Senator and I are as far apart as the poles on that.

Mr. KING. I have learned that the Senator is as wedded to the tariff as the orthodox Mussulman is to the Koran and with far less reason. However, I shall not be diverted into a discussion of the tariff.

The Farm Bureau declares that death dues are legitimate sources of revenue and should be preserved at their highest degree of usefulness, which this organization insists can only be effected by means of a Federal estate tax. This organization contends that the farming class is more heavily taxed than any other; and I might add that the National Industrial Conference Board in 1922 stated that the ratio of taxes to income for farmers was 16.6 per cent, while that for the remainder of the community was 11.9 per cent. Perhaps one of the compelling reasons leading the farm organization, just referred to, to oppose the repeal of the estate tax is found in the fact, as stated by Dr. Richard T. Ely, that if the present tax tendencies continue, the time will come when the whole annual net return of America's farm lands will be swallowed up in tax payments.

The Bureaus of Agricultural Economics for Ohio and Kansas for the 40-year period 1880–1920 show that farm lands during the period increased in value in Ohio on an average of from $45.97 in 1880 to $113.78 in 1920, whereas the tax per acre increased, in the eight-year period 1913–1921 alone, from 65 cents to $1.15. In Kansas the value per acre increase during the 40-year period was from $10.98 to $62.30. The tax per acre in the eight-year period went from 18 to 46 cents. The percentage of increase in Ohio in the period was 177, and in Kansas 271.

Doctor Ely also refers to the rich agricultural sections in Chester County, Pa., where data collected by the Bureau of Agricultural Economics prove that taxes absorbed 66 per cent of the net rent of all farms rented for cash.

Mr. McKenzie, who is director of research in taxation of the American Farm Bureau Federation, in an address before the Academy of Political Science, New York, April 15, 1924, refers to the dairy farms in Chenango County, N. Y., where the receipts, less business expenses other than taxes, in 1921 amounted to $795 per farm. Land taxes were $161, or 20 per cent of the income. The residue, $634, was to reimburse the farmer for his year's labor, for the labor of his family, and for the use of a capital of $12,943. From this all debts and living expenses must be paid.

Mr. McKenzie states that in Ohio from 1912 to 1915 taxes were 9 per cent of the net income before taxes; in 1920 they were 15 per cent; in Oregon they were 33 per cent in 1921. In one group of farms examined in Pharsalia township, Chenango County, N. Y., taxes averaged 3.4 per cent of the actual value of the property.

The farm bureau declares that the inheritance tax, technically, is an income tax; and Professor Seligman, who, the Senator from Connecticut [Mr. McLEAN] says, is opposed to estate taxes, declares:

> So far as the recipient of an inheritance is concerned, the accretion to his capital wealth through an inheritance is just as much income in the broader sense of the term as that which comes from any other source.

It is contended by the bureau that it is also a tax upon unearned income.

The views of Doctor Adams upon this subject should be given consideration. He has, as Senators know, aided in drafting revenue legislation and was one of the leading experts in and advisers of the Treasury Department for several years.

He says:

> The death duty is assigned to raise money, but to raise it from persons who have not earned it. In my opinion, the death duty is popular as a form of taxation primarily because it lays the tax on so-called unearned wealth. When we tax the farmer on his farm, the manufacturer on his plant, equipment, and materials, the public utility on its entire property, * * * we are taxing the people who not only do the work but who risk their time and capital. But it involves no great risk to receive a legacy or inheritance.

The bureau further justifies estate taxes because, with respect to large estates, property is reached which has not contributed fairly to the Government during the lifetime of the decedent. This view is maintained because in nearly all large estates it is shown that intangibles predominate, and this class

of property has not been adequately taxed. It has escaped State and Federal taxes to a very large degree. It is, therefore, argued that it is only just that upon the death of the decedent it should be reached by the Government for tax purposes.

The bureau admits that taxing estates has a social effect, but denies that it is socialism, or that it is in the direction of socialism; and reference is made to what is familiar to all students of taxation, that nearly exery tax reform has been branded as socialistic. The income tax was denounced as socialistic, and after it was adopted its opponents insisted that it be a proportionate tax and not a graduated income tax.

After the Supreme Court decided that the income tax provisions of the Wilson bill were unconstitutional the Democratic Party urged an amendment to the Constitution providing for the taxing of incomes. They made this matter a political issue in a number of campaigns and finally won the fight. I do not believe any considerable number of the American people to-day favor the repeal of the income tax.

Of course, Mr. President, all taxation has a social effect. That may be true of direct taxes as well as indirect taxes. Indeed, the greater part of State taxes are designed to affect social conditions. The percentage devoted to education, scientific improvement of health conditions, relieving the indigent, and so forth, falls within this category. The Federal Government spends tens of millions annually to improve highways, to establish and maintain quarantine regulations, and to maintain the Public Health Service, whose activities extend to all parts of our country. It provides pensions for many of its employees, and taxes the people in order to make large contributions for vocational training and to agricultural colleges in the various States.

The bureau refers to Doctor Adams, who states:

> We live and work under an industrial and commercial system which combines marvelous productivity with extreme concentration in the ownership and control—particularly in the control—of wealth. Politically the major forces at work make for equality. Commercially the greater forces make for concentration and inequality of power. The two forces—democracy and capitalism—are irreconcilable without some corrective machinery, such as progressive taxes. * * * The fortunate, the successful, the wealthy must make special contributions to the State under which and because of which they enjoy success and wealth. Such, roughly, are my reasons for the belief that progressive income and inheritance taxes are here to stay.

The bureau while admitting that the inheritance tax is primarily a State tax, still declares that the growth of large fortunes is due to the entire American public, and for that and other reasons, Federal death dues are warranted and proper. It is also contended that the States alone can not preserve this tax to a high degree of usefulness, or as a permanent source of revenue. It also shows the significance of the fact that those who are opposing the inheritance tax in any form are the strongest advocates of the abolition of the Federal tax. In support of this view, Doctor Adams says:

> Such persons desire to see the Federal estate tax abolished in order that the State death tax may be whittled down by interstate competition. They expect Florida, Alabama, and the District of Columbia, by offering isles of refuge to the retired rich, to discredit the State inheritance tax in the long run or to hold it within very narrow limits.

After referring to the fact that one of the Congressmen from a rich and powerful State opposed the tax, Doctor Seligman said:

> That is the line-up, as it always has been and always will be in this country and in every country, between those who, in Federal and other legislation, look primarily, as they are entitled to do, to the interest of big business * * * as against those who look primarily at the interests of the common man, as they also have the right to do.

Because of the recognized ability and high standing of Doctor Seligman as a political economist and an authority upon taxation, I desire to read a few paragraphs from his testimony before the Committee on Ways and Means of the House of Representatives, given in October of last year. On page 477 of the hearings Doctor Seligman said:

> One of the arguments for the withdrawal of the Federal Government, for which I think certain members of the Treasury at all events stand, seems to me to be doubtful, because if that argument were pursued to the extreme it would mean the abolition of all estate taxes, Federal and State as well.
>
> I am referring to the objection that was made, I think, before your committee a few days ago that an estate tax is in itself wrong; that it is not democratic; that it is a tax on capital; that it is, therefore, going to destroy the goose that lays the golden eggs.
>
> And yet all know, as a matter of fact, that if that argument were true, all of our States would have to abolish estate taxes or the inheritance tax. In other words, some of the arguments at least that have been propounded in order to induce the Federal Government to relinquish the estate tax go too far, because they would mean no inheritance tax at all.
>
> I need not point out to you that that is an erroneous point of view, both theoretically and practically. As estate tax is the result of one of the modern democratic movements in the world, it is found wherever we have democracy. It was introduced first in Australia, then in Switzerland, then in England, then it came to this country. Wherever we have democracy we have two things—an income tax and an inheritance tax. The arguments in favor of one are just about as good as the arguments in favor of the other.
>
> There are two kinds of taxes on capital. One kind is a tax levied according to capital, but which is paid out of the income of the capital. The other kind is a tax like the capital levy that they are talking about in France to-day and have in Italy, which is a tax not alone levied according to capital but supposed to be paid out of capital. Our estate duty is really neither of one nor the other. It is not a capital levy, and it is not paid out of capital. A proper kind of inheritance tax, which is not so high as to take all of an estate or the greater part of it, will usually be paid out of the income of the estate. We have five years in which to pay it in this country; in some countries the period is even longer. If you look at the statistics carefully you will find that the tax on all the estates in this country constitutes only a small part of the income from those estates during those years. * * * In the second place, the argument that it is a tax on capital, through which you are going to kill the goose that lays the golden eggs, is erroneous, because it assumes that all governmental expenditure is unproductive. The argument is based on the idea that the capital taken from the taxpayer is destroyed.

Professor Seligman then shows that with the revenue derived by the Federal Government roads are built, the Panama Canal is constructed, and other activities are engaged in which do not destroy capital but merely shift it from the taxpayers' hands into other forms for the benefit of the people.

I recur to the statements made during this debate that estate taxes are taxes upon capital.

Some who oppose estate taxes contend that such a tax has its justification only in socialism; that it is a capital levy, and therefore obnoxious to any economic system. That argument has been made from the beginning. It has had its effect and it is still the contention with many. It may be said that technically all taxes are capital levies. If the corpus is not taken, the income derived from it is taken, and if there is no income, the property itself becomes subject to seizure and sale.

There are hundreds of millions of dollars in property within the United States which yield no income. There are houses which are vacant, lands which are unoccupied, stocks and bonds which yield no return, personal property which is unproductive, and yet such property is taxed. Incomes derived by individuals constitute property and come within the class of property subject to the same production as any form of property, real or personal. Many railroads have been unable from their earnings to meet fixed charges or to pay dividends, but nevertheless have been compelled to pay enormous taxes to States, counties, and various political subdivisions. In a sense, the taxing of these railroads was a capital levy and a transfer of the property from the owners to the State, but the State devoted a portion of the revenue thus derived to the construction of roads and bridges and the erection of schoolhouses and public buildings. In other words, there was merely a transfer of capital from one owner to another, but no destruction of the same.

The Federal Government has for a number of years been imposing capital-stock taxes upon corporations, many of which have no net income. Indeed, there were many which were unable, except by borrowing, to meet the taxes imposed both by the Federal Government and by the States. These taxes were levies upon capital. Nevertheless they are justified and have been regarded as not unjust or oppressive.

My recollection is that for the year 1923 approximately 400,000 corporations paid a capital-stock tax, but 165,594 reported that they had made no profits. They had property in various States, tangible as well as intangible, and were compelled to pay taxes in the various States where their property was located, though they had no net income. In many instances they were compelled to borrow money to pay the Federal tax as well as the taxes imposed by the State. In a sense these taxes were levies upon capital.

Of course, no perfect system of taxation is possible. There always will be some injustices and inequalities. Even where the basis of taxation rests upon ability to pay, inequalities and injustices, oftentimes of a serious character, will ensue.

I repeat that all taxation affects capital, and capital is only accumulated income or savings. It is important that there

be good government, with wise and sound economic policies. It is essential that labor be rewarded and accumulations effected. In order to insure good government and to protect and preserve individuals in their right to labor to own and to accumulate the State must be preserved, wise laws must be enacted, and machinery established for their enforcement. It is imperative, therefore, that contributions be made to the State. These contributions are taxes, not voluntarily paid but paid under the compulsion of the law. It is therefore necessary that property be taken and its ownership transferred from the individual to the State.

The expenditures of the Government, if wisely made, aid the taxpayer in securing higher wages, better surroundings, more favorable conditions, from all of which his income will be augmented and his accumulations or his capital increased. The Government builds ships, navy yards, harbor improvements, levees upon the Mississippi River, reclamation projects, lighthouses, public buildings, and so forth. These are built from capital taken from the people, so that it is only a change of capital from one form to another and from one source to another.

Even in death duties adversely affect accumulations, and even more so than by other taxes they may have effect upon the national well-being which will bring results of the highest value. Accumulation is not the only thing to be considered by the State. It has been contended by many economists and political writers that the accumulation of capital may be detrimental, particularly if in the hands of a few. That was true in Rome, it was true in the medieval ages, and it will be true in any country or under any political system.

Mr. President, the recent mergers of giant organizations has provoked some little agitation and has caused some persons to fear the results of this stupendous massing of capital. In this morning's newspapers we find a number of New York capitalists apologizing and defending these centralizing capitalistic movements. They affirm with great earnestness and with many pious protestations that these great aggregations of wealth are sure to result in economies and prove beneficial to the country. I do not believe that, generally speaking, these stupendous organizations will affect permanent economies, but, even if they did, in my opinion the existence of these organizations will prove injurious to the social organism and prove a menace to our economic and political life.

The destruction of the small enterprise, the obliteration from our economic and industrial fields of active and ambitious individuals engaged in business enterprises in order that gigantic industrial organizations shall take their place, is not only a pathetic picture but a certain indication that our business and economic condition is in unhealthy state from which most serious consequences will follow.

Wealth in the hands of a few means power, economic and political, and that power will be exerted not only for the protection of wealth, but to give it advantages and privileges not enjoyed by the mass of the people. Political and civil liberty are the concomitants of industrial and economic liberty. If the sources of production and distribution are controlled by a few, political freedom will be impaired and in time destroyed. A dangerous condition exists in our business life to-day, resulting from the misuse of credits by large banking institutions and the devotion of these credits and the resources of our financial institutions to speculative stock movements, to the reorganization of business enterprises, and the consolidation of many corporations. Individual initiative is lost, private business is destroyed, and powerful but shadowy figures in the background control industries and collossal mergers through holding the voting stock, though the public are the holders of various classes of other kind of stock.

Enormous profits are made by banks and brokers and promoters, and the deposits in the banks and the prestige and power of the banks are employed in giving fictitious values to stocks and bonds which by adroit and cunning advertisements and extensive propaganda are unloaded upon too often weak and gullible and thoughtless people. Stocks and bonds are bought on margins, and the banks and brokers soon find themselves in possession of the securities, only to be resold and resold again, the public being led to the slaughter for the delectation and enrichment of sordid and selfish and often currupt and dishonest promoters and speculators.

Mr. President, political and economic conditions which develop centripetal forces, under which there are accumulations of capital in the hands of a few, will destroy democracy and produce socialism or autocracy. If this Republic adopts unwise political and economic policies, if it permits selfish and predatory interests to affect legislation and formulate policies, it will provoke social unrest, encourage socialism and communism, and weaken the foundations of our social and political structure.

In my opinion, it is a fallacy to assume that capital is destroyed by estate taxes. If an estate is taxed and the tax is paid by the sale of a house or other property, and the individual who pays for it does so by selling shares of stock to a third person having savings which he seeks to invest, it is obvious that there is no destruction of capital in these transactions. And if the Government uses the tax collected from an estate or from individuals to build houses, there is a transfer of capital only, not a destruction of it.

Gladstone contended that if death duties were applied to the payment of the national debt, there was no loss of capital. The state, that is, the people comprising it, have, in government debt, a liability which is a capital charge. A government which has bonds outstanding may take the taxes derived from the estates of decedents and redeem its outstanding bonds which are held as capital by individuals. It can be argued that if government expenses are not paid by death dues, then some other method must be provided. If they are not paid by death dues on the estates of the wealthy, those of moderate means and whose incomes are not large will be compelled to pay heavier taxes and thus be prevented from saving or from entering new fields of investment or capital development. And if the poor are compelled to pay additional taxes, it will reduce the expenditures for consumption and react on the productive capacity of the laborer and reduce the total industry dividend, and therefore diminish the wealth of the country.

Professor Stamp in his work on taxation says:

> There is no proof that the immediate effect of taking revenue as death duties reduces immediately potential fixed capital more than an income tax which may equally trench upon potential savings.

Professor Seligman referred to the construction of the Panama Canal. There was a capital investment of nearly $500,000,000 paid from the taxes levied upon the people; in part, from estate taxes. There was no destruction of property but a transfer from one form to another and from many owners to one owner. An estate pays a large tax to the Federal Government or to the State government, and a public building, such as a post office for some city, or a schoolhouse, is erected. There is no destruction of capital, but merely a transfer for a public use and for a public benefit of property from the many to the Government. And both the schoolhouse and the post office are the people's property and for their use, so that these transfers often are of immense social and economic advantage to the people.

Mr. COPELAND. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER (Mr. HEFLIN in the chair). Does the Senator from Utah yield to the Senator from New York?

Mr. KING. Certainly.

Mr. COPELAND. Is it not true that a great many times an estate is built up not alone through the efforts of the man who is the head of the house, but through the joint efforts of the husband and wife, and perhaps of the children? I confess I can not follow the arguments laid down so many times with reference to the imposition of the inheritance tax, because to me it seems little short of immoral and indecent to make an attack on the widow at the time of her mourning and say, "Now, your husband, your natural protector, is dead, and we are going to take away a part of your property."

Mr. KING. The Senator, then, is opposed to estate or inheritance taxes being levied by the States?

Mr. COPELAND. I am.

Mr. KING. The Senator is not alone in that position. I have referred to the New York Evening Post and the attitude of a number of rich people who believe that the accumulations of a person in his lifetime should not be taxed upon his death. Some think it is illegal; others that it is immoral and unjust. With due respect to these views, I believe that inheritance taxes and estate taxes, in one form or another, will continue to be levied in all civilized and progressive countries. I confess that where there is a dual form of Government such as we have in the United States the application of the principle of inheritance and estate taxes presents some difficulty, or at any rate it calls for the exercise of the utmost wisdom, and, if I may use the word, considerable technique, in order that no injustice may be done and that due recognition of the rights of the sovereign States, as well as the National Government, may be accorded.

The objection urged by the Senator, that the widow and perhaps the children have aided in saving and in accumulating the estate may be made against the imposition of any taxes,

but incomes are not immune from taxation because of the service of the wife or of the children. All of the States, where estate or inheritance taxes are laid, exempt a considerable amount from taxation. The same with the Federal Government. The taxes in the aggregate levied upon estates are not sufficient to materially reduce them.

Mr. COPELAND. One more suggestion. The other day I used the illustration of the Ford fortune. If Mr. Ford was to die, under laws which have prevailed, 40 per cent would be confiscated by the State.

Mr. KING. I do not agree with the Senator's statement. If he refers to the Federal tax, the amount paid would be less than 18 per cent, because if the maximum upon the estate in the highest bracket may be 40 per cent does not prove that the aggregate tax is 40 per cent. As the Senator knows after a liberal exemption the tax is laid progressively from 1 up to 40 per cent, so that the tax upon the entire estate would be, as I have stated, very much below the maximum figure. Neither do I agree with the Senator that an estate tax is confiscation.

I have discussed the proposition that inheritance and estate taxes are not confiscatory, neither are they a levy upon capital. I repudiate the view that the collection of taxes for the building of roads and schoolhouses, and the conservation of public health, and the execution of the various duties devolved upon the States and upon the Federal Government, is to be regarded as the confiscation of property. In order to obtain the benefits of good government, taxes must be collected, and with greater social needs, incident to our complex social and industrial condition, the larger are the contributions, in the way of taxes, that will have to be paid by the citizens of civilized states.

Mr. COPELAND. Then, if within six months Mrs. Ford were to die, 40 per cent of the remaining 60 per cent would be confiscated by the State, which would be 24 per cent more of the original estate, or a total of 64 per cent, which would leave 36 per cent. Then if Mr. Ford's son should die within the same year, another 40 per cent would be taken away, which would leave less than 25 per cent of the original estate intact.

If I understand the Ford enterprises, all this great fortune is invested in a business which necessitates such funds as Mr. Ford possesses, and if these calamities were to happen, and they are conceivable, it would mean that the Government would confiscate 75 or 76 per cent of the Ford estate, and the Ford business would be ruined. Out of that business has come convenience to the public in the way of cheap cars and tractors; and more than that, Mr. Ford has demonstrated how labor can be decently treated and has chosen to give labor decent treatment. Of course that is an extreme case, yet after all I feel it is an argument in favor of the wiping out of the idea of the inheritance tax.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. KING. Certainly.

Mr. LENROOT. In the first place, the taxes upon the estate would not be 40 per cent. There is no estate, even under the present law, which pays anything like 40 per cent or one-half that much.

Mr. COPELAND. But it has been as high as that.

Mr. LENROOT. It would be 40 per cent only in the highest brackets.

Mr. KING. It would be less than 20 per cent.

Mr. LENROOT. On the Ford estate it would be between 20 and 25 per cent. The earnings of the Ford plant during the five years which they have in which to pay it would pay every dollar of the Federal tax without touching one dollar of the principal investment.

Mr. COPELAND. It is all very well to say the earnings would be there. I doubt exceedingly if Mr. Ford and his son were taken away whether there would be any earnings at all.

Mr. KING. If the Senator from New York desires to continue his eulogy of Mr. Ford and his business methods, I hope he will do so in his own time. I have been interrupted so frequently by Senators that any continuous treatment of a point or subject is impossible and a retracing of ground already discussed is made inevitable.

Mr. COPELAND. Let me say in closing to my friend from Utah that I am opposed on principle to the idea of an inheritance tax.

Mr. KING. As I have stated, the Senator belongs to the group that is attacking the levying of estate taxes in any form or by any jurisdiction. His position is not in keeping with modern and progressive and what I regard as rational and just tax policies. As Doctor Seligman has stated, both income and inheritance taxes are products of democracy and are applied in democratic countries. The rich, and particularly those with enormous fortunes, have usually opposed taxes upon their incomes or their property. They have preferred excise taxes in various forms, sales taxes and indirect taxes which fell most heavily upon the poor. Property was more sacred than human life and more important than social and human needs, but as the sun of liberty advanced, archaic forms and policies were burned away.

We now, while protecting property and having due regard for vested rights, are seeking juster principles of government, the application of nobler and higher ideals in our civil polity and in our social relations. We see enormous fortunes produced almost overnight, in part due to stable and free government, and because the arm of protection is thrown around the strong as well as the weak. And men of vision and of probity and with a desire to promote justice and liberty, seek the enactment of laws which will compel all classes to bear a just and fair share of the burdens of government.

And so the political economists of the day and the most enlightened thinkers of our time advocate estate taxes, income taxes, and taxes upon the net incomes of great corporations, believing as they do that the principle of ability to pay is most effectively recognized in the enactment of measures of this kind.

Mr. COPELAND. I am sure the Senator will yield again for a moment?

Mr. KING. I yield.

Mr. COPELAND. I want the Senator to know that I am not following the lead of the New York Evening Post.

Mr. KING. Oh, I know the Senator is not doing that, of course.

Mr. COPELAND. The greatest handicap I had in my campaign when I ran for the Senate was that the Post was for me. I never was able to explain it satisfactorily.

Mr. KING. Of course the Senator is following his own view. I attribute to him the utmost sincerity in his opposition to all forms of taxation of estates.

Mr. COPELAND. Mr. President, will the Senator yield again?

Mr. KING. Yes; I yield to my friend from New York.

Mr. COPELAND. I would not want to leave a wrong impression in the mind of the Senator. When the man is alive and when his estate is enormous and the income great, I will go as far as the Senator will in levying a just tax, a graduated tax, a tax which measures up to the tremendous income of the man. On this account I assume I am with the Senator in the thought that in the higher brackets we have not gone as far as we should.

Mr. KING. The Senator, if I understand him, thinks that in the income tax provisions of the pending bill, the maximum ought to have been more than 20 per cent. I was in favor of a maximum of 25 per cent reaching the highest bracket where incomes were in excess of $500,000.

Mr. COPELAND. I do not think the bill which is pending here is a perfect bill by any means, because it does not go far enough in the taxation of those who come within the higher brackets. That is what I mean. I will go with the Senator on that matter, but when it comes to the confiscation of property from an estate after a man has died, I am not with him.

Mr. KING. The Senator does not regard it as confiscation to tax incomes and property, whether productive or unproductive, during the lifetime of the owner, but regards it as an indefensible and meretricious act to tax property after his death. It is not unethical or unjust, measured by the standard which the Senator adopts, to tax incomes of individuals, though in so doing it may be an encroachment upon capital, and may in some instances, to use the Senator's expression, be confiscatory.

The Senator knows that there are many instances in which the regular State and Federal taxes, exclusive of inheritance or estate taxes, have compelled the sale of property and brought almost irretrievable financial ruin to the owners of the same. There is nothing improper in that in the Senator's view. But if a man accumulates fifty or one hundred million dollars, then upon his death the property becomes so sacred that those to whom it is devised or bequeathed may not be required to pay any portion of the same or the income derived therefrom as estate or inheritance taxes. The property is not sacred in the life of the owner, but upon his death it acquires a higher moral and legal status.

Mr. CARAWAY. Mr. President, may I ask the Senator from Utah a question?

The PRESIDING OFFICER. Does the Senator from Utah yield?

Mr. KING. Yes.

Mr. CARAWAY. The property has paid its taxes while it was in the hands of the living, has it not? That is the theory of the law.

Mr. KING. Perhaps the owner of the property paid a full and fair tax upon the same during his lifetime. We know that some estates escaped a full tax during the owners' lifetime.

In regard to the theory of the law mentioned by the Senator, I do not quite understand how the acceptance of that theory justifies or compels the removal of estates of decedents from the realm of taxation or the application of inheritance tax laws.

Mr. CARAWAY. But so far as this argument is concerned, we will concede that it has paid the tax, and had the man lived he would have paid no additional tax, except the tax levied on all other property at the same time. Does the Senator from Utah see no difference between earned income and an estate bequeathed by the ancestors to the heirs?

Mr. KING. The owner of the property, by paying a tax one year, was not relieved from paying the following year. In other words, property is subject to repeated taxations. An individual may pay taxes upon property for years which is unproductive. Suddenly it becomes productive and he is taxed upon the property which has been repeatedly taxed, as well as upon the income.

The devisee or legatee of property has never paid tax upon it. It is to the heir an unearned increment. I am not subtle enough to comprehend why, because it was taxed in the hands of the decedent, it should not be taxed in the hands of the devisee or legatee.

Mr. CARAWAY. Let me ask the Senator a question. Of course if the ancestor had paid the last dollar that had been assessed against him on the day before he died, and then died, the property would be taxed, then in the hands of the heirs the beneficiary, not because there had been any accession of wealth but because by the hand of death the ownership had been transferred from one individual to another. It is the same property that has paid its taxes, is it not?

Mr. KING. Under the Senator's statement, the usual and ordinary taxes were paid.

Mr. CARAWAY. Yes, and in the hands of the heir at the next annual tax-paying time it will pay taxes again; but the only contention is—and I can see the Senator's viewpoint—that merely because the ancestor died the State ought to take a part of his accumulations. It is the old theory under feudalism that at the death of the individual all the property became the property of the king, and it went out again as a new obligation to the one who received it.

Mr. KING. Suppose the decedent had died the day before the taxes upon his property were due. It could not be argued that the rightfulness or morality of an estate tax would depend upon that condition. It would be absurd to say that in a case of this kind an estate tax could be justified, but if he had paid his taxes the day before his death, his estate would not be subject to estate taxes.

But, Mr. President, I have consumed too much time in discussing these points. I can only say that in my opinion I see nothing illegal or immoral in subjecting the estates of individuals to the payment of inheritance or estate taxes. I regard an estate tax as entirely proper and believe that the estates of rich men owe something to the State.

Mr. CARAWAY. I am not disputing that.

Mr. KING. And therefore an estate tax is proper.

Mr. CARAWAY. I am not merely trying to wrangle with the Senator about it.

Mr. KING. I know the Senator is not. I respect his point of view, of course. As I have heretofore said, in 1918 I stated in substance that, except in rather unusual conditions, the Federal Government should not tax estates, but that if the States do not, then the Federal Government would.

Mr. CARAWAY. I have not any objection to the State itself levying an estate tax. It is within the province of the State to determine that.

Mr. KING. But I thought the Senator from Arkansas was opposed to any form of taxation upon estates.

Mr. CARAWAY. I have said that I am not opposed to that, but I do not see the wisdom upon which it rests. However, that is not the question that we have here. We are not concerned here with what the State should do. I did not intend to put myself in that position; but I am opposed to the Federal Government levying a tax for still another reason. I do not wish to take the Senator's time; but, in the first place, I have observed the tendency when the Federal Government enters the field of taxation to exploit it for every penny it can bear. The State has to do wholly with the question of the descent and distribution of estates. There is not any activity that the Federal Government can exercise in that behalf. There is not any justification, therefore, for it levying an excise tax on something over which it has no control and over which it exercises no authority.

The States need the revenue; the Federal Government takes it; and the more revenue the Federal Government collects the more extravagant it becomes. Everybody knows that the Federal Government is now expending at least a billion dollars a year that it has no justification to expend. The more easily it can accumulate money the more extravagant it grows; and the estate tax is a tax that it can exploit for hundreds of millions of dollars, robbing the States of a source of revenue and encouraging extravagance and exploitation by the Federal Government.

Mr. MOSES. Mr. President, may I ask the Senator from Utah a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. KING. Yes.

Mr. MOSES. I understood the Senator from Utah a few minutes ago to say that in 1918 he argued against the Federal estate tax.

Mr. KING. I stated in substance that the Federal Government had the right to tax estates and that there were many conditions under which it should avail itself of that source of revenue, but that with increasing obligations of the States I should be glad, so far as possible, to see this field of taxation left open to the State. I stated, however, at that time, that if the States failed to avail themselves of it, or if the systems which they adopted produced great inequalities and injustices, and particularly if some States refused to impose estate or inheritance taxes, the Federal Government would undoubtedly resort to the estates of decedents for a portion of its revenue.

Mr. MOSES. Mr. President, I have no desire whatever to say that the Federal Government has not a right to impose an estate tax, but I share the early opinion expressed by the Senator from Utah, that this particular tax should be left to the States. What interests me is to learn the process of reasoning whereby the Senator from Utah has departed from the attitude which he assumed in 1918.

If I correctly understood the Senator, he felt that the estate tax should be left to the States as a proper source of revenue for the States, but if the States did not undertake to secure their revenue from this source of taxation, then the Federal Government should step in. My understanding is that all the States except a few have some form or other of estate tax. Where, therefore, does the Senator from Utah base his contention that the Federal estate tax should be retained?

Mr. KING. Mr. President, I have not changed my position in this matter. I regarded it as proper to impose estate taxes during the war, and, as I have stated in the course of these remarks, we have a war indebtedness of $20,000,000,000, which must be paid. Many individuals accumulated enormous fortunes during the war and some have left large estates, and others will pass away leaving enormous holdings in part due to the war. There is justification for the Federal Government taxing these estates, as well as all other estates, in a reasonable amount, at least until the war debt has been materially reduced. Moreover—and I am repeating what I have said a number of times—the States have availed themselves to a limited degree only of death dues as a source of revenue.

Notwithstanding the heavy burdens resting upon the States, and they are owing $14,000,000,000, represented by bonds, they have collected but a few million dollars annually from estates and as inheritance taxes, and a disposition is manifested by some States to lower the taxes derived from estates or to not tax them at all.

In 1916 the States collected but $30,000,000 from estate and inheritance taxes. Alabama, Florida, Mississippi, New Mexico, and South Carolina and the District of Columbia obtained no revenue from this source. Arizona collected but a little more than $7,000; Delaware, $11,000; Idaho, $5,000; Kansas, $64,000; Nevada, $3,000; North Carolina, $30,000; Oklahoma, $13,000; and Oregon, $87,000. New York, which collected more than one-fifth of the total of all the States, obtained but $6,457,000. There has been an increase in the revenues derived by the States since 1916, and in 1923, $75,000,000 was collected from this source.

I have before me a table showing the percentage of total State revenue receipts obtained from inheritance and estate taxes for the year 1922. It shows, for instance, that Maine's percentage was 4.32; New Hampshire, 7.79; New York, 11.46; and New Jersey, 9.72. The average of the east North Central States, namely, Ohio, Indiana, Illinois, Michigan, and Wisconsin, was 3.52 per cent; the west North Central States, consisting of Minnesota, Iowa, Missouri, North Dakota, South Dakota,

Nebraska, and Kansas, gave an average of 2.35 per cent; the South Atlantic States, 2.49 per cent; the east South Central States, 1.23 per cent; and the west South Central States, consisting of Arkansas, Oklahoma, Louisiana, and Texas, 1.6 per cent; the Texas percentage being thirty-nine one-hundredths of 1 per cent, and Oklahoma five-tenths of 1 per cent. The Mountain States, eight in number, gave an average of 1.39 per cent, and the Pacific Coast States 6.92 per cent.

An examination of the laws of the various States shows how incongruous they are, and to what extent inequalities and injustices result because of the overlapping and duplicating methods and policies and also arising from the multiform methods of taxing intangibles.

A meeting of the National Tax Association was held in St. Louis in 1924 and a resolution was there adopted recommending that the association take steps to hold a conference at which representatives of the States and the Federal Government should be present to consider the problems of estate and inheritance taxation. Accordingly, a conference was held in Washington in February, 1925, at which were present representatives of the various States and a number of Congressmen, as well as publicists and political economists versed in the subject of taxation. There were also representatives of the Treasury Department who are familiar with our revenue laws.

At the conclusion of the conference resolutions were adopted referring to the inequality and injustice in death taxation arising from the ill-balanced and illogical State and Federal death tax structure. One of the resolutions reclared it imperative that—

> death tax laws be so changed as to result in a rational tax system and which will do away with the abuses which tend to bring this system of taxation into disrepute.

A committee of able tax experts was appointed to gather information and study the question and report its conclusions. Mr. Frederic A. Delano, of Washington, was appointed chairman of this committee.

After an exhaustive examination of the subject, the committee submitted the following conclusions:

1. Inheritance taxes should be substantially uniform throughout the United States.
2. Inheritance tax laws and rates should be stable.
3. Inheritance-tax rates should be moderate.
4. Legislation should be enacted during the next session of Congress providing for repeal of the Federal estate tax, to take effect six years from the date of the passage of the repealing act.
5. The rate structure of the present Federal estate tax should be immediately revised downward.
6. The credit provision of the present law should be extended to allow a credit of all inheritance taxes paid to the several States up to 80 per cent of the Federal tax.
7. The Federal gift tax should be abolished.
8. Substitution by the States of estate tax laws for the succession tax laws now generally employed by the States is desirable.
9. Multiple taxation of the same property by States should be abandoned.
10. Intangible personal property should be taxed only by the State of domicile of the decedent.

Senators will perceive that the committee does not favor the repeal of the Federal estate tax law at the present time. Reference is made to the injustices resulting from multiple taxation of the same property by the States, and the committee refers to the conflicting views in respect to the situs of property for taxation and charge that this has led to "abuses which have become almost insufferable." The report says that every State which has an inheritance tax law undertakes to tax all of the intangible property of its resident decedents, and the great majority of the States, in addition, impose a tax on intangible property belonging to nonresident decedents where the property is located in the States. Thirty-six States impose a tax on corporations chartered by them, although the stock is owned by a nonresident decedent; and 11 States impose taxes upon the transfer of stock owned by nonresident decedents if the corporation has property within its borders, notwithstanding it be incorporated in another State. Sixteen States impose taxes upon stock owned by nonresident decedents, though the corporation is a foreign one, providing the certificate of stock happens to be physically located in the State at the time of death.

If time permitted, I would further discuss these inequalities and the injustices resulting from the present estate and inheritance tax systems.

These are some of the reasons why I am unwilling to vote for the repeal of the present Federal estate tax law. Moreover, as Doctor Seligman has pointed out and as I have shown, a number of the States to encourage migration are either abolishing estate taxes or declare that there will be no estate or inheritance taxes in the future. It is worthy of consideration also that there are approximately $14,000,000,000 of tax-exempt State and municipal securities now outstanding and $20,000,000,000 Federal securities, a portion of which are tax exempt. Doctor Seligman declares that by Federal estate tax these tax-exempt securities may be made to make some contribution to the Federal Government. He further adds that—

> If there were no other reasons for a Federal estate tax, this would be sufficient, namely, to secure justice as between man and man, not to have one man taxed two, three, and four times, because if he invests in German and French and Italian bonds he would be taxed here upon his own estate, and then again in Italy, again in Germany, and again in France.

Without expressing approval of or dissent from the view of Doctor Seligman, I read a further sentence from his testimony before the hearings before the Committee on Ways and Means:

> By reaching the tax exempts you will help to stem this very dangerous and swift tide toward what I fear is social disintegration in this country.

Returning to the question of the Senator from New Hampshire, I will say that I supported in 1918 the Federal estate tax because of the necessities of the Government, as well as for other reasons.

Mr. MOSES. As a war necessity?

Mr. KING. Not alone as a war necessity, but that was the paramount reason why I supported it at that time.

Mr. MOSES. Yes; but, Mr. President, we have now reduced the Federal expenses something like $2,000,000,000 a year. Why, therefore, should we not remit to the States their proper source of revenue, namely, the estate tax, as the Senator contends is proper?

Mr. KING. I did not say, or at least I did not mean to say, that conditions do not now exist to justify the continuance of this tax.

Mr. MOSES. What are those conditions, may I ask the Senator?

Mr. KING. I have given a number of reasons which I think answer the Senator's question. I have referred to the lack of uniformity in the State inheritance laws; the inequalities which exist in the various statutes; the fact that a number of States and the District of Columbia impose no death dues at all; the fact that billions of tax-exempt securities are escaping taxation except through estate taxes; the fact that the Government owes $20,000,000,000 resulting from the war——

Mr. MOSES. For which perfect provision has been made.

Mr. KING. The Senator evidently refers to the sinking-fund provisions of existing law, but it is one thing to provide by legislative fiat for a sinking fund and an entirely different matter to collect revenue to meet the obligation. We are making provision in the pending bill to meet the Government expenses and to provide for the sinking fund by imposing heavy burdens upon the people. And the Senate is now trying to increase the burdens upon the mass of the people by relieving large estates from paying taxes to the Federal Government.

Let us take off excise taxes; taxes upon automobiles and admission dues. When we have reduced the taxes to proper limits and have materially diminished our war debt, and when the States signify a desire to utilize inheritance taxes and estate taxes as an important source of revenue and enact laws that will accomplish that result, laws which operate justly and according to moral and legal standards of equality, then I shall look with favor upon the repeal of Federal estate taxes.

Mr. MOSES. Mr. President, the Senator from Utah is a member of the Committee on Finance and a very diligent member of that committee, as he is of every committee of which he is a member. Can he tell me or tell the Senate or the country whether he has any information to the effect that under the taxes as now proposed in this measure, even if he could strike from the bill those burdensome and nuisancelike excise taxes to which he refers, there would not still be sufficient revenue to support the Government?

Mr. KING. In my opinion, with proper economies, we can repeal all these excise taxes, also the capital-stock tax, and then there would be sufficient revenue to meet the expenses for the next fiscal year, and that without increasing the corporate-profits tax from 12½ to 13½ per cent.

Mr. MOSES. Without reference to what the Senator describes as proper economies—and I do not know exactly what he means by "proper economies"——

Mr. KING. The President, as I recall, used those words. I admit, however, that what the President regards as "proper

economies" would not answer my definition. In my opinion, the Budget which he has submitted with his approval recommends considerably more than $150,000,000 in excess of what should be appropriated.

Mr. MOSES. Without reference to any essential change in personnel or extent of governmental machinery, is it not our constant experience that there comes in to the Treasury every year a much larger sum of money than any of the experts have ever estimated?

Mr. KING. It is a fact that for a number of years last past the Treasury received hundreds of millions of dollars from the sales of unused war supplies; and the yield from corporate and income taxes, as well as from customs duties, exceeded the estimates of the Treasury experts.

Mr. MOSES. Is that not because, may I say to the Senator without attempting to inject anything which may seem to be partisan—is that not because——

Mr. KING. I say no in advance, because knowing the ratiocinations of the Senator's mind, I perceive the end of his question. It is not because of the wisdom of Republican legislation, or the economy of the Republican administration.

Mr. MOSES. But is it not because of the advance in prosperity of the country under the Republican administration? [Laughter.]

Mr. CARAWAY. Mr. President, may I ask the Senator from Utah a question? Of course he does not want to answer a question like that of the Senator from New Hampshire, which answers itself.

Mr. KING. I have been led into a discussion of matters not strictly germane to the question before us, so I shall decline to discuss the so-called "Republican prosperity" or the effects of Republican policy. At an appropriate time I shall be glad to canvass this matter with the Senator from New Hampshire.

Mr. CARAWAY. I heard with regret the Senator say a moment ago that he is in favor of remitting to the States the inheritance tax provided——

Mr. KING. No; I think the Senator misunderstood me.

Mr. CARAWAY. The Senator meant to remit that field of taxation to the States providing they exercised it and levied a reasonable tax. The Senator does not mean, however——

Mr. KING. My position is that I am not in favor of the Federal Government coercing the States into levying a reasonable or unreasonable estate or inheritance tax. I stated a number of conditions which must exist before I would be willing to vote to repeal the Federal estate tax.

Mr. CARAWAY. I am glad to know the position of the Senator. He does not believe that the Federal Government is interested in what a State does.

Mr. KING. No; in the sense that it can not and should not interfere with the States in the exercise of their sovereign powers.

Mr. CARAWAY. The State can enter any field of taxation, or leave it untouched if it wants to.

Mr. KING. That is true; but, of course, the Federal Government has what might be called a platonic interest in the States.

Mr. CARAWAY. The Senator does not mean that the Federal Government should try to exercise any control or bring any pressure to bear upon the States?

Mr. KING. Mr. President, I deny the right of the Federal Government to coerce any State or to weaken its sovereign rights, and Congress should not shape its legislation for the purpose of compelling the States to adopt policies which supporters of a strong central government believe should be adopted.

Mr. CARAWAY. If the Federal Government entered that field, it could proceed with the destruction of the States.

Mr. KING. Undoubtedly the Federal Government could weaken, if not destroy, the States by legislation of the character indicated by the Senator. I believe in the maintenance of the States in all their vigor and power. To impair their sovereignty would be an assault upon the foundations of the Government, because they are and should be as indestructible as the Union, and if the States are attacked or their power diminished, the Union itself is assailed.

Mr. CARAWAY. The Senator has declared against the continuation of the so-called nuisance taxes—the taxes upon automobiles and things of that kind.

Mr. KING. Yes.

Mr. CARAWAY. I am frank to say that I do not think that I quite agree with him, for it strikes me that if we have the opportunity to remit a death tax on an estate left to a child or to take a tax off a Rolls Royce, I believe honestly that it would be better to put it on the high-priced car and take it off of the dead man's estate if there be a choice between the two.

Mr. KING. The situation does not drive the Government to either extreme, but out of the 17,000,000 cars in the United States there are very few Rolls Royce. The majority are cheap cars owned by millions of people. There are more cars in the small cities, towns, villages, and in the rural districts than there are in the cities. The owners of automobiles pay more than a half billion dollars in State, municipal, and gasoline taxes. I have offered an amendment to relieve them from paying Federal taxes.

Mr. CARAWAY. And the State is making a market for the cars by building good roads.

Mr. KING. Yes, and the owners of the cars are helping pay for the roads; and the gasoline taxes, which are very heavy, are largely devoted to road construction.

Mr. CARAWAY. There would have been very few automobiles if the States had not built roads and made it possible to use them.

Mr. LENROOT. Taking the other extreme of the illustration of the Senator from Arkansas, what would he think about taking off the tax on the farmer's Ford and putting it upon the $10,000,000 estate which was not earned?

Mr. CARAWAY. The only thing about it is that the tax on the farmer's Ford is a tax that he voluntarily assumed. He buys the Ford because he wants it. The thing that is laid upon the dead man's estate is because the hand of God has stricken him down. There is a very wide difference between assuming a luxury and buying it because you want it, and simply being unable longer to live and therefore being taxed because you have to die.

Mr. KING. The Senator from New York [Mr. COPELAND] evinced great solicitude for the heirs of deceased persons, and seemed to question the right of a State to tax decedent's estates. I called attention to the fact that liberal exemptions are allowed in those States where death dues are imposed. That is true of the Federal Government. The right to transmit property is not a natural right. It rests upon law. The State of Virginia might pass a law that no man could transmit his property and that upon death it should escheat to the State. Such a law, in my opinion, would not be unconstitutional. I am assuming, of course, that in the constitution of Virginia there is no prohibition. The right of devolution depends upon the legislation of the States and, of course, upon State constitutions.

Mr. CARAWAY. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. CARAWAY. The Senator says the right to hold property is a right granted by legislation. Then, what objection would the Senator have to a capital tax?

Mr. KING. A thing may be morally or legally and technically right, and yet it might be inexpedient and exceedingly unwise to exercise the right. Undoubtedly the State could levy a capital tax. I am assuming, of course, there is no prohibition in its constitution. But, as I have heretofore stated, most taxes are in a technical sense—or at least in the last analysis—a tax upon capital. Unproductive property, as I have stated, pays taxes, and oftentimes in order to meet the levies the property is sacrificed by the owner. The income derived from property becomes capital in the hands of the owner. He may invest it in real estate or other property. It is still capital. He may be required to pay all or a portion of it to the State. It has not changed its qualities or characteristics, whether invested or deposited in the bank or paid to the State.

Mr. CARAWAY. Then, why not just adopt a tax providing that when a man's property no longer yields him an income, and therefore we can not reach him with an income tax, we will take so much of his principal every year—as much as the State ought to take if he had been a citizen who earned something?

Mr. KING. Mr. President, there are defects and injustices in all tax laws, and in revenue enactments the Government does not always go to the limit of its technical legal authority and power. It might do many things which would be unwise and unjust, and ultimately defeat the very objects in view. But governments in all legislation, and particularly in tax legislation, must consider what is wise and what is best for the public welfare.

I repeat, there is a shadowy line of difference in principle when we get to the very base of the question between taxing the proceeds derived from property and taxing the property itself. There is a great deal of difference, however, in the results. It would be unwise for the State under the taxing power to transfer property bodily from the individual to the State. The State does not want the goods and chattels and

the real estate belonging to individuals. It wants only sufficient of the earnings of the people to meet the imperative needs of the State. If it takes more, it is robbery.

If the corpus of property were transferred to the State, the revenues of the people would soon be reduced to the vanishing point and we would have a communistic state. Lenin in Russia, by proclamation or, as some say, by legislative fiat, transferred all property from the individuals to the state.

The result has been calamity, and the folly, if not the wickedness, of such a procedure is beginning to be realized by some of the more progressive and intelligent bolsheviks, and a movement which will prove irresistible is now observable in the direction of private or individual ownership of property. But the harm which has come to Russia can not be estimated, and generations will pass before the effects of the awful tragedy of bolshevik rule will be effaced from Russian life.

The Senator from New York referred to Mr. Ford, and was concerned about his factories and his plants if estate taxes are to be continued. Mr. President, the death of Mr. Ford or Mr. Morgan or any other great captain of industry or finance will have but slight effect upon our economic or industrial life. These men are but bubbles upon the swelling tides that carry humanity forward. Industrial and social systems are modified and changed with the passing years. If such organizations as Mr. Ford's are for the social and political welfare of the people, they will survive. Otherwise, not. Mr. Rockefeller, whose commanding genius built up the Standard Oil Co., is a passing, if not, a past figure. And yet his powerful organization is more omnipotent now than ever. Doubtless Mr. Ford's stock will pass from his hands before his death and the organization which he has built up will survive his death.

But, Mr. President, reasonable estate or inheritance taxes will not destroy organizations of this character. We need not worry over these huge estates or the properties of Mr. Rockefeller or Mr. Ford. Wealth will care for itself. If not immortal, it has many lives and enduring qualities. But, of course, all revenue laws should seek justice and should treat with the same fair consideration men of wealth as the poorest and humblest citizen in the land.

I referred to the question of the devolution of property. The best interests of society justify the right to transmit property by will, but as a man's earnings in his lifetime are subject to taxation, so also may his accumulations be taxed after his death. The right to transmit may be taxed, and it has been definitely established that the Federal Government may impose such a tax. That was held in the case of Knowlton *v.* Moore (178 U. S. p. 41), and in the case of Purdy *v.* Eisner, decided in 1921.

The value of all tangible property in the United States is $320,000,000,000 and the income derived therefrom amounts to between $50,000,000,000 and $60,000,000,000, annually. It seems to me rather absurd to argue that for the Federal Government and the States to collect less than $200,000,000 annually, is a capital levy.

In the calendar year 1922, the gross estates in process of settlement amounted to $2,937,000,000, and the net taxable estates to $1,673,000,000, and the Federal tax to $119,000,000. In 1923 Doctor Seligman states that the gross estates were $2,525,000,000 and the net taxable estates $1,374,000,000, with a tax of $69,000,000.

Great Britain with its heavy death duties is increasing its capital. And notwithstanding the mournful cries in the United States as to the effect of death duties preventing savings and destroying capital, the savings in our country are greater than ever before, and the accumulations in the hands of the estates were never so large.

It is argued by some that the earnings of individuals and corporations are not solely derived from the States in which the individuals reside or the States in which the corporations were organized. At one time business was largely intrastate, but now much of it is interstate, and States are largely geographical expressions so far as business and business activities are concerned. There is no commodity that can be dominated intrastate.

The products of farm and field and mill and mine quickly pass beyond State lines. Most mines of the West are owned by stockholders who reside in the East. The men of the West toil and produce copper, gold, silver, and lead, but the net earnings are not enjoyed by them, but by corporations and estates or trustees or individuals in the East. The wealth of New York is not produced in the Empire State exclusively, but from all parts of the United States it flows like rivulets and streams from the mountains to unite in one mighty river.

It seldom can be said that the estate of a decedent was produced by or in one State alone—in the State where the decedent had his domicile. Indeed, the efforts to enforce the State inheritance and estate taxes reveal the fact that oftentimes the decedent's intangibles, based upon property beyond the limits of the State in which he died, greatly exceed in value the property situate within the State of his domicile. The estates of decedents of moderate means are usually found to have listed property beyond the State in which the deceased is resident, and many individuals live in one State—for instance, New Jersey or Connecticut—whose business activities are within the State of New York.

The great economic and industrial changes in our country do not permit of the establishment of an inflexible formula for the taxing of estates. However, I believe that death dues should not constitute any considerable part of the revenues of the Federal Government. Indeed, as I have indicated in the minority views which I submitted to the Senate as a member of the Finance Committee, the time would come when this field of taxation with property might be left exclusively to the States.

Mr. President, I regret having occupied so much of the Senate's time, but repeated interruptions have led to repetition and prevented a concise presentation of the subject. I hope the Senate will reject the amendment offered by the Finance Committee and accept the provisions of the House bill dealing with estate taxes, with an amendment striking out the provision calling for the return of 80 per cent of the taxes collected, and continuing the present provision which remits 25 per cent to the States.

If it were a proposition de novo, I should oppose the return of any of the taxes collected to the States, but the present law carries the 25 per cent provision, and I realize how utterly impossible it would be to secure a repeal of that provision. Indeed, the House has insisted upon changing the figures to 80 per cent.

The estate-tax provision as it appears in the House bill is unsatisfactory to me, but in view of the fact that it provides for estate taxes within reasonable limits, I prefer it to the position taken by the Finance Committee of the Senate.

I shall at the proper time ask for a vote upon my amendments to the pending bill, which call for the rejection of the Senate committee's amendment and an acceptance of the House provision, with an amendment providing for 25 per cent instead of 80 per cent of the taxes collected to be returned to the States from which they were obtained.

Mr. CARAWAY. Mr. President, I shall occupy the time of the Senate for only a minute.

I am opposed to any provision in a tax bill that undertakes to levy a tax within the State and return it to that State conditioned upon the State surrendering some right, which the bill, as it came from the House, did. It undertook to coerce the State into levying an inheritance tax or estate tax, in order that it might receive back from the Government 80 per cent of the amount of inheritance tax paid in that State, which the Federal Government sought first to collect and to transmit to the State.

If that principle shall be recognized, the independence of the State is destroyed. First, you may compel it to levy taxes when, as in the case of Florida, it does not need the revenue. After you had exploited that field you could control any other activity of the State. I called attention a while ago to the case of the late Senator Lodge, of Massachusetts. Had he fallen upon this instead of the idea of a force bill he would have had a very much more effective weapon in his hands. It would be perfectly easy to compel the State to surrender its control over any of its internal affairs or else crush it by taxation. The proposal is so vicious that it is nonunderstandable to me that any one should approve it. Under the exercise of a similar power the Federal Government could make California come to its knees and surrender its right to exclude Japanese from owning lands within the State. It could make my State, as I said a minute ago, surrender its right to maintain separate schools for white and black children. It could destroy the independence of the States in any respect and in every respect, and therefore I can not understand how anybody should have supported the proposal.

It is just as vicious under the amendment offered by the Senator from Utah, to return to the State 25 per cent, as it is under the provisions of the bill as it came from the House, to return to the State 80 per cent. It is the principle against which I protest; and I do not believe that any Senator, after he thinks of it, will be willing to enter upon that dangerous field of coercing the State by threatening to burden it with taxes if it does not adopt a certain policy that the Federal Government may approve.

Back of that, if the State wants to levy an estate tax or an inheritance tax, of course, that is for the State. I have no dis-

position to express an opinion as to what the States should do. I am at a loss to understand, however, as I have said before, how the morality of the act can appeal to anyone. It rests, not upon the acquisition of new property, not upon any benefit that has accrued to the one on whose property the tax is levied; but simply because the one who accumulated the estate, and who has paid every dollar of the tax assessed against it—paid as much as his neighbor, paid all the law asked or all the law had a right to ask of him—dies, and the property is transmitted to his heirs, at once a part of that property is taken, not because any benefit has accrued, not because any acquisition of new property has accrued to the party receiving it, but simply because the ancestor dies the state takes a part of the estate.

There was a time when, upon the death of one who owned property, his property became that of whoever could seize it. There was just as much morality in that as there is in this act. They took it because he was no longer able to defend it, because he was no longer alive. It became the property of those who could first lay hold of it. After a while it escheated to the king or to the lord, and he gave it back to the heir with certain burdensome conditions attached to it. But through the long centuries, when people fought for their right to acquire and control their own property as well as the right to control their own actions, it finally became recognized that a part of the very right to hold property at all was the right to transmit it. I do not see, therefore, under what pretense, simply because one is dead, the State or any one else has the right to go in and take a part of the estate. If it can take 20 per cent of it—and that seems to be the virtue claimed for this proposal, that it does not take more than 20 per cent—if it can take 20 per cent it can take 100 per cent. If the holding of private property has proven to be a curse and not a benefit, let us let the property escheat to the state upon the death of the person who accumulates it; let us take it all, because under the same power of laying our hands upon the dead man's estate we can take 100 per cent of it as easily as we can take 20 per cent.

I believe everybody ought to pay his taxes, and pay in accordance with his ability to pay, but after he has paid them I think then he ought to be acquitted from any other burdens that everybody else in the State does not bear with him. Nobody can contend that an estate tax rests equally upon all, because it does not. It is not meant to.

This field has been well gone over. I wish now to offer an amendment, which I understand is to be accepted, not dealing with this particular question, but dealing with the question of making available to the taxpayer information which may be received by the department, or any agent thereof, in determining whether or not a taxpayer has in fact paid all the taxes that he should pay; in other words, to enable him to have a trial when he knows who it is that says he has not discharged his obligation to the state, and that he may know what the charges are, and not have a star chamber proceeding, as we now have.

I offer this amendment, and ask that it be printed, and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be printed, and lie on the table.

Mr. BRUCE. Mr. President, I can not let the amendment suggested by the Finance Committee to the pending bill pass to a vote without distinctly placing on record my personal convictions in relation to it, not only by my vote, but by an oral expression of my sentiments.

I do not believe that there is a field of any sort into which the hand of reform can more seasonably be pushed at the present time than the field of post-mortem taxation. Has your attention ever been called to the fact, Mr. President, that under the tremendous mass of superincumbent taxation which now rests upon the estates of decedents, it is entirely possible for the estate of a decedent to be totally destroyed by taxation? Some time ago the president of one of our trust companies in Baltimore came out in a most interesting pamphlet in which he mentioned several specific instances in which the entire value of the estate of a decedent had, by general property taxation, income taxation, State transfer taxation, and other forms of taxation, been completely absorbed. In other words, the Commonwealth had taken everything and nothing was left for the heirs. So it seems to me that any subject which is closely related to the general subject of post-mortem taxation is at the present time one calling for the closest and most earnest consideration.

I do not say that the estates of decedents should under no circumstances be subject to estate or inheritance taxation, though I think that much could be said in behalf of that idea. A man dies, his estate continues to be taxed in the hands of his personal representatives, and when later on it is distributed by them it still remains taxable in the hands of the distributees.

Abstractly, I might not unreasonably deny the right of the State to tax the mere privilege that a man enjoys during his life of providing for the transmission of his estate after his death to his beneficiary. An estate tax diminishes incentives to thrift and accumulation; it is a tax on capital, and often can be raised only by the sacrifice of nonliquid assets. But when one calls attention to these things, he is wandering off more or less into the province of a priori philosophy, and I have no disposition, when dealing with such an eminently practical thing as taxation necessitated by extraordinary exigencies, to allow myself to be drawn off into any such province.

I will assume that, either for the purposes of Federal or State taxation, the estate tax should be continued as a part of our tax system; but I do say that no Member of this body has the right, under the guise of taxation, to seek social legislation. That, it will be recollected, Mr. President, was only a short time ago bluntly stated by the President in one of his messages.

When I turn back to the records of the Sixty-third Congress I find the Senator from Nebraska [Mr. NORRIS] saying that his purpose in offering an amendment relating to the estate tax was to break up swollen fortunes; that is to say, not to bring money into the Treasury of the United States for fiscal purposes merely but to work the disintegration of great fortunes. As long as there is a Federal Constitution, as long as there are State constitutions, as long as there are State legislative bodies not accessible to corrupt influences and honest and fearless executive officials, I for one am not afraid of swollen fortunes.

I have heard Members of this body express themselves as if wealth were some kind of ogre or monster, "Gorgon or Chimæra dire," as the poet says. For one I do not regard wealth as a curse. I regard it as a blessing. If it is ever a curse it is only because the representatives of the people have not been faithful to the injunctions of the Constitution and laws which they are sworn to obey.

To my mind a rich man in a community is nothing less than an irrigating stream passing through an arid plain.

The extent to which he can make any personal use of his fortune is most limited. If I am rich, I can not spend a dollar without benefiting everybody in the community around me. The only wealthy man, as I had occasion once to say upon the floor of the Senate, whose wealth does not benefit everybody about him, is the man who keeps his wealth up a chimney or in a hollow tree or in a hole in the ground. No sooner does an opulent man begin to expend his money than he benefits the butcher and the baker and the candlestick maker; everybody, in a word, who can be profited by the beneficent flow of a stream of wealth.

I live, I thank God, in a community in which there is no prejudice, or no prejudice worth speaking of, against wealth. I am not wealthy myself, and I am glad further to say that, as one member of that community, I, too, have no bias against riches. It is to our wealthy men in Maryland that we turn whenever we need money for eleemosynary purposes or good purposes of any kind. In speaking for the rich men of Maryland I can say that we never call upon them in vain. They are among our best citizens, among our best citizens in every sense of the word. Their hearts are enlisted in religious work, in charitable work, in public tasks of all sorts, and, as I have also had occasion to say on this floor before, if there is any place in the Union where wealthy men are not duly prized, please let the place pass them on to the State of Maryland. We will take them, and gladly take them, and if any of them have any disposition to disregard our wholesome laws, we have honest and capable officials to see that any injury that is done by them to the public is soon redressed.

At times I find difficulty in understanding why the wealthy men of this country are so patient under the constant denunciation to which they are subjected. One day they are held up to public scorn as freebooters, conspirators, malefactors of great wealth, men who do not have anything, really, in common with their less fortunate fellow citizens, men who should be more or less legislatively proscribed, and personally visited with stripes and chains.

Under such circumstances it is a little perplexing to ask why a man like Rockefeller, or Carnegie, or Duke, or any other very rich man, living or dead, like them should not weary, or should not have wearied, of well doing. Yet, after all this misrepresentation and invective, after impositions even of 40 per cent held over their entire fortunes we have seen such men continue in their wealth, in one way or another, to be fruitful of benefits not only to the communities in which they

live but to the entire United States; the Rockefeller fortune year after year contributing millions and millions of dollars to the education of the poor, ambitious youth of the land; the wealth of Carnegie year after year, in the form of noble libraries and other beneficent institutions, conferring a boon of such value upon humanity that it can hardly be expressed in words; and Duke only a few months back conferring upon his native State for higher educational purposes a pecuniary bounty amounting to not less than some $94,000,000.

The truth is I suspect that these rich men make the allowance for the abuse to which they are subjected. They have too much sagacity, too much knowledge of the world and of the course of human affairs and the play of human character not to make such allowance. They know that most of the attacks upon wealth are inspired by mere cant or demagoguery to which no intelligent, rational man should be too quick to lend his ear.

So it would be against my principles to give my approval to any estate tax that is designed merely for the purpose of breaking up swollen fortunes. Of course, I do not wish to be misunderstood. Wealth has its temptations, its strong, urgent temptations, but no temptation at that so strong or so urgent as the temptations of indigence. All forms of power—and wealth is an imposing form of power—must be vigilantly kept in eye by the representatives of the people. As John Randolph of Roanoke once said, "Nothing can limit power save power." Assuming that a democratic society has a sound constitution and sound laws and honorable, upright and faithful representatives to enforce them, there is nothing to justify the fear that any class of men, however affluent it may be, will ever constitute any permanent incubus upon the popular welfare.

I am in favor of the amendment offered by the Finance Committee, because it abolishes in toto the Federal taxation of estates; and I say that because I think that in times of peace, in times when the Federal Government is in no need of extraordinary sources of taxation, the field of estate or inheritance taxation should be left exclusively to the States.

It is under the protection of the States that property is acquired and held, willed, and distributed. The estate liable to an estate or inheritance tax is a creature of State government, not of the Federal Government. Primarily, therefore, the claim of the States upon estate and inheritance taxation as a source of taxes is paramount to that of the Central Government. That fact has been recognized by the latter Government from the very beginning. In 1797 Congress imposed a tax upon legacies and distributive shares; in 1802 it was repealed. In 1862 Congress imposed a similar tax upon legacies and distributive shares; in 1870 it, too, was repealed. In 1898 a similar tax was imposed by Congress; in 1902 it, too, was repealed. In other words, the Federal estate or inheritance tax is a war tax. It has always been the offspring of either flagrant or impending war. Such was its origin in 1797, in 1862, in 1898, in 1916. In 1916, as the Senator from Florida [Mr. FLETCHER] said, we were on the eve of war. We heard the rumblings and felt the tremblings of the approaching earthquake. We had reason to believe that we would soon be involved in war, and simply took time by the forelock when we created the estate tax of that year. Some of the Members of this body, I am sure, will remember that when the estate tax was modified in October, 1917, it was expressly referred to as the war estate tax. That is my answer to the Senator from Wisconsin [Mr. LENROOT], who questioned whether the estate tax imposed in 1916 was in truth a war tax.

Mr. LENROOT. Does the Senator say that when it was imposed in 1916 it was a war tax

Mr. BRUCE. I do.

Mr. LENROOT. That is when it was first levied.

Mr. BRUCE. Yes; it was levied first in 1916. In the State in which I live a national defense association, composed of the foremost citizens of Baltimore, was in existence in 1916. I affirm, as I have often done, that the merchants and other business and professional men of Baltimore showed far more foresight on the eve of the World War than many statesmen in Washington did, not excepting some who were holding the very highest posts under the Federal Government.

In the present instance, too, the exigency that evoked the Federal estate tax has passed or is passing so rapidly that we may regard it as passed. Federal taxation is diminishing like a melting snowball. State and municipal taxation is increasing like a rolling snowball. Every year now sees a marked diminution of our national debt, and that notwithstanding the fact that a steady reduction in Federal taxation is going on from year to year, but the level of State and municipal taxation is rising higher and higher from year to year. The very richest sources of taxation are open to the Federal Government. There is the great field of tariff taxation—what appertains to the power of the Federal Government to impose duties on imports of every sort, a most fruitful source, an exceedingly constant source of revenue. There is the income tax with its enormous potentialities, and for my part I should like to see the States surrender the privilege of income taxation altogether to the Federal Government, but I do not think that the Federal Government could set up a juster claim to the exclusive right to levy income taxation than the States to the exclusive right to levy estate or inheritance taxation.

Why, Mr. President, to the Federal Government the estate tax amounts to but little. It is calculated that in 1926 it would only be some 3.9 per cent of the whole volume of Federal internal revenue taxation. Now that the shadows of war have fled and there is no longer any occasion for the Federal Government to rely upon estate taxation for war purposes, the power of the States to levy such taxation might be a matter of the very highest degree of significance to them. There are some States in the Union that derive as much as 14 per cent of their entire revenue from estate or inheritance taxation, and so on down the scale, to 13, 11, and 10 per cent. In other words, the right to tax estates or inheritances is a matter of momentous importance to the States, but of comparatively trivial importance to the Federal Government. Why then should not the right be surrendered by the latter Government to the States?

Surely with such splendid resources as import duties and income taxes the Federal Government might be generous enough to let the States have estate or inheritance taxation solely to themselves. As I have intimated, the States need it badly. A legislative committee reporting at Albany last year called the attention of the New York Legislature to the fact that at that time taxes in one form or another were absorbing no less than 30 per cent of the net revenue of the New York farmer, and of the farmer at that who was possessed of the most productive lands in the State of New York. Of course the percentage was still higher in the case of lands less productive in value.

Indeed, Mr. President, I can not understand how, with full knowledge of this state of affairs, some Members of this body, who are forever harping upon the woes of the farmer, can be unwilling to let the States in which the farmer lives have the full benefit of estate or inheritance taxation. It seems to me that the conduct of those Members of this body is as hopelessly inconsistent as the conduct of other Members of this body who are prepared to give their assent to large increases in the expenses of the railroads at the very moment when they are decrying in the bitterest terms the high railroad rates of which the farmer complains. When I note inconsistencies of this kind I can not help believing that on the part of some of those who exhibit them there is far more uneasiness about reelection than there is about the real welfare of the farmer. So I say, let us abolish Federal estate taxation altogether, and let the States have the undisputed enjoyment of that instrument of taxation.

It follows from what I have said that not only do I favor the amendment suggested by the Finance Committee but that I am inflexibly opposed to the manner in which estate taxation was handled by the House of Representatives when the pending bill was under its consideration. As I have more than once had occasion to declare since I have been a Member of this body, it is high time that the Federal Government should cease to encroach upon the just rights of the States. I was opposed to the old candid, direct forms of Federal encroachment upon the domain of State jurisdiction, but feelings engendered in my breast by those forms of encroachment are but languid as compared with the feelings engendered in my breast by the more modern forms of Federal usurpation.

The time has arrived when the Federal Government is thrusting its hand into the very bosom of State authority, asserting sovereignty in one degree or another even over such subjects as infancy, maternity, labor, education, health, construction of State highways, and what not, things that no one in the earlier stages of our national history ever imagined for a moment that the Federal Government would attempt to intermeddle with. In recent years, through the agency of what has come to be generally known as 50-50 legislation, the National Government has contrived a means of filching from the States a large and a most precious part of their rights of local self-government.

All of us know how seductively, how insidiously the Federal appropriations, which are made from year to year for the construction of State highways in the Union, operate. After the Civil War there was for some time danger of State sovereignty being raped. That day has passed. Now the process by which the Federal Government, year after year, intrudes more and

more upon the province of State rights is a process of indirection, a process of stealth, a process of spoliation in the guise of helpful beneficence.

In the pending bill we have one of the most striking of all recent illustrations of that process. A sovereign State of the Union, the State of Florida, which has never had an estate or an inheritance tax, or an income tax, has seen fit, in the exercise of its own ideas of State policy, to adopt constitutional provisions prohibiting State estate or inheritance taxation, or State income taxation. Did she not have the right to do that if she saw fit to do it? If her condition was so fortunate that she could dispense with estate or inheritance or income taxation, is that any reason why the Federal Government should endeavor, in the cunning manner evidenced by the House provisions of the pending bill, to deprive her of her autonomy?

The House proposition is nothing less than an astutely devised expedient for fitting every State in the Union to one standard procrustean bed of taxation. The idea of that proposition is to make estate or inheritance taxation so alluring to the States that they will all adopt the same system of such taxation for the purpose of obtaining the credit of 80 per cent upon their Federal estate tax bills provided by the House. As the Senator from Arkansas [Mr. CARAWAY] has argued with such unanswerable force, the Federal Government might just as well attempt, in the same oblique manner, to control any other matter of State policy, to compel a State to knuckle under to its will in any respect whatever. In that manner the Federal Government might exercise dominion over education in the States, the tenure of property in the States; in fine over any and every matter of State concern, however intimate or vital. No power would be left to the States worth a pin's fee if such a practice on the part of the Federal Government were to be recognized and given force. And just reflect how unequally the House proposition would work! Most estates which are settled up in State probate courts fall below $50,000. That class of estates, of course, would not be entitled to any credit at all under the House proposition, because there would be no Federal estate tax upon which the credit could be made.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Wisconsin?

Mr. BRUCE. I yield.

Mr. LENROOT. I should like to follow the Senator, but I do not quite do so. If the estate is under $50,000 it is not affected at all by the present law.

Mr. BRUCE. That is just what I have stated; consequently, as to such an estate there would be no Federal estate tax on which any State estate tax could be credited. In other words, the proposition runs a line of invidious discrimination between estates of less than $50,000 and estates above $50,000.

Then another thing is to be borne in mind; inheritance taxation in many of the States—there is not much estate taxation in the States—is limited to collaterals. Take the State of Maryland, for instance. That State does not impose an inheritance tax upon anything except distributive shares or devises or legacies received by collaterals. So, in such States, except in the case of collaterals, there would be no State estate tax to be credited on the Federal estate tax even where the estate did not fall below $50,000. Can anyone deny that? In other words, the proposition of the House of Representatives not only draws an invidious line of distinction between estates that fall below $50,000 in value and estates that rise above $50,000 in value, but also draws the same line of distinction between estates that pass to the wife or lineal descendants of the testator and estates that pass to collaterals.

Those are matters to which no reference has been made in this debate, so far as I know, but they certainly are matters of the most pregnant meaning, which should be duly taken into account in asking just what the sequels of this proposition of the House, if carried into effect, would be.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Ohio?

Mr. BRUCE. I do.

Mr. WILLIS. I have not been privileged to hear all of the Senator's remarks, and possibly he may have covered this ground. I should be interested, if he has not covered the ground, to have him state what he thinks would be the effect on the rates of local taxation upon real and personal property in the States of the continuation and extension of the Federal inheritance tax?

Mr. BRUCE. I think it would be very serious, indeed. The Senator was not in the Chamber when I referred to some of the statistics that bear upon that matter. I will say to the Senator from Ohio that there are some States of the Union that derive as much as 14 per cent of their entire revenues from estate or inheritance taxes; and, of course, the effect of State estate or inheritance taxes is, as far as they go, to relieve the State property owner of the burden of taxation on his land.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland further yield to the Senator from Ohio?

Mr. BRUCE. I do.

Mr. WILLIS. The Senator will understand, of course, the point that I am driving at. The complaint in the country is about the high rates of taxation for municipal and county and State purposes. Now, it seems to me that if the Federal Government is to insist upon occupancy of this field of taxation, just as the Senator says, it must inevitably lead to increased burdens of local taxation.

Mr. BRUCE. Unquestionably, I say to the Senator from Ohio. As the legislative report of the New York committee to which I referred a little while ago shows, in the State of New York, even as respects the most highly productive lands, taxation absorbs 30 per cent of the net revenue of the farmer, and a still larger percentage in the case of the revenues of less productive lands. So, while I do not wish to repeat myself, it is hard for me to understand how anybody who feels any very intense solicitude about the farmer, such as is so often expressed upon the floor of this Chamber, should hesitate to turn over this particular branch of taxation exclusively to the States.

For instance, I will say to the Senator from Ohio, in 1922—I have no later statistics—inheritance taxes constituted 14 per cent of the State revenues from all sources in the State of Rhode Island, 13 per cent in Massachusetts, 13 per cent in Pennsylvania, 11 per cent in New York, 11 per cent in Connecticut, 11 per cent in California, 10 per cent in New Jersey, 7 per cent in North Dakota, and 7 per cent in North Carolina. This particular taxation is a matter of the very highest degree of importance to the States. It is a mere song so far as the Federal Government is concerned.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Wisconsin?

Mr. BRUCE. Certainly.

Mr. LENROOT. With reference to the inquiry of the Senator from Ohio, I should like to ask the Senator a question. If the House provision should prevail, allowing a credit of 80 per cent, does the Senator think the State of Maryland would increase its inheritance taxes so as to get the full benefit of the 80 per cent?

Mr. BRUCE. All I have to say is that I do not want my State subjected to the temptation of any such seduction.

Mr. LENROOT. That is hardly the question I asked; but let me put another question. If it did increase the credit, it would immediately relieve the general property of the taxpayer in the State of Maryland by the amount of the increase; would it not?

Mr. BRUCE. I think—I may be wrong about that, now—but I think that for upwards of 50 years at least the policy of our State has been to impose inheritance taxation only on estates passing to collaterals. I can not conceive of anything of the sort that would be more obnoxious to the sentiments, feelings, and convictions of our people than coercive legislation by the Federal Government which made them feel more or less as if they were compelled to alter their own ideas of State policy in order to obtain a benefit which they would gladly reject if let alone. We get right back to the crux of the thing when such a question is asked as the Senator from Wisconsin has asked of me. I reply to his question, as we are only too apt to do, by asking another: Why should not the State be allowed unseduced, unmolested, unafraid, to pursue its own ideas of State policy?

Mr. President, I believe that there is nothing remaining for me to say except to call attention to the very small revenue that the Federal Government would derive from estate taxation in case the proposition of the House were adopted. It is computed that the amount that would be derived during the present year from the Federal estate tax would be about $110,000,000. If 80 per cent of that went to the States, that would, of course, be $88,000,000. The Federal Government would get only $22,000,000. That would be the net result that it would reap from carrying into execution the ideas of the House.

In conclusion, Mr. President, I simply desire to call the attention of the Senate to the very small percentage of its entire taxes that the Federal Government has derived from estate taxation. During the Civil War and Spanish War the Federal inheritance tax never amounted to 1 per cent of the total

ordinary revenues of the Government, and even during the World War the best that it did was to contribute 3.6 per cent in one year to the revenues of the Government. The pending amendment suggested by the Finance Committee asks the Federal Government to give up something of very insignificant value to it and to confer upon the States something that might be of very great value to them indeed.

Mr. LENROOT. Mr. President, those favoring the repeal of the Federal estate tax approach the question from widely different roads, but they arrive at the same station. The Senator from North Carolina [Mr. SIMMONS] urges the repeal of the Federal tax upon the ground that the States need all the revenue that can be secured from a reasonable imposition of an estate or inheritance tax. Hence, he is in favor of the repeal of the Federal tax. Others frankly take the position that any imposition by either the Federal or the State Government of an estate or inheritance tax is immoral and wrong.

Mr. President, I am a little surprised to find many Senators on the other side of the aisle declaiming against the Republican Party as being the friend of special privilege, charging upon the platform that, due to the policies of the Republican Party, swollen fortunes have been gained, unearned, through special privilege, and yet they are unwilling to have the Federal Government secure any revenue by way of taxation out of those so-called swollen fortunes by way of an estate tax when it has an opportunity to do so.

My position upon this question is not that the States should be coerced. It is very simple. I believe that no fairer tax can be imposed than an estate or inheritance tax. Given reasonable exemptions, it is much fairer to impose such a tax than to impose an income tax upon an earned income of $5,000 a year. It is much fairer to impose such an estate tax than to impose an excise tax of 3 per cent on the sale of a Ford automobile. So, Mr. President, when we have one legitimate source of revenue that can be properly taxed by two jurisdictions, the State and the Federal, the fact that there may be conflict between those two jurisdictions is no reason why that source of revenue should go scot free and not be taxed at all.

Mr. President, my view is just this: The Federal Government should impose a reasonable estate tax and, recognizing that the States have the same power to impose a tax that the Federal Government has, consideration should be given to the taxing power of the other jurisdiction.

It might well be that with the unlimited exercise of the power of the two jurisdictions an estate might be entirely confiscated; and we may come to the time when the same principle will apply to the income tax, because the States to-day have exactly the same power to tax incomes that the Federal Government has.

It might be that we would have a State imposing such a high State income tax that when added to the Federal income tax it might practically confiscate the income. The jurisdiction of the State, as well as that of the Federal Government, is a very proper factor to be taken into consideration in the levying of taxes.

The House provision in this respect does what? It denies no power to the States, either to tax or to relieve from taxes. It does just this one thing, it recognizes fortunes transmitted at death as a legitimate subject of taxation, and it imposes a fair and reasonable rate. Then, by the credit provision it says, recognizing the States have the same power in this respect that the Federal Government has:

> If the States choose to exercise their power and use this as a source of revenue, in justice to the estate, we will deduct from the Federal tax the State taxes paid up to 80 per cent of the amount of the Federal tax.

If a State does not care to do that, as in the State of Florida, there is no discrimination against the State. We say that if Florida does not need this source of income, the Federal Government does, and we will have it, and the estate pays no more in one case than in the other.

It is urged that a Federal income tax has only been employed in time of war; but recognizing, as we must, that in 1916 the Federal inheritance tax, which has continued in existence in one form or another, was then employed, and as we were not then at war, it is admitted that in that case an inheritance tax was not only imposed when we were not at war but when the party that imposed it made a campaign throughout the United States and elected its candidate upon the platform that he had kept us out of war, giving the people of the United States to understand that by keeping the Democratic Party in power the United States would not get into the World War.

They say that the inheritance tax was necessary, that it was then proper in order to prepare the country for emergencies. But they say now the emergency is gone, now there is no more reason for this tax. They say the Federal Government does not now need the money. But they do say that the Government still needs 3 per cent tax on automobiles; they say the Government still needs a tax on admissions and dues; they say the Government still needs an income tax on all incomes in excess of $3,500 a year, but that it does not need the estate tax.

Do Senators think the people of the United States are going to accept that reasoning, that they are going to say that great fortunes of $10,000,000 and over need pay no tax to the Federal Government because we do not need the money, when we continue all the other taxes which are provided for in this bill?

Mr. President, the chief argument made by the majority on both sides of the aisle—because this, too, is a nonpartisan question—is that the States need this revenue, and that if the Federal estate tax be repealed the States will increase their inheritance taxes and thereby relieve the general property owner from the onerous taxes which he is now compelled to bear. That he is now compelled to bear them everyone now admits. The testimony is unanimous that the average farmer in the United States to-day, taking his combined taxes, pays about 30 per cent of his net income in taxes of one sort or another. The majority say, "Repeal the Federal estate tax and we will increase the State inheritance taxes so as to relieve the farmers of some of the burdens of the general property tax." But the propaganda behind this movement—and I am not referring to anyone in the Senate—the inspiration of all the tax clubs which came before the Ways and Means Committee of the House, was not aimed at finding a means of raising State inheritance taxes, but it was for the purpose, first, of repealing the Federal estate tax, and then going further to repeal State inheritance taxes. There can be no question about that.

Many governors of States came to Washington and appeared before the House Ways and Means Committee, urging the repeal of the Federal estate tax. Many representatives of tax clubs appeared before that committee, and nearly all of them recited about the same words, that they were in favor of the repeal of the Federal estate tax. But I want to give them due credit and say that when cross-examined by members of the Ways and Means Committee nearly every one of these gentlemen in the last analysis admitted he was not really in favor of the thing they came down to Washington to urge.

I have gone over the hearings before the House Committee on Ways and Means with some care, and I want to quote from just three or four of the governors of States and others who appeared before that committee in the first instance advocating just what is advocated here, the total repeal of the Federal estate tax.

Governor Walker, of Georgia, said:

> My State has practically abolished the inheritance tax. I want to say I think it was following the lead, the artificial lead, and the spirit, which I do not approve, of the State of Florida.

Yet there are Senators upon this floor who say that the action of Florida and Alabama would have no effect whatever upon their States. Here is the governor of one of the Southern States who practically says that the attitude of his State was governed by the attitude of the State of Florida.

The speaker of the Texas House of Representatives stated before the House Committee on Ways and Means that if the Federal tax were repealed he was satisfied that the State of Texas would not increase their State rates.

Mr. WADSWORTH. Does the Senator know the Texas State rate?

Mr. LENROOT. No; but I can give the Senator the amount they collected. They collected $114,000 in 1923 in the great State of Texas. Yet they come here and say, "Repeal the Federal estate tax so that we can relieve general property owners of our State." But the speaker of the House of Representatives of Texas says to the committee that if we do repeal it they will not increase their State rates. Therefore it follows that they will not relieve the farmer and the general taxpayer of Texas at all.

As for Iowa, Henry L. Adams, representing the tax clubs, said:

> I do not believe the State organizations would favor increasing the present estate tax in Iowa.

He was candid, he was frank. I have no question but that the State tax clubs would oppose increasing any State rate, because what they are after is to secure the repeal of both Federal and State interitance tax laws.

Mr. Clem F. Kimball, of the same State, appeared, and testified as follows:

Mr. CAREW. Would there be a tendency, if the Government got out of the field of inheritance tax, for your State government to increase the inheritance tax?

Mr. KIMBALL. No; I think not.

Mr. CAREW. And relieve the property tax?

Mr. KIMBALL. I think there would not be any tendency to increase the inheritance tax at the present time.

That was the statement of a representative of the State of Iowa. Does anyone say that the farmers of the State of Iowa are going to be benefited by the repeal of the Federal estate tax?

The Governor of Virginia appeared before the Ways and Means Committee of the House, in common with other gentlemen, at first blush joining with them in advocacy of the repeal of the Federal tax, but when he fully understood what the proposition involved was, Governor Trinkle, of Virginia, changed his mind. I want to quote from his testimony:

The CHAIRMAN. I think that if the Federal inheritance tax were absolutely repealed many wealthy citizens of your State—and there are many of them—would take up a nominal residence in Florida, and you would not only lose the inheritance tax but the income tax. You could not enforce either one against them. If you made the tax any more you would have a general exodus of them.

Governor TRINKLE. Yes.

Mr. GARNER. There is no other power that could reach Florida in this situation except that of the Federal Government.

Governor TRINKLE. None that I know of; no, sir.

Mr. RAINEY. And it is doubtful whether the Federal Government——

Governor TRINKLE (interposing). I do not think it is at all doubtful. If you should turn it over and leave it to the States, to be manipulated as they pleased, or to be levied in such form as they pleased, it would have that bad effect.

That is the statement of Governor Trinkle, of the great State of Virginia.

Then, there was the Governor of Tennessee. I do not notice either of the Senators from Tennessee upon the floor, and I am sorry. Governor Peay testified:

I will say to this committee that I do not think we will increase inheritance tax in Tennessee at all if the Federal Government should abandon its inheritance tax.

These are the views of some of the men who came to Washington last fall to appear before the Committee on Ways and Means to advocate the repeal of the Federal tax. When they got here and learned what the true situation was, there was scarcely one of them who did not modify his position, as can be seen by anyone who will go through the hearings.

Just as sure as night follows day, if we repeal the Federal tax and it is attempted in North Carolina to increase the estate tax, it will fail, because Alabama and Florida have no inheritance tax. The result will be, if we repeal the Federal estate tax now, that one by one the States will repeal their State inheritance taxes, and this great amount of unearned wealth will go scot free from any sort of an estate or inheritance taxation.

Mr. WADSWORTH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from New York?

Mr. LENROOT. I yield.

Mr. WADSWORTH. Do I understand the Senator to prophesy seriously that every State in the Union will eventually repeal its inheritance tax law?

Mr. LENROOT. I think it is very likely to happen even in the great State of New York. I remember what happened in the Senator's State some 15 or 20 years ago.

Mr. WADSWORTH. Why go so far back?

Mr. LENROOT. I know it drove some very wealthy New Yorkers to another State.

Mr. WADSWORTH. Has the Senator noticed any disposition on the part of New York Legislatures at any time to repeal that tax?

Mr. LENROOT. No; because we have a Federal tax.

Mr. WADSWORTH. But before we had a Federal tax?

Mr. LENROOT. I do not know. This system of Federal taxation, as the Senator knows even better than I, has only really begun to tap estates in the last 10 years.

Mr. WADSWORTH. That is a very sound suggestion the Senator just made. I like that word "tap."

Mr. LENROOT. It is a perfectly good English word.

Mr. WADSWORTH. Let me state to the Senator that there is not the slightest chance on earth that New York will give up her inheritance tax.

Mr. LENROOT. I am glad to hear it.

Mr. WADSWORTH. I think I can say the same for many other States. In fact, we had inheritance taxes before the Federal Government started to do this tapping, and all it has done is to cramp our style.

Mr. LENROOT. But you have increased your taxes. Did you not increase your taxes so as to get the full 25 per cent credit?

Mr. WADSWORTH. Has the Senator noticed the way in which that was done?

Mr. LENROOT. Was it not done?

Mr. WADSWORTH. It was done and it was not done. The taxpayer pays no more. The Federal Government did not get the benefit of what the State did.

Mr. LENROOT. But the State of New York got a little more by reason of the 25 per cent credit, did it not?

Mr. WADSWORTH. No; it did not. The State rate remained the same. It was very skillfully devised by the transfer of accounts on the State tax list in that respect, which I think the Federal Government has met with a half-way proposal, and the taxpayer in New York pays no more and no less and the State gets the revenue.

Mr. LENROOT. Should the 80 per cent credit prevail does the Senator think New York would increase her rates?

Mr. WADSWORTH. No; I do not think she would. She is taxing enough now.

Mr. LENROOT. Then the Federal Government would get more revenue than some gentlemen have been estimating.

Mr. SIMMONS. Mr. President, New York is now collecting probably more as inheritance taxes than the Federal Government collects in estate taxes.

Mr. LENROOT. New York collects an estate tax of some $17,000,000, and the Federal Government collected $10,000,000.

Mr. SIMMONS. The Senator is mistaken about that. The State of New York collected $17,000,000.

Mr. WADSWORTH. The State of New York is not going to give up that revenue by any means. Her rates are low, but the number of taxpayers is high. The State gets a substantial revenue. It adopted the policy of inheritance taxes years and years ago, and has not the slightest intention of abolishing them.

Mr. LENROOT. Of course, if the State of New York does not see fit to increase its inheritance tax and get the full amount of credit, the Federal Government will get that much more.

Mr. BRUCE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Maryland?

Mr. LENROOT. I yield.

Mr. BRUCE. I desire to state to the Senator from Wisconsin, in connection with what was said by the Senator from New York, that to my own personal knowledge we have had a collateral inheritance tax in Maryland for 45 years. I looked the matter up this afternoon. If I am not mistaken that tax has been in existence 75 years, or even a hundred years. I want to ask the Senator from Wisconsin a question. I gathered from the views that were expressed by the Senator in the Sixty-seventh Congress that at that time he did not believe an estate tax was based on any correct principle whatever.

Mr. LENROOT. I do not know what the Senator is reading from.

Mr. BRUCE. It is the Congressional Digest. There is a summary here of the views then expressed by the Senator.

Mr. LENROOT. I am sure I never said any such thing as that.

Mr. BRUCE. I verified it by reference to the CONGRESSIONAL RECORD.

Mr. LENROOT. I said the Federal tax I thought was not based upon a correct principle. I favor the inheritance tax rather than the estate tax.

Mr. BRUCE. This digest says that—

Senator LENROOT spoke against the section, saying that the plan of an estate tax is not based upon any correct principle.

Mr. LENROOT. Yes; I have always been in favor of an inheritance tax and the rate being based upon the distributive shares.

Mr. BRUCE. That was the view of other Senators.

Mr. SIMMONS. Mr. President, will the Senator yield to me?

Mr. LENROOT. Certainly.

Mr. SIMMONS. I do not desire to interrupt the Senator from Wisconsin.

Mr. LENROOT. I am glad to be interrupted.

Mr. SIMMONS. And I should not have done it if somebody else had not done so in the first instance. But there was a part of the reasoning of the Senator a few moments ago that

I could not possibly follow. His argument was that if the Federal Government took its hand off of this source of taxation the States also would abandon it. At the present time the Federal Government is collecting out of the States $110,000,000 a year, or that is what it is estimated it will collect next year. Notwithstanding the fact that the Federal Government is collecting that large amount out of the citizenship of the country every year, the several States of the Union in 1925 imposed State inheritance taxes from which they realized $79,000,000, or within $30,000,000 of as much as the Federal Government was collecting. Now, does the Senator think that the States which would levy $80,000,000 while the Federal Government was levying $110,000,000 would abandon that field if the Federal Government should cease to tax inheritances at all?

Mr. LENROOT. They are very likely to do so.

Mr. SIMMONS. Why should they not abandon it when the Government is imposing this heavy burden? Why should they wait until the Government removes that burden and then abandon that field?

Mr. LENROOT. But I just read where the Governor of Georgia said they had done that very thing this last winter.

Mr. SIMMONS. But Georgia does not constitute the 48 States.

Mr. LENROOT. I will give the Senator the reason.

Mr. GEORGE. Will the Senator permit me to interrupt him?

Mr. LENROOT. Certainly.

Mr. GEORGE. The governor was not entirely accurate in his statement. The State had a very small estate or inheritance tax. The rates were very low. After the passage of the 1924 act which allowed the 25 per cent credit to the taxpayers within the States, the State then passed an inheritance or estate tax law which hinged itself on the Federal act and provided that the State should levy and collect 25 per cent of the tax levied by the Federal Government.

Mr. LENROOT. So if the Federal tax is repealed there will be no State inheritance tax in Georgia?

Mr. GEORGE. That is so far as estates up to $50,000, which are exempt under the Federal law.

Mr. LENROOT. I want to give to the Senator from North Carolina the reason that will actuate many of the States. We have had some experience in my own State of Wisconsin with reference to very wealthy men moving to other States, partly by reason of the inheritance tax and partly due to other tax conditions. But it is not only the inheritance tax that is involved. A man with a very large fortune engaged in a very large business, if he is resident in the State, pays an income tax from year to year in that State. If there be inducements for him to remove his residence to another State, it is not the inheritance tax alone that is lost, but the income tax from that man from year to year, so that it might well be that a State, for the purpose of getting that man's income tax from year to year, would be willing to repeal its inheritance tax law.

Again, with reference to what the States might do, I recognize the very powerful influence of groups of individuals upon legislative bodies, legitimately exercised, of course. To illustrate, I find in this very body a most complete reversal with regard to this very question in the last five years, due no doubt to the various tax clubs and organizations of various kinds. If they could so influence the Members of the Senate, is it too much to say they might likewise influence the members of State legislatures after they have accomplished their purpose here?

In this connection I want to read the action of this body five years ago upon this very subject. Last year there was no roll call upon the estate-tax provision. I was ill at the time and was not here, but I looked up the RECORD. But five years ago, in 1921, an amendment was offered increasing the estate tax to a maximum of 50 per cent, or double the rate that then existed under the law. The war was over then as much as it is to-day. But how did this body vote then upon that proposition to increase the estate tax to a maximum of 50 per cent upon estates in excess of $100,000,000, 30 per cent upon the net estate exceeding $50,000,000, and graduated between?

Voting for that amendment, of the present Members of the Senate, I find the following: Messrs. ASHURST, BORAH, BROUSSARD, CAPPER, CARAWAY, CUMMINS, CURTIS, EDGE, HARRELD, HARRIS, HARRISON, HEFLIN, JONES of New Mexico, KENDRICK, LENROOT, MCKELLAR, MCNARY, ODDIE, OVERMAN, REED of Missouri, SHEPPARD, SWANSON, and WILLIS, voting then for a 50 per cent maximum.

Ah, but it will be said, "We needed the money then and we do not need it now. We were still in the aftermath of the war then," it will be said, "but we are not so now." What difference was there, so far as the principle is involved, between the situation as to the war in 1921 and the situation to-day? There was just this difference in the situation: Then we owed $25,000,000,000 of indebtedness incurred to carry on the war, and now we only owe $20,000,000,000 of indebtedness. Is there any difference?

Mr. WADSWORTH. Surely there must be some other differences. The appropriations have decreased tremendously since 1921 other than the appropriations for the payment of war indebtedness.

Mr. LENROOT. I am speaking of the situation so far as the war was concerned.

Mr. WADSWORTH. I thought the Senator said there was no difference between conditions in 1921 and conditions to-day.

Mr. LENROOT. Oh, no. That referred to all departments of the Government. But so far as the war situation was concerned, in 1921 we owed $25,000,000,000 growing out of the war, while to-day we owe $20,000,000,000, most of it growing out of the war. Mr. President, who is there that can say that the emergency has ceased? Who is there that would say that we should make the buyer of a Ford automobile help to pay this $20,000,000,000 of indebtedness; that we should make the man with an earned income of $5,000 a year help to pay this $20,000,000,000 of indebtedness; but we must not ask an estate of $10,000,000 to pay one single penny of that $20,000,000,000 of war indebtedness on the transfer of that estate? That is just what is involved in this question.

Mr. President, I know it will be said by some that those of us who favor this proposition have some prejudice or animosity against great fortunes, and we can not help their saying that; but to my mind the proposal which we advocate is based upon just one principle, one which I think should govern the levy of all taxes; it is based upon ability to pay. I have yet to hear the man who will say that an estate having an exemption of $50,000—a gross estate, we will say, of $100,000—should not pay the modest sum of $500 on the transfer of that estate. That is all of the tax which is imposed in this proposed law.

On whom is it a hardship? Who has earned the money? The Senator from Connecticut [Mr. MCLEAN] this morning sought to challenge the statement of the Senator from Nebraska [Mr. NORRIS] that all recognized economists of reputation were in favor of the Federal estate tax, and he read from Professor Seligman in a book written a few years ago—in 1914, I believe—and yet Professor Seligman appeared before the Committee on Ways and Means on this very bill and strenuously opposed and now opposes the repeal of the estate tax. I read from page 480 of the hearings. Professor Seligman said:

> My argument is that from the point of view of what is needed it would be hazardous entirely to abandon the estate tax because, although we do not get much out of it—only $110,000,000—we might get a great deal more, as other countries do. Moreover, in proportion as you get something out of our Federal inheritance tax you can reduce the income tax and the other taxes. You have to take the system as a whole. It is always a bad thing to keep all your eggs in one basket. That is as true of the Federal Government as of private industries.

Then there is another noted economist——

Mr. MCLEAN. Mr. President, will the Senator from Wisconsin permit an interruption there?

Mr. LENROOT. Certainly.

Mr. MCLEAN. I was appealing from Professor Seligman before the Ways and Means Committee to Professor Seligman in his study.

Mr. LENROOT. Yes; and I appeal from Professor Seligman in his youthful days, when he had made a very incomplete study of this subject, to his attitude to-day, when, since the time when the Senator from Connecticut quoted him, he has given 12 more years to the study of this important subject.

Mr. MCLEAN. Professor Seligman was mature in 1914, and I think his judgment then was superior to his judgment in 1926.

Mr. LENROOT. The Senator from Connecticut and I wholly disagree upon that, of course.

Mr. MCLEAN. Yes; we disagree.

Mr. NORRIS. But if the Senator from Wisconsin will permit an interruption, certainly the Senator from Connecticut can not draw that conclusion without casting reflection on his own judgment, if he is going to say that Professor Seligman now is not entitled to credit.

Mr. MCLEAN. My opinion in 1914 was precisely what it is now. When I once get right I do not change.

Mr. NORRIS. The Senator ought in 14 years to be able to keep pace with Professor Seligman and learn something.

Mr. MCLEAN. I do not keep pace with men who are inconsistent and who go wrong.

Mr. NORRIS. The Senator from Connecticut is consistently inconsistent. [Laughter.]

Mr. LENROOT. Mr. President, there is another noted economist who is very well known to Members of this body, who for many years was the adviser and expert of the Finance Committee of the Senate. I refer to Professor Adams, who is now a professor of economics at Harvard University. I think, without any question, unless it be Professor Seligman, that Doctor Adams is the most noted authority upon taxes in the United States. I should like to quote what Doctor Adams said before the Ways and Means Committee with reference to this question. He was asked this question by Mr. OLDFIELD:

Doctor, I would like to ask you a question: We have had a great deal of evidence here on both sides of the question of continuing the inheritance tax, and I would like to have your views on that. I believe you are a member of the Delano committee.

Senators will remember that the Delano committee, representing the National Inheritance Association, made a report which was filed with the committee wherein it did not advocate the repeal of the estate tax at present, but did advocate its repeal to take effect six years hence. Doctor Adams said in answer to the question asked by the member of the committee:

No, sir; I am not.

That is, he was not a member of the Delano committee—

There you ask me an embarrassing question, because most of my friends and most of the men I like and trust have indorsed that Delano report. I indorse it, I think, with the exception of one provision, and that is that you should repeal the tax now to take effect six years later. I should like to see the substance of the Delano report adopted without a provision for repeal, and then wait and see what happens. So far as I know it, the position of Judge HULL—

One of the members of the committee of the House—

on this subject is precisely my own position. I think that we ought to get from death dues in this country more than we get at present. I think that we should raise from this source enough revenue to measurably relieve the farmers and the general taxpayers.

Here, to my mind, is the hub to this question: The average State inheritance tax imposes upon direct heirs or upon direct shares of the larger size a maximum rate which, in the average State, is considerably less than 5 per cent. In short, the average State government imposes upon the shares of larger size going to direct heirs a tax of less than 5 per cent. In my opinion that is not enough.

Then Doctor Adams goes on and advocates the retention of the Federal tax and giving the States credit for the State taxes paid.

Mr. President, I have occupied a longer time than I intended. I am in favor of the House provision. I recognize the inequality of the present system, whereby we may have a Federal tax and two or three State inheritance taxes which, combined, may impose an unjust burden upon an estate; but with the House provision giving a credit of 80 per cent of the amount of the Federal tax, we have reduced almost wholly that inequality, and incidentally—not as a primary purpose but incidentally—we have removed the incentive of one State to repeal in toto its inheritance taxes for the purpose of attracting wealthy residents from other States to give up their residence and move to such State as does not impose such taxes. All that I want, all that I ask, is that estates pay a fair tax somewhere. If the States do not care to exercise their power, then I want the Federal Government to get the revenue. We can use it.

Does any Senator say that we can not beneficially make a further reduction of $20,000,000 in the taxes imposed by the pending bill? No Senator will say that; and we will get much more than $20,000,000 a year out of this tax that could be used to reduce other taxes, because, if Senators are correct, many of the States will not take advantage of the provision allowing them the full 80 per cent credit, and in so far as they do not do so the Federal Government will get the increased revenue. The House provision I undertake to say, Mr. President, is fair; it is just; it ought to be adopted, and the Senate committee amendment ought to be rejected.

Mr. SIMMONS. Mr. President, I really had not expected to have anything more to say than I have said during the day in colloquies which I have had with Senators in their time, but the very remarkable argument which has fallen from the lips of the Senator from Wisconsin [Mr. LENROOT] rather tempts me to make some further observations upon this subject.

I want to go back a bit. It is questioned whether the Federal Government should resort to this form of taxation as a permanent system or only to meet emergency situations. It is even questioned whether, when the Government has heretofore resorted to it, it did so to meet an emergency or not. The Senator from Florida traced the history of this species of taxation very thoroughly and presented that phase of the subject fully. I do not want to review that, but the Senator from Wisconsin claims that when we resorted to this method of taxation in 1916 we resorted to it, not because there was an emergency, but because we wanted to engraft it on our system of taxation as a permanent policy. I stated in reporting the tax bill of 1917 as chairman of the Committee on Finance that inheritance taxation was a revenue source that ought to be left to the States and commented on the inheritance tax as being an emergency expedient.

It is true that in 1916 this country was not at war; it may be that there was no direct threat against this country on the part of any of the belligerents then in the World War, but it is also true, as I pointed out this morning, that in 1916, owing to the conditions of the struggle then going on in Europe, this country felt that it might at any time become involved.

We had been furnishing munitions of war to the Allies. Germany deeply resented that action on our part. The Imperial German Government practically demanded that this Government should cease to permit that and assumed a threatening attitude toward us. From one end of America to the other there grew up a feeling, entirely justified by the conditions, that the dictates of ordinary discretion, prudence, and foresight required that this Government should put itself in a condition of preparedness.

There was no dissent from that proposition so far as I know. It is true, as the Senator from Wisconsin says, that President Wilson was doing all that he could to keep us out of the war. He did keep us out as long as he could; but President Wilson, as well as the great mass of the American people, felt that we should adopt measures to put ourselves in condition to fight if it became necessary to fight. They felt that it was necessary that we should put ourselves in that condition in order to avoid having to fight. It was the fundamental theory of the great Roosevelt, when he began his campaign against unpreparedness, that the way to preserve peace in the world, the way to protect ourselves against aggression on the part of other nations, was always to be ready and prepared to defend ourselves.

If that is true—and I think it is true—even in ordinary conditions, I think until we have disarmed and abandoned the old practices that have so often led to war ordinary wisdom requires that a country should always be in readiness to defend itself; but in the conditions that confronted us then there could be no question about the wisdom of that course. It was recognized in 1916. I was then chairman of the Committee on Finance. It was recognized that if we did do this thing which prudence required and suggested that we should do it would be necessary to incur enormous expenditures, and that it was necessary, therefore, to resort to war taxes, as the Senator from Maryland [Mr. BRUCE] has said, for the purpose of raising the necessary revenue; and that is the reason why in that particular act this additional tax, this inheritance tax which was imposed, was specifically designated as a war tax.

Were we justified in imposing the tax? Did the actual conditions of expenditure show that it was necessary? At that time, in 1916, we were expending hardly a billion dollars annually to meet our ordinary expenditures. I believe the amount was just a little over a billion dollars. In the next year, however, the year for which the levy was made, 1917—it was proposed in 1916, but to meet the expenditures of the fiscal year 1917—in the year 1917, as the result of the condition of affairs to which I have referred, the expenditures of this Government increased from a little over a billion dollars to nearly two and a half billion dollars. The Senator is wrong when he said we did not resort to this tax then, as in every other time when we have ever imposed it, because of an emergency—a very pressing emergency it was, too.

Theretofore, when we had imposed this tax upon the people, as soon as the pressure was removed we had always repealed it. In the eighteenth century we did it once, and we did it three or four times in the nineteenth century, and we did not wait long to do it after the wars closed. These facts establish the proposition that it is the policy of this Government to levy an inheritance tax only in cases of great emergency, and the emergencies in which we have levied it have been connected with war.

The Senator says that we ought not to repeal this tax because he says we need it to supplement the revenues of the Government. Why, Mr. President, we had a surplus last year of $330,000,000. We have a surplus this year of three hundred and thirty-odd millions of dollars, and next year I imagine we will have another surplus of two or three hundred million dollars. Why did the House shape the bill as they did, if the House thought we needed this source of revenue? Does not the bill prepared by the House, and which the Senator himself is cham-

pioning on this floor with such vigor and vehemence, upon its very face contain a confession that it was the opinion of the Ways and Means Committee that the Government did not need revenue from this source?

Mr. President, the bill proposes to give the States 80 per cent of this tax. That is a confession that the Government does not need that part of the tax; is it not? It retains only 20 per cent of the amount, if the States see fit to take advantage of it—20 per cent. The maximum rate is 20 per cent. The part which the Government retains is 4 per cent. The actuaries of the Treasury will tell you that it costs the Government about 2 per cent to collect that tax. That cuts it down to 2 per cent. Two per cent of the amount involved is $10,000,000; so that if this bill works as it is predicted it will work, and as it is intended it shall work, all the revenue that the Government proposes to get out of it is $10,000,000.

The Senator asks, "Why not repeal these other taxes, the taxes on automobiles and trucks?" I am in favor of doing that, Mr. President. I think we can repeal the entire tax upon automobiles and trucks, and practically every one of the excise taxes and still have enough money to run the Government without resorting to inheritance taxes; and, Mr. President, we can go farther than that. We could have rejected, as we should have done, the increases proposed by the majority members of the committee and adopted by the Senate against the protest of this side of the Chamber. We could have rejected that increase of 1 per cent upon corporations and still have had money enough to run the Government without resorting to this tax, without this pitiable little $10,000,000 of tax that the Government will get from inheritances. The minority voted for all those reductions, and the minority is ready to vote for all of them again, and is not afraid of doing it, either.

The Senator from Wisconsin says that although the Government will get only $10,000,000 out of this levy for the purpose of coercing the States of this Union to levy an inheritance tax as high as 80 per cent of the rate as the Federal Government levies we ought to agree to this provision of the bill. What right has this Government, under the Constitution, under the decisions of the Supreme Court, under the general policies that obtain here, to levy any tax upon the people of the United States except to raise revenue to defray the expenses of the Federal Government? What provision of law authorizes the United States Government to levy a tax for the benefit of the States? Where does the Federal Government get its authority, not only to levy taxes which the people of the States shall pay into their own treasuries, but also to go into the States with an army of Government officials and collect the taxes? What provision of law makes the Federal Government a tax collector for the States of this Union?

Have we come to the point where we have no respect for the rights of the States? Have we come to the point where the Federal Government shall assume to decide what inheritance taxes the States shall impose? When did the great State which I in part represent abrogate its rights to determine what taxes it should impose upon its citizenship for its own expenses and purposes?

It is said the Federal Government is justified in doing this, because one State of this Union having exceptional advantages in certain directions, advantages which no other State in the Union possesses, had a little boom just after it repealed its inheritance tax. It is said that this fact constitutes a reason why the Federal Government should tread under foot the rights of the States and assume the office of going into the States and determining not only their taxes but also undertaking to collect their taxes. That is the excuse given for it, the only excuse and the only warrant for it. I say it is a high-handed procedure.

Suppose you succeed in perpetrating this outrage upon the sovereignty of the great States of the Union? Are you going to stop? They might survive this blow. But is it the last blow you are to deliver? Suppose you determine that you will apply the same principle to the income taxes. Many of the States are now operating mainly upon inheritance and income taxes. Suppose you decide to apply that principle to the income taxes and pass a law here giving the States a part of your heavy levy. You increase your levy on income taxes, increase it to such a point as to give the States half of it, or two-thirds of it, or three-fourths of it, or four-fifths of it, the proportion provided in this bill. You say to the States, "Now, you raise your income taxes up to that point. It is a good thing to have uniformity of income taxes in this country," just as it is said now it is a good thing to have uniformity in inheritance taxes. Some States, like Florida, do not levy them at all. Some States, like Georgia, levy a very trifling tax. Some States, like Virginia, levy inconsequential taxes. New York levies $17,000,000 of taxes on inheritances; the great State of Pennsylvania, I think, something over twenty million in inheritance taxes. Things are unequal. It is said, "The public welfare requires that this thing should be made uniform, and therefore we will resort to this same scheme with reference to income taxes." And it is applied.

They do not stop there. We have recently developed a magnificent system of interstate highways, stretching from Maine to Florida, from San Francisco to Washington City. These have become the main arteries of highway travel. They are filled with automobiles going to and fro all during the year, and at certain seasons of the year there is great congestion. As the automobiles pass from one State to another the owners have to pay a different rate of gasoline tax. Some States have a high tax, some have a low tax, some have no tax at all. Gasoline is a subject that the Federal Government might constitutionally resort to for income. Let us assume it levies, therefore, a high tax upon gasoline and provides that the State shall have a half of that or two-thirds of it, with a view of forcing all the States of the Union to equalize to uniformity their levies upon gasoline.

So you might go on down the line. What will be the result? The result will be that every State in this Union will be seething with Federal officials levying and collecting taxes from the citizens of the States for State benefit. The result will be that the power and the right of the States to impose taxes according to their judgment and according to the conditions which exist in their respective jurisdictions will be wiped out, and the will of the Federal Government with reference to State-imposed taxes shall be substituted for the will of the States.

Is there a more insidious way of attacking State sovereignty and State political autonomy than that? Is there a more insidious way that the mind and ingenuity of man can invent of centralizing all power in the Federal Government here at Washington?

No, Mr. President; I might conceivably vote for a reasonable inheritance tax, but I will never vote for an inheritance tax four-fifths of which is to go to the States. We had such a provision going to 25 per cent in the other act. I want to say that it got in that act without my knowledge. I did not discover it until too late. It was a wrong principle. It ought to have been attacked and fought before. But it can be seen how these invasions grow and expand. From 25 per cent it has gone up to 80 per cent under the present proposal.

The Senator from Wisconsin in the whole of his long-drawn-out discourse made only this argument: "If you do not do this, there will be more Floridas in this country. The States will just fall pell-mell over each other repealing their inheritance taxes in order to induce capital to come to them instead of going elsewhere."

Mr. President, this talk about the elimination of inheritance taxes in Florida, and the abolishing of the income taxes in Florida, being responsible for the great movement that has taken place in that splendid State during the last 18 months or 2 years, is all fiction. A few people may have gone there in part for that reason, but the Florida movement is a movement that started away back in the days of Flagler. He started it. God had laid the foundation. Flagler's work has been supplemented by the construction of good roads from one end of the country to the other, focusing in Florida. Flagler, good roads, and natural advantages have made Florida. Flagler and good roads give full value and full credit to the magnificent winter climate of that fine old State. It was that, and not because of the repeal of moderate income taxes and inheriance taxes. Florida was not imposing any, anyhow, prior thereto.

That it was not the repealing of the tax laws is shown by the illustration which I gave this morning. In the mountains of North Carolina there is a combination of climate and of natural beauty that for years has attracted people from all sections of the United States. There is now, and has been for years, a heavy flow of people to that section from every quarter of the United States. But when we finished our system of splendid highways in North Carolina, connecting that section of the country with all the surrounding States by magnificent, hard-surfaced, concrete roads, the movement gained impetus, and this year it has assumed the proportions of a boom, which, in the rise and pyramiding and repyramiding of the values of property in that section, compares very favorably with what has happened in Florida. Indeed, I have heard it said that the development of this kind around the town of Hendersonville has even out-Floridaed Florida. Anyhow, it is something that is very remarkable, and it is spreading all over that section of the country.

Why is that happening? Florida capitalized her climate and made access to the State easy and pleasant. The people of North Carolina have capitalized the summer climate of the mountains of western North Carolina and made access to them easy and attractive. The same thing that has happened in Florida has happened in parts of North Carolina, notwithstanding the fact, as I pointed out this morning and emphasize now, that in North Carolina we have not only a high income tax, but we have a high inheritance tax, and we raise all the money that is necessary to support and pay the expenses of that great State only and solely through income, inheritance, and license taxes.

The people who added impetus to that development in my State last year are people who came principally from Florida. The mountains were literally filled with people from Florida. The rich people who went down there for the winter climate came up to my State for the summer climate.

There is nothing in the Senator's contention. The Senator says we will abandon this tax if the Federal Government takes its hands off. I submit it is reasonable for me to answer that by saying if there ever was a time that would naturally appeal to the people of the several States to abandon their inheritance taxes it was the time when the Federal Government was piling up mountain high these very taxes. That is the time when the people of the States would have refrained. That is the time, if ever, when they would have repealed these taxes where any were imposed by them. But, contemporaneously with this enormous levy by the Federal Government, the States have gone on from year to year increasing their inheritance taxes, and I want to give an illustration of how they have gone forward during the period from 1916, when the Federal inheritance tax was adopted.

At that time the States were only collecting in the aggregate $29,000,000 from inheritance taxes. In 1917 they collected $38,916,000; in 1918, $37,078,000; in 1919, $45,770,000; in 1922, $66,128,000; in 1923, $74,895,000; in 1924, $79,308,000. These taxes were levied by a graduated upward scale during the period of time when the Federal Government had a heavy hand on the States. To-day the Federal Government is collecting through its inheritance taxes $110,000,000 and the States, which the Senator from Wisconsin thinks will not respond by increasing their taxes or even by allowing them to stay on the statute books if the Federal law is repealed, are collecting practically $80,000,000, or within $30,000,000 of as much as the Federal Government is imposing. Is it not remarkable that a man with the acute understanding of the Senator from Wisconsin should make the argument in this extremity that if the Federal Government takes off this burden the States will at once wipe out their inheritance taxes, because, forsooth, Florida has had a boom?

Suppose the State of the Senator from Wisconsin had undertaken to draw tourists from all parts of the country and get up a resort boom in that State, with the climatic conditions they have in that State, does anyone think a repeal of the inheritance tax in that State would have counted a farthing in promoting the movement? Certainly not.

The Senator thinks the States are in no humor to impose an adequate inheritance tax. Let us see. The State of the Senator from Wisconsin paid the Federal Government in 1924 $1,764,000, and in 1925 paid $1,125,000. In 1924 Wisconsin paid the Federal Government $1,764,000, but notwithstanding that, the people of the State which the Senator in part represents imposed an inheritance tax that yielded $2,894,000 to the State, twice the amount of the Federal tax; and yet the Senator is the man who stands here and says that the other States of the Union will wipe out their inheritance taxes if the Federal inheritance tax is repealed in order to put themselves upon a parity with Florida.

No, Mr. President, there is nothing in that argument. A few States may get frightened because they see a great influx of people to Florida and think it is due to the repeal of the State constitutional provision against inheritance and income taxes, but it will only be a day's dream. The idea is already being exploded. The idea will soon be totally exploded and abandoned. Does the Senator mean to tell the Senate that the 34 governors who came here to appear before the Ways and Means Committee in behalf of the repeal of this tax, fully aware, as they were, that their States had imposed heavy inheritance taxes during the war when the Federal Government was also heavily taxing, that they came here for the purpose of getting this tax removed so they might escape the State inheritance tax in their States and put themselves upon a footing with Florida? Does he mean to say that to an intelligent Senate and expect such a statement to be credited?

It is true that he read some extracts from one or two governors here whose States did impose such a small inheritance tax that it is manifest that the disposition to tax inheritances as a source of revenue has not taken hold in those States as it has in other States.

What does this table show with reference to the $80,000,000 inheritance taxes paid in the several States? Forty-eight States, $80,000,000, an average of nearly $2,000,000 to the State. If they impose that heavy tax while the heavy Federal tax existed, can there be any question about their increasing those taxes after the repeal of the Federal tax? There was a time when the States resorted but to a small extent to this tax. In one year, far back about the beginning of this century, they were collecting only a few millions of dollars in all of the States from this source of taxation. That was because the expenses of the administration of the affairs of the States at that time were a mere bagatelle compared to what they are to-day. We were in pre-war times. We did not require much revenue. From time immemorial the States had been getting their income from property taxes, and they continued for a while, but suddenly they wakened to this means as a proper source. When the war came that spirit was quickened and they went on increasing the taxes as the necessity increased. Now, the Federal Government is about to abandon this system of taxation. In effect, the Federal Government comes in and says in practical effect, "We will surrender all of this tax except $10,000,000 to the States." The Federal Government says, "We no longer need it. The emergency which called it forth has passed. The war is over. We have ample revenue from less legally doubtful sources of Federal levy to conduct the Government. We are annually confronted with surpluses. We do not need those millions of inheritance taxes. The States need them, and we are ready practically to turn them over to the States, reserving to ourselves only enough to pay the legitimate expenses of collection."

The Federal Government is abandoning it because the emergency has passed away, but, as I said this morning, that emergency has gradually passed away, so far as the Federal Government is concerned, and an emergency equal in proportion and in effect has come upon the States of the Union, growing not out of things of their own volition, but growing out of a revolution that has come about in the United States due to change in conditions and due to great and beneficial inventions. We got along at one time, as I said this morning, with the old dirt road. The automobile came. A new invention, one of the greatest in its beneficial effect upon humanity and upon business and commerce that has ever been discovered by man, came along and revolutionized the situation from one end of the country to the other.

The States at once thought it was necessary for them to get out of the old ways and discard the mud roads and build these magnificent concrete roads that we now have, costing from $36,000 to $40,000 a mile. Then they have entered upon that program with a spirit worthy of the advanced position of the American people, and in a few years they have accomplished marvels. They are still in the work of girding this country from one end to the other with magnificent hard-surfaced roads in order to meet the demands of commerce and travel and transportation.

Mr. President, the States have had to build, the counties have had to build, the cities and towns have had to pave, and the burden of expense that has been thrown upon the property of the taxpayer, whether it be real or personal property, has been enormous and therefore the States have been casting about to find some means of supplementing their revenues in the interest of their heavily burdened taxpayers. If the $10,000,000 in taxes be collected or if we impose a flat tax that would raise $110,000,000 without any contribution to the State, it would give scarcely any benefit in the reduction of taxes. It would not benefit the 100,000,000 people who pay directly practically no taxes to the Federal Government under the internal revenue system. It will not benefit them. It will not help reduce their ad valorem burden of taxation.

But suppose we transfer this source of taxation to the States and make it possible for the States to increase their levies, to double them—I believe in less than five years we will find that the amount collected by the States will be double what it is now—who would get the benefit of that? It will go right straight down the line. It will reach and reduce the taxes on every acre of land, the tax on the humblest residence, the tax on the merchant who is struggling to make a living out of his business and support his wife and children, the tax upon the laboring man, upon the farmer, and upon all the 100,000,000 of people. Just to the extent that the States get their revenue out of the inheritance tax, just to that extent will the ad valorem tax upon the property of these 100,000,000 taxpayers be reduced.

Mr. NORRIS obtained the floor.

Mr. HEFLIN. Will the Senator yield?
Mr. NORRIS. I yield to the Senator from Alabama.
Mr. HEFLIN. I wondered if the unanimous-consent request could not be submitted now so that Senators may know just what is going to happen.
Mr. NORRIS. I have no objection.
Mr. SMOOT. Will the Senator yield to me?
Mr. NORRIS. I yield to the Senator from Utah.
Mr. SMOOT. I send to the desk a proposed unanimous-consent agreement.
The VICE PRESIDENT. The clerk will read it.
The Chief Clerk read as follows:

It is agreed, by unanimous consent, that on the calendar day of Wednesday, February 10, 1926, at 4 o'clock p. m., the Senate will proceed to vote, without further debate, upon Title III—Estate tax and all amendments thereto.

The VICE PRESIDENT. Is there objection?
Mr. BLEASE. I object.
The VICE PRESIDENT. The Senator from South Carolina objects.
Mr. WATSON. I trust the Senator from South Carolina will not object.
Mr. BLEASE. Yes, sir; I object. We had enough of that yesterday. I do not want to get caught any more. One time is enough for me.
Mr. WATSON. The situation is this, I will say to the Senator: The members of the committee who have the bill in charge on both sides, including the Senator from North Carolina [Mr. SIMMONS], the ranking Democratic member of the committee, and the other Democratic members of the committee, together with the Republican members of the committee, all have agreed that this vote shall be taken at 4 o'clock to-morrow.
The Senator from Nebraska [Mr. NORRIS] is a party to that agreement, as is the Senator from Michigan [Mr. COUZENS]. Everybody has agreed to it, and I trust that in the interest of progress and orderly procedure my friend from South Carolina will withdraw his objection; otherwise, I will say to the Senator, we will be compelled to go on here to-night and remain in session for several hours longer, when there is really no occasion for it, and when we can all get away and have a good night's rest and come back to-morrow refreshed.
Mr. KING. Mr. President, will the Senator yield?
Mr. WATSON. Yes.
Mr. NORRIS. I yield to the Senator from Utah.
Mr. WATSON. I beg the pardon of the Senator from Nebraska; I overlooked the fact for the moment that he has the floor.
Mr. KING. I was about to join in the appeal which was made by the Senator from Indiana.
Mr. JONES of Washington. Mr. President——
The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Washington?
Mr. NORRIS. I yield.
Mr. JONES of Washington. While this matter is being adjusted, I merely wish to ask unanimous consent that I may have inserted in the RECORD chapter 119 of the Session Laws of the State of Washington, 1923, which I think justifies me in voting for the committee amendment. It shows that our inheritance tax in that State goes up as high as 40 per cent. I ask that the chapter referred to may be inserted in the RECORD, and then I shall take no more time on the amendment.
The VICE PRESIDENT. Without objection, it is so ordered.
The matter referred to is as follows:

[Session Laws of Washington, 1923]

CHAPTER 119

INHERITANCE TAX

An act (S. B. 164) relating to taxation of inheritances and amending section 11202 of Remington's Compiled Statutes

Be it enacted by the Legislature of the State of Washington:

SECTION 1. That section 11202 of Remington's Compiled Statutes be amended to read as follows:

"SEC. 11202. The inheritance tax shall be imposed on all estates subject to the operation of this and other inheritance tax acts of the State of Washington at the following rates:

"If passing to or for the use of a father, mother, husband, wife, lineal descendant, adopted child, or lineal descendant of an adopted child the tax shall be 1 per cent of any value not exceeding $50,000; 2 per cent of any value in excess of $50,000 and not exceeding $100,000; 3 per cent of any value in excess of $100,000 and not exceeding $150,000; 4 per cent of any value in excess of $150,000 and not exceeding $200,000; 5 per cent of any value in excess of $200,000 and not exceeding $300,000; 7 per cent of any value in excess of $300,000 and not exceeding $500,000; 10 per cent of any value exceeding $500,000: *Provided, however*, That in the above cases $10,000 of the net value of any estate shall be exempt from such duty or tax.

"If passing to or for the use of a sister, brother, uncle, aunt, nephew, or niece the tax shall be 5 per cent of any value not exceeding $50,000; 6 per cent of any value in excess of $50,000 and not exceeding $100,000; 8 per cent of any value in excess of $100,000 and not exceeding $150,000; 10 per cent of any value in excess of $150,000 and not exceeding $200,000; 12 per cent of any value in excess of $200,000 and not exceeding $300,000; 15 per cent of any value in excess of $300,000 and not exceeding $500,000; 20 per cent of any value in excess of $500,000.

"If passing to or for the use of collateral heirs beyond the third degree of relationship or to strangers to the blood, the tax shall be 10 per cent of any value not exceeding $50,000; 12 per cent of any value in excess of $50,000 and not exceeding $100,000; 15 per cent of any value in excess of $100,000 and not exceeding $150,000; 20 per cent of any value in excess of $150,000 and not exceeding $200,000; 25 per cent of any value in excess of $200,000 and not exceeding $300,000; 30 per cent of any value in excess of $300,000 and not exceeding $500,000; 40 per cent of any value in excess of $500,000.

"Passed the senate February 13, 1923.

"Passed the house March 2, 1923.

"Approved by the governor March 15, 1923."

Mr. SMOOT. Mr. President——
Mr. NORRIS. I yield to the Senator from Utah.
Mr. SMOOT. Mr. President, I ask again that the unanimous-consent agreement which I proposed a few minutes ago be entered into. I hope there will be no objection to the request this time.
The VICE PRESIDENT. Is there objection?
Mr. SMOOT. I will say to the Senator from South Carolina [Mr. BLEASE] that I am renewing my request for unanimous consent. Does the Senator insist upon his objection to it?
Mr. BLEASE. I will agree to it, so far as I am concerned, with an understanding. I do not want to make a speech, and do not expect to do so, but I do not like the way some Senators were treated here yesterday. I believe in a fair deal for everybody, it does not make any difference who he is. If he be the blackest nigger in the world, give him a fair deal. I will withdraw my objection with the understanding that if the Senator from Nebraska [Mr. NORRIS] wants an hour to speak on this subject between 2 and 4 o'clock to-morrow he may be allowed to do so.
Mr. SMOOT. Certainly.
Mr. SIMMONS. We will agree to that.
Mr. NORRIS. Let me say to the Senator from South Carolina that at the time the proposition was submitted I had the floor, and I suppose should we take a recess now when we convene I would still have the floor.
Mr. SMOOT. That is the understanding.
Mr. NORRIS. I do not want, however, to have any misunderstanding. I do not think I shall speak for more than an hour, but I may. I do not want to keep any other Senator from speaking. I, myself, would not agree to this proposition if I thought that any Senator would be prevented from speaking who wants to speak. I should like to make rather an extended speech on this question.
Mr. HEFLIN. The Senator will have five hours, from 11 to 4 o'clock to-morrow.
Mr. NORRIS. I have made all the inquiry I can, and I do not think there will be any doubt whatever but that there will be time for everybody; I would not consent to the agreement under any other circumstances; but if the agreement is entered into now I will say to my friend from South Carolina that, from the parliamentary standpoint, I have the floor and will have the floor when we convene again.
Mr. KING. And the Senator can talk as long as he desires.
Mr. BLEASE. With that understanding, I do not object. As I have said, I do not want to make a speech on the question; I do not expect to do so; but for the five years I have left here I do not expect to submit to any unanimous-consent agreement that will subject any Senator on this floor to the treatment that the Senator from Michigan [Mr. COUZENS] received on yesterday.
The VICE PRESIDENT. Is there objection? The Chair hears none, and the unanimous-consent agreement is entered into.

RECESS

Mr. SMOOT. I move that the Senate take a recess until 11 o'clock to-morrow.
The motion was agreed to; and (at 6 o'clock and 20 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, February 10, 1926, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

TUESDAY, *February 9, 1926*

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, always near and never far away, this day we would put our trust in Thee. Quicken every good impulse of our breasts that we may do good and see clearly the way of truth and wisdom. We ask most fervently that Thy blessed holy spirit, with all His fullness and power, may possess and direct us. In all the problems that may arise for solution may the highest and the best results be obtained. Amid the duties and exactions of each day may we see forward to the final victory of good over evil. Give high purpose to our conduct, and may we follow in the wake of Him who is our Lord and Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

NO QUORUM—CALL OF THE HOUSE

Mr. DOWELL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Iowa makes the point of order that a quorum is not present.

Mr. BLANTON. Mr. Speaker, that will require two roll calls. I think we can get enough votes to have a roll call on that amendment.

Mr. DOWELL. I have full knowledge of the gentleman's statement. I made the point with full knowledge.

Mr. BLANTON. Very likely there will be enough Members to respond to the roll call.

Mr. TILSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 30]

Beedy	Fredericks	Kvale	Reid, Ill.
Butler	Fuller	Lanham	Robsion, Ky.
Carter, Calif.	Funk	Lee, Ga.	Sabath
Celler	Gallivan	Lineberger	Strong, Pa.
Collins	Gilbert	Luce	Sullivan
Corning	Golder	McLaughlin, Nebr.	Summers, Wash.
Cox	Graham	Madden	Sumners, Tex.
Cramton	Hawes	Mead	Swoope
Curry	Hayden	Michaelson	Taber
Davey	Hudson	Mooney	Tincher
Dempsey	Hull, Tenn.	Nelson, Me.	Treadway
Dominick	Kendall	Nelson, Wis.	Tydings
Esterly	Kiess	Peavey	Upshaw
Fitzgerald, Roy G.	Kunz	Rayburn	Wilson, Miss.
Flaherty	Kurtz	Reed, Ark.	Yates

The SPEAKER. Three hundred and sixty Members have answered to their names. A quorum is present.

Mr. TILSON. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

ARTIFICIAL BATHING BEACHES, DISTRICT OF COLUMBIA

The SPEAKER. The unfinished business is the vote upon the motion of the gentleman from Texas [Mr. BLANTON] to recommit House bill 6556, for the establishment of artificial bathing beaches in the District of Columbia.

Mr. BLANTON. Mr. Speaker, may we have that motion reported?

The SPEAKER. Without objection, the Clerk will report the motion of the gentleman from Texas to recommit.

The Clerk read as follows:

By Mr. BLANTON: Mr. Speaker, I move to recommit this bill to the Committee on the District of Columbia, with instructions to report the same back to the House forthwith, with the following amendment, to wit: On page 2, line 2, after the word "sum," insert the following: "wholly out of the revenues of the District of Columbia."

Mr. BLANTON. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The gentleman from Texas demands the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. As many as favor the motion of the gentleman from Texas will answer "yea" when their names are called; those opposed will answer "nay."

The question was taken; and there were—yeas 145, nays 220, not voting 66, as follows:

[Roll No. 31]

YEAS—145

Abernethy	Deal	Kerr	Rouse
Allgood	Dickinson, Mo.	Kincheloe	Ruby
Almon	Dominick	Lankford	Rutherford
Arnold	Doughton	Larsen	Sanders, Tex.
Aswell	Driver	Lazaro	Sandlin
Auf der Heide	Edwards	Lee, Ga.	Schafer
Ayres	Eslick	Little	Sears, Fla.
Bankhead	Evans	Lowrey	Simmons
Barkley	Fisher	Lozier	Sinclair
Beck	Fletcher	Lyon	Smithwick
Bell	Fulmer	McClintic	Somers, N. Y.
Berger	Gambrill	McDuffie	Speaks
Black, N. Y.	Garber	McKeown	Sproul, Kans.
Black, Tex.	Gardner, Ind.	McMillan	Steagall
Bland	Garner, Tex.	McReynolds	Stedman
Blanton	Garrett, Tenn.	McSwain	Stevenson
Bowling	Garrett, Tex.	McSweeney	Swank
Box	Gasque	Major	Taylor, Colo.
Brand, Ga.	Goldsborough	Martin, La.	Taylor, W. Va.
Brand, Ohio	Green, Fla.	Milligan	Thomas
Briggs	Greenwood	Montague	Tillman
Browning	Hare	Moore, Ky.	Tucker
Buchanan	Hastings	Morehead	Underwood
Bulwinkle	Hill, Ala.	Morrow	Vinson, Ga.
Burtness	Hill, Wash.	Nelson, Mo.	Vinson, Ky.
Busby	Hoch	O'Connell, R. I.	Warren
Byrns	Hogg	O'Connor, La.	Weaver
Canfield	Howard	Oldfield	Wefald
Cannon	Huddleston	Oliver, Ala.	Wittington
Carss	Hudspeth	Parks	Williams, Tex.
Carter, Okla.	Hull, Tenn.	Peery	Wilson, La.
Chapman	Jacobstein	Pou	Wingo
Cleary	Jeffers	Quin	Woodrum
Collier	Johnson, Ky.	Ragon	Wright
Crisp	Johnson, Tex.	Rankin	
Crosser	Jones	Rayburn	
Davis	Kemp	Romjue	

NAYS—220

Ackerman	Ellis	Lampert	Scott
Adkins	Fairchild	Lea, Calif.	Seger
Aldrich	Faust	Leatherwood	Shreve
Allen	Fenn	Leavitt	Sinnott
Andresen	Fish	Lehlbach	Smith
Andrew	Fitzgerald, W. T.	Letts	Snell
Anthony	Fort	Lindsay	Sosnowski
Appleby	Foss	Linthicum	Spearing
Arentz	Frear	McFadden	Sproul, Ill.
Bacharach	Free	McLaughlin, Mich.	Stalker
Bachmann	French	McLeod	Stephens
Bacon	Frothingham	MacGregor	Stobbs
Bailey	Furlow	Magee, N. Y.	Strong, Kans.
Barbour	Gibson	Magee, Pa.	Strother
Beers	Gifford	Magrady	Summers, Wash.
Begg	Glynn	Manlove	Sweet
Bixler	Goodwin	Mapes	Swing
Bloom	Gorman	Martin, Mass.	Swoope
Boies	Graham	Menges	Taylor, N. J.
Bowles	Green, Iowa	Merritt	Taylor, Tenn.
Bowman	Griest	Michener	Temple
Boylan	Griffin	Miller	Thatcher
Brigham	Hadley	Mills	Thayer
Britten	Hale	Montgomery	Thompson
Browne	Hall, Ind.	Moore, Ohio	Thurston
Brumm	Hall, N. Dak.	Moore, Va.	Tilson
Burdick	Hammer	Morin	Timberlake
Burton	Hardy	Murphy	Tinkham
Carew	Harrison	Newton, Minn.	Tolley
Carpenter	Haugen	Newton, Mo.	Underhill
Chalmers	Hawley	Norton	Updike
Chindblom	Hersey	O'Connell, N. Y.	Vaile
Christopherson	Hickey	O'Connor, N. Y.	Vare
Clague	Hill, Md.	Oliver, N. Y.	Vestal
Cole	Holaday	Parker	Vincent, Mich.
Colton	Hooper	Patterson	Voigt
Connery	Houston	Perkins	Wainwright
Connolly, Pa.	Hull, Morton D.	Perlman	Walters
Cooper, Ohio	Hull, William E.	Phillips	Wason
Cooper, Wis.	Irwin	Porter	Watres
Coyle	James	Prall	Watson
Crowther	Jenkins	Pratt	Weller
Crumpacker	Johnson, Ill.	Purnell	Welsh
Cullen	Johnson, Ind.	Quayle	Wheeler
Darrow	Johnson, Wash.	Rainey	White, Me.
Davenport	Kahn	Ramseyer	Whitehead
Denison	Kearns	Ransley	Williams, Ill.
Dickinson, Iowa	Keller	Rathbone	Williamson
Dickstein	Kelly	Reece	Winter
Douglass	Ketcham	Reed, N. Y.	Wolverton
Dowell	Kiefner	Robinson, Iowa	Wood
Doyle	King	Rogers	Woodruff
Drewry	Kopp	Rowbottom	Wurzbach
Eaton	Kurtz	Sabath	Wyant
Elliott	LaGuardia	Schneider	Zihlman

NOT VOTING—66

Beedy	Flaherty	Kvale	Sanders, N. Y.
Butler	Fredericks	Lanham	Sears, Nebr.
Campbell	Freeman	Lineberger	Shallenberger
Carter, Calif.	Fuller	Luce	Strong, Pa.
Celler	Funk	McLaughlin, Nebr.	Sullivan
Collins	Gallivan	Madden	Sumners, Tex.
Connally, Tex.	Gilbert	Mansfield	Swartz
Corning	Golder	Mead	Taber
Cox	Hawes	Michaelson	Tincher
Cramton	Hayden	Mooney	Treadway
Curry	Hudson	Morgan	Tydings
Davey	Johnson, S. Dak.	Nelson, Me.	Upshaw
Denpsey	Kendall	Nelson, Wis.	White, Kans.
Drane	Kiess	Peavey	Wilson, Miss.
Dyer	Kindred	Reed, Ark.	Yates
Esterly	Knutson	Reid, Ill.	
Fitzgerald, Roy G.	Kunz	Robsion, Ky.	

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Drane (for) with Mr. Gallivan (against).

Until further notice:

Mr. Cramton with Mr. Mead.
Mr. Golder with Mr. Shallenberger.
Mr. Treadway with Mr. Lanham.
Mr. Strong of Pennsylvania with Mr. Hayden.
Mr. Begg with Mr. Corning.
Mr. Esterly with Mr. Gilbert.
Mr. Freeman with Mr. Connally of Texas.
Mr. Sweet with Mr. Hawes.
Mr. Butler with Mr. Sumners of Texas.
Mr. Carter of California with Mr. Tydings.
Mr. Kendall with Mr. Kunz.
Mr. Madden with Mr. Collins.
Mr. Reid of Illinois with Mr. Reed of Arkansas.
Mr. Kiess with Mr. Wilson of Mississippi.
Mr. Hudson with Mr. Mooney.
Mr. Funk with Mr. Celler.
Mr. Dyer with Mr. Mansfield.
Mr. Taber with Mr. Davey.
Mr. Campbell with Mr. Sullivan.
Mr. Dempsey with Mr. Cox.
Mr. Luce with Mr. Upshaw.
Mr. Lineberger with Mr. Kvale.
Mr. Knutson with Mr. Nelson of Wisconsin.
Mr. Michaelson with Mr. Peavey.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

The title was amended.

A motion to reconsider the vote by which the bill was passed was laid on the table.

WAR DEPARTMENT APPROPRIATION BILL

Mr. ANTHONY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 8917, making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes. Pending that motion I would like to ask the gentleman from Virginia [Mr. HARRISON] whether we can not agree on time for general debate.

Mr. HARRISON. Mr. Speaker, the gentleman from Kentucky [Mr. JOHNSON], who is the ranking minority member of the subcommittee, is too unwell to make this request, so at his suggestion I ask the gentleman from Kansas to give our side five hours.

Mr. ANTHONY. I will say to the gentleman that we would like to close general debate in a shorter time than would be involved in five hours on that side. Could not the gentleman reduce that time?

Mr. HARRISON. I do not think I shall use it, but I will be glad to have it, because there are two committees interested in this bill, the Military Affairs Committee and the Appropriations Committee. Therefore, I ask for that time, although I do not expect to use it all.

Mr. ANTHONY. If the gentleman could reduce that to about four hours on his side, that would enable us to finish general debate in two days, and if he will do it I believe it will be advisable.

Mr. HARRISON. I would rather have the five hours, but how about four hours and a half?

Mr. ANTHONY. All right; we will drive a bargain. Mr. Speaker, I ask unanimous consent that the time for general debate be limited to four and a half hours on each side, four and a half hours to be controlled by the gentleman from Virginia [Mr. HARRISON] and four and a half hours to be controlled by myself.

The SPEAKER. The gentleman from Kansas asks unanimous consent that general debate upon this bill be limited to nine hours, of which four and a half hours shall be in the control of the gentleman from Kansas and four and a half hours in the control of the gentleman from Virginia. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Kansas moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 8917, a bill making appropriations for the War Department.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 8917, a bill making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the consideration of H. R. 8917, which the Clerk will report by title.

The Clerk read the title of the bill.

Mr. ANTHONY. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. HARRISON. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. CONNALLY]. [Applause.]

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, on the 7th of January, in this Chamber, I submitted some remarks with reference to the speech which the President of the United States made in New York on November 19, in which, in substance, he said that the present generation of business, through its responsible organizations, was manifesting every evidence of correcting its own abuses with as little intervention on the part of the Government as possible. I then undertook to point out that since the utterance of those sentiments before the Chamber of Commerce of New York there had come into being in the United States an almost unprecedented number of mergers and consolidations of great corporate properties. I then took occasion to point out that the President of the United States in his message to the Sixty-eighth Congress had recommended that changes in the procedure of the Federal Trade Commission be adopted in the interest of economy and speed. Then I adverted to the fact that the President in his message to the present Congress had reminded Congress that he had suggested changes in the procedure before the Federal Trade Commission and that that commission, as reorganized by the President, had voluntarily made those changes which he recommended should be made permanent by law. I undertook then to point out how, under the reorganization of the Federal Trade Commission through the appointment by the President of Mr. Humphrey, the dominant figure in that governmental agency, the Federal Trade Commission had shown a lack of interest in investigating and prosecuting violations of the antitrust laws. I then undertook to point out that the Attorney General of the United States last fall had given out a public statement to the effect that the Department of Justice was not going to concern itself with small violations of the antitrust laws but that only the serious violations would have any notice from the Department of Justice.

At that time I incorporated in my remarks a long list of mergers and consolidations that had been effected in the closing months of 1925. It is my purpose to-day, gentlemen, to point out that since those remarks on the 7th day of January, this tide of corporate consolidations and mergers has gone steadily on during the past month. I want to put into the RECORD some of the notices from the press as to the formation of these new and additional monopolies.

On February 3 the press announced that the National Food Products Co., a $200,000,000 holding corporation to deal in foodstuffs, had been organized. On February 1 an oil merger involving the Manhattan Pipeline Co. of $20,000,000 was reported. On the same day a $10,000,000 concrete products merger was announced, and on the 23d day of January the following press dispatch from New York was carried:

The trend toward mergers and consolidations was the feature of the week.

On the 14th day of January it was reported that the J. G. Brill Co. had formed a $150,000,000 merger with the American Car & Foundry Co. On January 11 the Simms Petroleum Co. was said to be about to be merged with a merger mentioned by me on January 7. On January 12 an $80,000,000 merger of power concerns in Florida was announced, and on the 22d the proposed merger of the Northeastern Power Co. and the Power Corporation of New York was announced. A recent news dispatch told of the merger of 33 brick manufacturing concerns in the Middle West producing more than half the brick in Iowa, Kansas, Oklahoma, and western Missouri, by Flint & Co. of New York, and under the name of Western Brick & Tile Co. of Kansas City. On the 13th day of January the Central States Electric Co. issued a 900 per cent stock dividend. On January 23, flaming headlines read, "Bankers behind big rail merger."

Within the last month, gentlemen, there have been many corporate mergers, many more than I have been able to call to your attention or shall be able to call to your attention in the brief span which I shall be able to devote to that question; but a few days ago there was announced the formation of what, let us hope, was the climax to this veritable tidal wave of corporate mergers and consolidations in the necessaries of life which the American people must have to subsist. This was the $2,000,000,000 Ward Baking Corporation that proposes to deal not alone in bread but in all of the food products of the Nation.

A $2,000,000,000 food merger! What happened? As if to deaden the public conscience, as if to somewhat dull public indignation at this defiance of the laws, this corporation announces that one of its purposes shall be:

The directors shall from time to time be authorized to make contributions from the surplus or net profits of the corporation for the purpose of erecting or maintaining one or more hospitals, infirmaries, dispensaries, or homes for invalid or aged employees of the corporation.

And mark these words of this altruistic corporation, this charitable institution—

And to make such other contributions as in the judgment of the board of directors will contribute to the protection or advancement of the interests of the corporation.

Its charities are to be for the advancement of the corporation.

What else does it promise? As a further testimony of its high and exalted purpose it says:

To perform any act permitted by law to the end that the American people may have and enjoy wholesome food at fair prices and that every child may enjoy the right to be born well, to reach school age well, and to grow to maturity physically and mentally fit for American citizenship.

If this concern does not propose ultimately to monopolize the food business of the entire United States, how will it ever be able to provide that every child—and that is its language—may enjoy being born well and have and enjoy wholesome food at fair prices.

My friends, this is a new doctrine that is to be announced—the doctrine that the public are to be lulled into indifference and unconcern by the fatuous promise that this corporation is to extend charity to its victims after it has fleeced the poor and wrung from them out of the bread which they must eat, inordinate profits in order that it may, out of its largess, distribute some of it to charity. [Applause.]

Gentlemen, it may be of interest to you to know that this strange doctrine is not now announced for the first time in the United States. In the course of my remarks I shall necessarily refer to the President of the United States. As I said a month ago, I speak respectfully of the President of the United States. I want no one in this Chamber to think that I would refer to him in anything but terms of respect, but respect of the kind that enables one man in the discharge of his own duty to look another man in the eye in the discharge of his duty and talk as man to man.

On the 27th day of November, 1920, the present occupant of the White House, fresh from his election as Vice President of the United States, but before he took office, made a speech in New York to a meeting of the alumni of Amherst College. The topic of the then Vice President elect on that occasion was economics and education. That speech was reported in the Boston Herald of November 28, 1920, and the newspaper file is yonder in the cloakroom if any curious gentlemen want to question what I have to say about it. In that speech what did the then Vice President elect and the now President of the United States say about such aggregations of corporate wealth and purposes such as are announced by this food merger known as the Ward Baking Corporation? Here is what he said—not all that he said, but part of what he said:

We justify the greater and greater accumulations of capital because we believe that therefrom flows the support of all science, art, learning, and the charities which minister to the humanities of life, all carrying their beneficent effects to the people as a whole.

Gentlemen of the House, that was and is a remarkable utterance. It is the announcement of a new philosophy of economics. It is a pronouncement from a high station of a strange doctrine alien to the political ideals of the United States. When the President says, "We justify," he must realize that these greater and greater accumulations of capital need a justification; he must realize that going with them, as it does, monopoly hand in hand, and going with these accumulations of greater capital the economic power to control the necessaries of life, he must realize that they are in need of justification, and so he says:

We justify them because we believe that therefrom flows the support of all science, art, learning, and the charities which minister to the humanities of life.

Gentlemen, are 110,000,000 of people, living in the greatest nation on the globe, living in the richest land the sun shines upon, dependent for all science upon the charity that these great aggregations of wealth may dispense? Can not the people of the United States out of their own Treasury in State and Nation provide for the investigation and propagation of science without being dependent on the charities of the great corporate monopolies of the land? Are we dependent on them for the support of science? The Vice President in 1920 said we are dependent upon them for the support of all learning. Where are the educational systems of the States; where are all of the millions of dollars of necessary expenses for public education? Are we dependent on them for all learning? Then the President says we are dependent on these great aggregations of capital for all the charities. I wonder if the organizers of the Ward $2,000,000,000 food trust ever read anywhere this sentiment expressed by the President of the United States.

Mr. MOORE of Virginia. Will it disturb my friend if I interrupt him?

Mr. CONNALLY of Texas. Not at all.

Mr. MOORE of Virginia. I wonder if the gentleman has seen a striking article by Professor Ripley, of Harvard University, in which he discusses the unprecedented corporate combinations that are now being formed, with ownership disassociated from control, and a condition of peril created of which the public takes little cognizance. It is a most impressive article which should awaken universal interest and help to bring about action in the line of what the gentleman is suggesting.

Mr. CONNALLY of Texas. I am pleased to have the gentleman call that article to mind.

Mr. MOORE of Virginia. It is in the Atlantic Monthly for January.

Mr. CONNALLY of Texas. I regret to say that I did not have the benefit of the article before I undertook to make these remarks. My own source of information has been that which is daily available to all of us, the public press and Government reports, but I am sure in such cursory examinations as I have been able to make many consolidations and statements relating to them have escaped my notice. I thank the gentleman for contributing the thought to the effect that notwithstanding this flood of corporate consolidations of greater and still greater economic power under the dominance of fewer and still fewer men the people of the United States seem to have a feeling of unconcern and indifference.

My own conviction is that the speech of the President at New York in November, 1925, contributed much to reassure the country and the people that all was well and that business was performing its functions properly and that it was correcting its own abuses, and that on the other hand these corporate concerns, covetous and anxious to consolidate, took the language of the President as an assurance that they would not be disturbed; taken in connection with the statement of the Department of Justice last fall when the assistant in charge of antitrust prosecutions announced that there would be a season of freedom and that only serious infractions would be prosecuted, could be easily construed as an assurance of safety. I dare say these two causes contributed mightily to the formation of the attitude of the public noted by the writer of the article to which the gentleman from Virginia has referred.

But, gentlemen, some may say that the President and the Department of Justice have awakened. I do not want to do them an injustice. My own view is that the Federal Trade Commission, dominated by an appointee of the President, Mr. Humphrey, operating under the new system of procedure suggested by the President, whereby the accused is given a secret hearing before the board of review and permitted to present his evidence without the presence of the prosecutor—my own view is that so far as the useful functions of the Trade Commission are concerned the Trade Commission is suffering from pernicious anemia, and the Department of Justice has an attack of the sleeping sickness. [Laughter and applause.]

Oh, some one will say that last night's paper carries an announcement, and this morning's paper has an announcement, that the Department of Justice has filed an injunction suit in Baltimore against the formation of the Ward Baking Trust, the $2,000,000,000 concern, and that the Federal Trade Commission has begun an investigation in New York of the Continental baking concern, the $400,000,000 merger, which I mentioned in my speech a month ago and about which the Attorney General stated that he had taken no notice.

Gentlemen, why this notice at this time, now; why the injunction against the Ward Baking Corporation, and why the investigation by the Federal Trade Commission of the Continental baking concern? Why, gentlemen, can it be denied that the speeches in the Houses of Congress in this Capitol, that the agitation and investigation by committees at the other end of the Capitol, have in all probability contributed mightily to arouse a slight sign of vitality in the Federal Trade Commis-

sion and a fitful and faint awakening of the Department of Justice?

But let us see; the Department of Justice some time ago was trying to get from the Federal Trade Commission the files in the case of the Aluminum Co. of America, of which Secretary Mellon is one of the principal owners, and which the Federal Trade Commission had investigated and had reported that that concern had violated not once, not twice, not thrice, but many times a Federal court decree. What happened? The Federal Trade Commission, dominated by Mr. Humphrey, refused to turn over to the Department of Justice the files and evidence against the Aluminum Co. of America.

And the Senate called upon the Department of Justice for an opinion as to why it did not get the evidence, and what did the Attorney General reply? The Attorney General of the United States officially replied that under existing law he knew of no way to get it. I have his exact words here somewhere, and I do not want to do him an injustice by misquoting him. Here is what he said:

I am of opinion that the refusal of the commission to disclose the evidence in this case can not under existing law be remedied in any proceedings brought by the Attorney General.

The substance of what the Attorney General said was that under existing law he knew of no way by which the evidence locked up in the Federal Trade Commission and which was damning to the Aluminum Co. could be secured by the Attorney General of the United States! The Attorney General directs every Federal district attorney in the United States. Every district attorney has access to a Federal grand jury. Why, gentlemen, every country lawyer in America except the Attorney General knows that a Federal grand jury could bring the Federal Trade Commission's files and documents and could bring the commissioners themselves, if necessary, before the grand jury and obtain that evidence. [Applause on the Democratic side.]

What happened? The Federal Trade Commission said, "We won't give it up." The Attorney General says that he can not get the evidence, and he does not know how. Then the Senate of the United States called up a resolution calling for that evidence to be turned over to the Senate itself, and the Aluminum Co., out of the goodness of its heart, appeared and said:

If you are that serious about it, we will consent that it be turned over.

Mr. Chairman, is the great Government of the United States dependent for the vindication of its laws upon the consent of those who violate them and then defy the Government to prosecute the violation? Why, if the doctrine announced by the Federal Trade Commission that it can lock up its files and deny them to the Attorney General, and if the opinion of the Attorney General that he, the chief law officer of the United States, has not within his own office, has not within the power of all the Federal courts, any process by which to get that evidence, is to be accepted, then the Federal Trade Commission, organized as it is to prosecute the trusts, becomes a city of refuge to which the guilty may flee, a sanctuary for those who violate and defy the laws of the United States! [Applause on the Democratic side.]

Oh, but they say, Congress ought not to make political speeches about the Federal Trade Commission and about the Tariff Commission and about the formation of corporate mergers and about corporations and their defiance of law—at least the President says so. The White House spokesman, whoever that unseen and unknown individual may be, gave out a statement to the newspaper correspondents a few days ago. What did he say? I have the newspaper clipping here, but I shall not attempt to read all of it. The clipping goes on to say that—

President Coolidge took a rap to-day at what was termed propaganda—

And so forth.

Then there is a reference to the Army and Navy, and what else?

That the Federal Government is not properly enforcing the laws of the land—

And—

What the President had to say regarding the propaganda aimed at the efficiency and honesty of purpose of the present administration in its administration of the Government is taken by those who heard him—

And so forth. Who?

The newspaper says "The President." At some other place it refers to the spokesman, this evanescent individual that floats out into the press columns when he wants to and then disappears behind a screen. This strange individual called the spokesman is revealed by this newspaper article as the President himself. What does it say?

What the president had to say regarding propaganda aimed at the efficiency and honesty of purpose of the present administration in its administration of the Government is taken by those who heard him as a reply to the recent criticisms and implications relative to prohibition enforcement, the prosecution of the Aluminum Co. of America, the recent consolidation of large corporations, the administration of the Federal Trade Commission, and the United States Tariff Commission. President Coolidge believes that the business of the Federal Government is proceeding very well—

Then the article winds up—

the President hopes that the public will not take too seriously the speeches that are being made both in and out of the Capitol, and that his administration will continue to enjoy public approval and support.

The New York Times of February 2 reported:

The administration struck back to-day at its critics in Congress and the country. At the White House the increasing attacks were characterized as seasonal or actuated by political motives.

Mr. Chairman, I congratulate the Department of Justice on filing its injunction suit against the Ward $2,000,000,000 Food Corporation. I hope that it will take action of a different variety from what it took in the matter of the Aluminum Co. of America, which the Department of Justice was investigating. Although it had not completed the investigation the department gave out a statement that it could be said that the investigation would be favorable to the Aluminum Co. I hope that the Department of Justice, when it gets the evidence from the Ward $2,000,000,000 merger, will not pursue the policy of the Federal Trade Commission and lock up the evidence and not permit the courts to have it. In New York, to-day, I notice from the newspapers, the Federal Trade Commission is investigating the $400,000,000 bakery merger, a component part of which is the Continental Baking Co., which last year on a capitalization of $14,000,000 made profits amounting to $10,000,000.

That company has recently merged with others in a $400,000,000 concern, and this morning's paper tells us that the Federal Trade Commission examiner was not able to get desired proof out of that company, because the president of the company declined to give it. The evidence was not procured. Will the Trade Commission have to wait until it is voluntarily produced, as the Aluminum Co. finally came in and surrendered the testimony when it saw the Senate would get it anyway?

I congratulate the Department of Justice and the Federal Trade Commission, and I hope they will now turn their engines on the Aluminum Co. of America, proof as to which they already have in their files, and regarding which the Federal Trade Commission has already completed its investigation, declaring that it has violated Federal court decrees not once, not twice, but many times. The Attorney General has that proof that he did not know how to get. Why does he not file suit? Why do you want an injunction against the Ward Baking Corporation if it can go on violating that injunction with impunity?

Mr. OLIVER of New York. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. I yield.

Mr. OLIVER of New York. Does not the gentleman realize that there is a Cabinet officer who makes aluminum and no Cabinet officer who makes bread? [Laughter on the Democratic side.]

Mr. CONNALLY of Texas. The interruption of the gentleman from New York, as usual, is very illuminating as well as "aluminating," and I thank the gentleman; but if they are going to prosecute the baking corporation, why not prosecute and arraign at the bar of the court the Aluminum Co. of America in which the proof is already complete? Why not prosecute them all?

Mr. Chairman and gentlemen, the President's strictures against speeches in the Senate and in the House, after all, are probably a little too severe. Probably some of the speeches made in the Halls of Congress, particularly in the Senate, may have been responsible for the action that is now being taken by these two departments of the Government.

Certainly, certainly speeches which were made in the Senate were responsible for the adoption of the resolution to make the Federal Trade Commission disgorge the evidence in the Aluminum case that led to its turning over to the Department of

Justice, although the department said some time ago that its report would be favorable. But, gentlemen, there is a more serious issue here. There is a more serious issue even than the forming of a trust, and that is the fact that the President of the United States, sitting in the White House, dares to warn the country, dares to warn the people of the United States to pay no attention to speeches made in the Congress of the United States because, forsooth, it is his opinion they are "seasonal" or are actuated by political motives. Why, gentlemen of this House, the President of the United States ought to remember that the House of Representatives bears a mandate from the people of the United States given at the same election at which he was chosen President. The President must know that the House is elected directly by the people and not indirectly; he must know that the House is closer to the people than any other agency of the Government. Gentlemen, what is the serious question here? The serious question is that the President of the United States, with the great prestige of his office, with his great command of publicity, with the mighty power of the position that he holds should say to the people of the United States that what their Representatives may say in this forum and in the great forum at the other end of the Capitol is actuated by political motives and therefore should stand discredited before the people because of the disapprobation of the White House; that they are made for political effect and are therefore unworthy. What is politics? Politics, my friends, so the dictionary says, is the science of public affairs. Politics is that which relates to government and public business. All that is done by the agencies of government relates to politics.

If the Representatives of the people can not speak here upon this floor and at the other end of the Capitol about questions which affect the welfare of the United States, where, oh where, can they speak? If what is said here in this Chamber be false, let it be refuted. If it be unsound, let it be exposed. If it fails to appeal to logic or reason, let it be rejected; but the President has no right to damn it in advance by the charge that it is political. The people have the right to know the truth. This is their Government, and they have the right to know the truth about it, whatever the motive that speaks the truth. Why, my friends, the President when he speaks the wires carry his message from one coast to the other and into every nook and cranny of the Republic. Why, you can listen out upon the weird wings of the night and hear his voice vibrating and thrilling all over the United States. But if the Congress speaks it is politics. If the President speaks it is statesmanship and patriotism. He once had the reputation of being a silent man. He shows some evidence of emerging from that reputation, but, on the other hand, he is in danger of acquiring a reputation for deafness. He does not want to hear, neither does he want the country to hear, what Congress has to say. The President of the United States has been making his pleasing speeches on economy for all these years, and I applaud him for it. I applaud the President of the United States for his economy program. Why, the country believes if it were not for the President of the United States Congress would plunge this Nation into such a reckless spending of money we would never recover from it. Why, because Congress has no special spokesman to give out statements to be carried out to every part of the Republic. Why, the Republic does not know that the Congress of the United States, under the leadership of Mr. MADDEN, of Illinois, chairman of the Appropriations Committee, and Mr. BYRNS, of Tennessee, ranking minority member [applause], has cut the presidential Budget $345,000,000. [Applause.] Three hundred and forty-five million dollars since the Budget has been in effect, and the country does not know that since President Coolidge has been President every session of Congress has appropriated less money than the President and the Budget requested. [Applause.] The country does not know that appropriations for the White House and the executive offices have greatly increased under the present administration. Now, gentlemen, this strange doctrine that the White House has advanced, that the people are to pay no heed to Congress, is one that if carried to its ultimate logical conclusion strikes at the heart of liberty of speech and popular representation in the branches of the Congress of the people of the United States. Why, George Rothwell Brown in the Washington Post the other day said this:

> If King George should undertake to warn the British people against the political character of the speeches in Lords and Commons, there would be a small advertisement under "Situations wanted" in the London Times.

[Laughter.]

It is true, my friends. It is true that there is no crowned head in Europe who would dare speak to the people of his realm and tell them not to listen to or not to heed the speeches made in the Parliament in which the representatives of the people sit. And I will tell you why the crowned heads would not do it; they know what happened in the struggles between parliaments and kings throughout all history.

Why, they remember, gentlemen, that in the struggles over British liberty, long before Cromwell led his Ironsides against the cavalry of Prince Rupert, Hampden and Pym, in the British Parliament—politicians, if you please—were denouncing the aggressions of the Crown and arousing the British people to a realization of their wrongs.

They know, my friends, that in the history of this country, long before George Washington marshaled his ragged battalions and drove from these shores forever the royal standard, James Otis, in Boston, and Patrick Henry, in the House of Burgesses in Virginia, were denouncing the outrages on the part of the Crown and arousing the people to the high resolve which found expression in the pen of Jefferson. [Applause.]

Gentlemen of the House, they know that long before the generals of the armies of the French Revolution with raw levies were holding at the boundaries of France the armies of the leagued monarchs of Europe, Mirabeau, the champion of the people, was standing in the assembly in Paris when a messenger from the King arrived bringing a command to the assembly to dissolve, and Mirabeau said to him:

> Go back and tell your royal master that we are gathered here by the will of the people, and we shall not be driven out except at the point of the bayonet.

[Applause.]

Ah, my friends, there is only one figure in all of Europe, only one ruler that would dare to give public utterance to a warning to his people not to listen to speeches in Parliament. That is Mussolini; Mussolini who, after mastering his own party and after mastering his own country, drove from the doors of Parliament those who opposed his policy. The deputies that dared to speak on the floor of Parliament, Mussolini drove out and told them that they could return only when they returned with his sentiments in their hearts and his words on their lips.

Oh, my friends, that is the same Mussolini who, after having mastered his own party and having mastered his own country, now turns his inordinate ambition toward Brenner Pass and looks with longing eyes toward Germany.

Can it be that the President of the United States, having mastered his own party, feeling secure in the mastery of all the country, now is about to turn his face toward the Brenner Pass of a third term, toward which the moral virtue, the statesmanlike patriotism of George Washington never permitted him to look, and which the military glory of Grant and the marvelous genius of Roosevelt were never able to attain? [Applause.]

Mr. Chairman, I yield back the remainder of my time.

Mr. BARBOUR. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. RAMSEYER].

The CHAIRMAN. The gentleman from Iowa is recognized for 10 minutes.

THE TREASURY'S VIEWS ON THE DENISON BLUE SKY BILL (H. R. 52).

Mr. RAMSEYER. Mr. Chairman and members of the committee, following the eloquent and interesting speech just made by the gentleman from Texas [Mr. CONNALLY], I fear that what I am about to say will sound rather prosaic. I asked for time to present to this House the views of the Treasury on H. R. 52, commonly known as the Denison blue sky bill. As you know, I opposed this bill during both the Sixty-seventh and Sixty-eighth Congresses. As the Interstate and Foreign Commerce Committee having jurisdiction of this bill will likely have the Calendar Wednesday call to-morrow or to-morrow in a week, and H. R. 52 having been reported out by that committee I take this opportunity to get into the RECORD a letter of the Secretary of the Treasury opposing this bill, so that the membership of this House will know what the Secretary of the Treasury has to say in opposition to this bill.

Prior to the date of Secretary Mellon's letter I never communicated with anybody in the Treasury Department, either directly or indirectly, in regard to this bill. On the day this letter was written, to wit, January 12, 1926, an official in the Treasury Department telephoned my office and told me that the Secretary of the Treasury had just written a letter to the chairman of the Interstate and Foreign Commerce Committee giving his views on H. R. 52, stating further that he understood I was interested in the bill and asked me if I should like to have a copy of the letter. I told him that I had opposed the bill during the last two Congresses and asked him what the attitude of the Treasury was on that bill. He advised me that the Treasury was opposed to the bill. I then told him that I would not only be delighted to receive a copy of the letter but that I should see to it that the Treasury's views were

communicated to the membership of the House before H. R. 52 was called up for consideration. After I received this letter I wrote a letter to the Treasury acknowledging receipt thereof, and again gave assurance that the Secretary's letter would be presented to the membership of this House.

I shall now ask the Clerk to read the letter of the Secretary of the Treasury and also my answer to the same.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

THE UNDERSECRETARY OF THE TREASURY,
Washington, D. C., January 12, 1926.

Hon. C. W. RAMSEYER,
House of Representatives.

MY DEAR CONGRESSMAN: I inclose a copy of a letter which Secretary Mellon is sending to-day to the chairman of the Committee on Interstate and Foreign Commerce submitting the Treasury's views on H. R. 52, a bill introduced by Mr. DENISON to regulate the sale or disposition of securities through the United States mails or other agencies of interstate and foreign commerce. I am advised that you are interested in this legislation and would like to receive a copy of the Secretary's letter to the committee.

Very truly yours,

GARRARD B. WINSTON,
Undersecretary of the Treasury.

Mr. RAMSEYER. Now comes the letter of Secretary Mellon.

The Clerk read as follows:

THE SECRETARY OF THE TREASURY,
Washington, January 12, 1926.

MY DEAR MR. CHAIRMAN: In accordance with the request of the committee, I am submitting herewith the Treasury's views on H. R. 52, a bill introduced by Mr. DENISON to regulate the sale or disposition of securities through the United States mails or other agencies of interstate and foreign commerce.

This bill appears to be almost identical with H. R. 4, introduced by Mr. DENISON in the last Congress, upon which, at your request, I expressed my views in a letter dated February 28, 1924. The present bill, like the previous one, exempts from its operation several important classes of securities and business transactions involving the sale or disposition of securities; and it also provides exemption of certain bonds and notes secured by mortgages on agricultural lands and other real estate.

Notwithstanding the exemptions proposed, I am of the opinion that the bill would unreasonably restrict transactions in securities and that the objections stated in my former letter to the bill then under consideration would apply with equal force to the present bill. The bill as drawn would involve innumerable difficulties of interpretation and administration.

It would, in effect, subject all transactions (conducted through the agencies of interstate commerce) in stocks and other securities to the laws of the various States and Territories and place upon the Federal Government almost insuperable difficulties in enforcing these diverse laws, many of which create purely technical offenses. Their enforcement would not only cause frequent embarrassment to legitimate transactions, but would result in hardship and injustice, if a uniform penalty is imposed without regard to the gravity of the offense prohibited by any particular State law.

The number and variety of exemptions that must be made, in order not to place too great burden on legitimate transactions, illustrate the difficulty of regulating issues of securities by rigid requirements which apply to all cases alike. In addition to the difficulties of administering such a law, the numerous exemptions are necessarily so complicated that to master their application would impose a heavy task upon all those who deal in securities. The proposed law has the further disadvantage both of tacitly approving all dealings in securities in the exempt list, regardless of how undesirable such dealings may be, and also of unduly restricting many legitimate financial operations which may fall outside the exempt classification. Furthermore, such a law, imposing upon the Federal Government the duty of enforcing State laws, might not only establish an undesirable precedent but would subject the National Government to very great expense in organizing and maintaining the machinery necessary for the enforcement of the many laws on this subject passed by the States.

I hope you will not construe this expression of opinion as a statement of opposition to the purpose which the bill seeks to accomplish. With the object of the bill I am entirely in sympathy, for I believe there is a pressing need for a Federal statute which would repress the flow of issues of fraudulent or worthless securities through the channels of commerce among the States without putting an undue burden on legitimate issues. The State laws have proved inadequate and at the same time are more diverse and burdensome than a comprehensive Federal statute would be. The situation, it seems to me, is essentially one which should be dealt with by Congress through a law applicable to fraudulent transactions and issues of securities employing interstate agencies and providing effective safeguards for protecting the public against fraudulent promotions, which are now responsible for so great a waste of capital.

Perhaps such legislation might take the form of a law under which securities which appear to be fraudulent could be brought to the attention of the Department of Justice through proceedings in the nature of an information. The Attorney General could then be authorized to investigate such securities, and if he found evidences of fraud to issue a summary order forbidding their further sale under heavy penalties.

I do not need to add that the Treasury is heartily in favor of any legislation that would protect the investing public against fraudulent promoters without unduly burdening legitimate business transactions. I do not believe, however, that Mr. Denison's bill, H. R. 52, in its present form, would result in benefits commensurate with the expense and difficulties of enforcement or the hardships which it would impose on many legitimate financial transactions. In any event, the law should not place upon the Federal Government the task of enforcing the diverse laws of the various States, but should establish a procedure under which the Federal Government can investigate issues of securities and protect the public against such as appear to be fraudulent.

Very truly yours,

A. W. MELLON,
Secretary of the Treasury.

Hon. JAMES S. PARKER,
Chairman Committee on Interstate and Foreign Commerce,
House of Representatives.

Mr. RAMSEYER. Now will the Clerk read the letter I wrote in reply?

The Clerk read as follows:

JANUARY 18, 1926.

Mr. GARRARD B. WINSTON,
Undersecretary of the Treasury,
Washington, D. C.

MY DEAR MR. WINSTON: I wish to acknowledge receipt of your letter of the 12th instant, inclosing a copy of a letter from Secretary Mellon to the chairman of the Committee on Interstate and Foreign Commerce, submitting the Treasury's views on H. R. 52. I am gratified to know that the Treasury's views are in entire accord with my own on that bill. If the bill comes up for consideration in the House I shall see to it that every word of Secretary Mellon's letter becomes known to the membership of the House.

Very truly yours,

C. W. RAMSEYER.

Mr. RAMSEYER. My time is nearly up. I have no desire to make any comments on this letter to-day. The letter is now in the RECORD and available to the membership of this House. If the blue sky bill is called up during the time the Interstate and Foreign Commerce Committee has charge of the Calendar Wednesday or at any other time, I shall then comment on the Treasury's views on this blue-sky bill. You who have heard me express my opposition to this bill heretofore will know that the Treasury's views and my own views are in entire accord.

In closing I wish to call your attention to the second paragraph of the Secretary's letter. There you will see that the Secretary of the Treasury wrote a letter to the chairman of the Interstate and Foreign Commerce Committee on February 23, 1924. This blue-sky bill was up for consideration in the House on March 19, 1924. The Treasury's views then had been in the possession of that committee for nearly a month. When the bill was up for consideration on March 19, 1924, the Treasury's views as expressed in the letter of February 23, 1924, were not made known to the House membership.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HARRISON. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. STEVENSON].

The CHAIRMAN. The gentleman from South Carolina is recognized.

Mr. STEVENSON. Mr. Chairman, I desire to call the attention, especially of Members of this House, to the very numerous incursions that are being made by the Federal Government on local self-government and the rights of the States.

The fundamental tenet of the Democratic Party from its foundation has been, "The less the people are governed, consistent with order, the better for them." This applies both in the State and Nation.

All national legislation must be justified by and based upon an affirmative grant of power in the Constitution, and hence a close adherence to the Constitution which defines just how far you can go in invading the rights of the citizen by congressional action has been the national platform of the Demo-

cratic Party. Attempts to undermine this foundation have been made along two routes—first, by amending the Constitution so as to grasp more power, which merely means to circumscribe the rights of both States and individuals more closely, and, second, by construing the Constitution to mean what it was never intended to mean.

The first course was entered upon in enacting the thirteenth, fourteenth, and fifteenth amendments to the Constitution, growing out of the Civil War and dealing with questions that should have been dealt with by the States solely. As is almost always the case, a great moral question was the excuse for this invasion—the question of human slavery. Then they went another step when prohibition was made a Federal question. I am a prohibitionist and voted for the amendment which was justified by the arrogant attitude of liquor dealers in defying the State liquor regulations. In my State we finally enacted prohibition and were enforcing it in a measurably efficient manner; but the liquor dealers of Baltimore, Cincinnati, and other accessible cities made it impossible for the State to effectually enforce the law by legally and illegally dumping liquor into the State in every conceivable way and making our only defense an effort by the States through Federal power to dry up the source of this all-corrupting stream. Hence, in the name of sobriety, decency, and the right of a State to destroy the traffic within its bounds, it became, as we conceived, necessary to invoke Federal power to shut down the traffic everywhere. That was the justification for that raid on the rights of local self-government, and the action of liquor dealers furnished this excuse. Whether in the long run it will prove to have been the best way to do it or not will be determined in the next quarter of a century. Gathering this police power into the hands of the Federal Government and filling Federal courts with police cases has raised some grave doubts in the minds of many thoughtful men. We can not turn back now, however. It is the Constitution, and must be enforced.

Then came the excuse of child slavery, one that has been overworked by good people of scant information as to the feelings and impulses of the masses of the people. With the spur of a national election on, and organized labor apparently behind it, backed by many humane organizations, an amendment was submitted to the States to prevent any child under 18 years of age from engaging in labor of any kind, to be enforced, of course, by Federal statute. That meant substitution of Federal for parental control, of national for State regulation, and filling the Federal courts with juvenile court cases also, to be dealt with at long distances from home by overcrowded courts, where children, bootleggers, bank bandits, and post-office yeggs would all be assembled at the same bar. Fortunately this last invasion of State rights has failed of ratification by the States, only 4, I believe, having ratified it, when it takes 36.

Not daunted by this, the proponents of a strong central government in the name of family sanctity are pressing to-day for another amendment to give Congress power to pass and enforce a uniform divorce law. That means that all the salacious cases arising in the divorce courts, all the violations of the act passed to carry out the amendment, dealing with license to marry, age at which it can be contracted, reasons for its dissolution, shall also be drawn into the Federal courts and one law written for every State on the subject. It means that South Carolina's constitutional provision prohibiting divorce shall be written out and a Federal court be authorized to dissolve the bonds in that State where for two centuries it has been prohibited. Indeed, the proponents hold South Carolina's stand for decency up as a horrible example, and in the bill introduced specify five grounds of divorce, one of which is incurable insanity on the part of one of the parties.

Page Mr. Flagler and the Florida Legislature, who we execrated from one end of the land to the other, for making that a ground, and the legislature, under the lash, repealed it as soon as Mr. Flagler secured his divorce.

Another case of proposed amendment to the Constitution is the attempt to subject the bonds of States and their subdivisions to a Federal tax. The cry that they are tax free and must be brought into the zone of taxation by an amendment is alluring but untrue. The State issuing bonds or allowing school districts, towns, and counties to do so can make them taxable if it sees fit, and can consent even for the Federal Government to tax them, but when it makes them taxable it makes the rate of interest higher. The taxpayer in South Carolina pays the interest in a higher rate to the bondholder, and if the bondholder can not dodge it altogether he pays it over to the city where he lives—New York, Chicago, Philadelphia, Boston, or Pittsburgh—and it surely is a good way to collect tax from rural communities and turn it over to the financial center cities. The States are sovereigns just as the United States is a sovereign, and the Supreme Court held in an opinion written by John Marshall, that neither sovereign can tax the instrumentalities of government of the other. The State can tax its own, but not the United States bond, and the United States can and does tax its own, but not the State bonds, because if allowed to tax the other it could tax it so as to destroy it as they did State bank currency in 1864.

The second mode of extending Federal power has been far more effective because the steps are less perceptible and never submitted to the people in any form. Construction has grasped power under the general welfare and the commerce clauses of the Constitution till it is strange that any cult should seek the method of amendment. To illustrate: Take the Esch-Cummins Transportation Act; it merely crystallized constructions made by the courts. They have extended the Federal power beyond the wildest dreams of centralization lawyers of 25 years ago. They have drawn a pen through the rates for passenger fare fixed for intrastate service, and standing since 1899 unchallenged in South Carolina, and written in a higher rate. They have destroyed the right for our State railroad commission to fix the rate on a pound of freight, put aboard a local freight train, carried 5 miles and delivered, and the entire journey and both termini being in South Carolina. They have given the power for the Interstate Commerce Commission to say that a road entirely in the State of Virginia, touching no other Commonwealth, may or may not be built, and once permission is given the company shall have the right to build without obtaining permission from any other power whatsoever. How they will get the right of eminent domain to acquire the right of way is not yet settled, and to thoughtful lawyers is a problem that will call for more constructive ingenuity to solve.

The Dyer antilynching bill is an effort to bodily take over the police power to keep the peace, always held to be the province of a State so long as legitimate Federal activities were not obstructed or assailed, without any pretense of amendment of the Constitution. It would draw almost any case, if homicide is committed under circumstances involving two or more parties, into the Federal courts.

In his message at the opening of the Sixty-ninth Congress President Coolidge said on first page:

> The greatest solicitude should be exercised to prevent any encroachment upon the rights of the States or their various political subdivisions. Local self-government is one of our most precious possessions. It is the greatest contributing factor to the stability, strength, liberty, and progress of the Nation. It ought not to be infringed on by assault nor undermined by purchase. It ought not to abdicate its power through weakness nor resign its authority through favor.

These are statesmanlike words, but a bit clouded by the indorsement of the Dyer bill found on page 20 of the same message.

On that foundation, however, the Democratic Party should stand, as that is its birthright, and its position will be vindicated.

The Republican Party on the other hand has always stood for a strong central Government and for minimizing and weakening the powers and activities of the States. Brought into existence by the controversy over slavery, offering as its reason for asking control, the excuse that it wanted power to limit and abolish the rights of the States to manage their domestic affairs in that particular, it has controlled the Government 50 of the 66 years since 1860 and has naturally stamped its character on the legislative, executive, and judicial departments of the Federal Government, until the cry is raised that the Government at Washington must grant relief on every emergency. If it is a crop failure, they want the Federal Government to finance the obligations, furnish them seed, and cash to cultivate the crop. If it is a superabundant crop and the price drops below the cost of production, they want the Government to finance the surplus and take it off the market and enable them to sell their product to the consumer at a profit. In other words, by law, force the consumer to pay more than it is worth in the world market for what he has to buy and the producer has to sell. Well, it is not strange that the producer of farm products is making that appeal to the administration and the Republican Party. Has not he been present when great men like Mr. Fordney have told how they have raised the price of manufactured goods, which the consumer has to buy, by passing a law? Has not he seen them thus artificially raise the price of those goods and thereby made the business of selling to the American public profitable, and has not he seen the same goods sold much cheaper abroad than in the United States all as a result of the tariff laws enacted for that express purpose? Then is it strange that the agricultural producer is insistently asking this centralized and selfishly organized and exploited Government to do for him what it has done for the manufacturer?

The Nation is coming to the turning of the road on this question of Government interfering with the rights of the States and the legitimate channels of trade. Interference with private business, whereby one man is required to pay more for the article which his neighbor has to sell, than he otherwise would have to pay, is the most pernicious type of Government interference with the rights of individuals. It is typical of the Republican Party, and is absolutely antagonistic to the fundamental principles of the Democratic Party.

With the cry from the freezing Northeast demanding that he take action to end the coal strike and thereby defeat his friends, the coal barons who are planning to starve out the miners, and with the hurricane howl from the western farmer to have the same treatment as the manufacturer on their great crops of corn, is it wonderful that the President begins to talk of States' rights with which neither he nor his party have been on speaking terms for half a century? [Applause.]

Mr. HARRISON. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. BUSBY].

The CHAIRMAN. The gentleman from Mississippi is recognized for 20 minutes.

Mr. BUSBY. Mr. Chairman and members of the committee, on the 18th of January, about two weeks ago, there was reported out of the Committee on Public Buildings and Grounds what is commonly known as the Elliott bill. The Elliott bill is a public buildings bill which contains three different departments. Fifty million dollars is provided in that bill with which to do building in the District of Columbia; $15,000,000 is provided in that bill with which to supplement appropriations heretofore made, and with that additional amount to complete 64 projects which have been authorized throughout the United States. There is an additional item of $100,000,000 included in this authorization, of which $100,000,000 is to be spent through the Treasury Department and according to the discretion and judgment of the Secretary of the Treasury. In other words, the places to be selected where construction is to be had out of this $100,000,000 are to be determined by the Secretary of the Treasury, together with the amounts and the kinds of buildings that are to be constructed at these particular places.

Now, there comes up the question of the necessity for buildings throughout the country. We look back and we see that only a small amount of public building has been done within the last 13 years. We find from the hearings, and know generally, that from one end of the country to the other there is great necessity for post-office buildings.

The Committee on Public Buildings and Grounds called upon the Secretary of the Treasury to furnish us revised lists showing exactly where he proposes to place the buildings that are to be constructed out of this $100,000,000, and on the 18th of January, or about two weeks ago, he gave us a list of the places which would probably receive consideration and that would receive construction out of the $100,000,000 item. It is true that the list he furnished us, shown on pages 63 and 64 of the hearings, covers more than $119,000,000 when only $100,000,000 is available. So it is easy to see that about 20 per cent of the number of places he has enumerated will not be taken care of under this bill. Then we began to examine that list and to look over it to see what States are being taken care of.

Mr. ELLIOTT. Will the gentleman yield?

Mr. BUSBY. Yes.

Mr. ELLIOTT. Does the gentleman mean to tell this House that the Treasury Department sent that list to the committee as a tentative list of the places at which they proposed to put these buildings? Was it not, in fact, merely a statement of the places where these things were needed, and did they not in their statement before the committee say that there were lots of other places in the country that perhaps needed them just as badly as these places, and it was put before the committee for the purpose only of showing to the committee that great need existed for public buildings?

Mr. BUSBY. No. The Supervising Architect, on page 62 of the hearings, said:

> If you will be satisfied with the thing put down as the buildings would be reported to-day if we were making up an original list, and not pay any attention to buildings that we will take care of out of our annual appropriation, it will not be difficult to give you a list of that kind; but if we have to make a list accounting for changed conditions, and check in and out and in and out again, it will take some time and it will be difficult for you to understand.

In response to that he gave us this list. Now, I say this again, that $120,000,000, in round numbers, is estimated for in this list, whereas you have but $100,000,000 in the bill, which, on the face of it, shows that the sum provided for in the bill will not take care of the items as submitted.

Now, I examined that list to see what States are absolutely left out of consideration, and I find that nothing is contained in it for Arizona; nothing is contained in it for Colorado; nothing is contained in it for Delaware; for Idaho, for Iowa, for Kansas, for Missouri, for Montana, for Nebraska, for Nevada, for New Mexico, for North Carolina, for North Dakota, for Oklahoma, for Oregon, for South Carolina, for South Dakota, for Vermont, for Washington, or for Wyoming. Not one item is mentioned for any one of those 20 States; but I do find, on the other hand, that 6 States get the major portion of the money. New York is given $21,170,000; Illinois, $15,530,000; California, $10,365,000; Massachusetts, $9,565,000; Pennsylvania, $9,260,000; and Connecticut, $6,530,000. Six States, mind you, get $72,420,000 in estimates out of that $100,000,000.

There are only 82 items provided for in that list of estimates, and when you take the total of $119,650,000 and divide it by your 82 items you find that those buildings cost $1,470,000 each, on the average, showing conclusively that this bill is not proposed for the purpose of taking care of anything but the large centers. That being so, how are you Members who go about your States and your districts preaching against bureaucracy going to explain your vote for the Elliott bill when you go back home? You will in truth be forced to tell them, "I voted for that bill with the warning that there was nothing in it for you, even though your needs for a post office be ever so pressing. I voted to transfer to a Cabinet officer the legislative authority I possessed and which you believed I would exercise when you elected me. I voted for bureaucracy of the rankest kind, for I believed that by allowing a bureau to have the whole affair in its hands it would be able to do better for you than I would, and you, my people, must be satisfied with bureau government and not complain, for it is efficient, and I am not."

I believe in the proposition of Congress exercising the authority that is vested in Congress and the executive department exercising the authority that is properly vested in that department. I am against this kind of legislation. I think we ought to ferret out what we need, even if we have to do it by a commission. It would be our commission if we did not let the Executive reorganize it, but we ought to select our plan and our method and go about it and meet our responsibility face to face.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BUSBY. Yes.

Mr. LAGUARDIA. The gentleman is a member of this committee, and the gentleman knows we have hundreds of bills before us. Is our committee in a position to decide on the relative merits or the relative needs for public buildings throughout the country? Can we do it intelligently?

Mr. BUSBY. I think we can if we go to work on it and go about doing it instead of handing it over to somebody else that has no better judgment about it than we have.

Mr. ALLGOOD. Will the gentleman yield?

Mr. BUSBY. Yes.

Mr. ALLGOOD. Does not the gentleman think that the Congressman familiar with conditions in his individual district is better capable of passing on their needs than some one sitting here in some bureau in Washington?

Mr. BUSBY. I am sure that is the fact.

Mr. LAGUARDIA. Will the gentleman yield further?

Mr. BUSBY. I would like to yield to the gentleman but I have not the time to yield further.

I want to comment on the statement of the gentleman from New York [Mr. MAGEE], who made some comment the other day about my quoting him. When we were having hearings on this bill the gentleman said:

> How do I know that a post-office building should be constructed and what do I know about it? I know, perhaps, something about my own district, but outside of that I know absolutely nothing.

I then asked him this question:

> Do you not think you know the conditions in your own district better than the Treasury Department does?

He answered emphatically, "Yes," although he denied a few days ago that he was a better judge about the matter than the Post Office Department, as will be seen on page 2915 of the RECORD. Here is what the gentleman said a few days before, in regard to what he had been promised out of the Elliott bill, on page 2917 of the RECORD:

> Mr. MAGEE. I want sufficient postal facilities in my district. The Post Office Department is willing to give them. The Treasury Department is willing to give them.

I do not know whether they are willing to give them or not. He ought to know, and I asked him if they were and if they had told him so, and he seemed to take offense because I

asked the question, but it seems to me plain he knew what he was talking about. But whether he did or not, I want to say that this kind of a proposition would afford too much leeway for trading in this fund from a political standpoint. I know that is true. I know you can not take $100,000,000 and do all the construction work that the country needs at the present time, and it is my opinion that the administration favorites will not be left out.

Since 1914, taking that year as a basis, the cost of construction has mounted from 100 to about 210 at the present time. You would get less than 50 per cent of the building that you would have gotten at that time with the same money. The supervising architect stated before the committee that in 1914 they were spending about $15,000,000 a year, and that is the annual allowance provided in this bill.

This bill does not provide sufficient funds. It does not propose to take care of the situation at all. It proposes to take care of about 6 States and leave 20 States absolutely out of consideration, and about 20 other States almost entirely out of consideration. Six or eight States will get the benefits afforded by this bill.

Mr. ALLGOOD. Will the gentleman yield right there?

Mr. BUSBY. I yield.

Mr. ALLGOOD. Has not the President made the statement he will only release $25,000,000 a year under this bill, and therefore this will be a seven-year building program?

Mr. BUSBY. The bill provides that not more than $25,000,000 a year shall be expended, $10,000,000 in the District of Columbia and $15,000,000 outside of the District.

Mr. ALLGOOD. And the big cities will "get theirs" and the small towns will get nothing.

Mr. BUSBY. I am sure that was the opinion of members of the committee and is proven by the list furnished recently by the Treasury Department containing 82 sites, with an average cost of $1,470,000 for each building.

Mr. LAGUARDIA. Oh, not necessarily.

Mr. BUSBY. I have been very kind to the gentleman and have yielded all I can.

I want to call your attention to what Mr. LUCE, a very honorable Member from Massachusetts, had to say, and I think he has very good ground for saying it. In the Evening Star of January 17, 1926, Mr. LUCE states:

> The trend abroad toward absolutism and dictatorship is highly significant, Mr. Luce believes, and even more so is the cry in this country for single leadership.
>
> CITES CASE OF GREECE
>
> "The resort of Greece to a dictatorship adds one more to the serious occasion for doubt as to the future of representative government," he says. "The toppling of thrones that came with the World War seemed for the moment to have ended one-man rule. Many thought we had not only made the world safe for democracy but established it definitely as the universal form of government.
>
> "Since then we have seen Italy, Spain, Greece, and Turkey turn to dictators. Persia has replaced one with another. France hangs on the edge of revolution, with parliamentary institutions at the lowest point of disfavor. Russia is a republic only in name. The election of Von Hindenburg in Germany is expected by many to be but a step toward the return of the Empire. England finds herself with power more than ever nearly concentrated in one man, the Prime Minister. And most significant of all the cry for single leadership was never so loud in the United States."

Then the gentleman goes further and tells how we will likely fall into the same channel at a very early time, and I think we are indicating that all along. I think whenever we come here as representatives of the people and surrender the legislative functions that are properly and by the Constitution lodged in our hands and go back home and confess that we do not know what to do with respect to some of the legislative functions that have been intrusted to us and that have been heretofore exercised intelligently by Congresses before us, we are very nearly confessing the truth stated in this article, that a monarchy is to be desired, at least by portions of our people.

I would not support the propositions contained in this bill regardless of what party was in power. They are vicious, and I think entirely un-American. Consequently, I believe in our doing the work we should do, the work we can do, and the work that Congresses before us have done. The general law is framed on the basis that Congress is to frame building bills. The statutes are built up around that idea and around that theory, and whenever you adopt a lump-sum proposition such as this one, you will tear down the entire structure that has been built up and provided for constructing public buildings. Some one has said we are not doing that. Let us see what the bill provides. On page 3 of the Elliott bill we read:

> That the Secretary of the Treasury is authorized to carry on the construction work herein authorized by contract or otherwise and as is deemed most advantageous to the United States, and in case appropriations for projects are made in part only, to enter into contracts for the completion in full of each of the said items.

Some Members argue that the Budget Bureau and the Committee on Appropriations will have a check on the Secretary of the Treasury. I deny that. Suppose an appropriation is made for a small amount of the entire sum necessary to complete a building and then the Secretary of the Treasury, under this authorization, contracts for the entire amount, perhaps several million dollars. Could the Budget Bureau or the Committee on Appropriations then come along and say, "We will not fulfil that contract made by the Secretary of the Treasury under an authorization of Congress."

Why, certainly not; certainly they could not. Consequently this is a much farther reaching proposition than most gentlemen have taken time to consider it. It goes far beyond the idea than that some one can come in behind this bill and put a check on the operations of the Secretary of the Treasury in placing a building here or a building there, or in doing practically anything else that he wants to do in connection with the building authorized in this particular bill.

On page 11 of the report on the War Department appropriation bill before the House for consideration at present we learn that the total amount provided for and that will be expended in this bill for the Army Air Service for 1927 will be above $35,000,000. I learned from one distinguished gentleman on the Naval Affairs Committee that a like sum will be provided in the Naval Affairs Committee appropriations bill. That makes anywhere from sixty to seventy million dollars for the Air Service under the two bills. Yet we can not provide $15,000,000 a year for public buildings regardless of the fact that during rush times the mail parcels of the United States have to be piled up on vacant lots, hedged about by policemen, until they can be distributed to the addressees. We are not so destitute a Nation but that we can spend from sixty to seventy million dollars a year for aircraft, but we are told we can not spend $15,000,000 to house a permanent business—the United States mails—that has grown immensely within the last few years.

In conclusion, how are you gentlemen from the 20 States mentioned, that have not got a look-in in the Elliott bill, going back to answer to your people? When you tell them that you voted for this monstrosity in which they have not a chance, what will they tell you? What are you going to tell the Rotary Club and other clubs before which you speak long and loud against bureaucracy when you have turned over to the executive department and its bureaus this $100,000,000 fund to be used? Oh, yes, we are all against bureaucracy when making a campaign, but we line up behind some one else's proposition without asking the whys and the wherefores whenever it comes to doing things that some one else points out and says is good. [Applause.]

Some one may tell you that this is not passing over to the executive department the functions that you have formerly been exercising in Congress. On page 76 of the hearings on the bill the Supervising Architect of the Treasury was asked about this question, and his answer:

> Mr. BUSBY. If this bill becomes law, the Committee on Public Buildings and Grounds will practically be delegating all of its authority, and Congress as well will be delegating its authority, to the Secretary of the Treasury, in so far as relates to post-office buildings, except the little limit suggested with regard to the Postmaster General in advising as to post-office buildings; and the only limit there will be a question for the Budget Committee and the Appropriations Committee in furnishing funds; is not that true?
>
> Mr. WETMORE. Unless the Appropriations Committee would send the list to the Committee on Public Buildings and Grounds for their views. I do not know whether they would do that or not.
>
> Mr. BUSBY. My statement recites the fact, leaving out that possibility?
>
> Mr. WETMORE. Yes; it places in an executive department, or in two executive departments, the very authority that has heretofore been exercised by this committee.
>
> Mr. BUSBY. And by Congress as well?
>
> Mr. WETMORE. Yes.

The executive department is called on not to execute provisions of legislation, but to initiate, devise, and affirmatively to exercise delegated legislative functions under this bill before it can begin to execute the provisions of it. To this we are unalterably opposed.

Third. It is clear from the provisions of this bill and from the hearings that no attempt will be made to distribute fairly

or equitably to the needs of the entire country the funds proposed to be appropriated.

So I suggest, gentlemen, that if you want to retain your legislative functions you ought to vote against the Elliott bill and keep those functions while you have them. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. BARBOUR. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. DENISON].

Mr. DENISON. Mr. Chairman and gentleman, I have asked for five minutes to call attention of the House to the fact that to-day is the one hundredth anniversary of the birth of Gen. John A. Logan. One hundred years ago to-day, on a farm in southern Illinois, near the site of the present city of Murphysboro, Gen. John A. Logan was born.

I do not have the time now, of course, to discuss his life at length, but I merely want to say this, briefly. The first 20 years of his life were spent amidst surroundings such as were common to pioneer life on a farm in the West in those early days. In 1846, when the Mexican War broke out, he was a boy 20 years of age. He volunteered, went to Mexico, and there distinguished himself for bravery and leadership. After the close of the war he returned home, studied law, and practiced his profession in southern Illinois, and soon distinguished himself as a member of the bar of that State. He was elected circuit attorney and became one of the noted criminal lawyers of our State. He then was elected to the State Legislature of Illinois, where he served with distinction, and was afterwards elected to Congress, where he served two terms as the Representative from the district which I now have the honor to represent. He was serving in Congress as one of its most prominent and forceful Members when the Civil War came on.

He resigned from this body, organized his regiment in southern Illinois, and his career as a soldier and military officer is well known, I am sure, to all the Members of the House.

I believe that history recognizes that General Logan was one of the world's greatest volunteer military commanders. He was a natural leader of men, and his career as a general in the Civil War is unequaled by that of any other volunteer officer who ever went into war from civilian life. After the war he was elected to the United States Senate from the State of Illinois and served in the Senate with great distinction throughout his entire public career. General Logan was conspicuous for his courage of convictions and his intense devotion to the Constitution and the high ideals of the fathers who gave the Constitution to the country.

General Logan was one of our country's most eloquent speakers; he was one of our country's greatest statesmen; and he was one of the world's greatest military leaders. He was afterwards nominated for Vice President of the United States, and, if he had lived, I firmly believe he would have been the next choice of his party and of the country for President of the United States. He died in Washington at the age of 62 years, when he was in the height of his power and usefulness.

On the 5th of May, 1868, he was commander in chief of the Grand Army of the Republic, and as such commander in chief issued what is known as General Order, No. 11, in which he designated the 30th day of May of each year as a day on which to decorate the graves of the soldiers, as Memorial Day. Since that time the 30th day of May has come to be known as National Memorial Day.

I am to-day introducing, on the one hundredth anniversary of his birth, a resolution authorizing the Secretary of War to accept from the commander in chief of the Grand Army of the Republic a memorial tablet of suitable material, design, and inscription, to be placed in the Memorial Amphitheater in Arlington Cemetery, to commemorate the issuance of that order of General Logan which resulted in the designation of the 30th day of May of each year as National Memorial Day. I hope the resolution may have the unanimous approval of the House as early as possible. [Applause.]

Mr. HARRISON. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. SANDERS].

Mr. SANDERS of Texas. Mr. Chairman, since I have been a Member of Congress much has been said by leaders and near leaders on both sides of this aisle about party government, all of the speakers emphasizing what they conceived to be the government of the people by a majority party charged with responsibility. I remember that in the Sixty-seventh Congress the distinguished gentleman from Illinois [Mr. MADDEN] made the statement that in that Congress legislation would be directed and controlled by Members of Congress living north of the Ohio and east of the Mississippi Rivers. During the present session of Congress talk of party government and party responsibility has often been referred to, and recently the Hon. JOHN Q. TILSON, floor leader of the Republican Party, and the Hon. FINIS J. GARRETT, floor leader of the Democratic Party, in radio addresses discussed party control and responsibility in legislation. In his address the Republican floor leader denounced the bloc system, and so did the Speaker of the House when he was elected Speaker at this session of Congress. Therefore, speaking from this seemingly agreed standpoint, let us see how faithfully the Republican Party has lived up to its responsibility in regard to farm legislation. In the Sixty-seventh Congress the Republican Party had 302 Members in the House, the Democratic Party had 132 Members, and the Socialist Party had 1. The Republican Party also had a majority in the Senate, and no one questioned the stalwart republicanism of the President, Mr. Harding. In 1920 these Republican officials were elected by an overwhelming majority, and they assumed the reins of government drunk with power. They had been out of power for practically eight years. The Republican platform of 1920 contains 41 lines of fine type devoted to agriculture, in which was embodied their promise to the American farmer.

That platform startled us with the new information—

that the farmer is the backbone of the Nation.

They made that announcement as though it was a new and strange doctrine, overlooking the fact that King Solomon said:

He that tilleth his land shall have plenty of bread. (Proverbs xxviii, 17.)

But if they had never heard of this saying of King Solomon, who was the world's wisest man—bearing in mind that he died before President Coolidge was born—surely they had heard of Daniel Webster, who said:

Let us never forget that the cultivation of the earth is the most important labor of man. Unstable is the future of a country that has lost its taste for agriculture. If there is one lesson of history which is unmistakable, it is that national strength lies very near the soil.

This platform of 1920 further stated:

National greatness and economic independence demand a population between industry and the farmer and sharing on equal terms the prosperity which is wholly dependent upon the efforts of both. Neither can prosper at the expense of the other without inviting joint disaster.

This platform of 1920 also contained promises to the farmer. Now, they had the power in the Sixty-seventh Congress and also in the Sixty-eighth Congress to redeem their platform pledges, but they failed entirely. Not only did they fail to enact legislation beneficial to the farmer, but in the passage of the Fordney-McCumber tariff law they placed upon the American farmer additional burdens by taxing practically everything that he has to buy, and in the year 1921, the year President Harding convened Congress in special session, more than a hundred thousand people left the farm under the beneficent influence of a Republican administration. That the prosperity of the Nation is dependent upon the prosperity of the farmers was conclusively shown in the fearful fall of prices in 1920 and 1921 of farm products and the enforced liquidation of the farmers' debts. The corn farmer continued to burn his corn for fuel, and the cotton farmer found himself "dead broke," and in the condition of the Russian peasant who said, "Heaven is so high and the Czar so far away." In their platform of 1920 they promised the farmers "a scientific study of agricultural prices and farm production," and yet with six years of "scientific study" no "scientific" Republican has been able to write a "scientific" law which would afford relief to the oppressed, tax-burdened farmer, and not even President Coolidge has been able to roll away the stone and call the poor farmer forth.

They advocated cooperative marketing in their platform of 1920 and after six years of weary waiting, on January 25, 1926 A. D., they called up their "scientific" cooperative marketing bill. At that time the chairman of the Agricultural Committee, Mr. HAUGEN, of Iowa, arose from his proper place from the floor of this House to explain the intricate and complex provisions of that bill produced after six years of "scientific study" and in reply to a question propounded by the gentleman from Arkansas [Mr. WINGO] admitted that the bill only authorized two things not already authorized in existing law—

one to change the name of the present machinery, and the other to increase the per diem allowance on travel and subsistence.

At that time the chairman of the Agricultural Committee, Mr. HAUGEN, of Iowa, also stated in reply to a question from the gentleman from Alabama [Mr. BANKHEAD] that—

that bill was not for the purpose of relieving the present distress in agricultural conditions.

The most optimistic Members of the House could hardly see enough virtue in their "scientific" cooperative marketing bill to vote for it, or enough vice in it to vote against it. We were all like the man who was sentenced to be hanged. But before the execution of the sentence the legislature passed a law providing that all parties sentenced to be hanged could be electrocuted if they desired. When the jailer imparted this information to the condemned man, he scratched his head and said that he could not get very enthusiastic over either proposition.

By reason of failures and delinquencies of the Republican Party in respect to farm legislation, two years ago their majority in the House was considerably reduced, and therefore in their platform of 1924 they went a little stronger for the farmer; they gave him more promises and devoted 89 lines of fine print in their platform to the American farmer as against their 41 lines in their platform of 1920. In their platform of 1924 they virtually admitted that they did not know what to do for the farmer in 1920. This is shown by the following paragraph from the platform of 1924:

> In dealing with agriculture the Republican Party recognizes that we are faced with a fundamental national problem, and that the prosperity and welfare of the Nation as a whole is dependent upon the prosperity and welfare of our agricultural population.

Therefore you see they have just now in 1924 discovered that they are "dealing with a fundamental national problem." Discovering in 1924 that the farmers' problem is "fundamental and national," the chairman of the Agricultural Committee, Mr. HAUGEN, of Iowa, stated on this floor while the House had under consideration the cooperative marketing bill that they had no bill ready for the relief of the present agricultural conditions. No party and no administration in the history of this Government has ever proved so inefficient and powerless to function. Listen again to their platform of 1924:

> We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress.

And yet they have done nothing to remedy it. They boast of having passed the Smith-Hoch resolution in the last session of Congress, but yet the Interstate Commerce Commission has simply held hearings without giving any relief in freight rates on agricultural products. Just as we had the coal strike more than a year ago, a commission was appointed to investigate it, and the commission made its report after everybody had been given an opportunity to freeze to death and after the winter had passed and spring had been ushered in. That information might afford them an opportunity to deal with the coal situation now if they so desired.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. SANDERS of Texas. Yes.

Mr. BOYLAN. Does the gentleman know that the people are still freezing and that nothing has been done, and that another year has passed?

Mr. SANDERS of Texas. I know that, and I want to say now that this information which they collated one year ago might be used to advantage by the administration if it desired to do so; in fact, when they had that commission appointed a statement was made in the Senate by Senator BORAH that they had already secured 80 per cent of the information desired at that time.

I predict now that this Republican administration will not do anything for the farmer. If you will read the message which the President sent to this Congress, you will find that the only agricultural legislation he referred to was evidently the cooperative marketing bill passed a few days ago. We all know that he and his Secretary of Agriculture are not in agreement on farm legislation, if the newspapers can be believed. Last summer the Secretary of Agriculture made a tour of the country, and on July 23, 1925, he was quoted in the Dallas News, of Dallas, Tex., as saying:

> That the farmer must rely upon his own efforts rather than upon governmental help with his problems.

In the Dallas News, of Dallas, Tex., on August 7, 1925, Senator WATSON, of Indiana, is quoted as follows:

> Consolidation of the railroads into a few great systems will be sought by the administration as a means of aiding agriculture, which asks lower freight rates and helping the railroads at the same time.

Now, that is Farmer WATSON'S agricultural program, and the dispatch referred to indicated that it had the approval of the President. So there you are. Representing an agricultural district, as I do, and coming from the farm, as I did, and knowing the conditions of the farmers not only in my district but throughout the Nation, and further knowing the inefficiency and the inability of this administration to do anything for the relief of agricultural conditions, I can only say:

> Lead kindly light, amid the encircling gloom,
> Lead thou me on.
> Keep thou my feet; I do not ask to see
> The distant scene; one step enough for me.

[Applause on the Democratic side.]

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. SANDERS of Texas. Yes.

Mr. ALLGOOD. Is it not a fact, as the gentleman states, that party responsibility is such that the country is depending on party responsibility to-day?

Mr. SANDERS of Texas. Yes.

Mr. ALLGOOD. And is it not a fact that all bills brought into this Congress come from committees the majority of the membership of which at this time is Republican, and that only bills introduced by Republicans are reported to Congress?

Mr. SANDERS of Texas. Yes.

Mr. ALLGOOD. And if any relief comes, it will be from that source?

Mr. SANDERS of Texas. Yes.

Mr. ALLGOOD. In other words, what I want to get at is that a Democrat can not get a bill reported favorably from the present committees.

Mr. SANDERS of Texas. That is true, and I say further that my observation has been since I have been in Congress and have seen how rife politics are—and since I have been here the Democratic Party has been in the minority—I have frequently heard gentlemen on the Republican side ask about what is really proposed when some Democrat offers some legislation. The truth about the matter is, just as the gentleman from Alabama states, the majority of these committees that report legislation is composed of Republicans—and when legislation is proposed by Democrats, ninety-nine times out of one hundred the Republicans think they are laying some trap for them, and they shy around it like a mule would shy around a show tent.

These are the matters to which I rose to call attention. I have heard this talk about party responsibility and I have looked up the platforms, and if the farmers of the country do not get any relief through legislation in this Congress, the blame will be laid at the feet of the members of the Republican Party. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BARBOUR. Mr. Chairman, I now yield to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Chairman, during last summer it was my privilege to have had an opportunity of making an extended trip throughout the Philippines. On this trip I visited all of the principal islands, 20 out of the 49 provinces, and traveled over 3,000 miles throughout the archipelago. I therefore think I had an exceedingly fine opportunity for studying conditions at first hand and of receiving information about our various problems there on the spot.

Later on during the session I hope to have an opportunity of discussing fully and in detail the different problems, economic and political, that are pressing for solution in this far eastern territory of ours. At this time, however, I merely wish to express briefly my admiration of the splendid work that is being carried on by our Governor General, Leonard Wood. His administration of our island territory is characterized by infinite patience and great tact, coupled with firmness. He has shown great kindliness, sympathy, and human understanding toward these island people. At the same time his fine grasp of America's obligations, responsibilities, and prestige in the Far East must excite the admiration of all.

It would be hard to find anyone who could have accomplished so much and in such a short time as General Wood has done. The best interests of the Philippine people are safe in his hands. He is their best adviser and most sympathetic friend.

General Wood is deserving of the gratitude of both America and the Philippines. He has dedicated the few active remaining years of his life to a great work. Few appreciate the sacrifices he has made in isolating himself from his home, friends, and country. For five years he has given unstintedly of the best that is in him, without a vacation and in a tropical climate. All who have come in contact with him have marveled at his patience, his endurance, and his high sense of duty. [Applause.]

The following authorized interview with General Wood contains the views of that great American, who is our present Governor General, on the subject of our problems in the Philippine Territory. This statement, in a concise way, touches the

most important phases of our policies in these islands and in the Far East:

INTERVIEW WITH MAJ. GEN. LEONARD WOOD, GOVERNOR GENERAL OF THE PHILIPPINE ISLANDS, BY EDWARD PRICE BELL, OF THE CHICAGO DAILY NEWS

Maj. Gen. Leonard Wood, Governor General of the Philippine Islands, is probably without a rival, Caucasian or non-Caucasian, in his knowledge of the archipelago and the people for which he has supreme immediate responsibility. Certainly General Wood is America's greatest authority on the Philippine question—one of the most peculiar, important, and difficult questions that ever have preoccupied American statesmanship.

General Wood came to know the Philippines as a result of prolonged first-hand study. This study has been unremittent for more than 20 years. Arriving in the islands in 1903, after his distinguished services in Cuba as military governor of Santiago and as Governor General, he was appointed governor of the Moro province, comprising the southern islands and Mindanao, populated principally by Moros and pagans, in all some 18 tribes. General Wood was not only head of the civil government, with a legislative council, responsible for five districts, but commanding general of the troops in the department of Mindanao and Sulu.

For three years, in the capacities named, General Wood was constantly among the people, frequently visiting every tribe and settlement, and then he became military commander of the Philippine division, with headquarters in Manila, whence he continued his diligent investigations. Following this work, he studied the Philippines as chairman of the special mission of investigation, together with W. Cameron Forbes and a staff of experts, in 1921. This investigation lasted four months and covered 48 of the 49 provinces into which the islands are divided. It was a systematic and thorough investigation of all phases of Philippine conditions—geographic, climatic, natural, human, and governmental.

Out of these painstaking inquiries, reaching into 449 cities and towns and involving 11 weeks' travel by sea, rail, motor car, and horse, sprang the great classic on the Philippines—the Wood-Forbes report to the Harding administration. In this report are embodied the fundamentals of the Philippine problem. It is full of illumination to the historical and philosophical mind. Its discoveries and conclusions were the priceless possession of General Wood when he came to the Philippines as the chief officer of the sovereign power, and his knowledge of the islands and the islanders has been ripened and extended by four years of further traveling and of arduous administrative experience.

General Wood, gray, ruddy, sturdy, dignified, received me in the Governor General's private office, Malacanang palace, Manila. He sat in a wide, tall, dark-hardwood chair, with bottom and back of cane, and talked rapidly in a low voice. His voice was so low that now and again I had difficulty in catching every word. For the most part the veteran soldier and administrator wore a look of seriousness, if not severity, but two or three times during the conversation his features relaxed, he smiled, and there was an extremely pleasant look in his blue eyes. He has character. He has magnetism. He has brains. He is not only a military man, he is a thinker and a statesman.

"What do all your inquiries, experience, and thought tell you we ought to do about the Philippines?" I asked the Governor General.

"That we ought to see our great enterprise through," he replied.

"That ought to stay here indefinitely?"

"Indefinitely."

"Why?"

"Because the work we set out to do is only begun. How long it will take no one can say. If we withdraw now, all we have done would be undone, our investment of blood and treasure would be wasted, 25 years of idealistic labor would be thrown away, the Filipino people would be heartlessly betrayed, and we should do a criminal disservice to the stability and the highest interests of the world."

"You believe the Filipinos to be potentially capable of self-government?"

"Potentially, yes. But to translate this potentiality into an actuality will take a long time—somewhere, perhaps, between a half and a full century. It is a matter of rearing and educating occidentally enough Filipinos to govern the country. There are far from enough now. Young educated people are still a small proportion of the population. We need more schools and teachers and a great extension of the English language, which alone can serve as a medium of psychological consolidation among peoples dispersed over thousands of islands and divided by 87 different dialects."

"What are some of the evidences of latent Filipino capacity?"

"These people are property-loving and law-abiding. They are sympathetic, intelligent, hospitable, and neighborly. Their keenness for education is unsurpassed. Parents are willing to make almost any sacrifice to keep their children in school. Filipino teachers are zealous and hard-working. Intellectual activity is apparent in all directions. Political affairs receive more and more popular attention, and there is a growing interest in public health and public works. Assimilability to western ideals is marked. Aptitude for politics and a desire to participate in government are conspicuous Filipino qualities.

"But all these things in the Philippines are merely tokens of what can be—not what is—in the way of capacity for self-government. Intellectualism is not a sufficient qualification for the tasks of statecraft and administration. Intellectualism, indeed, may be an evil rather than a good. It is an evil if, as in the Philippines, it tend to run ahead of the more substantial virtues of character. Before you have a government you must have a country to govern; you must have agriculture, industry, commerce, and finance. You must have credit. Too many educated Filipino minds are dazzled by political and professional ambition, too few attracted by the harder and more important tasks of maintaining a civilized society.

"That the Filipinos have undeveloped gifts for government has been proved by American experience in the islands. Our earlier efforts here were well conceived and skillfully executed. They bore excellent fruit. We were making splendid progress. Our Filipino pupils in the theory and practice of democracy, responding eagerly to the experience, ideals, methods, and authority of the Americans, acquired discipline, efficiency, thoroughness, a high sense of responsibility. Then injudicious idealism entered. A great folly was committed. Excessive and too rapid Filipinization from 1914 to 1921 eliminated American experience and installed Filipino inexperience to such an extent that there was an all-round retrogression—legislative, executive, judicial, and in the Philippine Constabulary.

"We must return to our old slow but sure method; short cuts are alluring but perilous. I do not mean that the system inaugurated by the Jones law—the system of house and senate and sovereign executive—must be abandoned. It probably should be somewhat modified, and it certainly should be made to work. It did not work during the period of our backsliding in the Philippines. There was not a strict performance of the duties of the Governor General under the law. There was too much surrendering of executive authority, combined with too much legislative usurpation, interference of political leaders in the general supervision and control of departments and bureaus, and the infection of the civil service with politics. Disastrous socialistic experiments were made and the Philippine National Bank lost $35,000,000, one of the darkest pages in Philippine history. It has been my work, with the unmistakable good will of the people, of everyone but a few leaders, to restore the authority of the Governor General under the law."

"What do you think would be the immediate result of our leaving?"

"Strife, disorder, bloodshed. They might not come instantly, but they would come soon. Moros, whom we have disarmed and who want us to stay and protect them, and Christian Filipinos would fight. Industry, trade, and credit would be ruined, with the inevitable concomitants of idleness, hunger, and anarchy. We should look back upon the plight of these 12,000,000 people, who never have known what it meant to defend or sustain themselves, who never have known any freedom except what our flag gave them; we should look back upon their plight with national sorrow, pity, and shame. Japanese would come in, not necessarily as an army, but with their vigorous business methods, and Chinese would swarm hither for all sorts of pursuits. As I have said to Filipino friends, 'Chinese would hold your valleys; you fellows would be sitting on the hilltops.'"

"Would that be all?"

"No; that would not be all. We should unsettle the Pacific and the Far East. We should create a situation replete with sinister possibilities. Political impotence, social disorganization, and intertribal conflicts in the Philippines would not be allowed to continue for a great while. Civilized strength from one quarter or another would move toward this vortex of trouble and suffering, and such a movement might precipitate the worst consequences. In any event, the hope of Philippine independence would be dashed for ages, if not for all time. Filipino leaders should be able to see these dangers, but they see only a vision of personal power; they are insensate to encompassing realities; they are bent upon gambling with the fate of their own people and with the peace of the Pacific. Conceivably this peace might not be broken, but the risk is there; and if there were no other consideration in the matter that risk would impose upon America a sacred obligation to hold the Philippines until it is reasonably sure that all such peril is past."

"Our presence here in existing conditions is needed on the side of the Occident?"

"It is needed on the side of both the Occident and the Orient. Equilibrium between them promises stability; disequilibrium threatens instability. Our position in the Philippines does not give the Occident overweening strength in the Pacific. It in no sense jeopardizes either the peace or the peaceful trading rights of any power. We are here with the loftiest ideals, not only toward the Filipinos, but toward all our Asiatic neighbors. We want to live on terms of amity and equality with them all. We stand for the open door. We stand for a solution of every industrial and commercial, as well as every political, question on a basis of reason and justice and not of force. We have earned, we have paid for our right to carry our experiment in the Philippines to

full fruition, and meanwhile the possession of this archipelago reinforces our diplomacy touching all international matters in the Orient, among them the principles of the Washington treaties and the open door.

"We can not think of this Philippine question," said General Wood with intensified earnestness, "without thinking of civilization in the Pacific. Filipinos as to all but a tenth of the population are Christians. Christianity's humanizing influence shows in their faces and is recorded in their steady moral advance. Paganism and non-Christianity can be broken down only by the impact of spiritual and cultural influences, and these will be projected from the base of a highly developed Christian Philippines as they can not be projected from the distant bases of America and Europe.

"America in the Philippines, in other words, insures the effective deployment of Christianity for the regeneration of the world. These are solemn obligations and great opportunities. We can be false to them only at the cost of treason to that faith which we believe to be essential to the highest human development. Let us go out of the Philippines only when we can leave the torch of that faith in strong hands. If we and those who believe as we believe can Christianize the world, in the full psychic and ethical sense of that phrase, we shall rid it of injustice, of human degradation, of social clevage and conflict, and of international slaughter. I attach immense importance to developing the Philippines as Christianity's great peaceful outpost in the Pacific."

"You have every respect for the sentiment of nationality?"

"I have every respect for the sentiment of nationality. But the possession of sovereign national status can be a blessing to a people only when it means national security; when it means sagacity and restraint in foreign affairs; when it means political and economic competence; when it means established law and order; when it means sanitation, education, social justice, personal and religious liberty. National development of this order can rest upon nothing but the development of the individual citizen. Every society stands or falls according to the presence or absence of ability, perseverance, and self-command in its individual members. No society can be made or preserved by a group of politicians, nor by a group or groups of politicians, however notable their intellectual dexterity. Our task in the Philippines is to bring up the general level of education and efficiency to a point where the individual citizens of competence are sufficiently numerous to support a stable structure of government, of social relations, and of industrial and commercial prosperity. There is no such general level of education and efficiency now. Filipinos, despite their human charm and their many encouraging moral and mental endowments, are generally unoriginal, noninitiatory, nonconstructive, and dilettante. They are too childlike, too feeble, for the heavy burdens of statehood."

"What will you say of the claim that Filipino progress to the highest extent is impossible without liberty?"

"I will say that the Filipinos, in their present backward condition, have under our flag the only liberty they can hope to enjoy. Their leaders are ready to give up the substance of liberty in a wild grasp for its shadow; they are ready to lead their people into disaster. Lord Northcliffe was right when he told the Filipinos they had more liberty than any other people in the world—shielded from external and internal molestation, lowly taxed, surrounded by the safeguards and ministrations of science, blessed with churches and schools and communications, left entirely free to use their hands or brains as best they can, launched on an even keel on the main stream of modern progress.

"They talk about liberty. Why, America is the mother of liberty, as the term is understood in the world to-day. It is precisely because we love liberty that we are disinclined to leave these islands prematurely and permit them to relapse into slavery. We came into the Philippines not to take away, but to give liberty. We can not accomplish our task by scuttling. Filipinos can have liberty only if they accept it from the Americans in the form of that comprehensive culture and discipline, those moral, intellectual, and civic virtues, which alone make liberty possible. I note a Filipino leader's remark that, while his people are grateful to America for what she has done here, they can not pay their debt of gratitude in the currency of independence. We are not asking for gratitude. We are not working for gratitude. Our aims are not so low as that. Our aims are to found a strong, free, Christian nation in the west Pacific for the sake of that nation, ourselves, and our fellowmen in general."

"If the Philippines were near our shores, would your attitude be different?"

"In that case I should say, 'Let them try it.' We could take the risk then. But they are too far away. Once we leave these islands we are gone for good. We shall not come back. And there are no more Perry or Dewey opportunities contiguous to the eastern coastline of Asia."

"Is it true that free speech is suppressed in the Philippines by fear of the leaders of the independence movement?"

"To a very considerable extent that undoubtedly is true. Nonpolitical Filipinos of education and understanding must be courageous, indeed, if they voice the opinion they actually hold, namely, that it is better for the country as a whole that America should remain as she is for an indefinite time. Surely any thinking person can realize that this naturally would be so. Persons against immediate independence are denounced as traitors—not openly, perhaps, but none the less effectually, for most of the intelligence circulating in the Philippines circulates by word of mouth. Ignorance is widespread among the masses. They are for independence when energetically stimulated on the subject by the leaders, for they have not the slightest conception of its practical significance. Can you believe it would be healthy for the Filipino champion of deferred independence to fall among ignorant compatriots to whom he had been described as a traitor?

"Get firmly in mind the fact that there are three classes in this drama of Philippine agitation respecting independence. There is the small political class hungry for the loaves and fishes, the enlightened class (larger than the first, but not large enough for prevalence), interested only in the welfare of the people, and the uninstructed bulk of the population. Patriotic and useful public opinion belongs in the main to the second of these classes. It is this public opinion which is suppressed by fear of the leaders—fear of them as instigators of the ignorant majority against anyone who counsels prudence and delay in the matter of independence. Relief for this unfortunate situation can be had, of course, only in widening the circle of unselfish public opinion—only in educating the majority. When observers inquire why it is, if the Filipinos do not want immediate independence, that they elect the champions of immediate independence, the reply is that the ignorant portion of the electorate is misled by self-seeking politicians."

"And do you think the Filipinos should have what is bad for them, even if the majority wants it?"

"I do not. They are not entitled to have what is bad for them, even though they want it, for what is bad for them is bad for a lot of other people who do not want it. It is intolerable that an uneducated electorate, harangued by political aspirants to power and emolument, should frustrate America's long, laborious, and expensive struggle to build a firmly based Christian state in the Philippines, and also should jar the delicate interracial and international balance in the Pacific inimically to the cause of world peace."

"Would the masses be satisfied if they were left alone by their leaders?"

"Perfectly. There is not a more satisfied or happier people in the world. I go among them continually and everywhere am received with the greatest courtesy and hospitality. I have just returned from a voyage of 3,000 miles among the scattered islands. I visited some 50 centers of life and motored extensively in the rural regions. I carried no arms. Not a weapon of any kind was needed in my party. Cordial popular welcomes greeted me at every turn. Illiterate though vast numbers of these people are, they know enough to know they never before were so well off in every moral and material way as they are now."

"What is the percentage of illiteracy in the islands?"

"About 37 per cent would be a liberal estimate."

"Manual Roxas, speaker of the Philippine house, stated before a congressional committee in Washington that it was over 60 per cent."

"Yes; he made that misstatement and others. His statistics were all wrong. He compared dialectic differences in the Philippines to the slight differences of this kind in the United States. That is ridiculous. They are here 87 distinct dialects, many of them as unlike as are the modern Latin languages, and some of them differing as radically as do English and German. English is the only hope of a national medium of communication in the Philippines.

"Let me briefly illustrate further how unreliable were the statements of Roxas in Washington. He asserted that during the administration of Governor General Harrison, when that officer, according to Roxas, abdicated his military duties under the law and left the constabulary in the Moros region to unrestricted Filipino command—a period of seven years—there was not a single killing in that region. As a fact, during that period the records show 124 conflicts between the constabulary and the Moros, 499 Moros dead, 22 constabulary soldiers dead, one officer dead, and many wounded on both sides.

"Nor is this the whole story of that 'peaceful' reign. In the same region Bogobes killed 50 Japanese over land troubles. It was during the time in question that occurred the most serious breach of public order since the foundation of the civil government. That breach consisted in a fight between the constabulary and the police of Manila. As a result of that clash a number of both combatants and of innocent citizens were killed and many of the constabulary were sentenced to death and to life imprisonment. Furthermore, the assertions of Roxas in commendation of the health service were untrustworthy. During the time under review cholera in the Philippines destroyed 17,000 and smallpox 73,000 lives. We are now free from all sorts of epidemics. In the statistics and in their affirmation Filipino politicians want checking up."

"What would be your concluding word of counsel to Filipino politicians and to the Filipino intelligentsia in general?"

"I should counsel them at once, and without reservation, to drop the idea of immediate independence and dedicate themselves wholeheartedly to cooperation with the Americans in creating a Filipino citizenship capable of orderly, just, progressive, prosperous, and self-defensive democratic rule. For such cooperation the road lies wide, smooth, and open. Petty Filipino politics should be cut out as a cancerous growth. Deliberate annoyance of the representatives of the sovereign power should cease. Abortive extralegalism, abortive but pernicious, should be abandoned. There should be no pettifogging opposition to the clear authority of the governor general, whoever he may be, under the organic law. If the Philippine legislature and the governor general disagree, and if their disagreement reach a deadlock, then the President of the United States should decide. My advice to the educated Filipinos would be frankly to accept all these conditions and to change their appeal to the people from a call to illusory independence to a call to that moral and mental advance which is the sine qua non of real independence."

MANILA, *July 12, 1925.*

Mr. ANTHONY. Can the gentleman from Virginia use some time?

Mr. HARRISON. I yield five minutes to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman and gentlemen of the committee, I introduced to-day a bill to provide that post-office buildings may be built in cities with $5,000 annual postal receipts or more. The present law provides that no post-office building shall be built in a city of less than $10,000 postal receipts annually. I object very much to the authority to locate and construct post offices being passed on from Congress to the Secretary of the Treasury and to the Postmaster General, but if that bill should pass then I think it would be proper to allow the Postmaster General and Secretary of the Treasury to determine whether or not they will build post-office buildings in smaller cities. It occurs to me, gentlemen of the committee, that it would not be a bad proposition for this Government to begin a program of building standard post-office buildings, not too expensive, in the smaller cities and build buildings which could be added to as the post office demands in that particular city increase—that is, build a building in proportion to the postal receipts in these smaller cities and then add to it as the need occurs.

Mr. WHITE of Kansas. Will the gentleman yield?

Mr. LANKFORD. Gladly.

Mr. WHITE of Kansas. Can the gentleman furnish any information to the committee as to how many post offices the Government might be required to build in a period of years in cities having more than $5,000 postal receipts?

Mr. LANKFORD. I have not the information on that. I anticipate if this bill should pass, of course Congress or the authority which has the right to investigate and locate these buildings would not enter on a program which would be too large and that would not be fair and just to the country.

Mr. WHITE of Kansas. Can the gentleman inform the committee as to whether it would cost more to maintain a public building in a city such as the gentleman mentions as a minimum city rather than to rent a building and have heat and light furnished?

Mr. LANKFORD. I am not sure about that. It may cost the Government a little more to maintain a small building in a small city. Also, it would probably cost more to build and maintain a building in a $10,000 postal-receipt city than simply to rent. The argument which applies to a large post-office building in larger cities applies to a post-office building in smaller cities.

Mr. WHITE of Kansas. The gentleman knows—it does not enter into the discussion necessarily—that a very large number of cities in the United States have a revenue which makes them second-class post offices, yet I do not see any prospect of getting a building——

Mr. LANKFORD. I am trying to remedy that identical situation by the bill which I have just introduced.

It will be seen that the purpose of my bill is to provide that post-office buildings may be constructed in the smaller cities of the country, keeping in view at all times the present postal receipts, and providing for a building in proportion thereto, which can be added to as the growth of the city requires.

A real economy can be effected by buying land for building purposes in the smaller cities before the land advances in price, and then again all the arguments in favor of buildings in the large cities applies to the smaller cities, especially if the buildings are standardized and constructed so as to be easily enlarged.

It is urged that the United States can not afford to enter upon an extensive building program at this time. Why not? Billions of dollars are to be spent for buildings and improvements in the large cities. Why not a reasonable amount be spent for needed improvements in the smaller cities? Congress appropriates and gives with a lavish hand until aid is sought for a small city or for the people of a rural community.

Attention is called to the proposed Italian debt settlement, in which practically the entire interest is canceled. Well, the interest which is thus donated to the people of a foreign country, if collected and calculated at 6 per cent per annum, would raise sufficient funds to build in every congressional district in the Nation one $50,000 post-office building every two months, or one $25,000 building every month.

If real economy was being practiced, I would not complain. The trouble is our money is being wasted by the billions; then why not use some of it for the small, growing cities and their folks? I do not want to be misunderstood. I very earnestly oppose any effort that may be made to transfer to the Secretary of the Treasury and the Postmaster General the right to legislate as to the selection of sites and as to the construction of post-office buildings. This right should be exercised by Congress, as it is purely a legislative function and should be exercised by the Representatives of the people as contemplated by our forefathers under the Constitution.

But it is urged that the Postmaster General and the Secretary of the Treasury know more about what is needed in the various districts than do the Members of Congress. I have heretofore pointed out that these officials can not go to each district and settle these questions and that necessarily the selection of sites and the determination of the building to be built will have to be left to some one other than these Cabinet members. Then, again, no one can successfully urge that some one acting for some bureau knows more about the respective wants and rights of each district than does the particular Member from the district. The Member is in close touch with his people and, above all else, is the choice of his people to manage their legislative affairs in a national way and in return is responsible to his people for his legislative conduct.

Too many people here in Washington are managing the affairs, rights, and properties of people whom they never saw and with whom they are not in sympathy and to whom they are in no way responsible.

I repeat what I have said on this floor before when I say that people here in Washington—who do not know my people, do not appreciate their traditions and history, and who really hate my people—hold in the hollow of their hands the liberties, lives, and destinies of my folks. Such is not at all right, and I most bitterly and solemnly protest against passing any further rights onto bureaus.

Some say that the day of the pork barrel is gone. The thing that puzzles me is why an appropriation for the smaller towns and cities is always branded as wrong and is styled "pork," while large appropriations for every blessed thing imaginable for the large cities is called thoroughly proper and is classed as a leading feature in an economy program.

When everybody shares and when each district gets some needed improvement it is claimed to be all wrong and is styled "pork," and when only a few of the more favored large cities and individuals come in for a large share it is termed "fine business" and is classed as efficiency.

If we are to have pork, let us have decent pork on the table in broad-open daylight, with everyone invited to come in and participate and not have spoils, under the table at night time with no one seeming to know who are to be the invited guests.

But let us get back to the question of what the Postmaster General and Secretary of the Treasury knows about the needs of each district. They say these Cabinet officials, or rather some appointee under them, should settle these questions because they know best what should be done.

Oh, how weak this argument is from every standpoint. Let us look at the present way of doing this thing: Now, a bill when introduced is referred to the department interested in the bill, and that department makes a report on the desirability of the measure and is invited to come before the committee which has jurisdiction of the bill and give the committee the full benefit of all the information the officials of the department happen to have. Then the committee hears all other evidence which will throw any light on the bill, and then the committee with the information of the department or with the information of the Post Office Department and Treasury Department in the post-office building bills, reports the bill to the House with all this combined information, and the House discusses the bill and adds the further information of the various Members of the House. After a bill is passed it goes to the Senate for further inquiry and investigation before a committee, and all the information and advice of the departments is again sought, welcomed, and obtained, and the combined information of the Senate is used to finally pass the bill. Then

the bill goes to the President, who has the right to again refer the bill to the departments interested in the matter.

I understand that the President does so refer bills to the interested department. Then the President applies his knowledge to the matter and either approves or disapproves the bill. Well, suppose the bill passes, then before the appropriation is actually made the matter again comes up before the Bureau of the Budget and the departments are again heard, and again the matter comes up before the Appropriations Committee of the House and then before a similar committee of the Senate, and then is passed on by both Houses and finally investigated by departments again and signed by the President.

Under the present plan the knowledge and information of the Post Office Department and Treasury Department is sought and obtained seven times while the matter of obtaining a post-office building is going the rounds from introduction to the final obtaining of the appropriation. And yet the advocates of the Elliott bill say that it is necessary to get the knowledge and information of these departments in these building matters. It is proposed to eliminate the wisdom of a great committee of the House, a great committee of the Senate, the combined wisdom of the House, Senate, and the President and all the information obtainable by two hearings before committees and the information, knowledge, and wisdom obtainable from the departments on seven different occasions in order to let the matter be handled by some one in a bureau other than a Member of Congress or a Cabinet officer. They say this is necessary in order for the matter to be handled by some one who knows.

It is earnestly urged that this some one who is to determine these questions will understand more about the matter than all the people who now deal with the situation. All must agree that the Cabinet members and the Supervising Architect and the splendid corps of men directly under him can not go to each district and determine these questions. They must be determined by some one else. No one knows who. They say he will know all things about the problems in hand. Well, maybe he will, but blamed if I believe it.

Mr. ANTHONY. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman and gentlemen of the committee, in the RECORD of last Monday there is an extension of remarks by one of the Senators and the heading of it is "Demand of union labor for beer. Union labor demands beer and asks clergy aid. Dry law fails, says Green, in opening drive to modify act."

That is Mr. Green, president of the American Federation of Labor. Now, my answer to the question has always been that union labor is divided on the proposition, and in reply to that article which appears in the RECORD of last Monday I want to read an editorial published in this month's Locomotive Engineers' Journal for February, 1926, the official organ of the Brotherhood of Locomotive Engineers.

Mr. BLANTON. Of how many members?

Mr. COOPER of Ohio. About 85,000 members. It is as follows:

IS LABOR WET?

We regret to note that the American Federation of Labor has joined with the Association Against the Prohibition Amendment, the Constitutional Liberty League of Massachusetts, and the Moderation League of New York to spend its hard-earned funds for a forlorn campaign to bring booze back to the workingman. Institutions, like individuals, are sometimes known by the company they keep, and the allies of the American Federation of Labor in this case are notoriously poor company, backed by the very booze interests that flouted the law, demoralized workingmen's homes, corrupted legislatures, and took untold millions of dollars out of the workers' pay envelopes in the days of the open saloon. For these people to talk about "temperance reform" is almost indecently humorous.

The railroad brotherhoods, as well as hundreds of thousands of sober, industrious workingmen in the American Federation of Labor, are opposed to booze because they know it never made any man a better citizen, a better worker, or a better husband and father. We do not believe the remarkable growth of labor cooperative banking in this country would have been possible if the workingman were still shoving his savings over the bar. We are further convinced that the progress of the American labor movement depends upon leaders with clear, cool heads, and not upon those whose brains are addled by alcohol. Perhaps it is worth observing that the leaders of British labor, who have made such substantial progress economically and politically since the war, are overwhelmingly dry.

[Applause.]

I think that answers the question as to whether or not union labor is wet.

Mr. CARSS. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Ohio. I will be glad to yield to the gentleman.

Mr. CARSS. Is it not a fact that the Brotherhood of Locomotive Engineers in their convention of May, 1915, indorsed state and nation wide prohibition and passed a resolution calling on the order to cooperate in that direction and pledging the support of the organization to that movement? I believe this was the first labor organization to go on record as in favor of prohibition.

Mr. COOPER of Ohio. Yes; that is true. For many years organized labor has had a prominent part in the prohibition movement. The Brotherhood of Locomotive Engineers was fighting the drink evil a decade before the churches began their organized fight for prohibition.

And mark you, my friends, it was not the railroad companies that insisted upon total abstinence of railroad workers, but those workers themselves.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BLANTON. Will the gentleman from Virginia give the gentleman from Ohio the time that he promised to me?

Mr. HARRISON. Yes. I yield to the gentleman from Ohio the five minutes which I promised to the gentleman from Texas.

Mr. COOPER of Ohio. I thank the gentleman. I wish the gentleman from Wisconsin [Mr. SCHAFER] were here. I would like him to hear what I am going to read now. For many years the Brotherhood of Locomotive Engineers has had this clause in its constitution:

The use of intoxicating liquor, either on or off duty, is prohibited. It shall be the duty of each division or lodge to investigate any violation of this rule, and if any member is found guilty he shall be expelled. Any division or lodge failing to enforce this law shall have its charter suspended by the grand chief engineer.

[Applause.]

The law was rigidly enforced, and to-day the Brotherhood of Locomotive Engineers, through their splendid leadership and the high moral standard of its membership, has built up a strong organization of capable men, with a priceless reputation for efficiency, carefulness, and courage.

The low rate of deaths by railroad accident could never have been established if a beer-dulled mind was controlling the throttle on our fast locomotives.

Before prohibition many labor union meetings were held in a rather bare room, on the upper floor of a building, whose ground floor sheltered a saloon. The rent was low, if any rent at all was charged. The receipts at the bar from those attending the meeting converted into a profit any possible loss in rent.

To-day labor temples have been erected, and many others are being planned or in the course of construction.

There is a double meaning in this. First, labor is learning that it needs no more to depend on the saloon for free housing than for free lunch. Second, labor is affected by its more dignified surroundings, which gives the union member a sense of solidity and dignity.

Alcohol is a mighty inflammable substance. Put it in the mind of a worker with a grievance and something is going to burn, and too often it was the worker who got burned. Strikes are costly; but, on the other hand, they are the ultimate weapon of labor, just as war is the ultimate weapon of nations.

But to-day labor is arbitrating instead of striking, and they are making steady advances toward industrial peace.

When labor does strike to-day—unless the strike is of the "unauthorized" variety—cool heads direct the strategy. With the saloons closed rioting and violence became rare. And that has killed the old excuse for calling out the militia to crush the strike. In the past booze caused and lost more strikes than any other factor.

The laborer's pay check now goes into the home instead of the saloon. I live in a great industrial center. The second largest steel industry is located there. As a lad I worked in these plants. Before the advent of prohibition the saloons were as thick as flies all around the steel plants. Thousands of the workers in the plants would go to the saloons as soon as the day's work was done.

Of course, the saloon keeper always trusted the worker till pay day. Many of the workers in the plants, when pay day came, turned his full pay over to the saloon keeper while his wife and children were hungry and in rags.

My friends, when I think of the old days, when the saloons began to fill up, as soon as the whistle blew, at the end of the day's work—I tell you—it is a great sight and an inspiration to see thousands of the workers, from the shops and mills, go straight home to their families and a large proportion of them ride in their own automobiles.

Since the abolition of the liquor traffic the workingmen are buying and building better homes.

They are saving their money and educating their children. [Applause.]

Labor is becoming capital. Instead of buying beer it is buying bonds. Corporations are finding their readiest sale of stock among their employees and the men who work in the plants are acquiring partial ownership.

The number of security owners in the United States has doubled since the adoption of prohibition.

This has been a steadying force among the workers. A man with a stake in the business will carefully study financial reports.

Labor's financial gains from prohibition have not always been registered in the pay envelope.

Economists differ concerning the value of the dollar to-day. But it does not take an economist, however, to estimate the change that has come over the wage-earning group since prohibition.

Home owning, auto owning, travel, higher education for the youth, the increase in savings-bank accounts are among the fruits of prohibition.

The entry of labor banks into public finance is another development since prohibition. Labor banks were practically unknown prior to 1920. There are now 16 large labor banks and more on the way.

Labor never attempted to control credit facilities until prohibition came.

The treasuries of national and international labor unions were never in such splendid shape as they are to-day.

Local union secretaries state they have very little trouble nowadays with members who do not pay their dues because of drunkenness.

Many large labor temples have been built during the last four years in the industrial centers of our country.

The rank and file of labor-union men to-day through the length and breadth of our land are against any modification of the prohibition laws because they fear the return of the saloon. [Applause.]

Most of them are convinced that any modification which would permit the sale of beer and wine would mean the return of the licensed drinking place—and in the final analysis the return of the saloon.

They know that the licensed drinking place would obtain its recruits from the labor temples—from labor ranks.

And mark you, my friends, the intelligent laboring men of our country will never again be fooled into a position where their influence would be used in the interests of the liquor traffic. [Applause.]

I venture to say that a great many of the worth-while labor leaders of to-day are strongly in favor of prohibition. I mean the big men in the labor movement. I realize that there are some who pose as labor leaders who in the past were officers in the bartenders' union or some of the other crafts affiliated with the liquor and brewery industries, who are against prohibition.

Labor has learned that there is neither profit nor pleasure in getting drunk. It gets more "kick" out of an auto and a decent home than it ever did out of the corner saloon. The bootlegger does not find many of his customers among the working classes, because they have learned that drink does not pay.

Some of the older element in the trade-unions, conservative and slow to change, may still grumble about a man's right to have a glass of beer when he wants it. The old brewery trades may still orate and agitate in the hope of getting their jobs back again; but labor as a whole is back of the eighteenth amendment and the Volstead Act, and labor's wife joins with labor in whole-hearted opposition to any attempt to weaken enforcement of the prohibition laws. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. HARRISON. Mr. Chairman, I yield five minutes to the gentleman from Florida [Mr. SEARS].

The CHAIRMAN. The gentleman from Florida is recognized for five minutes.

Mr. SEARS of Florida. Mr. Chairman, when the income tax bill was up for consideration I undertook to convince my colleagues that an injustice was being done the State of Florida. Unfortunately, I did not succeed, but I think many have changed their minds since that time, and I am going to take just a few minutes now to add to my brief remarks then, some additional remarks which I trust may convince others. I have talked to many of my colleagues, both in the House and in the Senate, and they agree that the paragraph is absolutely unconstitutional.

I listened to the gentleman from New York, my colleague Mr. OGDEN MILLS, than whom there is no better educated, energetic, or cultured Member of this House, and he convinced me, if there was any doubt in my mind, that the position I had assumed was correct. In arguing the banking bill I find he says:

> In other words, we have here an example of what goes on almost daily in the Congress; an attempt indirectly to use the Federal power in order to coerce the people of the several States to do not what they think is right in the government of their own concerns, but to do what this Congress may think right.
>
> I do not pretend to know what are the economic and banking conditions of the State of Iowa or South Carolina or California. If the people of South Carolina want branch banks, who am I to say that they shall not have them; and if the people of the sovereign State of New York believe that their condition is such as to be favored by a branch-banking system, by virtue of what authority do the Representatives of the State of South Carolina or any other State in this Congress say to the people of New York, "You shall not have branch banking."

Then, speaking of the right of a State to legislate on certain matters and the absolute lack of authority on the part of Members of Congress to force on the States their views, he said:

> I am not complaining that this bill does not go far enough. I am not going into the question of whether branch banking be wise or unwise, but I contend that the only reason for this provision is because some Members of this House do not believe in branch banking, and they propose to say to the people of a sovereign State, "We are going to use this indirect means to enforce our economic views on you irrespective of what your local views may be."

That was the position I took on the income tax; and let me say that I hope the gentleman from New York, with all of his power and influence on the Republican side, will take the same position when the 80 per cent refund comes up again and assist me in trying to eliminate that unconstitutional paragraph from the bill.

I say to you in all sincerity that if it is not right for Congress, for this House, to force upon Kansas, Nebraska, Pennsylvania, or the other States of the Union a law which they do not want, or force them to change a law of their State, then certainly it is not right for the Members of this body to force upon a State and try to make a State change an article of its constitution which is not contrary to the Constitution of the United States.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. SEARS of Florida. Yes.

Mr. BLANTON. What about the 100 per cent refund that the Congress of the United States has allowed Florida and every other State to deduct from their ad valorem tax from the income tax? You allow them to deduct 100 per cent from the ad valorem tax.

Mr. SEARS of Florida. I would take the same position on that that I am taking on this, that Congress has not that right. But I am not going into the merits of whether the people of Florida voted wisely or unwisely at the election in voting on the amendment to change the constitution of Florida. The people of that great sovereign State, made up of people from the North and South and the East and West and Floridians, the best people we find anywhere, overwhelmingly adopted that amendment to their constitution.

One of my Democratic colleagues said, "Why did you not object last year when the 25 per cent refund was included in the bill?" I told him the reason I did not raise my voice in opposition then was because I feared my colleagues would do just what they are doing to-day; in other words, that they would change it from 25 per cent to 80 per cent. Eighty per cent is so near the 100 per cent that you show on the face of the bill itself it is not for the purpose of getting taxes to run governmental affairs but for the sole purpose of making Florida change her constitution or suffer the penalty of paying all of her inheritance tax into the Government fund for Government purposes and getting none of it back.

You would be surprised to know that last year Florida, under the inheritance tax, paid into the Government about $2,000,000. I think I am safe in saying that under the present bill, with the cut from 40 per cent to 20 per cent, Florida will pay to the Government in inheritance taxes over $1,500,000.

If this bill is permitted to stand as it is, then we will either have to change our constitution, which will take four years, or we will have to suffer, as I have said, the penalty of paying all of it in to the Government and let the other States get the benefit of it. But, speaking for the people of Florida, speaking for one of the sovereign States, I want to say that whatever your action may be, I do not believe you can force them to

change their constitution, and they will take their penalty rather than be driven to that which they should not be driven.

Last year, in going down on the train, I met a highly educated, cultured, and refined gentleman in the diner. We introduced ourselves and talked for some time. He did not know I was a Congressman, because I make it a rule never to tell who I am, and I did not even know what his business was. After luncheon one of my friends on the train came by and said, "Do you know the gentleman to whom you were talking?" I said, "Yes; I know his name." He said, "He is a retired judge of the Supreme Court of the State of Connecticut." So I went back to this gentleman and said, "I understand you are a lawyer." He said, "Yes; they say I am a lawyer." I said, "Well, I enjoyed our chat, but I want to punish you. I would like to have you read my remarks on the income tax, the 80 per cent refund." He took the CONGRESSIONAL RECORD and read it. Then this man from another State—who had nothing to expect from me and I had nothing to expect from him—about 5 o'clock that afternoon came back and returned the RECORD to me. I had asked him to make notations, because lawyers get wrong, and if I was wrong, I wanted to know it. I prize this as much as any of the telegrams and letters I have received from my own State, because I have investigated the gentleman and I find he is a cultured and educated man; that he held the position of justice of the Supreme Court of the State of Connecticut for many, many years, and until, at the age of retirement, he was retired, and I now want to read to you the kind remarks he wrote:

ON TRAIN, *December, 1925.*

MY DEAR MR. SEARS: I have read the report of your speech and see no answer to it. I wish I could add something to your able and effective argument, for the paragraph is, in my opinion, both unconstitutional and subversive of State rights.

To exact money under the guise of taxation for purposes other than governmental is, in my opinion, not taxation, but confiscation, and I should like to hear the answer—if there is one—to the question: By what constitutional authority the Congress has the power to seize the estate of a deceased resident of Florida for the avowed purpose of turning it over to the treasury of the State of New York?

Very sincerely,

JOHN K. BEACH,
450 Temple Street, New Haven, Conn.

I appreciate this letter, as I have said, and I shall keep the original as one of my pleasant mementos. In investigating this very estimable gentleman, high class and very discerning—because he went to Florida to spend the winter—I find that he is a close personal friend of the distinguished chairman of the committee [Mr. TILSON].

Mr. McSWEENEY. Will the gentleman yield?

Mr. SEARS of Florida. Yes.

Mr. McSWEENEY. I am in favor of an inheritance tax and I am also in favor of State rights. I wish to ask the gentleman if he does not think that the Western States, in legalizing high rates of interest, were bidding for capital in their early days of development just as much as Florida is bidding for capital now by her action?

Mr. SEARS of Florida. There is no doubt that is true, but I doubt that Florida was bidding for capital, because at the time we passed this section the fourth congressional district had about 700 multimillionaires, and that number has only been increased by a very few additions. We are not tax dodgers. I wish I had time to read editorials from Alabama, North Carolina, and other States, also the other letters and telegrams I have received approving the position I have taken.

Mr. McSWEENEY. But the western men did allow high rates of interest in order to encourage new capital.

Mr. SEARS of Florida. That is absolutely true, and that is why I am asking my western colleagues now not to penalize Florida. I can not bring myself to believe any of my colleagues, now that they have given the subject serious consideration, will wipe out the last vestige of State rights. I can not believe they will support a proposition admittedly wrong in principle for a few paltry dollars. If I am wrong in the above I do not believe your constituents are so selfish that they will indorse your vote. American statesmanship has not yet sunk to that low level. [Applause.]

Mr. HARRISON. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. BOYLAN]. [Applause.]

Mr. BOYLAN. Mr. Chairman and gentlemen of the committee, 27 days have elapsed since I introduced a bill in the House giving the President power in an emergency to operate the anthracite coal mines. Nothing has been done during these 27 days, although I have requested the Committee on Interstate and Foreign Commerce to report the bill presented by me. In the meantime suffering and hardship are stalking through the land. In to-day's papers we read of the gaunt specter of starvation in the anthracite coal regions, a miner's wife dying from starvation, yet the Congress sits here quietly and nothing is done.

But there is a gleam of light coming out of the dark clouds surrounding us. Some eminent Republicans from New England and from New York have petitioned the steering committee to do something in order that at least a gesture may be made by the administration in this most important and necessary relief for the American people. The homes of thousands of families throughout the East are heated only by the wood they can gather in the streets of the towns and villages.

Another very important development has taken place; this noninterference with the coal situation has another very important and vital thing hidden behind it, and what is it? It is alleged, gentlemen, that the big interests of this country, the big financial interests, have pledged their aid and their support to any operator who is unable to carry on and break the strike. What does this mean? This means a direct thrust at organized labor of this country, and labor should be alert and protect itself. It is more important, to my mind, to keep men and women alive, keep them from starvation and suffering and hunger, than it is to say that they shall only have alcohol in the proportion of one-half of 1 per cent.

I think it is up to the Congress, if we value organized labor and their help and their support, to do something to alleviate the present conditions that exist throughout our country to-day.

Twenty-seven days have passed, as I have stated, and nothing has been done. How much longer must we wait? Shall we be reduced to the very depths of want and privation before the Congress will do something?

Mr. OLIVER of New York. Will the gentleman yield?

Mr. BOYLAN. I yield to the gentleman.

Mr. OLIVER of New York. A moment ago the gentleman said there were great financial interests back of maintaining the operators who might otherwise fail. Does the gentleman mean that the administration of our Government is in sympathy with those that are back of this movement to finance the operators in a fight against union labor in this country?

Mr. BOYLAN. Well, the only natural assumption one can make on account of its masterful inactivity is that it is. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HARRISON. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. WHITTINGTON]. [Applause.]

Mr. WHITTINGTON. Mr. Chairman, my observation will center very largely around the provisions of the pending legislation for the improvement of the rivers of the country, and my theme is—

THE PROBLEM OF THE MISSISSIPPI RIVER

Every country has its great river, and the United States has the greatest river in the world. Governments have always promoted the improvements of their great rivers and the control of their floods. The Mississippi River is the property of the United States and should be the commercial highway of the Nation. It is owned by the Government, and the acts of Congress enabling the States of the Mississippi Valley, including Mississippi, Louisiana, and Arkansas, to adopt constitutions for admission into the Union provided that—

The River Mississippi and the navigable rivers and waters leading into the same or into the Gulf of Mexico shall be common highways and forever free as well to the inhabitants of the State as to the other citizens of the United States.

The unquestioned control of the Mississippi River to the Gulf largely influenced Thomas Jefferson in the Louisiana Purchase, for when the country east and west of the river in the lower valley was under the dominion of Spain and France the United States had maintained that the Mississippi should be free to all of the territory of the Mississippi Valley.

Under Article I, section 8, of the Constitution the United States has jurisdiction of the Mississippi River for navigation and has the power to collect taxes to control its floods and to improve its channel, both of which are essential to its navigation, under the grant of authority to establish post roads, to regulate commerce among the several States, and to provide for the general welfare.

There is a wide and well-founded demand for the improvement of all navigable rivers and inland waterways. Both the Democratic and Republican Parties indorse the flood control of the Mississippi as a national problem and advocate the improvement of the navigable rivers as the great internal improvement policy of the United States. The improvement of the Mississippi River has been indorsed by statesmen from Thomas

Jefferson to Calvin Coolidge, and is being advocated by the leading statesmen and men of vision to-day. Abraham Lincoln said:

The most general object I can think of would be the improvement of the Mississippi River and its tributaries.

This question is of immense importance to the entire Mississippi Valley. In fact, its agricultural and industrial development both depend upon the improvement of the Mississippi River system and upon its union with the Great Lakes system. Agriculture must have cheaper transportation, and the agricultural problem will largely be solved by the establishment of manufacturing enterprises in the agricultural regions. The producer and consumer will thus be brought together, and the profit of the producer will be increased by the diminishing costs of transportation.

The Panama Canal and increased freight rates have retarded agriculture and prevented industry in the Mississippi Valley. These two factors have driven industry to the seaboards of the Atlantic and the Pacific and have reduced very materially the income from agriculture. The freight rate from Kansas City to San Francisco is more than double the cost of transportation from New York to San Francisco. The Mississippi Valley must pay a railroad rate of about $5 per hundred on her first-class traffic to San Francisco, while New York ships by sea for $2.40 per hundred pounds. The average railroad rate of the country is 10½ mills per ton-mile, and there is little hope that this rate can or will be reduced. The Mississippi Barge Line is making a profit at 3½ mills per ton-mile, and will reduce to 2 mills per ton-mile when the channels are completely improved and when the service of the barge line is fully established. The cost on the Great Lakes is 1 mill per ton-mile. It has been shown the world over that freight can be carried by water at from one-fifth to one-tenth the rate the railroads can afford to make.

One thousand bushels of wheat can be transported 1,000 miles on the Great Lakes or the sea for $20 to $30; it can be carried on the Mississippi modern barges for $60 to $70, and it costs by rail to-day from $150 to $200. These figures are conditional upon return or back loading. Cotton in the interior can be concentrated and shipped from Memphis, Greenville, and Vicksburg by barges and via the Morgan Line to New York and New England points at a saving of 11½ cents per 100 pounds over the direct rail routes. Much of the freight now received in the South from New York is by water to Charleston or Savannah, and thence by rail to the interior. The operation of the barge line by the Inland Waterways Corporation on the Mississippi from St. Louis to New Orleans shows that water transportation, which had almost disappeared from the Mississippi since 1900, can be restored and profitably conducted. The joint water-and-rail rate from Chicago to New Orleans is now 80 per cent of the all-rail rate, and the water rate from St. Louis to New Orleans is much less than 80 per cent of the rail rate. I favor the completion of the Mississippi River system, with the main trunk line extending from New Orleans to St. Louis, Chicago, and Duluth, a distance of 1,600 miles, and from St. Louis to St. Paul and Minneapolis, with the main right lateral trunk extending up the Ohio and Allegheny to Pittsburgh, and the main left lateral trunk extending up the Missouri from St. Louis to Kansas City. The main trunk line will thus extend north and south 1,600 miles and east and west 1,500 miles, and there are intracoastal canals and tributaries, including the Cumberland, the Tennessee, the Yazoo, the Arkansas, and the Red, which will afford 6,000 miles of navigable waterways. The completion of the Mississippi system, therefore, will give to the Nation 9,000 miles of navigable waterways. It is estimated by the Government engineers that the United States can rectify and complete the channels of the main trunk lines for around $65,000,000, and the urgent work on the tributaries can be done for approximately $35,000,000. Two-thirds of the system is complete, and the whole system must be established to make it effective, and it can be established with the exception of the revetment of the lower Mississippi for $100,000,000. With one incomplete segment from St. Louis to New Orleans, the system is broken; a single sand bar will prevent navigation.

The railroads now maintain that they must expend a billion dollars annually for 10 years to meet the expanding needs of commerce and transportation. The people must ultimately pay the bill. By waterways cheaper transportation can be obtained. Is it not the part of wisdom, as well as good business and statesmanship, to complete the water system so that the railways and waterways can coordinate and cooperate? Ultimately the people must pay for additional transportation. It will be economical to utilize the waterways rather than expand the railways.

But there is another consideration. The Government must operate its waterways without damage to individuals or States and in the interests of commerce as well as for the general welfare. It must provide against floods. The annual damage from the floods of the great rivers in all countries amounts to millions of dollars in loss of money and property and loss of countless lives. The great floods of the Mississippi in 1882, 1884, 1897, 1907, 1912, 1913, and 1922 wrought misery throughout the valley, resulted in the loss of many lives and the destruction of property amounting to millions of dollars. The destruction to the small farmer and to the tenant throughout the valley in all these floods was especially great. In the fall of 1925 the floods in Europe caused great woe. In Paris alone the flood of the Seine caused a loss of more than $20,000,000. From Cairo south the Mississippi River finds its way to the Gulf through alluvial or delta lands. The control of the floods of the Mississippi River and the improvement of its channel from Cairo to the Gulf constitute the key to the improvement of the Mississippi River system. Mere channel improvement is temporary unless it is properly protected and maintained, but floods can be controlled and navigation can be maintained. Levees and revetment are essential to flood control, and at the same time they are absolutely necessary for channel improvement for navigation.

CAIRO TO THE GULF

The Mississippi River from Cairo to the Gulf is in reality a river in itself, and I refer to it as the lower Mississippi. It traverses the most fertile valley on earth. The area of these alluvial deltas is about 30,000 square miles, or about 20,000,000 acres. It is estimated that about 4,000,000 acres can not profitably be reclaimed. About 25,000 square miles, or 16,000,000 acres, therefore, can be reclaimed, and there are now about 4,000,000 acres of the 16,000,000 acres in cultivation.

The river receives the flood waters from 31 States, and its entire drainage basin comprises 41 per cent of the area of the United States. The distance from Cairo to the Gulf by river is approximately 1,070 miles. The flood waters from the Alleghenies on the east and the Rockies on the west converge at Cairo, and the control of these flood waters is a national problem, as a part of the internal improvement policy of the Government.

The annual flood height in this alluvial valley is increased as the country drained by the Mississippi and its tributaries is cleared up. The improvement of the West and the great Middle West results, therefore, in damage to the lower Mississippi.

The process by which the country above is relieved is that by which the country below is ruined.

The cultivation and drainage of the great plains in the upper Mississippi and along its tributaries have overwhelmed the alluvial valleys of the lower Mississippi. It is maintained that the drainage of the States to the north of the Delta lands accelerates the flow of the rains and snows which fall there and in this way increases the burden of the lower river. The fact that the lower Mississippi River is the drainage basin for 41 per cent of the total area of the United States is sufficient to warrant the Federal Government in controlling the floods of the Mississippi.

YAZOO BASIN

There are four great basins located in the territory from Cairo to the Gulf; the St. Francis, the Yazoo, the Tensas, and the Atchafalaya Basins. I speak of the Yazoo Basin particularly, inasmuch as I represent the third congressional district of Mississippi, in which this basis is largely located. It extends from a point a little south of Memphis to the mouth of the Yazoo River, just above Vicksburg. The distance by river is about 350 miles and by the levees approximately 300 miles, whereas the straight distance from Memphis to Vicksburg is 180 miles. The fall from Memphis to Vicksburg is about two-thirds of a foot to the mile. The shape of this basin is lenticular, with the Yazoo Hills, along which the Yazoo River runs on the east, forming one arch, and the Mississippi River on the west forming the other arch. The extreme breadth is about 60 miles. The drainage in the basin is altogether toward the interior, and eventually it goes into the Yazoo River. The area of this basin is approximately 6,500 square miles, or 4,100,000 acres. The basin of the Yazoo River is about 2,400 square miles, the Sunflower Basin is about 3,000 square miles, and there are about 980 square miles in the Steele's Bayou Basin.

There are two local levee districts in the Yazoo Basin, the Mississippi levee district, with about 190 miles of levee completed, with the levee north from the mouth of the Yazoo near Vicksburg about 20 miles still incomplete; and the Yazoo-Mississippi Delta levee district, with its 90 miles of levee com-

plete and up to grade and section. The entire basin is subject to overflow from the Mississippi River, and the eastern part of the basin has an additional burden in the overflow of the flood waters of the hill sections of the State of Mississippi. There is the problem of the Mississippi River on the west, and the problem of the Yazoo River and its tributaries on the east.

The improvement of the Mississippi River is unfinished. The levees must be completed to the mouth of the Yazoo River. In some instances the levees must be built to a higher grade and section than at present fixed by the Mississippi River Commission. In order to protect the levees built by the Government and local interests it will be necessary for the levees to be protected by bank revetment. The Federal Government has recognized that bank revetment is essential to navigation, and the cost of bank revetment has largely been and should be borne entirely by the Government. This policy will materially lighten the burden of the Yazoo-Mississippi Delta district, where this district is now and has been contributing to revetment work. The tributaries of the Mississippi must be protected, and they involve the Yazoo, which includes the entire Yazoo-Tallahatchie-Coldwater district, as well as the Sunflower district and the Steeles Bayou district. Under the law at the present time the Government is authorized to control the flood waters of these rivers, as tributaries of the Mississippi, in so far as they are affected by the back waters of the Mississippi. The point to which they are now affected on the Yazoo River is not definitely settled. It is tentatively fixed at Yazoo City, but the flood level may be changed by the completion of the Brunswick extension. At all events the Brunswick extension must be completed before the problem of the lower district is solved. It would be useless to improve the lower Yazoo and its tributaries unless the Brunswick extension is completed, and by the Brunswick extension I mean the territory in which the levees are at present incomplete for a distance of about 20 miles above Vicksburg.

The matter of the floods from the hill waters in the upper Yazoo district presents a difficult problem. It involves about 1,600,000 acres of land, and this land is exceedingly fertile and productive. If the Federal Government is justified in reclaiming the arid lands of the West, surely there is a great deal more reason for reclaiming the swamp and overflow lands of the Yazoo basin.

It must be kept in mind, however, that in reclamation the Federal Government does not make any donation or contribution. It merely advances the money for a long period of years and permits it to be repaid without interest. I believe that the Federal Government will recognize the justice of the reclamation of this fertile Yazoo Basin, and I trust that the reclamation act may be amended so as to permit the reclamation of this great territory in the upper Yazoo Delta.

In the lower Yazoo Basin, under the Federal law, the Government is authorized to appropriate $2 for every dollar contributed by the local interests in the control of the flood waters of the tributaries of the Mississippi River, in so far as they may be affected by the backwaters of the Mississippi. A comprehensive scheme, because of the large interests involved, should be devised for the solution of the flood problem along the eastern border of the Yazoo Basin. I am urging the complete survey of the Yazoo River for flood control. The Federal Government will not make any appropriations until first the engineers of the Government have made a complete survey, so that Congress may be fully advised as to the nature of the problem, the Federal interests involved, and the costs of the improvements.

There are two projects in the treatment of the Yazoo River, the upper Yazoo and the lower Yazoo problems. The latter is a flood-control problem and should be solved under the flood control acts, and amendments thereto. The former can be classed as a reclamation problem. As a member of the Flood Control Committee and as a member of the Reclamation Committee, I find that both committees are in sympathy with Federal aid for the solution of these two problems. There must be a comprehensive survey; the local interests must contribute to this survey. It is for the citizenship to determine whether the local contribution should be made by the levee boards, by the boards of supervisors, or by drainage districts, or what method of contribution shall be adopted.

STUDIES AND INVESTIGATIONS

The problem of the Mississippi is as old as the Government itself. Congress has made efforts from time to time for its solution. Many commissions have been appointed by Congress to investigate the matter. In 1822 Bernard and Totten, of the Army Engineer Corps, after a very extensive and elaborate study, made a report in which they declared that the only means of improving the Mississippi River was by the constructions of dikes and levees. Humphreys and Abbott, Army Engineers, submitted an extensive report in 1861; the Warren commission in 1875, the Burrows committee in 1883, the Nelson committee in 1898 submitted reports, and after the flood of 1913 President Wilson requested a full investigation to determine the most efficient method for flood control of the Mississippi River. Various methods have been suggested, including reforestation, reservoirs, cut-offs, outlets, and diversion. Reforestation would require the abandonment of much land needed for agricultural purposes; reservoirs are better suited to the mountainous country and would require enormous expenditures; cut-offs might afford relief to the portions of the river straightened, but it would increase the flood height at the lower end, benefiting one locality at the expense of another. This method can not be applied to the Mississippi River because it would injure its navigation during low water and increase the caving of its banks, which is already excessive. Outlets can not be constructed above the mouth of the Red River, and they would have to be protected by levees of the same dimensions as the river itself. Diversion of flood waters into channels parallel to the main stream is impracticable. The maximum flood discharge of the Mississippi River exceeds 2,000,000 second-feet, while it discharges about 1,000,000 second-feet at bank-full stage.

All of the commissions investigated the various methods proposed. Army engineers and the most eminent civil engineers have agreed that the only proper method of flood control is the levee system. All other methods have been discarded. Levees have been successfully employed on European rivers, and are the only means of flood control of the large rivers that have been successfully utilized.

In 1850 Congress, in an effort to solve the river problem, passed the swamp land act, under the terms of which the proceeds from the sale of these lands in the Mississippi Valley were to be devoted to the construction of levees. However, the greatest step taken by Congress was the act of June 28, 1879, creating the Mississippi River Commission, which provided, among other things, that—

> The commission shall take into consideration and mature such plans and estimates as will correct, permanently locate, and deepen the channel and protect the banks of the Mississippi River; improve and give safety and ease to the navigation thereof; prevent destructive floods; promote and facilitate commerce, trade, and the Postal Service.

The Mississippi River Commission has had experience for 40 years with many floods, some of which were the greatest in the history of the river. They are now, and have always been, agreed that the only way to prevent destructive floods is by the construction and maintenance of levees. Until the flood control act passed in 1917, the appropriations for the Mississippi River Commission limited the construction of the levees to such location and height as would improve the channel of the river, without reference to the protection of delta or alluvial lands from overflow. Snags and sand bars were removed in aid of navigation. Revetment work was done to prevent caving banks in aid of navigation, and revetment work along the Mississippi River has been largely done by the Mississippi River Commission, for the Army engineers deem revetment as essential to navigation.

Gen. A. A. Humphreys, after 10 years' study of the river, which resulted in the great report of Humphreys and Abbot, concluded that it was impossible to retain the floods without the construction of levees. There can be no longer any question about the matter; the levee system is the only practical method for flood control.

LEVEES

The building of levees or dike systems for flood control is no new thing. Levees consist of embankments of earth, and the system is of ancient origin. It is as old as history. As far back as the twelfth dynasty the Pharoahs were constructing levees along the banks of the Nile, not only to conserve water for the purposes of irrigation, but to prevent the overfloow of its alluvial banks. In Biblical times the waters of the Tigris and Euphrates were confined to their banks by a system of levees to prevent the lowlands from being inundated, and the King of Assyria revetted the banks of the Euphrates by facing them with burned brick in order to protect the sides of the channel from abrasion and caving.

Most of the rivers of Europe have been leveed to prevent floods and many of the rivers in Asia have been leveed. The Rhine, the Rhone, the Arno, the Danube, the Vistula, and the Yellow River are thus leveed, and in consequence disastrous overflows are of rare occurrence on these rivers. Other methods were tried and discarded. Some of the works on these rivers are of great magnitude; upon the Vistula the levees are 20 feet high and about 20 feet broad at the top. At the time of the Renaissance the levees were extended along

the River Po, and they were built to the mouth a century ago. The story of flood control by levees is no new one, and the problem has been subjected to the test of time and the experience of history. The flood control of great rivers is the Nation's problem, and this problem has been undertaken and solved by States of modern and ancient times as a great national internal improvement.

The history of levees along the Mississippi is interesting. It has gone hand in hand with the civilization of the country. The first settlements made by Europeans on the Mississippi were at Natchez and New Orleans. At New Orleans precautions were necessary to protect the settlers from overflow. The first levee built on the banks of the Mississippi River was constructed by a French engineer named De la Tour, who had laid out the city of New Orleans in 1710. This levee was started in 1717 and was completed 10 years later, and by 1735 the levee extended 12 miles below New Orleans to 30 miles above on both sides of the river. As the country opened up, the levees were extended up farther, each planter building along his own river front. The levees were very low, and the system was extended in this desultory way, and at the time of the Louisiana Purchase by Jefferson, the levees extended from the lowest settlement to Point Coupee on one side and to Baton Rouge on the other side of the river, except where the country was unoccupied.

In 1828 levees were extended up as far as Red River Landing, and by 1844 the line had been extended as far north as Napoleon, Ark., on the west bank, with disconnected sections, more or less, along the entire Yazoo Basin. There was further and better organized levee construction during the years immediately preceding the War between the States. They were destroyed, however, by the great floods of 1862, 1865, and 1867. There was but little levee construction during the reconstruction period, and in 1874 occurred one of the most disastrous of all the floods. In 1882, 1883, and 1884 the deltas were visited for the first time with three successive and excessive floods. Many lives were lost, and enormous damages were sustained.

The control of the Mississippi River had been transferred to the United States by the Louisiana Purchase many years before. Now the impoverished condition of the valley challenged the attention of the country. Congress responded, and the work of the Mississippi River Commission, begun in 1879, began to take shape. It is interesting to observe that there has never been a break in any of the levees along the Mississippi River that have been built up to the grade and section required by the Mississippi River Commission.

LEVEES DO NOT RAISE THE BED OF THE RIVER

There are many fallacies with reference to the Mississippi River and its improvements. It is said that the levees cause the bed of the river to rise. This is pure fiction. Col. C. McD. Townsend, chairman of the Mississippi River Commission, Brig. Gen. H. M. Chittenden, Col. S. S. Leach, and, in fact, all eminent engineers, both civil and military, after years of study, observation, and investigation, maintain that levee construction has not raised the bed of the Mississippi. The tendency is to scour the bed of the river, and thus aid navigation. The tendency is to depress, and not to raise. There is a notion that the bed of the river is above the city of New Orleans; this is wholly erroneous. As a matter of fact, the river is 200 feet deep at New Orleans, so that the level of the city is 200 feet above the bed of the river. The only leveed rivers in the world where the bed has silted are those rivers that flow from a high level down a steeply inclined plane suddenly into a level country. This fiction has long obtained with reference to the Po River in Italy and the Yellow River in China, but this theory has been completely demolished by engineers who have investigated, and in the case of the River Po it has been shown that the bed of the river has not been raised at all through at least two centuries of levee construction and maintenance on its banks.

CAVING BANKS

Bernard and Totten, in their report on the Mississippi River in 1822, advised the construction of levees solely in aid of navigation, but Congress has the power to regulate both intercourse and navigation. Lieutenant Colonel Suter, of the Army Engineers, maintained that the permanent improvement of the stream for navigation without levees was impossible.

This view is concurred in by many other engineers, both civil and military, who have devoted years to the study of the problem of the river. The greatest danger to navigation in the Mississippi is caused by sand bars and by snags that are arrested in their progress down the river and held by these bars. The caving of the banks from Cairo to the mouth of the Red River is surprising. It is almost incredible. The Mississippi levee district now has about 190 miles of levees, but about 212 miles of levees have caved into the river. These caving banks cause the formation of bars below the caving and thus impede navigation. Breaks in the levees likewise cause the formation of bars, and as I have stated, these bars are the formidable enemies of navigation. It is necessary not only to remove the bars by dredging the channel but it is also necessary to prevent the bars by holding the banks in place and by preventing breaks in the levees. The plan adopted has been successful. The remedy is revetment.

Willow mattresses are woven together, held by wires, and sunk below the water level, so they will cover the bank of the river for two or three hundred feet from the low-water level out toward the center of the stream. This caving or erosion takes place along the concave banks in the bends of the river and the deposits are carried below the caving, forming the sand bars.

The distance from Cairo to the Gulf is 1,070 miles, as I have said, but the length of the levees on both sides of the river is about 1,500 miles. There is high territory in some sections along the river, and especially in the territory in Tennessee, in which Memphis is located, and the territory in Mississippi south of Vicksburg. The caving only occurs in the river bends. The length of the lower-river channel may be divided into two parts, and they are the steep-slope and the flat-slope divisions. The steep slope ends in the vicinity of the mouth of the Red River, and from this point the river flows to the Gulf on a very flat slope. The current is slow, and there is, consequently, no caving of the banks, with the result that there are no sand bars or shoals in this part of the river and ocean-going steamships navigate the river up to Baton Rouge.

The caving bends, then, occur between Cairo and the mouth of the Red River, where the slope is steep, and it is estimated that there are about 400 miles of these bends. Revetment is the remedy for caving; it is even more essential than levees for navigation, for caving goes on in low water, and levees are only needed for high water. Revetment is the fundamental factor in river improvement.

REVETMENT

Revetment protects the banks and at the same time protects the levees. The levees aid in navigation by confining the water to its regular channel. They contribute to rectifying the channel and thus prevent the formation of bars. But these bars come almost entirely from the caving banks. The object of Federal aid is to control the floods and to provide and maintain a dependable channel for navigation. The remedy is levees and revetments. The statement of Major Markham, of the Corps of Engineers, is typical and illuminating:

I have convinced myself that there is no other method of controlling the floods except by levees and revetments.

So is this statement by Major Markham:

I think revetment work indispensable to navigation as it exists on the Mississippi to-day.

The engineers all agree, as have all the commissions heretofore appointed by the Government to study the matter, that floods in the lower Mississippi can be controlled only by levees built along the banks of the river, and by preventing these banks from caving into the river by means of revetment. They are also unanimous in the opinion that a navigable channel of sufficient depth to carry the commerce of the future can be maintained economically by the same means by which floods are controlled and by no other. Therefore it is that the Mississippi River Commission has recognized that bank revetment is the contribution of the Government to the Mississippi River problem, and has advised that the bank revetment should be done by the Federal Government.

Mr. McSWEENEY. May I interrupt the gentleman?

Mr. WHITTINGTON. Yes.

Mr. McSWEENEY. Did not James B. Eads install jetties to deepen the channel for navigation?

Mr. WHITTINGTON. Yes; and I may say in this connection that Capt. James B. Eads frequently appeared before the committees of Congress and advocated levees and revetment to provide for the navigation of the Mississippi River.

LOCAL BENEFITS INCIDENTAL

It has been suggested that the benefits resulting from levees are largely local, and the expense therefore should be borne by riparian owners. But no public improvement of any kind is ever free from the objection that some particular locality or some particular enterprise or some particular individual is especially benefited by it. The navy yards are for the defense of the country, but they are of special advantage to Charleston, Baltimore, Philadelphia, New York, and Boston. The improvement of harbors is for the public welfare, and yet they result

in special benefit to the localities where they are improved. The building of Army posts is a part of the general defense, and yet it is of advantage to the localities in which they are situated. Some individual interest follows from every appropriation by the Government. It is impossible to improve the rivers for navigation without levees. It is impossible to reclaim the alluvial lands without levees.

It may therefore be insisted that the duty of the Federal Government to build levees, which incidentally protect the landowners, is just as imperative as the duty of the landowners to build levees, which incidentally improve the channel of the river in front of them. There is a common interest in the levees. It is not true, however, that the mere building of levees causes an enhancement in the price of land. The people in the valley merely ask the opportunity to reclaim their own lands for themselves. They must clear them, and in alluvial territory they must drain them. I maintain that the interests of the Government and the individual are common and that the benefit to the individual as compared with the Government's benefit is incidental. Every railroad constructed through a country increases the value of the land adjacent thereto; every street laid out in a city, every highway constructed through a county, advances the value of the adjoining land. Protection to private property in some way results from nearly every public work. Suppose the levees should protect individuals while aiding commerce; are they not to be the more commended for that? Should not this fact be an additional argument for their construction? Ought not broad and liberal statesmanship rather approve of a situation which promotes the public interest and at the same time affords protection to the life and property of individuals?

Local interests have borne their part. It is estimated that the Mississippi River Commission has spent upon the Mississippi and its tributaries since its establishment approximately $63,000,000 in the construction of levees, while local interests have spent approximately $155,000,000 in the construction and maintenance of levees.

The program of statesmen in this great internal improvement should be that the Government complete the levees of the Mississippi River under the second flood control act, and that as speedily as possible the revetment of the banks in all the bends of the river be completed. It is a big program, comparable to the construction of the Panama Canal, and it should be solved in a great way. The local interests will maintain the levees, and it is to be kept in mind that the cost of maintenance will be no inconsiderable item. Thus the local interests and the public interests will be conserved and coordinated, and the public and the individual will bear their just share of the costs of a great program.

FLOOD CONTROL

The flood control act of March 1, 1917, authorized an appropriation of $45,000,000 for the improvement of the Mississippi River. For the first time in its history the Mississippi River Commission was given adequate funds to prosecute its program of levee construction and revetment. It was contemplated that the appropriation would cover five years, with a $9,000,000 annual appropriation. Because of the World War the annual appropriation was less than $7,000,000, and the work extended over seven years instead of five. Because of the increased cost the Mississippi River expended $4,000,000 annually for work other than levees, instead of $3,000,000 as contemplated, and therefore $28,000,000, instead of $15,000,000 as planned, were expended for work other than levees, so that only $17,000,000, instead of $30,000,000, were devoted to levees. The act provided that the local interests should contribute not less than one-half the amount allotted by the commission for the work, and the act further provided that not more than $10,000,000 should be expended during any one fiscal year. There was no time limit in the original act, and it was in force until July 1, 1924.

The second flood control act, approved March 4, 1923, also covered the flood control of the Mississippi and Sacramento Rivers and was an amendment of the first act. It authorized the expenditure of a sum not to exceed $10,000,000 annually, to be appropriated for a period of six years, beginning July 1, 1924. The act provided that the money could be spent for flood control upon the tributaries as well as on the outlets of the Mississippi in so far as they might be affected by the flood waters of the Mississippi.

Two appropriations of $10,000,000 have been made. It is exceedingly important that the Sixty-ninth Congress appropriate the $10,000,000 recommended by the Director of the Budget for the fiscal year 1927, which begins on July 1, 1926. This will leave three further appropriations to be made, the act expiring July 1, 1930. The maximum appropriation is needed. It will require it all, and probably more, to complete the levees on the Mississippi River. There will probably be none for the flood control of the tributaries or the outlets, although such flood control is authorized under the second flood control act. The maximum appropriation is also necessary to conserve and protect the millions of dollars already invested by the Government and by the local interests in the improvement of the river. A single break in the levee would probably cost more than the entire authorization. The maximum appropriation, too, will not only be more economical in the long run, but it will carry out the idea of efficiency, which is the foundation for the authorization.

But the improvement of the Mississippi River is by no means complete. The problem of the tributaries remains. The real work of revetment has just begun and must be completed in order to make navigation on the lower Mississippi River certain.

IMPROVEMENT OF THE LOWER MISSISSIPPI ESSENTIAL TO THE DEVELOPMENT OF THE UPPER MISSISSIPPI AND ITS TRIBUTARIES

The 9-foot improvement in the Ohio River is being prosecuted and will require large appropriations. The 6-foot project in the Mississippi from St. Louis to Minneapolis should be carried on vigorously, and the 6-foot channel in the Missouri will require millions to complete. In addition, large amounts are being spent to connect the Mississippi with the Great Lakes at Chicago.

These improvements will promote the progress of the country. I mention them to indorse them. However, they will not render the service nor bring the desired benefits when completed unless the Mississippi River is improved from the mouth of these tributaries to the Gulf, unless navigation is made certain from Cairo to the Gulf. The only way by which a dependable channel can be maintained in the lower river is by revetment of the banks to prevent caving and to prevent the formation of bars in the channel. There can be no successful navigation without revetment. The money for the improvement of the upper Mississippi and its tributaries will be used in vain unless the fundamental revetment work in the lower Mississippi is provided for. Transportation to the ocean must be secured. Completed levees, with proper maintenance and revetment, according to eminent engineers, will give the lower river a 14 to 20 foot channel from the Gulf to Cairo. This would mean much to the prosperity of the entire valley.

The problem of the Mississippi is a great problem, but it can be solved. The engineers are agreed as to the method. Congress should provide and appropriate the funds.

The conservation of work already done, of appropriations already spent, the control of destructive floods, the protection of levees already built, and the present national need for improvement and maintenance of the channel and the promotion of navigation all demand the completion of the revetment of the lower Mississippi. A Government that constructed the Panama Canal can speedily complete the improvement of the Mississippi River. There will then be the dawn of a new and better day for agriculture and industry in the Mississippi Valley. [Loud applause.]

Mr. BARBOUR. Mr. Chairman, I yield seven minutes to the gentleman from Washington [Mr. SUMMERS].

Mr. SUMMERS of Washington. Mr. Chairman, what is the matter with the farmer? Candidly, I am wondering if the farmer is suffering more from the railroads or from stabs below the belt inflicted by the Interstate Commerce Commission.

Nearly 40 years ago the Interstate Commerce Commission was established as a buffer between the railroads and the people. It was established to regulate the railroads, and now the regulator needs regulating.

Perhaps you are one of the few remaining citizens of the United States who look upon the Interstate Commerce Commission with some degree of sanctity. Perhaps you look upon the Interstate Commerce Commission as an arbiter for all the people. I would not want to think otherwise of it.

But what are they doing to the farmer? Their latest stab in the short ribs of the farmer has just occurred out in the inland empire, that great wheat belt of eastern Washington and Oregon and western Idaho, that produces one-eighth of all the wheat grown in the United States. Here are the facts: Until five years ago we paid the same freight on wheat to Seattle, Tacoma, and Portland. They were competitive markets, but seven-eighths of the wheat from a given territory went to Puget Sound markets.

In 1920 somebody at Portland said:

Please give us a more favorable rate on wheat.

The Interstate Commerce Commission said:

Why, sure; we are glad you mentioned it. We can do it as well as not.

So they selected an arbitrary line through the inland empire and said:

All wheat south of this line will pay a lower rate to Portland because it's a downhill haul, and, perchance, a shorter haul.

What happened to the farmer? Portland having a more favorable freight rate could and did outbid Seattle and Tacoma. What next? Seattle and Tacoma of necessity withdrew from that territory. What next? Three-fourths of the wheat from this same territory now goes to Portland, great freight congestion at times occurs, the price of wheat is depressed, and at times prices are good, but there is no market.

The farmers believe this ruling of the Interstate Commerce Commission is costing them year in and year out 4 cents a bushel on millions of bushels of wheat.

They asked the Interstate Commerce Commission in a properly conducted hearing to again establish a parity of rates to Seattle, Tacoma, and Portland. The farmers sought a competitive market. The railroads themselves offered no objection. Let me repeat, the railroads themselves offered no objection. But the Interstate Commerce Commission, after considering the case about 18 months, have just denied the Walla Walla Farm Bureau's petition, because "Portland has a downhill haul." That sounds logical. But remember that same Interstate Commerce Commission fixes a rate for a Chinaman in Hongkong of 40 cents a hundred on steel hauled uphill and down from Chicago to San Francisco, but if a car of that same steel stops at Salt Lake City to be used by American farmers the Interstate Commerce Commission fixes a rate of 80 cents a hundred. The Chinaman pays 40 cents for a 2,300-mile haul, while the American farmer pays 80 cents for a 1,500-mile haul.

This same Interstate Commerce Commission fixes a rate of $1.58 a hundred on dry goods from Chicago to San Francisco, a 2,760-mile haul over a certain railroad over the Rocky Mountains, and fixes the same rate of $1.58 from Chicago to the farmers of Kansas and Nebraska, only an 800-mile haul. The railroads have now petitioned for a lower rate from Chicago to San Francisco than for the farmers of Iowa.

The farmers are struggling to make ends meet.

And now come the railroads after one of the most prosperous years in their history asking for an increased freight rate on agricultural products from the West. A cross-eyed school boy out my way could settle that question fairly and with equity to all in 10 minutes.

What is the matter with the farmer? Based on past performances, can anyone tell what the Interstate Commerce Commission will do?

Would an investigation of this occult Federal commission reveal the mysteries of its logic?

Mr. ALLGOOD. Will the gentleman yield?

Mr. SUMMERS of Washington. I yield.

Mr. ALLGOOD. Can the gentleman tell us how we can get rid of this Interstate Commerce Commission?

Mr. SUMMERS of Washington. I do not know of any way except to abolish it, if that seems the wise thing to do. I simply lay before the Congress for its consideration some of the things that are being done.

Mr. ALLGOOD. How would we go about abolishing it?

Mr. SUMMERS of Washington. The gentleman is a legistor, and I think he can answer that question as well as I can.

Mr. ALLGOOD. A bill would have to be introduced coming from the Republican side of the House, would it not?

Mr. SUMMERS of Washington. Not necessarily.

Mr. ALLGOOD. In order to receive the favorable consideration of the committee?

Mr. SUMMERS of Washington. The Interstate Commerce Commission is bipartisan. It has existed for something like 40 years. Most of the inequities have existed through several administrations, and neither party has so far seen fit to abolish it; but I raise the question at this time that possibly an investigation of the methods by which freight rates are fixed and as to why they are permitted to smother water competition might be in order.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. HARRISON. I yield 20 minutes to the gentleman from Louisiana [Mr. WILSON].

Mr. WILSON of Louisiana. Mr. Chairman, no single word more nearly explains and defines our present industrial civilization than "transportation." Without the modern means of transportation, so ordinary to us that we scarcely think of them, our standard of living would perish overnight, and we would be in the position of our forefathers in the early days of this Republic.

The year 1830 marked the first steam railroad in the United States. Prior to this there existed but two means of transportation—wagon roads and waterways. Consider what this simple statement purports. To deliver corn by wagon at a distance of 125 miles cost more than the selling price of the corn itself. In 1821 it cost $11 per 100 pounds to ship commodities from Philadelphia to Pittsburgh. The shipment of a ton of merchandise from Buffalo to New York cost $100. The United States Government paid contractors for wagoning Army supplies at the rate of from $25 per ton per hundred miles and upward, principally upward. Passenger travel was correspondingly slow and expensive. Naturally the speed varied greatly with the season of the year and condition of the roads, but apparently it averaged about 100 miles per day on the best commercial stage lines on the most improved highways existing at that time, and this mileage was accomplished by using relays and traveling all day and part of the night. Ordinary traffic was, of course, much slower.

Under such conditions it is easy to understand that a product of farm or factory had an extremely limited market. The extent of the market available was determined by the bulk and weight of the commodity in relation to its selling price.

In 1825 the Erie Canal was opened, and the cost of moving a ton of mechandise from Buffalo to New York fell from $100 to about $3. The effect of this was far-reaching. It stimulated and encouraged commerce to an almost unbelieveable extent and opened a vast hinterland to the port of New York, which up to that time had been second to Philadelphia. Other States seeing the effect of and value of inland transportation by water immediately embarked upon the building of canals and the improvement of natural waterways. Thousands of miles of canals were constructed, some aided by public funds and others wholly private enterprises. Pennsylvania and Maryland were probably the most active States in this work. Both endeavored, as their greatest project, to link their tidewaters with the Ohio River, but neither State was successful in this. However, though doubtless all the canals constructed resulted in some benefit to the points served, apparently only the Erie, the Delaware and Raritan, the Delaware and Hudson, and the Chesapeake and Delaware were financially successful.

During this same period the pioneers had pushed over the Alleghenies, down the Ohio Valley, up and down the Mississippi River, and out its western tributaries. The Ohio River and its tributaries, the Monongahela, Allegheny, Muskingum, Kanawha, Kentucky, Wabash, Cumberland, Tennessee, and others of somewhat less importance, furnished the base from which traffic on the Mississippi and its other tributaries expanded, and the base from which our people pushed westward to populate the Mississippi Valley. As early as 1824, 300,000 barrels of flour were shipped by river from the State of Ohio in one year. Improvement work began on the Ohio River in 1827, but amounted to little in a practical way until about 30 years later. Commerce on these rivers was handled first by arks, flat boats, keel boats, and barges. The first steamboat appeared on the river in 1811, but it was not until about 1826 that steamboats handled as much as one-half of the traffic on the Mississippi River system. Although the figures are uncertain and vary greatly, it is clear that the tonnage moved on the Mississippi River system expanded steadily and suffered no material competition from railroads until about 1860. The first steam railroad in this country was put in operation in 1830. All of the early railroads were very short, and the majority and perhaps all of them were intended to connect some town, mine, or other point with a navigable waterway. In other words, the railroad in its first conception was intended as a feeder for the waterways, and as a means of bringing the benefits of water transportation to interior points not so served. To illustrate this, up to the year 1840 56 railroads had been constructed in the United States, with a total mileage of 2,264.67 miles. This amounts to an average length for each railroad of 40.44 miles. Few of these connected with one another. The object of each was necessarily to serve some limited purpose of a company or community. Not until about 1850 did engineers and capitalists begin to combine and connect existing railroads with one another, with the additional construction required to form railroad systems as we understand that term—systems connected with one another, and by interchange facilities capable of carrying freight or passengers to almost any point desired. This second phase of railroad building, and certainly the transcontinental lines, were stimulated by the discovery of gold in California and the speculative and expansive period following that discovery.

The reasons for the continued rapid growth and expansion of railroads, as contrasted with the slow and halting growth of inland water transportation, are so varied and complex that I can but suggest some of the major causes. Aside from the inherent limitation of natural location waterways have suffered other handicaps in building a sound and profitable traffic.

In a considerable portion of the United States the channels are closed by ice for one to four months each year. This is not as serious as it sounds, however, for with the other diffi-

culties removed, and a traffic sufficient to justify the work, in most instances the channel can be kept open and free from ice.

Many of our arterial waterways are subject to traffic interruption by seasonal low water. This is also a remediable difficulty, and with proper improvement will be entirely obviated.

In the competition with railroads waterways have been further handicapped because they are under the sole control of the Government and the Congress has gone about the work of improvement in a piecemeal, haphazard manner. For example, the improvement of the Ohio River was begun a century ago and is not yet completed, and this is not because of any great difficulty in the work or any exorbitant cost, but simply a result of the methods followed by the Government in pursuing an inadequate and uncertain policy, instead of providing for the completion of the work in the same way that a railroad company would go about the completion of a trunk line.

In comparison with this lagging program for waterways, we had the railroads capable of being pushed into practically any portion of the United States, privately owned and aggressively managed, and extended and improved immediately where indicated by economic reasons.

The expansion of traffic on the railways has been great and steady in its progress. If anything is certain, it is that transportation facilities create traffic for themselves. It is also certain that the cheaper the rate the more tonnage moves.

In 1888 the railroads moved 590,857,353 tons of freight, and within the next 34 years, or in 1922, this total had doubled, amounting to 1,111,822,446 tons. In the same period the ton mileage increased from 65,423,005,988 to 342,188,000,000, or quintupled. Secretary Hoover in a very conservative statement has said:

> At a much less rate of increase we must within another quarter of a century provide for expansion in facilities to handle at least double what we are moving to-day. Our present railways will obviously be inadequate to meet that task.

The railroads have made strenuous efforts to care for this increasing tonnage, and by increasing the efficiency with which their facilities are used have succeeded in caring for the situation up to the present time. There is a limit, however, to the extent to which increased traffic can be cared for by more efficient operation.

If the railroads are to handle this doubled tonnage, new investments totaling many billions of dollars must be made. It is extremely doubtful that they can borrow or bring into partnership sufficient new capital to finance this expansion. Even if the capital could be secured, in many of the more important industrial and commercial centers the expansion necessary can not be made because of natural space limitations, and also because the cost of the property which would have to be acquired is too great to be borne by the railroads, and a fair return on its cost could not be earned.

Confronting the necessity for increased facilities, there appear to be but two courses open. We may pursue a laissez faire policy and be burdened with a railroad-rate structure based upon exorbitant costs of expansion and, in addition, sooner or later be overtaken by the national disaster of a failure of our transportation facilities, with the consequent halt in our progress and prosperity that will take many years and perhaps decades to overcome; or we may provide the funds necessary for the completion in an economic way of the waterway improvements authorized, and which when completed will not only provide the facilities necessary to care for many years of expansion but also foster that expansion because of the lower rates made possible.

In addition to the magnificent system afforded by the Great Lakes, and on which water transportation is secure and well developed, we have approximately 26,226 miles of navigable waterways within the United States, and, of course, our ocean harbors and intracoastal waterways. Over 13,000 miles of the total are in the Mississippi River system, which has its principal north and south terminals at Chicago and New Orleans, and east and west at Pittsburgh and Kansas City. This system with its feeders is capable of supplying cheaper transportation to all the territory between the Allegheny and Rocky Mountains.

In the year 1924 our inland waterways carried a domestic traffic of 353,138,424 tons, about one-third of the total tonnage carried by the railways of the United States. This tonnage, large as it is, is but a fraction of that the waterways can handle when they are developed as efficient carriers.

No transportation system can expand and develop until it meets the requirements and serves the convenience of the shippers. A waterway carrier can not usually put a siding to the warehouse of the shipper or the factory of the producer, and in order to compensate for this it is necessary that the water rate charged be low enough to more than care for the cost of putting on the wharf and loading. Waterways can give this lower cost, but ordinarily only on long-haul traffic or bulk tonnage on short haul.

In most instances at the present time this long haul can not be had, for the reason that in the improvement of our waterways the Congress has not pursued a policy of developing trunk lines and gradually completing the feeders, but has completed a link here and there, with the intervening stretches unimproved, so that little benefit results even to those sections where the improvement is completed. When the weak links have been improved, and only then, will the benefits of the money spent be felt.

Next in importance to the completion of the improvements our inland waterways need wharf and interchange facilities. In the first years of the operation of the barge lines run by the Inland Waterways Corporation more than one-half of every dollar of gross revenue received was spent in loading and unloading. The corporation has, by the installation of modern facilities, cut the loading cost in half and will probably further reduce it.

The situation in which we find ourselves to-day is substantially this: We have a railway system operating close to its maximum efficiency. We have a highway program rapidly approaching completion and which fills an important gap in our transportation system, and which will also feed traffic to both the railways and inland waterways. We have a waterway system by no means completed. We need this latter system now, and in the near future it will not be a need but an indispensable necessity.

Backed by public sentiment throughout the country which is based upon realization of the need for and value of an adequate inland waterway system to commerce, industry, and agriculture, the Congress is now entering upon an economic program for the improvement and completion of our harbor and waterway projects. The bill under consideration carries an appropriation of $50,000,000 for this work; and considering the conditions bringing this about I feel it is safe to say that this amount will be the minimum basis for future appropriations. We, as Members of the Sixty-ninth Congress, may well congratulate ourselves that this definite step to make this transportation program complete and effective is being taken now.

When these improvements are completed and water carriers are free from unnecessary interruptions to which they are now subject, they will command the confidence of the shippers, take the traffic they can best handle, and gradually twine themselves into the transportation service of the country. The inevitable result of this will be a transportation trinity composed of highways, waterways, and railways, each operating in its own field, each handling the traffic to which it is best adapted, and all serving the public good and promoting the general welfare. [Applause.]

Mr. HARRISON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. OLIVER].

Mr. OLIVER of New York. Mr. Chairman, I wish to speak very briefly on a bill that was before Congress last year and which has been introduced again in about the same form as it was passed by the House last year. It passed the House under a suspension of the rules with 20 minutes debate, but without the right of the Members to offer an amendment. The bill died in the Senate because of lack of time for its consideration.

That bill is the deportation bill. I want to discuss it briefly for fear that it will come up under the same rule with no opportunity to discuss it. I admit that we have the unqualified power of admitting any alien into the country, and we have the unqualified power to put any alien out of the country that we want to. There is no dispute about that. The Government of the United States has the powers of a monarchy in so far as aliens are concerned. In these brief remarks I speak without any criticism of the officials of the Government, for they have a most difficult task and in many instances where I have put up to them intricate questions involving a clash between humanity and the strict letter of the law they have solved them in a remarkable manner. I am indebted to them for their kindly attitude on many matters that I have submitted. So what I say has no application to the personnel of the department of the Government.

What I want to say is this: That in dealing with the alien he ought to be viewed in the light of toleration and not of prejudice. In dealing with the alien we ought, in the exercise of our powers as a monarchy, to put into action as much of the traditional method of justice of America as we can.

In section 19 of the bill I find section D under the terms of which he is to be tried. He is to be tried before an im-

migration inspector on any number of charges as described in the bill.

The bill does not provide that the alien shall have the right to subpœna a witness, it does not provide that he has the right to cross-examine the person who accuses him, it does not provide for a public hearing, it does not provide for a geographical jurisdiction or district for an inspector who holds a hearing, and it does not provide the right of counsel. All these safeguards we give to our citizens in every section of the United States whenever even five minutes of their liberty or five cents of their property is involved. But these rights are not granted to the alien in the deportation procedure provided in this bill, and from my standpoint there is no justification for such a policy. I am in favor of deporting the alien criminal. He should be speedily put out of the country. I want to see him convicted by a court and automatically deported.

The people of my district are anxious to see the disorderly alien, the alien that is a menace to the United States, put out. I represent a district where there are many aliens. They are unanimous in their desire that criminal aliens in the country be sent back without delay. But, of course, they want to see that a just law is enacted. Without a just law all aliens will be left to the whim, or caprice, or prejudice of those to whom autocratic power is granted.

Under the terms of this bill the inspector may hear charges 25 or 30 years old, for the statutes of limitation are wiped out as to the time that the Government or an individual may go back for the basis of a case. The inspector will have the extraordinary power to try any alien who entered the land, for all the time that we have been letting immigrants into the country.

The section that repeals all statutes of limitations is as follows:

SEC. 19. (a) At any time after entering the United States (whether the entry was before or after the enactment of the deportation act of 1926) the following aliens shall be taken into custody and deported:

"(1) An alien who at the time of entry was a member of one or more of the classes excluded by law from admission to the United States."

In every State of the United States we have statutes of limitations in criminal matters. After a lapse of a specified period of time the State may not proceed if it has not started its action within that time. Burglars, robbers, swindlers, blackmailers are granted immunity from prosecution under statutes of limitations. It is the universal policy of the States of the United States. It has been the policy of the Federal Government from the beginning. But it is to be reversed now, not reversed as far as the criminal is concerned but only as far as the alien is concerned. No sound reason has been advanced for treating the alien with less consideration than we treat the criminal.

The following sections of the bill put upon both the poor and the insane the burden of proof to show that their disabilities arose subsequent to their admission to this country. While we put upon the poor and the insane the burden of proof we do not give them the power to subpœna witnesses:

(4) An alien who is a public charge from causes not affirmatively shown to have arisen subsequent to entry into the United States;

(5) An alien who, from causes not affirmatively shown to have arisen subsequent to entry into the United States, is an idiot, imbecile, feeble-minded person, epileptic, insane person, person of constitutional psychopathic inferiority or person with chronic alcoholism.

An inspector of immigration will under this section hear evidence on insanity and its causes. Even the insane in private insane asylums, supported by their relatives, no matter when they came, may be tried under this section.

Again in section 19, subdivision E, the burden of proof is put upon the alien:

If any alien is arrested under the provisions of this section on the ground that he is found in the United States in violation of any other law of the United States which impose upon him in any proceedings not under this section the burden of proving his right to remain in the United States, such alien in proceedings under this section shall have the burden of proving his right to remain in the United States.

He has no power under the terms of the bill to force a single witness to testify at his hearing.

Under the terms of the bill the accused alien is not entitled to a trial. He is entitled to "an opportunity to be heard." The bill reads:

No alien shall be deported unless before the issuance of the order of deportation he was afforded, at the hearing before the immigrant inspector, an opportunity to be heard after notice upon the grounds stated in the order of deportation.

In order to strip the alien of the last vestige of judicial process the bill provides:

The decision of the Secretary of Labor in every case of deportation under the provisions of this act or of any law or treaty shall be final.

That means that there is no appeal to any court in the land.

An alien is entitled to "an opportunity to be heard" before an inspector, and the approval of the Secretary of Labor of the inspector's recommendation is final.

The alien may have been here for many years, he may have built up a successful business, he may have a family, but all he is entitled to in the hour of trouble that involves his liberty and his property is a civilian court-martial, with less protection for his rights and less consideration for justice than he could get from the most arbitrary government in existence. He is dependent upon the benevolence of a few officials of the Government armed with the power to hear what they will and decide as they please, without the guidance of law or the review of courts.

On its face, this is an unjust bill. There are sections in this bill which give the inspector power to overrule a jury. Paragraph (10) provides as follows:

(10) An alien who has, after the enactment of the deportation act of 1926, violated or conspired to violate, whether or not convicted of such violation or conspiracy, (A) the white slave traffic act, or any law amendatory of, supplementary to, or in substitution for, such act; or (B) any statute of the United States prohibiting or regulating the manufacture, possession, sale, exchange, dispensing, giving away, transportation, importation, or exportation of opium, coca leaves, or any salt, derivative, or preparation of opium or coca leaves.

Whether or not convicted—

The bill says.

That is a tremendous power to give to an officer of the Government untrained in any of its judicial processes. It is a tremendous power to give to anyone. I do not believe that the powers granted to an inspector in this bill would be accepted by a judge of any court in America. A judge would first want to make sure that the accused has the right to subpœna witnesses.

Without compulsory process he would know that our courts would be atrophied. No justice could be done. Why, when we want to enact a fair law with regard to aliens we deliberately turn around and upset the traditions and processes of justice that America has been proud of, I do not know.

For my part I am making at this time just a brief reference to this bill, hopeful that the committee in charge will look into it to see that the alien is treated in accordance with the American traditions of justice. We have invited him here. We had an alien bill in 1798, in the Adams administration, against which the people protested. Under that bill the President was the sole judge vested with discretion to deport anyone he thought dangerous. That bill was not as odious in its provisions of tyranny and was not as provocative of blackmail and blackguardism as this bill will be if enacted into law. I plead for a just law for the alien. Aliens will be accused by others under this bill just because they have been successful financially, and if they can not get a fair trial, if they can not even subpœna witnesses in their own defense, they will not get justice. If they are not given a public trial, they will not get justice. You will throw open the door to blackmail and to the degradation and corruption of Government officials. Why should we empower a department to hold its hearings just as it pleases when we give no such power to the judiciary? An inspector may go anywhere under the terms of this bill. In writing a law of this kind why do not we do as skilled legislators and write a fair bill, and say that the alien shall have a public trial, that he shall have a right to subpœna witnesses, and that he shall have a right to be tried within a certain area? Why should we permit an inspector to go to St. Louis and bring a man back to New York and try him there simply because he is an alien? We are not going to solve our problem by giving this power to these men. We are only going to have a raid and hunt law and persecute aliens. We are creating a reign of terror, graft, and tyranny. You will break their hearts and your own promise of a square deal. If Congress enacts a bad law, neither the Executive nor the courts can by its enforcement bring the blessings of justice to the people. We have invited these aliens to become citizens of the United States, and at the same time we are enacting over them this kind of a supergovernment that has no sympathy with the traditions of justice in our great country. I am pleading not for the alien but I am pleading for America. I want to see this Government uniform in its processes of justice, whether they apply to the stranger within our gates,

who has not taken from his back the first garment in which he came, or to the greatest citizen of the land. [Applause.]

Mr. CLAGUE. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. BARBOUR].

Mr. BARBOUR. Mr. Chairman, it is my purpose this afternoon to discuss some of the features of the bill now pending before the House, the Army appropriation bill. After sitting for several weeks on the subcommittee of the Committee on Appropriations for the War Department, and listening to the testimony of officers of the Army as they came before us day after day, as they recited the activities of the Army and told of the things the Army is doing, one fact has impressed itself upon my mind, and that is that the Army should have a press agent. Not that the Army does not get any publicity—it gets plenty of publicity—but there is a difference between a critic and a press agent, and there are certain constructive things that the Army is doing that the people at large seldom hear of and know little about.

This bill will provide for an Army of 12,000 officers and 118,750 men on an average through the fiscal year 1927. That is not a large Army, but I believe it can not be successfully denied that our Army is the best army of its size in the world. The popular idea is that the Army is engaged solely in the work of destruction, but the fact is that the Army is doing much constructive work and much work that is of benefit to humanity in general.

Take the work of the Chemical Warfare Service. There has been recently agitation for the abolition of chemical warfare, and even though treaties may be entered into which would bring about that result, nevertheless it is vital, I believe, to this country to maintain its Chemical Warfare Service. A part of the work that is being done by that service is to discover counteracting agents, chemicals, and gases that will counteract and overcome the poison gases and the chemicals that may be turned loose by an enemy. The discovery of chlorine gas for the treatment of respiratory diseases is an accomplishment of the Chemical Warfare Service of the Army. To-day it is used throughout the country by many physicians in the treatment of colds, and is being used more and more by the hospitals generally throughout the country.

If the Chemical Warfare Service of the Army had done nothing else, in my opinion it would have amply paid for itself and been amply justified by that one discovery alone. But it is to-day engaged in the manufacture of an improved gas mask, one that is vastly better than anything we had in the World War. Its experiments in the destruction of the boll weevil in the cotton fields of the South I believe are such that we are fully justified in carrying those investigations on to a further extent.

The Signal Corps of the Army maintains a cable to Alaska. Last year that cable did a total business of $390,330. The amount of Government business carried over that cable was $155,330. The appropriations carried in this bill for the Alaskan cable are $155,167, so the operation of the cable shows a profit over the cost of maintenance and operation of $235,163, estimated on that basis. The Signal Corps is carrying on experiments in the field of radio. It has devised a radio set which operates with a short wave, and while the set has not yet been entirely perfected, already a communication has been received at the Anacostia station in the District of Columbia which was sent from Fort McKinley in the Philippine Islands. It came through without being relayed. With those sets they are in frequent communication with the posts of Honolulu and at San Francisco from the Fort William McKinley station in the Philippine Islands. Then, too, the work that has been done in developing radio communication with airplanes is not only remarkable but it is in every way successful.

The radio sets which have been developed by the Signal Corps for the Air Service can be used both as telegraph and telephone and communicate successfully between the ground and an airplane at a distance of from 100 to 150 miles.

Mr. ALLGOOD. I am not doing this with the consent of the gentleman speaking, but considering the fact there are only about 16 Members here during this discussion on this important bill and this is the first discussion of this bill we have had since debate started, it seems to me that more Members should be on the floor to listen to this discussion, and I will make the point of no quorum——

Mr. BARBOUR. I appreciate very much the interest the gentleman from Alabama has in this matter, but so far as I am personally concerned I would prefer to go ahead and not take up the time required by a call of the House.

The CHAIRMAN. Is the point of no quorum withdrawn?

Mr. BARBOUR. It was not made, Mr. Chairman. The Finance Department of the Army is also deserving of more than passing notice at this time. That department has put the Army on a cash basis. The Army can now contract with contractors who heretofore would not do business with the Army because they did not know when they would get their money. Under the direction of Major General Walker the Army is on a cash basis, and during the past year the finance department has taken advantage of cash discounts amounting in all to $214,818.98, and by the money thus saved General Walker testified before our committee his department was able to pay for a considerable percentage of the clerical force of that office. The testimony further shows that any officer in the finance division who fails to take advantage of a cash discount is required by his commander to make a report to the War Department and give the reason why he failed to take advantage of the discount. So all of those things, gentlemen, all of this work that is being done by the Army, is deserving of more than passing notice.

We have in the office of the Surgeon General of our Army the largest medical library in the world devoted to medicine and its allied sciences. In that library are almost a million books and pamphlets; medical subjects are treated in all languages. There are about 1,900 different medical journals being received at this library all the time. And here is a thing that I do not believe is known generally to the country. The books and publications of this library are available to the medical profession and scientists throughout the entire United States. Any physician anywhere in the United States who desires a publication upon any subject in the field of medicine can have it by applying to this magnificent library maintained in the office of the Surgeon General. He can also get it by applying to his home library, filing there an application for the publication or treatise desired. Upon such request being forwarded by the librarian the publication will be sent by the Surgeon General's office. I do not believe that it is generally known that this wonderful library is maintained here by the Army and is available to physicians and medical men throughout the country.

To my mind one of the most constructive activities of the Army is the conduct of the citizens' military training camps, at which during the summer of each year young men ranging in age from 17 to the early twenties receive the 30-day period of training. The results of this period of training have been most remarkable. The records show that during the year 1925 at these camps the trainees gained on an average of 4 pounds in weight. Not all of them gained, to be sure. Some of them lost, but the average gain was 4 pounds per man, and the remarkable statement was made at the hearing that one man at the Plattsburg training camp gained 29 pounds in 30 days. The chest measurement of the trainees increased on the average from one-fourth to one-half inch. That was due, according to the statement made to the committee, to increased chest mobility developed by this training.

The average chest expansion of the trainees for the 30 days' period throughout the country was nearly 1 inch. In height, the men gained on an average one-eighth to a quarter of an inch. This was not due so much to growth but to improvement in posture and the way in which the men carried themselves. The overweights at these training camps as a general thing lose and the underweights gain. There are also benefits which can not be measured in figures and set down in tables, the benefit to the general physical condition of the trainees, improved posture, improvement in mental alertness, and improvement in general physical stamina.

Mr. BACON. Will the gentleman yield?

Mr. BARBOUR. I will.

Mr. BACON. About how many men took advantage of this wonderful opportunity for training?

Mr. BARBOUR. About 33,000 last year.

Mr. BACON. Were the appropriations sufficiently large to take care of all who applied?

Mr. BARBOUR. I understand they were. Of course more applied than were received at the camps. It is the policy of the department to secure more applications than the number of men to be trained, for the reason that many men apply who do not report, and the department wishes to insure that the desired number of trainees will be on hand at the camps. This year it is contemplated about 35,000 will be taken care of.

Mr. ALMON. The gentleman said the age was from 17 to 20?

Mr. BARBOUR. The maximum is 24.

Mr. ALMON. But not below 17 years?

Mr. BARBOUR. Not below 17 years.

In the Air Service much has been accomplished.

There has been developed a standardized training plane, which is said by experts to be the equal of anything in the world. This plane has a fuselage made of steel tubing which does not break to pieces in a crash. Our pursuit planes are

recognized to be the best in the world, and in the hearings an English constructor of airplanes is quoted as having said that our pursuit planes were the equal of any he had seen anywhere. Our bombers are the equal of any.

This brings me to a brief consideration of the Air Service. No branch of our military establishment has during recent times received the public notice and attention that the Air Service has received; but what we have heard about the Air Service is what it was not, and what it was not doing, and what it should do, but for some reason or other it does not seem to have been gotten over to the people what the Air Service really is, and what it is doing. I propose now, gentlemen, to enumerate a few of the things that the Air Service has accomplished, and it will give at least an idea of what the Air Service really is, if not what it should be.

As I have already pointed out, we have in this country the best planes in the world. At any rate our planes are not surpassed. The testimony shows that in design, method of manufacture, and types we are at least abreast of the world in all things, and in many respects we are ahead of other countries. We have in this country the best pilots. Our Army and Navy pilots hold one-half of the world's records, and the around-the-world-flight by our Army aviators has not been equaled by the tests of planes or pilots of any other country. [Applause.]

We have heard it said at various times that we did not have enough planes in this country and that the United States should have a big construction program and should build a large number of planes. The history of the Air Service since the World War has developed this fact: That if we had gone into construction on a large scale immediately following the World War there would have been a great waste of money and to-day we would have on our hands a lot of airplanes that would be worn-out or obsolete.

The life of a plane is from five to six years, according to the experts who appeared before our committee. A plane becomes obsolete in from three to four years. Some experts have stated that our most modern, up-to-date planes at the present rate of progress in development will be obsolete in from two to three years. So these facts show that, had we entered upon a large construction program immediately following the war, we would have had to-day on our hands a lot of obsolete planes; in other words, a lot of junk.

You sometimes hear it said and sometimes read that Congress has neglected the Air Service, that we have an Air Service in this country that is not what it should be, because Congress has failed to appropriate enough money. The facts show that that statement is absolutely unwarranted and without foundation in fact. Between the fiscal year 1920 and the fiscal year 1925, and including those two years, we have expended in this country on our Air Service $558,634,096.51. That sum includes the amount expended for the airplane carriers, the *Lexington* and the *Saratoga*.

In 1925, the year just closed, we expended in this country more than $84,000,000 on our Air Service, and the average during the six years from 1920 to 1925, inclusive, has been more than $85,000,000 a year.

Mr. COLE. Mr. Chairman, will the gentleman yield there?

Mr. BARBOUR. I yield to the gentleman from Iowa.

Mr. COLE. Is that confined to the Army, or to the Army and the Navy?

Mr. BARBOUR. To the Army and the Navy, the air mail, and everything we are doing in respect to aviation.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. KETCHAM. Does the gentleman intend in this connection to make a comparative statement showing what has been done in comparison by other countries?

Mr. BARBOUR. Yes; I intend to come to that.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. ALLGOOD. The gentleman said that our expenditure for Air Service has been about $85,000,000 annually?

Mr. BARBOUR. About that. Some years it has been a little over, and some years a little under, since 1920.

Mr. ALLGOOD. Will the gentleman state whether this service is more important to the country than the building of public buildings, concerning which the President says he will release $25,000,000 a year for post-office buildings throughout the country?

Mr. BARBOUR. The gentleman's question would lead me to a rather interesting field, which I doubt I could either cover or cross in the time given me.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CLAGUE. Mr. Chairman, I yield to the gentleman 10 minutes more.

Mr. BARBOUR. The gentleman from Michigan [Mr. KETCHAM] has suggested that comparison be made between the amount expended by this country and other countries on air service. I shall be glad to do that. According to the figures which are available and which were presented to our committee, Great Britain has since the war expended on an average between $85,000,000 and $100,000,000 each year.

Mr. SWING. Does that cover the amount expended by their colonies or by the mother country herself?

Mr. BARBOUR. I presume by the mother country. That is my understanding. France since the war has spent on an average $30,000,000 a year; but in this connection it is suggested that the purchasing power of the franc in France is about twice its exchange value, and for the purpose of comparison I think it would be a conservative statement, therefore, to say that France has expended $60,000,000 yearly. Italy, according to the statement, has during the past three years increased its annual expense for air service from $6,700,000 to $21,000,000. Japan, during the last three years, has spent about $50,000,000, the average being a little more than $16,000,000 for each year during that period. Those are the expenditures, according to the figures that were submitted to our committee, by the leading nations of the world.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. LAGUARDIA. I have never heard it said—and I have been among the circle of those who were criticizing—that Congress has failed to appropriate enough. The criticism has been directed at the method and manner in which the money appropriated was spent.

Mr. BARBOUR. I will say to the gentleman from New York that I think the intelligent criticism has not been directed at Congress; but let me make this statement: I have seen the statement published—and undoubtedly the gentleman from New York and others have seen it published—that Congress has neglected the Air Service.

Mr. LAGUARDIA. That statement is absolutely unjustified, because the figures as stated by the gentleman would disprove that. I gave figures, I believe, in the discussion of this very bill last year, and we were up to the amount of $400,000,000 at that time.

Mr. BARBOUR. Colonel Mitchell, who is perhaps the severest critic of the Air Service in this country, has never criticized Congress; in fact, in his statements and in his magazine articles he has said that Congress has appropriated ample money for the Air Service.

Mr. LAGUARDIA. Our criticism has been that the air activites of the country are so divided that it has caused duplication, and it has caused waste and inefficiency. I was startled when I came into the Chamber to hear the gentleman say we have now the best airplanes in the world. Was the gentleman referring to any particular type or to the pursuit planes which the Army and Navy now have?

Mr. BARBOUR. The pursuit plane, I think, is acknowledged by everybody to be the best in the world.

Mr. LAGUARDIA. The gentleman means, then, that we have one type in this country—the pursuit plane?

Mr. BARBOUR. No. In addition to that, the testimony before our committee shows that our bombers are the equal of any, and that our training planes are as good as any, if not better.

Mr. LAGUARDIA. Does the gentleman know to what bomber they were referring?

Mr. BARBOUR. I presume the Martin bomber.

Mr. LAGUARDIA. If the record shows that the Martin bomber has been described as the best bombing plane, then I fear the witness is entirely discredited.

Mr. BARBOUR. As I am relying upon memory, I would not quote the witness as saying that the Martin bomber was the one he had in mind, but the statement made before the committee was this, in substance: Our bombers are the equal of any and, as I recall, that statement was made by General Patrick; but I do not attempt to quote him as having in mind any particular type of bomber, but he evidently did have in mind the particular bomber being used by our Air Service and which is being supplied to our Air Service.

Mr. CLAGUE. If the gentleman will permit, this is what General Patrick said in regard to bombers:

> I have to-day developed a single-engine bomber, of which I have bought one and have a contract for 10 more, equipped with one 800-horsepower engine, which is better than the Martin bomber. I propose to get this year some 30 more, whether of that type or of the two-engine type, I have not determined.

Mr. LAGUARDIA. That is a fair statement and that is an accurate statement. Now, since the development of the one-motor bomber, described by General Patrick in his hearing before this committee, France has not only developed but has under construction the Farman bomber, which surpasses the bomber described by General Patrick and which can not even be compared with it.

Mr. BARBOUR. The gentleman's statement demonstrates what I said a few moments ago about what would have happened to us if we had entered on a large construction program, because the development in airplanes is so rapid that what is the latest thing to-day a few months from now may be practically obsolete.

Mr. LAGUARDIA. And that is why some of us, since 1919, have been asking this House to concentrate all the production activities of the Government in one department. If that were done we could produce each year the very best that genius, science, and invention could give us.

Mr. BARBOUR. I did not intend to enter into the field of what we should do. I want to give, and I think the Members of this House are very earnest and sincere in their desire to give, to this country the best air service in the world. My purpose is simply to call the attention of the House to some of the things that have been done.

Mr. LAGUARDIA. But the gentleman is always so accurate and so thorough that to permit his statement to remain undisturbed, that we have good equipment here, I fear would create an impression that is not justified by the actual conditions and facts, hence my asking the gentleman to yield.

Mr. BARBOUR. I am very glad to have any information that the gentleman from New York can give, because we know that the gentleman from New York is experienced and skilled in the field of aviation and that his judgment on these things is good. But I am conveying to the House the testimony that was given before our committee and the statements that were made by our experts of the Air Service. I am not vouching for their judgment nor am I vouching for their correctness.

I am laying their statements before the House for what they may be worth, and, coming from men of that class, our own experts and men occupying the highest positions in our Air Service, I feel that they are entitled to most serious consideration.

Mr. LAGUARDIA. Oh, yes, but, of course, it all depends upon the interpretation we place on what they say. When the gentleman says we have the best personnel and best pilots, there is no question about that. When the gentleman states that Congress has been generous in appropriating, that is absolutely correct. When the gentleman points out the world records, he states what is true, because we have a large percentage of the world records. But when the gentleman points with pride to the flight around the world, he should pause and give due credit to the flyers and the organization. That flight was well organized, but that flight did not result in anything to justify us in boasting of the planes which were used.

Mr. BARBOUR. I could give the gentleman some information that has come to us in our hearings as to the condition of the planes when the flight was ended. The planes, as I understand, with the exception that the motors had been changed, were in excellent condition.

Mr. LAGUARDIA. Yes; but they were not high-speed planes; they were ordinary planes.

Mr. BARBOUR. Yes; they were built for that purpose.

Mr. LAGUARDIA. The great thing about the flight was the careful preparation and organization for the flight and the skill of the flyers.

Mr. BARBOUR. I think the gentleman is absolutely correct. I feel that possibly the gentleman has rather misunderstood the purpose of the remarks I am making. I am not contending that the Air Service is perfect; I am not contending that much can not be done and should not be done to improve our Air Service.

I simply started out with the purpose in view of showing what the Air Service is doing and has done, because the fact that it is doing something and has done something, in some way or another, does not seem to get over to the public.

Mr. ALLGOOD. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. ALLGOOD. The gentleman is commending the department?

Mr. BARBOUR. Yes; for what it has done.

Mr. ALLGOOD. The gentleman is commending the department for not going into this big building program?

Mr. BARBOUR. Yes.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. CLAGUE. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. ALLGOOD. Will the gentleman explain, then, what they have done with the $90,000,000 each year if they did not enter upon a building program?

Mr. BARBOUR. The gentleman will have to get that information somewhere else. He will find much in the printed hearings. I offer this information to show that the charge that we sometimes hear and read that Congress has been negligent as to the Air Service is not true. I think the hearings will give the gentleman considerable information on the subject of expenditures and, as I would like to proceed, will therefore refer the gentleman to a rather complete statement that appears in the hearings.

As to a comparison of the personnel, the figures which I will give are taken from the Morrow report. The United States Army and Navy have a personnel of 14,848 officers and men, which does not include the men in the Organized Reserves and other civilian branches. The testimony showed that the Organized Reserves has 1,000 men in the Air Service, 500 of whom are immediately available and 500 of whom can be made available in three months. Of this number in the Army and Navy, 1,473 are pilots.

Great Britain has 32,656 officers and men, of whom 2,145 are pilots. France has 36,286 men, of whom 3,184 are pilots. Italy has 11,410 officers and men, of whom 921 are pilots; and Japan has 7,836 officers and men, 774 of whom are pilots.

Now, as to the number of planes—and this is taken also from the report of the Morrow Board—on June 30, 1925, we had in this country in service and in reserve, and not including training planes, 1,423 planes. Our training planes, including those which will be delivered up to June 30, 1926, amount to 650 in round numbers for the Army and the Navy.

Great Britain on April 1, 1925, had 1,053 planes, not including training planes. France on January 5, 1925, had 5,542 planes, of which 1,542 were in service, 4,000 in reserve, and the report shows that of the 4,000 in reserve 3,000 were prearmistice or practically obsolete planes. Italy on April 1, 1925, had 1,500 planes, 750 in service, 750 in reserve, and this number includes the training planes. Japan on June 30, 1925, had in service and in reserve 1,300 planes, which included training planes.

The testimony before the committee is to the effect that no country at this time could successfully carry on an air attack against the United States, taking into consideration what we have in the way of defenses in this country and what the other countries have which could be used for offensive purposes.

As I stated to the gentleman from New York a moment ago, I believe we all think that our Air Service can be improved; in fact, every board or commission that has investigated the Air Service has reported that it could be improved and should be improved and has recommended ways and means of doing it. It is agreed by everyone that the patient is sick, but so far the doctors have disagreed as to what the remedy should be; and without entering into that field at all and without having any intention of entering into a discussion of the relative merits of the plans proposed, my purpose to-day has been simply to lay before the House the information as to what the Air Service is doing and has done, and, as I said a few moments ago, information that for some reason or other does not seem to get across and does not seem to get out to the people of the country. [Applause.]

Mr. CLAGUE. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

The CHAIRMAN (Mr. SWEET). The gentleman from New York is recognized for 15 minutes.

Mr. FISH. Mr. Chairman, I almost automatically say Mr. Speaker, because I am reminded I had the great honor of serving under you when you were speaker of the Assembly of New York and administered so ably the deliberations of that body.

Gentlemen and members of the committee, I am not one of those who cares to criticize the Congress of the United States for its sins of commission or for its sins of omission, but there are times when it is necessary to speak out, and I believe that this is one of the times.

It seems to me the Congress of the United States has been inexcusably negligent, almost criminally negligent, in not dealing with the coal situation. I can find no excuse whatever for the entire membership of the House, for the other legislative branch of the Government, and for Democrats and Republicans alike in not taking for the past three years any action whatever to empower the President to appoint commissions of arbitration and conciliation, a request he first made to the Congress on December 6, 1923, and again on December 8, 1925.

I appreciate that Democrats in the House have visited the President——

Mr. SOMERS of New York. Will the gentleman yield?

Mr. FISH. I would rather not.

Mr. SOMERS of New York. I just wish to correct that statement. We endeavored to visit the President.

Mr. FISH. Endeavored to visit the President and lay the situation before him, which does not change the situation a bit or lessen our responsibility. We Members of Congress can not avoid the responsibility, because the President in two separate messages to Congress asked for authority to act, and until he is empowered by Congress he is powerless to appoint these commissions of arbitration and of conciliation.

For the information of the House I will read extracts from the annual message of President Coolidge to the joint session of the Senate and the House of Representatives on Decembr 6, 1923:

> The President should have authority to appoint a commission empowered to deal with whatever emergency situation might arise to aid conciliation and voluntary arbitration; to adjust any existing or threatened controversy between the employer and the employee when collective bargaining fails; and by controlling distribution to prevent profiteering in this vital necessity. This legislation is exceedingly urgent and essential to the exercise of national authority for the protection of the people.

This message was sent to the Congress more than two years ago, followed later by an almost identical message on December 8, 1925. There is no mistake as to the attitude of the President. How can anyone question the meaning of these words? How can anybody pass the responsibility, for political reasons, to the President? The responsibility rests squarely on Congress.

Mr. SOMERS of New York and Mr. BLACK of New York rose.

Mr. FISH. I am sorry I can not yield.

I do not deny the fact that we have a Republican majority at the present time; that we had a quasi Republican majority in the last Congress; but that is not all there is to the question. For the past three years both Republicans and Democrats alike have been as quiescent as the corpses in the catacombs. It is only recently, in the last month or so, that the Democrats have seized upon the inactivity of Congress and made it a political issue and have insisted on action, and I believe quite properly.

Mr. CULLEN. Will the gentleman yield for a question?

Mr. FISH. When I get through. For three years this situation has existed. Nothing whatever has even been attempted by anyone in Congress. The reason is apparent—when the last coal strike was over and anthracite flowed steadily to the consumer everybody forgot about the coal situation. Everybody in this House, Democrats and Republicans alike, quit and forgot to give any more consideration to the request of the President. Now that there is a recurrence of the strike we try to pass the responsibility. The responsibility is on all of us, and it can only be met by giving prompt and immediate consideration of the whole coal situation without fear or favor; and I for one am only too glad to join with any Member of this House in asking consideration of the different bills that are before the Committee on Interstate and Foreign Commerce and of the recommendations primarily of the President of the United States.

How ridiculous it is. Yesterday five Republicans signed a petition asking for consideration of the President's message and of the recommendations of the fact finding commission, for which the Congress appropriated all together the tidy sum of $600,000, and immediately headlines appeared in some of the newspapers to the effect that "five Republicans bolt the administration." All we asked was that the recommendations of the President be considered, that the recommendations of the fact finding commission, for which we appropriated $600,000, be considered and be acted upon. We know, and so does everybody else in the House know, unless they want to play politics, that nothing can be done at the present time to stop the strike before the 15th of March, when the people will not need much more coal.

I sympathize with the poor people in New York State and New York City, because I know the conditions there. I know the hardship and suffering, and I know that the people throughout New York and New England are paying exorbitant prices for coke—$22 a ton. I know that in my district there is great suffering and that a thousand railroad men have been laid off because it is through my district the anthracite coal from Pennsylvania is distributed into New York City and across the Poughkeepsie Bridge into New England. Naturally I do not intend to sit silent any longer. I think this House has shown too much patience. Patience is a virtue, but sometimes you can go much too far and make it a hardship on the people.

Mr. SOMERS of New York. Will the gentleman yield?

Mr. FISH. Not now. It is the prime duty of the Government to protect the property and life of the people. A note has just been presented to me stating that the fact finding commission report was submitted September 22, 1922; that is further back than I thought. It is over three years ago since this report with its recommendations was submitted to Congress, and we have not even begun to consider it in committee.

Now, I want to know what is the excuse, what is the alibi, what is the reason for Congress putting its head like an ostrich in the sand and taking no action whatever on this report which cost the taxpayers $600,000.

Mr. BLACK of New York. I can tell the gentleman.

Mr. FISH. The gentleman can tell it in his own time. I will say that I will help him or any other Democrat to get action in this House and get it promptly. We need not go to the President of the United States until we take some action here. We can not shirk our responsibility by simply passing the buck to him.

Mr. BLACK of New York. Will the gentleman yield now?

Mr. FISH. I yield.

Mr. BLACK of New York. Can the gentleman tell us whether or not the President controls the Republican majority in this Congress?

Mr. FISH. The President does not necessarily control all the actions of the Republican majority in this Congress, but he does control the confidence and affection of the American people. [Applause.]

Mr. BLACK of New York. Will the gentleman yield further?

Mr. FISH. No; I do not yield any further. The President comes to Congress and asks for action.

Mr. BLACK of New York. Why can not he get it?

Mr. FISH. I want the gentleman to answer not in my time but in his. I know what he is going to say about the President, but it seems to me that there are other forces at work here—forces of the invisible government representing the soft-coal industry of a great many States in this Union, who do not want action because they are making money in their business as a result of the present strike.

Mr. ALLGOOD. Will the gentleman yield? I am from a soft-coal district.

Mr. FISH. No. I am sorry. There are a half dozen soft coal States and only one where anthracite is produced.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield to somebody who has no coal in his district?

Mr. FISH. Yes; I yield to the gentleman, but I do not want to advertise these soft coal districts.

Mr. GARNER of Texas. I was rather amused at the gentleman's statement and his plea of guilty negligence for these three years. He now says that he is not going to be quiescent any longer. He has just waked up, and he is complaining about somebody else.

Mr. FISH. I admit it. I am as responsible as the gentleman is.

Mr. GARNER of Texas. Oh, I think more so, as the gentleman belongs to the majority party.

Mr. FISH. The gentleman knows very well that in the last Congress we did not have a majority.

Mr. LAGUARDIA. And we got more action than we have had in this Congress.

Mr. FISH. We got no action on the coal situation, and that is what we are talking about. I pause here to ask if there is anybody in this House who is unwilling that we should have prompt action by the committees to empower the President to appoint a commission on arbitration and conciliation. Is there anyone against that proposition? I pause for an answer.

Mr. BLACK of New York. Will the gentleman yield?

Mr. FISH. I pause for an answer.

Mr. BLACK of New York. I say that the chairman of the Interstate and Foreign Commerce Committee [Mr. PARKER, of New York] is opposed to any legislation at this time, and he has it all in his control, and he is of the President's party.

Mr. FISH. The gentleman has answered for another Member of Congress.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CLAGUE. Mr. Chairman, I yield five minutes more.

Mr. FISH. I think my colleague from New York [Mr. PARKER] can answer for himself. He is well able to do that. He has his reasons and I hope he will come into the House and give them.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield?

Mr. FISH. I hope the gentleman from New York [Mr. PARKER] will give us that information. I think we Republicans, and I believe from your action, you Democrats, want that information. We want to know above all why this delay. We know that whatever action we take we are not going to settle the strike, but we do know that we do not want this coal situation to recur in the future, and we want to carry out the request of the President and empower him to act.

Mr. GARNER of Texas. I think the gentleman ought to yield to me.

Mr. FISH. I yield to the gentleman.

Mr. GARNER of Texas. Has the gentleman talked with the gentleman from Connecticut [Mr. TILSON] as to whether he is in favor of it?

Mr. FISH. Yesterday five Republicans, including myself, petitioned Mr. TILSON, the majority leader, for a hearing before the Republican steering committee on the coal situation. Without reading their names I will say that one of them comes from the sovereign State of Vermont, the birthplace of the President, another one is a distinguished Member of the House from Massachusetts, and three of them come from New York. We asked for a hearing before the official Republican steering committee to urge the consideration of the two messages of the President, the report of the Fact Finding Commission, and to find out why there had been no consideration of any of the coal bills.

As far as we are concerned that is our position. I believe it is the position of most Republicans. We want this information. We think we are entitled to it. We do not think that any action by Congress will stop the present strike, but we want to pass some coal legislation before the strike is over as judging by the past once the strike is settled Congress is apt to lose interest and do nothing.

Mr. GARNER of Texas. What did Mr. TILSON say?

Mr. FISH. The matter is now pending.

Mr. GARNER of Texas. He said the matter is now pending?

Mr. FISH. In fairness to Mr. TILSON the petition was only presented yesterday.

Mr. BLACK of New York. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. BLACK of New York. I believe the gentleman has shown the utmost good faith on this proposition. I recall the gentleman himself wrote the chairman of the committee of this House that has charge of these bills, asking for a hearing. Has the gentleman received an answer from the chairman of the committee?

Mr. FISH. The gentleman has not. It is evident that we are striving along the same lines, that we want some action to solve this coal situation, to prevent strikes in the future, and to provide coal for the people, regardless of strikes. That is all we are after.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. ALLGOOD. The gentleman says that he believes that the President has the confidence of the people of this country. Will the gentleman state whether he believes the President has the confidence of the people who are now freezing to death?

Mr. FISH. Oh, the Democrats have been trying to put the responsibility unjustly on the President of the United States and to make these people who are freezing to death believe that he is responsible. I have been telling you from the beginning of my remarks that Congress is responsible, not this Congress alone, but the last Congress also.

Mr. ALLGOOD. I included the Congress with the gentleman.

Mr. FISH. We are.

Mr. BLACK of New York. Mr. Chairman, will the gentleman yield?

Mr. FISH. No.

Mr. SOMERS of New York. Will the gentleman yield to me? He has not yielded to me.

Mr. FISH. Yes.

Mr. SOMERS of New York. I rise to ask the gentleman how he can expect this body to pass on some legislation which has not been presented to it, and especially in view of the fact that we are quite sure that the President is not sincere in making his recommendations; otherwise we would have had these bills on the floor.

Mr. FISH. I do not agree with the gentleman about the insincerity of the President, but I can say to the gentleman that these bills go to the Committee on Interstate and Foreign Commerce, one of the busiest committees in this Congress.

On that committee there are a large number of Democrats, and if they have been sincere in their advocacy of coal legislation there would have been action long before this. [Applause.]

By unanimous consent, I submit for publication in the RECORD as a part of my remarks a copy of the letter to Hon. JOHN Q. TILSON and a copy of a resolution from the Board of Supervisors from Orange County and one from the Common Council of the City of Port Jervis. Besides these, Senator COPELAND has received a petition from the mayor of Middletown, in my district, stating that over 500 railroad men had been laid off there as result of the coal strike, and that there was much suffering among the poorer people on account of the exorbitant price of fuel. In addition to these official communications, I have received a number of letters of protest from individuals.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, February 8, 1926.

Hon. JOHN Q. TILSON,
Majority Leader, House of Representatives,
Washington, D. C.

DEAR SIR: We, the undersigned, being convinced that further delay in consideration of possible legislation upon the subject of coal is politically injudicious and will lead to extreme hardship among the people, request a hearing before the steering committee upon the advisability of the Committee on Interstate and Foreign Commerce holding hearings upon the general subject of coal as contained in the following:

1. The two recommendations contained in the two addresses to Congress upon the subject by the President of the United States.

2. The report and recommendations made by the United States Coal Commission.

3. Various bills pending before the Committee on Interstate and Foreign Commerce upon the subject matter of coal.

Yours very truly,

ALLEN T. TREADWAY,
First District Massachusetts.
J. MAYHEW WAINWRIGHT,
Twenty-fifth District New York.
HAMILTON FISH, Jr.
Twenty-sixth District New York.
ERNEST W. GIBSON,
Second District Vermont.
HAROLD S. TOLLEY,
Thirty-fourth District New York.

COUNCIL URGES FISH TO SEEK CONGRESSIONAL ACTION ON COAL QUESTION TO SECURE A SUPPLY

At a meeting of the common council on Wednesday night at the city hall, with all members present except Alderman Brogan, the following resolution was unanimously adopted:

"Whereas the controversy between the anthracite coal miners and operators which has been pending for the past five months has involved the suspension of the mining of anthracite coal during that period with resulting enormous economic loss, widespread discomfort, and distress to the public and danger to the public health and safety; and

"Whereas the parties to the controversy, in their zeal to establish their respective contentions and compel the other to yield thereto, stubbornly refuse to compromise, in obvious unconcern of the great public interests involved and of the sufferings that are thereby inflicted on the public; and

"Whereas there are apparently no immediate prospects of a settlement and of the resumption of mining.

"*Resolved*, That the Common Council of the City of Port Jervis respectfully and earnestly appeals to the Hon. HAMILTON FISH, Jr., our Representative in Congress, to use his good offices in aid of such legislative or other measures as will contribute to end the present intolerable situation."

Mr. Wallace:

"Whereas the failure of coal production is a detriment to industry and a menace to the well-being and health of the Nation; and

"Whereas to insure production some other authority must be constituted than that which at present exists; and

"Whereas it is a subject for Federal rather than State legislation: Be it therefore

"*Resolved*, That it is the concensus of opinion of the board of supervisors of Orange County, N. Y., that Congress should enact such laws as shall empower the Government of the United States to operate any or all of the coal mines within the United States whenever to secure production of coal such an action should become necessary; and be it further

"*Resolved*, That a copy of this resolution be forwarded to the Hon. HAMILTON FISH, Jr."

STATE OF NEW YORK,
Orange County, Office of the clerk of the board of supervisors:

This is to certify that I, George F. Gregg, clerk of the board of supervisors of said county of Orange, have compared the foregoing copy of

resolution with the original resolution now on file in the office and which was passed by the board of supervisors of said county of Orange on the 4th day of January, 1926, and that the same is a correct and true transcript of such original resolution and the whole thereof.

In witness whereof, I have hereunto set my hand and the official seal of said board of supervisors this 6th day of January, 1926.

[SEAL.] GEORGE F. GREGG,
Clerk of the Board of Supervisors of the County of Orange.

Mr. HARRISON. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, I had no intention of speaking this afternoon, but I could not resist after hearing the argument presented by my colleague from the State of New York [Mr. FISH]. Now, I do not doubt his eagerness and his anxiety to want to do something in reference to the coal situation, but it is the silliest argument I ever heard on the floor of this House. Why, the idea of the gentleman, who is thoroughly and 100 per cent regular; who is in good standing and paid in his dues with his party; enjoys the confidence of the leaders; who still holds his committee position; who is still regarded as 100 per cent Republican, getting up here and telling us that he is angry, that he is surprised that we can not get any action on the President's recommendation. If he was talking to a kindergarten he might get away with such an argument, but how can anyone with any legislative experience come on the floor of this House, with a majority of the President's party in control, with a numerical majority large enough to steam roller anything they want in this House, and say the President is not to blame. The President could get action with a snap of his finger. The gentleman should not spoil his record here for sincerity and uprightness by such twaddle. The majority party is in absolute control. You have a steering committee who controls legislation; you have the chairman of the Committee on Interstate and Foreign Commerce; you have the Speaker; you have the floor leader; what more do you want? The gentleman refers to the "radicals." Perhaps if you did not have the majority you have, perhaps if the radicals had the balance of power we had last year, we would get legislation, because if we had this year what we had last year we would hold up everything until the majority party came to life——

Mr. FISH. I would like to ask of the radicals of last session, What did they do in conjunction with the Democrats to pass this legislation?

Mr. LAGUARDIA. I will say to the gentleman the radicals sometimes worked with them, and if I might be permitted to say, on one occasion we, at least, passed the tax bill that was an equitable bill——

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARRISON. Mr. Chairman, I yield to the gentleman from Louisiana [Mr. O'CONNOR].

Mr. O'CONNOR of Louisiana. Mr. Chairman, I am in favor of this bill and I desire to ask unanimous consent to revise and extend my remarks on the rivers and harbors feature of the bill.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. O'CONNOR of Louisiana. Mr. Speaker, speaking at Kansas City about four months ago, Secretary Hoover, of the Department of Commerce, suggested that our internal waterways should be visualized not as a disconnected system of individual river and canal improvement but as a great water chain of vast links, making for a consolidated transportation plan. He believes that such a plan is the key to the seeming failure to effect the results which have been hoped for by the friends of the interior waterways, as it would open and enlarge a definite plan or program of the most vital importance to the Nation and harmonize with the realization of our new economic development. In his visualization of the Mississippi system he sees and makes clear that we could as a result of their topographical situation project a system of main trunk lines and laterals between the Allegheny and the Rocky Mountains covering 9,000 miles. From Pittsburgh, through Cairo, to St. Louis and Kansas City would comprise a main east-west trunk waterway extending a distance of sixteen hundred miles. Connecting at Chicago with the Great Lakes system, a great north-south trunk waterway from New Orleans could be projected. The heart of the Nation is traversed by these two great trade routes. St. Paul and Minneapolis would be brought into the system by the scientific improvement of the upper Mississippi, and Omaha and South Dakota points linked up with it by the systematic care of the upper Missouri. Chattanooga and Nashville could be brought in by the improvement of the Tennessee. Little Rock would be made a part of this gigantic system by engineering care of the Arkansas, and immensurable benefits would flow from the authorization of the New Orleans-Morgan City sector of the intracoastal canal. Stop, look, and listen—for while it may be the dream of to-day it will be the actuality of to-morrow. Three thousand miles of trunk-line waterways and 6,000 miles of laterals making for an agricultural, commercial, and industrial development never before paralleled in any land. What are now desert parts of a vast territory will blossom as the rose. Immense riches and opulence will spring from this enormous development. The valley will witness a splendor that will pale into insignificance the glory that was of Greece, the grandeur that was of Rome. For a half of a century we have been engaged upon parts of this system, gradually deepening and improving them so as to permit of modern craft. But there is still a great obstacle to the successful operation of the Mississippi system, and its navigation will remain in a state of partial paralysis until that obstacle is removed. What is that obstacle? There are sections so shallow and so crossed with sand bars that modern barges can not be operated over the entire route. An analogy to this situation might be found in imagining a great railway beset by stretches of narrow-gauge track. It is clear that the goods that can be handled under such a condition is diminished to the capacity of the weakest link and the transportation cost enormously enhanced and increased. That is the principal reason why our waterways have not made a better showing than they have made. For many years waterways in this country have been looked upon mostly as parts of the export route. But it is perfectly clear to all students of the subject to-day that we must have back loading if we are to develop them as a cheap transportation system. We must have a number of industrial centers connected up with the seaboard in order to secure this necessary volume of back loading to balance the outward movement. It is obvious at once that the farmers of Iowa and Kansas should have Chicago on this great transportation route as providing a fundamental necessity of a balanced load. The development of our waterways is of supreme importance to the Nation. It is almost trite to make this statement, for, while the truth of it is generally recognized, for some mysterious reason the powers that be in every phase of our life—political, agricultural, commercial, and economic—have not yet arrived at the point where they are all willing to combine their efforts and determine to make the full and complete operation of the system the national asset that it will undoubtedly be.

Mr. Hoover very graphically conveyed to the House Committee on Rivers and Harbors at a recent session that our agricultural area has been thrown out of its economic relationship to foreign agricultural competitors, to the great disadvantage of the Middle West. It costs more for the Middle West farmer to get his produce to shipboard than before the war on account of the great advance in the cost of material, which has necessitated great and permanent increases in railway rates. By contrast with this situation, as it were, we must not overlook the fact that ocean rates are approximately on a pre-war basis. It must be borne in mind that competitive agricultural regions of the Argentine, Australia, and India are closer to seaboard, and that as a consequence of this it costs less in proportion to pre-war cost for the farmer in these territories to reach competitive markets than it does the American farmer in the Middle West. It is extremely difficult, as must be obvious to even those who are not students of the subject, to work out these differentials. By way of illustration, Mr. Hoover took an extreme case, perhaps, but then one that emphatically and unmistakably expresses his viewpoint beyond all contravention and drives it home unerringly to the minds of all his listeners or readers. It shows that the increased cost to Liverpool of the Montana farmer is about 11 cents a bushel over and above that of the Argentine farmer compared to pre-war basis or conditions. He deduces from this statement of fact that a lower comparative price level is established for all grain produced, because the cost of transportation to these competitive markets must be deducted from the farm cost, which necessarily affects the volume of grain moved to these markets. He estimates that savings from 4 to 9 cents a bushel could be made in reaching foreign markets as a direct result of completing the Mississippi system. That statement in itself should be sufficient to inspire the agriculturists of the entire valley in combining their wonderful power, as yet unused, however, politically, socially, financially, and by tying up with the commercial and industrial interests force by vigorous action the completion of this cheaper transportation. I do not mention the Great Lakes to the sea proposed system by way of the St. Lawrence Canal nor the alternate route through New York State, as there are many friends of those routes who will present their views and show the results that will flow to the Nation through the completion of these great waterways. Nor

would the development of these great systems, which would naturally make for a unification of the whole water routes of our country, do anything but enormously increase the effectiveness of the transportation facilities of our railways and highways. In a quarter of a century as a result of normal growth we should add 40,000,000 to our population. Railway traffic has grown from 114,000,000,000 ton-miles to 338,000,000,000 ton-miles during the last 35 years. It is clear that we must within the next quarter of a century provide facilities to handle at least double the tonnage we are handling to-day, even if the increase in our population is at a much lower rate than the estimate stated. It is obvious that the railway facilities of to-day will be totally inadequate to meet the task of the immediate future. As a corollary he draws the conclusion, because of the increased land values in our cities, that railway terminals, their care and maintenance, will become tremendously costly and will increase proportionately the cost of farm and other products, which, of course, has a tendency to reduce their movement and consumption. The problem of increased terminals and crowded streets would in a large measure be solved by the use of waterways, because they furnish continuous terminals spread along the whole water fronts in the cities. It would cost three times as much to duplicate these systems by rail as to complete the waterways, as will be shown to the satisfaction of anyone by a study of the comparative outlay, and more goods will move more cheaply in the end by waterways. New transportation facilities, indeed, are the magic wand that creates new business. It might be said to be a cause and an effect. Transportation facilities cheapen the movement of goods and make for a greater demand and a larger consumption of the commodities that are moved. Of what value would a sewing machine or a typewriter be if there were not transportation facilities to bring these blessings to the offices and homes of our people?

It is indeed the magic carpet of the Arabian Nights. Now and then it pays to ruminate, to turn back the hand of time, as it were—to roll up the curtain on the grand drama of life and visualize, as it were, some of the acts that have been played out and reflect upon the glory of the actors and factors that have joined the other things of yesterday. It is a world of change, even though to some minds we move in a circle. The old order is constantly giving way to the new, even though it may appear to some that we are pouring old wine into new bottles. The railways came and pushed out of use the waterways and highways that existed in the early days of the Iron Horse, because the 3-foot-draft steamboat and canal boat and horses and wagons were less efficient than steel rails and the trains that fairly flew over them. I can well remember the days when the wharves on the Mississippi River that runs by the doors of New Orleans were fairly lined with steamboats from one end of the city to the other. Floating palaces like the *J. M. White, The Natchez*, and the gorgeous and affectionately remembered *Robert E. Lee* were familiar sights to river people. From miles back of the Father of Waters they came and crowded to the shores in order to witness the epoch in river history, the memorable race from New Orleans to St. Louis between the *Natchez* and the *Lee*. Coal and pine knots gave out, and the beautiful woodwork was stripped from the sides of the vessel—were used to fire up. Salt meat was fed to the flame by stokers on board of both of these great steamboats, which arrived at St. Louis within a few hours of each other, practically skeletonized to almost the vanishing point by their heroic crews, who spared neither the vessels nor themselves in the wonderful race that will ever live in the song and story of the mighty river.

The river traffic, then no longer able to compete with railroad transportation, suffered a decline, and it looked for a time as if it would be totally annihilated. The tragedy of what appeared to be the end of river romance was written in lines of despair on the faces of river men and river towns. Highways were apparently stumbling to their destruction with waterways. But the invention of the gas engine has brought about a restoration of our highways and a multiplication of their traffic to a point where the automobile carries by far a greater number of passengers than are transported by our railways. As a matter of fact, in 15 years the total volume of passengers carried by automobiles has grown to more than double that of our steam railroads, notwithstanding the enormous increase in the business of our railways in this direction. Now our task is to recreate the river waterways by giving them a greater depth and supplying them with modern barge craft and new methods of propulsion. The importance of developing our railways is so necessary that no one would argue against such a proposition, I am sure, and that they are in no danger from the waterways is so clear that any attempt to elaborate this viewpoint would be a work of supererogation.

The Secretary in no faltering or uncertain tone made it clear that so far as the Mississippi system is concerned that the engineering questions are behind us. It can be completed if we go at it vigorously within five years and with an expenditure of approximately $100,000,000.

If we were to make a survey of all the opportunities of possible physical progress that lie before us in our Nation, well to the forefront would stand the development of our internal waterways. Projects of this magnitude were necessarily held in abeyance because of the war and the reconstruction that had to follow it. We must now realize that out of that war came many of our economic dislocations. But we have to the highest degree in our history now recovered our economic strength. Expenditure on waterways will increase the wealth and power of our country many times and bring actual economy to the country by increasing the area of tax distribution.

The district that I represent has a large interest in this vital subject—transportation, the development and extension of our highways, railways, and waterways. Situated at the lower end of the great funnel of the Mississippi Valley, New Orleans is the natural outlet for the enormous resources of the rich plains that stretch from the Gulf to and even beyond the Canadian boundary and from the Rockies to the Alleghenies. Converging upon the city are thousands of miles of inland waterways and 12 railroad lines that connect with all parts of the United States and penetrate to every part of this, the richest part of a great continent, and giving easy and cheap outlet to all commodities. As a result of its location, the last city on the Mississippi River, it will be the export place for the vast cargoes from all parts of a wonderful waterways, a unified system of thousands of miles that will shortly come to bless us and our children. The old Spanish Trail, which will link up through a great highway the opulent East with the golden West, will soon be a reality, as the necessary link, the building of bridges, will soon be accomplished, making for a quick connection with the Gulf coast, which will bring millions of machines through New Orleans moving east and west, bearing commerce or carrying passengers to and fro in accordance with the mysterious law that governs the actions of men and women who move to other scenes to satisfy the call of the wanderlust or some other impulse which makes for a great factor in our civilization. For true indeed it is that the wanderers that went in search of the Golden Fleece brought back far greater riches than they carried in their argosy. They brought back knowledge as a result of their contact and association with their new-made acquaintances. He that would bring home the wealth of the Indies must carry the wealth of the Indies with him. But to give men and commerce an opportunity, a chance to carry their wealth to parts near and distant and to bring home greater wealth, we must furnish the transportation facilities without which our civilization would perish. We must maintain and extend our railways, highways, and waterways. Every factor that can be helpful in making for the completion of the Mississippi system will be brought to our aid.

The international trade exhibition in New Orleans, wherein will be permanently shown the world's various products and evidenced her proud claim of being the second greatest port in the Nation and one of the greatest market places in the world, will work for the development of the Mississippi system night and day, year in and year out. And it is well that this great institution that is to write many wonderful chapters in the commercial history of the Union and to play an epochal part in carrying out the grand destiny of the Nation should earnestly strive to promote the efforts of the men who have borne the heat and burden of the day, of the dreamers whose dreams are about to come true, of those who toiled and moiled to revive and add to the ancient glories of river traffic. That exhibition will be the ideal show place where buyer and seller will meet. Strange faraway lands will become less strange, their products will be seen, bought, and sold, and trade will tie that international bond of friendship and understanding that is for the ultimate good of mankind. Merchants, manufacturers, producers from all four corners of the globe will mingle and exchange wares with the result that New Orleans as a great trade mecca will grow and prosper and the Mississippi Valley will become strong, great, and magnificent. The department of agriculture of every State in the Union will be asked to cooperate by exhibiting the agriculture and allied products of their farms, making the exhibition one of tremendous interest to the yeomanry of the land at a time when they are calling for her to be delivered from the chains of economic error and a transportation system that owes its weakness to a lack of proper

development of waterways and a failure to connect, tie up, and coordinate with it, unimproved as it is, the highways and railways of the country, which would lead to an unification and consolidation that would immeasurably lessen costs to the producer and consumer.

The mission of "Intrex" is to make for the general welfare by promoting the causes that make for greater trade and the blessings that flow from increased commerce to mankind.

To scatter plenty o'er a smiling land
And read a nation's history in its eyes—

is the high, noble, elevating purpose of our great institution which was formally opened by Calvin Coolidge, the President of the United States, through his touch of the key in the Executive Office which was felt almost instantaneously in New Orleans, putting in motion the financial, commercial, industrial, and agricultural mechanism and power of the great exhibition whose influence which will shortly be felt the world around. At about the same moment Secretary Hoover, whose masterly paper on waterways will live long as a state paper, wired his congratulations and felicitations to the headquarters of the International Trade Exhibition or "Intrex," as we have cogently abbreviated it, wishing it the marvelously wonderful growth its fundamental soundness and sure foundation assure it. "Intrex" stands for the development of every phase of American life, and particularly will it aid in solving our transportation problems and promoting the service that may be secured from a well-developed waterway system. To do this it is obvious that the Mississippi River Commission must work in harmony with the Army Engineers or the dual system will have to give way to one that will mean unified jurisdiction, control, and supervision in regard to both flood control and navigation. That part of the Mississippi system under the direction of the War Department or Army Engineers we are assured will be completed in the next five years in accordance with the plans suggested by Secretary Hoover to the House Committee on Rivers and Harbors out of an annual appropriation of $50,000,000 carried in this bill and which will undoubtedly be continued in subsequent bills. It is up to the Mississippi River Commission to fully justify its existence and mission by joining hands with the Army Engineers in doing things for the common good. The river for its entire length and its big tributaries must be made navigable. The people are willing to expend millions in addition to the $1,250,000,000 which they have already expended on rivers and harbors, but they expect a harmonious completed and linked navigable system that will justify its existence and make for a return of river traffic in all its serviceableness and splendor. What we of the lower reaches of the Mississippi have been hoping for, praying for, is approaching, if not at hand—a safe river and a navigable river.

Mr. BARBOUR. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 8917, had come to no resolution thereon.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States for his approval the following bills:

H. R. 5240. An act to authorize the construction of a bridge across Fox River, in Dundee Township, Kane County, Ill.;

H. R. 7187. An act granting the consent of Congress to the South Park commissioners and the commissioners of Lincoln Park, separately or jointly, their successors and assigns, to construct, maintain, and operate a bridge across that portion of Lake Michigan lying opposite the entrance to Chicago River, Ill.; and

H. R. 6090. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a bridge and approaches thereto across the Fox River in the county of McHenry, State of Illinois, in section 18, township 43 north, range 9 east of the third principal meridian.

LEAVE OF ABSENCE

By unanimous consent,

Mr. GIBSON was granted leave of absence for eight days, from February 11, on account of important business.

Mr. HUDSON (on request of Mr. MAPES) was granted leave of absence for one week on account of important business.

CALENDAR WEDNESDAY

Mr. BARBOUR. Mr. Speaker, I move that the House do now adjourn.

Mr. TILSON. Will the gentleman withhold that for a moment?

Mr. BARBOUR. I will.

Mr. TILSON. Mr. Speaker, I ask unanimous consent, tomorrow being Calendar Wednesday, that upon completion of the business to be called up by the Committee on Coinage, Weights, and Measures that further Calendar Wednesday business be dispensed with.

The SPEAKER. Is there objection?

Mr. SOMERS of New York. Reserving the right to object——

Mr. TILSON. Mr. Speaker, I will withdraw the request until to-morrow morning.

ADJOURNMENT

The SPEAKER. The gentleman from California moves that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.) the House adjourned until to-morrow, Wednesday, February 10, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 10, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON FOREIGN AFFAIRS

(10.15 a. m.)

To provide for the expenditure of certain funds received from the Persian Government for the education in the United States of Persian students (H. J. Res. 111).

COMMITTEE ON IRRIGATION AND RECLAMATION

(10 a. m.)

Authorizing the Secretary of the Interior to cooperate with the States of Idaho, Montana, Oregon, and Washington in allocation of the waters of the Columbia River and its tributaries, and for other purposes, and authorizing an appropriation therefor (H. R. 8129).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To provide for the promotion or advancement of officers who have specialized in aviation so long as to jeopardize their selection for promotion or advancement to the next higher grade or rank (H. R. 8125).

COMMITTEE OF THE POST OFFICE AND POST ROADS

(10 a. m.)

To regulate the manufacture, printing, and sale of envelopes with postage stamps embossed thereon (H. R. 4478 and other similar bills).

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

(10 a. m.)

Authorizing the construction by the Secretary of Commerce of a power-plant building on the present site of the Bureau of Standards, District of Columbia (H. R. 5358).

Authorizing the purchase by the Secretary of Commerce of a site and the construction and equipment of a building thereon for use as a master track scale and test-car depot, and for other purposes (H. R. 5359).

To increase the limit of cost of public buildings at Decatur, Ala. (H. R. 3797).

Authorizing the removal of the gates and piers in West Executive Avenue between the grounds of the White House and the State, War, and Navy Building (H. R. 54).

To convey to the city of Baltimore, Md., certain Government property (H. R. 6260).

COMMITTEE ON RIVERS AND HARBORS

(10.30 a. m.)

For the construction of ice piers or ice harbors in the Ohio River at Huntington, W. Va. (H. R. 7915).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

Department of national defense.

EXECUTIVE COMMUNICATIONS, ETC.

344. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Bureau of Efficiency for the fiscal year 1927, amounting to $60,000 (H. Doc. No. 247), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SMITH: Committee on the Public Lands. H. R. 5710. A bill extending the provisions of section 2455 of the United States Revised Statutes to ceded lands of the Fort Hall Indian Reservation; with an amendment (Rept. No. 231). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7907. A bill to fix the salaries of certain judges of the United States; with amendments (Rept. No. 232). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SMITH: Committee on the Public Lands. H. R. 3025. A bill granting a patent to Benjamin A. J. Funnemark; with amendments (Rept. No. 230). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7561) to provide for the setting apart of certain lands in the State of California as an addition to the Morongo Indian Reservation; Committee on the Public Lands discharged, and referred to the Committee on Indian Affairs.

A bill (H. R. 3565) granting an increase of pension to George S. Jenkins; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DRIVER: A bill (H. R. 9095) to extend the time for commencing and completing the construction of a bridge across the St. Francis River near Cody, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. BRAND of Ohio: A bill (H. R. 9096) to establish standard weights for loaves of broad, to prevent deception in respect thereto, to prevent contamination thereof, and for other purposes; to the Committee on Agriculture.

By Mr. CELLER: A bill (H. R. 9097) for a national prohibition referendum; to the Committee on the Judiciary.

By Mr. McFADDEN: A bill (H. R. 9098) to amend section 8 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended; to the Committee on Banking and Currency.

By Mr. LEAVITT: A bill (H. R. 9099) authorizing the use of the funds of any tribe of Indians for payment of insurance premiums for protection of the property of the tribe against fire, theft, tornado, and hail; to the Committee on Indian Affairs.

By Mr. BLACK of New York: A bill (H. R. 9100) to provide for printing the reports of Cabinet sessions in the CONGRESSIONAL RECORD; to the Committee on the Judiciary.

By Mr. FREAR: A bill (H. R. 9101) directing the Secretary of the Interior to place certain Menominee Indians on the rolls; to the Committee on Indian Affairs.

By Mr. OLIVER of New York: A bill (H. R. 9102) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. ZIHLMAN: A bill (H. R. 9103) to amend sections 5, 6, and 7 of the act of Congress making appropriations to provide for the expense of the government of the District of Columbia for the fiscal year ending June 30, 1903, approved July 1, 1902, and for other purposes; to the Committee on the District of Columbia.

By Mr. KELLY: A bill (H. R. 9104) to amend an act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates, to provide for such readjustment, and for other purposes," approved February 28, 1925; to the Committee on the Post Office and Post Roads.

By Mr. STEAGALL: A bill (H. R. 9105) permitting the sale of certain land in Florida; to the Committee on the Public Lands.

By Mr. LANKFORD: A bill (H. R. 9106) to authorize the construction of buildings for post-office purposes in any town or city with $5,000 or more annual postal receipts; to the Committee on Public Buildings and Grounds.

By Mr. TAYLOR of Tennessee: A bill (H. R. 9107) to amend sections 4874 and 4875 of the Revised Statutes, and to provide a compensation for superintendents of national cemeteries; to the Committee on Military Affairs.

By Mr. WHITE of Maine: A bill (H. R. 9108) for the regulation of radio communication, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. OLDFIELD: A bill (H. R. 9109) to extend the time for the construction of a bridge across the White River; to the Committee on Interstate and Foreign Commerce.

By Mr. BLACK of New York: A bill (H. R. 9110) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. BLOOM: A bill (H. R. 9111) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. BOYLAN: A bill (H. R. 9112) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. CAREW: A bill (H. R. 9113) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER: A bill (H. R. 9114) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. CLEARY: A bill (H. R. 9115) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. CULLEN: A bill (H. R. 9116) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. DOUGLASS: A bill (H. R. 9117) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKSTEIN: A bill (H. R. 9118) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. GRIFFIN: A bill (H. R. 9119) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. AUF DER HEIDE: A bill (H. R. 9120) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. KINDRED: A bill (H. R. 9121) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. LINDSAY: A bill (H. R. 9122) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. MEAD: A bill (H. R. 9123) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mrs. NORTON: A bill (H. R. 9124) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

My Mr. O'CONNELL of New York: A bill (H. R. 9125) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. O'CONNOR of New York: A bill (H. R. 9126) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. PRALL: A bill (H. R. 9127) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. QUAYLE: A bill (H. R. 9128) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. SOMERS of New York: A bill (H. R. 9129) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. SULLIVAN: A bill (H. R. 9130) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. WELLER: A bill (H. R. 9131) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. GRAHAM (by request): A bill (H. R. 9132) incorporating the Veterans of Foreign Wars of the United States; to the Committee on the Judiciary.

By Mr. HAYDEN: A bill (H. R. 9133) to authorize oil and gas mining leases upon unallotted lands within Executive order Indian reservations; to the Committee on Indian Affairs.

By Mr. LAGUARDIA: A bill (H. R. 9134) to create a fund for the purchase and sale of anthracite or hard coal during the existing coal shortage in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. DENISON: Joint resolution (H. J. Res. 157) authorizing and directing the Secretary of War to accept and install a tablet commemorating the designation of May 30 of each year as Memorial Day by General Order, No. 11, issued by Gen. John A. Logan, as commander in chief of the Grand Army of the Republic; to the Committee on the Library.

By Mr. UPSHAW: Joint resolution (H. J. Res. 159) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. DOYLE: Resolution (H. Res. 130) directing the Commissioner of Internal Revenue to make, after appropriate investigation, an estimate of the losses suffered as the result of the adoption of the eighteenth amendment to the Constitution, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNS: A bill (H. R. 9135) for the relief of Natalie Summers; to the Committee on Claims.

By Mr. CAREW: A bill (H. R. 9136) granting a pension to Cornelius F. Cronin; to the Committee on Pensions.

By Mr. CROWTHER: A bill (H. R. 9137) granting an increase of pension to Gilbert H. Harris; to the Committee on Pensions.

By Mr. DENISON: A bill (H. R. 9138) granting a pension to Walter Brandon; to the Committee on Pensions.

By Mr. FENN: A bill (H. R. 9139) granting a pension to Conrad E. Nelson; to the Committee on Pensions.

By Mr. FLETCHER: A bill (H. R. 9140) granting a pension to Margaret McIncrow; to the Committee on Pensions.

By Mr. GARRETT of Texas: A bill (H. R. 9141) to provide for examination and survey of the Houston Ship Channel, with the view to its further improvement; to the Committee on Rivers and Harbors.

By Mr. KIEFNER: A bill (H. R. 9142) granting a pension to M. Prevallet; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9143) granting an increase of pension to Sophia Bouchard; to the Committee on Invalid Pensions.

By Mr. KENDALL: A bill (H. R. 9144) granting an increase of pension to Mary J. Stull; to the Committee on Invalid Pensions.

By Mr. LOZIER: A bill (H. R. 9145) granting an increase of pension to Louisa B. Higgins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9146) granting an increase of pension to Frances Ranson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9147) granting an increase of pension to Annaliza St. John; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9148) for the relief of M. C. Ellison; to the Committee on Claims.

By Mr. McSWEENEY: A bill (H. R. 9149) granting a pension to Elizabeth Hart; to the Committee on Invalid Pensions.

By Mr. MacGREGOR: A bill (H. R. 9150) for the relief of the Niagara Machine & Tool Works; to the Committee on Claims.

By Mr. MARTIN of Massachusetts: A bill (H. R. 9151) providing for an examination and survey of the harbor in Fall River, Mass., with a view to widening and deepening the main channel and widening and deepening the channel in front of the wharves; to the Committee on Rivers and Harbors.

By Mr. MENGES: A bill (H. R. 9152) granting an increase of pension to Annie Spiese; to the Committee on Invalid Pensions.

By Mr. NEWTON of Minnesota: A bill (H. R. 9153) granting a pension to Catherine Spicer; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 9154) granting an increase of pension to Sarah M. Vanderwarker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9155) granting an increase of pension to Lydia A. Haak; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9156) for the relief of Elsie McDowell Bunting; to the Committee on Pensions.

By Mr. ROWBOTTOM: A bill (H. R. 9157) for the relief of Louis Bender; to the Committee on Claims.

By Mr. SMITHWICK: A bill (H. R. 9158) for the relief of the Muscle Shoals, Birmingham & Pensacola Railroad Co., the successor in interest of the receiver of the Gulf, Florida & Alabama Railway Co.; to the Committee on Claims.

By Mr. STOBBS: A bill (H. R. 9159) for the relief of Henry Norcross; to the Committee on Claims.

Also, a bill (H. R. 9160) granting an increase of pension to Orianna Dyer; to the Committee on Invalid Pensions.

By Mr. SWANK: A bill (H. R. 9161) authorizing the Secretary of the Interior to pay legal expenses incurred by the Sac and Fox Tribe of Indians of Oklahoma; to the Committee on Indian Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 9162) granting an increase of pension to Sarah J. Freels; to the Committee on Invalid Pensions.

By Mr. THAYER: A bill (H. R. 9163) for the relief of Margaret T. Head; to the Committee on Claims.

By Mr. TINCHER: A bill (H. R. 9164) granting a pension to Mattie J. Hoover; to the Committee on Invalid Pensions.

By Mr. TOLLEY: A bill (H. R. 9165) granting an increase of pension to Anna M. Hewitt; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 9166) for the relief of Joseph R. Gallagher; to the Committee on Claims.

By Mr. MOONEY: Joint resolution (H. J. Res. 158) providing for the examination and survey of the channels of the Great Lakes; to the Committee on Rivers and Harbors.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

621. By Mr. Bloom: Petition of the Associated Traffic Clubs of America, concerning the Hoch-Smith resolution on the subject of regulation of motor-vehicle common carriers; to the Committee on Interstate and Foreign Commerce.

622. Also, petition of the Government Club, of New York city, concerning sale of certain parcels of land not now needed for military purposes, and devoting the proceeds of such sales to the construction of permanent shelter for officers and men of the Regular Army; to the Committee on Military Affairs.

623. Also, petition of the American Citizens of Polish Descent, 509 East Fifth Street, New York city, concerning House bill 7089, which would amend the immigration act of 1924; to the Committee on Immigration and Naturalization.

624. By Mr. CAREW: Petition of the American Citizens of Polish Descent of the City of New York, favoring the passage of House bill 7089; to the Committee on Immigration and Naturalization.

625. By Mr. W. T. FITZGERALD: Petition of Allen Council, Junior Order United American Mechanics, Lima, Ohio, protesting against any effort to weaken or repeal present immigration laws or changing or enlarging the present quota; to the Committee on Immigration and Naturalization.

626. Also, petition of J. C. McCoy Woman's Relief Corps, No. 56, Department of Ohio, asking for more adequate pensions for veterans of the Civil war widows and nurses; to the Committee on Invalid Pensions.

627. By Mr. GALLIVAN: Petition of Col. Frank Baker, Marshfield, Mass., recommending favorable consideration of House bill 5840, providing for the equalization of pay of retired officers of United States services; to the Committee on Military Affairs.

628. Also, petition of W. F. Schrafft & Sons Corporation, Boston, Mass., opposing the Gooding long and short haul bill; to the Committee on Interstate and Foreign Commerce.

629. By Mr. MacGREGOR: Resolutions adopted at mass meeting of American citizens of Polish descent in New York City, January 31, in favor of the passage of House bill 7089; to the Committee on Immigration and Naturalization.

630. By Mr. MOONEY: Petition of Cleveland Foreign Language Press, protesting proposed registration of aliens bill; to the Committee on Immigration and Naturalization.

631. By Mr. SINCLAIR: Petition of Gov. A. G. Sorlie, of North Dakota, and 22 other officials of that State, on behalf of the adoption of a decimal system of weights and measures; to the Committee on Coinage, Weights, and Measures.

632. By Mr. SOMERS of New York: Resolutions adopted by the Alliance of Women's Clubs of Brooklyn, representing 10,000 citizens, demanding that coal shall be considered a public utility and within reach of all, and that Congress take action to insure a permanent settlement; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, *February 10, 1926*

(Legislative day of Monday, February 1, 1926)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Fernald	La Follette	Schall
Bayard	Ferris	Lenroot	Sheppard
Blease	Fess	McKellar	Shipstead
Borah	Fletcher	McLean	Shortridge
Bratton	Frazier	McNary	Simmons
Brookhart	George	Metcalf	Smith
Broussard	Gillett	Moses	Smoot
Bruce	Glass	Neely	Stanfield
Butler	Goff	Norbeck	Stephens
Cameron	Gooding	Norris	Swanson
Capper	Hale	Nye	Trammell
Copeland	Harreld	Oddie	Tyson
Couzens	Harris	Overman	Wadsworth
Cummins	Harrison	Pepper	Walsh
Curtis	Heflin	Phipps	Warren
Dale	Howell	Pine	Watson
Deneen	Johnson	Ransdell	Weller
Dill	Jones, Wash.	Reed, Mo.	Wheeler
Edge	Kendrick	Reed, Pa.	Willis
Edwards	Keyes	Robinson, Ind.	
Ernst	King	Sackett	

Mr. SHEPPARD. I wish to announce that my colleague, the junior Senator from Texas [Mr. MAYFIELD], is necessarily detained on account of illness. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present.

PETITIONS AND MEMORIALS

Mr. McLEAN presented a petition of the Meridian (Conn.) Chamber of Commerce, praying for the passage of House bill 444, proposing to improve the condition and status of musicians in the Army and National Guard bands, which was referred to the Committee on Military Affairs.

He also presented resolutions adopted by William McKinley Camp, No. 9, United Spanish War Veterans, of Norwalk, Conn., favoring the passage of Senate bill 98, granting increased pensions to Spanish-American War veterans and their widows, which were referred to the Committee on Pensions.

He also presented resolutions of the Congregation B'Nai Jacob and the board of trustees of the Congregation Mishkan Israel, both of New Haven, Conn., favoring the passage of legislation amending the present immigration law so as to provide for exemption from the quota restrictions of husbands, wives, and children of American citizens and declarants for citizenship, which were referred to the Committee on Immigration.

He also presented a petition of the Woman's Christian Temperance Union, of Hartford, Conn., praying for the passage of Senate bill 1750, to establish a Woman's Bureau in the Metropolitan police department at Washington, D. C., which was referred to the Committee on the District of Columbia.

He also presented a telegram in the nature of a memorial from members of New Haven Division, No. 77, Brotherhood of Locomotive Engineers, of New Haven, Conn., protesting against the passage of legislation amending the existing employers' liability law, which was referred to the Committee on the Judiciary.

COLORADO RIVER PROBLEMS—LETTER OF GOVERNOR HUNT

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from Hon. George W. P. Hunt, Governor of Arizona, upon the problems of the Colorado River.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter referred to is as follows:

EXECUTIVE OFFICE, STATE HOUSE,
Phoenix, Ariz., February 3, 1926.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have just completed reading the testimony of the various witnesses who appeared before the Committee on Irrigation and Reclamation of the United States Senate in connection with the problems of the Colorado River Basin States and how these States may be affected by the development of the Colorado River.

I was impressed with the testimony of the representatives of the upper-basin States and with their frankness in discussing their desire and intention to utilize every means at their command to conserve and protect their right to use the water that falls within their borders, to irrigate every acre of land that it is feasible and practical to irrigate in those States—although, as stated by Mr. Delph Carpenter, of Colorado: "It may be a century and a half or from 50 to 100 years anyhow" before they can utilize all of the water they are asking to have reserved for their use under the provisions of the Santa Fe compact.

I do not propose to quarrel with any of the States in their endeavors to have their future protected, especially in the light of the evidence of unwarranted molestation, harassment, and interference in their development which the upper-basin States appear to have suffered from the action of Federal officials.

I was also impressed with the testimony of some of the upper-basin officials in stating that Arizona was not to be censured for failing to ratify the Santa Fe compact and for taking time to ascertain her potentialities. And I was particularly impressed with the statement of Mr. Carpenter that Arizona was justified in her attitude, and I also appreciated the address of Governor Dern of Utah.

On the other hand, I fail to understand the objections offered by some of the upper-basin representatives to the construction of Coolidge Dam and the fulfillment by the Federal Government of its responsibilities to the Indians on the San Carlos Indian Reservation. The Indians on that reservation have water rights antedating the advent of the white man to America. Their lands have been dried up by water users on the stream above them.

Under the law as defined by the United States Supreme Court in the Wyoming *v.* Colorado case the water users on the stream below, in spite of priority of use, must satisfy their needs from surplus water. Consequently under existing circumstances it is the duty of the United States Government to take care of the Indians' needs by providing storage on the Gila. In taking care of these needs and in building the project, if the cost can be reduced by adding some additional acreage of lands that are in the hands of white settlers (a considerable portion of which have water rights attached), the Government is the gainer; no one's water rights are impaired and the flood menace to the Imperial Valley in California is considerably reduced. Consequently opposition to the Coolidge project, as evidenced by some of the representatives of the upper-basin States, can not be judged in any other light, in my opinion, than as an attempted coercion of Arizona and a reprisal for her failure to ratify a compact which would destroy her, particularly where the project under consideration can not affect the complaining States in the upper basin in any manner.

As a matter of fact, the only States interested in the Gila are New Mexico and Arizona, from the viewpoint of water users. California is interested in having flood menace removed.

I say this because Wyoming, Colorado, Utah, and Nevada contribute nothing to and can use none of the water on the Gila. The legal point of diversion for California, made under contract with the United States Reclamation Service, is for diversion at Laguna Dam, which is a considerable distance above the mouth of the Gila River. The present point of diversion for the Imperial Valley at Hanlons Heading is only permitted by stipulation in injunction proceedings in the courts.

I really can not follow the testimony of the Federal officials. After reviewing the testimony of Secretaries Weeks, Wallace, and Work, and Engineers Kelly, Merrill, LaRue, and Stabler, I can not understand Mr. Work's complete change of attitude. The people of Arizona evidently can not depend on the finality of the judgment of Federal officials if, like a railroad time-table, they are subject to change without notice.

But the testimony in the hearings that made the deepest impression upon me was the serenely unconscious, yet patronizing and arrogant, attitude adopted by representatives of the State of California.

Senator HIRAM JOHNSON with a wave of his hand brushed aside evidence submitted by citizens of the State of Arizona by saying he would "predicate nothing upon some of the testimony of the citizens of the State of Arizona."

I can not understand the horror expressed by Senator SHORTRIDGE at the idea of Arizona wanting half the surplus water that comes from the upper-basin States and the water of her own streams.

We have no irrigation or power possibilities outside of the Colorado River and its tributary, because Arizona is wholly within the Colorado River drainage area—constituting 48 per cent of the basin—while only a small portion of California depends on this river, California having over 18,000,000 acres of land which can be irrigated and 9,000,000 horsepower which can be developed from other streams in that State.

California, which only comprises 2½ per cent of the Colorado River drainage area, wants 87 per cent of the water and control of the majority of the power.

But the distinguished senior Senator, by his attitude during the hearings and by his statements, seems to hold views—which seems to be typical of southern California—which might be defined as, "What is yours belongs to me and what is mine is my own."

The most naïve, patronizing, and unconsciously humorous statement in the whole hearings, in my judgment, was made by Mr. Childers, of California, when he declared: "California will not only deal fairly but generously with Arizona."

The irony of this can be appreciated when it is understood that California, to all intents and purposes, does not contribute any water to

the Colorado River and that all of the water she will use, with the exception of about 200,000 acre-feet, will be used outside of the drainage area, and that 90 per cent of the power that California wants to use will be produced in the State of Arizona.

The repeated statements of representatives of California and their distinguished Senators are ample to justify the belief that California intends to leave Arizona nothing in the Colorado River if it can possibly be obtained for California's use, and that no recompense will be made to Arizona for the use of her resources if these resources can be obtained by some subterfuge without cost to California. Even the provisions which were written into the enabling act to prevent the resources of the State passing into the hands of the Power Trust are used by representatives of California as an argument that Arizona forfeited them—apparently in their opinion—for the benefit of California.

But the most interesting factor of the California position is the endeavor to use the United States Government to despoil Arizona, and to use United States Government money to build a power dam located in two other States, the Government to be repaid from power generated in these two other States; and California lands to be furnished a canal, flood control, and municipal water at the expense of these two other States.

If California can satisfy the five other States in the basin by agreeing to a six-State compact, in order to get what she wants, the testimony of her representatives indicates she would do so. But I can not understand the willingness of the other States to accept such a proposition at the expense of Arizona.

However, let us have no illusions about the matter, but face the issue squarely.

A compact was drawn at Santa Fe, N. Mex., which protected the upper-basin States. Arizona will offer no objection to protecting the upper-basin States.

The representatives of the upper-basin States have repeatedly stated that they did not fear Arizona's development.

But, in order to get protection for themselves, some of them appear willing to barter with California through a six-State compact to enable that State to have the Federal Government construct a dam so low on the river as to absolutely condemn large areas of Arizona to remain a desert, give California all the water she can use, and permit the remainder of the water to cultivate lands in Mexico owned by other California citizens. The real gall in the proposal is that Arizona and Nevada power is to pay for the cost of giving all this to California under their plan.

We have no illusions as to the general attitude of southern California cities in this matter. Los Angeles plundered Inyo County, Calif., for the benefit of that city. She met with some criticism at home for so doing, but she would not hesitate to despoil the State of Arizona.

Los Angeles is not through yet paying for the plundering of Inyo County, Calif. The good citizens of that county, led by their bankers and leading business men, found it necessary to dynamite the Los Angeles aqueduct and turn the water loose for use in their county; and they are organized and still continuing the fight.

I am reminded in this connection that Germany plundered France and took Alsace and Lorraine and built an idustrial empire. But when the same process was tried on Belgium, it resulted not only in Belgium being left intact but in Alsace and Lorraine being returned to France; and, in addition, the German people will pay for generations to come for the greed and rapacity of her statesmen.

Los Angeles and California, with their wealth and arrogance, their newspapers, propaganda agencies, their distinguished Representatives and Senators, Commissioner of Reclamation Mead, the powerful influence of the Californian, Hoover, in the Cabinet, and the cooperation of Secretary Work, of the Department of the Interior, may succeed in inducing the United States and the other States in the basin to join in the rapine of Arizona, using the guise, as expressed by one of the citizens of this State, of the "sheep of flood protection to cover up the wolf of power and water greed." But it will never be with Arizona's legal consent, and if I am in position to have anything to say in the matter—which I hope I may be—it will be over Arizona's physical protest.

Arizona may be ravaged, but like Germany's experience, the profits from the looting, which may accrue to California, may not be as profitable as she hopes.

But there are times when I feel that possibly California should not be too harshly censured. When I read the reports and speeches made before civic organizations, by men who have been honored by the State of Arizona in positions of high trust and responsibility, and those who have made fortunes out of her resources, seeking to justify the confiscation of the resources of this State, and approving the proposal recently made by the Secretary of the Interior that Arizona's rights be seized; that over a hundred million dollars of United States money be invested partly within the territory of Arizona for the benefit of California, the people of Arizona denied any benefit from her resources—that it is proposed to have the Government take—unless Arizona accepts an agreement that she knows spells her ruin, I sometimes feel that the attitude of some of the representatives of California does not seem quite so preposterous.

The idea which has recently been uttered that "Arizona must be at the table when the reclamation prunes—the most famous southern California product—are passed, if she wants to get any," will never be accepted, in my judgment, as the spirit of the people of Arizona.

I think when you said that, "Arizona spurns all bribes and wears no chains," you stated the situation exactly. Had it not been for policies which, under the circumstances, were almost criminal misfeasance on the part of the responsible officials of Arizona when the compact was negotiated, Arizona would not now be fighting the character of battle she is. And to find those who were responsible for present conditions, still willing to see her stripped, must, indeed, be encouraging to California.

I was further impressed in reading the testimony by the announcement of the doctrine that the unappropriated waters in Western States are the property of the Federal Government. These pernicious theories of law advanced by the Department of Justice of the United States and Mr. Eggleston can never be accepted by the State of Arizona, and I do not believe will ever be accepted by any of the States in the Colorado River Basin, unless it be by the State of California, which contributes nothing to the basin but desires to seize the greater part of its resources.

Senator JOHNSON last month stated that if the Government would give California permission to invade Arizona and Nevada, they would develop a portion of the Colorado River without cost to the National Government. I made a similar offer (with the exception that we did not ask to invade any other State) before the Federal Power Commission in September, 1923. Arizona can finance this work without issuing State bonds by selling power, as the Salt River Valley water users do at Mormon Flat and Horse Mesa, recent dam constructions.

The State of Arizona has on file with the Federal Power Commission a request for a permit to erect a dam at Bridge Canyon, a site wholly within the State of Arizona. This site has been declared by an engineer of the United States Geological Survey and other competent engineers as one of the best power sites on the Colorado River. If the permit is granted to Arizona, I do not feel that it will be necessary to ask the Federal Government for any money or any Federal bond issue to make power available to anyone who cares to buy it.

It might also be pertinent to remark at this point that if the Federal Government will relinquish to Arizona the public lands and forests in this State, as was done with other States, so that all of the resources within the borders of this State may be available for the development of the State, it will not be necessary, in my judgment, to ask the taxpayers in other States to contribute to the development of the Colorado River or of the State of Arizona. We will be able to undertake the financing of the Colorado River development, and we will not ask permission to invade the rights of any other State in doing so.

I have been on record, as Governor of the State of Arizona, since October, 1923, in trying to arrive at an agreement between the States of California and Nevada concerning the Colorado River. On November 1, 1923, and on November 22, 1923, the Governor of California declined to enter any such negotiations. Negotiations, however, are now pending between a committee appointed by me and committees of the States of California and Nevada. The calling of the next conference is subject to a date being fixed by the California committee.

I offer these few observations on the testimony submitted in the Senate hearings. I do not think the language is too strong in the light of developments on the Swing-Johnson bill. The proposal of Secretary Work, which I believe is the Hoover-California plan, has caused me to become "het up" on this matter.

Very sincerely yours,

GEO. W. P. HUNT, *Governor.*

REPORTS OF COMMITTEES

Mr. COPELAND, from the Committee on Naval Affairs, to which was referred the bill (S. 2058) for the relief of members of the band of the United States Marine Corps who were retired prior to June 30, 1922, and for the relief of members transferred to the Fleet Marine Corps Reserve, reported it without amendment and submitted a report (No. 156) thereon.

Mr. BUTLER, from the Committee on Naval Affairs, to which was referred the bill (S. 1885) for the relief of James Minon, reported it with amendments and submitted a report (No. 157) thereon.

Mr. WALSH, from the Committee on the Judiciary, to which was referred the bill (S. 1040) concerning actions on account of death or personal injury within places under the exclusive jurisdiction of the United States, reported it without amendment.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 2673) to amend the act approved June 3, 1896, entitled "An act to establish and provide for the maintenance of a free public library and reading room in the District of Columbia," reported it without amendment and submitted a report (No. 158) thereon.

He also, from the Committee on Claims, to which was referred the bill (S. 1755) for the relief of Francis J. Young, reported it without amendment and submitted a report (No. 161) thereon.

Mr. BAYARD (for Mr. MEANS), from the Committee on Claims, to which was referred the bill (S. 2993) to allow credits in the accounts of certain disbursing officers of the Department of the Interior, reported it with an amendment and submitted a report (No. 160) thereon.

Mr. BROOKHART, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 959) for the relief of Tena Pettersen (Rept. No. 162);

A bill (S. 1794) to extend the benefits of the employers' liability act of September 7, 1916, to Gladys L. Brown, a former employee of the Bureau of Engraving and Printing, Washington, D. C. (Rept. No. 163); and

A bill (S. 2887) for the relief of Philip T. Post (Rept. No. 164).

Mr. SCHALL, from the Committee on Indian Affairs, to which was referred the bill (H. R. 183) providing for a per capita payment of $50 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States, reported it without amendment and submitted a report (No. 159) thereon.

SILVER SERVICE FOR REAR ADMIRAL ANDERSON

Mr. BORAH. From the Committee on Foreign Relations I report back favorably without amendment the bill (S. 2822) authorizing Rear Admiral Edwin A. Anderson, United States Navy, retired, to accept the silver service tendered by the Government of Panama. I call the attention of the Senator from North Carolina [Mr. SIMMONS] to the bill.

Mr. SIMMONS. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read, as follows:

Be it enacted, etc., That Rear Admiral Edwin A. Anderson, United States Navy, retired, is authorized to accept the silver service tendered to him by the Government of Panama, and the Department of State is authorized to deliver such silver service to the said Rear Admiral Edwin A. Anderson.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIS:

A bill (S. 3069) to enforce the liability of common carriers for loss of or damage to grain shipped in bulk; to the Committee on Interstate Commerce.

A bill (S. 3070) granting an increase of pension to Rosina Voorhees (with accompanying papers); to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 3071) concerning the application of certain provisions of section 21 of the Federal highway act of November 9, 1921; to the Committee on Post Offices and Post Roads.

By Mr. ODDIE:

A bill (S. 3072) to authorize an exchange of lands between the United States and the State of Nevada; to the Committee on Public Lands and Surveys.

By Mr. FLETCHER:

A bill (S. 3073) granting increase of pension to soldiers who rendered service during the Seminole Indian wars in Florida and to widows of such soldiers; to the Committee on Pensions.

By Mr. HARRELD:

A bill (S. 3074) for the relief of John H. Gattis; to the Committee on Claims.

A bill (S. 3075) granting a pension to Ella C. Maddux; and

A bill (S. 3076) granting an increase of pension to Lavina J. Wells (with accompanying papers); to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3077) for the relief of John T. Wilson (with accompanying papers); to the Committee on Claims.

By Mr. SMOOT:

A bill (S. 3078) further to assure title to lands designated in or selected under grants to the States, to limit the period for the institution of proceedings to establish an exception of lands from such grants because of their known mineral character, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. WADSWORTH:

A bill (S. 3079) to amend section 12 of the act approved June 10, 1922, so as to authorize payment of actual expenses for travel under orders in Alaska; and

A bill (S. 3080) to authorize payment of expenses of the Washington-Alaska military cable and telegraph system out of receipts of such system as an operating expense; to the Committee on Military Affairs.

By Mr. WATSON:

A bill (S. 3082) granting a pension to Clara Wikell;

A bill (S. 3083) granting a pension to Sadie Green McClure;

A bill (S. 3084) granting a pension to Harriet E. Morgan;

A bill (S. 3085) granting a pension to Charles Morton Wilson;

A bill (S. 3086) granting a pension to Elizabeth A. Power;

A bill (S. 3087) granting a pension to Nancy A. Jones;

A bill (S. 3088) granting a pension to Will J. Woods;

A bill (S. 3089) granting a pension to America Ann Kirby;

A bill (S. 3090) granting a pension to Elijah C. Waln;

A bill (S. 3091) granting a pension to Ida L. Seacat;

A bill (S. 3092) granting a pension to Margaret E. King;

A bill (S. 3093) granting a pension to Moranda Stoops;

A bill (S. 3094) granting a pension to Mary S. Buckles; and

A bill (S. 3095) granting an increase of pension to William Hemphill; to the Committee on Pensions.

By Mr. WILLIS:

A bill (S. 3096) granting an increase of pension to Emma L. Cole (with accompanying papers); to the Committee on Pensions.

By Mr. REED of Pennsylvania:

A bill (S. 3097) to provide for the erection of a public Federal building at Emporium, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. DENEEN:

A bill (S. 3098) to remit the duty on a carillon of 42 bells imported for St. Chrysostom's (Episcopal) Church, Chicago, Ill.; to the Committee on Finance.

By Mr. STANFIELD:

A bill (S. 3099) to cede certain lands in the State of Oregon, including Diamond Lake, to the State of Oregon for fish-cultural purposes, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. RANSDELL:

A bill (S. 3100) for the relief of the heirs of Susan A. Nicholas; to the Committee on Claims.

MUSCLE SHOALS

Mr. McKELLAR. I introduce a bill as a substitute for the Muscle Shoals measure reported out by the Committee on Agriculture and Forestry, and I ask unanimous consent that there may be printed in the RECORD a statement in reference to the bill.

The bill (S. 3081) to create a commission for Muscle Shoals, and for other purposes, was read twice by its title, and, with the accompanying paper, referred to the Committee on Agriculture and Forestry.

There being no objection, the accompanying statement was ordered to be printed in the RECORD, as follows:

The outstanding provisions of my substitute for the Muscle Shoals bill reported by the Senate Committee on Agriculture are:

First. Section 4, which contains, in my judgment, an absolutely fair method of distributing the surplus power produced at Muscle Shoals.

Second. It provides that the Government should retain the present shoals plant and authorizes the building of Dam No. 3 to be added to it.

Three. It provides that the commission created by the act shall dispose of the surplus power in three distinct ways: (a) It shall give preference to States, counties, and municipalities as provided in the Federal water power act. (b) It provides that the commission may sell surplus power to distributing power companies, but carefully giving the commission the power to regulate prices at which such distributing companies shall sell the current. (c) It provides that the commission may sell direct to users if it deems proper in the public interest.

In other words, my proposal distributes the power fairly and sees to it that the people using the power shall get the benefit of reduced prices.

Fourth. It provides for the establishing of a corporation to be owned by the United States, so that it can deal properly with the public.

Fifth. It requires the last word in experimentation for the purpose of making fertilizers and the manufacture of fertilizers if an economical process can be obtained; so that the farmers may be protected absolutely, it provides for the recall of surplus power if necessary, in order that the fertilizer interest shall be made paramount.

Sixth. It provides that should the Government find these economical processes for making ingredients for fertilizers that it may transfer such processes to private individuals or corporations, carefully guarding the power, however, to regulate the prices at which such fertilizers shall be sold to the farmers.

These are the salient features of my proposal.

AMENDMENTS TO TAX REDUCTION BILL

Mr. WALSH submitted an amendment intended to be proposed by him to House bill 1, the tax reduction bill, which was ordered to lie on the table and to be printed, as follows:

On page 83, line 4, after the word "associations," insert the following: "and dairy loan associations."

Mr. BRATTON (for Mr. JONES of New Mexico) submitted an amendment (Title III—Inheritance tax), intended to be proposed by Mr. JONES of New Mexico to House bill 1, the tax reduction bill, which was ordered to lie on the table and to be printed.

AMENDMENT TO FIRST DEFICIENCY APPROPRIATION BILL

Mr. McKINLEY submitted an amendment proposing to pay $1,500 to W. H. Gehman for extra services in the folding room, intended to be proposed by him to House bill 8722, the first deficiency appropriation bill, 1926, which was referred to the Committee on Appropriations and ordered to be printed.

AMENDMENT TO AGRICULTURAL APPROPRIATION BILL

Mr. SHORTRIDGE submitted an amendment proposing to increase the appropriation for silvicultural, dendrological, and other experiments and investigations, independently or in cooperation with other branches of the Federal Government, with States, and with individuals, to determine the best methods for the conservative management of forest and forest lands, from $232,000 to $252,000, and to increase the amount to be immediately available for the establishment of a forest experiment station, as provided in the act entitled "An act to authorize the establishment and maintenance of a forest experiment station in California and surrounding States," approved March 3, 1925, from $30,000 to $50,000, intended to be proposed by him to House bill 8264, the agricultural appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

WARD FOOD PRODUCTS CORPORATION

Mr. WHEELER. I ask unanimous consent to have printed in the RECORD two clippings from the New York Times of this date relative to the Ward Food Products Corporation.

There being no objection, the clippings were ordered to be printed in the RECORD, as follows:

[From the New York Times, Wednesday, February 10, 1926]

SAYS BREAD SUIT FAILS OF PURPOSE—LA FOLLETTE WANTS GOVERNMENT TO ATTACK WARD'S THREE PRESENT COMPANIES—SEES THEM AS A MONOPOLY—SENATOR HOLDS THAT THEY GIVE THE "BREAD KING" CONTROL OF THE INDUSTRY

(Special to the New York Times)

WASHINGTON, February 9.—Senator LA FOLLETTE, who has been attacking the Ward Food Products Corporation, said to-day that the antitrust suit filed by the Government yesterday would not remove the Wards from control of the bread industry. He urged that the Government proceed to force them to abandon control of what he called the "big three" companies, which he believed gave Mr. Ward and his associates undisputed control of the baking industry.

"I am glad that the Department of Justice has finally been moved into action against the food trust," said Senator La Follette. "I am particularly glad that it is proceeding before these corporations are finally 'scrambled' into a single gigantic merger.

"Nevertheless, the orders which the Department of Justice is seeking from the court, as reproduced in the newspapers, are directed entirely against the corporate defendants and do not attempt to reach or restrain the individual defendants, namely, William B. Ward and his associates, who conceived and promoted this great conspiracy. They will be left in complete control of the bread industry, even if everything asked by the Government is granted. This appears to me to be a fatal defect in the Government's case, which should be amended before proceeding further.

"Let me make this clear. According to the Government's own statement of the case, this conspiracy has consisted in William B. Ward and his associates acquiring control of a number of the great baking corporations, particularly the 'big three'—the Ward, Continental, and General Baking Corporation. They are the conspirators.

"Control of the 'big three,' the Government contends, will give Ward and his associates complete control of the baking industry throughout the United States. They will have this control—they will be able to dictate the price of bread—whether these three are merged into the new food trust, which Ward has recently incorporated, or are kept separate.

"The public interest, therefore, demands that Ward and his associates be compelled to sell their stock and give up control of at least two of the 'Big Three.' Any one of these three is big enough to give Mr. Ward full opportunity to develop any possible economies by large-scale production. He may not be able to carry out his paternalistic projects for providing for the welfare of the little children out of the excess profits levied upon their bread, but he will be able to make cheap bread, if he is honest and efficient.

"But the Department of Justice merely asks the court to restrain the corporate defendants from merging, having common officers and directors, etc., and does not ask that Ward and his associates—the individual defendants who conceived and executed this unlawful conspiracy—be required to abandon the control of the 'Big Three' baking corporations which they now have.

"The effect of this proceeding, even if the court grants everything that the Government now asks, will be to leave Ward—the 'bread king'—in undisputed control of the baking industry. He will be able to issue orders to each of the baking corporations which he now controls and of which the Government does not seek to deprive him, as effectively as if they were merged into a single trust.

"I sincerely hope, therefore, that the Department of Justice will speedily order its petition amended to cure this defect."

TESTIFIES WARD GOT STOCK—CONTINENTAL BAKING HEAD TELLS OF RELATIONS—HEARING PUT OFF

Hearing of the Sherman law complaint of the Federal Trade Commission against the Continental Baking Corporation was adjourned yesterday to February 23, Examiner John W. Addison granted the recess to permit George G. Barber, chairman of the board of the Continental, to produce figures showing the extent to which 13 subsidiary companies were engaging in interstate commerce when their stock was acquired by the Continental, to what extent they were in competition, and the amount of their yearly business, local and interstate. The Federal Trade Commission bases its complaint on the alleged lessened competition and restraint of commerce resulting from the absorption of 25 baking companies by the Continental Baking Corporation.

TELLS OF WARD'S CONNECTION

The greater part of the testimony of Mr. Barber, the only witness called so far, had to do with the relationship of William B. Ward to the Continental Baking Corporation and the other concerns with which Mr. Barber has been identified. Mr. Barber reiterated his assertion that Mr. Ward's only connection with the Continental was as a stockholder, that the corporation was formed by Mr. Barber solely to offer better service to the public.

The questions of Col. Augustus R. Brindley, counsel for the Federal Trade Commission, regarding Mr. Barber's past connection with the Ward companies, brought objections from William H. Button, attorney for the Continental, on the ground that they were irrelevant. The objections were overruled by Examiner Addison. "The questions may prove later on to be relevant," said Colonel Brindley.

The purpose of the formation by Mr. Ward and his associates of the United Bakeries Corporation, later absorbed by the Continental, was "bigger and better service to the public," said Mr. Barber. "It was Mr. Ward's purpose to build up a baking business of sufficient volume to permit the rendering of a kind of service hitherto impossible. This idea of service was paramount in the minds of all at that time as it is to-day."

Asked what was the purpose of the Continental, Mr. Barber said its objects were the same as those of the United, except that the larger concern was able to go still further in its field, since it embraces baking concerns in every part of the country, while the United centered largely in the East. "Continental is merely a continuance of Ward's policy in organizing the United?" Colonel Brindley asked. "Yes," the witness replied, "except that Ward has no connection with the Continental."

GAVE WARD 2,000,000 SHARES

It was brought out that the Continental Baking Corporation, soon after it was formed in November, 1924, turned over to William B. Ward 2,000,000 shares of its class B common stock in return for a contract owned by Mr. Ward for the acquisition of the American Bakery Co. of St. Louis. Mr. Barber testified that the transfer was merely technical to make the shares fully paid and nonassessable. One and a quarter million of the shares, he said, were later returned by Mr. Ward to the Continental, which repaid him with shares of other classes. The class B common, he said, was distributed as a bonus to purchasers of Continental preferred stock, sold at $100 a share, two shares of class B going with one share of preferred, the

bonus being later reduced to one share and finally half a share with one share of preferred.

Mr. Barber further testified that since the organization of the Continental 318,305 shares of the 8 per cent cumulative preferred stock had been issued for cash at $100 a share, and that 7,500 shares had been issued at $102. He also said 298,389 shares had been issued in exchange for the stock of other companies acquired by the Continental. Of the class A common, the witness said, 24,460 shares were issued for cash and 266,905 shares in exchange for stock in the companies taken over by the Continental.

Mr. Ward's holdings in the Continental, the witness testified, amounted at one time to 1,000,000 shares of preferred stock, although these have since been reduced.

The facts concerning the interstate commerce carried on by the subsidiaries, said Colonel Brindley, in asking for the adjournment, had an important bearing on the charges made in the Federal Trade Commission's complaint. He said there would be no hearings elsewhere pending the resumption of the investigation in New York on February 28.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes, the pending question being on the amendment of the Committee on Finance to strike out the House provision relative to estate tax and insert Title III—Estate tax.

Mr. NORRIS. Mr. President, the pending amendment proposed by the committee repeals the Federal inheritance tax. It also provides that the repeal shall be retroactive, a point in the amendment that has received very little attention. If it should prevail, not only would we have repealed the inheritance tax but we would be required to return to a large number of very large estates one-half of the taxes that they have already paid, or, if not paid, that are due and unpaid. Therefore, it has the same effect, so far as these estates are concerned, so far as concerns the estate of any man who died since June, 1924, as though we had a direct appropriation to repay to those estates one-half of the taxes which they paid under the law existing at the time of his death.

I said before that all taxation is burdensome. I repeat that I would be glad, if I could, to relieve everybody from the obligation of paying taxes, but if we have government, taxes must be levied to support it. Somebody must pay them. From the very beginning of government, honest, conscientious men have continually tried to enact into law such systems of taxation as would be the least burdensome. Of all the taxes that have ever been conceived, there is no other that is so little burdensome as the inheritance or estate tax. It is the only tax that is not, directly or indirectly, in any degree, a tax on consumption. There is no way of passing it on to somebody else. There is no tax that can be so easily and inexpensively collected. There is no other tax that is any more just or fair. With very few exceptions, such a tax would not take from any man a single dollar that he has done anything toward earning. The right to inherit property or the right to pass property on to others is given to the individual by law. It is not a natural right.

The class of people who are opposed to an inheritance or estate tax are also in favor of a reduction of income taxes on big incomes. The principal argument they offer in favor of the reduction of taxes on big incomes is that those who have such incomes invest their property in tax-free securities, and thus escape the income tax completely. While this argument is much overdrawn and very much exaggerated, yet if we admit the truth of it, we find the same people who advocate such reduction likewise crying aloud vehemently in favor of the repeal of the estate or inheritance tax; and yet everybody concedes that the estate or inheritance tax can not be avoided by the investment of property in tax-free securities. In other words, there is no such exemption in estate taxes. So the very argument they offer in favor of one end of their dilemma, absolutely defeats their argument as applied to the other end of the equation.

Those of us who advocate a Federal estate tax or inheritance tax are universally in favor of allowing a large exemption to which the tax shall not apply. I will not quarrel as to what the amount of this exemption should be. I will make no objection to an exemption of three or four hundred thousand dollars. Then commence the tax at a very low rate and raise it progressively until it becomes very high when the estate or inheritance reaches up into the millions of dollars. This will enable the holders of immense fortunes to provide for their families or friends so they may live in luxury the balance of their days without the payment of any tax on the inheritance. The tax does not operate until the death of the property owner. It can do no injury to him because he is dead and can not take his property with him. It is no injury to the descendants who inherit it because they did not own it and did not accumulate it. It comes to them as a pure gift; and it seems, therefore, that neither the testator nor the beneficiary can properly object to the tax, because the one is dead, and the other gets what is left after the tax is paid without any exertion on his part. This is particularly true when a large exemption is allowed and a small rate of taxation applied until the property reaches into many millions.

Mr. President, an objection often made to this kind of a tax is that the Federal Government ought to leave it to the States. There is no logic whatever to this objection. The only authority in our country that can properly levy such taxes without hardship upon anyone and without discrimination is the Federal Government. If the Federal Government does not levy the tax and it is left to the States, we will find the States competing with each other by offering reduced taxation to millionaires in their efforts to get them to locate within their borders, and the logical outcome will be that no State will levy much of any inheritance tax. Florida, which has adopted a constitutional amendment to exempt property owners from this kind of tax, is an illustration. This is simply a bid to wealthy men who want to avoid taxation in their States to locate in Florida. But it is a game that every State in the Union can play; and when they all get into that condition, the result will be no such tax, and if this tax which falls upon millionaire estates is entirely abandoned, it means that those who are poor must pay that much more in taxation. I would have no objection if the law provided that a very large amount of the Federal tax should be paid over to the States, because, as I shall show later, the community in most cases has contributed very largely to the accumulation of the fortune. Later on, Mr. President, if I do not devote too much time to some other phases of this amendment, I shall take that question up again and discuss it in more detail.

OBJECTS OF INHERITANCE OR ESTATE TAXES

All taxation of inheritances or estates has two objects in view:

First. To raise revenue. The amount of revenue that can be raised in this way is enormous. If progressive inheritance or estate taxes were levied with a large exemption, the only estates which would pay them would be those estates which are very large. This is justified, because it is conceded that taxes should be levied where the burdens would be the lightest. The amount of such taxes would vary more than other taxes, because of the uncertainty of human life, and the number of owners of large estates who might die in any one particular year; but the income from a series of years would be exceedingly large and would lighten the burdens of those upon whom taxation bears down heavily.

Second. The second object of such a tax is the prevention of the entailing of large fortunes. Such a tax would not interfere with the handling of a fortune so long as its owner lived, but when he had passed on it would take a portion of the fortune and give it to the State—the public, which, as a matter of fact, almost universally has done something in the accumulation of the immense fortune. Most all of the large fortunes have been accumulated by men who have had governmental favor in one way or another. Mr. Astor, who died several years ago, the possessor of nearly $100,000,000 worth of property, obtained most of his property by inheritance. The original investment in New York real estate was comparatively small.

Every laborer who helped to lay a pavement in the street and every man who built a little home in the vicinity did his share toward making this property valuable. The value was, in fact, created by others; it was the toil and the sweat, the labor and the sacrifice, of millions of citizens that made him many times a millionaire. So what injustice can there be, after he has used it during his lifetime, to say that the public shall get a portion of it back?

Mr. Mellon, one of the wealthy men of the world, obtained a very large portion of his wealth by virtue of a protective tariff upon the output of his factories. It was by the laws of his country that he was thus enabled to accumulate many millions. It was by reason of the laws that permitted the sale of intoxicating liquor throughout the country, through the method of licensing, that he was able to add much to this fortune by the sale of whisky. No one is trying to take this property away from him; but would it not be fair if the Government, under whose laws he was enabled to build this immense accumulation of property, should, after he has finished with it, take a portion of it to relieve the taxation of those who have not been thus favored?

Every economist of any repute concedes that the entailing of large fortunes, if unrestricted, will eventually bring hardship upon the country. The prevention of such accumulation ought to be the object of all legislative assemblies having jurisdiction of the question. The accumulation of the property of the country into the hands of a few brings additional toil and additional suffering into the homes of the many.

Moreover, there is a limit beyond which money can buy either comfort, luxury, or pleasure. The man who is worth a hundred million dollars can not possibly buy anything that will add to his happiness, his comfort, his pleasure, or his luxury that can not be equally and easily purchased by the man who has only a million dollars; and if one is to inherit an estate of $100,000,000, with the accumulation of which he had nothing to do, and who has therefore no legal right whatever to it, how can he complain if, instead of giving him $100,000,000, the Government, under whose laws it was possible to build up such a fortune, takes one-half of it, thus leaving him $50,000,000, which he can not possibly spend for any legitimate purpose during the longest lifetime known to history? He is still left with more money than he can possibly use—more money than anybody ought to have. It is more money than anybody ought to have, for it simply means that, because of the accumulation of so much money in the hands of one man, there are thousands of others who do not have enough to make both ends meet. The accumulation of wealth in such large amounts is unnecessary, contrary to good public policy, and, if unchecked, will eventually bring ruin to any country that permits it. It will not be long until a very few people will have all the property and the vast multitude of honest people will in effect be slaves. Frequently, too, the inheriting of large fortunes means dissipation, wicked living, drunkenness, and the spending of money for disgraceful and unpatriotic purposes. It destroys initiative and makes worthless citizens of many people who would otherwise help to make the world better and happier; and it is no answer to say that such disreputable and reckless living will of itself distribute the big fortunes. That is not the way they should be distributed. That is not the honorable way for cutting them up; but, on the other hand, it leaves in its wake disgrace and an example of selfishness and greed.

Mr. President, I wish to read some extracts into the RECORD from Mr. Mooring, who appeared before the House Ways and Means Committee, representing the American Farm Bureau Federation, which, as we all know, is the largest organization of farmers in the United States. It would be interesting indeed to read his argument in its entirety, but, since the time is limited and others perhaps desire to discuss this amendment, I will only read some extracts. For instance, he says:

Whenever a tax proposition or a tax question is considered by a farming interest almost always the first thought is, how will the incidence of that tax effect the general distribution of the tax burden? And that can be decided or determined only by considering the entire revenue system of the country. It is true that we have separate governments; the States are sovereign and separate from the Federal Government; but it is equally true that one citizenship must bear the entire burden of the tax. Hence, if you have in view the determination of the burden borne by the different classes of citizens you must consider all taxes—State, local, and Federal.

And in determining that general burden of taxation, you must fix some standard. That standard which we think is the correct standard is the ability to pay the tax measured by income. If that standard be used, and if all taxes be taken into consideration, we think that no one denies that the farmer is relatively bearing a greater burden of taxation than any other industrial class.

I think, Mr. President, that statement of this representative of the farmers before the committee is conceded by everybody—that, taking the taxing system as a whole, the income that has been received and the labor that is applied to produce the income, the farmers of the country suffer more from taxation than any other class of people.

Personally—

Says this representative—

I do not know of any scientific investigation or exhaustive investigation that has been made on this question but what has reached that conclusion. Probably all of you are familiar with the investigation made by the National Industrial Conference Board. That reaches that conclusion, and it certainly is not an organization prejudiced in favor of the farmer.

I conclude, then, without further discussion, that the farmer relatively is bearing at least a full share of the public burden of taxation.

Now, when that is true, what attitude would he naturally take toward the inheritance tax—not particularly at this moment as a Federal tax or as a State tax, but as a tax?

Excluding those who farm for recreation, and having in mind those who farm for a livelihood, the farmer pays almost no inheritance tax. If that tax is abandoned as a source of revenue it is a mathematical certainty that his relative burden must be increased. Therefore the farmer as a generalization, is in favor of an inheritance tax provided the inheritance tax is in itself a just tax, and provided it is a legitimate source of revenue.

In other words, he makes the argument, which can not be denied, that taking taxation as a whole, although the man who toils and farms for a livelihood under existing statutes pays but little inheritance tax as a matter of fact if this tax is removed from those who do pay it and those who can pay it, it must necessarily follow that all other classes, including the farmer, must in some way or other pay additional taxation. From that conclusion of Mr. Mooring I think there is no escape.

We think—

Speaking from the point of view of the farmers, now—

We think that an inheritance tax is a just tax for several reasons. In the first place, an inheritance, as an economic conception, is an income. It is true that the Federal Government does not treat the inheritance in the same tax law, exactly. It provides for it separately. But that does not alter the character of an inheritance. It is just as much income to the recipient as it would be if he got it from some other source, and it is unearned income, generally speaking. There are cases, of course, where a man's wife and his children have helped him accumulate what he has, but usually their peculiar position is taken care of by liberal exemptions.

The general proposition may be stated, therefore, that an inheritance occupies the place of an unearned income.

There is no fairer tax than a tax on unearned income. The farmer, the merchant, the manufacturer, the owners of railroad securities, and of public-utility securities all risk their money, give their time, and give their labor to earn what income they can. The recipient of an inheritance does not give anything. Now, it seems to us that if we must tax somebody we ought not to tax those who furnish all the labor and time and risk and let the man who does not do anything but receive go tax free.

So it seems to me that it can not be successfully disputed that an inheritance tax is eminently a just tax. It is a just tax for another reason. The intangible property, under the property-tax laws of the States, generally contributes but a very small amount to the cost of government. That has been a problem with State officials ever since I have been connected in any way with taxation—now more than a quarter of a century. It has been a problem how we could reach intangible property. It is a problem that has never been satisfactorily solved. It does not seem, then, more than simple justice that on the death of the owner of intangible property that property should, for once at least, contribute a fair share toward Government expense.

So I think, gentlemen, without going any further into that phase of the subject, that I am justified in concluding that the inheritance tax is a just tax and a legitimate source of revenue.

Let us stop right there and consider this farmer's argument and see how just, how fair, and how invincible it is. Speaking now of intangible property, he calls to our attention something that all students of the subject well know—the difficulty of taxing intangible property because of the practical impossibility of reaching it; and the result is that much of that property goes tax free. Every legislature in the Union, every civilized government in the world, has been trying to devise some means by which intangible property would be compelled to pay its just share of the expenses of government. Here is a method that, even without any hardship to the man who earned it, will provide for taxing intangible property at least once, and that is when the man is dead. Then this property comes to the surface.

Mr. President, I remember reading some time ago of four or five large estates, aggregating many millions, one of them over $50,000,000, in the great city of New York. They were being settled, and it was discovered that the man whose administrator or executor had gathered together more than $50,000,000 worth of property had been for years paying a tax on only $25,000 worth of property. If there were no inheritance tax, it would escape taxation forever. The inheritance tax, therefore, reaches property that everybody concedes ought to be taxed, and the ingenuity of civilized men from the beginning has been trying without success to devise a way to tax it. It is conceded, however, that an inheritance tax will reach it, and I do not understand how anyone can contest the proposition for a moment.

Mr. Mooring says, further on:

We believe, Mr. Chairman, that the States are utterly unable to handle the inheritance tax under present conditions. You have, of course, the example of Florida; the recent example, as I understand it, of Nevada; and possibly Georgia has modified its law since the Florida constitutional amendment was passed.

The CHAIRMAN. We have the District of Columbia also.

Mr. MOORING. We have the District of Columbia and Alabama already; yes, sir. And I might say, from my own home experience, that the action of Florida has already prevented Alabama taking into consideration, as it should do, the question of inheritance tax. The movement was started by me there a short while ago, and that was the objection that was there met with in the missionary work that I was trying to do, and that objection I was unable to answer. There is no probability at all of Alabama adopting an inheritance tax so long as its neighbor, Florida, is in the situation in which it is.

I think, Mr. Chairman, that about covers all that I had in mind to say. We believe that the Federal Government should retain the tax, and we suggest—which suggestion is, so far as I know, original with ourselves, but which, while we did not anticipate it, has already been brought to the attention of the committee—that the credit of 25 per cent be increased to not less than 75 per cent.

He reaches some conclusions later on. They are numbered and are as follows:

1. That under the combined tax systems of the States, their local government units, and of the Federal Government the farmer is bearing more than his fair share of the public burden;

2. That the abandonment of the estate tax, which falls more lightly on the farmer than on other industrial classes, would relatively increase the farmer's burden;

3. That the inheritance or estate tax is in itself just, is a legitimate source of revenue, and should be preserved at its highest degree of usefulness;

4. That it can be so preserved only through the aid of the Federal Government; and

5. That, therefore, the Federal estate tax should not be repealed.

Mr. President, I have here a great deal of testimony on this subject, which, if I have time, I can read; but I want at this time briefly to discuss the question of repealing this law because we want the States to handle it.

If that were practical I would not seriously quarrel with my brethren about it. If all property in the United States were fairly taxed and paid its just share, bore its fair burden, even though in one instance the tax were contributed to the State and in the other case to the Nation, if it were fair, if it could be equalized, I would not make any serious contention; but it seems to me, from the very nature of things, Mr. President, that there is only one power on earth that can levy a fair estate or inheritance tax, and that is the Federal Government.

The idea of getting uniform inheritance tax laws throughout the States is, to my mind, absolutely unworthy of serious consideration. To me it stands before us as an absolute impossibility. No man has yet devised any scheme or suggested any plan that has behind it any force that can induce all the States to levy the same inheritance tax.

The result will be that States will bid against each other for men of great wealth to settle within their borders, and we will have, as we have now in Florida and a few other places, a sort of millionaire tax-exempt refuge. We are going to establish, if we repeal this law, a refuge for untaxed millionaires, just as we have already provided by law a refuge for birds and animals where they will be safe from hunters. That means, therefore, that in self-defense the States will be compelled at least to lower, if not entirely to abandon, inheritance taxation as a method of raising revenue.

The newspapers have been full of accounts of men going from one State to another. I personally know quite a number of men who have gone to Florida and located there in their old age, principally, as some of them have admitted to me, in order to take with them their accumulations of a lifetime that they have acquired elsewhere, and let them be safe from the taxgatherer at the time of their deaths.

I am not now finding fault with the man who does that. I am not complaining. I never do complain when a man does something that is not in violation of law, that is legal. I could call to the attention of the Senate a great many instances where men have moved from one State into another to avoid the payment of high taxes, and often these men, after they have accumulated their fortunes, after they are about to retire from active business, gather together their property and go to one of these refuges of tax-exempt millionaires, just as the old lady or the old man goes to the home for the aged, to live and to die without paying anything at the time of death.

Do we want to do this, Mr. President? Do we want to encourage this contest between the States to see which can make itself most desirable as a place for men of great wealth to settle in order to escape taxation? Is there any other conclusion that can come from this kind of legislation?

Before this question came up at this session there was a great agitation all over the country for the repeal of the Federal inheritance tax. Tax clubs were organized everywhere. The governors of States, induced by the selfish idea that their States were going to lose something, went into the clubs. They came here by the dozens and appeared before the Committee on Ways and Means of the House of Representatives asking, to begin with, that the tax be repealed. Many of them knew but very, very little about the question, as the record will show. They were members of tax clubs. They could not tell who else were members or how the clubs happened to be organized, but there were such things as tax clubs, and the only thing they did know was that they wanted to have the Federal inheritance tax repealed. Many of them undoubtedly honestly believed that if we did repeal it their respective States would be gainers, and many of them, when their attention was called to what would happen if that were done, frankly admitted, in substance, that they did not understand it and that they had not before had called to their attention the results that would certainly follow if their requests were granted.

While I am on the question of the farmer, I want to have read at the desk an editorial which takes up that phase of the question, an editorial printed in the Nebraska State Journal, a paper of the great midwest, in which attention is called to the interest the farmer has in this particular proposed legislation. I ask that the clerk read the editorial.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk read as follows:

A MANY ANGLED ISSUE

The Nebraska delegation to the Corn State conference will bear in mind, let us hope, that the equalizing of agriculture is not to be attained by any single measure. The conference will be mainly interested, no doubt, in devices for handling the farm surplus.

It is the export surplus that puts the farmer at the mercy of foreign competition. That surplus forces him to sell all his crop at the foreign price level while our tariff laws force him to take in exchange for his crops goods at the higher "American" price. This is the farmer's worst handicap. The conference will be right in giving this matter its main attention.

But this isn't all or nearly all. There are other ways of discriminating by law against agriculture, and one of these is in process at this moment. Congress is now engaged in shifting to agriculture a burden of Federal taxes which belongs on a stronger back.

The repeal of the inheritance tax which the Senate Finance Committee has voted is of this effect. This tax takes for public use, on the death of the owner, a share of the huge estates which have been built up in the fields of manufacturing industry and finance. Government policies have helped accumulate these estates. The agricultural sections of the country have been drawn upon along with the rest in accumulating these estates. Nothing could be fairer than a Federal tax on these estates. Yet Congress is threatening to repeal that tax. The taxes these estates are relieved from paying will have to be paid by somebody. Since at the same time Congress is drastically reducing the taxes on the higher incomes, the taxes thus removed from industrial shoulders will be shifted largely to agriculture through the heavy indirect taxes which agriculture pays.

With the nonagricultural districts deliriously prosperous and agriculture notably depressed, Congress moves to lift taxes from the stronger and lay them upon the weaker. Congress does not realize, perhaps, that it is doing this. It has been so long the habit of Washington to legislate from the viewpoint of industrial and financial interests that it may not know there are other interests to think of. The West itself has too long consented to be ignored. If the coming Corn State conference is to speak in spirit and in truth for the business interests subsidiary to agriculture, it will give Congress a jarring reminder of its oversight. Not only in measures for handling the farm surplus but in the pending antiagricultural tax legislation is agriculture interested.

Mr. NORRIS. I received through the mail this morning a criticism of something I said here, and also a criticism of what the Senator from Idaho [Mr. BORAH] said, about this bill. I send the letter to the desk and ask the clerk to read it. It deals directly with this question of the farmer and the inheritance tax.

The PRESIDING OFFICER (Mr. WHEELER in the chair). The clerk will read.

The Chief Clerk read as follows:

NEW YORK CITY, *February 9, 1926.*

Hon. GEORGE W. NORRIS.

DEAR SIR: What do you and Senator BORAH mean by saying that the tax reduction bill will not be of any benefit to the 30,000,000 living on our farms?

Do you not know that the $100,000,000 saving to the recipients of great incomes will enable those fortunate persons to establish at least 100 new golf courses, thus providing a use for many abandoned farms? Many of the former farmers will be able to get work as laborers on the work of constructing these courses, while their sons will get jobs as caddies.

Help the farmers? Of course the farmers will get lower railway freight rates, lower interest charges, and cheaper goods just as soon as the Mellon gang get rid of a large percentage of their taxes.

Very truly yours,

WHIDDEN GRAHAM.

Mr. NORRIS. Let me devote just a little time now to the retroactive feature of this amendment. As I stated in the beginning, this amendment not only repeals the inheritance tax, but it provides for repayments to the beneficiaries of estates where taxes have already been collected, and if they have not already been collected, then the forfeiting of one-half of them. To my mind that proposition is so astounding, so remarkable, and so revolutionary, that it can not receive serious consideration at the hands of any legislative body with a view to passing it. If we adopt this amendment we will write into the law an apology to dead men for having taxed their estates when they died. We propose to return millions and millions of money to their beneficiaries.

What excuse can we give for that provision? It was first put in by the Committee on Ways and Means, and there was such a rising storm of indignation among the membership of the House and over the country that the committee of its own accord took the provision out. In other words, we say to these large estates, "We are going to forgive you the money that you now owe." It is just the same, in legal effect, as though in our appropriation bills we provided for direct appropriations to these estates of millions and millions of dollars.

I have here a partial list of estates which would be affected by this. I will put the entire list into the RECORD, but I will read just a few of them, giving the name of the decedent in each case.

Frank E. Anderson, over $5,000,000; Frederick F. Ayer, over $10,000,000; Anne H. Benjamin, over $15,000,000; Norman Bridge, $5,000,000; William A. Clark, $41,000,000; Mai Rogers Coe, $16,000,000; another one of $9,000,000; James B. Duke, $75,000,000. All these are to get the money back.

Mr. BORAH. They did not pay $75,000,000, did they?

Mr. NORRIS. No; but they are taxed on that amount under the present law, and they will get back one-half of what they paid under this amendment we are to vote on at 4 o'clock.

I ask that this list be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Partial list of estates exceeding $5,000,000 taxable under the act of 1924

Estate of—	Amount	Died
Anderson, Frank E	$5,727,736.48	Dec. 15, 1924
Ayer, Frederick F	10,463,973.66	June 9, 1924
Benjamin, Anne H	15,448,975.12	Sept. 8, 1924
Bridge, Norman	5,093,387.72	Jan. 10, 1925
Clark, William A	41,000,000.00	Mar. 2, 1925
Coe, Mai Rogers	16,238,000.00	Dec. 28, 1924
Corning, Ephraim	9,003,432.88	June 25, 1924
Duke, James B	75,000,000.00	Oct. 10, 1925
Evans, Henry	5,338,377.15	Aug. 29, 1924
Gardner, Isabella S	11,753,820.84	July 17, 1924
Hostetter, D. Herbert	10,844,986.44	Sept. 28, 1924
Huntington, A. D	22,163,687.13	Sept. 16, 1924
Johnson, Charles E	6,682,375.53	Sept. 4, 1924
Lauder, George	9,523,223.34	Aug. 24, 1924
Lawson, Victor F	19,550,000.00	Aug. 19, 1925
Morgan, George F	6,857,750.24	Feb. 6, 1925
Preston, Andrew W	6,933,702.18	Sept. 26, 1924
Sage, William H	8,453,973.83	Oct. 23, 1924
Slocum, Jeremiah J	6,188,167.87	Oct. 2, 1924
Spreckels, Adolph B	7,879,224.24	June 28, 1924
Towne, Henry R	5,331,064.45	Oct. 15, 1924
Wellington, Wm. H	5,794,303.81	Feb. 2, 1925
Winthrop, Kate W	13,274,638.45	June 7, 1925
Woolworth, Jennie	59,738,852.80	Nov. —, 1925

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from North Carolina?

Mr. NORRIS. I yield.

Mr. SIMMONS. The Senator is entirely mistaken in saying that these taxes have been paid. As a matter of fact, if he will inquire of the actuary, he will discover that a very small part of these taxes have been paid.

Mr. NORRIS. That is what I said, that they are not all paid; but they are all due. It is all an asset of the Government. If a man owes the Government a million dollars, which he has to pay within the next year or so, and which belongs to the Government, which is one of the assets of the Treasury of the United States, I do not know that there is much difference between giving him back his note—for it is the equivalent of his giving a note—and appropriating that much money out of the Treasury, because that is what it would mean.

Mr. SIMMONS. I know the Senator does not wish to misstate the amendment, and I do not think he quite understands it. The amendment to which he refers applies to the act of 1924. The act of 1921 provided for a 25 per cent maximum. The act of 1924 provided for a 40 per cent maximum. The bill, as it passed the House, provides for a 20 per cent maximum. The Finance Committee proposes to put into operation, during the life of the act of 1924, the 1921 rates.

Mr. NORRIS. I understand. There is no dispute about the facts.

Mr. SIMMONS. I thought the Senator probably did not have that quite accurately in his mind.

Mr. NORRIS. I did not misunderstand it.

Mr. SIMMONS. I wish to say to the Senator that, so far as these estates to which he refers are concerned, there are but few, I am advised, the taxes of which have already been paid.

Mr. NORRIS. Very well.

Mr. SIMMONS. It is expected that the Government will collect under the provisions of the pending bill about $430,000,000 or $440,000,000. I do not remember the exact amount, but nearly all of it will be paid hereafter.

The Senator referred to the Duke estate. The Senator said the Duke estate would pay $75,000,000.

Mr. NORRIS. No; I did not say that. I did not say the Duke estate would pay $75,000,000. I answered a question of the Senator from Idaho by saying that the amount of the estate was $75,000,000.

Mr. SIMMONS. Probably that is correct. But the amount that the Duke estate would pay to the Federal Government, as I understand from the executors, of whom I inquired, would be about $15,000,000.

Mr. NORRIS. And with the pending amendment in the law it would be about $7,500,000.

Mr. SIMMONS. Oh, no, Senator. Under this amendment it would be about $15,000,000, as I understand it.

Mr. NORRIS. That the estate would still have to pay?

Mr. SIMMONS. Yes.

Mr. NORRIS. How much would the estate pay if we did not have the amendment in the law?

Mr. SIMMONS. It would pay the difference between 25 per cent and 40 per cent.

Mr. NORRIS. Can the Senator give it to us in dollars?

Mr. SIMMONS. No; I can not.

Mr. NORRIS. In other words, under the law as it existed when Mr. Duke died the estate was taxed at a maximum of 40 per cent?

Mr. SIMMONS. Yes.

Mr. NORRIS. Under the committee amendment the Senator said that the Duke estate would only pay 25 per cent.

Mr. SIMMONS. Yes.

Mr. NORRIS. That is all right. I think we understand the facts.

Mr. SIMMONS. I am not sure whether the figure which I gave applies to the 40 per cent rate or the 25 per cent rate. That is what I was told the Duke estate would pay.

Mr. SMOOT. I think it would be under the 40 per cent rate.

Mr. SIMMONS. I am inclined after reflection to think it is the 40 per cent rate. The Duke estate will also pay, I think it is, about $3,500,000 to the seven States in which Mr. Duke had his property.

Mr. NORRIS. Yes.

Mr. BORAH. That is the aggregate they would get under the 40 per cent rate.

Mr. NORRIS. There is no dispute about the facts. Now I want to ask the Senator from North Carolina a question. Under the will of Mr. Duke, as I understand it, there is a Methodist college in North Carolina that gets the residue?

Mr. SIMMONS. No; the Senator is mistaken.

Mr. NORRIS. What is that provision?

Mr. SIMMONS. The Methodist college of which he speaks is what is now known as the Duke University.

Mr. NORRIS. All right, Duke University. That is a Methodist institution, is it not?

Mr. SIMMONS. Yes; that is a Methodist institution.

Mr. NORRIS. That is the reason why I called it a Methodist college.

Mr. SIMMONS. But Duke University does not get all of it. That institution gets only a part of it.

Mr. NORRIS. I understand that.

Mr. SIMMONS. That institution gets only about 10 per cent of it.

Mr. NORRIS. The Senator must let me ask my question. He is not answering my question.

Mr. SIMMONS. I am trying to do so.

Mr. NORRIS. I want to have the Senator tell me how much more Duke University, if he prefers to call it that, would get if the amendment of the committee is agreed to than it would get if the committee amendment were rejected?

Mr. SIMMONS. My understanding is that the Duke Foundation fund would get about $3,000,000 or between $3,000,000 and $4,000,000. The university would get something like 10 per cent of that amount. Will the Senator permit me to explain that?

Mr. NORRIS. All right.

Mr. SIMMONS. The Senator said that this bequest is for a college. It is for an institution that was a college and is now a university.

Mr. NORRIS. It had to change its name because of a provision in Duke's will, did it not?

Mr. SIMMONS. No. Mr. Duke, during his lifetime, established an endowment fund of about $40,000,000. A good part of that fund went to a university into which Trinity College was converted—not all of it, but a good part of it. In Mr. Duke's will he provided that after all of his taxes were paid, Federal and State, the residue of his estate should go one-third to his daughter and two-thirds to the Duke endowment fund, and that 10 per cent of that endowment fund, as I remember it, should go to Duke University. A part of the balance of the endowment fund goes to the establishment in North Carolina and South Carolina of a great hospital. Another part of it goes to the establishment in various sections of those two States of hospitals or is to be distributed for the purpose of maintaining beds in hospitals for the sick. It is estimated that the fund will provide for 25,000 sick people at all times. Another part of that fund goes to superannuated ministers of all denominations, as I recall it.

Mr. NORRIS. And the whole fund as a matter of fact, if the committee amendment is agreed to, will go to the benefit of superannuated millionaires.

Mr. SIMMONS. I, of course, do not understand the Senator's observation.

Mr. NORRIS. I would like to have the Senator answer my question. How much more money would go to this college in dollars and cents if the amendment is agreed to than would go to it if the amendment were defeated?

Mr. SIMMONS. I have answered the Senator——

Mr. NORRIS. The Senator has not told the amount.

Mr. SIMMONS. I have answered the Senator that it was estimated, as I understood it, that the saving to the foundation fund by the adoption of the amendment would be between $3,000,000 and $4,000,000, and Duke University would get about 10 per cent of that fund. It is a matter of simple mathematical calculation. The balance of the fund goes to hospitalization for the sick and to superannuated and indigent ministers of the gospel.

Mr. WALSH. Mr. President, may I inquire of the Senator whether that provision likewise is restricted to North Carolina?

Mr. SIMMONS. No; it is restricted to North Carolina and South Carolina.

Mr. WALSH. To North Carolina and South Carolina?

Mr. SIMMONS. Yes; and if there is an additional fund or a surplus fund, it goes to any other State in which the directors of the foundation may see fit to send it.

Mr. WALSH. It is specifically provided that it shall go to the benefit of those classes in those two States?

Mr. SIMMONS. Primarily; yes.

Mr. WALSH. And in any other States where the directors may see fit to send it?

Mr. SIMMONS. If there is a surplus.

Mr. WALSH. So the fund is increased by something like $3,000,000 if the amendment is agreed to?

Mr. SIMMONS. Yes.

Mr. WALSH. And 10 per cent of it goes to the university?

Mr. SIMMONS. That arises in this way, if the Senator from Nebraska will pardon me the further interruption.

Mr. NORRIS. I do not want to take all of the time up to 4 o'clock, however. I hope the Senator will not consume it all, because it will be charged to me.

Mr. SIMMONS. Under all the laws we have enacted we have exempted from this tax bequests or donations to charity, education, and similar purposes. The burden of the whole tax upon the Duke estate is thrown upon the fund that is given to charity. The reduction of the rate to 25 per cent from 40 per cent would relieve this charitable fund of that much of the tax that it otherwise would have to pay.

Mr. NORRIS. Now, Mr. President, I would like to proceed. However, let me first ask the Senator whether this educational institution is not the Senator's alma mater?

Mr. SIMMONS. Yes; and likewise my colleague's.

Mr. NORRIS. I want to proceed just a little while now.

Mr. SIMMONS. If the Senator desires to make a personal matter of this——

Mr. NORRIS. Oh, no; not unless the Senator from North Carolina wants to do so.

Mr. SIMMONS. I have not since my entrance into the Senate indulged in accusations with reference to personal motives.

Mr. NORRIS. Oh, no. There is nothing personal in it with me, I will say to the Senator. He will find that out as I proceed. I have no feeling whatever about it.

Mr. LENROOT. Mr. President, may I say to the Senator that the Duke estate was $75,000,000, and the adoption of the Senate amendment will save the estate, or the beneficiaries of the estate, $10,000,000 in round numbers.

Mr. NORRIS. Did the Senator make a calculation as to how much the college gets?

Mr. LENROOT. If they are to have two-thirds, it would be about $6,000,000 to the foundation and 10 per cent of that to the college.

Mr. NORRIS. That would be $600,000.

Mr. SIMMONS. The Duke Foundation has to pay all of the taxes of the estate.

Mr. LENROOT. I did not understand that.

Mr. SIMMONS. Yes. It even has to pay the taxes upon the one-third that is given to the daughter.

Mr. LENROOT. Then the Duke Foundation will save the full $10,000,000.

Mr. NORRIS. It will save the full amount. The Duke Foundation will save $10,000,000.

Mr. SIMMONS. If the amendment is agreed to, it will pay 25 per cent instead of 40 per cent tax.

Mr. LENROOT. Assuming that $75,000,000 is the amount of the estate, the 40 per cent would apply to $65,000,000, which would be $26,000,000. On the 25 per cent rate it would be $16,000,000.

Mr. SIMMONS. But the Senator does not take into consideration, does he, that of the bequest to the Duke Foundation one-half is given to charity?

Mr. LENROOT. No; I did not know about that.

Mr. SIMMONS. And it has to pay no tax at all.

Mr. LENROOT. That is something I did not take into consideration.

Mr. SIMMONS. A large proportion of the $75,000,000 goes to charity and under the laws of the United States, which applied to Mr. Duke as they apply to everybody who gives to charity, that sum does not have to pay any tax at all.

Mr. LENROOT. I want to be fair. I did not take that into consideration at all.

Mr. SIMMONS. The executors are persons of very high standing.

Mr. NORRIS. I have no doubt of that.

Mr. SIMMONS. One of them is Mrs. Duke herself and the other two are leading business men. Both of them came originally from my State.

Mr. NORRIS. That is a good recommendation for them.

Mr. SIMMONS. They have told me that they made the calculation, and that is what the amount will be.

Mr. NORRIS. I am willing to concede they are perfectly honest, perfectly religious, perfectly moral, perfectly conscientious. I am making no charge against anybody, but the bare fact comes back to us that we are going to legislate here to forgive a tax against the Duke estate, and in round numbers several hundred thousand dollars of that benefit will go to the college. A couple of millions of it at least will go to the Duke Foundation, and will go there just exactly the same as though we made the direct appropriation from the Treasury of the United States. It is our money. It belongs to the Government of the United States whether it has been actually paid or not. If it has been paid, we are going to give it back. If it has not been paid, we are going to forgive the debt.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from North Carolina?

Mr. NORRIS. Yes; I yield.

Mr. SIMMONS. I think the Senator is doing an injustice. The Senator does not mean to state that the Duke estate is the only estate in the country that will get the benefit of this reduction? Besides, I remind the Senator that we have always exempted from this estate tax bequests to charity, education, and the like. How unjust appears therefore the Senator's strictures on this effort to relieve the charitable and educational bequests of Mr. Duke of a part of the highly excessive rates of the 1924 act, which were never before imposed and probably will never again be imposed. The Senator talks about the partial relief of the Duke bequests as if the Duke estate were the only estate to be affected.

Mr. NORRIS. I have not said anything of that kind.

Mr. SIMMONS. It is not alone the Duke estate that will get the benefit of the reduction.

Mr. NORRIS. I have not said anything of the kind. In fact, I was reading a list of estates, and when I got to the Duke estate the Senator interrupted me, and I have not been able to get any further from that time to this because he insists on talking about the Duke estate, and I am perfectly willing to talk about it, too.

Mr. SIMMONS. I interrupted the Senator because the Senator had made, as I thought, a misstatement about the amendment and had made a misstatement about the amount of taxes the Duke estate would pay. I understood him to say the amount the Duke estate would have to pay would be $75,000,000.

Mr. NORRIS. No; I did not say that. It only took a moment to correct that statement.

Mr. SIMMONS. If the Senator will pardon me further——

Mr. NORRIS. Yes; I will let the Senator go on. If I make a misstatement I want to be corrected, but it is not anything for the Senator to say, "Oh, there are other estates." Of course there are. If I could use all the time between now and 4 o'clock, when we are to vote, I could tell about a lot of others.

Mr. SIMMONS. I thought that the Senator was trying to make it appear that I am favoring the amendment because of the Duke estate.

Mr. NORRIS. No.

Mr. SIMMONS. I favor it on just the same principle that actuates me when I contend that when we make a reduction in the income tax for 1926 we ought to give the taxpayer the benefit of it on his income for 1925, the return for which he will shortly make.

There is no reason on earth why the charitable and educational bequests of Mr. Duke, who happened to die within the period between 1924 and 1926, should be compelled, as would be the case under the rates of the 1924 act, to pay a rate of Federal taxation higher than any ever paid before by any estate, and higher also, most probably, than any estate will ever pay hereafter within the lifetime of those who are now writing the Nation's laws.

The Senator does not seem to realize that we went to the very peak of taxation in the act of 1924; we went to 40 per cent. The House of Representatives is now proposing to cut that rate down to 25 per cent, and, Mr. President, I can not see why, under the practice which we have heretofore pursued with reference to these matters, we should not give the estate of decedents dying during that period some benefit of this reduction.

Mr. NORRIS. I have no objection to the Senator making the argument—that is a speech he has a right to make—but in all due courtesy he ought not to try to make it while I have the floor and have his time charged to me. I do not want to keep the floor until 4 o'clock, but the Senator will compel me to do it, because he insists on doing all the talking while I have the floor. I have not charged anybody with bad faith, and there would be no suspicion of bad faith unless Senators protest too much.

Mr. SIMMONS. Mr. President, I thought the Senator was trying to put me in a position of favoring this reduction on account of its effect upon the Duke estate, when the fact is I favor it on principle. Of course, the fact that the reduction will give a measure of relief to the charitable and educational bequests of Mr. Duke is welcome to me, for the reason that I know it is just and fair that such relief should be given.

Mr. NORRIS. Of course, I acquit the Senator entirely of any motive that is wrong as to the amendment which is here.

Mr. SIMMONS. I will not interrupt the Senator any further.

Mr. NORRIS. But the fact comes home to us, nevertheless, that this is what is taking place right here, and nobody can dispute it. If the Senator had not interrupted me, I would have read the list of many other millionaires; but he has taken up so much of my time that I am going to print the list in the RECORD without reading any further, and shall devote a little time, since the Senator has put such emphasis on it, to the Duke estate and talk about it a little, which I did not intend to do. I take it as a sample. I do not know how many others are in the same category.

Here is a college, the Senator's alma mater, down in North Carolina, which, if this amendment be adopted, is going to get several hundred thousand dollars of public funds, just the same as though we appropriated the money directly. Here is a coalition, a great big steam roller, that is putting this bill over; a coalition between Democrats and Republicans. We find under the bill that one of the great institutions, a Methodist institution this time, is going to benefit several hundred thousand dollars by an amendment, should it be adopted, which nobody has debated very much, and which many Members of the Senate do not now know has the effect I have indicated.

What right have we to appropriate money out of the public funds, several hundred thousand dollars, for a Methodist college down in North Carolina, even though it be the alma mater of the very able and eloquent Senator from North Carolina? What kind of a combination do we have here between the Republican leader and the Democratic leader to turn this money over to a Methodist institution? Why are we so partial to the Methodists? What is the reason why we stop at the Methodist colleges, if we are going to give public money to such institutions? How is it that the leaders of the coalition are confining the benefits of this particular legislation, that nobody seems to understand, to Methodists? Why do they leave the Mormons out? Why did not the Mormon Church get something? Can we conceive of the Republican coalitionist agreeing that the Democratic coalitionist should get this much for a Methodist college in the South and that there should not be at some time another agreement of equal right that would let the other church get something, too?

Of course, there is not any doubt but that it will give great satisfaction to the Methodists. I have no doubt that this Methodist college will soon be conferring honorary degrees upon these leading coalitionists; we shall have honorary degrees conferred upon the Senator from North Carolina [Mr. SIMMONS] and the Senator from Utah [Mr. SMOOT]. What kind of a degree will that college give those Senators? I think it will be "D. R. D. C.," which translated into plain English means "Doctor Republican-Democratic Coalition."

Why is it that we are going to take this money—it is just the same as taking money out of the Federal Treasury—to help out a college under the guise of giving something to a dead man?

What about the Presbyterians? And, Mr. President, how about the Catholics? While the Methodists are enabled to stick their hands into the big pocket of Uncle Sam, are you not going to let the Catholics put their fingers into his vest pocket, at least? And, then, where does the Ku-Klux Klan come in? If that great organization is founded upon the high principle that they do not want any religious institution to be mixed in the affairs of the Government, why are they not now at work here with their propaganda against the Methodists?

Mr. OVERMAN. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from North Carolina.

Mr. OVERMAN. The Duke foundation fund is not entirely for Methodist institutions; it is also for Presbyterian institutions and some colored colleges and orphan asylums. Under the residuary clause a portion of this fund is given not to any particular denomination, but is given to hospitals throughout North Carolina and South Carolina.

Mr. NORRIS. The Senator is talking about one thing and I am talking about another. I am talking about the three or four hundred thousand dollars that go to this college.

Mr. OVERMAN. Which college?

Mr. NORRIS. That Methodist college, the alma mater of the Senator. He knows what it is.

Mr. OVERMAN. They get a considerable sum——

Mr. NORRIS. That is what I am talking about.

Mr. OVERMAN. The Senator said he was talking about the Methodists, and I say the Presbyterians get some of it.

Mr. NORRIS. I have been told by the Senator's colleague that this was a Methodist institution.

Mr. OVERMAN. It is a Methodist institution.

Mr. NORRIS. Very well; then, I am right.

Mr. OVERMAN. The Senator is right so far, but when he says that the Methodists get it all, that is not correct.

Mr. NORRIS. They get all that goes to their college.

Mr. OVERMAN. They get what goes to the particular college in question.

Mr. NORRIS. That is what I am talking about.

Mr. OVERMAN. But other colleges get some of it. The Senator would have the Senate understand that the Methodists get it all.

Mr. NORRIS. I did not say that they got it all or anything of the kind.

Mr. OVERMAN. That is what I understood the Senator to say.

Mr. NORRIS. The Senator did not correctly understand me; but what the Methodist college will get will amount to several hundred thousand dollars; and they are getting what is equivalent to a direct appropriation from the Federal Treasury. That is what I am protesting against; and I protest against the exemption of these great estates from taxation after the owner of the estate is dead. Nobody questions the law under which a tax becomes due on that estate, but one of the Senators from North Carolina defends it on the ground that the law enacted prior to the bill now pending taxed at a less per cent, and, therefore, we ought to reduce it further. If that theory of government is true, then we must pay back all those who paid income taxes under a higher bracket than they are going to pay under the brackets provided in this bill, and make it retroactive.

Mr. OVERMAN. Mr. President, will the Senator yield further?

Mr. NORRIS. Yes.

Mr. OVERMAN. My idea and information as to the fund of which the Senator is talking, and concerning which he says the Federal Government would lose if the tax upon inheritance should be repealed, is that it goes, in considerable part, to maintain free beds in the hospitals of the two States I have mentioned, and that without regard to denomination.

Mr. NORRIS. Before I got into it this far, the Senator's colleague explained what it was, and I took his explanation.

Mr. OVERMAN. I beg the Senator's pardon.

Mr. NORRIS. That explanation did not quite agree with the explanation of the junior Senator from North Carolina. This Methodist college—call it by any other name, if you desire—gets some of this money, and it gets money that it would not get from the Federal Treasury if we would refuse to approve the amendment that is now pending before the Senate. Every dollar that it gets comes from the Treasury of the United States, and if we are going to establish the precedent here of paying money out of the Federal Treasury to one institution of this kind, then there will be others, and there ought to be others, coming along to get their share.

Who made the Duke estate, Mr. President? Was it made by Methodists? Everyone who ever smoked tobacco helped to contribute something to that immense fortune, whether he lived in New Jersey or North Carolina; residence makes no difference. The society girl who smoked her cigarette made a contribution, and the laborer in San Francisco working in the sewer trench smoking his cob pipe had his little tribute levied, and paid it into the Duke estate. Perhaps he was a Catholic. Would it be right to take money from him to pay it into a Methodist institution without his consent? There are millions of men like him all over the United States who have been smoking "Duke's Mixture" ever since there has been a "Duke's Mixture," and every one of them has paid something to this estate. We would get back some of it under the law which we enacted, providing for an inheritance tax, in which every one of the contributors had an interest wherever he lived, but now we propose by this amendment to forgive the tax altogether. It will mean giving back to the Duke estate millions of dollars, and not only to the Duke estate but to other estates, amounting in the aggregate to many times the Duke estate. Are we going to do it? Can we justify our course? How many Senators know that that is in this bill? How many Senators who are going back for reelection, when they are confronted with the question, "You took money out of the Federal Treasury and paid it to a North Carolina college," will deny it?

Now, consider it from the other standpoint, according to the purpose to which the residue of the fortune is going to be devoted. It is said that it is going to be used to provide beds for sick people. If that is true, I suppose if I can make a showing when I come to pay my taxes that I have equipped some beds for poor people in the hospitals I will not be charged any tax; that I will have my tax forgiven. If I am a millionaire, and have enough money, and die, I presume the next Congress will come along and say, "Forgive the inheritance tax in this man's case, because, under his will, the money is going to charity; it is going to educational institutions; it is going to the alma mater of some Senator."

This is only an entering wedge. If you will give public money to a Methodist institution at this time you will give it to a Morman institution the next time and a Catholic institution the next time; you will go on and on. The law will say, "All we ask is that they leave the money to hospitals or leave it to schools or use it for charity." They would all be willing to do it, and they would all do it in good faith, I have no doubt.

But, Mr. President, we are dealing not with our money; we are dealing here with the money of the American taxpayer; we are dealing with their money in the case of the Duke estate, to which they contributed all over this land, and we ought to regard it as a sacred trust. We have no right to give it to a Methodist institution or to any other institution. It was collected, if it has been collected, according to a law that nobody questions, and because now we are going to say, "Why, that law is higher in rate than the law we are going to enact," we are going to make it retroactive, so they will not have to pay so much!

Mr. President, I presume this steam roller is going to go on over us, and we are going to repeal the inheritance tax. These coalition fellows are modest. They are too modest. If they are going to give back money that has been collected in taxes from millionaires' estates because the rate when they happened to die was higher than at some other time in history, then why should we not say, "After this law is passed there will be no inheritance tax"? And I suppose, to be logical, when the next tax bill comes in they will return all the money and say, "Why, that is only fair, because the fellow who died in one year had to pay a tax, but if he had just lived a little longer and died the next year he would not have had to pay any, therefore we will give it back." That is the theory, that we taxed them too high this year. The Duke estate, contributed by millions of American citizens, was taxed too high. The estates of these other people were taxed too high. What about the thousands of other people who were taxed in that other tax law? We are reducing the taxes on everybody else. Why do we not say in this law, "Let us make it retroactive and return the taxes that everybody paid, or a percentage of it, so as to put them on an equality?"

Mr. President, I wonder how long the American people are going to submit to laws of this kind. I wonder how long it is going to be before the American conscience will begin to be shocked. I wonder how long it is going to be before they will realize that big business is in the saddle in this country and that it is making demands of Congress and of everybody else to relieve itself of its just and fair share of taxation, and that Congress is obeying the mandate; and the people seem to think it is a good thing to do. It seems to be popular now. It seems to be popular to do anything that the millionaire wants to have done; and that runs from the President clear down to the janitor, including the legislative branch of the Government.

I give it as my judgment that the American people have no idea what is included in this amendment; and, although they may remain silent and never say a word, their consciences will be shocked if they ever find it out. They may never find it out. I do not know, because what I say will not reach them. The coalition between the two great political parties will prevent it from being spread, and they may never know it; but if they ever do find out the governmental sin, as I regard it, that is contained in this amendment, they will rise up in holy wrath and render judgment against any man who participates in it.

Here is another estate of Henry Adams, over $5,000,000; another one of Gardner, over $11,000,000; another one of Hostetter, over $10,000,000; Huntington, $22,000,000; Johnson, $6,000,000; Lowder, $9,000,000; Lawson, $19,000,000; Morgan, $6,000,000; Preston, $6,000,000; Sage, $8,000,000; Slocum, $6,000,000; Spreckels, $7,000,000. These estates are always more than the round sums; I am not giving the full figures. Here is the estate of Towne, over $5,000,000; Wellington, over $5,000,000; Winthrop, over $13,000,000; Woolworth, over $59,000,000, contributed by men and women and children who made 10-cent purchases, contributed by the poor of this country, contributed, as a rule, by those who are striving to make both ends meet; and then, after they with their small contributions had enabled this woman to obtain a net estate of $59,738,852.30, we are going to forgive the tax!

My God! Who paid that money, after all? It came from God's poor. It came from the homes and the firesides of those who toil and those who labor; and we propose to permit this estate to reach its heavy hand into Uncle Sam's pocket and

draw out millions and millions of money that they owed under the law, that it is conceded that they owed under the law. What excuse can be given for it, Mr. President?

Forget the Duke estate if you want to. That is only an illustration, upon which I talked much more than I intended to, and much more than I would have if it had not been for the interruptions. There seemed to be a sore spot when I mentioned the Duke estate.

Mr. OVERMAN. Mr. President, I want the Senator to be fair, as he generally is.

Mr. NORRIS. That is just what I am trying to be.

Mr. OVERMAN. The Senator has made statements that I do not think are accurate.

Mr. NORRIS. All right; let the Senator point out any of them.

Mr. OVERMAN. Mr. Duke had not a dollar of stock in the American Tobacco Co., as I am informed, the so-called Tobacco Trust. The Senator has just stated that he got his money out of the poor. His estate shows that he had not a dollar of stock in that company.

Mr. NORRIS. Where did he get his money?

Mr. OVERMAN. Why, he was a great pioneer in industrial development, the greatest in this country. He began it years ago and made his money in that way, and made it out of the people of North Carolina.

Mr. NORRIS. Did he ever deal in tobacco?

Mr. OVERMAN. He did in the past.

Mr. NORRIS. Why, of course. It is "Duke's Mixture." I have bought it many and many a time. I have contributed something to that fortune myself.

Mr. OVERMAN. No doubt the Senator has; but I say he sold out, and he did not own a dollar of it at the time of his death.

Mr. NORRIS. All right; he sold out, but that is where he got his start.

Mr. OVERMAN. He has given it all to charity.

Mr. NORRIS. All right; he has given it all to charity, and he had to pay some taxes, and you are paying that money back in order that it may be given to charity or to educational institutions.

Mr. OVERMAN. He has paid his taxes.

Mr. NORRIS. Why, of course he has, and here is a place where his estate owes some taxes that you are not going to collect when you pass this bill with this amendment in it.

Mr. OVERMAN. All the taxes in this bill are made retroactive, not simply this Duke estate tax; but the Senator is singling that out.

Mr. NORRIS. Oh, no; I have not singled out this estate. The Senators from North Carolina protest too much about Mr. Duke. I classed him here with a whole list of estates. They are all on the same basis.

Mr. OVERMAN. I do not like to hear a man denounced upon this floor because he has given about $80,000,000 to the different churches and hospitals in my State.

Mr. NORRIS. I do not either, and I have not denounced him. I have not heard anybody denounced yet.

Mr. OVERMAN. Every poor man in the State of North Carolina will have a free bed in a hospital under Mr. Duke's will.

Mr. NORRIS. Exactly; and the fellow out in San Francisco who is smoking a cob pipe contributed to it, and you are proposing to take out of the funds of the Treasury of the United States the money to make it good.

Mr. SHORTRIDGE. No, Mr. President; they smoke meerschaums there.

Mr. NORRIS. The Senator from California, of course, is a different kind of a laborer; but he has to smoke tobacco in his meerschaum, does he not? I never heard of Duke making pipes. I just used that as an illustration of the way people smoke tobacco. Some of them can not buy anything but a cob pipe; but the Senator, if he smokes a meerschaum, has contributed, to the extent of the tobacco he smokes, his share to it.

Mr. SHORTRIDGE. Mr. President, as a matter of historical importance, I wish to say that I do not smoke a pipe, and I have almost quit smoking cigars. I smoke only one at a time.

Mr. WALSH. Mr. President, will the Senator suffer an interruption?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. NORRIS. I yield to the Senator.

Mr. WALSH. The people of my State have guarded against just such legislation as this denounced by the Senator from Nebraska by a provision in their constitution, as follows:

> No obligation or liability of any person, association, or corporation, held or owned by the State, or any municipal corporation therein, shall ever be exchanged, transferred, remitted, released, or postponed or in any way diminished by the legislative assembly; nor shall such liability or obligation be extinguished, except by the payment thereof into the proper treasury.

Mr. NORRIS. I thank the Senator. If we had that kind of a provision in the Federal Constitution this amendment could not become law.

I want to say just a word now to my friend from North Carolina who recently interrupted me. I have not denounced Mr. Duke. I have not said a word against Mr. Duke. The Senator has just said that I was denouncing Mr. Duke. I have not denounced a single one of these millionaires. I wish I were a millionaire myself. I have not anything against Mr. Duke; but I do not want Mr. Duke's estate to get some money that I think belongs to the Federal Treasury. I am just as jealous about any of these other estates as I am about Mr. Duke's. I have not denounced any of them. The men who accumulated them are all dead; and I am willing to admit that every one of them is a saint now and that they have worn out a dozen harps apiece in the presence of St. Peter. I find no fault with them. There ought to be, however, some way in which we could communicate with the souls in eternity and let these dear millionaires know that while we did not do it until after they were dead, we have put an apology into the law taxing them and their estates. They may never find it out.

I do not think the Senator from North Carolina is justified in alleging here that I am denouncing Mr. Duke or denouncing anybody else. That is furthest from my intention.

Mr. OVERMAN. Mr. President, I want to say for the Senator from Nebraska that I have always said that he is one of the fairest men on this floor and would not take an advantage, but it seems to me he has done so in this case.

Mr. NORRIS. I do not know where I have taken an advantage.

Mr. OVERMAN. When the Senator was talking about some money Mr. Duke made out of tobacco.

Mr. NORRIS. I spoke of that; but he made it properly.

Mr. OVERMAN. Did he not make it honestly?

Mr. NORRIS. Yes.

Mr. OVERMAN. That is all right, then.

Mr. NORRIS. Certainly he made it honestly. Where did I say anything that intimated that he had made a dollar of it dishonestly?

Mr. OVERMAN. The Senator did not say "dishonestly," but he has been arguing——

Mr. NORRIS. I never said anything that anybody could construe, it seems to me, into such an intimation. It was a perfectly honest way of making money, so far as I know. He might have been honest or dishonest; I do not know anything about it. I am assuming that he was honest.

Mr. COPELAND. Mr. President——

Mr. NORRIS. I yield to the Senator from New York.

Mr. COPELAND. Does not the Senator think that it really is a pity to wait until a man dies to take from him large sums of money which might be used in the support of the Government?

I frankly say to the Senator that I never have been able to reconcile myself to the idea of the inheritance tax A man passes along the path of life——

Mr. NORRIS. Mr. President, I do not want the Senator to make a speech on the inheritance tax at this time, because I want to quit. I do not want to take up all the time. I should be glad to listen to the Senator.

Mr. COPELAND. I will do it in my own time.

Mr. NORRIS. Yes; I should prefer that the Senator would do that. The Senator has not been here during all of my remarks, or he would have heard my ideas, at least, as to why an inheritance tax is the best tax in the world. There has never been anything devised that is equal to it; and I called attention to a great many instances where nothing but an inheritance tax would reach the accumulation. It is a tax that never can be passed on. It is a tax which for that reason is very desirable. It is a tax that costs less to collect than any other tax in the world. It is a tax that imposes no burden upon anybody.

Look at Mr. Astor, for instance, who came into an estate of $75,000,000, in round numbers. He had never so much as crooked his finger to make a dollar of that estate; but every man who labored, every man who built a home, every man who wrote a book, every man who did anything in the great city of New York, helped to make that property valuable and to build up his estate.

When Astor died, he had it. Such a tax could not hurt him. He left a son and a wife, and I think his will gave the wife $10,000,000. If we had taken 50 per cent of the estate, that would have left over $30,000,000 to the son, if we had had that kind of a tax. Would such a tax have been an injury to him? It would not hurt the dead man. He was beyond the reach of the tax gatherer. It would not hurt the man who got the estate, because he got it for nothing. Should he not pay something for getting it? In reality, it was part of his income.

Let us just take two people who go out together into the business life. Suppose the Senator from New York and myself, both good men, start out side by side. But I am lazy, I am thoughtless, and I do not work; I do not do anything. But the Senator becomes a great physician, and he sends his word of encouragement to millions of homes in the country; he gets a little something for doing that, and in time he builds up a fortune. He dies. He gives that fortune to somebody like me, who never did anything. I get it for nothing, have never paid a tax on it, never did anything toward its accumulation. The Senator has had to pay his taxes, it is true, as he has gone on. Some other man laboring and working, compared with me, who does not work, makes an income equal to the amount of money that I get from the Senator's estate He has to pay a tax on it. He has worked for it. He has toiled, and in one year, we will say, he has made $10,000. He has to pay an income tax to the Government. But I, inheriting from the Senator from New York $10,000,000, do not pay a red cent. Is that just? Is that fair? Is there any equality in that?

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New York?

Mr. NORRIS. I yield.

Mr. COPELAND. I do not think the Senator has put the case quite fairly. Suppose the charming wife of the agreeable Senator helped him build up his fortune.

Mr. NORRIS. Very well. I will answer that. I have answered it once, but I will answer it again, and I will cut it short, because other Senators want to speak, and I have not yet gotten halfway through.

The situation the Senator speaks of is taken care of in any just inheritance-tax law by a liberal exemption. I will not quarrel, no matter at what figure that exemption may be put. I do not care if it is made $200,000. And let me say that while it is sometimes true that the wife helps build up the fortune, it is very seldom true in the case of a big fortune. I do not know of any such case, though I suppose it would be possible. The wife sometimes toils and helps the husband to accumulate the fortune, but not in instances where we find $50,000,000 or $60,000,000 in the estate. It is in the little estates, where $10,000, or $12,000, or $25,000 would be the maximum. The fear that the poor widow is to be treated unjustly when she helped to build up the estate is mostly founded on sympathetic air.

Consider any of the big fortunes of to-day, that of Rockefeller, or of Ford, or of any other of the rich men. How much did their wives contribute to building up the great fortunes they have accumulated? It may be that they contributed a great deal, but we relieve them entirely if we give them a liberal exemption, not taxable, then on the next million or the next five million a very small tax, which would not hurt anybody, which could be paid with perfect ease. Nobody would be hurt. They would have more money than they could spend in a lifetime if they lived a hundred years, and they could live in perfect luxury.

As I said a while ago, some of the material I wanted to use I shall not be able to use without cutting somebody else's time short.

Mr. OVERMAN. Mr. President, I want to ask the Senator one more question. I said he was unfair, but I know the Senator is a fair man. I have been out of the Chamber in attendance on a meeting of the Committee on Appropriations, and I would like to know why the Senator selected a Methodist college from which my colleague [Mr. SIMMONS] and I graduated as the object of his remarks, when other greater institutions in this country have been the recipients of great gifts, as much as that to Trinity College, I dare say. It looked to me——

Mr. NORRIS. I may say to the Senator that I was reading this list, and I had gotten down to the Duke estate, when immediately the Senator's colleague interrupted me and took more than 35 minutes in discussing the Duke estate. So I just laid aside the balance of the list and took him up on the Duke estate. That was only a sample.

Mr. OVERMAN. The Senator can see why I interrupted him. It was because I have been out of the Chamber, in a meeting of the Appropriations Committee. The Senator has always been so fair that I felt it my duty to interrupt him.

Mr. NORRIS. Mr. President, I have quite a number of things which I intended to read, and I ask unanimous consent that I may have printed in the RECORD, as part of my remarks, without reading, several quotations from different economists and public men.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and leave is granted.

The matter to be inserted in connection with the remarks of Senator NORRIS is as follows:

INHERITANCE TAX

[From the annual message of President Roosevelt to the Senate and House of Representatives, dated December 3, 1906]

The question of taxation is difficult in any country, but it is especially difficult in ours with its Federal system of government. Some taxes should on every ground be levied in a small district for use in that district. Thus the taxation of real estate is peculiarly one for the immediate locality in which the real estate is found. Again, there is no more legitimate tax for any State than a tax on the franchises conferred by that State upon street railroads and similar corporations which operate wholly within the State boundaries, sometimes in one and sometimes in several municipalities or other minor divisions of the State. But there are many kinds of taxes which can only be levied by the General Government so as to produce the best results, because, among other reasons, the attempt to impose them in one particular State too often results merely in driving the corporation or individual affected to some other locality or other State. The National Government has long derived its chief revenue from a tariff on imports and from an internal or excise tax. In addition to these there is every reason why, when next our system of taxation is revised, the National Government should impose a graduated inheritance tax, and, if possible, a graduated income tax.

The man of great wealth owes a peculiar obligation to the State, because he derives special advantages from the mere existence of government. Not only should he recognize this obligation in the way he leads his daily life and in the way he earns and spends his money, but it should also be recognized by the way in which he pays for the protection the State gives him. On the one hand it is desirable that he should assume his full and proper share of the burden of taxation; on the other hand it is quite as necessary that in this kind of taxation, where the men who vote the tax pay but little of it, there should be clear recognition of the danger of inaugurating any such system save in a spirit of entire justice and moderation. Whenever we as a people undertake to remodel our taxation system along the lines suggested we must make it clear beyond peradventure that our aim is to distribute the burden of supporting the Government more equitably than at present; that we intend to treat rich man and poor man on a basis of absolute equality; and that we regard it as equally fatal to true democracy to do or permit injustice to the one as to do or permit injustice to the other.

I am well aware that such a subject as this needs long and careful study in order that the people may become familiar with what is proposed to be done, may clearly see the necessity of proceeding with wisdom and self-restraint, and may make up their minds just how far they are willing to go in the matter, while only trained legislators can work out the project in necessary detail. But I feel that in the near future our national legislators should enact a law providing for a graduated inheritance tax by which a steadily increasing rate of duty should be put upon all moneys or other valuables coming by gift, bequest, or devise to any individual or corporation. It may be well to make the tax heavy in proportion as the individual benefited is remote of kin. In any event, in my judgment, the pro rata of the tax should increase very heavily with the increase of the amount left to any one individual after a certain point has been reached. It is most desirable to encourage thrift and ambition, and a potent source of thrift and ambition is the desire on the part of the breadwinner to leave his children well off. This object can be attained by making the tax very small on moderate amounts of property left, because the prime object should be to put a constantly increasing burden on the inheritance of those swollen fortunes which it is certainly of no benefit to this country to perpetuate.

There can be no question of the ethical propriety of the Government thus determining the conditions upon which any gift or inheritance should be received. Exactly how far the inheritance tax would, as an incident, have the effect of limiting the transmission by devise or gift of the enormous fortunes in question it is not necessary at present to discuss. It is wise that progress in this direction should be gradual. At first a permanent national inheritance tax, while it might be more substantial than any such tax has hitherto been, need not approximate, either in amount or in the extent of the increase by graduation, to what such a tax should ultimately be.

This species of tax has again and again been imposed, although only temporarily, by the National Government. It was first imposed by the act of July 6, 1797, when the makers of the Constitution were alive and at the head of affairs. It was a graduated tax; though small in amount, the rate was increased with the amount left to any individual, exceptions being made in the case of certain close kin. A similar tax was again imposed by the act of July 1, 1862, a minimum sum of

$1,000 in personal property being excepted from taxation, the tax then becoming progressive according to the remoteness of kin. The war revenue act of June 13, 1898, provided for an inheritance tax on any sum exceeding the value of $10,000, the rate of the tax increasing both in accordance with the amounts left and in accordance with the legatee's remoteness of kin. The Supreme Court has held that the succession tax imposed at the time of the Civil War was not a direct tax but an impost or excise which was both constitutional and valid. More recently the court, in an opinion delivered by Mr. Justice White, which contained an exceedingly able and elaborate discussion of the powers of the Congress to impose death duties, sustained the constitutionality of the inheritance-tax feature of the war revenue act of 1898.

[From the annual message of President Roosevelt to the Senate and House of Representatives dated December 8, 1907]

When our tax laws are revised the question of an income tax and an inheritance tax should receive the careful attention of our legislators. In my judgment, both of these taxes should be part of our system of Federal taxation. I speak diffidently about the income tax because one scheme for an income tax was declared unconstitutional by the Supreme Court; while in addition it is a difficult tax to administer in its practical working, and great care would have to be exercised to see that it was not evaded by the very men whom it was most desirable to have taxed, for if so evaded it would, of course, be worse than no tax at all; as the least desirable of all taxes is the tax which bears heavily upon the honest as compared with the dishonest man. Nevertheless, a graduated income tax of the proper type would be a desirable feature of Federal taxation, and it is to be hoped that one may be devised which the Supreme Court will declare constitutional. The inheritance tax, however, is both a far better method of taxation and far more important for the purpose of having the fortunes of the country bear in proportion to their increase in size a corresponding increase and burden of taxation. The Government has the absolute right to decide as to the terms upon which a man shall receive a bequest or devise from another, and this point in the devolution of property is especially appropriate for the imposition of a tax. Laws imposing such taxes have repeatedly been placed upon the national statute books and as repeatedly declared constitutional by the courts; and these laws contained the progressive principle, that is, after a certain amount is reached the bequest or gift, in life or death, is increasingly burdened and the rate of taxation is increased in proportion to the remoteness of blood of the man receiving the bequest. These principles are recognized already in the leading civilized nations of the world. In Great Britain all the estates worth $5,000 or less are practically exempt from death duties, while the increase is such that when an estate exceeds $5,000,000 in value and passes to a distant kinsman or stranger in blood the Government receives all told an amount equivalent to nearly a fifth of the whole estate. In France so much of an inheritance as exceeds $10,000,000 pays over a fifth to the State if it passes to a distant relative. The German law is especially interesting to us because it makes the inheritance tax an imperial measure, while allotting to the individual States of the empire a portion of the proceeds and permitting them to impose taxes in addition to those imposed by the Imperial Government. Small inheritances are exempt, but the tax is so sharply progressive that when the inheritance is still not very large, provided it is not an agricultural or a forest land, it is taxed at the rate of 25 per cent if it goes to distant relatives. There is no reason why in the United States the National Government should not impose inheritance taxes in addition to those imposed by the States, and when we last had an inheritance tax about one-half of the States levied such taxes concurrently with the National Government, making a combined maximum rate in some cases as high as 25 per cent. The French law has one feature which is to be heartily commended. The progressive principle is so applied that each higher rate is imposed only on the excess above the amount subject to the next lower rate; so that each increase of rate will apply only to a certain amount above a certain maximum. The tax should, if possible, be made to bear more heavily upon those residing without the country than within it. A heavy progressive tax upon a very large fortune is in no way such a tax upon thrift or industry as a like tax would be on a small fortune. No advantage comes either to the country as a whole or to the individuals inheriting the money by permitting the transmission in their entirety of the enormous fortunes which would be affected by such a tax; and as an incident to its function of revenue raising such a tax would help to preserve a measurable equality of opportunity for the people of the generations growing to manhood.

ROOSEVELT ON INHERITANCE TAX

[Roosevelt's letter to Senator Lodge, from Washington Herald, January 22, 1925]

As you know, I believe we should have a Federal inheritance tax, aimed only at the very large fortunes, which can not be adequately reached by State inheritance taxes, if they are sufficiently high and the graduation sufficiently marked. Offhand it would seem to me that a tax on the net receipts of corporations would be the best way out of the income-tax business.

[Letter to Senator Lodge, printed in Washington Herald January 23, 1925]

A heavily progressive inheritance tax—national (and heavy) only on really great fortunes going to single individuals—would be far preferable to a national income tax. But whether we can persuade the people to adopt this view I don't know.

[From the address of President Roosevelt at the laying of the corner stone of the office building of the House of Representatives, April 14, 1906]

It is important to this people to grapple with the problems connected with the amassing of enormous fortunes, and the use of those fortunes, both corporate and individual, in business. We should discriminate in the sharpest way between fortunes well won and fortunes ill won; between those gained as an incident to performing great services to the community as a whole, and those gained in evil fashion by keeping just within the limits of mere law honesty. Of course, no amount of charity in spending such fortunes in any way compensates for misconduct in making them. As a matter of personal conviction and without pretending to discuss the details or formulate the system, I feel that we shall ultimately have to consider the adoption of some such scheme as that of a progressive tax on all fortunes beyond a certain amount, either given in life or devised or bequeathed upon death to any individual—a tax so framed as to put it out of the power of the owner of one of these enormous fortunes to hand on more than a certain amount to any one individual; the tax, of course, to be imposed by the National and not the State government. Such taxation should, of course, be aimed merely at the inheritance or transmission in their entirety of those fortunes swollen beyond all healthy limits.

[From hearings before the Committee on Ways and Means, House of Representatives, on revenue revision, 1925]

Mr. RAMSEYER. Three years ago, when we collected $211,000,000 Great Britain—composed of England, Wales, and Scotland—collected in that year $231,000,000. Now, get that. The combined collection of the Federal Government and the various States here was $20,000,000 less than Great Britain collected in that year; and you can only get the significance of this statement when I tell you that the national wealth of Great Britain is from a third to a fifth of what the national wealth of the United States is. So the burdens imposed upon the estates in Great Britain must be at least three to five times greater than they are in this country.

Following 1920, for two or three years I read the annual reports of the Chancellor of the Exchequer. In those reports the chancellor explained the workings of the different revenue laws and what they were producing, and made recommendations as to changes. In those two or three reports that I read there was not a single criticism of the workings of the inheritance tax laws of Great Britain. Evidently, from what your chairman tells me, in view of the fact that they have increased them recently, they must still regard that as an equitable, fair, and just means of raising revenue. And what was it they added? Fifty million dollars more,

The CHAIRMAN. They added $50,000,000 more.

Mr. RAMSEYER. Add this $50,000,000 more to $231,000,000, raised three years ago, makes it $281,000,000. In this country, if the gentleman from Tennessee's figures are correct, we got something like $184,000,000 last year, or a little over half what they are raising in Great Britain. And, mind you, with at least three times more wealth in this country than they have in Great Britain. (House hearings, p. 408.)

Andrew Carnegie, in his Gospel of Wealth, said:

"* * * The growing disposition to tax more and more heavily large estates left at death is a cheering indication of the growth of a salutary change in public opinion. The State of Pennsylvania now takes, subject to some exceptions, one-tenth of the property left by its citizens. The budget presented in the British Parliament the other day proposes to increase the death duties, and, most significant of all, the new tax is to be a graduated one. Of all forms of taxation this seems the wisest. Men who continue hoarding great sums all their lives, the proper use of which for public ends would work good to the community from which it chiefly came, should be made to feel that the community, in the form of the State, can not thus be deprived of its proper share. By taxing estates heavily at death the State marks its condemnation of the selfish millionaire's unworthy life.

"It is desirable that nations should go much further in this direction. Indeed, it is difficult to set bounds to the share of a rich man's estate, which should go at his death to the public through the agency of the State, and by all means such taxes should be graduated, beginning at nothing upon moderate sums to dependents and increasing rapidly as the amounts swell, until of the millionaire's hoard, as of

Shylock's, at least 'the other half' comes to the privy coffer of the State.

"This policy would work powerfully to induce the rich man to attend to the administration of wealth during his life, which is the end that society should always have in view as being by far the most fruitful for the people. Nor need it be feared that this policy would sap the root of enterprise and render men less anxious to accumulate, for, to the class whose ambition it is to leave great fortunes and be talked about after their death, it will attract even more attention, and, indeed, be a somewhat nobler ambition to have enormous sums paid over to the State from their fortunes." (House hearings, p. 414–415.)

Professor Adams, of Yale University, said:

"* * * I think that we ought to get from death dues in this country more than we get at present. I think that we should raise from this source enough revenue to measurably relieve the farmers and the general taxpayers." (House hearings, p. 462.)

Doctor Seligman, economist, of New York:

"* * * One of the arguments for the withdrawal of the Federal Government, for which I think certain members of the Treasury, at all events, stand, seems to me to be doubtful, because if that argument were pursued to the extreme it would mean the abolition of all estate taxes, Federal and State as well.

"I am referring to the objection that was made, I think, before your committee a few days ago that an estate tax is in itself wrong; that it is not democratic; that it is a tax on capital; that it is therefore going to destroy the goose that lays the golden eggs.

"And yet all know, as a matter of fact, that if that argument were true all of our States would have to abolish estate taxes or the inheritance tax. In other words, some of the arguments at least that have been propounded in order to induce the Federal Government to relinquish the estate tax go too far, because they would mean no inheritance tax at all.

"I need not point out to you that that is an erroneous point of view, both theoretically and practically. As estate tax is the result of one of the modern democratic movements in the world, it is found wherever we have democracy. It was introduced first in Australia, then in Switzerland, then in England, and then it came to this country. Wherever we have democracy we have two things—an income tax and an inheritance tax. The arguments in favor of one are just about as good as the arguments in favor of the other.

"There are two kinds of taxes on capital. One kind is a tax levied according to capital, but which is paid out of the income of the capital; the other kind is a tax like the capital levy that they are talking about in France to-day, and have in Italy, which is a tax not alone levied according to capital but supposed to be paid out of capital. Our estate duty is really neither the one nor the other. It is not a capital levy, and it is not paid out of capital. A proper kind of inheritance tax, which is not so high as to take all of an estate or the greater part of it will usually be paid out of the income of the estate. We have five years in which to pay it in this country; in some countries the period is even longer. If you look at the statistics carefully you will find that the tax on all the estates in this country constitutes only a small part of the income from those estates during those years.

"* * * In the second place, the argument that it is a tax on capital, through which you are going to kill the goose that lays the golden eggs, is erroneous, because it assumes that all governmental expenditure in unproductive. The argument is based on the idea that the capital taken from the taxpayer is destroyed.

"* * * You gentlemen are concerned with public expenditure; you have to raise money for Federal expenditures, and our expenditures are supposed to be and ought to be for productive purposes. If so, this whole outcry against an estate tax, because of the destruction of capital idea, seems to me to be bordering on the absurd.

"* * * You remember what Andrew Carnegie said. Carnegie favored the inheritance tax, but went too far in his attitude toward the income tax. He said, "Give me any kind of inheritance tax; for the community, as a whole, it is better to have an inheritance tax than an income tax." In that he was wrong, but it would take me too far astray to say why he was wrong. I should have to go into the question of the influence of taxation upon savings, and I do not want to go into that. All I want to point out is that the so-called capital argument advanced for this Government giving up the inheritance tax is very weak.

"Assuming, then, that an inheritance tax is in itself a desirable and legitimate form of taxation in a democratic community, we come to the question before the committee at the present time, and that is, Ought it to be a Federal tax or a State tax, or ought it to be a combination of the two?" (House hearings, pp. 477, 478, 479.)

Estate tax compared to income tax in England and France by Doctor Seligman:

"* * * I raise the question as to whether it would be safe for the Nation to abandon all the revenue that would come from so rich a source. In England before the war they got from their death duties 60 per cent of what they got from their income taxes. In France they are getting a great deal more than that, and here it is proposed that we abandon it.

"* * * The next claim is that this is naturally a State resource and unnaturally a Federal resource. Let me point out a few reasons which I consider constitute the weakness of that argument.

"In the first place, the first time we ever had an inheritance tax it was a Federal tax in time of peace. That was when Hamilton developed the idea and arranged for something like the probate duty in England. The Federal Government entered the field first and there was no complaint on the part of the States.

"* * * Moreover, during the nineteenth century, with a few insignificant exceptions which were utterly without any fiscal importance, the States never imposed any inheritance taxes. Louisiana had a little one on foreign heirs, and there were one or two others, but they never got anything out of it. It was not until the end of the century that the States entered the field.

"It was not until the nineties. It was rather in the middle of the nineties, which is about the same time that the Federal Government entered it again.

"In the meantime the Federal Government had considered it during the War of 1812. If that war had lasted a few days longer we should have had a Federal tax then. We did not need it then. In the Civil War we had it and in the Spanish War we had it.

"The States have developed it very largely in the last 20 years, because the Federal Government did not need it. But, on the score of priority or anything that is in the nature of things, why does the estate tax belong to the States and not to the Federal Government?

"If you talk of priority and the nature of things it is the income tax rather than the inheritance tax which belongs to the States. The income tax was in the States long before the Federal Government took it up. We had an income tax—I do not want to go into the history of it—but we did not have it in the Federal Government until the Civil War. But Massachusetts had it already in the eighteenth century. The States had the income tax first. * * *

"When a man in your State or city is called upon to pay the local tax upon unimproved property he has got to pay it out of capital. He does not get any income out of it. He may have a piece of land that is worth a million dollars, as there are in some of our cities, and he does not get one cent of income out of it. That tax is as much a capital tax as any estate tax. But whether it is paid out of capital or out of income, it is a tax on wealth. In the same way we have got to look at all these death duties as an attempt to tax wealth rather than to tax expenditures. In one case you tax the wealth of a living man; in the other case the wealth of a dead man." (House hearings, pp. 484, 485, 486, 487.)

"* * * As a matter of fact, they are lower than in all other countries at the present time—I will not say very much lower. They are lower than in England, because England levies, in addition to a 40 per cent estate tax, a tax running up to 10 per cent, or a little more, on shares, so that the maximum would be about 50 per cent. In Germany it runs up to 70 per cent and in France up to 80 per cent.

"* * * If we had the rates and exemptions they have in England we should be raising to-day more from the inheritance tax than we raise from our personal income tax. England last year raised about $250,000,000, and the English wealth or income, as you know, is not one-third of ours. It is less than one-third of ours. Our capital wealth was estimated, you will remember, in the last census at $32,000,000,000, and England's is not one-third of that. If we had the English rates the inheritance tax with us would be by far our most important tax. Therefore, my conclusion is that you should not deal lightly with this subject." (House hearings, pp. 494, 495.)

Dr. Thomas S. Adams, of Yale University, and formerly financial advisor to the United States Government, in discussing the question of taxation has further said (from statement of Mr. J. S. Mooring before the Committee on Ways and Means, Saturday, October 24, 1925):

"The death duty is assigned to raise money, but to raise it from persons who have not earned it. In my opinion the death duty is popular as a form of taxation primarily because it lays the tax on so-called unearned wealth. When we tax the farmer on his farm, the manufacturer on his plant, equipment, and materials, the public utility on its entire property * * * we are taxing the people who not only do the work but who risk their time and capital. But it involves no great risk to receive a legacy or inheritance. * * * It seems to me simple truth to say that a large estate or inheritance represents to the typical beneficiary, in material part or degree, something essentially akin to unearned wealth. * * * I merely insist that if we must tax, it is better to tax him who merely receives than him who earns. The justification of the death duty is essentially similar to the justification of the discount on earned income, only stronger.

"* * * We live and work under an industrial and commercial system which combines marvelous productivity with extreme concentration in the ownership and control—particularly in the control—of wealth. Politically, the major forces at work make for equality. Commercially, the greater forces make for concentration and inequality

of power. The two forces—democracy and capitalism—are irreconcilable without some corrective machinery, such as progressive taxes. * * * The fortunate, the successful, the wealthy, must make special contributions to the State under which and because of which they enjoy success and wealth. Such, roughly, are my reasons for the belief that progressive income and inheritance taxes are here to stay.

"* * * Such persons desire to see the Federal estate tax abolished in order that the State death taxes may be whittled down by interstate competition. They expect Florida, Alabama, and the District of Columbia, by offering isles of refuge to the retired rich, to discredit the State inheritance tax in the long run or to hold it within very narrow limits.

"* * * I am not in favor of attempting to repeal the Federal estate tax. My reasons are, briefly, as follows: First and principally because it would not stay repealed. No inheritance tax is now imposed in Florida, Alabama, or the District of Columbia, and there are a few States in which the rates are very low. If the tax should be repealed and thereafter the very wealthy should flock in droves, as they would, to those havens of refuge, the situation would furnish an irresistible argument for the reintroduction of a Federal tax. * * *

"I do not believe in leaving this source entirely to the States, because, by themselves, they can not realize its legitimate possibilities."

THE ESTATE TAX IS NOT A WAR TAX

[Editorial from the Portland News, of Portland, Oreg., issue of November 10, 1925]

NOT A WAR TAX

"The inheritance tax was a war measure, and the emergency is now past."

You hear this assertion frequently from the forces who are working for the repeal of the estate tax law.

The truth is that the inheritance tax law was passed by Congress September 8, 1916. We were not at war then. Two months later we reelected Woodrow Wilson on the ground that he had kept us out of war. It was seven months preceding our entry into the war; the country in general and Congress in particular did not then anticipate our entry.

We were waxing fat and prosperous. The war in Europe was making a fine new crop of millionaires in America. No emergency had arrived—or, at least, none that was officially recognized.

The inheritance tax was not the outgrowth of an immediate necessity. It was the result of a steady development of taxation intelligence over many years; it resulted from the same process of thinking that had brought about the income tax after wearing down decades of opposition on the part of the very wealthy. Disinterested students of taxation had long been practically unanimous that the fairest of all taxes would be an inheritance tax. In university classrooms it was so taught.

Congress happened to catch up with the idea seven months before we got into the Great War; it wasn't seeking money to carry on our part in that war.

Nothing, indeed, could be more ridiculous than an inheritance tax for emergency purposes. Its collection depends on the death of persons possessing wealth. That is no way in which to meet an emergency. With dire disaster confronting us, we couldn't sit around waiting for John D. Rockefeller, Andrew W. Mellon, and our other wealthiest citizens to die. No matter how patriotic they are, they probably would fail to die in time.

The value of the inheritance tax is only realized over the years. As one generation succeeds another this tax returns to the whole country a small part of the great accumulations of wealth that have come into a few hands.

But it is a peace-time tax, not a war-emergency measure.

[From the Nebraska State Journal, February 21, 1925]

COOLIDGE ON INHERITANCE TAX

STEP TOWARD SOCIALISM—PRESIDENT SAYS INHERITANCE TAX IN SOME CASES AMOUNTS TO CONFISCATION

WASHINGTON, February 19.—Declaring that in some instances the Federal inheritance tax, when added to similar State levies, amounts to virtual confiscation, President Coolidge, in an address to-day opening the national inheritance and estate tax conference, urged the gradual retirement by the Government from this field of taxation.

Representative GREEN of Iowa, chairman of the House Ways and Means Committee, addressing a night session of the conference, which was called by the National Tax Association, took an opposite view, asserting that without a Federal inheritance tax, similar taxes imposed by the States would inevitably fail.

"If we are to adopt socialism," Mr. Coolidge said in his address, "it should be presented to the people of this country as socialism and not under the guise of a law to collect revenue."

He added that there was competition between the States to reach, through the inheritance tax, not only the property of its own citizens but that of citizens of other States.

Greater economy in the collection of revenues also was recommended by the President.

INHERITANCE TAXES

The wealth of the United States is estimated at upward of $300,000,000,000. At an average interest rate of 5 per cent this would imply an income for the owners from interest alone of about $15,000,000,000. If this wealth were evenly divided among 3,000,000 families, each would have an income without productive work of $5,000 a year.

This would mean that about 15,000,000 of the hundred-odd millions of people in the United States could live without producing. For the use of the lands and machinery owned by but not produced by the 15 per cent the 85 per cent would support the 15 per cent and their heirs forever.

This exact situation could not arise, of course, but the substance of it could and does. A system of unobstructed inheritances, coupled with the modern tendency to centralization of ownership of wealth, develops and perpetuates a class absolved from self-supporting labor. This means a hereditary economic and social aristocracy as definitely in America as has been the case in feudal Europe.

Instinctive opposition to such a system in a country pledged to democracy and to equality of duty and opportunity accounts for the present tendency toward rather drastic inheritance taxes. President Coolidge, looking at the economic rather than the social and political aspects of the case, decries the tendency. He considers it socialistic. He wants the Federal Government to cease taxing inheritances at all.

The country at large, thinking of the political and social desirability of well-distributed wealth, will in the long run disagree with the President. It is even a question whether taxing inheritances is as socialistic in ultimate effect as not taxing them. Anything that encourages concentration of wealth and perpetuation of economic privilege hastens the day of socialism. The passing of economic power into a few hands is regarded by all socialists as a necessary preliminary of the establishment of socialism. Wide distribution of wealth, on the other hand, is an insuperable barrier to socialism. The inheritance tax, touching the small fortune but lightly and the overgrown fortune heavily, is calculated to maintain such a wide distribution of the Nation's wealth as to insure the permanency of the institution of private property.

Mr. LA FOLLETTE obtained the floor.

Mr. TRAMMELL. Mr. President, the Senator from Wisconsin will pardon me for asking whether he contemplates taking more than an hour?

Mr. LA FOLLETTE. Yes, I do; and I have no apologies to make for it. I was ready to go on last evening; in fact, I have been ready to go on since the pending amendment came up for consideration. But I was prevailed upon by the Senator from Utah, in charge of the bill, and other Senators not to object to the unanimous-consent agreement proposed last evening. I shall go forward as rapidly as I can with my speech. I have no desire to shut anyone out; but I call attention to the fact that the fixing of unanimous-consent agreements on such very important questions always produces a situation of this kind in the Senate. I have never seen it fail. I will say to the Senator that I shall drive right along as rapidly as I can.

Mr. TRAMMELL. I did not desire to find any fault with the Senator from Wisconsin at all. I heartily agree with him that such unanimous-consent agreements usually interfere very much with the proper consideration of questions of the importance of those found in a tax bill. I desire during the limited time remaining to make only a brief address of some 20 or 30 minutes, and I hope that those who are opposing the committee amendment will allow me at least 20 or 30 minutes before we close the debate, at 4 o'clock.

Mr. LA FOLLETTE. I will say to the Senator that, as far as I am concerned, I shall get through as soon as possible, because I realize that the votes are here and that this proposition is to be put through. But, as far as I am concerned, I want to register my protest on the record, and I intend to do so.

Mr. HARRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Georgia?

Mr. LA FOLLETTE. Mr. President, I have just promised the Senator from Florida that I would get through as quickly as I could.

Mr. HARRIS. Just a moment. The Senator from Wisconsin is to speak an hour; and I think he is right in insisting on going ahead, because he tried to get the floor yesterday.

The Senator from Florida wants to speak about 20 or 30 minutes. The Senator from North Carolina wants to speak for a while. I think we should limit the speeches, after the Senator from Wisconsin shall have finished, to 15 minutes. Therefore I ask unanimous consent that, after the Senator from Wisconsin concludes his remarks, the time of any one Senator be limited to 15 minutes.

Mr. LA FOLLETTE. I shall have to object to that, in all fairness to other Senators, and I must decline to yield further with regard to this question. Senators should consider these matters before they enter into such unanimous-consent agreements, and not afterwards.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor and will proceed.

Mr. LA FOLLETTE. Mr. President, it is a significant fact that neither the Republican nor the Democratic platforms of 1924 made any mention of the repeal of the estate tax. As a matter of fact, the Republican platform did not even declare for the Mellon plan of tax reduction. After declaring for a progressive tax reduction through tax reform this general pledge appears:

> We pledge ourselves to the progressive reduction of taxes of all the people as rapidly as may be done with due provision for the essential expenditures of the Government administered with rigid economy and to place our tax system on a sound peace-time basis.

The Democratic platform does not mention the estate tax. After reviewing the burden placed upon the consumer through the Fordney-McCumber Tariff Act the Democratic platform of 1924 has this to say.

I apologize to some of the Democrats for stirring up these bones, because the party which wrote this platform seems to have died between the time this was adopted and the present coalition between the Republican and Democratic leaders on the pending measure. Nevertheless, the platform had this to say:

> And although the farmers and general consumers were bearing the brunt of tariff favors already granted to special interests, the administration was unable to devise any plan except one to grant further aid to the few. * * * The President still stands on the so-called Mellon plan, which his party has just refused to indorse or mention in its platform. * * *

I am afraid Senators will misunderstand what I am reading from. I am reading from the Democratic Platform of 1924. It goes on to say:

> We refer to the Democratic revenue measure passed by the last Congress as distinguished from the Mellon tax plan as illustrative of the policy of the Democratic Party. * * * We denounce the Mellon tax plan as a device to relieve multimillionaires at the expense of other taxpayers, and we accept the issue of taxation tendered by President Coolidge.

I shall not digress long enough to enlarge upon what may have occurred between that time and this to cause the party on the other side of the aisle to out-Mellon Mellon; I shall go on.

Following his election, President Coolidge made two attacks upon the revenue act of 1924, neither of which was justified by any declaration in the Republican platform upon which he had been elected. First, in his message to Congress he attacked the provision for publicity of income-tax returns. This feature of the law had been won after a hard fight in the Sixty-eighth Congress.

Next, President Coolidge, in an address to the National Tax Association, held in Washington, D. C., made an extraordinary arraignment of the estate tax which had been established in 1916. The inheritance or estate tax is regarded by the highest authorities as a most equitable form of raising revenue. President Coolidge, however, proposed that this field of taxation should be abandoned by the Federal Government and turned over to the States in so far as employed at all for raising revenue.

Florida had passed a constitutional amendment forever prohibiting an estate tax. The other States were considering ways of meeting Florida's competition to secure the citizenship of multimillionaires eager to be released from any form of inheritance tax whatever.

The proposal of the President to abandon the Federal inheritance tax and leave it to the States was a move in the direction of abandonment of this just and effective method of taxation altogether.

PRESIDENT COOLIDGE DENOUNCES ESTATE TAX

In his address to the National Tax Association, which met in Washington, D. C., in February, 1925, President Coolidge said:

> If we are to adopt socialism it should be presented to the people of this country as socialism and not under the guise of a law to collect revenue.

He introduced this new socialistic interpretation of the inheritance tax with the remark:

> I do not believe that the Government should seek social legislation in the guise of taxation.

Professor Patterson, able economist, has this to say on the argument that the estate tax is socialism:

> To those who declare the estate tax socialistic no reply can really be made, since their terminology is so careless as to prevent clear argument.

And in order to clinch the point and make certain beyond a doubt the protection of these great fortunes—so well able to protect themselves—President Coolidge further declared:

> Personally, I do not feel that large fortunes, properly managed, are necessarily a menace to our institutions and therefore ought to be destroyed. On the contrary, they have been and can be of great value for our development.

Commenting on this address of President Coolidge on the estate tax, Senator La Follette, in the March, 1925, issue of his magazine, said:

> Just what is the meaning of the President's taxation policy?
>
> It means that, having concealed from the American people during the campaign ,the true purposes of the Republican Party, the administration proposes at the next session of Congress to exempt great wealth from its fair share of the war debt and the running expenses of the Government.

I will say that at that time there was no anticipation on the part of Senator La Follette that the minority party in this Chamber would join the majority party in carrying out such a program.

> A large portion of this burden has already been shifted from the very rich to the taxpayers of moderate incomes through the abolition of excess-profits taxes and the reduction of surtaxes.
>
> Thus, the men who own and operate the great corporations of the country have been freed, during their lifetime, from the necessity of contributing a just proportion of the revenues of the Government.
>
> The inheritance tax alone remains as an instrument through which the people may recover a small portion of the billions wrung from themselves and from the Government through extortionate prices in peace and war and under fraudulent war contracts.
>
> This administration would protect and perpetuate, after the death of those who amass them, the gigantic fortunes which have been piled up by monopoly control over the necessaries of life.
>
> Repeal of the inheritance tax is simply a part of the program of this administration to intrench the private monopoly system above and beyond the control of the people. If it is embodied into law, the policy will create a dynasty of wealth, invested with the kingly power—passed on from one generation to another—to tax the people for the enrichment of a privileged class, continuing to dictate, as it now does, the policies of the Federal Government.

It seems to be an obsession with President Coolidge that prosperity is dependent on the favor and good will of organized wealth, and that moneyed interests must not be disturbed or offended. He feels no menace to our institutions in "great fortunes properly managed." His worship of business, his fear of the effect of interference with the workings of the monopoly system, cause him to go great lengths.

Although nearly all the States in the Union, including Massachusetts, have adopted some form of inheritance or estate tax, although the conservative governments of Europe have also long effectively employed this method of raising revenue, President Coolidge, in his speech to the National Tax Association on February 20, 1925, branded the inheritance tax as socialism.

ESTATE TAX DEMOCRATIC

Prof. E. R. A. Seligman, of Columbia University, a foremost authority on economics and taxation, says:

> An estate tax is the result of one of the modern democratic movements in the world; * * * wherever we find a democracy we find two things, an income tax and an estate tax.

He calls attention to the fact that in England before the war, in time of peace, they had a 40 per cent estate tax; that in England it was introduced by a tory government, a conservative business administration, and that in England nobody has for a moment "made any of those arguments against it that have been made in this country." He does not specify just what arguments, but it is fair to imply such arguments as "socialism," "confiscation," and so forth.

In a democracy every phase of tax collection and expenditure partakes in a degree of the character of "social legislation." Protective tariff is especially indicted in this charge of the President.

As early as 1832 John Quincy Adams, in a letter to the Speaker of the United States House of Representatives, expounded at great length the principle "that the power of Congress to protect our manufactures and domestic industry of the country by taxation is contained in the article of the Constitution to lay taxes, duties, imposts and excises, to pay the debts, and to provide for the common defense and general welfare of the Union." Thus, early in our history and on such

high authority was the exercise of the taxing power justified for the general welfare.

In more recent years the protective tariff has been defended in this country on the theory that it was for the benefit of the workers—to maintain American standards of living, a full dinner pail, happy homes, children free from labor, exploitation, and so forth. Whether under the private monopoly system the manufacturers benefit more than the workers from the protective tariff is not the point.

The New England beneficiaries of the tariff would be loath to abandon this "guise" of taxation and approach the tariff question solely and directly as a means of collecting revenue, as they must if they carry out to its logical conclusion the argument advanced by President Coolidge. It would be approaching a tariff for revenue only, for free trade. Carried to its logical conclusion, President Coolidge's standard of taxation as set down for inheritance taxes would abolish the oleomargarine tax and all other forms of taxation which have any other object than revenue.

In 1886, when the Congress invoked the taxing power for the protection of the dairy industry against the oleomargarine fraud, my father, then a Member of the House of Representatives, found this fundamental constitutional argument of John Quincy Adams's, which I have cited, very effective in securing the passage of the oleomargarine law.

HIGH AUTHORITIES ADVOCATE ESTATE TAXATION

There are high authorities who advocate the use of the inheritance tax to serve the ends of "social legislation," if that is the right name for it. As far back as 1889 Andrew Carnegie in an essay entitled "The gospel of wealth," said:

It is difficult to set bounds to the share of a rich man's estate which should go at his death to the public through the agency of the State, and by all means such taxes should be graduated, beginning at nothing upon moderate sums to dependents and increasing rapidly as the amounts swell, until the millionaire's hoard, as of Shylock's, at least the other half comes to the coffer of the State.

In his message to Congress in December, 1907, President Roosevelt said:

A heavy progressive tax upon a very large fortune is in no way such a tax upon thrift and industry as a light tax would be on a small fortune. No advantage comes either to the country as a whole or to the individuals inheriting the money by permitting the transmission in their entirety of the enormous fortunes that would be affected by such a tax.

The platform of the Progressive Party, upon which ex-President Roosevelt ran in 1912, contained this declaration:

We believe in a graduated inheritance tax as a national means of equalizing the obligations of holders of property to government, and we hereby pledge our party to enact such a Federal law as will tax large inheritances, returning to the States an equitable percentage of all amounts collected.

The Democratic campaign textbook of 1916 contains the following statement with regard to the estates tax:

It is a tax which is universally conceded to be just and cheap of collection. It affords a consistent and regular yield of revenue.

I submit that these are not socialists speaking.

ESTATE TAX NOT A WAR TAX

If the Federal estate tax is socialistic, then it had its origin early in the history of this Republic. There was the first Revolutionary War tax from 1797 to 1802. It was again inaugurated during the Civil War and also in the Spanish-American War. It is not, however, a war plan of taxation. The present tax was enacted on September 8, 1916. It was not enacted at this time as a means of providing revenue for war purposes.

President Wilson won his election in 1916 upon the sole issue that he was going to keep us out of the war. Would any Democratic Senator rise in his place in the Senate and argue that he went out in the campaign of 1916 and misled the people? I submit that no Democratic Senator would advance that argument. It has always been contended by the Democrats that the war which we entered in 1917 was brought on by events which transpired after the enactment of the Federal estates tax.

The fundamental purpose underlying the enactment of the estates tax was to restrain in some measure the growth of estates and the ever-increasing concentration of wealth in the United States. It was upon this broad ground of social justice that the progressive Democrats and progressive Republicans in the Congress joined hands in securing the original enactment of this tax in 1916.

It was not regarded by the Democratic Party nor by the progressive Republicans as a war measure or an emergency tax, but rather as a permanent tax for peace purposes. In the 1924 revenue bill the Democrats and progressive Republicans increased the rates of taxation upon estates not on the theory that it was a war measure. As a matter of fact, the estates tax is perhaps the poorest of all forms of taxation for war purposes. In the first place, it is exceedingly slow in operation, because long periods must necessarily be allowed for the settlement of estates and for the proper adjustment to permit the payment of taxes. In the second place, the estates tax does not increase in proportion to the accumulation of war profits, and therefore is one of the most inelastic of all forms of taxation.

CONCENTRATED WEALTH INHERITED

The concentration of wealth in this country has been increasing very rapidly. In 1915 the United States Commission on Industrial Relations stated the following facts:

The rich, 2 per cent of the people, own 60 per cent of the wealth; the middle class, 33 per cent of the people, own 35 per cent of the wealth; the poor, 65 per cent of the people, own 5 per cent of the wealth.

It does not require a scientific investigation to prove that wealth has concentrated rapidly since the report made by the Industrial Relations Commission. An interesting review of a few of the great American fortunes printed in the New York Times of May 11, 1924, is in point. I summarize as follows:

John D. Rockefeller, sr., has already given two billions of wealth to his children. He has to-day in his own right five hundred millions, and it is estimated that his son, John D. Rockefeller, jr., has an income of $40,000,000 a year.

The Pratt fortune, also of Standard Oil origin, has increased from ten millions to over three hundred millions in a little over 30 years.

The Harkness fortune, derived from Standard Oil, was estimated to be less than fifty millions when Stephen V. Harkness died. It is now estimated that the aggregate wealth of this family is more than four hundred millions.

Meyer Guggenheim died in 1905, leaving a fortune estimated at fifty millions. He had nine children. This fortune has increased so rapidly in the past 20 years that if divided among the children it is estimated that each of them would have a greater fortune than the total left by the elder Guggenheim to all of them.

The fortune left by Alexius du Pont was estimated at thirty millions. It is now estimated that the 40 descendants of Alexius du Pont in the fourth and fifth generation are each worth more than the original founder of the fortune.

Other great fortunes whose names are equally familiar show the same tendency. The list might be greatly augmented, Marshall Field, Archibold, Payne, Flagler, Astor, Vanderbilt, showing the same tendency of concentration and accumulation, instead of being broken up and reduced in size by distribution among heirs, as Secretary of Treasury Mellon argues, they are likely to be.

AVERAGE CITIZEN GROWS POOR AS PRIVILEGED GROW RICH

Mr. President, people generally may spend more recklessly and demand more comforts or even luxuries than heretofore; our standards of living may be rising and expanding—I hope they are—but it can not be said that the average are relatively better off in the distribution of wealth to-day than before. The practice of mortgaging future earning power through time payment, has produced a situation which one day will demand a reckoning. The struggle to keep expenses within the income is just as hard, if not increasingly difficult. It is everywhere recognized that the farmer is suffering severely and most disastrously under the monopoly management of business and Government. Surely when so large and so basic an element of the population is losing out in the struggle it can not be maintained that prosperity is safely grounded. Nor are the wage earners or the great armies of salaried men and women able to keep abreast of the high cost of living and in the meanwhile provide for the future.

Under the system of plutocratic government which fosters and protects trusts and mergers whose control is more and more concentrated in the hands of bankers the average citizen is losing ground from an economic standpoint while the favored few amass greater wealth.

A statement printed some time ago in the Wall Street Journal and accredited to the American Bankers' Association is as follows:

At the age of 25 we find in this country 100 men, all strong and vigorous. They have started life physically fit and on a plane of equality. Ten years later 10 are wealthy, 10 are in fair circumstances, 40 are men of moderate means, while 35 still have saved nothing.

At the age of 45 the number of wealthy persons has fallen to 3, 65 are merely supporting themselves, while 16 have passed into the discard—they are no longer self-supporting.

At the age of 55, 20 men have died, only 1 is very wealthy, only 6 are self-supporting, while 54 are dependent upon their children, upon relatives, or upon charity for support.

At the age of 75, 63 are dead; of those 60 left no property at all, 3 are well-to-do; 34 are dependent upon their relatives, children, or charity for support; 95 per cent of them will not have sufficient means to pay their funeral bills.

Out of 100 able-bodied men, after 50 years of hard labor, 60 died and left nothing to their children, 34 are still alive and possess less than nothing, while only 3 had been able to save anything out of their wages. Of the 100, 3 had become wealthy and 97 were either dead or dependent upon others for their support.

WAR PROFITS SHOULD PAY THEIR SHARE OF TAXES

Mr. President, the estate tax provides a means of reaching the fortunes augmented or created by war which escape taxation by evasion or clever manipulation. It can not be denied that the late war created enormous fortunes. In fact, many of the great fortunes in the United States, as in other countries, have had their foundation in the excessive profits of war. Many of the fortunes already existing were enormously swollen by war profits.

The du Pont fortune is a noteworthy example. Until the war that fortune was almost entirely confined to the manufacture of munitions. As a result of the war and of the war profits made, the du Pont fortune was so swollen that it burst the bounds of the munitions industry and is now to be found in a dominant position in many other commercial fields; automobiles, chemicals, dyes, hotels, and real estate are only a few of the fields in which the du Pont wealth is now invested.

It is only just that a share of this war-created wealth should be taken by the Government in the form of a tax upon these great estates to pay the war debt.

Mr. President, do you realize that the per capita debt of this country before we went into the war was about $12 and that to-day the per capita debt is approximately $180?

As has been suggested by the junior Senator from Nebraska [Mr. HOWELL] the war is not over as far as the payment of the debt is concerned. High rates of taxation should be maintained upon those war-built fortunes, at least, until the war debt has been paid. Those who received the principal benefits of the war boom should pay the largest share of this debt and thus relieve the burdens of those who did the fighting and generations as yet unborn which will be carrying this staggering load, if the policy of taxation advocated by the Republican and Democratic coalition goes into the statute law of this land.

TAX-EXEMPT SECURITIES

Mr. President, the way arguments are shifted around in this debate to suit the situations of those sponsoring this bill would be almost amusing if the stake were not so large.

When the surtax is up for discussion we hear about how the tax-exempt securities are responsible for wealth escaping its taxes, and for that reason we must lower the surtax brackets. The argument, in my judgment, was exploded by the facts shown by the Senator from Michigan [Mr. COUZENS] when he stated that only 7½ per cent of the income of individuals reporting income of $100,000 was derived from tax-exempt securities, but the argument was used by those advocating the hamstringing of the surtax.

Now the shoe is on the other foot. The committee reports in favor of repealing the estate tax. What has become of the argument about the tax-exempt bonds? Where are those fourteen billions of bonds that we heard so much about? Have they disappeared overnight? If those who thundered against the tax-exempt bond really meant business we would hear them now supporting the estate tax. The estate tax is the only tax by which all of those tax-exempt bonds can be reached for taxation purposes, but now those supporting this bill are strangely silent about the tax-exempt bonds. Having been used as an argument for the reduction of the surtaxes they have served their purpose.

NOT A CAPITAL TAX

President Coolidge and Secretary Mellon have advanced the argument that the Federal estate tax is a tax upon capital, which depletes the capital assets of the Nation, thus crippling industry and curbing prosperity. At the same time they have maintained that their object was not to deprive the States of the right to levy such taxes. If the argument is sound as against a Federal estate tax it is, of course, equally sound against a State tax of the same character. I submit that to advance such an argument either indicates that the real purpose is to eliminate taxation of estates and inheritances altogether, or that it is not advanced in good faith.

I maintain, however, that the estate tax is not in any true sense a levy upon capital. Carried to its logical conclusion this argument condemns the levying of all property taxes.

The direct tax upon unimproved real estate, for example, must be paid either out of the capital value of the property or out of other income of the taxpayer. Whether the estates tax is paid out of income or out of capital assets, it involves no destruction or loss of property so far as the Nation is concerned. At most, it involves merely a transfer of ownership, even if the taxpayer is forced to sell some of the property in order to secure ready funds with which to pay the tax.

In this connection a quotation from the treatise upon the present tax situation by Prof. Ernest Minor Patterson, Wharton School of Finance, University of Pennsylvania, appearing in the New Republic, November 4, 1925, is directly in point:

* * * If the tax receipts are used for productive purposes there is, of course, no community loss.

A glance at a few facts shows how groundless such fears are. Professor Seligman made this forcibly clear at the national conference on inheritance and estate taxation last February when he pointed out that capital values in the United States are some $320,000,000,000. In 1922 Federal and State inheritance taxes combined yielded only about $200,000,000.

I repeat, Mr. President, that upon capital values which Professor Seligman estimates to be $320,000,000,000 the Federal and State taxation of estates and inheritances yielded only $200,000,000.

I continue to quote:

Gross estates subject to Federal taxation (both resident and nonresident decedents) were $2,937,000,000. As Professor Seligman points out, a 5 per cent rate on this sum for one year would yield nearly $147,000,000. The net estates subject to tax at 5 per cent would have returned $83,642,000. In the first case one and one-half years' and in the second two and one-half years' interest would have paid the entire State and Federal taxes. Since payments may in cases of undue hardship be delayed five years, there certainly need be no fear that such taxes are a drain even on the capital of the beneficiaries.

But even if they did prove to be paid by actual reduction of the capital holdings of the beneficiaries, either on the average or in certain specific cases, it does not follow that there is any diminution of the capital of the community. If the liquid funds of the taxpayer are inadequate for the purpose and he is compelled to sell some of his properties in order to pay taxes, what happens? Nothing important, for the purchaser merely takes a payment out of his own liquid funds, which must be a part of the current income of the community. Only on the absurd and crude assumption that the Government seizes the physical properties and then burns or otherwise destroys them can we imagine this tax being a drain on the country's capital. With a national or social income of sixty billions or more each year there is no ground for fear that the present inheritance and estate taxes will make any inroads upon our accumulation of capital.

Appearing before the House committee, Doctor Seligman said further with regard to this subject:

The argument that it is a tax on capital through which you are going to kill the goose that laid the golden eggs is erroneous, because it assumes that all Government expenditure is unproductive. * * * As a matter of fact, however, what does the Government do with it? Suppose the Government builds roads; suppose the Government builds schoolhouses, suppose the Government builds Panama Canals. You are not destroying any capital. You are merely taking it from the hands of private individuals and converting it into another form of capital. * * *

STATES ALONE NOT SUCCESSFUL

The argument that the inheritance-tax field should be abandoned by the Federal Government in favor of the States falls, it seems to me, of its own weight. The economists who appeared before the House committee opposed the withdrawal of the Federal Government from this field of taxation.

The States alone can not reach successfully the great estates. Estates of this kind are very diversified and ownership of properties situated in other sections of the country is the rule. It is difficult for any State to reach such widely distributed property, and it is almost impossible for any State to levy taxes upon property located outside its own borders. In attempting to reach such property by taxation multiple taxation results. This problem is even more difficult of solution from the point of view of the States when we take into consideration the enormous increase in the investments in foreign securities. The argument advanced by those who advocate the repeal of the Federal inheritance tax law that great multiplication of taxation is now in vogue and will be benefited by the repeal of the Federal inheritance tax is fallacious and it seems to me gives away their entire case. As a matter of fact, the withdrawal of the Federal Government from this field will complicate the problem should the States attempt to maintain their estates tax, which discloses the real objective, namely, ultimate repeal of all forms of taxation upon estates.

This discloses, it seems to me, the real objective, namely, the ultimate repeal of all forms of taxation upon estates.

Much has been said in this debate of the testimony of the governors appearing before the House committee. The governors of the several States who testified before the Ways and Means Committee in favor of the gradual elimination of the Federal estates tax were forced to admit that the example of the State of Florida, which has adopted a constitutional amendment against estate taxation, would necessarily create a situation which would in the end result in the repeal of the State laws providing for inheritance taxation.

Governor Walker, of Georgia, testified:

* * * My State has practically abolished the inheritance tax. I want to say I think it was following the lead, the artificial lead, and the spirit, which I do not approve, of the State of Florida. (Hearings, 1925.)

Governor Whitfield, of Mississippi, testified:

Mr. CAREW. Did it ever occur to you what would happen if we turned this field of inheritance taxation over to the States——

Governor WHITFIELD (interposing). Yes, sir; I think I do. I think the States would vie with each other in passing laws that would attract the most capital and the most people to the State, and we would have chaos and confusion. (Hearings, 349–350.)

Governor Trinkle, of Virginia, testified:

The CHAIRMAN. To make my position clear, I think that if the Federal inheritance tax were absolutely repealed many wealthy citizens of your State—and there are many of them—would take up a nominal residence in Florida, and you would not only lose the inheritance tax but the income tax. You could not enforce either one against them. If you made the tax any more you would have a general exodus of them.

Governor TRINKLE. Yes.

Mr. GARNER. There is no other power that could reach Florida in this situation except that of the Federal Government.

Governor TRINKLE. None that I know of; no, sir. (Hearings, p. 358.)

Governor McLeod, of South Carolina, testified:

Mr. RAINEY. Would you not like to have relief from that situation as soon as possible?

Governor MCLEOD. Yes; except for this competitive entrance of the States in connection with the repealing of the inheritance tax. I am frank to say that beginning with Florida they are coming along up—

That is, they are following the lead of Florida and abolishing the inheritance tax—

and I understand they will do that in Georgia and other States, except in South Carolina. We can not afford to enter into that competition. (Hearings, p. 369.)

HAVEN OF REFUGE

It was for this reason, set out in the testimony from which I have quoted briefly, that all of these governors strongly favored the retention of the Federal tax provision if sufficient credit was allowed to the States to permit them to secure needed revenue from this source. Almost without exception they strongly favored the Federal Government remaining in this field of taxation for the purpose of curbing the competition for repeal initiated by Florida.

It was for exactly the opposite reason that the advocates of great wealth appearing before the committee favored repeal of Federal estate taxation as a means of creating what they were pleased to call "havens of refuge" for the rich.

Mr. Gottlieb, the so-called tax expert of the National Industrial Conference Board, testified as follows:

Chairman GREEN. Will you tell me how the several States, even those who want to impose an inheritance tax, are going to make it work in any substantial amount?

Mr. GOTTLIEB. I do not know.

Chairman GREEN. I do not think anybody else does. * * *

Mr. GOTTLIEB. This is probably one of the benefits of a federation of States. A person can, if he feels that one State is exacting undue burdens from him, go to another State. There is a haven of refuge for him.

Chairman GREEN. Your last statement is very true, and I am glad to get the basis of your position—that there should be a place where the wealthy can escape from taxation, but this is a new theory of economics. * * * (Hearings, p. 476.)

Before going into the subject of taxation of intangible property I desire to read briefly from a telegram sent me by the attorney general of Wisconsin, who is now conducting a case in behalf of the State against the estate of John I. Beggs, lately deceased, of Milwaukee, Wis. This case is a concrete example of what these wealthy men will do if the Federal Government retires from this field of taxation and we have oases or havens of refuge, as Mr. Gottlieb called them, in the several States where they can escape from this form of taxation.

The telegram is as follows:

In reply to your request of to-day in re estate of John I. Beggs, who died at Milwaukee last October, facts disclosed show deceased left more than $20,000,000, largely accumulated from Wisconsin enterprises; that on affidavit to Missouri that he was a resident of Wisconsin, and to Wisconsin that he was a resident of Missouri, he escaped taxes as a resident in both States. He made a will, and immediately before death a codical, declaring residence in Florida. We have ample proof that at the time of death and before he was a resident of Wisconsin, and that there is due Wisconsin a large undetermined amount of income taxes and upward of $2,000,000 inheritance taxes, payment of which will be largely offset against 25 per cent credit on Federal inheritance tax of nearly $7,000,000.

I believe that sentiment in Wisconsin unanimously sustains collection of this inheritance tax. To repeal or substantially weaken the Federal estate tax would be to put the seal of approval on Florida as an asylum for tax avoiders, and saddle property and small taxpayers with added burdens.

(Signed) HERMAN L. EKERN,
Attorney General, Madison, Wis.

ESTATE TAX REACHES INTANGIBLE WEALTH

The insuperable problem for the States seeking to impose inheritance taxes is that of reaching intangible wealth in the form particularly of stocks and bonds. It is notorious that the attempts of the States to tax such securities during the life of the owners is a farce which results merely in imposing undue burdens on comparatively honest taxpayers who make truthful returns on their holdings. The great mass of security owners apparently have no conscience about the concealment of such property.

The Federal Government can reach such intangible wealth, at least upon the death of the owner, but the States can not. This situation was very graphically described by one of the witnesses before the Ways and Means Committee. Mr. E. D. Chassell, representing the Mortgage Bankers' Association, which is vigorously opposed to the repeal of the Federal estate tex, testified:

We are developing in this country a class of what you might call suit-case millionaires. They have secured large amounts of tax-free securities and can readily transport them from one State to another where the inheritance taxes are more to their liking. A man can not move his farm. A man who owns a farm in Illinois and moves down to Florida and obtains a residence down there must leave his land, factory, or store in Illinois still subject to the inheritance tax, although he may avoid the payment of inheritance taxes on bonds and other personal property that is removed. (Hearings, p. 444.)

REPEAL UNFAIR TO SOUTH AND WEST

The repeal of the Federal inheritance tax is a rank injustice to the taxpayers of the Western and Southern States. This arises by reason of the fact that although a large part of the wealth is created in the West and South, it flows to the owners who live in New York and other Eastern States, or who have expatriated themselves and live abroad beyond the reach of any agency except the Federal Government.

The cotton mills of the South produce enormous wealth, but their dividends and profits flow to the owners who live primarily in New York and New England. The copper mines of Michigan, Montana, and Arizona have yielded enormous fortunes, but the owners of those fortunes as a rule do not live in the States where their wealth is produced. Michigan copper pours its dividends into Massachusetts. A southern Senator told me the other day of an instance where in his own State much of the property of one of the great public utilities is owned in a Northern State. Arizona and Montana copper mines pour their wealth into the coffers of the New York magnates. The only way by which these and other States can reap any benefit from wealth that has been taken from within their borders and concentrated in the great cities of the East is to permit the Federal Government to levy a heavy tax upon these great fortunes through an estate tax and use the proceeds for the development of roads and other needed public improvements in those States.

This is strikingly shown by tables placed in the record of the Ways and Means Committee, page 394, by Mr. Delano, chairman of the committee which recommended ultimate repeal of the Federal estate tax. These figures show that during the nine years that the Federal estate tax has been in operation a total of $863,000,000 has been collected. Of this amount, $308,000,000 came from the State of New York. This is more than one-third—35.7 per cent—of the total receipts from estate taxes during the period.

Mr. President, Senators may not remain in the Chamber to hear arguments upon this question, but they will have to face these arguments in their campaigns. I promise them that.

On the other hand, in each of the eight States of Arizona, Idaho, Montana, Nevada, New Mexico, North Dakota, Oklahoma, South Dakota, and Wyoming the receipts were less than one-tenth of 1 per cent. In other words, these eight States together have not had enough wealth in the form of large fortunes to pay one thirty-fifth of the tax paid by the great estates of New York.

The three States of New York, Pennsylvania, and Massachusetts have paid 52.8 per cent of all the revenue derived from the taxation of estates during the nine years the Federal tax has been in operation. That is not because the residents of these three States have been unjustly taxed, but because the owners of great fortunes have taken up their residence in those States and thus brought approximately one-half of the wealth of the country under their control.

If I had time, I could go on for an hour telling of these great fortunes which have been created like the fortune of Andrew W. Mellon, Secretary of the Treasury. The fortune which he has amassed has taken its tribute from every hamlet in every county in every State of the Union. Yet, if this bill shall be enacted, when he dies those States will not get back for their citizens any of the money which they have contributed to the amassing of this enormous and unconscionable fortune.

Faced by this situation, which can not be denied, it is a rank injustice, particularly to the Southern and Western States, to repeal the Federal Tax. It means that the farmers, business men, and professional men of these States are going to have to bear heavier tax burdens in order to relieve the great estates which are concentrated in the eastern cities from just taxation. When the people of these States learn the effect of the repeal of this tax they are going to view with unfriendly eyes those who voted for its repeal and demand the election of Representatives and Senators who will stand firmly for its reenactment.

The Federal estate tax, which the committee's report proposes to repeal, amounted to $65,900,050 on the unaudited returns filed in 1924. [NOTE.—This is exclusive of additional assessments which in 1923 amounted to more than $45,000,000. The total above is the only one available which is distributed by States.] This is the latest year for which the Treasury has published its final "Statistics of income."

In the table below, prepared at my request by the People's Legislative Service, there is presented the official figures showing the amount of Federal tax reported by estates of decedents resident in each State of the Union, covering returns filed from January 1, 1924, to December 31, 1924, and the corresponding percentages for each State. These percentages measure the relative tax reduction which may be expected to accrue to estates of decedents in the different States if this section of the present law is repealed.

There is no assurance that death will keep just these same proportions as between the different States next year or the year after, for the number of taxable returns of estates of decedents is small—only 9,338 altogether in 1924. However, the proportions, in all probability, will not change materially in most of the States.

Federal estate tax reported on estates of resident decedents distributed by States and Territories with percentages (returns filed January 1, 1924, to December 31, 1924)

State or Territory	Tax	Proportion of total
1. New Mexico	$505	Less than 1/1000 of 1 per cent.
2. Nevada	655	Do.
3. Idaho	1,646	2/1000 of 1 per cent.
4. Arizona	4,444	7/1000 of 1 per cent.
5. Utah	8,929	1/100 of 1 per cent.
6. Wyoming	28,530	4/100 of 1 per cent.
7. Oklahoma	34,902	5/100 of 1 per cent.
8. South Dakota	35,249	Do.
9. Montana	36,811	6/100 of 1 per cent.
10. North Dakota	38,494	Do.
11. Vermont	43,411	7/100 of 1 per cent.
12. Delaware	50,256	8/100 of 1 per cent.
13. Hawaii	56,017	9/100 of 1 per cent.
14. Oregon	59,590	Do.
15. Mississippi	66,159	1/10 of 1 per cent.
16. New Hampshire	95,630	Do.
17. South Carolina	110,794	2/10 of 1 per cent.
18. Arkansas	112,192	Do.
19. Washington	126,113	Do.
20. Tennessee	128,019	Do.
21. Florida	142,109	Do.
22. North Carolina	167,885	3/10 of 1 per cent.
23. Virginia	215,524	Do.
24. Kentucky	219,864	Do.
25. Nebraska	222,883	3/10 of 1 per cent.
26. Alabama	236,996	4/10 of 1 per cent.
27. Georgia	240,048	Do.
28. Kansas	267,809	Do.
29. Iowa	364,371	6/10 of 1 per cent.
30. Rhode Island	451,311	7/10 of 1 per cent.
31. Colorado	464,309	Do.
32. West Virginia	470,128	Do.
33. Texas	$628,174	1 per cent.
34. Indiana	702,202	1.1 per cent.
35. Missouri	780,681	1.2 per cent.
36. Louisiana	871,708	1.3 per cent.
37. Minnesota	1,125,641	1.7 per cent.
38. Maryland (including District of Columbia).	1,552,800	2.4 per cent.
39. Wisconsin	1,962,288	3 per cent.
40. Illinois	2,119,063	3.2 per cent.
41. Ohio	2,545,813	3.9 per cent.
42. Connecticut	2,839,077	4.3 per cent.
43. California	3,402,982	5.2 per cent.
44. Maine	3,573,015	5.4 per cent.
45. Michigan	3,658,532	5.5 per cent.
46. Massachusetts	4,973,690	7.5 per cent.
47. New Jersey	5,052,470	7.7 per cent.
48. Pennsylvania	5,332,027	8.1 per cent.
49. New York	20,278,242	30.8 per cent.
Grand total	65,900,050	100 per cent.

This table shows that in 1924 the Federal estate tax reported by estates of decedents resident in New York was $20,278,242, or 30.8 per cent of the entire Federal estate tax. The repeal of the estate tax is a benefit primarily to the families of great wealth in New York.

The benefit to the wealthy in this one State, New York alone, outweighs the benefits to 42 other States, Hawaii, and the District of Columbia combined. The aggregate Federal estate tax coming from all these 42 States, Hawaii, and the District of Columbia was $19,629,092 against the $20,278,242 from New York.

The rich families of New York and three other Eastern States—Massachusetts, New Jersey, and Pennsylvania—together will get more than half the entire benefit of the repeal.

One of the results of the repeal of the Federal estate tax upon fortunes of large sizes will be to increase the burden of taxes upon the farmers in New York and other States who are now paying from 30 to 40 per cent, not upon their estates when they die, but out of their meager income while they are alive.

In 1924 the estate tax from these four States amounted to $35,636,429, or 54.1 per cent of the total; in 1923 it was $40,685,227, or 60 per cent of the total for that year; in 1922, $67,947,275, or 59 per cent.

Contrast with this the fact that in 1924 in 31 States, mostly in the West and South, estates taxes were less than 1 per cent of the total. The proportion in these 31 States, as shown by the table, ranged from "less than one one-thousandth of 1 per cent" for New Mexico and Nevada to "seven-tenths of 1 per cent" for West Virginia.

In 13 other States the proportion ranged from 1 to 5½ per cent only.

The following summary table, also prepared by the People's Legislative Service, pictures the meaning of this repeal, which is designed to benefit principally Eastern States in which wealth is concentrated, and from which predominantly come the campaign contributions to the Republican Party:

	Estate tax reported in 1924	Proportion of total
Aggregate of 31 States and 1 Territory where proportion was less than 1 per cent—New Mexico, Nevada, Idaho, Arizona, Utah, Wyoming, Oklahoma, South Dakota, Montana, North Dakota, Vermont, Delaware, Hawaii, Oregon, Mississippi, New Hampshire, SouthCarolina, Arkansas, Washington, Tennessee, Florida, North Carolina, Virginia, Kentucky, Nebraska, Alabama, Georgia, Kansas, Iowa, Rhode Island, Colorado, West Virginia	$4,501,645	6.8
Aggregate of 13 States and District of Columbia (proportion ranging from 1 to 5½ per cent)—Texas, Indiana, Missouri, Louisiana, Minnesota, Maryland, District of Columbia, Wisconsin, Illinois, Ohio, Connecticut, California, Maine, Michigan	25,761,976	39.1
Subtotal of 44 States, Hawaii, and District of Columbia	30,263,621	45.9
Aggregate of Massachusetts, New Jersey, and Pennsylvania (proportion, 7.5 to 8.1 per cent)	15,358,187	23.3
New York (proportion, 30.8 per cent)	20,278,242	30.8
Total, Massachusetts, New Jersey, Pennsylvania, and New York	35,636,429	54.1
Grand total	65,900,050	100.0

The Federal tax reported by estates of decedents resident in the four States of Massachusetts, New Jersey, Pennsylvania,

and New York in 1922 and 1923, and their proportions of the total Federal estate tax for those years, which have been above referred to, are shown in the following table in contrast with all other States:

Estates of decedents resident in—	1922 [1]		1923 [2]	
	Federal estate tax paid	Per cent	Federal estate tax paid	Per cent
New York	$32,813,786	28.3	$24,365,360	35.8
Pennsylvania	20,567,357	17.8	9,879,626	14.5
New Jersey	5,035,980	4.4	3,233,958	4.8
Massachusetts	9,530,152	8.2	3,206,263	4.7
Total, 4 States	67,947,275	58.7	40,685,227	59.8
All other States, Hawaii, and District of Columbia	47,891,678	41.3	27,405,039	40.2
Grand total	115,838,953	100.0	68,090,266	100.0

[1] Statistics of Income for 1921, Treasury Department (p. 33).
[2] Statistics of Income for 1922, Treasury Department (p. 73).

New York's proportion of the benefit of the proposed repeal of the estate tax will be 30.8 per cent on the basis of the 1924 returns; 28.3 per cent on the basis of the 1922 returns; and 35.8 per cent on the basis of returns for 1923. In other words, it will average about one-third of the total benefit.

On the basis of the average of the returns for these three years the annual tax reduction accruing to the wealthy families of these four States, citadels of Eastern wealth, will be as follows:

Average annual tax reduction by repeal of Federal estate tax (1922–1924)

Estates of decedents resident in—	
New York	$25,819,136
Pennsylvania	11,926,337
Massachusetts	5,903,368
New Jersey	4,440,803
Total, 4 States	48,089,644
All other States, Hawaii, and District of Columbia	35,186,779
Grand total	83,276,423

ESTATE TAX A LIGHT TAX ON GREAT FORTUNES

From the date of its enactment in 1916 until December 31, 1924, there were 86,551 returns filed under the estate tax law. These returns showed gross estates of $16,719,000,000. The net taxable value of these estates, owing to the generous provision for deductions, was only 60 per cent of this amount, or $9,834,000,000. Upon this the estate tax levy was only $610,000,000, or about 6 per cent of the net and less than 4 per cent of the gross estates. (Statistics of Income, 1923, p. 53.)

Considering only the latest returns for which statistics are available—those filed in the calendar year 1924—we find that the average tax upon all estates filed was only $5,313, or 5 per cent of the average net estate. Even in the highest bracket—over $10,000,000—the average tax was only 19 per cent. (Statistics of Income, 1923, p. 42.)

It is ridiculous for the propagandist of the repeal of the Federal estate tax to denounce it as an excessive burden. Contrast the 19 per cent paid in 1924 upon net estates of over $10,000,000 with the heavy taxes that are being paid by the farmers in their section of the country. Representative OGDEN L. MILLS, of New York, one of the most active opponents of the Federal estate tax, stated in the hearings before the House Ways and Means Committee that in the State of New York—

> something like 30 or 40 per cent of the net income of the best agricultural sections is now being consumed in taxes. (Hearings, p. 484.)

He based this statement upon the official report of the New York Joint State Tax Committee, of which he was apparently a member.

Much propaganda has been distributed about the terrible shrinkage of estates due to the Federal tax. Examination of the estate tax returns for 1924 show that the Federal tax was only a minor part of the cause of shrinkage. The total tax paid upon all estates was only $65,900,050. Compare this with $269,368,312 for debts, notes, mortgages, and so forth, and with $97,239,049 for funeral and administrative expenses. The lawyers, trustees, and undertakers took 50 per cent more out of the estate than the Federal Government.

The total Federal estate tax of $65,900,050 was almost exactly equal to the amount of charitable bequests—$65,928,022 (Statistics of Income, 1923, p. 36.) In other words, the owners of these estates voluntarily gave away as much as the total tax levied by the Federal Government.

ESTATE TAX SCIENTIFIC AND SOUND

Economists and experts generally agree that the principle of a Federal inheritance tax is scientific and sound and meets the demand of a wise system of taxation.

Dr. Thomas S. Adams, professor of political economy, Yale University, in the hearings before the House Ways and Means Committee said of the estate tax:

> I think we ought to get from death dues in this country more than we get at present. I think we should raise from this source enough revenue measurably to relieve the farmers and general taxpayers.

Here are some remarks taken at random from Professor Seligman's testimony at these same hearings:

Addressing the committee, he said:

> You, as legislators, are, always of course with due regard to the constitutionality of a measure, concerned with its social and economic consequences.
>
> In England, before the war, they got from their death duties 60 per cent of what they got from their income taxes. In France they are getting a great deal more than that, and here it is proposed to abandon it.
>
> We do not get much out of it * * *; we might get a great deal more, as other countries do.
>
> It should be one of our regular sources of income. I think it should be one of the regular sources of revenue in every self-respecting democratic community.

I quote from Professor Patterson on the question of lowering taxes:

> If taxes are lowered particular taxpayers will gain. Their expenses will be lessened, their profits will increase. But it does not follow that the country as a whole would gain. Instead it will lose, first, in its failure to liquidate the national debt as rapidly as is wise; second, in a less equitable distribution of tax burdens if the reductions now proposed are put into effect. But before pushing on it is worth while to repeat that American business is on the whole not suffering from high taxes or from anything else; there is new capital available in enormous amounts; tax-exempt securities are not absorbing a serious percentage of these new funds; heavy taxation for debt liquidation does not take funds from private control, but merely shifts them from one group to another; the general price level is holding fairly steady; and such changes as are occurring bear no apparent relation to the tax level and logically can have no relation to it; and finally, the argument that lowered tax rates will bring larger revenues is not supported by experience to date.

WEALTH RUNNING RIOT UNDER THIS ADMINISTRATION

The policy of taxation as presented in this bill, and particularly with regard to the repeal of the inheritance tax, was not presented to the American people in the election of 1924. As pointed out, the Republican platform did not even indorse the Mellon plan of tax reduction. The Democratic Party denounced it. Now they have formed a partnership to put over this bipartisan bid for big campaign contributions. The issue as presented in that campaign by the Republican Party was "Coolidge or chaos." That issue, together with economic pressure, turned the tide of the election. The leaders of the Republican Party have misinterpreted the result. They take the majority given to the present administration as an order signed in blank by the American people which they may fill in at the dictates of the great interests of this country. Wealth, arrogant in its power, is running riot; the commissions created to regulate monopoly and to curb its abuses are being packed with individuals who are opposed to the regulation of monopoly and to the curbing of its abuses. Gigantic mergers are on foot. They are being formed without check or hindrance by the Department of Justice, Federal Trade Commission, or the Congress.

I have noted with a great deal of satisfaction the fact that the Government has at last moved against the Ward Food Products Corporation. An important part in this program of giving wealth what it wants is the repeal of the estates tax, which means ultimately its abandonment as a means of collecting taxes from these great estates in this country. Without presenting this issue to the people the principle of estates taxation is to be abolished. This tax, which, as Doctor Seligman testified, is found in every democratic country, is to be wiped out.

The coalition between the Democrats and Republican leaders makes this reactionary step possible. The fact that both the leaders of the majority and the minority parties have joined hands in repealing the inheritance tax will not absolve them from responsibility to the American people for their action. A day of reckoning will come. I appeal to independent Senators on both sides of the Chamber to repudiate this concession to the demand of the rich for the repeal of the estate tax.

Mr. TRAMMELL. Mr. President, it is not my object to occupy a great deal of time upon the pending amendment, but in view of the fact that almost every speaker, whether in opposition to the amendment proposed by the committee or in favor of the amendment, has taken occasion to make reference to the State of Florida and the policy of my State in dealing with the question of the inheritance tax, I feel it my duty, as well as my privilege, to speak in behalf of my State upon this most important subject.

The provision of this bill as passed by the House requiring a refund of 80 per cent of the Federal inheritance taxes to taxpayers in States having a State tax apparently was actuated and brought about on account of the action of the State of Florida, acting within its rights, in having adopted a constitutional amendment providing that no inheritance tax should be levied in that State.

The history of the situation is that we had never imposed an inheritance tax in the State of Florida. Neither had my State adopted the policy of the imposition of an income tax. Surveying the situation as to avenues through which the State could obtain revenue for its support, Florida has elected to maintain her State government by the imposition of an ad valorem tax upon realty and by the imposition of certain license and occupational taxes, and more recently, since the automobile has become so generally used, necessitating a large consumption of gasoline, the State has imposed a gasoline tax, which brings in a large revenue.

We maintain that we have the right to select our own form and system of taxation within the State, just as is true of all other States of the Union. Any policy on the part of the Federal Government seeking to control or to dominate a State in its taxing policy is unwarranted under our system of government, is undemocratic, and absolutely reprehensible and indefensible. Yet the provision of the bill as it passed the House has in contemplation doing by indirection that which the Federal Government has no right to do by direct legislation. I believe, in preference to any effort to control and to dominate the States, that a wiser policy and a more equitable and just policy would be the entire repeal of the Federal inheritance tax. By that repeal we would leave to the States the field for estate taxes. We would then allow the States, if they so desired, to impose such taxes without any interference on the part of the Federal Government.

It is true that in my State we did not adopt the policy of an estate tax, but in most of the States of the Union an estate tax is imposed as a State policy, the States probably considering that that is a wiser policy than the exemption of estates from taxation, as we believe in Florida, and which is a matter purely within the power and the privilege of the States, respectively. Feeling as I do, I shall vote for the amendment proposed by the Senate committee to strike out the House provision and to repeal the Federal inheritance tax.

The House, by its policy of adopting an amendment providing that 80 per cent of the revenue collected by the Federal Government shall be refunded to a taxpayer in a State if in the State the estate tax amounted to as much as 80 per cent of the amount of the Federal tax, to a degree at least recognized that a condition exists wherein it is the part of wisdom and justice to allow the States the field for the imposition of estate taxes. If it is right to have 80 per cent refunded, why is it not right to repeal the Federal inheritance tax entirely and leave this field of taxation entirely to the States?

Furthermore, by the amendment returning 80 per cent we would cut down the amount received from the Federal inheritance tax to almost an inconsequential sum that would come into the Federal Treasury. I know there has been some dispute about the amount involved. It is contended by those who are quite well informed upon the subject that the revenue derived under the bill as it came to the Senate from the House would amount to only $10,000,000 in round figures that would come into the Federal Treasury. If Congress succeeds in the purpose that seems to be in the minds and hearts of some of its Members, both of the Senate and of the House, of coercing and forcing the States to adopt tax policies that, forsooth, seem to please Senators and Congressmen, then certainly the Federal revenue would be reduced to a point where the Federal Government would only derive some $10,000,000 or perhaps less from the estate tax.

If that is true, why should we impose a Federal inheritance tax at all? Why not leave this field entirely to the States, leaving them free to impose such estate tax as they deem proper, just as we do in regard to any other tax? If it is right for Congress to say that a State must do this or that in connection with one particular character of tax, the Congress would have the privilege of exercising that same prerogative in regard to many other subjects—for instance, that of dealing with the legal rate of interest. Some States provide a high rate of interest as an inducement to capital to come there for investment. Congress might say, "We think, because certain other States only pay 4 or 5 per cent interest, there is too much money going to Florida, where they pay 8 per cent, and we think we must by some device write into the law a provision that will not permit people in Florida to pay more than 4 per cent interest, because it is taking some capital from some other State or some other locality." Or they might try to prevent money going to the West, where the rate of interest is high, and say that people who have capital to invest and who desire to make loans must be stopped from transferring a considerable part of their fortunes to Western States, where their money would bring 8 per cent or perhaps 9 or even 10 per cent, in comparison with an interest rate of 4 or 5 or 6 per cent in the Eastern States from where the money might be transferred. There would be just as much equity, just as much justice, in the Federal Government seeking to control and dominate interest rates so as to try to make everybody keep their money where it is, and to prevent them from exercising their liberty and freedom in their own affairs and placing their capital wherever they desired, or to move and live wherever they might prefer.

If the Federal Government could go into the question of State income taxes, it might provide by some device that none of the Federal funds should be used for certain purposes unless the States, as suggested by some Senators yesterday, maintain the same character of school systems that are maintained in some other States. It is an infringement of the rights of the States when the Federal Government attempts to dominate and control the system of taxation that shall prevail in the respective States, whether we do it by indirection or whether we attempt it by direct specific legislation controlling such taxation.

I contend that the provision for a refund of 80 per cent of the estate tax is reprehensible and indefensible and should be stricken from the bill. If it is the desire of Congress to reduce inheritance taxes 80 per cent, or if it is the desire to reduce them 50 per cent or 60 per cent, why not in justice write into the bill the schedule that is desired and specify the amount of inheritance taxes to be paid instead of trying, by this provision for a refund of 80 per cent, to coerce the States into requiring a State inheritance tax?

Such an effort, I think, is unprecedented and unheard of. It is true the present revenue law contains a 25 per cent refund clause, but, of course, a 25 per cent refund clause is so inconsequential in amount that it could not be considered as a direct effort to control the States in the matter of an inheritance tax. When, however, the refund is increased to 80 per cent—and almost every Member of Congress who advocated it had to say something about Florida not having any inheritance tax—it is very plain to anyone who can see very far beyond his nose what the object and purpose of any such provision is. I insist that any such provision as that should be stricken from the bill.

If the majority of Congress acknowledges that we only need $10,000,000 from the Federal estate tax, then the entire inheritance tax on the part of the Federal Government may as well be repealed and entirely abolished, leaving the question of estate taxes to the respective States.

Mr. LENROOT. Mr. President, will the Senator from Florida yield?

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Florida yield to the Senator from Wisconsin?

Mr. TRAMMELL. Certainly, I yield to the Senator from Wisconsin for a question.

Mr. LENROOT. I should like to know who acknowledges that we shall only get $10,000,000 or that that is all that we need? I have not heard that statement made by anyone who is in favor of the estate tax.

Mr. TRAMMELL. If I am not mistaken, the Senator from North Carolina [Mr. SIMMONS] made that statement.

Mr. LENROOT. But the Senator from North Carolina is in favor of its repeal.

Mr. TRAMMELL. I know he is in favor of its repeal, but he said that this proposal would reduce the revenue to approximately $10,000,000.

Mr. LENROOT. The fact is it only cost $2,000,000 to collect $100,000,000.

Mr. TRAMMELL. But the Government is not going to get $100,000,000 if it refunds 80 per cent to the States.

Mr. LENROOT. It is not going to cost more to collect $20,000,000 than it does to collect $100,000,000.

Mr. TRAMMELL. But it is proposed to reduce the rate and then to refund 80 per cent to the State, when we are now only refunding 25 per cent to the States.

Mr. LENROOT. But if it costs $2,000,000 to collect $100,000,000, and there is an estimate of $22,000,000 under the reduced rate, it would leave $20,000,000 to the Treasury, would it not?

Mr. TRAMMELL. I am quoting the statistics furnished by the Senator from North Carolina on the proposition, and I have found that he is about as well informed on this tax question as is any Member of the Senate.

Mr. LENROOT. May I say that I have my figures from the Treasury expert.

Mr. TRAMMELL. The whole trend of the discussion shows, Mr. President, that the 80 per cent refunding provision has been advocated and adopted for the purpose of trying to influence the States on the question of estate taxes. That is very plain, and the provoking cause seems to be Florida. We contend that we have a right to adopt our own taxation system. Florida has been progressing nicely under the policy which she has adopted and which she has followed throughout her history, from 1845, when she was admitted to the Union. We are proud of the fact that Florida is a State without any bonded indebtedness; we are proud of the fact that in our State treasury there is approximately a balance of $7,000,000, and that we are able to meet our expenses and our demands without any hardship being imposed upon the people of the State by the system of taxation which we have adopted.

While the exemption of inheritances from taxation may have induced some capital to come to Florida—and I hope that it has done so—that has not been the principal and moving cause for the rapid expansion and development of Florida, not only during the past few years but for the last quarter of a century. Some persons have a mistaken idea that Florida has just all at once begun to grow and develop. Florida has been making a steady climb and a rapid growth for at least a quarter of a century and more. Its population has been rapidly increasing throughout those years. There has been remarkable development during that time. In 1924, prior to the adoption of the constitutional amendment in Florida, we had a most remarkable period of prosperity and development and growth in that State. I know a number of towns where the building program was very extensive. For years there has been a rapid development throughout the entire State. Those who are informed know that at the time of the outbreak of the great World War Florida was growing more rapidly than was any other State in the Union. At that time we had not written into our constitution an exemption of inheritances from taxation. It is true that we had not imposed such a tax, but it was not prohibited by constitutional amendment at that time.

There are advantages which are attracting people to Florida and which have been attracting them there for the last quarter of a century and more. While the exemption of inheritances from taxation has contributed more or less, of course, to the bringing of capital to that State, her other attractions and advantages have offered the primary and principal inducements leading people to go to Florida as pleasure seekers, as home seekers, and for profitable investment.

We not only have our sunshine and our attractive and beautiful country, which are sources of enjoyment to the millions who go there seeking pleasure and comfort during the winter months, but we have there wonderful opportunities and untold resources. Our resources are far beyond what many are aware of who are not acquainted with the State. When I tell you, Mr. President, that the products of the soil, citrus fruits and vegetables, bring something like $180,000,000 to Florida annually; that our phosphate resources produce an income of something like $10,000,000 per annum; that our fish bring in something like $20,000,000 per annum; that the products of the sawmills of the State are valued at $45,000,000 per annum; that we have there the greatest sponge market throughout all the United States; and when I mention that our manufacturing industries are producing something like $275,000,000 of commodities per annum, you may realize that there is something to Florida other than its wonderful climate and its wonderful possibilities for the pleasure seeker. Of course, we are very proud, however, of that feature of our State.

During the past few years there has been a remarkable increase in our bank deposits and our resources in every respect. During the year 1925 the bank deposits of the State increased from approximately $250,000,000 to approximately $1,000,000,000. That is the amount of deposits at the present time in the National and State banks of Florida. Our railroad construction has surpassed that of any State in the Union during the past three years, something like 700 or 800 miles of new railroads having been constructed and some are now in the course of construction in certain localities of the State.

We have made marvelous progress in the construction of hard roads. One can drive anywhere in Florida between its principal cities on as good roads as the best streets in Washington. If one were in Jacksonville and wanted to go to Miami, 380 miles away, he would have only a day's travel by automobile before him on most excellent roads. If he were at Lake City, Fla., in the northern part of the State, and desired to go to Tampa, 330 or 340 miles away, he could speed on his journey within in a day on as good roads as the best of the highways in the country. Surrounding the towns throughout the State there are being put in a veritable network of hard-surface roads.

With this rapid development and progress, with its wonderful location, with its 1,500 miles of seacoast, with its 30,000 beautiful, sparkling, mirrorlike lakes dotted here and there throughout the State, with its beautiful river scenery, with its rolling, hilly section, as picturesque as is to be found anywhere in the United States, and its remarkable resources and opportunities for the man who wants to go there for the purpose of making a living, Florida has, we are proud to say, been enjoying a most phenomenal growth and development, and is going to continue to do so. Neither Representatives in the other House nor Senators who may by a Federal law attempt to check the progress of that State will succeed. It is a useless undertaking, and certainly everyone must realize that it is a very reprehensible undertaking for Congress to attempt to hamper a State by writing a provision in a Federal law to interfere with its State taxation system.

Florida is not the only State in the Union that would like to induce newcomers or induce capital, and other States have different ways of trying to do it. Some States do not tax real property for State purposes. They say, "If we do not tax real property and support our State government by license taxes, that is the best way in which to build up and develop the State."

They have all kinds of methods by which they endeavor to induce newcomers and capital to come into the respective States. I do not blame them for that; but in Florida we have the same right and the same privilege, and no petty jealousy should actuate or cause any American citizen to try to interfere with the development of another State, its growth, and its progress when that growth and progress are the result of the natural advantages of the State and the result of honest and legitimate efforts to assist those natural advantages in building a more wonderful and a greater State.

I think that the 80 per cent provision should certainly be stricken from the bill and that we should fix definitely the amount of inheritance tax, if we desire to continue it; but in the situation in which the proposed legislation is at the present time, I am going to vote to repeal entirely the inheritance tax, and I feel that Senators and Members of the House who are actuated by a fair spirit toward all other States should not try by such methods as have been attempted here to control and to interfere with the system of taxation in the State of Florida, for that is plainly the effort here attempted through the provision of the 80 per cent refund to the States.

As I have said, Mr. President, this exemption has not caused our growth and development. We have been growing and developing for years. Men with vision more than a quarter of a century ago saw the advantages and the future and the possibilities of Florida. When some 35 or 40 years ago Henry B. Plant went to the west coast of Florida and built his little narrow-gauge railroad some people thought he was a dreamer, a crazy man. Now all think of him as a wise man of wonderful foresight. To-day, however, that once little narrow-gauge railroad is one of the most profitable railroad systems within the United States. It is now called the Atlantic Coast Line, a considerable portion of its mileage being in Florida and its greatest source of revenue being from business to and from Florida.

Thirty or thirty-five years ago, when Flagler wandered off to Florida and had a vision, saw the possibilities on the east coast of Florida, and began building gradually, little by little, a railroad system penetrating into the wilderness, some of his friends said, and one of them told me this not long ago: "Why, we always thought Flagler was a man of judgment, but he has gone wild, he has gone crazy, going down there and building a railroad into the wilderness."

Then he extended it on and undertook what seemingly was the impossible task of building a railroad across 90 miles of water, extending the East Coast Railroad from Homestead—a little village at that time, now a pretty good-sized little city—a distance of 90 miles to Key West, bridging 90 miles of Gulf or waters flowing into it. Certain people thought that was

impossible; that Flagler had but a wild dream; and yet to-day all up and down that system of railroad is a veritable paradise, a place of pleasure and of amusement, and many towns and cities with their development and progress that is unequaled in any other part of the United States; and the East Coast Railroad, which some people thought 30 or 35 years ago was an indication of the dream of Flagler, and a wild dream at that, is one of the most profitable railroad systems within the United States. At the present time the railroad is being double-tracked; the double-tracking is almost entirely completed for over 500 miles, and it is one of the most prosperous railroad systems in the United States.

That is in Florida, my friends; and the present development in Florida and its prosperity are going ahead, and the man of vision is going to be like unto Flagler and to Plant and other pioneers in the development of the State. He is not going to think that this is a little temporary affair in Florida. He is going to realize, from the evidences of the development of the State up to the present time and what is now going on, that Florida has an assured future, regardless of the question of its taxation plan.

Why, last month the building permits in 21 towns and cities of the State amounted to $23,000,000. Last month, according to an article that I read in this morning's paper, the city of Tampa surpassed all other cities within the United States in its increase in postal receipts. The city of Tampa had an increase of 56 per cent in its postal receipts for January, while the next city in the United States had an increase of only 26 per cent. I believe that was Springfield, Ill. This progress and this development are going on, and the exemption of inheritances from taxation is contributing only in a minor way. Of course, it may contribute, it may assist, just as other inducements contribute that are offered by various States to people to come and locate and settle there. But Florida's greatest assets, Mr. President, are her wonderful climatic conditions and the opportunities that are being offered there for those who desire to seek two or three or four months of pleasure and recreation during the wintertime, and then her resources and opportunities for those who desire to go there to earn a livelihood.

I read only a day or two ago that the average net yield per acre of agricultural products in the United States per acre is $15, while in the State of Florida the average net yield per acre is $225. That shows that there is a pretty good opportunity for a farmer in Florida. There is no other State in the Union where a farmer can go with as little capital and with as little energy and industry and make a living and make money and, in some cases, grow rich as in the State of Florida.

We have those advantages there; and those advantages are contributing very largely to Florida's progress and her development, as well as Florida being, we say, not only the playground of the United States but the playground of the world.

Mr. HARRIS. Mr. President, the people of my State are very much interested in the development of our neighbor State, Florida, and they are glad of the advertising it is getting all over the country. Some of the best citizens of Georgia have moved there temporarily. The advertising has attracted people from all over the country to visit Florida and try their fortunes, and they have to go through Georgia. We know that no intelligent person, after seeing our people and State, will pass through Georgia and go to Florida to live for more than a few weeks in a year. We know that they will come back to Georgia even if they go to Florida and remain awhile. We are greatly interested and are glad of the boom and development in Florida.

What I do not like to hear, though, from my friends, the Senators from Florida, whom I admire greatly, is this talk of the Federal Government coercing their State. The coercion started with the State of Florida. Inheritance taxes have existed for only a comparatively few years in any of the States; but Florida a short while ago put the whole country on notice that they would collect no income or inheritance taxes. One of the arguments made in securing the adoption of the constitutional amendment exempting inheritances and income taxes was that the wealthy men from other States would come there to escape these taxes. That action on the part of Florida coerced my State legislature so that last year they were ready to repeal the inheritance tax and the income tax, which was because of Florida's coercion. If Georgia had followed Florida, Tennessee and South Carolina and other States would have followed next to keep the people of their States from leaving and building homes in Georgia or Florida or Alabama so as to evade paying income and inheritance taxes. Then the adjoining States would have followed in repealing these taxes, and soon there would have been no inheritance taxes or income taxes in any of the States of the United States.

That is what was intended by the tax commissions that came to Washington and tried to influence the Members of Congress to do away with the inheritance tax. A delegation came from my State; they are good men and are my friends, but I do not think they understood the matter thoroughly. The biggest lobby and probably the best lobby that has been here since I have been a Member of the Senate was the representatives of these tax clubs. It was a paid propaganda to get away from any income tax or any inheritance tax, first by repealing the Federal tax and then getting the States to follow Florida in repealing the State tax on incomes and inheritances.

Mr. FLETCHER. Mr. President——

Mr. HARRIS. I will ask the Senator to wait until I get through, then he can ask me any questions he wishes.

Mr. FLETCHER. I just wanted to call attention to one fact.

Mr. HARRIS. I shall be very glad to have the Senator do that when I get through.

It was admitted in the House hearings, by the men who came here pretending to represent tax commissions, that their expenses here were paid by bankers and men of large wealth. There is not any doubt in the world about it.

Mr. TRAMMELL. Mr. President——

Mr. HARRIS. I will ask not to be interrupted.

The Senator from Connecticut [Mr. McLEAN] yesterday said that this inheritance tax would hurt the farmers. I never saw anyone who seemingly was so interested in the farmers' tax being reduced as he seemed yesterday; but last Saturday, when we were trying to keep the farmers' mutual insurance organizations from being taxed to death, the Senator from Connecticut voted against those of us who were trying to help the farmers. Of course he is not trying to put them out of business because of the big insurance companies in his State; he opposed it for other reasons. I am not criticizing the able Senator from Connecticut, but his statement shows how little he knows about the financial condition of the farmers of the United States. There is not one farmer in 50,000 that will pay a dollar of inheritance tax; very few have as much as $50,000, and no tax of this kind is paid on less amounts; but the Senator says that if we pass this bill it will mean that the farmers in the Northwest, who are suffering so much, will have to pay higher taxes. Here is his language. I will read it:

> Now, Mr. President, if we insist upon this inheritance tax and deprive the States of resorting to it, it seems to me that the farmers throughout this country are bound to suffer by an increase of direct taxes upon their real property.

I do not think there is a farmer in the United States who can be fooled by any such statement as that. The farmer does not know much about taxes, except the heavy taxes on his property, and with his losses on farming the past few years he has had trouble paying any tax. He does not know much about inheritance taxes, as they are levied only on the rich. He knows that his neighbors have not paid any. He is less able all the time to pay taxes because of the financial suffering he is undergoing. I wish the Senator from Connecticut would help us assist the farmer in a substantial way when there is some legislation before the Senate that will really benefit the farmer.

In my State there are three large systems of railroads, and their property values run into many millions. I understand that over half of one of those railroads is owned by a citizen of Connecticut. I am not against the large wealth of the country where it has been made honestly. I have no criticism against it, but the wealth in those Georgia railroads was created by the people in my State. They have paid high passenger and freight rates, and they have paid for other things that have enhanced the value of these railroads. That railroad property in Georgia has made the holder of these bonds or stocks in Connecticut and others wealthy. When he dies, the property ought to help pay the inheritance taxes in the State where it is located, where the wealth was created that has made the man in Connecticut wealthy; but, if he died, all of the inheritance tax would go to the State of Connecticut instead of to the State where the property is located. This same condition is true in many States, particularly in the West and in the South. If the owner of a railroad in Georgia or any other State lives in another State and pays no inheritance tax to the State his property is located in, it is only fair and just that he pay the Federal Government an inheritance tax on his millions of bonds and stocks and tax-exempt securities, which would lessen the burden of taxes of all citizens in Georgia and elsewhere. Mr. President, the large fortunes running into hundreds of millions are a menace to our country, and the holders of these millions are, in my judgment, making a great mistake in trying to evade the payment of an inheritance tax. It is the fairest tax of all and can not be passed on to the

poor, who must labor to live and support their families and are already too heavily taxed by the high protective tariff, which increases the cost of living so much.

Mr. McLEAN. Mr. President——

Mr. HARRIS. I will ask the Senator not to interrupt me until I get through.

Mr. President, I am a believer in States rights, but I notice that when the constitutional lawyers can not answer an argument, they always talk about State rights, or coercion on the part of the States, and some other things; and, of course, they have had to resort to it in the case of this measure, because the object of this proposal, in my judgment, is simply to get rid of any inheritance tax in any of the States and in the United States.

Mr. TRAMMELL. Mr. President, just one question: Is there an inheritance tax in Georgia at the present time?

Mr. HARRIS. We have an inheritance tax now; but the State legislature last summer, because of the coercion of the State of Florida in putting it in the constitution to bait our wealthy men to move there, was ready to repeal the inheritance tax, and would have repealed it except for the Federal inheritance tax law.

Mr. TRAMMELL. You did not stop them from going to Florida, though; did you?

Mr. HARRIS. The only amount of inheritance tax in Georgia is what the Federal Government levies and what they allow us credit for.

Mr. FLETCHER. Mr. President, the Senator will recall that it was not merely last year or year before that Florida took the position that he has mentioned with reference to inheritance taxes and income taxes. Florida never has had an income tax law, and never has had an inheritance tax law; so, why have not the people of Georgia been flocking to Florida all these years, instead of waiting until recently?

Mr. HARRIS. The Senator is one of the ablest men in this body, and I am proud that he was born in my State. He knows very well the difference between a constitutional amendment and a law, because a majority of the legislatures could repeal the law and have an inheritance tax imposed at any time; but he knows that it is a very difficult thing to change the constitution of a State.

Mr. BORAH. Mr. President, I am opposed to the repeal of the inheritance tax law. I think it a fair and an equitable tax, and collected with perhaps as little expense as any tax we could lay. It is a sound tax, economically speaking.

I favor an inheritance tax, not that I desire to distribute property by means of taxation but because, I think, under the circumstances and conditions which now confront us and with which we have to contend, it is a fair way to realize a portion of the revenue which we must have. It is placing a part of this great burden where it should be placed in justice to other taxpayers.

We now have a national debt of some twenty or twenty-one billion dollars. Upon that debt we are paying between eight and nine hundred million dollars a year interest. That entire debt, with the exception of something less than $1,000,000,000, was incurred by reason of the late war. We have an annual budget of something like three and a half billion dollars, and in my opinion it will be four billion before it is less than three and a half billion. It is true that we have made some considerable progress in the last few years in reducing expenditures along certain lines, but we seem to have reached the low point in the matter of reduction of expenses and are now upon the upward grade.

Last year, according to the figures which I have been able to gather, the people of the United States paid in the way of taxes—State, county, and national—something over $7,000,000,000. The per capita taxation in the United States now is about three times what it was 10 years ago.

I observe that the first 124 years of this Government cost the taxpayers something like $26,000,000,000. The last 10 years have cost something over $60,000,000,000.

Under these conditions it seems to me entirely equitable and wholly just to call upon those who distribute large estates to meet their proportion of the tax burdens.

The contention is made that we have not heretofore called upon the inheritance tax except in time of war. Technically speaking, I presume that is true, so far as this country is concerned, although in a great many countries it has become an established permanent tax, and particularly so in democratic countries. But we are really now meeting war conditions and paying war taxes. The entire national debt which we are carrying, with the exception of less than $1,000,000,000, is a war debt, and the great increase in the National Budget is by reason of the war, and we are yet meeting the conditions superimposed upon us by reason of the war. If we justify the tax alone as a war tax, certainly these taxes are all war taxes.

I can not understand upon what theory we can remove the inheritance tax, even if it be considered a war tax, until the actual burdens of war have been reduced to some reasonable figure, and we are now meeting the burdens of the war quite as effectually as if the war were still in progress, so far as taxation is concerned.

I am not concerned in the least with the proposition which has been debated here to such a great extent, and particularly to-day, as to the effect of a repeal of the tax upon the attitude of the States toward this subject. I am perfectly willing to permit the States to have their own system of taxation, without interference upon the part of the National Government. I see no reason, however, why the National Government should not levy its inheritance tax at a reasonable rate and permit the States to enjoy it or not, as they see fit. I certainly am not in favor of using the taxing system to coerce a State into adopting a system it does not like. But that has very little to do with the fundamental proposition that the National Government itself is entitled to an inheritance tax, and particularly under the conditions which now confront the National Government.

I observe that the argument against the inheritance tax which is most persistently urged upon the part of those who started the campaign against an inheritance tax would repeal the laws in the States quite as effectively as the law of the National Government. It is true that there are those who lay particular stress upon the fact that the right to impose such a tax belongs to the States, but in reading the arguments which have been advanced from time to time, particularly by clubs which have been organized for the purpose of spreading propaganda for a repeal of the tax, I have noticed that the arguments which they advance apply to the inheritance tax and reject it upon principle; that is to say, for reasons which have no relation either to State governments or to the National Government.

In my judgment, if the National Government removes the inheritance tax, to a very marked extent the campaign will be continued for its removal in the States, and particularly in a large number of the States which think they may derive some advantage by reason of the proposition.

The tax which is now in existence has been referred to constantly as a 40 per cent tax. I want to read a statement from Professor Patterson, which throws some light upon the practical construction and application of the statute. He said:

> The rate of the estate tax is most often described by referring to the 40 per cent maximum rate imposed on large estates in the law of 1924. In discussing the income tax we noticed that such references are often misleading and the same caution should be exercised here. The law of 1924 actually prescribes this high rate in the following words: "Forty per cent of the amount by which the net estate exceeds $10,000,000." Moreover the law contains the following important provision as section 301 (b):
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> "The tax imposed by this section shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or Territory or the District of Columbia, in respect of any property included in the gross estate. The credit allowed by this subdivision shall not exceed 25 per cent of the tax imposed by this section."
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> With this wording one should not expect to find that the Federal Government is really taking 40 per cent of the large estates, but something considerably less. The nominal rates in the law of 1921 ranged from 1 per cent to 25 per cent while actual payments made in 1923 under the law of 1921 ranged from 1.03 per cent on net estates under $50,000 to 21.67 per cent on net estates of $10,000,000 and over. The average tax paid was 5.05 per cent of all the net estates subject to tax. In 1922 the range was from 1.03 per cent to 22.36 per cent with an average of 7.15 per cent for all sizes of estates. * * *
>
> We are thus not concerned with actual payments of 25 per cent on large estates in 1923. None in 1923 were higher than 21.67 per cent and the average was only 5.05 per cent. This seemingly low average is due to the fact that most of the estates are small. The returns show that 99.26 per cent of the returns filed were for estates of $1,000,000 or less and hence would be subject, in the present law, to a nominal maximum rate of 12 per cent or less. Rates higher than 12 per cent would affect less than 1 per cent of the estates which must file returns.

But notwithstanding the rate, in the practical working of the statute, as stated by Professor Patterson, we realized in 1924 from the inheritance tax law $102,996,761. It has been estimated that we will get between $100,000,000 and $125,000,000 for 1925.

This is the very small stipend called for from the large estates of this country to help meet the stupendous burden of

taxes now resting upon the American people, a debt, as I have said, of some $21,000,000,000, and an annual budget of some three and a half billion dollars.

It is certainly not inequitable, it is certainly not unjust, it is certainly not socialistic, it is certainly not communistic, to call upon these great estates to help meet the burden which has been imposed upon us, as much certainly for the benefit of those who have accumulated this wealth as for anyone else who was interested in our country during the time these expenses were being incurred.

In my opinion, as I have stated, this is not a fight between the States and the Federal Government. This is an attempt to get rid of the inheritance tax; and I venture to say that the campaign will continue after we have passed on the question quite as forcibly as it has been conducted during the time it was here for our consideration.

I think, therefore, that we ought to pause before relieving these estates of this burden and deliberately passing it on to some one because whatever is taken off their backs will be passed to the load of some one else.

In my opinion, that is the progress which is going forward in the tax system of this country. It has not been very long since we repealed what was known as the excess-profits tax. Next came vast reductions in what is known as the surtax; and I venture to say that the next time we deal with a tax bill the surtax will be reduced to 10 per cent, or perhaps eliminated entirely. It is now proposed that we relieve the great estates from the inheritance tax. Inside of 10 years I expect to see the vast burden of taxation growing out of the war passed to the common taxpayer of this country, and the vast wealth of the country will be relieved entirely of its portion under the fundamental law of taxation—that people should pay in accordance with their ability to pay. Every move—the whole plan—is to make the average citizen carry this great debt and relieve the exceptionally wealthy.

Certainly until we are from under the burdens of war, until we are from under the load which has been placed upon us for the common good of the country, that rule—that people should meet their taxes according to their ability to pay—should not be abrogated, particularly not in behalf of those who are so exceptionally able to pay.

I do not intend to go into an extended discussion of the inheritance tax. It would serve no useful purpose at this time after this long debate. But, in view of some of the arguments which have been advanced that this is only a war tax, I want to read first a paragraph from Professor Seligman in a book lately out on taxation. He says:

> The inheritance tax is to-day found primarily in democracies like those of England, Switzerland, Australia, and America; and in other countries its development has gone hand in hand with the spread of democratic ideas. * * * Because the tax has frequently been urged by those who are opposed to large fortunes, it has usually been overlooked that it may be defended on purely economic grounds as in complete harmony with the general principle of equitable taxation.

Again, he says:

> The inheritance tax to-day scarcely needs defense. It is found in almost every country; and the more democratic the country the more developed is the tax.

Mr. Gladstone, in the great debates on this subject in the House of Commons years ago, declared:

> The carrying property in perfect security over the great barrier which death places between man and man is perhaps the very highest achievement, the most signal proof of the power of civilized institutions. * * * And an instance so capital of the great benefit conferred by law and civil institutions upon mankind and of the immense enlargement that comes to natural liberty through the medium of the law, that I conceive nothing more rational than that, if taxes are to be raised at all, the State shall be at liberty to step in and take from him who is thenceforward to enjoy the whole in security that portion which may be bona fide necessary for the public purpose.

Eighteen years ago Colonel Roosevelt, speaking at Provincetown, had this to say:

> The materialism of such a view, whether it finds expression in the life of a man who accumulates a vast fortune in ways that are repugnant to every instinct of generosity and of fair dealing, or whether it finds expression in the vapidly useless and self-indulgent life of the inheritor of that fortune, is contemptible in the eyes of all men capable of a thrill of lofty feeling. Where the power of the law can be wisely used to prevent or minimize the acquisition or business employment of such wealth and to make it pay by income or inheritance tax its proper share of the burden of the Government, I would invoke that power without a moment's hesitation.

Mr. President, this is a fair tax, a just tax, an economically sound tax, and it is signally unjust to the average taxpayer of the United States to continue this program of relieving exceptional wealth from its proportion of our burden. I close with the words of Benjamin Harrison, who, after his retirement from the Presidency, speaking upon the obligations of wealth, said:

> Men who have wealth must not hide it from the tax gatherer and flaunt it on the street. Such things breed a great discontent. All other men are hurt. They bear a disproportionate burden. A strong soldier will carry the knapsack of the crippled comrade, but he will not permit a robust shirk to add so much as a tin cup to the burden.

Mr. WALSH. Mr. President, referring to the propaganda, if that term may be used for the abolition of the estate tax, mentioned by the Senator from Idaho, I submit a telegram received by the State board of equalization of the State of Montana from the general counsel of the American Bankers' Association, as follows:

NEW YORK, N. Y., *January 21, 1926.*

STATE BOARD OF EQUALIZATION,
Helena, Mont.:

In view of the elimination of Federal estate tax by the Senate Finance Committee in reporting revenue bill to Senate, which is in accord, I understand, with the desires of tax commissioners and State tax authorities, that such source of revenue be left to the State, and as the American Bankers' Association favors the elimination for like reasons, we respectfully beg leave to suggest that the time is now opportune for urging Members of Senate to support such elimination and asking Members of House to request their conferees when appointed to consent to elimination.

THOMAS B. PATON,
General Counsel American Bankers' Association.

The general counsel for the Bankers Association evidently mistook the position of the board of equalization of the State of Montana, for they answered in a letter setting forth what I think are conclusive reasons why the tax should not be repealed. In lieu of a speech on the subject I ask that the letter be read at the desk.

Mr. HARRIS. Mr. President, may I interrupt the Senator before the letter is read?

Mr. WALSH. I yield to the Senator from Georgia.

Mr. HARRIS. It is my understanding that the American Bankers' Association repudiated the crowd who were trying to use the organization for this purpose.

The VICE PRESIDENT. The clerk will read as requested by the Senator from Montana.

The Chief Clerk read as follows:

STATE OF MONTANA BOARD OF EQUALIZATION,
Helena, January 27, 1926.

Hon. THOMAS J. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: We are inclosing herewith copy of a telegram received from Thomas B. Paton, general counsel for the American Bankers' Association. In this telegram it is urged that our board immediately ask the Montana representation in Congress to favor the elimination of the Federal estate tax from the revenue bill. In order that there may be no misunderstanding of our position, and in order to call this matter to the attention of our representation as requested, we wish to state that we are emphatically opposed to such elimination, and are just as emphatically opposed to the methods used by the opponents of the Federal estate tax to influence Congress in its consideration of the revenue bill.

We believe the Federal estate tax as passed by the House is a just and fair tax, and that the Federal Government should not retire from this field of taxation. While it is true that in some cases estates are required to pay taxes in more than one jurisdiction, it is also true that with the elimination of the Federal estate tax, estates could be exempted from all taxation. It is fallacy to believe that with the elimination of the Federal estate tax all States will adopt a uniform method of taxation. While taxing authorities may agree that such a condition should be brought about, the individual States have always been extremely jealous of their rights and have passed revenue laws to meet local needs and conditions. The elimination of the Federal tax will not in our opinion hasten the enactment of uniform inheritance tax laws by the several States, but will create a rivalry in the bidding for capital, which may eventually cause a repeal of all State inheritance taxes. With the rapidly increasing amount of tax-exempt securities outstanding, owners of great wealth may escape all contributions toward the support of Government by establishing residence in States which do not tax inheritances, and thereby withdraw necessary capital from States in need of development where inheritances are taxed. A fair Federal estate tax with liberal exemptions for State taxes would equalize and regulate this condition and reduce the attractiveness of tax-exempt securities as an investment.

We have heard it stated that the Federal estate tax is an attempt by the Government to coerce the States that now exempt inheritances from

taxation to adopt State inheritance tax laws. We do not believe this is a sound argument for the elimination of the Federal estate tax. The small minority of States that do not now tax inheritances should not be in a position to make it necessary for the balance of the States to repeal their inheritance tax laws in order to retain the domicile of their wealthy citizens.

The greatest single argument we have heard for the elimination of the Federal estate tax is that the Government should retire from this field in favor of the several States. From our investigation we find that the great majority of advocates of State rights are also opposed to State inheritance taxes. If the Government repeals the estate tax we are very much afraid that the principle of taxing inheritances in any form will be set aside as unsound and an entering wedge will be provided for the repeal of State inheritance taxes.

It is generally admitted that tangible property bears too large a proportion of the burden of government. With the rapid increase of interstate business the problem of State taxation is becoming more difficult. Business of all kinds that in past years was local in character and management is rapidly becoming a part of large corporations doing business in more than one State. State lines are rigidly maintained for purposes of taxation, while the intangibles and profits of these concerns escape taxation to a great extent by conflicting State revenue laws. Havens or sanctuaries for the rich should not be provided by the States; neither should the Federal Government allow this condition to exist. If the Government must repeal the Federal estate tax, a method should be found to compel owners of tax-exempt securities and intangibles to contribute proportionately toward the support of Government. Having supervision over the State inheritance tax law of Montana, we find that nearly all large estates are owners of tax-exempt securities. If the principle of income and estate taxation is sound, and we believe it is, it seems to us that the owners of such securities should not be allowed complete exemption during their life and their estates to escape taxation upon their death. Protection of property rights is just as great, if not greater, to owners of wealth as it is to owners of small means, and their contributions to society should be to a great extent commensurate with the privileges enjoyed.

In order to relieve tangible property from an unjust burden it is necessary that we as a State maintain our inheritance tax, and we can not subscribe to a policy that may eventually deprive us of this source of revenue.

Very truly yours,

STATE BOARD OF EQUALIZATION.
J. W. WALKER, *Chairman.*
O. A. BERGESON,
JAS. H. STEWART,
Members.

Mr. REED of Pennsylvania. Mr. President, in a very few minutes I desire to call attention to one or two features of the problem that I think have not been touched upon, or at least have not been stressed in the discussion thus far. I want to preface what I have to say with the statement that I believe in inheritance taxation. I believe that the right to transmit immunity from labor from one generation to another is an uncommon privilege, a very high privilege accorded to a citizen, and that it is a very proper subject of taxation. One saves his earnings primarily that he and those of his immediate family may enjoy life by immunity from labor at a time when old age or affliction makes labor difficult or impossible. But to pass that immunity on to a subsequent generation, to enable one who himself has not exercised thrift to live throughout his existence upon the efforts of others is a privilege which all governments may properly consider a subject for increasing taxation. That much for my fundamental belief on the subject.

We come to the provision in the bill that is before the Senate to-day, and I think I can say without fear of successful challenge that it is the most unfair system of inheritance taxation that can be found in any civilized country to-day. Taxes are paid by live men, not by dead men. Some one called this a tax on a dead man's estate, but actually the United States is taking the money from some surviving individual who would have it if the United States were not to take it. If that be so, and it seems to me it can not be successfully contradicted, then we ought to take from live men in the same proportion according to their circumstances. It is not fair to take from this live taxpayer ten or fifty times as much as we take from that one on the same amount of inheritance received, and yet that is what the bill proposes. I can explain my point by an illustration.

If I inherit the whole of a $100,000 estate, my tax under the provisions of the bill as it came from the House is $500. Out of the entire $100,000 estate that I get the tax is $500. But if my brother receives $100,000 from a $5,000,000 estate the tax which is deducted from his inheritance is $19,000. Now, what system of taxation is it that accomplishes such results? Two men receiving each the same amount are taxed, one of them $500, the other $19,000, not because of anything that they have done or left undone, but because the dead men from whom the inheritances are derived happened to be unequally wealthy.

Mr. BORAH. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Idaho?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. BORAH. That feature of the situation has been dealt with pretty successfully in England, has it not?

Mr. REED of Pennsylvania. I am not aware how they dealt with it there. I think they tax the amount received by each beneficiary. We have dealt with it pretty successfully in Pennsylvania, because we tax the amount that is received by each beneficiary. The Senator from New Mexico [Mr. JONES] urged that system when the 1924 tax bill was being considered. The Senator from Rhode Island [Mr. GERRY] urged it with great force, and I believed in it, as others did, and we offered an amendment in behalf of the Finance Committee when the bill in 1924 was being considered, the purpose of which was to correct this inequality.

Mr. SMOOT. Also in 1921.

Mr. REED of Pennsylvania. Yes; also in 1921. The one I am more familiar with is the 1924 law. We realized the inequity of the thing. It is shocking. We offered that amendment, but it went out in conference; we could not hold it. I believe that most of the Senators have not realized what a hideous unfairness this provision works out in its application to different classes of taxpayers. Senators may believe in an inheritance tax all they please. They may believe the Federal Government ought to levy it. They may believe that we ought to refund to the States the way the bill tries to do. But I defy them to defend such discrimination as that.

In another way I think the bill as it came from the House is unfair in its application to various States.

Mr. WALSH. Mr. President——

Mr. REED of Pennsylvania. I am glad to yield to the Senator from Montana.

Mr. WALSH. Does the Senator believe that if that system were substituted for the House provision it would be any more successful in conference this time?

Mr. REED of Pennsylvania. I doubt very much whether it would be. I am pointing out successively the defects as to which I think the bill is subject to criticism. I think the House attitude in all these years has been the wrong one in that respect and I think the Senate was right.

Now I come to another element of unfairness. We have heard much talk about the States that do not impose inheritance taxes for the reason that they wish to attract people to come and live within their borders. We also hear about States that do not have income taxes because they want to attract people to live within their borders. Does it not seem obvious to everybody that the expenses of running those States have got to be realized from the population of the State and, whether they adopt the method of inheritance taxation or income taxation or tax gasoline or the bread the people eat, the cost of operation of the States, the service of their loans must come out of their population in the long run. It is almost a false argument for a State to urge people to come and establish their domicile within its borders on the theory that because they have abstained from one branch of taxation the population of that State has a peculiar advantage. In the long run the money comes out of the people who live there, and whether it be taken by one form or another, they end in paying substantially the same amount.

Mr. BORAH. That is, the people as a whole.

Mr. REED of Pennsylvania. Yes; the people as a whole; and, of course, if the tax system among the people as a whole is not fair it is up to them to correct it; it is not up to us.

Mr. BORAH. I agree with that.

Mr. REED of Pennsylvania. Now let me illustrate the way this works, bearing that factor in mind. We say to Florida, for example, "You have taken no inheritance tax from your citizens, so we will charge your wealthy men 20 per cent." Is it not obvious that the citizens of Florida, taking them collectively, are paying to us the full 20 per cent rate, and that they are also paying all the expenses of running their State government besides? Therefore, by this bill we are imposing a double tax on the citizens of Florida, because we do not like the method adopted by Florida for raising her revenue from her citizens, while, on the other hand, as to some other State which adopts a method which we like we tax her citizens only once because their inheritance taxes are rebated by the Federal Government, all because we, sitting here in Congress, say it is for the best interest of Arizona or Washington or Florida or any other State that they adopt this method of taxation instead of some other.

We are taxing Florida five times as heavily on the inheritances of her citizens as we are taxing Pennsylvania, perhaps. What possible justification can we find for such a course of action as that?

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Iowa?

Mr. REED of Pennsylvania. I yield.

Mr. BROOKHART. Conceding, as I do, that there ought to be no distribution of this tax back to the States, is it not a fact that most of the great fortunes that pay the large inheritance taxes are made in interstate and foreign commerce anyway?

Mr. REED of Pennsylvania. I do not know how they are made. Some of the biggest fortunes of which I know that I think most deserve taxation have been made by buying real estate and letting it grow in value from other people's efforts.

Mr. BROOKHART. Real-estate values are made very largely through connection with interstate and foreign commerce.

Mr. REED of Pennsylvania. I think they are made, to a considerable extent, by the desire of people to go to the theater at the same time in a few blocks in New York City, for instance.

Mr. BROOKHART. That is largely because of interstate traffic.

Mr. REED of Pennsylvania. I suppose so, in some cases.

Mr. BROOKHART. It being interstate traffic, should not the Government keep it all? What is the occasion for distributing it among the States? Is not the remedy to cut out the 80 per cent provision rather than to use that as an argument against the justice of an inheritance tax?

Mr. REED of Pennsylvania. I think the Senator from Iowa is exactly right. If there is any justification for this tax, we ought to keep it all.

Now let me come to the next point; and I am not unmindful of my promise to try to be brief. The only justification for levying a tax in this bill is that it brings in money to the United States to help pay its governmental burdens. We are all mindful of the great burden of $20,000,000,000 of the Federal debt, to which frequent reference has been made. The only excuse for levying a tax is that it will bring us in more money than it costs to raise it.

Here is what this does: If this bill is successful in clubbing the States into adopting a uniform tax policy, we are going to return 80 per cent of this 20 per cent maximum to the taxpayer.

We are only going to get 4 per cent net from the largest estates. We talk like rabid radicals, and yet we impose one of the smallest inheritance taxes by this rate that is known in the United States—4 per cent on the richest men. The average estate will not pay anything like that; it will not pay as much as 1 per cent. An estate of $100,000 will pay net to the United States one-tenth of 1 per cent after we have made the 80 per cent rebate. The tax is nominally $500, but we rebate $400 of that to the State. After all its effort to collect, after all its audits and appraisals of the estate of the taxpayer, the United States gets a gross income, then, of $100; and the cost of collection, as we all know, will run many times that amount. Looked on as a money raiser, it is hopelessly unproductive; and if we are proposing to enact this bill, as its title says, "to provide revenue," we are going about it in a mighty poor way.

Now, finally, the factor of clubbing the States has been talked about. I am a Calhoun Democrat in the matter of State rights. I believe that the invasion of State rights by the American Congress in recent years has been absolutely unpardonable, and if persisted in will break down the structure of our Government. Many of us believe that, and yet we argue, as the Senator from Idaho argued with such ability a few minutes ago, that if we repeal this tax we will see a campaign started in the various States to get them to repeal their inheritance taxes. Well, if my conception of government is right, what business is it of ours whether a campaign like that is started? What business have we got to concern ourselves with what campaign is started in the State of Idaho to make the people there change their taxes?

Mr. BORAH. Mr. President, I was addressing myself to the proposition that the contention that this was a fight between the Federal Government and the State governments is not the real contention here at all. The real force back of the repeal of this tax is the force that will be back of the repeal of any inheritance tax. While as a Senator I may not be interested in the State of Florida, as a citizen I am interested in maintaining an inheritance tax, and I was arguing against the principle which is assumed in this fight.

Mr. REED of Pennsylvania. Mr. President, I began my remarks by explaining that my own feelings are exactly the same; that I believe in inheritance taxation; but I do not believe for one moment that the Congress of the United States has a right to say to my State what it shall or shall not do on that subject, and that is what we are frankly attempting to do in this bill.

Mr. BORAH. I quite agree with the Senator upon that proposition, and so stated, that the Congress should not undertake to club the States into doing anything; but is the only remedy for that situation to repeal the law entirely?

Mr. REED of Pennsylvania. Of course that is not so. We can eliminate the 80 per cent rebate.

Mr. BORAH. Exactly.

Mr. REED of Pennsylvania. Does the Senator expect to propose such an amendment?

Mr. BORAH. No; I do not; I am not a member of the Finance Committee; but what I am asking is, why, if the Senator's argument be sound—and in some respects I think it is sound—why did the Finance Committee undertake to meet this in no other way than by a complete repeal of the inheritance tax? Why was not this iniquity of which the Senator first spoke as between brothers adjusted by a proper provision upon which we could vote?

Mr. REED of Pennsylvania. We tried that in 1921, and we tried it in 1924.

Mr. BORAH. And now the Senator's remedy is to repeal the tax entirely; that is what we have here. Instead of adjusting what the House provided, all we have is a complete repeal, with a refund to those who have been obligated to pay.

Mr. REED of Pennsylvania. Absolutely; because it is better to have no Federal effort than to impose the inequalities and unfairness which have been handed to us by the House in this case, and we know we can not get a fair one through.

Mr. WADSWORTH. Mr. President, will the Senator suffer an interruption at that point?

Mr. REED of Pennsylvania. I am glad to yield to the Senator from New York.

Mr. WADSWORTH. I might suggest to the Senator from Idaho that if the 80 per cent rebate—we will call it—is eliminated, or any per cent of rebate is eliminated, we instantly run into another dilemma, that dilemma resulting from the imposition of a Federal tax without rebate squarely on top of the State tax without rebate, or several State taxes. I assume that there was one motive in the minds of those who suggested this rebate, and that was to attempt to stop this pyramiding of inheritance taxes.

Mr. BORAH. I know it is said that the States are actually "clubbed," but there is very little pyramiding; and the Government collected $102,000,000 from estates.

Mr. WADSWORTH. There is very serious pyramiding; on certain classes of estates it becomes practically a confiscation. So, whichever road you take, you run into a dilemma, and it is due to the fact that the Federal Government has invaded the field.

Mr. BORAH. The State might levy a reasonable inheritance tax and the National Government levy a reasonable inheritance tax without any regard to the question of clubbing at all. I think these estates are capable of paying some kind of tax; everybody else pays. There is an immense amount of double taxation, when we come to consider it, as between the States and the National Government.

Mr. WADSWORTH. That is perfectly true. May I suggest, then, that if the National Government levies the biggest tax, without rebate, on inheritances or estates, the result of that is to cramp the States themselves in increasing their own rates, which many of them have wanted to do.

Mr. BORAH. According to the figures which the able Senator from Pennsylvania gave us a few moments ago as to the percentage that was actually levied, it could not cramp any State to amount to anything.

Mr. WADSWORTH. He was giving the figures in connection with the 80 per cent rebate.

Mr. BORAH. Exactly; but taking them and putting them together, what do they amount to?

Mr. SMOOT. Mr. President, some of the States have a maximum of 40 per cent; I know two States that have such a maximum.

Mr. BORAH. We have a maximum on the statute books of 40 per cent in the case of inheritance taxes, but when the refund is allowed it makes the rate only about 21 per cent.

Mr. SMOOT. Not unless the inheritance is for a charitable purpose.

Mr. REED of Pennsylvania. Mr. President, since we adopted that 40 per cent tax the Supreme Court of the United States held that it is competent for the States to provide in their tax laws that the Federal tax shall not be deducted before calculating the State tax. That is provided in the law of some

States; so that our 40 per cent must be added to the 35 or 40 per cent that obtains in the State to get merely the tax at the place of domicile; and when it is considered that stock in the New York Central Railroad Co., for example, can not be transferred until a tax has been paid in six States, that stock in the Chicago & North Western Railway Co. can not be transferred until a tax has been paid in three or four States, that stock in the Atchison, Topeka & Santa Fe Railway can not be transferred until a tax has been paid in almost every State along its line from the Mississippi to the Pacific, it can be realized that the pyramiding, as the Senator from New York well says, has become intolerable. That is a strong reason for our getting out of this field.

Mr. President, I promised to quit promptly, and with only a half hour left before we vote, I think I ought to yield the floor.

Mr. BORAH. Mr. President, I should like to ask the Senator one more question. The argument of the Senator, therefore, after all is for a complete repeal of this tax.

Mr. REED of Pennsylvania. This tax ought to be repealed because of the reasons that I have given. Even if we did believe in continuing the tax, we ought not to continue this one, and it is incapable of amendment in any way that we can get the House to accept.

Mr. NORRIS. Mr. President, let me ask the Senator a question before he takes his seat. It appears to me that the only way to get rid of all of this pyramiding, if we are going to have any estate tax at all, is to provide a Federal estate tax, because even the repeal of the Federal estate tax would not prevent the pyramiding which has been described by the levying of different State taxes.

Mr. REED of Pennsylvania. Precisely.

Mr. NORRIS. The only remedy, it seems to me, is to rely on the Federal tax, which is the same all over the United States.

Mr. REED of Pennsylvania. But we can do our share of remedying it by getting rid of the inequalities of the Federal tax, and leaving it to other legislatures to do their work in the same way.

Mr. NORRIS. That is true; I concede that to be logical if we are to proceed on the theory that we ought to have no estate tax anywhere, either State or Federal; then what the Senator says would be good logic, it seems to me.

Mr. WALSH. Mr. President——

Mr. REED of Pennsylvania. I yield the floor, unless the Senator from Montana wishes to ask me a question.

Mr. WALSH. I should like to ask the Senator a question. I was unable to follow the figures given to us, interesting as they were, by the Senator a little while ago. I do not make the calculation that the Senator does at all, and it may be that I do not understand the provision of the House bill found on page 173. That provision reads:

(b) The tax imposed by this section shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or Territory or the District of Columbia, in respect of any property included in the gross estate.

My State imposes a tax of 4 per cent, and we will assume that 20 per cent is the rate here, although, of course, it may be reduced; so that if the State is credited with all the State estate tax it will still pay 16 per cent to the Federal Government. Then, however, it is provided:

The credit allowed by this subdivision shall not exceed 80 per cent of the tax imposed by this section, and shall include only such taxes as were actually paid—

And so forth.

Mr. REED of Pennsylvania. Precisely.

Mr. WALSH. So that the 80 per cent would apply only, it seems to me, in case the State rate were higher than the Federal rate. If the State rate were 25 per cent, credit could be given only for 80 per cent of the 25 per cent, which would be 20 per cent.

Mr. REED of Pennsylvania. No, Mr. President; I think the Senator misunderstands it, or else I do. The 80 per cent limitation is calculated on the Federal tax.

Mr. WALSH. Exactly.

Mr. REED of Pennsylvania. The rebate can not be more than 80 per cent of the Federal 20 per cent tax.

Mr. WALSH. Exactly.

Mr. REED of Pennsylvania. That is to say, in other words, that 16 per cent out of the 20 may be rebated if the State tax is that high.

Mr. WALSH. If the State tax is that high; but if it is not that high, the State gets no benefit whatever from it. That is to say, no State gets any benefit at all from this provision unless its rate is higher than 80 per cent of 20, or, in other words, higher than 16 per cent. Any State whose inheritance tax law imposes a tax less than 16 per cent gets no benefit whatever from this law.

Mr. REED of Pennsylvania. That is exactly so. I still will yield the floor in a moment, but I want now to answer that point.

The obvious effect of that upon the States is this: Each State legislature says to itself: "Our citizens are going to pay so much inheritance tax. If we put our rates up to 16 per cent, we will get the money and keep it here in our State treasury. If we do not do that, the money goes out from our citizens just the same, but it goes to Washington." So they are going to do just what my State did last year, in 1925. It passed a law providing in substance that our inheritance tax should be the maximum amount that was allowed under the Federal law to be rebated to the taxpayer; and every other State will take that maximum, because it knows that the citizen has to pay the money, and it would rather get it for the State treasury than have it come here.

Mr. WALSH. I rose merely to say that in my judgment the basis of the computation of the Senator was not in accordance with the provisions of the House bill.

Mr. REED of Pennsylvania. The Senator refers to my adding the 40 per cent of the Federal tax to the 40 per cent of the State tax in that illustration?

Mr. WALSH. The Senator was explaining how little the Government of the United States got out of this by reason of this 80 per cent provision; but I am insisting that it gets all there is.

Mr. REED of Pennsylvania. Oh! Now, I understand the Senator's point. I did not know which figures he referred to.

Obviously, in the case of the largest estates, the Federal rate of 20 per cent will not all come to the Government of the United States, because 80 per cent of it is rebated to the taxpayer.

Mr. WALSH. No; that, I think, is an entirely erroneous statement. The estate simply gets credit for the amount which it paid to the State; that is all.

Mr. REED of Pennsylvania. Precisely.

Mr. WALSH. If the State rate is 4 per cent, and the Federal rate is 20 per cent, the Federal Government gets 16 per cent, and the State gets its 4 per cent.

Mr. REED of Pennsylvania. We were talking at cross-purposes, then. When the States put up their tax rates, as every one of them will do, for the reasons that I have outlined, then the payments to the State will be credited against the Federal tax and will diminish it to a maximum of 4 per cent.

Mr. WALSH. Let me remark that I do not think that conclusion will follow at all. Our State is now considering that; but there is an exemption here of $50,000, and that will embrace 99 per cent of the estates in my State, and they will not stand for a rate of 16 per cent. Consequently, there is not any likelihood that our State will ever go to any such rate as 16 per cent, however they may do in the State of Pennsylvania.

Mr. REED of Pennsylvania. I venture to say that they will very rapidly go to 16 per cent on the largest estates, particularly if there are so few of them.

Mr. HEFLIN. Mr. President, under some circumstances I should favor a Federal inheritance tax; for example, in time of war. In time of peace, however, it seems to me that this field of taxation should be left to the States.

Our educational interests are expanding and growing all the time, as they should. Our growing educational interests are naturally demanding more and more money as the years come and go. The States have a right to use and they are going to need for their own use the taxable properties that belong to the States. I am opposed to allowing the Federal Government to reach in and take from the State the things that the State alone should tax.

I do not like the principle involved in this attempt on the part of the Federal Government to coerce the State, to compel the State to agree to surrender for Federal taxation the things that should be left to the States. I do not think that the Federal Government should be encouraged in the dangerous business of forcing a sovereign State to surrender its sovereign powers to the Federal Government. I am opposed to surrendering the taxable properties of the State to the Federal Government.

Mr. President, I want to call to the attention of Senators a very dangerous thing that is going on in the country now. It is a propaganda to do away with all tax-exempt securities. When the proposition is first suggested it seems very plausible; it seems sound and right that we should not have any tax-exempt securities; but when we analyze the propo- any tax-exempt securities; but when we analyze the propo- we reach a different conclusion. Tax-exempt securities are municipal bonds in the cities of my State and other States.

They are bonds issued by a town or a city for the purpose of putting in waterworks, electric lights, or to erect municipal buildings and pave streets. These tax-exempt securities are bonds issued by a county to build roads in the county. They are bonds issued by a county to build a courthouse. They are bonds issued by a State to build a statehouse. The State exempts all such securities from taxes. They are sold in the markets of New York and other places as tax-exempt securities. They are eagerly sought, because they are tax-exempt securities. We have and we need a market for them. Now, what benefit is derived from such a market?

The people in various localities who have not got the money needed to carry on certain work can now issue bonds, and when investors buy these tax-exempt securities they are enabling labor to have employment in these localities, and they are enabling the town to make needed improvements; they are enabling the county to build its roads or its courthouse, and they are enabling the State to issue bonds for road purposes or for the purpose of building a State capitol.

This question was raised here just a few minutes ago by a telegram which the Senator from Montana [Mr. WALSH] had read at the desk. It suggested that we go after these tax-exempt securities and prevent them in the future. Mr. President, if tax-exempt securities had not been permitted, we could not have issued, as we did, tax-exempt farm loan bonds. The Federal farm loan bank bonds were and are exempt from taxes. Would Senators vote to impose taxes upon bonds of that character? Are we willing to set this precedent of permitting the Federal Government to coerce the States, to say to the municipalities in the State, "If you do not tax these municipal bonds or these school bonds, we will; but if you do tax them, we will give you part of the taxes and we will take part of the taxes"? "If you will not tax these road bonds in a county, we will. If you will not tax your courthouse bonds, we will; and if you will not tax the statehouse bonds in your sovereign State, we will."

Mr. President, when you analyze that situation, what is it? You are simply permitting the Federal Government to levy taxes on the streets of a town in a State where they have issued bonds to pave the streets. You are permitting the Federal Government to levy a tax against the town that has issued bonds to build waterworks and to put in electric-light plants. You are permitting the Federal Government to reach into a State and tax the roads of a county, because that is what you do when you permit the Federal Government to levy taxes on the bonds issued for the purpose of building those roads; and you permit the Federal Government to levy a tax upon the capitol building of a sovereign State, because that is what you are doing when you permit it to levy a tax upon the bonds issued for the purpose of building that capitol.

I want Senators to do some thinking on that subject. Nothing so far has been said here against this propaganda to do away with our tax-exempt securities. The market for such securities is a very important and beneficial market for the various local governments and subdivisions of our country; and when Senators rise and say: "We ought to do away with all tax-exempt securities," they are proposing to destroy a very beneficial agency—one that reaches into every nook and corner of the country and helps localities to obtain money when they can not get it from any other source, money needed to carry on work and make necessary improvements in town, city, county, and State. Not only that, you are imposing a heavy tax burden upon the people of the towns, cities, and counties of the various States of the Union. If you permit the Federal Government to impose taxes upon town, city, county, and State bonds, you are laying an additional tax burden upon the people of those localities. They will have to pay such a tax.

Mr. CUMMINS. Mr. President, I have taken no part in the discussion of the revenue bill, largely because my voice is so afflicted that it is a torture to me, as it would be to those who hear me, to use it; but I desire to say just a word with regard to this question.

I believe that the ideal condition is that this particular field of taxation shall be left to the States; but, Mr. President, I am not able to vote for the amendment proposed by the committee. I will not vote for any amendment that will repeal the Federal estate tax in so far as the estate which is being administered is composed of tax-exempt securities.

This amendment would not only repeal the estate tax without regard to the character of the estate, but it is retroactive in its effect and would involve the repayment to the heirs of the taxpayer of a very large sum of money.

I can not see how the theory can be sustained of allowing the tax-exempt securities of which an estate may be composed to go free. We have no power to tax them so long as the taxpayer lives. Our only opportunity to secure from them the contribution which they ought to make to the expenses of the Government is through a Federal estate tax. For that reason I will find it impossible to vote for the amendment proposed by the committee.

I would be far better satisfied if the House provision had provided for a credit of 100 per cent of the taxes levied by the various States and paid by the estate which was under consideration. But the rebate or credit of 80 per cent is an approach toward the situation which I think ought to exist.

I wanted to say just so much, because it is very well known that I believe that as a broad, general principle, this field of taxation ought to be left to the States.

Mr. JOHNSON. Mr. President, just a word in regard to the pending matter. I have listened very sympathetically to the remarks that have been made by my friends the Senators from Florida concerning that State. I recognize its progress, I recognize, indeed, all of the beauties to be found in every portion of that particular territory. I have the same pride in that State that I have in every other State, and I recognize no jealousies among the States of this Union. I am proud of all of them. I am prouder still of the United States of America, for I am yet, Mr. President, a nationalist.

I recall two years ago the contest here upon what was designated the Mellon tax plan. I remember that I was one of those on this side of the Chamber who followed the distinguished Senator from North Carolina [Mr. SIMMONS], and voted for the plan that was then presented by him, and succeeded, with those upon the other side and some upon this side, in having that plan adopted. I believed it infinitely better than what was designated as the Mellon tax plan. I believe now it was infinitely better than what was called the Mellon tax plan, and I know that in the estimates of the Treasury Department that were presented to us at that time inaccuracies galore were pointed out, inaccuracies which the CONGRESSIONAL RECORD will disclose.

As I have listened to the arguments upon this bill, as I have listened to the distinguished Senator from North Carolina and others upon the Democratic side, I have thought that I could exclaim with Mr. Reggie Fortune, in the inimitable mystery stories of Mr. Bailey:

I wonder, I wonder; there are so many funny things unexplained.

I am unable to determine, sir, just exactly the position of those gentlemen on the other side who strove with such vigor two years ago. I am unable to determine what change has come over the spirit of their dreams.

The inheritance tax, or the estate tax, as it is termed, I deem equitable, fair, just, and economically sound. I deem it economically sound, and therefore a policy which should not be abandoned by the United States Government.

I do not, of course, believe in coercing any State in this Union, either in its taxing power or in any other power. But this question transcends in importance the desire of any State to levy taxes in any particular matter. It is a governmental policy for the United States of America to determine, and if economically sound, fair, just, and equitable, it should not be abandoned by the United States of America.

I would not abandon it because so eminently it is just. I would not abandon it because it touches vast fortunes amply able to pay it that otherwise would not pay their just dues. I agree with the words of the Senator from Idaho [Mr. BORAH] uttered just a few moments ago. This, with the other things we have done in this tax bill, constitutes the entering wedge in a system of taxation which is unjust, unfair, inequitable, and which is to bear down finally, not upon the great fortunes of this land at all, but to bear down upon those who are least able to bear the burden of taxation.

Philosophically there are two modes of taxation—they were presented by the former Mellon plan. One begins at the top, and at the top would do that which is best, so far as the Government is concerned, with the fortunes that are greatest. The other would begin down on the ground, with those who were least able to bear taxation and would deal with them more harshly than it would with the other kind.

The Mellon plan concerned itself first with those most able to pay taxes; the system we finally adopted concerned itself first with those least able to pay and then did justice to the other class and was fair to all.

Because the measure that was presented by the Senator from North Carolina two years ago seemed to me philosophically to be right in touching those who were most able to bear taxes and touching least those who were least able to bear taxes, I was very glad to be a part of the membership of this body which passed that measure and made it a law; and it has been a law until this time. Every lugubrious prognostication against it made by those advocating the Mellon plan has been disproved, and time has justified it.

Now, to abandon an economically sound method of taxation, and to abandon it upon the theory that ultimately it will be abandoned throughout this land, is a policy which I do not believe we should enter upon and which I trust we will not. To abandon it when the signs of the times seem to indicate beyond the peradventure of doubt that the intention is ultimately to relieve those who are most able to pay taxes and to put the burden upon those who are least able to pay taxes is an unjustifiable thing in the Senate of the United States or in the Congress. This bill is neither just no economically sound. It represents the wishes of those of vast wealth alone, and the amendment is part of an apparent plan to relieve those who have much of their just share of taxation.

I trust, therefore, that the amendment of the Senate Finance Committee will not prevail.

Mr. GEORGE. Mr. President, I ask to have printed in the RECORD, without reading, a statement by Hon. Edgar Brown, speaker of the South Carolina House of Representatives, on this subject.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. EDGAR BROWN, SPEAKER OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES

Mr. BROWN. Mr. Chairman and gentlemen of the committee, we feel that it is scarcely necessary to present to you gentlemen lengthy arguments in favor of leaving to the States the opportunity and responsibility for levying of death taxes, except as the Federal Government may temporarily levy such taxes in time of acute national emergency. Conclusive arguments in favor of such a policy have been repeatedly presented and particularly emphasized by President Coolidge and by Secretary Mellon. They were briefly but earnestly presented before the Committee on Ways and Means of the House of Representatives by the governors of a number of the States of the Union and supported by the indorsement of the governors of a majority of the States and by officers and members of State legislatures.

Not only is the action which we urge and recommend in line with the historic policy of the Nation and in harmony with our system of government, but the policy is particularly urged and demanded by the conditions of the present time and by the need of additional sources of revenue by the States. It is universally admitted that there are no conditions of emergency requiring the continuation of the levy of estate taxes by the Federal Government, and the continuation of such levy under the circumstances violates every principle of our long-established and generally approved national policy of taxation.

The House of Representatives, by its action in the pending revenue bill in reducing the Federal estate taxes by one-half, has not only recognized the almost universal protest against excessive estate taxes but it has also recognized the general public sentiment in support of the complete abandonment by the Federal Government of this field of taxation. The reduction made by the House is approved, but it does not go far enough. The approval by the House of the inheritance section of the revenue bill is tantamount to an admission that the Government should entirely retire from this field of revenue. But in doing so the Government would say that, while it does not need the revenue and is not expecting to raise any considerable amount of revenue under the terms of the bill, the thing that the Government wants to bring about is that each and every one of the States will be forced, whether they wish to do so or not, to adopt the same inheritance tax that the Federal Government adopts. I take it that none of us need to delude ourselves as to the purpose of the provision in question. Under the provisions of the existing law the Government levies, in the higher brackets, up to 40 per cent on inheritances, 25 per cent of which may be collected by the State, leaving 75 per cent of the 40 for the Federal Government. But in the present bill the Government would reduce the rate to a maximum of 20 per cent and allow the State to collect 80 per cent of the 20. Or, to put it another way, the State would be allowed to collect 16 per cent and the Government 4 per cent.

No one will gainsay the statement that a 4 per cent inheritance tax collected by the Federal Government, with the expense of maintaining a department for that purpose, appraising estates, carrying on litigation, etc., will make that department hardly more than self-sustaining.

I am informed that the cost of collecting inheritance taxes by the Government is from 1½ per cent to 3 per cent. If this be true, does the Government want to levy a 1 per cent or a 1½ per cent inheritance tax?

It is, therefore, conclusive that the effect is one not to raise revenue for the Federal Government but to force upon the States a rate and system of taxation that may be obnoxious to them.

I take it that the Members of this Congress, elected by the people as National Representatives, are here to legislate with regard to national and international affairs and not to pass regulatory measures to coerce the sovereign States. You may provide revenue, you may originate revenue measures, but revenue for what? For the support of the Federal Government. Are you here to provide revenue and to originate revenue measures for the benefit of the States? By what right does Congress conceive the idea that it is just to pass regulatory measures involving the rights of the State to levy and collect a direct property tax? The States elect their own representaives and send them to the legislatures for that purpose and to determine those questions. It may be true that some inconveniences are arising, and perhaps many inequities exist because of the attitude of the different States on the inheritance-tax question, but that is a matter for the States. If the Federal Government is going to step in and attempt to adjust every inconvenience or inequity in State laws, then we may as well abandon any effort to maintain the rights of the States and allow Congress to regulate the subjects and rates of taxation in every State.

Every Member of Congress knows, and the people back home know, that this is an effort to do indirectly something which Congress has no right to do directly.

Notwithstanding the arguments that have been made on behalf of the temporary retention of a Federal estate tax at a reduced rate, we are still of the opinion that there are no insurmountable difficulties in the way of an immediate repeal of the Federal estate tax laws. It is true, as above suggested, that there is a lack of uniformity among the States in the matter of taxing estates, but those best informed on the subject are of the opinion that as long as we have States as entities of government there always will be a lack of uniformity not only in this but other laws, and that such a lack of uniformity is not only inevitable but to a certain extent wise and justifiable. On the other hand, we are of the opinion that the objectionable features of State inheritance taxes will be more speedily remedied with the Federal Government entirely out of this field of taxation, and that the sooner we return to our historic national policy in this regard the sooner will the States seek and find remedies for the present objectionable duplication and overlapping of inheritance taxes.

While the House of Representatives took a long and commendable forward step in the reduction of Federal estate taxes, it also took a very unfortunate and, in our opinion, wholly indefensible backward step in the provision contained in paragraph (b) of section 300, pages 143 and 144 of the pending revenue bill, under which the tax imposed by the Federal Government shall be credited to the amount of any estate inheritance legacy or succession taxes paid to any State or Territory to the amount of 80 per cent of the Federal tax. This provision is objectionable from many viewpoints. It undoubtedly appeals to those who favor the maintenance of high estate and inheritance taxes and who desire to have the Federal Government remain in the death-tax field. Undoubtedly it was assumed that those who believe in the principle and policy of leaving the question of the levying of death taxes with the people of the States, this 80 per cent credit is even more objectionable than the failure to entirely repeal the Federal estate tax. Whatever may have been the thought or purpose of those responsible for it, it is in the nature of a bribe, and it amounts to a congressional coercion upon the States to harmonize their death taxes and policies with a plan proposed by the Congress without consideration by or consultation with the people of the States and their legislative representatives.

As a matter of national policy, this 80 per cent credit is objectionable because it makes the Federal Government a revenue collector for the States, leaving the Federal Government in some cases an exceedingly narrow margin of revenue, if indeed it would not in some instances entail an actual loss upon the National Treasury. For what purpose is this 4 per cent levy to be laid by the Government? If its purpose be to tempt, urge, or coerce the States into the enactment of death tax laws in harmony with the view of the Congress thus expressed, it is a wholly unjustifiable act on the part of the Congress. If, on the other hand, it is to be taken as an admission that it is believed that the Federal Treasury needs the revenue that might be secured from a 4 per cent levy on estates, then the law should be amended in accordance with that view and the Federal levy reduced to a 4 per cent maximum. Why? Do the States need supervision at the hands of the Federal Government? Which department is best fitted to do justice to an estate in the matter of returns and appraisements—a Federal department clerk living in Washington, whose home is in New York (and who is sent to South Carolina to make an appraisement and knows nothing of local conditions), or vice versa, or the tax department of New York or South Carolina, the agents of which are familiar with local conditions and values? Under a Federal appraisement executors of a deceased person are confronted with a formidable volume to fill out in triplicate (which a Philadelphia lawyer couldn't understand), answering an infinite number of questions, and the return is always checked by an agent of the department, bound by hard and fast rules from Washington, with no power to decide any controverted question, but with infinite zeal for revaluing the property with respect to which he probably has no means of making an intelligent appraisal. The executors are indeed fortunate if they can settle the Federal tax question without reams of correspondence with the authorities (which often remain unanswered for months), with the assistance of his lawyers and usually trips to Washington, without accepting a number of injustices in connection with the appraisal of property or the interpretation of the law, which they

realize it would be cheaper to accept than litigate over, for if the estate's representatives are unwilling to accept a ruling by some department clerk or head which they consider unjust, their only redress is a series of appeals and court litigation which may cover a period of years. I know of cases where in order to collect a hundred or two dollars in Federal inheritance tax the Government has spent hundreds and hundreds of dollars in appraisements, reappraisements, and litigation and caused those interested unfold expense and worry. Annoying rulings are constantly being promulgated by the lesser officials.

Here is an instance of wrongdoing on the part of the department here in Washington the like of which will continue as long as the Government stays in this particular field of taxation, and particularly if under the pending bill the Government is to make all appraisements and fix regulations surrounding the collection by the Federal and State governments of this tax. It is an almost universal practice in the States for married men to have the title to the family home placed in the wife's name, and it has generally been held by the courts that in such case the wife has complete and indefeasible title. When the husband dies the home under such circumstances is no part of his estate. The estate-tax authorities have, however, ruled that in case a husband buys a home for his family and puts the title in his wife's name perhaps many years before his death, the home remains part of his estate for the purpose of the Federal estate tax, if the husband and wife continue to occupy it together until his death, on the theory, apparently, that the wife does not begin to enjoy the home until she has either turned her husband out of doors or he has died. It is the constant necessity of struggling against rulings of this character, of unwarranted increases in the valuation of property, and the delays in securing final decisions rather than the amount of the tax that have caused the estate tax to become the bane of those who are trying to settle moderate-sized estates. It is often found, after long-drawn-out correspondence and perhaps litigation, all usually caused by some clerk's ruling, that no inheritance tax whatever is due the Government. This condition serves to illustrate what most of us know by experience, that the inheritance tax department of the Federal Government has caused the people of this country more trouble and worry than any other department of the Government which deals directly with the people, and this accounts largely for the unpopularity of the law and the almost universal demand for the Federal Government to get out of that field of revenue.

The collection by State authorities of inheritance taxes is accomplished with little friction or hardship. The forms are simple. The department heads are familiar with values, people, and conditions. The heads of the inheritance tax division are to be found every day at the State capitol, accessible to any citizen, and any difficult question can be ironed out without trouble. If a legal question arises, the State statute is simple and the question can be promptly determined.

Another and the more serious objection to the plan of what practically amounts to a joint Federal and State levy is the unwarranted and woeful extension of Federal centralization. The States should retain jurisdiction and direct supervision over all sources of revenue that may properly be classed as State revenue measures. The inheritance tax is a direct property tax, a field which the Federal Government has entered only on the occasion of war emergency, and always heretofore has withdrawn when the reason for such unusual taxation has ceased. The great World War has ended—the emergency is over, and the Government has no longer need for this extraordinary tax.

And what of the infringement of the rights of the States? Is there justification for this apparently unwarranted invasion of the rights of the States? We claim not. Is the question of States rights raised in this matter? We claim that it is. Is there any such thing as the rights of the States? Statesmen all rave over the rights of the sovereign States to exercise this, that, or the other power and then some of them go ahead and vote to the contrary. There has been so little real protest against the invasion of State rights of late years that it almost appears that the States have lost these rights by laches. Beveridge's History of the Supreme Court of the United States fully depicts the swing of the pendulum for and against the rights of the States. At one period of our history the tendency is toward invasion of these rights by the Federal Government, and at another the swing is back to the Constitution. The various interpretations of the commerce clause of the Constitution is a fair illustration of how far we have gone in one direction. The tendency, however, at this time, is the other way. To-day, however, we are not so jealous of our rights as our forefathers were. They had lived and fought and struggled to secure the blessings of liberty and they were determined to enjoy the benefits of their hardships and experiences, and so resented grossly an encroachment upon the rights that they had secured. But as time passed these pioneers passed also, only to be followed by others less experienced in hardships and struggle, and more accustomed to ease and luxury. Those who came after them were correspondingly indifferent to the principle which the fathers had fought for. The growth of the country developed a national outlook. It was accentuated when, as we grew, we began to play an important part in the affairs of the world. Our national pride was stirred and our participation in the World War was the full development of this spirit.

It is not to be unexpected, therefore, that we find among us those who are willing to drift from the original purposes of the Constitution and make dangerous departures from the theory that there are strongly defined lines of demarcation between Federal and State functions.

It is only necessary on this question to recall the ninth and tenth amendments to the Constitution:

"The enumeration in the Constitution of certain rights shall not be and construed to deny or disparage others retained by the people.

"The powers not delegated to the United States by the Constitution, not prohibited by it to the States, are reserved to the States, respectively, or to the people."

But we drifted into the interstate commerce act, the Sherman Act, the Federal employers liability act, the Federal water power act, and others, all of which to some extent was an encroachment, as was the attempt to legislate nationally on child labor. Many of these acts undertake to do, in whole or in part, that which could be better done by the States.

Then along another line we have drifted further than was attempted in the above-enumerated acts. The highway construction act of 1916, the Smith-Lever Act, the Sheppard-Towner Act, all edging into activities that more properly belong to the State. I have never thought much of these 50-50 mess of pottage acts by Congress.

Mr. Chairman, I file with the committee as a part of this brief—

(a) Compilation of expressions of opinion on this subject including 4,239 members of State legislatures, a great majority of the speakers of State legislatures and governors of States. These speak for themselves.

(b) A list of the individual members of State legislatures who have indicated their opposition to the Federal inheritance tax.

(c) Copies of letters and telegrams received since the above information was compiled yesterday morning, from other members of legislatures, speakers, and governors, who also desired to be recorded against this measure.

In conclusion, Mr. Chairman and gentlemen of the committee, I desire to say, first, personally and officially, and as representing the committee of speakers, and speaking what I believe to be the sentiment of the great majority of State representatives and governors who have expressed themselves on this subject, as a matter of principle and as a matter of democracy, the Federal Government has no right in the inheritance tax field. It is a field which the State ought to have to itself. Fundamentally it is a tax upon the right to inherit. That is the theory upon which the courts have held that it can be legally justified. That being true, it is the State which gives its citizens the right to inherit and protects them in that inheritance, and the State is the only authority which can morally and legally exact a death tax.

Mr. HOWELL. Mr. President, I believe the Senate should know the actual amount by which the repeal of the estate tax, as provided in this bill, will affect the receipts of the United States Treasury. For the first five months of this fiscal year assessments upon estates amounted to $61,000,000, in round numbers, or at the rate of about $150,000,000 per annum. Under the bill as amended by the Senate committee every dollar of that resource would be taken away. The Treasury would not receive credit for this $150,000,000 this fiscal year or thereafter if the amendment of the Senate committee should prevail.

Not only this, but there remain of deferred estate-tax payments to be collected by the United States Government $415,000,000. If this amendment shall be adopted, that amount will be reduced to $320,000,000, or reduced by $95,000,000. That is because estates that have been assessed under the act of 1924 will receive rebates of deferred payments to the amount of $95,000,000 and of cash already paid to the amount of $5,000,000, making a total of $100,000,000.

This bill also provides for the repeal of the gift tax, which was imposed for the purpose of discouraging evasion of estate taxes. From that source the Treasury has received $7,500,000 per annum. In other words, under this bill we are taking from the Treasury of the United States a total of $150,000,000 on account of estate taxes; on account of rebates of estate taxes, $100,000,000; and on account of the gift tax, which supplements the estate tax, $7,500,000, or a total of $257,500,000 for this fiscal year.

Moreover, of those reporting incomes last year 5,694 enjoyed incomes of $100,000 or more, and this class—the 5,694 class—and the estates of those who enjoyed these incomes in life will be the beneficiaries of $154,500,000 of the total of these reductions and rebates. To all the rest of the people of the United States the repeal of these taxes will mean relief to the extent of $103,000,000.

These are the outstanding features of this bill so far as the estate tax and the gift tax are concerned. This 5,694 class will be afforded benefits under this bill during the current year of $154,500,000, and all the rest of the people of the United States, $103,000,000.

I trust that the committee amendment will not prevail but that an amendment retaining the estate tax, at least to the extent that it has been retained by the House, will prevail.

Mr. KING. Mr. President, will the Senator permit an inquiry before he resumes his seat?

Mr. HOWELL. Certainly.

Mr. KING. Does not the Senator think the amendment he is to offer, as I understand it, if I properly interpret his remarks, should be tendered as an amendment to the Senate committee amendment?

Mr. HOWELL. Mr. President, I realize that; but I wish to say that as another Senator will present an amendment covering the matter I shall not present such an amendment myself.

Mr. COUZENS. Mr. President, in connection with the colloquy between the Senator from Nebraska and the Senator from Utah I wish to say that the amendment I shall propose will come later on. If it is adopted, it will repeal the amendment now pending, if this shall be agreed to, and will place the estate tax back to where it is on the statute books at the present time. It has no connection with this particular vote.

Mr. KING. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. KING. Will not the rejection of the Senate committee amendment and an amendment striking out 80——

The VICE PRESIDENT. Under the unanimous-consent agreement, the hour of 4 o'clock having arrived, the question is upon agreeing to the committee amendment, as amended.

Mr. KING. Mr. President, what is the amendment?

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 170 the committee proposes to strike out from line 14 down to and including line 2 on page 208 and insert as Title III, estate tax, from line 3 on page 208 to line 3 on page 212.

Mr. SMOOT. On that I ask for the yeas and nays.

The VICE PRESIDENT. The Chair will state that any amendment to be offered should be presented before the committee amendment is voted on.

Mr. KING. Mr. President, because that is subject to amendment, I move to strike out, on page 173, line 12, the figures "80" and insert in lieu thereof the figures "25."

Mr. SMOOT. Then the Senator desires to perfect the House text?

Mr. KING. Yes; I am perfecting the House text.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. The question is not debatable. The question is on the amendment offered by the junior Senator from Utah.

Mr. KING. Mr. President——

Mr. HEFLIN. I call for the regular order.

Mr. KING. The Senator need not be impatient. I desire to have my motion stated.

The VICE PRESIDENT. Will the Senator restate his amendment?

Mr. KING. My motion is to strike out, on page 173, line 12, the numerals "80" and insert in lieu thereof the numerals "25," which would mean that the amount remitted to the State would be 25 per cent instead of 80 per cent, thus maintaining the existing law.

The VICE PRESIDENT. The question is not debatable

Mr. MOSES. Mr. President, a parliamentary inquiry. May the unanimous-consent agreement be read, so that we may know exactly how we are proceeding?

The VICE PRESIDENT. The clerk will read the agreement.

The Chief Clerk read as follows:

Ordered, by unanimous consent, That on the calendar day of Wednesday, February 10, 1926, at 4 o'clock p. m., the Senate will proceed to vote without further debate upon "Title III—Estate tax," and all amendments thereto.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the junior Senator from Utah [Mr. KING] to the House text proposed to be stricken out by the committee.

The amendment was rejected.

The VICE PRESIDENT. The question now is on agreeing to the amendment of the committee as amended.

Mr. SMOOT. On that I demand the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. McLEAN (when Mr. BINGHAM'S name was called). I wish to announce that my colleague, the junior Senator from Connecticut [Mr. BINGHAM], is unavoidably absent from the Chamber. If he were present, he would vote "yea."

Mr. HARRELD. Mr. President, a parliamentary inquiry. Is this a vote on the committee amendment itself or on an amendment to the committee amendment?

The VICE PRESIDENT. The vote is on the committee amendment as amended.

Mr. SMOOT. In answer to what the Senator from Oklahoma [Mr. HARRELD] asked, an amendment was made to the committee amendment, so the Chair was absolutely correct in stating that the vote is on the committee amendment as amended.

Mr. HARRELD. It is on the committee amendment as amended?

Mr. SMOOT. Yes; the whole committee amendment as amended.

Mr. REED of Missouri. Mr. President, a parliamentary inquiry. There seems to be some confusion about the form of the question. I want to ask if I am correct in the thought that a vote "yea" means to wipe out the inheritance tax and a vote "nay" means, in substance and effect, to leave the House text as it came to us? There seems to be some confusion about the question.

The VICE PRESIDENT. The question is on striking out the House text on pages 170 to 208 and inserting the Senate committee text on pages 208 to 212, thus inserting in lieu of the House text the language reported by the Finance Committee.

Mr. REED of Missouri. Which means, if the amendment is accepted and the House text goes out, that there will be no estate tax?

Mr. KING. That is correct.

Mr. REED of Missouri. I merely wanted to be sure that the matter was understood.

SEVERAL SENATORS. Regular order!

The VICE PRESIDENT. The roll call will be proceeded with.

The Chief Clerk resumed the calling of the roll.

Mr. BROOKHART (when his name was called). I have a pair with the junior Senator from Arkansas [Mr. CARAWAY]. If permitted to vote, I would vote "nay."

Mr. JONES of Washington (when Mr. CURTIS'S name was called). The senior Senator from Kansas [Mr. CURTIS] is necessarily absent on account of illness. He is paired with the Senator from Missouri [Mr. REED].

Mr. COPELAND (when Mr. EDWARDS'S name was called). The junior Senator from New Jersey [Mr. EDWARDS] is unavoidably absent. If he were present, he would vote "yea."

Mr. FERNALD (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. JONES]. I transfer that pair to the junior Senator from Connecticut [Mr. BINGHAM] and vote "yea."

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. I understand that if he were present he would vote as I intend to vote, and I am, therefore, at liberty to vote. I vote "yea."

Mr. DALE (when Mr. GREENE'S name was called). My colleague, the senior Senator from Vermont [Mr. GREENE], is unavoidably absent. If he were present, he would vote "yea."

Mr. JOHNSON (when his name was called). I am paired with the senior Senator from Arkansas [Mr. ROBINSON]. If permitted to vote, I would vote "nay."

Mr. SHEPPARD (when Mr. MAYFIELD'S name was called). The junior Senator from Texas [Mr. MAYFIELD] is absent on account of illness. He has a general pair with the Senator from Colorado [Mr. MEANS].

Mr. REED of Missouri (when his name was called). I am paired with the senior Senator from Kansas [Mr. CURTIS]. I have been unable to secure a transfer. I am, therefore, compelled to withhold my vote. If I were permitted to vote, I would vote "nay."

Mr. SIMMONS (when the name of Mr. ROBINSON of Arkansas was called). At the request of the senior Senator from Arkansas [Mr. ROBINSON] I wish to state that if he were present he would vote "yea."

Mr. SHIPSTEAD (when his name was called). On this question I am paired with the senior Senator from Alabama [Mr. UNDERWOOD]. If I were free to vote, I would vote "nay."

Mr. SWANSON (when his name was called). I have a pair for to-day and to-morrow with the senior Senator from Illinois [Mr. McKINLEY]. If that Senator were present, he would vote "yea" on the pending amendment. If I were permitted to vote, I would vote "nay."

Mr. BLEASE (when the name of Mr. WILLIAMS was called). I have a pair with the junior Senator from Missouri [Mr. WILLIAMS]. If that Senator were present, he would vote "yea" and I would vote "nay."

The roll call was concluded.

Mr. HARRISON. Pairs have been announced for the senior Senator from Alabama [Mr. UNDERWOOD], the senior Senator from Arkansas [Mr. ROBINSON], and the junior Senator from

Arkansas [Mr. CARAWAY]. Those Senators are unavoidably absent. If they were present, all three of them would vote "yea."

The result was announced—yeas 49, nays 26, as follows:

YEAS—49

Bayard	George	Moses	Smoot
Bratton	Gillett	Oddie	Stanfield
Broussard	Goff	Overman	Stephens
Bruce	Gooding	Pepper	Trammell
Butler	Hale	Phipps	Tyson
Cameron	Harrison	Pine	Wadsworth
Copeland	Heflin	Ransdell	Warren
Dale	Jones, Wash.	Reed, Pa.	Watson
Deneen	Kendrick	Robinson, Ind.	Weller
Edge	Keyes	Sackett	Willis
Ernst	McKellar	Shortridge	
Fernald	McLean	Simmons	
Fletcher	Metcalf	Smith	

NAYS—26

Ashurst	Fess	La Follette	Nye
Borah	Frazier	Lenroot	Schall
Capper	Glass	McMaster	Sheppard
Couzens	Harreld	McNary	Walsh
Cummins	Harris	Neely	Wheeler
Dill	Howell	Norbeck	
Ferris	King	Norris	

NOT VOTING—21

Bingham	Edwards	Mayfield	Swanson
Blease	Gerry	Means	Underwood
Brookhart	Greene	Pittman	Williams
Caraway	Johnson	Reed, Mo.	
Curtis	Jones, N. Mex.	Robinson, Ark.	
du Pont	McKinley	Shipstead	

So the amendment of the committee as amended was agreed to.

Mr. SMOOT. Mr. President, I would like now to have the Senate turn to page 224 and take up the admission taxes.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. Under the subhead "Title V—Tax on admissions and dues," on page 224, the committee proposes, in line 12, before the word "cents," to strike out "50" and insert "75," so as to read:

SEC. 500. (a) On and after the date this title takes effect, there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 500 of the revenue act of 1924—

(1) A tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place on or after such date, including admission by season ticket or subscription, to be paid by the person paying for such admission; but where the amount paid for admission is 75 cents or less, no tax shall be imposed;

Mr. KING. Mr. President, I desire to offer an amendment. I move to strike out—and perhaps under a technical construction of the unanimous-consent rule with respect to considering only committee amendments first, it may need a modification—the entire Title V—Tax on admissions and dues, beginning at line 3, on page 224, including the remainder of that page, all of pages 225, 226, and down to and including the word "fairs" on page 227; also all of pages 228 and 229, and all of page 230 down to and including line 17; in other words, my amendment is to strike out the entire title which deals with the subject of taxes on admissions and dues.

Mr. HARRISON. Mr. President, may I ask the Senator a question? I notice that he does not propose to strike out all of page 227.

Mr. NORRIS. Mr. President, we are unable to hear the junior Senator from Utah. I ask that business be suspended until there shall be order in the Senate.

Mr. SMOOT. I do not now understand what is the amendment proposed by my colleague. I could not hear his statement.

The VICE PRESIDENT. The Senate will be in order.

Mr. HARRISON. May I say to the Senator that my inquiry was this: The Senator from Utah has offered an amendment to strike out all of the tax which applies to admissions and dues.

Mr. NORRIS. Which Senator from Utah?

Mr. KING. The junior Senator from Utah. Certainly the senior Senator would not have offered such an amendment in relation to this matter.

Mr. NORRIS. We could not hear the debate, and we do not know who offered the amendment. We might get some idea as to whether we want to vote for it or not by ascertaining who offered the amendment.

Mr. KING. I have announced that the amendment was offered by the junior Senator from Utah.

Mr. NORRIS. Since I have learned that the junior Senator has offered the amendment, I am satisfied.

Mr. HARRISON. I desire to ask the junior Senator from Utah if his amendment did not pertain to lines 14 to 25, inclusive, on page 227? Why not include that, so that that part of the bill also will go out?

Mr. KING. My amendment includes the entire subject.

The VICE PRESIDENT. The motion to strike out a part takes precedence over the motion to strike out the whole. Therefore, a motion to strike out a part of the language could be offered now.

Mr. KING. I include what the Senator from Mississippi suggests, of course. I thought there would, perhaps, be unanimous consent to couple the amendment together, but my amendment includes the entire Title V.

The VICE PRESIDENT. There are committee amendments to Title V which have not yet been agreed to. After they shall have been perfected, the amendment suggested by the junior Senator from Utah will be in order.

Mr. BRATTON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New Mexico will state it.

Mr. BRATTON. The senior Senator from New Mexico [Mr. JONES] is unavoidably absent on account of illness. I have been furnished this afternoon with an amendment which he desires to propose to the committee's amendment dealing with the subject of the inheritance tax. I desire to give a notice at this time and to make a parliamentary inquiry. After the bill shall have been completed as in Committee of the Whole, and reported to the Senate, will the amendment to which I refer be in order, and, under the rules, by request from the senior Senator from New Mexico, will I be permitted to propose the amendment?

The VICE PRESIDENT. The amendment will then be in order.

Mr. BRATTON. Very well. I give notice that I desire to do that when the bill shall have reached the Senate.

Mr. NORRIS. I wish to ask the Senator a question. Will he not have the amendment printed, so that Senators may see it?

Mr. BRATTON. I shall be glad to do that. I send the amendment to the Secretary's desk, and ask that it be printed for the information of the Senate.

The VICE PRESIDENT. Without objection, the amendment will be printed.

Mr. BRATTON. It was my understanding that under parliamentary procedure I would be permitted to do what I have suggested.

The VICE PRESIDENT. The Senator is correct.

Mr. BRATTON. But I wanted to give notice to other Senators.

Mr. KING. I do not think notice is necessary, but, if it is, I give notice that I shall ask for a separate vote when the bill shall have been reported to the Senate from the Committee of the Whole, on the action by which the Senate rejected the House provision and adopted the Senate provision with respect to estate taxes.

The VICE PRESIDENT. The question is on the committee amendment, on page 224, line 12.

Mr. KING. Let the amendment be stated, Mr. President.

The CHIEF CLERK. On page 224, line 12, it is proposed to strike out "50" and to insert "75," so that the clause will read:

(1) A tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place on or after such date, including admission by season ticket or subscription, to be paid by the person paying for such admission; but where the amount paid for admission is 75 cents or less, no tax shall be imposed.

Mr. COPELAND. Mr. President, let me ask the Senator from Utah a question. Why was the amount fixed at 75 cents instead of $1?

Mr. SMOOT. Mr. President, by fixing the amount at 75 cents there will be a loss to the Treasury of $9,000,000.

I will say to the Senator from New York further that 75 cents takes in the junior baseball and football games, school entertainments, and similar affairs, and it exempts all tickets for moving-picture shows up to 75 cents. If the whole title were stricken out, there would be a further probable loss of $24,000,000.

Mr. COPELAND. Does the Senator mean for the entire title under the amendment as proposed by his colleague?

Mr. SMOOT. Yes; for the entire title.

Mr. President, it might be just as well for me to say now that I presume every Senator has seen the statement which has been made by Representative GREEN, chairman of the Ways and Means Committee of the other House, that the reductions made by the Senate are vastly greater than the Treasury can stand. I say now that not only will we have to provide for the general expenses of the Government as estimated by the Treasury officials but before we get through with this session of Congress we shall have a public buildings bill. I have no doubt of it at all. Not only that, but we shall have a pension

bill carrying perhaps $40,000,000. I do not believe there is any Senator here who wishes to place the Government in the position where it can not meet its expenses through taxation.

Mr. JOHNSON. Mr. President, will the Senator from Utah please tell me the amount of difference in the revenue—it probably has been stated, but I do not recall it—which would be caused if the amendment of the junior Senator from Utah [Mr. KING] were adopted?

Mr. SMOOT. It would be $24,000,000.

Mr. JOHNSON. That would not make any difference, would it?

Mr. SMOOT. I think it would.

Mr. JOHNSON. That is a mere bagatelle.

Mr. SMOOT. I think it would make a difference.

Let me say, further, that, so far as the excise taxes are concerned, taxes on dues and admissions to theaters, and all the special taxes, no one would like to see them entirely eliminated from the bill more than I; but, Mr. President, it can not be done if we are to provide for meeting the expenses of the Government at this time.

Mr. REED of Missouri. Mr. President, I wish to say to the senior Senator from Utah [Mr. SMOOT] that his statement comes with great force. I am wondering why it was not made when we were about to wipe out the estate tax? It would have been equally pertinent at that time.

Mr. NORRIS. Mr. President, we have been opening the bunghole of this barrel now for several days. We have been taking out the taxpayers' money at the rate of many million dollars every few minutes, and the cry has been going up from the coalition which we have been fighting, "We have got too much money." Even to-day, in connection with the estate-tax provision, we have been told that we had such a large surplus last year and are going to have such a large surplus next year and the year following that the question will arise, What are we going to do with the money? Then we were dealing in hundreds of millions. We were dealing with a proposition that would bring in more money than this; we were dealing with a proposition when we were considering the publicity provision that would have meant hundreds of millions of dollars a year in increased income. Now, however, when it comes to tickets for ball games and theaters we are immediately reminded that we are very poor; that the Government is going to run behind; that we are not going to have enough to pay the running expenses of the Government, but that we are going to have a deficit.

Mr. REED of Missouri. Mr. President——

Mr. NORRIS. I yield to the Senator from Missouri.

Mr. REED of Missouri. Does not the Senator understand that admissions to the cheapest theaters, and to all the theaters, in fact, are paid very largely by the great mass of the people?

Mr. NORRIS. Of course, and that is merely another demonstration that this is a millionaire's bill. When it is desired to reduce by 44 per cent the income tax on incomes in excess of $100,000 we would put it through; the steam roller must proceed; we do not need the money; but when some one wants to buy a ticket to a football game, unless he secures a ticket to a portion of the field where he can get a very cheap seat and have a very poor opportunity to see the game, he has got to pay a tax; he must pay something because the Government needs the money.

I do not know how those who are supporting this bill can continue with it without getting into a joint debate with themselves. A few moments ago we had a plethora of money, but now we are paupers; we have got to save every cent for Uncle Sam. The statement was probably true both times: it was probably true when we went into his big pockets and stole all his money for the millionaires, and now we are going to appeal to the patriotism of the poor people to give up their nickels and put them in Uncle Sam's vest pocket.

I am not sure, Mr. President, just what course we ought to take. If we are going to continue to save the money by the millions of dollars for the rich because we do not need it and get it out of the poor who can not afford it, perhaps we ought to keep on. It seems to me, however, that it is time for us to consider whether if we get this bill in such shape that it is not going to produce enough money, we may not have an opportunity to ask the man who has a net income exceeding $100,000 to contribute a little more money; and when we get into the Senate there will be an amendment offered that will run from 20 to 25 per cent on incomes between $100,000 and $1,000,000. Those with such incomes can afford to pay for these tickets.

A Senator suggests that they do not go to these shows. I know they do not. They have theaters in their own homes where there is not any admission paid, and where there is no tax.

Mr. SMOOT. There is no tax on any ticket under this provision unless it costs 75 cents or more.

Mr. HARRISON. Mr. President, there are two committee amendments, I think, to this part of the bill, and the Senator from Utah [Mr. KING] has made a motion to strike out all of the admission dues. It would seem to me that that motion ought to be voted on before we vote on the committee amendment, because the committee amendment increases the exemption from 50 cents to 75 cents, and then there is another amendment on the spoken drama. Can we not come to a vote first upon the motion to eliminate all admission dues, and then take up the other matter?

Mr. SMOOT. I think that is proper.

Mr. KING. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KING Do I understand that the proposition of the Senator from Mississippi, which seems to be acceded to by the Senator in charge of the bill, is that my motion to strike out the entire title dealing with admissions and dues shall take precedence over a vote upon the amendments offered by the committee? I am entirely agreeable to that.

The VICE PRESIDENT. It can be done only by unanimous consent. If there is not objection, it can be done.

Mr. HARRISON. I ask unanimous consent that that be the procedure.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

The question is on the motion of the Senator from Utah [Mr. KING].

Mr. BORAH. Mr. President, I desire to ask the Senator from Utah [Mr. SMOOT], in charge of the bill, to state a little more fully—I was called out—what this motion covers in the way of tax.

Mr. SMOOT. The Senate committee amendment increasing the exemption on admissions from 50 cents to 75 cents means a reduction in the revenue of the Government of $9,000,000.

Mr. BORAH. Admissions to what?

Mr. SMOOT. To all entertainments, theaters, games, and so forth.

Mr. BORAH. Legitimate theaters, movies, and everything?

Mr. SMOOT. Movies and everything; baseball games and all admissions.

Mr. BORAH. But there is an exemption up to 75 cents?

Mr. SMOOT. The present law is 50 cents. We raised the 50 cents exemption to 75 cents so as to take in all of the school entertainments, minor baseball and football games, and so forth, outside of those where people pay $5 to see one of the big football games or one of the National League games. By the committee amendment we lose $9,000,000, and if the amendment of the junior Senator from Utah is agreed to we will lose $24,000,000 more.

Mr. BORAH. But if you go to an entertainment which costs only 75 cents there is no tax?

Mr. SMOOT. No tax at all.

Mr. BORAH. That is good enough for me.

Mr. GLASS. Mr. President, do I understand that there is no tax if you go to an entertainment costing $5?

Mr. BORAH. No; the exemption is only up to 75 cents.

Mr. KING. Mr. President, I prepared a brief statement to present to the Senate dealing with my amendment, but I shall not take the time to read it. I ask that it may be inserted in the RECORD, and I shall ask for a vote without having it read.

The VICE PRESIDENT. Without objection, it will be printed in the RECORD.

The statement referred to is as follows:

Title V of the revenue act of 1924 imposed a tax on admissions and dues. If this act were to be continued in force and the rates prescribed applied to the calendar year 1926, it was estimated by the Treasury that revenues in the amount of $33,000,000 would be produced. In the pending revenue bill as it passed the House of Representatives Title V was amended so as to exempt from the admissions and dues tax admissions to theaters producing exclusively what is called "legitimate spoken drama" consuming more than 1 hour and 45 minutes for its performance. This exemption from the operation of the law would, it was estimated for the year 1926, reduce the revenues to be derived from Title V to the amount of $29,000,000.

The Finance Committee has reported an amendment to Title V which strikes from the bill the House amendment exempting theaters which produce exclusively "legitimate spoken drama" and which exempts from the tax tickets upon which a price of 75 cents or less is fixed. The House bill, as does the present law, exempts tickets upon which a price of 50 cents or less is fixed from the application of the tax. The Treasury estimates that the bill as it is pending with the

Senate amendment will produce revenues in the calendar year 1926 in the amount of $24,000,000. This is the figure carried in the table on page 8 of the committee report. However, on page 10 of the report the statement was made that the Government needs the $20,000,000 to be derived as revenue from this tax.

I have proposed an amendment which repeals the tax entirely. The loss of revenue may be roundly stated at $20,000,000. This is one tax, I submit, that we may repeal without producing a deficit, even if the views of the majority of the Finance Committee were correct. The tax has been so qualified and amended by the pending and by former acts that it is discriminatory in its operations as to different amusements patronized by the people.

The theaters pay their regular corporation income taxes, and where they are personally owned the proprietors pay their individual income taxes upon the profits of the business. It is asserted that the tax is an impediment to the business, and it is believed that if the tax be repealed the volume of the business will be increased to such an extent that the increased amount reflected in corporate profits and income will, at the rate of 13½ per cent, recover for the Government the major portion of the revenues of $20,000,000 which will be pretermitted if Title V covering the tax on admissions and dues be stricken from the bill and the tax be repealed.

Whatever the argument to the contrary may be, this tax has all the appearance of a war tax. It is encountered every day by citizens as they approach the box offices of theaters and places of amusement. It is a constant reminder of the war levies. It stimulates resentment on the part of the people generally and causes complaint and dissatisfaction, which it is more important should be relieved than is the retention of the tax for the sake of $20,000,000 of annual revenues collected with difficulty and expense from every community in the country. The reasons for its repeal clearly preponderate over the one reason advanced for its retention.

Mr. SMITH. Mr. President, before this vote is taken I should like to ask the chairman of the committee what is the total amount collected under the present law?

Mr. SMOOT. Thirty-three million dollars.

Mr. KING. But the House amends it so as to reduce the amount to $24,000,000.

Mr. SMOOT. No; the Senate committee amends it. No change at all is made in it by the House. The House left it at the 50-cent rate, but the Senate committee provided for a 50 per cent decrease.

Mr. HARRISON. Mr. President, the Senator is in error in saying that the House made no decrease at all. The House adopted an exemption of the spoken drama——

Mr. SMOOT. Oh, yes; the House exempted the legitimate spoken drama; but we were speaking of the others.

Mr. HARRISON. Which reduced the revenue to $29,000,000.

Mr. KING. Mr. President, if there is to be debate upon it, I shall recall the address which I sent to the desk; but I am ready now to have a vote taken upon my motion to strike out the entire provision dealing with admissions and dues, so that if it is carried they will be exempted and we will lose $20,000,000 of revenue only. We do not need that amount, because there will be a surplus anyway.

Mr. HARRELD. Mr. President, regardless of what the vote is on that motion, we would still have the right to offer amendments afterwards, I understand.

The VICE PRESIDENT. Not if the motion prevails.

Mr. HARRELD. But if it does not prevail we will?

The VICE PRESIDENT. Yes. The question is on the amendment offered by the Senator from Utah [Mr. KING].

Mr. HARRISON. On that I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). I have a pair with the Senator from Pennsylvania [Mr. PEPPER]. Not knowing how he would vote on this question, I withhold my vote

Mr. BROOKHART (when his name was called). I have a pair with the junior Senator from Arkansas [Mr. CARAWAY]. If at liberty to vote, I should vote "yea."

Mr. COPELAND (when Mr. EDWARDS's name was called). The junior Senator from New Jersey [Mr. EDWARDS] is unavoidably absent. If he were present, he would vote "yea."

Mr. FERNALD (when his name was called). I transfer my pair with the senior Senator from New Mexico [Mr. JONES] to the junior Senator from Connecticut [Mr. BINGHAM], and will vote. I vote "nay."

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. I am advised that he would vote as I shall vote. I vote "nay."

Mr. JOHNSON (when his name was called). I am paired with the senior Senator from Arkansas [Mr. ROBINSON] and withhold my vote. If at liberty to vote, I should vote "yea."

Mr. SWANSON (when his name was called). I announce my pair with the senior Senator from Illinois [Mr. MCKINLEY]. I do not know how he would vote on this question, and consequently I refrain from voting. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. BLEASE. I desire to announce that if the junior Senator from Missouri [Mr. WILLIAMS] were present he would vote "nay" and I would vote "yea." I am paired with the junior Senator from Missouri.

Mr. ERNST. I am paired with the junior Senator from New Jersey [Mr. EDWARDS]. I am advised it has just been announced that if he were present he would vote "yea." If at liberty to vote, I should vote "nay."

Mr. WALSH. The junior Senator from Montana [Mr. WHEELER] is absent on account of illness. He is paired with the Senator from Vermont [Mr. GREENE]. If present, the junior Senator from Montana would vote "yea."

Mr. JONES of Washington. The senior Senator from Kansas [Mr. CURTIS] is necessarily absent on account of illness. He is paired wih the senior Senator from Missouri [Mr. REED]. If the Senator from Kansas were present and at liberty to vote, he would vote "nay." I will allow the announcement with reference to the cause of his absence to stand for the day.

Mr. SHEPPARD. I was requested to announce that the junior Senator from Texas [Mr. MAYFIELD] is paired with the junior Senator from Colorado [Mr. MEANS].

Mr. REED of Missouri. I have some financial interest, not large, but of such a nature that it would be affected by this vote; and I ask that I be excused from voting.

The VICE PRESIDENT. Will the Senate excuse the Senator from Missouri from voting for the reason stated? Without objection, the Senator will be excused.

The result was announced—yeas 36, nays 34, as follows:

YEAS—36

Ashurst	Frazier	McKellar	Ransdell
Bayard	George	McMaster	Sheppard
Broussard	Harreld	McNary	Shipstead
Capper	Harris	Neely	Simmons
Copeland	Harrison	Norbeck	Smith
Couzens	Heflin	Norris	Stanfield
Dill	Kendrick	Nye	Trammell
Edge	King	Overman	Walsh
Ferris	La Follette	Phipps	Weller

NAYS—34

Borah	Fletcher	Lenroot	Shortridge
Bruce	Gillett	McLean	Smoot
Butler	Glass	Metcalf	Tyson
Cameron	Goff	Moses	Wadsworth
Cummins	Gooding	Oddie	Warren
Dale	Hale	Pine	Watson
Deneen	Howell	Reed, Pa.	Willis
Fernald	Jones, Wash.	Robinson, Ind.	
Fess	Keyes	Sackett	

NOT VOTING—26

Bingham	Edwards	Mayfield	Stephens
Blease	Ernst	Means	Swanson
Bratton	Gerry	Pepper	Underwood
Brookhart	Greene	Pittman	Wheeler
Caraway	Johnson	Reed, Mo.	Williams
Curtis	Jones, N. Mex.	Robinson, Ark.	
du Pont	McKinley	Schall	

So Mr. KING's amendment was agreed to.

Mr. WADSWORTH. Mr. President, as I listened to the reading of the amendment proposed by the junior Senator from Utah, and which I understand has just been adopted, abolishing all admission taxes and dues, I did not hear any reference to the provision relating to the legitimate drama.

Mr. SMOOT. The whole title goes out.

Mr. WADSWORTH. I did not hear any reference to it. It seemed to me, as I heard the amendment read, that it did not include it.

Mr. KING. As I first stated it, perhaps it did not, but I later called attention to the House provision, and my motion as amended included the entire title, including that through which the lines have been stricken on page 227.

Mr. WADSWORTH. Then I understand it was done by unanimous consent?

Mr. KING. Yes.

Mr. WADSWORTH. The committee amendment has not been acted on; the House text, however, has been restored, in spite of a committee amendment pending?

Mr. SMOOT. It was done by unanimous consent. Now I give notice that I will ask——

Mr. WALSH. Mr. President, I do not understand this at all. I understand that subdivision (3) of section 500 on page 227 has gone out with all the rest of section 500.

Mr. WADSWORTH. That is what I now understand, although it was done in an upside-down parliamentary manner.

Mr. HARRISON. When the motion was first stated, it did not include that, but I propounded an inquiry in regard to it, and the Senator from Utah then did include it.

Mr. KING. I stated at the outset that perhaps it could only be done by unanimous consent, and that was obtained, so as to dispose of the entire section, without considering the Senate Committee amendment first. Then I moved to strike out the whole title, as I anticipated the Senate would do.

Mr. SMITH. The language goes out down to title 6?

Mr. KING. Down to title 6, under the head of "Excise taxes," section 600, on page 230.

Mr. SMOOT. Mr. President, I give notice that I shall ask for a separate vote in the Senate on this amendment.

I now desire to turn to page 230, the excise-tax provision.

Mr. KING. The provision covering automobiles?

Mr. SMOOT. The automobile amendment is the first amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 230, after line 23, the committee proposes to insert:

(1) Automobile truck chassis and automobile wagon chassis sold or leased for an amount in excess of $1,000, and automobile truck bodies and automobile wagon bodies sold or leased for an amount in excess of $200 (including in both cases tires, inner tubes, parts, and accessories therefor sold on or in connection therewith or with the sale thereof), 2 per cent. A sale or lease of an automobile truck or of an automobile wagon shall, for the purposes of this subdivision, be considered to be a sale of the chassis and of the body.

Mr. McKELLAR. Will not the Senator from Utah tell us how much money that would bring in?

Mr. SMOOT. Six million dollars. In other words, on trucks the rate is to be 2 per cent, and we give the industry a reduction of 33⅓ per cent. There is nothing that I know of which destroys roads to a greater extent and comes in more direct competition with transportation than the automobile truck, and it seemed to us that in giving a reduction of 40 per cent upon automobiles and 33⅓ per cent on trucks and taking all of the tax off parts we were going far enough with that industry.

Mr. KING. Mr. President, I have an amendment to strike out the entire title dealing with excise taxes and covering automobiles, trucks, and so forth. I shall not press it, but shall ask that the Senate disagree to the amendment tendered by the Finance Committee imposing a tax on automobile-truck chassis and automobile-wagon chassis, and so forth.

Mr. SIMMONS. Mr. President, I suggest to the Senator from Utah that he divide his amendment.

Mr. KING. I am willing to do that and to ask for a vote on the committee amendment just read by the clerk.

Mr. HARRISON. Mr. President, may I make an inquiry of the Senator from Utah. This item was stricken out on the recommendation of the House Ways and Means Committee?

Mr. SMOOT. It was.

Mr. HARRISON. It was restored by the Senate Finance Committee?

Mr. SMOOT. At 2 per cent, a lower rate than is imposed in the present law.

Mr. COUZENS. Mr. President, I would like to ask the Senator in charge of the bill the reason for reinstating this 2 per cent tax on automobile trucks.

Mr. SMOOT. As I stated before, we thought that we should arrive at some average rate of reduction on the automobile industry. The House removed the tax entirely from tires, parts, and everything of that kind. Then the House reduced the tax on automobiles from 5½ per cent to 3 per cent, and cut the tax entirely off trucks. The Finance Committee amendment does not impose any tax upon a truck the chassis of which costs less than $1,200.

In addition to that, I will say to the Senator, the committee in imposing this tax took into consideration the fact that trucks perhaps destroy the roads of this country more than any other agency, and the committee did not feel that they should go scot free from taxes if the truck itself cost more than $1,200. We were all agreed on the $1,200 figure.

Mr. COUZENS. I would like to ask the Senator what amount is expected to be brought into the Treasury by this additional tax?

Mr. SMOOT. Six million dollars.

Mr. COUZENS. I do not see a single justification for adding that tax. The Senator from New York states that it is not added, but that it is retained. I see no justification for the tax at all. The automobile industry, through the excise tax, has contributed many times more to the Federal Government than the Government has contributed to the States in the way of aid in the construction of good roads.

This is an unjust tax for many, many reasons. One of them is that it represents the means of livelihood of a great number of individuals who, with small capital, invest in automobile trucks on the installment plan to enable them to gain a living. They are in the transportation business. Transportation by automobile truck is the only transportation business that I know of which has an excise tax placed on it. It seems to me this is the most unjust tax of all the taxes found in the bill. I see no reason for it at all.

In this connection, I would like to ask the Senator from Utah if he can tell us how much is to be rebated by the Treasury Department because of the repeal of the 1924 estate tax. I think that has been stated in the debate, but I have forgotten the amount.

Mr. SMOOT. There will be a loss of $20,000,000 this coming year.

Mr. COUZENS. I understand; but of the taxes that have been paid under the act of 1924 the difference between the 40 per cent provided in that act and the maximum of 20 per cent provided in this act is to be rebated.

Mr. SMOOT. If they have been paid.

Mr. COUZENS. Of course, we assume that it is a justifiable credit. How much will the rebate or credit to these estates amount to?

Mr. REED of Pennsylvania. Mr. President, I can answer that. The Treasury Department officials have not been able to get up any complete statement, but they say it will be less than a couple of million dollars.

Mr. COUZENS. Do I understand that the replacing of the maximum estate tax and applying it to the 1924 act means only $2,000,000?

Mr. REED of Pennsylvania. That is not what the Senator asked. He asked about the refunds.

Mr. COUZENS. I asked about credits.

Mr. REED of Pennsylvania. The estates of most of those who have died since the enactment of the 1924 law are still in process of administration, and no tax has been paid. But the net loss to the United States in 1926 because of all the changes made in the estate-tax provision will be only the amount given by the Senator from Utah, about $20,000,000.

Mr. HOWELL. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. COUZENS. I yield.

Mr. HOWELL. That statement gives an entirely wrong conception of the situation.

Mr. REED of Pennsylvania. Does the Senator say the statement is false?

Mr. HOWELL. I do not say it is false, but I do say it gives an entirely wrong conception of the situation. There are $415,000,000 yet to be collected on account of deferred estate taxes. If we afford rebates as proposed in the bill, it means a net rebate on account of these deferred payments and cash already paid of $100,000,000.

Mr. WADSWORTH. Over four or five years.

Mr. HOWELL. That is what we are giving back. It is $100,000,000, not $20,000,000.

Mr. REED of Pennsylvania. Will the Senator from Michigan yield to me to make a statement?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Pennsylvania?

Mr. COUZENS. I do not want to yield right now. If I do not make a correct statement, I will yield to the Senator from Pennsylvania to correct me.

Mr. REED of Pennsylvania. I have the exact figures.

Mr. COUZENS. There is a confusion between rebates and credits which will have to be extended as a result of this repeal. The extent of the refunds is not important. The aggregate credit that must be extended to these estates, plus the rebates, is what affects the Government revenue. If the Senator from Pennsylvania can enlighten me on that point, I will yield.

Mr. REED of Pennsylvania. I am glad to. The average tax accruing yearly under the estate-tax provision of the revenue act of 1921 was about $110,000,000. Under the revenue act of 1924 it is estimated that it will be from $150,000,000 to $165,000,000. For the period from the enactment of the 1924 law to its repeal, as provided in the Finance Committee bill, the accrued taxes, as a result of the difference between the rates of that act and those of the 1921 act, will have amounted to about $85,000,000.

At the time of the enactment of the 1926 revenue act, it is estimated that the total accruals of estate taxes not as yet paid will be about $415,000,000. If we deduct from this the $85,000,000, as I explained before, it will leave about $330,000,000 still due to the United States on account of the estate taxes. It

is expected that the payment of this amount will be approximately as follows down to the year 1932. After 1932 the revenue will be nothing at all. The schedule is:

Calendar year:	Amount.
1926	$90,000,000
1927	80,000,000
1928	65,000,000
1929	50,000,000
1930	25,000,000
1931	15,000,000
1932	5,000,000

I think that answers the Senator's question.

Mr. COUZENS. What is the aggregate?

Mr. REED of Pennsylvania. The aggregate we will receive, if we repeal the estate tax right now, will be $330,000,000 still to come in. The amount we lose by the reduction in the rates of the act of 1924 is $85,000,000.

Mr. COUZENS. That is just the point I am making. The Senate has by an overwhelming vote agreed to credit estates to the extent of $85,000,000, and yet it is proposed to put a 2 per cent tax on the small truck owners of the country so as to raise six million puny dollars. It is proposed to take $6,000,000 out of the business of the little truck owners, who are earning their daily bread by doing a transportation business between cities throughout the country, and yet the Senate has deliberately given a credit of $85,000,000 to the large estates. I am not talking as a demagogue, but I think it is a damnable outrage to take $6,000,000 from the truck owners of the country in that way after taking $85,000,000 off the estate taxes.

Mr. EDGE. Mr. President, may I have the attention of the junior Senator from Utah?

Mr. KING. Certainly.

Mr. EDGE. Do I understand the amendment pending also includes other automobiles in addition to trucks? Does it likewise repeal that tax?

Mr. KING. Mr. President, I stated when I rose that I had a pending amendment to strike out all of the provision imposing taxes upon automobiles, whether trucks or chassis or the completed automobile. But I said I would pretermit offering the entire amendment and would segregate it and would offer first the amendment which consisted in a proposal to disagree to the Senate committee amendment dealing with automobile trucks.

Mr. EDGE. I would like to ask the senior Senator from Utah what would be the estimated loss to the Government if all the excise taxes on automobiles were removed?

Mr. SMOOT. On the automobiles it would be $69,600,000 and on the trucks it would be $6,000,000.

Mr. EDGE. In addition to the $69,000,000?

Mr. SMOOT. Yes; in addition to that amount.

Mr. EDGE. That is, the total income under the bill as reported by the committee would be approximately $75,000,000 from those two items?

Mr. SMOOT. Seventy-five million six hundred thousand dollars.

Mr. EDGE. What was the estimated income to the Government on the raising of the corporation tax from 12½ per cent to 13½ per cent?

Mr. SMOOT. Eighty-four million dollars.

Mr. EDGE. I agree to a great extent with the statement made by the Senator from Michigan [Mr. COUZENS]. I am fundamentally opposed to all excise taxes. I recognize that the Government must raise a certain revenue, but if there is any other method to be devised by which we can raise it, it seems to me it would be decidedly preferable to any type of excise tax. With the increase in corporation taxes and some adjustments that I naturally assume will be made in conference, perhaps, with reference to the inheritance tax that we have heard so much about, I am wondering whether we could not afford at this time, in view of the anticipated revenue to the Government generally being higher than we are led to believe it will be, to relieve the individuals who are certainly interested in all these automobile taxes?

Mr. SMOOT. We have already estimated that the amount from the corporation tax will be $118,000,000 for the present fiscal year. That has been estimated for and covered in the items submitted by the committee and by the department. We can not see how we are going to increase the amount from the corporations this year. It is out of the question.

Mr. EDGE. Business is prosperous.

Mr. SMOOT. Yes; I am perfectly well aware of that. I think the department made as large an estimate as they could possibly figure out. The daily reports of the Treasury show it. If we take yesterday's daily report, it will show just what the increase is for the fiscal year ending June 30, 1926. If the receipts do not increase during the next four months more than they have done in the last eight months, we are not going to reach even $118,000,000.

Mr. EDGE. What was the estimate of the Finance Committee or the Ways and Means Committee—because they must have made an estimate—of revenue from the inheritance tax under the provisions of the bill as it passed the House?

Mr. SMOOT. The way the House provided for it, aside from the 80 per cent, it would be $110,000,000.

Mr. NORRIS. Mr. President, I am very much pleased that on this important question I can agree with the Senator from New Jersey [Mr. EDGE]. I usually agree with him when he will let me. The Senator from New Jersey said he is fundamentally opposed to the nuisance taxes on automobiles. So am I. It is too bad that we have to levy them. The men who have the trucks are poor men. They are all laboring men. They are the heads of families in our cities and our towns. They work long hours. They have children to educate and to clothe. In fact, life with them is a serious proposition. It is hard to tax them, and yet it is necessary.

From the bill we have just eliminated all the rich inheritance taxes, amounting to an average of from $110,000,000 to $150,000,000 a year, much more than the poor laboring men pay on their trucks, but we have liberated the large estates. The owners of the large estates are dead, it is true, and the children and the colleges they have mentioned in their wills are wealthy and do not need the money very badly, but we have given it to them anyway. That is past; it is over. Somebody must bear the burden. Who can bear it better than the man who always has toiled, who always has labored? He is used to it. He has done that all his life. Why not let him keep on the balance of his days?

If we are going to liberate the big estates, if we are going to remove the taxes from luxury and let those big estates with incomes of more than $100,000,000 net be reduced 44 per cent, the men who now toil must make up their minds to continue to toil. There is no other way out of it. That is our mandate. Those are the commands that come from the coalition and from our "master's voice." We have not anything to do but walk straight through and obey. We can not entirely liberate the rich and the poor both. Somebody must pay the taxes. The men of wealth do not want to pay them. When they are dead nobody wants to take it out of their estate. We do not want to urge that, because they always had their way when they were alive, and it would be hard to go contrary to their wishes after they are dead. It is not right to impose a tax more than he is willing to pay on the man who has a net income of $100,000 or more. We have heard it said that by such a course we will increase the patriotism of those people. So let us make these truck drivers patriotic. Let us get them in such a patriotic fervor that they will be ready to enlist and shoulder the musket at $30 a month if needed in another war where we can make some more profiteers to get big incomes.

Mr. DALE. Mr. President, will the Senator yield to me at that point?

Mr. NORRIS. With pleasure.

Mr. DALE. The Senator referred to shouldering the musket for $30 a month. Does he not recall that after we gave $30 a month to the boys we took it away for life insurance, and so forth? Does not the Senator remember that we took it practically all away for such purposes?

Mr. NORRIS. Yes; we took some of it away; but they did not squeal about it. If we had taken that much away from a millionaire we would have had the corner of the Capitol lifted up. We would have had a message from the White House. We would have had a message from the Secretary of the Treasury. But these poor men are used to that kind of treatment; so let us have just as little commotion about it as possible. Let them keep on toiling and paying taxes. If we are going to relieve, as we have done, the big estates and the big incomes, the little fellows will have to pay, and they might as well know it at one time as another.

Mr. KING. Mr. President, I want to call attention very briefly to a few figures which I have taken some trouble to verify, and I think are not subject to successful challenge, showing the heavy burdens which are imposed upon the users of automobiles.

First, they are compelled to pay a property tax in the States. That is a very heavy tax. In addition they have to pay a license tax. They then have to pay a tax upon gasoline, and that tax is, in many States, increasing. The aggregate tax paid to the States in 1924 exceeded $400,000,000. The license and registration taxes amounted to $225,492,252. The tax upon automobiles as such amounted to $90,000,000. That is the per-

sonal property tax. The gasoline tax amounted to $80,000,000. Then there were municipal regulations and licenses which imposed an additional tax of over $15,000,000 upon automobiles.

In 1925 this amount was greatly exceeded. I am advised, though I have not been able to verify the figures, that the taxes paid by the automobile users to the States alone during the calendar year 1925 exceeded $500,000,000. That is an enormous tax. It must be borne in mind that more than 50 per cent of the automobiles are owned by those who reside upon the farms and in towns of less than 1,000 inhabitants. A large percentage—I think 33 per cent—are owned by persons who reside in cities under 5,000 and above 1,000 inhabitants. The smaller number of automobiles are owned by those residing in the great cities.

The automobile has come to be not a luxury but a necessity. It is important to the farmer; perhaps more important to him than to any other class of our citizens. With this tremendous burden of more than $500,000,000—and increasing annually—paid to the States by the automobile owners, it seems to me they ought to be exempted entirely from Federal taxes.

Mr. BRUCE. Mr. President——

Mr. KING. I yield to the Senator from Maryland.

Mr. BRUCE. Has the Senator figured out how much the tax on automobiles amounts to?

Mr. KING. There are 17,000,000 automobiles—good, bad, and indifferent, and a large number of them indifferent—in the entire United States.

Mr. BRUCE. It would be less than $30 per automobile, would it not?

Mr. KING. The Senator is a better mathematician than I am and a better historian, so I call upon his knowledge of mathematics and history to determine that fact. This is not the beginning nor the end of the taxes. The accessories have to be bought. There is a rising market now for tires. Then the lubricating oil has to be purchased, and the gasoline has to be purchased; so that the expenses of operating an automobile are very great to the owner.

Mr. President, the pending motion contemplates only reducing the tax upon trucks. Later I shall ask for the consideration of my motion in reference to the tax on automobiles themselves.

Mr. SMOOT. Mr. President, in the first place, I wish to say to the Senator from Maryland [Mr. BRUCE], although I see he is out of the Chamber for the moment, that there is no tax imposed upon automobiles now in use. The tax is imposed only upon new automobiles when purchased. The actual receipts from the taxes on automobiles, trucks, parts, and tires are a little over $150,000,000. The House of Representatives cut that in two; in other words, reduced the tax upon these items, taken as a whole, 50 per cent; and the little truck driver will not pay a single cent of tax on his truck if it costs less than $1,200.

I should like, of course, to do away with all taxes if it were possible, but we are relieving this industry of $75,000,000 of taxes a year. There are only about 4,200,000 taxpayers and there are 17,000,000 automobiles in use.

Mr. President, it does seem to me that this reduction is sufficient. We have taken the tax off the parts and the tax off the tires and we have reduced the tax on automobiles from 5 per cent to 3 per cent, or 40 per cent. Now, we ask here a 2 per cent tax on trucks worth over $1,200. The farmer's truck does not pay 1 cent under the existing law, nor will it do so under the proposed law. We are giving a reduction of 33⅓ per cent; in other words, we are giving $75,000,000 to this industry in the reduction of taxes. That is the situation. We have got to raise the money from some source; there is no doubt about that at all; and I do not know of any tax that would be less onerous than the 3 per cent tax which is provided for in the pending bill upon those who are able to buy high-priced automobiles.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on agreeing to the committee amendment.

Mr. COUZENS. Mr. President, the Senator from Wisconsin [Mr. LENROOT] offered an amendment when the section relating to surtaxes was under discussion and, I think, made the statement that to increase the maximum surtax to 25 per cent on incomes over $100,000 would bring in over $10,000,000.

Mr. SMOOT. For the first year.

Mr. COUZENS. Yes.

Mr. SMOOT. But it would not do so thereafter.

Mr. COUZENS. The Senator does not know. Of course, the Senator can guess and he can argue, but he can not guess accurately because he has not guessed accurately in the past.

Mr. SMOOT. I am using the estimates of the department.

Mr. COUZENS. The estimates of the department have been so wonderfully accurate in the past that we all rely upon them.

Mr. SMOOT. The Senator from Michigan got his estimate of $10,000,000 from the department.

Mr. COUZENS. But for the following years we do not know how much more the tax or how much less it will produce. Here we propose to collect $6,000,000 from truck drivers. Admitting that many of these trucks are owned by persons who in all probability can well afford to pay, I know from actual experience that in 1920 and 1921 and in the years following the close of the World War many trucks were bought on the installment plan, costing from $2,000 to $3,000, being 3 and 4 ton trucks, on which a small payment was originally made. The owner of such a truck not only had to drive his own truck and handle the load it contained, but he had to pay the installments and interest on deferred payments and make a living out of the truck. If such a man buys a $2,000 truck he will have to pay a tax of $40 which is, perhaps, more than he will earn in a week, just for the purpose of enabling the Government to collect $6,000,000; and that in face of the fact that we refuse to increase the surtax on which we can collect many million dollars more, repeal a tax already in effect, and refund $85,000,000. For the life of me, I can not see any consistency in that at all.

Mr. REED of Pennsylvania. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Pennsylvania?

Mr. REED of Pennsylvania. I thought the Senator from Michigan had concluded.

Mr. COUZENS. I hope that Senators will appreciate the situation. The absurdity of this sort of legislation must appear to any person with a heart and a head or even to one who may have one without the other. I hope that the amendment which the Finance Committee has inserted may be rejected.

Mr. REED of Pennsylvania. Mr. President, just a word on this subject. I think that every one of us, from his own experience, can appraise the soundness of the arguments which have been made for the repeal of the tax. As we travel over the roads, if we will eliminate from consideration all of the Fords and the lighter trucks, let us merely remember the names that we read on the sides of the big trucks that crowd us off the road, and read the names of those big trucks in the city which carry two or three tons of coal or a couple of tons of oil, and then think that the tax that we are proposing to take off is only 2 per cent on those huge vehicles which pay nothing for their right of way.

Mr. WADSWORTH. And it is a tax which is paid only once.

Mr. REED of Pennsylvania. They pay it only once; it is not paid every year.

Mr. NORRIS. Once is enough.

Mr. REED of Pennsylvania. It is not enough for me; I would tax them that much every year. They pay nothing for the right of way which they get, while the railroad that competes with them with its freight cars pays its franchise tax, pays for keeping up its right of way, pays taxes locally, pays taxes to the State of incorporation, and all the taxes which we levy on them. These people are the favorites of our legislation; they ought to pay a tax, and it ought to be more than this.

SEVERAL SENATORS. Vote!

Mr. COUZENS. I can hardly let the statement of the Senator from Pennsylvania go by without a further remark. He is very anxious to reach the wealthy truck owner who has a truck in active business, the wealthy truck owner who hauls coal and oil around the streets, who pays his local taxes for the maintenance of the streets, who pays his license tax, and, perhaps, weight taxes, and a horsepower tax. He said that he would not only tax them once but that he would tax them every year this amount, yet he has voted to refund $85,000,000 to the estates of the rich men who have died and who are, therefore, not further using the streets or destroying them. The inconsistency of that is incomprehensible to me.

Mr. HARRISON. May I suggest to the Senator that he named several taxes which the truck drivers pay, but he left off the gasoline tax, which is quite an item.

Mr. COUZENS. I understand that, and so does everybody in this Chamber understand it. I do not think that anyone who opposes the rejection of the amendment reported by the Finance Committee has a leg to stand on.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. HARRISON. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. REED of Pennsylvania. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. REED of Pennsylvania. Is the vote on the committee amendment?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. NORRIS. Has not the committee amendment been divided?

The PRESIDING OFFICER. The Chair is advised that the question is on the committee amendment, beginning at line 24, page 230, and ending line 8, page 231.

Mr. DILL. Is that the truck amendment?

Mr. McKELLAR. It is the truck amendment.

The PRESIDING OFFICER. The Chair has stated the amendment. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. COPELAND (when Mr. EDWARDS's name was called). The Senator from New Jersey [Mr. EDWARDS] is unavoidably absent. If he were present, he would vote "nay."

Mr. FERNALD (when his name was called). I transfer my pair with the senior Senator from New Mexico [Mr. JONES] to the Senator from Connecticut [Mr. BINGHAM] and vote "yea."

Mr. FLETCHER (when his name was called). Making the same announcement as to my pair as on the previous vote, I vote "yea."

Mr. JOHNSON (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. ROBINSON]. If permitted to vote, I should vote "nay."

Mr. SWANSON (when his name was called). I transfer my pair with the senior Senator from Illinois [Mr. McKINLEY] to the senior Senator from Alabama [Mr. UNDERWOOD], and will vote. I vote "nay."

The roll call was concluded.

Mr. BLEASE. I am paired with the Senator from Missouri [Mr. WILLIAMS]. Not knowing how that Senator would vote on this question, I withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. WALSH. I announce again the pair of my colleague [Mr. WHEELER] with the Senator from Vermont [Mr. GREENE]. If my colleague were present and at liberty to vote, he would vote "nay."

Mr. REED of Missouri (after having voted in the negative). I transfer my pair with the Senator from Kansas [Mr. CURTIS] to the Senator from Mississippi [Mr. STEPHENS], and will allow my vote to stand.

Mr. NORRIS. I desire to announce that the junior Senator from Iowa [Mr. BROOKHART] has been called from the Chamber. He is paired with the junior Senator from Arkansas [Mr. CARAWAY]. If the Senator from Iowa were present, he would vote "nay."

Mr. HARRISON. I desire to announce that the senior Senator from New Mexico [Mr. JONES], the senior Senator from Nevada [Mr. PITTMAN], the senior Senator from Alabama [Mr. UNDERWOOD], the senior Senator from Rhode Island [Mr. GERRY], and both of the Senators from Arkansas [Mr. ROBINSON and Mr. CARAWAY], are unavoidably detained. If those Senators were present, they would vote "nay" on this question.

Mr. SHEPPARD. My colleague [Mr. MAYFIELD], if present, would vote "nay." He is detained by illness, and is paired with the Senator from Colorado [Mr. MEANS].

Mr. JONES of Washington. I desire to announce the following pairs:

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD];

The Senator from Pennsylvania [Mr. PEPPER] with the Senator from New Mexico [Mr. BRATTON]; and

The Senator from Kentucky [Mr. ERNST] with the Senator from New Jersey [Mr. EDWARDS].

The result was announced—yeas 12, nays 55, as follows:

YEAS—12

Bruce	Hale	Reed, Pa.	Wadsworth
Fernald	McLean	Shortridge	Warren
Fletcher	Phipps	Smoot	Watson

NAYS—55

Bayard	George	McKellar	Robinson, Ind.
Broussard	Glass	McMaster	Sackett
Butler	Goff	McNary	Sheppard
Cameron	Harreld	Metcalf	Shipstead
Capper	Harris	Moses	Simmons
Copeland	Harrison	Neely	Smith
Couzens	Heflin	Norbeck	Stanfield
Dale	Howell	Norris	Swanson
Deneen	Jones, Wash.	Nye	Trammell
Dill	Kendrick	Oddie	Tyson
Edge	Keyes	Overman	Walsh
Ferris	King	Pine	Weller
Fess	La Follette	Ransdell	Willis
Frazier	Lenroot	Reed, Mo.	

NOT VOTING—29

Ashurst	Curtis	Johnson	Schall
Bingham	du Pont	Jones, N. Mex.	Stephens
Blease	Edwards	McKinley	Underwood
Borah	Ernst	Mayfield	Wheeler
Bratton	Gerry	Means	Williams
Brookhart	Gillett	Pepper	
Caraway	Gooding	Pittman	
Cummins	Greene	Robinson, Ark.	

So the amendment of the committee was rejected.

Mr. SMOOT. Mr. President, on page 231 I shall have to ask that the Senate reject the amendment on line 9 and the amendment on lines 13 and 14, now that the truck amendment has been rejected. This is simply carrying out the recent action of the Senate.

The VICE PRESIDENT. The amendments of the committee will be stated.

The CHIEF CLERK. On page 231, line 9, the committee proposes to strike out "(1) Automobiles" and to insert "(2) Other automobile."

The amendment was rejected.

The CHIEF CLERK. On the same page, lines 13 and 14, the committee proposes to strike out "automobile truck chassis and bodies, automobile wagon chassis and bodies, and."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. KING. Mr. President, I desire to offer an amendment to this provision between lines 9 and 18 on page 231. I move to strike out the entire paragraph embracing lines 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18 on page 231.

Mr. REED of Pennsylvania. That is subject to a point of order.

Mr. KING. It is possible that this amendment is premature and that we will be compelled to wait until individual amendments are in order after all the committee amendments have been disposed of; but it did seem to me that while we were considering the subject, having disposed of trucks, we had better dispose of automobiles. I ask unanimous consent that that may be done.

The VICE PRESIDENT. That can be done by unanimous consent.

Mr. KING. I ask unanimous consent that the Senate may now proceed to the consideration of my amendment, which is to strike out all of the provision found in lines 9 to 18, inclusive, on page 231.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. I do not object. If the Senate wants to strike out this paragraph and destroy the bill, go to it and rip it up.

Mr. BRUCE. Mr. President, what is the proposal?

Mr. WADSWORTH. Mr. President, may I ask the chairman of the committee or the junior Senator from Utah the amount of revenue involved in this matter? The paragraph provides for a 3 per cent tax on passenger automobiles.

Mr. SMOOT. Sixty-nine million dollars.

Mr. WADSWORTH. On that one paragraph alone?

Mr. SMOOT. On that one paragraph alone.

Mr. WADSWORTH. I merely desire to observe that we can not shed quite as bitter tears about this paragraph as we shed about the truck paragraph. The overwhelming majority of these cars are for luxury purposes.

Mr. KING. Mr. President, I do not agree with the Senator. I should like to know where he gets the figures upon which he bases the statement that the greater part of the automobiles contemplated here are luxury automobiles.

Mr. WADSWORTH. I assume that nearly every Cadillac car is a luxury, that nearly every Packard car is a luxury, that Pierce-Arrow cars are luxuries. I assume that the moderate-priced cars, as they are called, are used largely for pleasure driving. I do not think they are used in commercial business, as contrasted with trucks.

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Michigan?

Mr. WADSWORTH. I yield.

Mr. COUZENS. Does the Senator think that Ford cars are used for pleasure?

Mr. WADSWORTH. Well, some people have a contorted idea of what is fun; and many do believe that they are having a good time when they ride in one.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING] to strike out lines 9 to 18, inclusive, on page 231.

Mr. REED of Missouri. On that I call for the yeas and nays.

The yeas and nays were ordered.

Mr. COUZENS. Mr. President, I desire to protest against the tax on automobiles, generally speaking. We have consistently been reducing taxes and repealing excise taxes. I see no

justification at all for an excise tax on automobiles any more than on pianos or talking machines or radios. The absurdity of the situation must be apparent—that we place no sales tax on pianos, on talking machines, on radios, and yet in the case of the automobile, in which millions of the American people are getting a little outdoor exercise in little cars that cost from $300 to $500 or $1,000 and having difficulty in maintaining them, we propose to collect from them $15 or $20 each, as the case may be.

I agree with the Senator from New York [Mr. WADSWORTH] that there are cars on which we might be justified in collecting a sales tax. I do not disagree with the Senator at all that there are many cars on which we might be justified in collecting a sales tax, but in this very bill, as reported by the Finance Committee, trucks below $1,000 and bodies below $200 are exempted, and yet when it comes to the little doctor or the farmer who uses a pleasure car both for business and for pleasure, we propose to assess an excise tax of 3 per cent upon him.

Mr. President, there is not any justification whatsoever for it. There is not a man on this floor who can logically defend it. I ask Senators who approve of this procedure to get up on the floor and defend it. They can not defend it for the purpose of collecting revenue, because they have abandoned other sources of revenue more lucrative, much more easily collected, much less burdensome. They have repealed those, and now they ask to collect $69,000,000, of which over $50,000,000, it is safe to say, will be collected from people who can ill afford to pay. I should like some Senator who agrees with this action of the committee to get up and defend the action of the committee in putting on this tax or retaining it.

Mr. HEFLIN. Mr. President, will the Senator yield to me?

Mr. COUZENS. I yield.

Mr. HEFLIN. The automobile has taken the place of the old-fashioned buggy. The Federal Government never taxed the buggy——

Mr. COUZENS. Certainly not.

Mr. HEFLIN. And now it is taxing the automobile. I agree with the Senator that the tax ought to be taken off.

Mr. SMOOT. Mr. President, we are getting rid of these taxes just as fast as we can. We have reduced them 40 per cent this time. I hope to see the time in the very near future when we shall have none. I know that they are called nuisance taxes; I have denounced them in many ways; but we are cutting them out of the bill and reducing them as fast as we can. That is the exact situation.

Mr. DILL. Mr. President, I am just wondering what has become of the coalition that we had here that was taking off all these taxes on wealth and keeping them on the common people in the form of excise taxes.

Mr. REED of Missouri. Mr. President, I think I can answer the question. That coalition was formed only for the benefit of those who had great incomes.

Mr. DILL. And then it died out afterwards?

Mr. REED of Missouri. Yes.

Mr. HARRISON. Mr. President, of course I care nothing about the reflection of the Senator from Missouri or the Senator from Washington so far as I am personally concerned; but the Democratic members of the Finance Committee voted in the committee to take off these nuisance taxes; and in voting this way, as I voted before against the tax on trucks, I was voting just as I voted in the committee. I expect also to vote in the Senate as I voted in the committee.

In the program that was given to the press by the minority members of the Finance Committee it was stated that they were against these nuisance taxes and wanted to take them off. There has been no coalition so far as nuisance taxes are concerned, so far as I know, and I do not think anybody else knows of any.

Mr. DILL. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. DILL. The coalition, then, only extended to the matter of relieving great wealth in the form of high surtaxes and inheritance taxes, as I understand?

Mr. HARRISON. So far as any coalition is concerned that I know anything about, it was embodied in the agreement that was made by the distinguished ranking minority member of the Finance Committee in making his fight for a reduction of taxes in the lower brackets. I stood by him in that agreement, and I am glad that I did. I will do it in the Senate. I think, so far as I am concerned, that in acting as I did I was working in the interest of lower taxes for those between the $26,000 and the $100,000 brackets. That was as far as any coalition went in the Finance Committee, so far as the minority members were concerned. I do not think it will go any further than that here.

Mr. LENROOT. Mr. President, with reference to the statement made by the Senator from Mississippi, it has been conclusively shown within the last half hour how unnecessary any such coalition was in order to secure a reduction in the lower brackets of the bill. But the Senate, by a very large majority, this afternoon has approved the action of the committee taking from the Treasury the income received in the form of estate taxes, both relieving of those to come and refunding that which has been incurred, amounting to $40,000,000 for the calendar year 1926, $45,000,000 for the calendar year 1927, and $45,000,000 for the calendar year 1928.

The committee must have assumed that we did not need that revenue. I am satisfied that when the bill is acted upon finally the provisions which have been voted into the bill this afternoon with reference to estate taxes will not be found in it; and if that be true, it will be possible to make a reduction of $45,000,000 somewhere, if the Finance Committee was correct in its original estimate of the lowering of taxes.

Mr. KING. Mr. President, I think the Senator from Wisconsin has been modest in his statement, and I invite his attention to the further fact that with the increase in fortunes last year and this year the amount which would be collected during the next year, with the continuance of existing law, would of necessity be greater than that which we have collected in the past, perhaps not surpassing the year when we collected $154,000,000. But it is obvious that if we maintain the law taxing estates, there is bound to be a progressive increase in the taxes derived from the estates of decedents, because we know that those in whose hands the wealth increases are not immortal. Some will die during this calendar year, and their estates will be subject to tax.

Mr. LENROOT. Quite aside from that, as I understand, for the last year there was collected in the way of estate and inheritance taxes about $101,000,000. Now it is proposed to repeal entirely the law under which that sum was collected. I can not quite understand how it can be said that that means a loss of only $20,000,000 a year to the Treasury.

Mr. SMOOT. That comes about because the repeal is not to be effective for at least two years, and, therefore, this year it is only $20,000,000, as Mr. McCoy estimates it.

Mr. LENROOT. What would it have been if there had been no repeal?

Mr. SMOOT. One hundred and ten million dollars.

Mr. LENROOT. So the repeal, then, does effect a loss of $80,000,000, does it not?

Mr. SMOOT. Not on account of the repeal. This repeal affects only the year 1924.

Mr. LENROOT. Let me put it in another way. We collected $110,000,000 last year. If the rate had remained the same, how much would we have collected last year?

Mr. SMOOT. One hundred and ten million dollars.

Mr. LENROOT. So there is a loss of $80,000,000, is there not?

Mr. SMOOT. If we had not collected it for 1921, there would have been.

Mr. LENROOT. So it is entirely clear that there is somewhere between $30,000,000 and $80,000,000 of revenue which, if the House conferees do not agree with the action of the Senate, and the Senate conferees have to yield, we could put somewhere in the bill in the way of further reductions, if the estimates of the Finance Committee are correct as to revenue. That being clearly the fact, I am willing to vote for this reduction in the way of repealing the tax upon automobiles.

Mr. REED of Missouri. Mr. President, I do not desire to delay the Senate, but I am interested in the statement of the Senator from Mississippi. True, he prefaced it by saying he was not concerned with my opinion——

Mr. HARRISON. The Senator was talking about the coalition in the Finance Committee, and I happened to be one of the members of that committee, of which the Senator formerly was a member.

Mr. REED of Missouri. I asked the question, or made the observation, I have forgotten the form, as to whether the coalition had extended beyond the agreement in regard to the taxes upon great incomes.

Mr. LENROOT. Surtaxes.

Mr. SIMMONS. Mr. President——

Mr. REED of Missouri. Let me proceed a moment. I understood the Senator from Mississippi to say there had been no coalition or agreement except that the Democratic members had agreed to the reduction on the large incomes in order to get a reduction on the small incomes.

I want to follow up that question, and that is exactly what I intimated by my suggestion. I ask whether the Republican members of the committee were so bent upon not reducing the

taxes upon small incomes that it was necessary to make this arrangement in order to get the reduction upon the smaller incomes?

Mr. HARRISON. I will say to the Senator that the minority members of the Finance Committee gave a statement to the press outlining their position, and declared in the statement that one part of the program was to fight for a reduction on the incomes of those within the brackets between $20,000 and $100,000. It was expressly said in the statement which was issued by the ranking Democratic member on the Finance Committee and submitted to the other minority members that if the majority did not acquiesce in a substantial reduction within the brackets between $20,000 and $100,000 of around $35,000,000 or $40,000,000, I think it was, then we would fight for the 25 per cent maximum surtax.

The proposition was presented in the Finance Committee by the Senator from North Carolina to reduce the taxes within the brackets between $20,000 and $100,000. It was rejected by the Finance Committee. The majority members of the Finance Committee voted solidly against that proposition, which would have given a reduction of practically $40,000,000 to the small-income taxpayers.

The majority members said that they would be adamant in opposing any further reductions on the smaller incomes. Afterwards they went to the Senator from North Carolina with a proposition, stating that if we would support the proposition of the maximum surtax at 20 per cent, they would submit to a reduction of approximately $26,000,000 on the incomes between $20,000 and $100,000.

We considered that proposition. The word came to us that if we did not accept that, the majority members of the Finance Committee would give no reduction there. Consequently, believing that that was true, we accepted their proposition in order to get the reduction within those brackets. That was the reason why the minority members of the Finance Committee stood for a 20 per cent maximum surtax. They did not believe that otherwise they would ever get any greater reduction than that carried in the bill as it passed the House for the smaller income taxpayer.

Mr. HEFLIN. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Alabama?

Mr. HARRISON. I yield.

Mr. HEFLIN. How much reduction was brought about for these smaller taxpayers by reason of that agreement?

Mr. HARRISON. About $26,000,000.

Mr. REED of Missouri. Mr. President, I am much obliged to the Senator for his statement.

Mr. HARRISON. I have answered the Senator's question.

Mr. REED of Missouri. The statement is very illuminating.

Mr. SIMMONS. Mr. President, will the Senator from Missouri yield to me?

Mr. REED of Missouri. Certainly.

Mr. SIMMONS. After the statement to which the Senator from Mississippi has referred was submitted to the minority members of the committee and approved by them I made it public. Our proposition with respect to the surtax was that we insisted upon certain reductions, stating that if those reductions were agreed to by the committee, then we would support the 20 per cent surtax. That was our proposition, and we were unanimous in it. If they had not accepted it, then we would have insisted upon a 25 per cent surtax. That is the thing we compromised.

In the committee, so far as the inheritance tax was concerned, each member voted his convictions and has voted them here in the Senate. All the minority members were in favor of the repeal of the inheritance tax without any reference to any agreement at all, except the Senator from New Mexico [Mr. JONES] and the Senator from Utah [Mr. KING]. The Senator from Utah was opposed to it, and the Senator from New Mexico favored it, but he said he intended to offer an amendment substituting an inheritance tax for the estate tax. We voted our judgment with reference to an inheritance tax. As to the other matters we also voted our judgment, and we said that in the Senate we would vote as we saw fit with reference to all matters except the matter that was compromised, as to the surtax, and that we have done.

When the matter of increasing the tax on corporations by 1 per cent was before the Senate, we fought it, as we had fought it in the committee. When this matter of the imposition of a tax of 2 per cent on trucks came up, we fought it in the committee, and we fought it on the floor of the Senate, and I stated here yesterday that I would vote to take the tax off trucks, and that I would vote to take the tax off automobiles. In every matter except this matter which we compromised we have voted just as each member of the committee felt he ought to vote.

Mr. REED of Missouri. Mr. President, the amount of the colloquy is this: The Democratic members of the committee wanted to make the reductions upon incomes in the brackets below $100,000. The Republicans were opposed to it, but the Republicans wanted to make a heavy reduction in the brackets above $100,000. In order to get some measure of relief for incomes below $100,000 the Democrats on the committee compromised and agreed to support the Republican reduction on incomes above $100,000.

Mr. SIMMONS. It was said, before any controversy arose in the committee, that if the reductions were made as we proposed we would vote for a 20 per cent surtax. That statement was published in the RECORD and made a Senate document, and it seemed to meet with the approval of the Senators who were here at the time. I did not talk with all of them, of course.

Mr. WALSH. Mr. President, I am rather curious to know if the Senator from North Carolina or the Senator from Mississippi actually took a poll of the Senate in order to ascertain whether it became necessary to yield to this demand for a decrease in surtaxes on incomes above $100,000.

Mr. SIMMONS. I have just said to the Senate that when the announcement was made we assumed that each member of the committee had felt the sense of the Senate, and that in their judgment the Democratic Members of the Senate were agreeable to the proposition.

Mr. WALSH. No one ever even approached me on the subject.

Mr. SIMMONS. I do not say that every Senator was approached.

Mr. WALSH. I should imagine if there was any canvass on this side of the Chamber I would not be overlooked.

Mr. SIMMONS. There was no division among the seven members constituting the minority membership of the Finance Committee as to the proposition which they made before the bill was referred to the committee, as I explained.

Mr. REED of Missouri. Mr. President, I am not for the moment concerned with just how the compromise was effected, whether it was done by putting something in the RECORD or not. An understanding was reached, evidently.

Mr. SIMMONS. It was put in the RECORD before the compromise, I will say to the Senator.

Mr. REED of Missouri. The modus operandi employed is rather immaterial. What is the tax reduction which applies to those incomes in the brackets above $100,000?

Mr. SIMMONS. Ten million dollars, so far as revenue is concerned.

Mr. REED of Missouri. What is the reduction below those brackets?

Mr. SIMMONS. Twenty-six million dollars.

Mr. REED of Missouri. Then the reduction on estate taxes is how much?

Mr. SIMMONS. It is $26,000,000 by reason of the agreement, but that must be added to the reduction which the House made.

Mr. LENROOT. Mr. President, I think the Senator has unintentionally made a mistake. He said the reduction is only $10,000,000. It is very much more than that. It is $10,000,000 upon a maximum of 25 per cent.

Mr. SIMMONS. I was quoting the figures given to me.

Mr. LENROOT. The present tax is 40 per cent. So the reduction is very much more.

Mr. REED of Missouri. How much is the reduction on the present rate?

Mr. LENROOT. I have not the figures.

Mr. NORRIS. I can give the Senator the percentages. The reduction on incomes above $100,000 is 44 per cent. It is somewhere between 20 and 30 per cent on incomes below $100,000.

Mr. REED of Missouri. May I ask the chairman of the committee what is the reduction in dollars and cents on incomes above $100,000, as between the present law and the 20 per cent? How much of a reduction is it?

Mr. SIMMONS. I have not the figures as to that. The chairman of the Finance Committee may be able to give them to the Senator.

Mr. LENROOT. It is $10,000,000 on the basis of a maximum of 25 per cent, but the present law is 40 per cent.

Mr. SIMMONS. The entire gross reduction made by the House and Senate I have not estimated, but the reduction made by the Senate is about $24,000,000 or $25,000,000, and the reduction made by the House I would suppose to be about $15,000,000 or $20,000,000, making a total of something like $40,000,000 or $45,000,000. But I want to say to the Senator

that when the minority members of the Finance Committee met, four of those members felt that a 20 per cent maximum was enough. When we finally acted upon it some minority members of the committee did not agree to the proposition of 20 per cent, but it was agreed that we would all stand for 20 per cent provided the reductions were made. That was the agreement by the minority members of the Finance Committee before we went into a committee meeting.

We presented that proposition to the Senate and published it. I heard no clamor against it. We went into the committee and proposed it, and the majority members voted it down by a unanimous vote, and then several days after that—I do not know how many days after—the proposition of compromise was made, and we compromised the matter, and that was the end of the compromise arrangement.

Mr. HEFLIN. Mr. President——

The VICE PRESIDENT. The Senator from Missouri has the floor. Does he yield?

Mr. REED of Missouri. I have the floor, and I yielded to the Senator from North Carolina. I am not trying to take him off his feet.

Mr. HEFLIN. I was just going to suggest to the Senator from Missouri that this is about the fourth time this matter has been explained thoroughly, and the Senate ought not be held up by Senators who have not been here and who now come in to thresh out these things over and over again. That is the suggestion I wanted to make.

Mr. REED of Missouri. I would have been through if the Senator had not consumed my time.

Mr. GLASS. Mr. President, will the Senator from Missouri yield to me?

Mr. REED of Missouri. Certainly.

Mr. GLASS. As pertinent to the inquiry of the Senator from Missouri, may I ask what, in dollars and cents, was the reduction in taxes on incomes below $100,000 made by the House and by the proposal of the Senate committee?

Mr. SMOOT. The amount of normal tax reduction was $97,000,000, surtaxes $119,000,000, and capital-stock tax $2,000,000.

Mr. GLASS. What is it on incomes below $100,000? I imagine the Senator from Missouri would want that, too.

Mr. SMOOT. The division of reduction on incomes commencing with incomes of $10,000 is $52,200,000; incomes of $20,000 to $100,000, $46,300,000; incomes in excess of $100,000, $120,500,000.

Mr. SMITH. Was the $120,500,000 under the 40 per cent rate?

Mr. SMOOT. That is not the reduction from the bill as passed by the House. It is the reduction compared to the present law.

Mr. SIMMONS. Let me ask the Senator a question. How much did the House, in addition to reductions given to estates, reduce when they exempted 2,500,000 people from any tax at all?

Mr. SMOOT. They would all more than likely come in with those having incomes of less than $10,000, and that amount would be $52,200,000.

Mr. NORRIS addressed the Chair.

Mr. REED of Missouri. Mr. President, I am trying to hold the floor.

The VICE PRESIDENT. The Senator from Missouri has the floor.

Mr. NORRIS. Will the Senator from Missouri yield to me?

Mr. REED of Missouri. I yield to the Senator from Nebraska.

Mr. NORRIS. May I, with the permission of the Senator from Missouri, ask the Senator from Utah or any other Senator whether it is not true that the reduction in the tax on incomes above $100,000, was at a greater rate, a larger percentage of reduction, than, for instance, on incomes between $75,000 and $100,000 or incomes between $50,000 and $75,000. Of course, in dollars and cents the reduction on incomes below $100,000 would amount to more than on those above, because there are so many thousand times more of them. I think the Senator from Montana [Mr. WALSH] gave the percentages the other day in the debate, in which he said that the reductions on the incomes above $100,000 were 44 per cent.

Mr. WALSH. In the case of estates above $1,000,000.

Mr. NORRIS. A man with an income of $1,000,000 had a reduction of 44 per cent. What was the next amount—$75,000?

Mr. WALSH. A man with an income of $100,000 had a reduction of 29 per cent. A man with an income of $24,000 had a reduction of 27 per cent.

Mr. REED of Missouri. That is the figure I wanted.

Mr. NORRIS. The biggest reductions of all took place in the higher brackets.

Mr. GLASS. Mr. President——

Mr. REED of Missouri. I yield to the Senator from Virginia.

Mr. GLASS. That sort of statement of percentage reductions is misleading because, as stated when the matter was in controversy before, it arises out of the fact that there was no reduction whatsoever in the surtaxes in the last act, and there was a very material reduction in the lower brackets.

Mr. SMOOT. In other words, if we take the act of 1918, on a $5,000 income the reduction as between the 1918 law and the pending bill was 90.1 per cent; on a $10,000 income it was 87.8 per cent; on a $25,000 income it was 76.5 per cent; on a $45,000 income it was 57 per cent.

Mr. NORRIS. What law was that?

Mr. SMOOT. The act of 1918.

Mr. NORRIS. That is the pending bill compared with the 1918 law?

Mr. SMOOT. Yes. What the Senator from Virginia said is absolutely true.

Mr. HEFLIN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HEFLIN. Is the pending amendment now the one that takes the tax off of automobiles generally?

The VICE PRESIDENT. It is.

Mr. SIMMONS. I think I showed by the figures the other day that the percentage of reduction accorded to the low and the proportion of percentage accorded to the high men is the same in this bill as in the 1924 law.

SEVERAL SENATORS. Vote! Vote!

Mr. REED of Missouri. Mr. President, I have yielded to various Senators, and I hope no one will get impatient. I am not going to take many minutes of the time of the Senate. I want to state the matter as I now think I understand it.

The Republican members of the committee wanted to reduce the surtax on incomes above $100,000 to 20 per cent. Some, at least, of the Democrats did not want to make that reduction and did not think it ought to be made. The Democrats wanted to reduce the taxes on incomes below $100,000 more than the House provided for, and thought that ought to be done. The Republicans were unwilling to do it. As a result the Democrats yielded upon the higher incomes in order to get a reduction on the lower incomes, but they yielded $120,000,000 on the higher incomes for a concession of about $47,000,000 on the lower incomes.

Mr. KING. It was not so much as that.

Mr. REED of Missouri. How much was it?

Mr. KING. About $23,000,000.

Mr. REED of Missouri. The point I want to reach is simply that, regardless of how it was done, without reflecting on anybody, not conceding for a moment that the matter ever was submitted to the Senate by the mere publication of a program in the CONGRESSIONAL RECORD, not conceding for a moment that any man was bound on the Democratic side, nevertheless I want to ask this question: By what right may I yield the rights of a class of citizens to which I believe they are entitled in order to trade them for some concession on other taxes against other citizens which I believe ought to be levied? If I believe that an income above $100,000 ought to bear a certain burden as a matter of justice, and if my friends on the other side of the Chamber believe that it ought not to bear that burden, that question ought to be settled on its merits by a vote of the Senate. If I believe that an income below $100,000 ought to bear a certain burden and no more, and I believe that is just and right as to that class of taxpayers, and my friends upon the other side believe that those incomes ought to bear a greater burden as a matter of justice, what right have we to trade the justice due either class of taxpayers in order to work an injustice to some other class?

As a compromise it amounts to this, that the Democrats agreed to do that which they believed to be an injustice to the country as to the taxes on great incomes and the Republicans agreed to do that which they believed to be an injustice as to the taxes on smaller incomes, and they swapped one injustice for the other, instead of settling these questions which relate to different individuals upon the merits of each question on the floor of the Senate. I can not agree to that kind of legislation.

I can not agree that anybody has a right to tax A more than he ought to pay in order that he may get more taxes from B or that he ought to tax A less than he ought to pay in order that there may be a less burden fixed upon B. That is a process of legislating money out of one man's pocket into another man's pocket in which I do not believe.

SEVERAL SENATORS. Vote!

Mr. SMOOT. Mr. President, just a word. The House of Representatives voted unanimously for the 20 per cent maximum rate. The bill came to the Senate and the intermediate surtaxes on incomes between $26,000 and $100,000 appeared to every member of the committee—not only the Democratic members but the Republican members as well—to be out of proportion. The very rates on their face showed them to be out of proportion. As I stated the other day, I discussed the question with the President, and I discussed it with others and there was not any doubt in the world but that some change had to be made.

The first proposition, just as the Senator from North Carolina [Mr. SIMMONS] has said was for a reduction of $44,000,000. I did not see, nor did the other Republican members of the committee see, how it was possible to reduce the taxes provided by the bill by that amount and meet the expenses of the Government. It is true that the majority members of the committee up to that time had suggested no rates whatever. The Senator from North Carolina, as I have said, did suggest some rates, the first suggestion being for a reduction of $44,000,000, just as the Senator has stated. After he and the Senator from Pennsylvania [Mr. REED] had discussed the question pro and con the other proposition was submitted and was accepted, exactly as the Senator has stated by the majority, and the suggested rates of the Senator from North Carolina were voted in by the committee.

Mr. SIMMONS. Mr. President, let me state——

Mr. HEFLIN. I want to state to the Senator that this is the tenth time that matter has been explained. Will he not let us vote on the amendment?

Mr. SMOOT. Yes; I should like a vote, Mr. President.

SEVERAL SENATORS. Vote!

Mr. LENROOT. Mr. President, Senators will not hasten anything in this way. I am going to ask the Senator from Utah one question. Do I understand the fact to be that the majority members of the committee did not make as a condition of agreeing to any reduction of surtaxes on incomes below $100,000 that the minority members accept the 20 per cent rate?

Mr. SMOOT. So far as that is concerned, the 20 per cent rate was put in by the House, and the Republican members of the committee insisted upon carrying out that rate. That is what we agreed to, as I stated before; that is what we wanted to report and that is what we did report.

Mr. HEFLIN. Now let us vote.

SEVERAL SENATORS. Vote!

Mr. SMOOT. Mr. President, I rise to a parliamentary inquiry. There is some misunderstanding as to just what the question is. Will the Chair state it?

The VICE PRESIDENT. The question is on the motion of the junior Senator from Utah [Mr. KING] to strike out lines 9 to 18, on page 231. On that question the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. WALSH (when Mr. BRATTON's name was called). I wish to announce that the Senator from New Mexico [Mr. BRATTON] was called from the Chamber a short time ago. If present, he would vote "yea."

Mr. NORRIS (when Mr. BROOKHART's name was called). I wish to announce again that the Senator from Iowa [Mr. BROOKHART] is paired with the Senator from Arkansas [Mr. CARAWAY]. If the Senator from Iowa were present he would vote "yea."

Mr. BROUSSARD (when his name was called). I have a pair with the Senator from New Hampshire [Mr. MOSES]. I transfer that pair to the Senator from Nevada [Mr. PITTMAN], and vote "yea."

Mr. JONES of Washington (when Mr. EDGE's name was called). The senior Senator from New Jersey [Mr. EDGE] is necessarily absent. If present and permitted to vote, he would vote "yea."

Mr. COPELAND (when Mr. EDWARDS's name was called). The junior Senator from New Jersey [Mr. EDWARDS] is unavoidably absent. He is paired with the Senator from Kentucky [Mr. ERNST]. If the junior Senator from New Jersey were present and permitted to vote, he would vote "yea."

Mr. FERNALD (when his name was called). I transfer my pair with the senior Senator from New Mexico [Mr. JONES] to the junior Senator from Connecticut [Mr. BINGHAM], and vote "nay."

Mr. FLETCHER (when his name was called). Making the same announcement as to my pair and its transfer as on the last vote, I vote "nay."

Mr JOHNSON (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. ROBINSON]. If permitted to vote, I should vote "yea."

Mr. SHEPPARD (when Mr. MAYFIELD's name was called). The junior Senator from Texas [Mr. MAYFIELD] is absent on account of illness. If present, he would vote "yea."

Mr. SWANSON (when his name was called). Announcing the same pair and transfer as on the former vote, I vote "yea."

The roll call was concluded.

Mr. BLEASE. As I have stated on previous roll calls, I have a pair with the Senator from Missouri [Mr. WILLIAMS]. I do not know how he would vote if present, and, therefore, I withhold my vote. If I were permitted to vote, I should vote "yea."

Mr. JONES of Washington. I desire to announce the following pairs:

The Senator from Vermont [Mr. GREENE] with the Senator from Montana [Mr. WHEELER];

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD]; and

The Senator from Pennsylvania [Mr. PEPPER] with the Senator from New Mexico [Mr. BRATTON].

Mr. HARRISON. I wish to announce that the Senator from Rhode Island [Mr. GERRY] is paired with the Senator from Minnesota [Mr. SCHALL]. If present, the Senator from Rhode Island would vote "yea."

Mr. REED of Missouri (after having voted in the affirmative). I neglected to state when I cast my vote that I am paired with the Senator from Kansas [Mr. CURTIS]. I transfer that pair to the Senator from Mississippi [Mr. STEPHENS] and allow my vote to stand.

The result was announced—yeas 42, nays 21, as follows:

YEAS—42

Ashurst	Glass	McKellar	Shipstead
Bayard	Harreld	McMaster	Simmons
Broussard	Harris	McNary	Smith
Cameron	Harrison	Neely	Stanfield
Capper	Heflin	Norbeck	Swanson
Copeland	Howell	Norris	Trammell
Couzens	Jones, Wash.	Nye	Tyson
Dill	Kendrick	Overman	Walsh
Ferris	King	Ransdell	Weller
Frazier	La Follette	Reed, Mo.	
George	Lenroot	Sheppard	

NAYS—21

Bruce	Goff	Phipps	Warren
Butler	Gooding	Pine	Watson
Deneen	Hale	Reed, Pa.	Willis
Fernald	Keyes	Sackett	
Fess	Metcalf	Smoot	
Fletcher	Oddie	Wadsworth	

NOT VOTING—33

Bingham	du Pont	McKinley	Schall
Blease	Edge	McLean	Shortridge
Borah	Edwards	Mayfield	Stephens
Bratton	Ernst	Means	Underwood
Brookhart	Gerry	Moses	Wheeler
Caraway	Gillett	Pepper	Williams
Cummins	Greene	Pittman	
Curtis	Johnson	Robinson, Ark.	
Dale	Jones, N. Mex.	Robinson, Ind.	

So Mr. KING's amendment was agreed to.

RECESS

Mr. REED of Pennsylvania. Mr. President, I wish to appeal to the Senator from Utah [Mr. SMOOT] to consider the question of taking a recess at this time. The Senate has been working for seven and a half hours and we have considered some very important questions. A number of Senators live at a distance from the Capitol. I appeal to the Senator from Utah, in view of the exceptional storm which prevails at the moment, to take a recess now until 11 o'clock to-morrow morning.

Mr. SMOOT. Mr. President, from the number of Senators who have told me that they are compelled to leave because of the snowstorm, I doubt very much whether we could keep a quorum. I am going to appeal to Senators, however, if we shall take a recess now, to please be prepared to remain here to-morrow night. We ought to pass the bill to-morrow; we are getting near the danger line now. Of course, if I felt that we could keep a quorum here, I would not consent that the Senate take a recess at this time.

Mr. SWANSON. We will all be here to-morrow night.

Mr. SMOOT. That is what was stated last night.

Mr. SWANSON. I am willing to stay now.

Mr. SMOOT. I move that the Senate take a recess until to-morrow morning at 11 o'clock a. m.

The motion was agreed to; and (at 6 o'clock and 30 minutes p. m.) the Senate took a recess until to-morrow, Thursday, February 11, 1926, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

WEDNESDAY, *February 10, 1926*

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our blessed heavenly Father, we thank Thee for that care that keeps us through all vicissitudes and holds us close to Thee. Open our spiritual hearts that we may know Thee more richly and abundantly. Lift us to a higher realm where our souls may hear the music of Thy infinite love. In every condition, whatsoever it may be, may we be conscious of the everlasting arms that never fail. Give us freely all things needful to attain the measure of the stature of Him who is Thy First-born. Keep before us day by day, "All things whatsoever ye would that men should do to you, do ye even so to them, for this is the law and the prophets." This prayer we ask in the name of Jesus our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

ORDER OF BUSINESS

Mr. TILSON. Mr. Speaker, this is Calendar Wednesday, and the Committee on Coinage, Weights, and Measures is on call. This committee has one bill to consider. I now ask unanimous consent that at the completion and close of the business reported from the Committee on Coinage, Weights, and Measures the further business of Calendar Wednesday be dispensed with.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that at the conclusion of action upon the bills to be offered by the Committee on Coinage, Weights, and Measures further business in order on Calendar Wednesday be dispensed with to-day. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, and in order that the House may understand, I wish to inquire if the Committee on Interstate and Foreign Commerce will have the call next Wednesday?

Mr. TILSON. So I understand.

Mr. GARRETT of Tennessee. In other words, of course, the Committee on Coinage, Weights, and Measures would be entitled to have two days.

Mr. TILSON. Yes. But they will finish their work to-day.

Mr. GARRETT of Tennessee. And the Committee on Interstate and Foreign Commerce will have the call next Wednesday?

Mr. TILSON. That is the understanding. We desire to give the Committee on Interstate and Foreign Commerce two full days, beginning a week from to-day.

CONCERNING EXTENSIONS OF REMARKS

Mr. SNELL. Mr. Speaker, I desire to submit a parliamentary question. I would like to get the views of the Speaker, and perhaps a ruling on the same, as to how far he thinks an individual Member of the House can go under general consent for the extension of remarks. Suppose I make a general request to revise and extend my remarks. How far am I allowed to go in including extraneous matter? It is my understanding, and I think it is the general practice and usage of the House, that a general extension request means simply to embellish or round out your own remarks and give your own attitude on any public bill or measure, but that it is not intended that you shall bring in and include any great amount, at least, of extraneous matter.

I have in mind especially in making this inquiry at this time the extension of the remarks of the gentleman from Texas [Mr. BLANTON] on Monday. In his general extension he included about eight or nine pages of private letters and various exhibits of various kinds. I have no personal altercation with the gentleman on this proposition; I do not know whether it should have been included or not. But I think the practice has gone to such an extent that we should have a ruling from the Chair and have some definite program to be followed by Members of the House. If one man under general extension can bring in eight or nine pages of extraneous matter, of course every other man can; and if this is to go on unchallenged in the House, eventually we shall have a daily RECORD as big as a dictionary. I think it is time that we should have general understanding and, perhaps, ruling from the Chair, so far as may be possible in a general way, on what is expected in a general extension of remarks.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Gladly.

Mr. BLANTON. I want to state to the gentleman from New York that at the time mentioned "the gentleman from Texas" had control of an hour and a half of general debate. He could have objected to the unanimous-consent request to confine the general debate to the bill, and could have used his hour and a half to read into the RECORD every word of said discussion mentioned.

Mr. SNELL. I am not arguing that.

Mr. BLANTON. What I put in the RECORD was pertinent and on the bill. I could have read every word of that into the RECORD during the hour and a half that I controlled, but I wanted to give that hour and a half to certain colleagues who wanted the time.

Mr. DOWELL. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I want to answer the gentleman from New York [Mr. SNELL] first.

Every word that is in the RECORD in the extension referred to discusses the business administration of the office of the Director of Public Grounds and Public Parks of the National Capital, into whose hands we were placing $345,000.

Mr. SNELL. If I recollect correctly, the gentleman's correspondence was with Colonel Sherrill. Now, Colonel Sherrill is no longer here. He is out in Cincinnati, probably spending some of Brother LONGWORTH'S money. [Laughter.]

Mr. BLANTON. But it is a fact that his successor, the present director, stated that he would carry out the program and policy of the former director, Colonel Sherrill, and I wanted to characterize that program and policy, which I said was wantonly wasteful and grossly extravagant.

Mr. SNELL. I do not undertake to say whether the gentleman was right or wrong, but I am giving the fact and making the inquiry whether a gentleman in an extension of general remarks ought to print eight or nine pages of extraneous matter.

Mr. BLANTON. I could call the attention of the gentleman to the inclusion of eight or nine pages of extraneous matter in several instances from the gentleman's own side where the inclusions did not pertain to the question under discussion at all.

Mr. SNELL. I did not yield for this discussion. I yielded to a question, not an argument.

Mr. BLANTON. I just wanted to state that I had a perfect right to put in everything I put in. I could have read it into the RECORD during my hour and a half if I had wanted to do so, but I did not want to take up the time of the House. I wanted those matters in the RECORD so that the Members of the House could read them and see exactly just what has been going on in this department and try to remedy conditions if possible.

Mr. DOWELL. Will the gentleman yield?

Mr. BLANTON. I have not the floor, but if the gentleman from New York [Mr. SNELL], who has the floor, will permit, I will be glad to yield to the gentleman.

Mr. DOWELL. Does not the gentleman know he could not even have read that into the RECORD without the consent of the House?

Mr. BLANTON. I had the time in general debate, an hour and a half, and I had a right to read into the RECORD anything that was pertinent.

Mr. DOWELL. The gentleman certainly knows he has no right to do that except by the consent of the House and only if there is no objection.

Mr. BLANTON. The gentleman is mistaken. In general debate you may discuss anything. I know the gentleman from Iowa tries frequently to stop us, when there is something he does not want. The gentleman did not want us to get a record vote on that $345,000 proposition yesterday, and he made a point of no quorum in order to head off a record vote, but the membership would not stand for that, and voted for the yeas and nays.

Mr. SNELL. Mr. Speaker, I decline to yield further. That is not the question before the House. It is just a general parliamentary inquiry, and I think I have said everything I desire to say.

Mr. GARRETT of Tennessee. Will the gentleman yield to me?

Mr. SNELL. I shall be very glad to yield to the gentleman.

Mr. GARRETT of Tennessee. I do not know the matter that is in the RECORD, and I do not think that is material.

Mr. SNELL. I do not think it is especially material at this time.

Mr. GARRETT of Tennessee. I just want to venture the suggestion that so far as I know the Speaker, like all the rest of us, has no control over the RECORD. I do not know whether a parliamentary inquiry would get us anywhere, but possibly the Speaker may have looked into that. However, so far as my recollection goes the Speaker has no control over the RECORD any more than any individual Member on the floor.

Mr. SNELL. I agree with that suggestion, but I want to call attention of the House to this practice.

Mr. TILSON. Will the gentleman yield to me?

Mr. GARRETT of Tennessee. The gentleman from New York has the floor, but if he will permit I shall be glad to yield.

Mr. SNELL. I shall be glad to yield.

Mr. TILSON. This is the question that the gentleman from New York has raised, and I think it is a fair one: If it be understood, when general leave to extend is granted, that only the gentleman's own remarks be inserted, which I think has been the general understanding, then is it not an abuse for one having secured general permission to extend his remarks to put in long letters either of his own or from somebody else, and should he not do the House the courtesy of stating that in the extension of his remarks that he wishes to include certain letters, so that if anyone desires to object he could do so at that time? It seems to me that would be the better practice.

Mr. GARRETT of Tennessee. I agree with the gentleman about that.

Mr. SNELL. That is practically all I wanted to bring out, and have some general practice agreed upon by the House.

Mr. GARRETT of Tennessee. However, I understood the gentleman from New York to ask for a ruling from the Chair, and I am just wondering whether a ruling from the Chair would get us anywhere on that matter?

Mr. SNELL. I appreciate the gentleman's remarks in that connection.

Mr. BANKHEAD. Mr. Speaker, will the gentleman from Connecticut yield to me, by permission of the gentleman from New York?

Mr. TILSON. I yield.

Mr. BANKHEAD. I would like to ask the gentleman from Connecticut how the matter is before the House.

Mr. TILSON. It is a parliamentary inquiry by the gentleman from New York, but I do not know that there is anything before the House.

Mr. BANKHEAD. Is it the contention that it is a matter affecting the privileges of the House, or on what basis is it raised?

Mr. TILSON. I presume it might be considered a privilege of the House in regard to the printing of the RECORD.

Mr. BANKHEAD. Mr. Speaker, I make the point of order that that is not a parliamentary inquiry and not a matter which calls for the decision of the Speaker.

The SPEAKER. The Chair will be inclined to hold that it is a parliamentary inquiry, but the Chair is not prepared to say that it is within the province of the Speaker to make a ruling on the subject.

Mr. CONNALLY of Texas. If the Speaker will pardon me, will the gentleman from New York yield in this connection?

Mr. SNELL. I shall be glad to do so.

Mr. CONNALLY of Texas. Why does not the gentleman from New York, in view of the confusion and misunderstanding about this matter, bring in a rule which will in the future definitely fix the practice of the House with reference to the RECORD?

Mr. SNELL. I think there are pretty definite rules now, so far as that is concerned; it is simply a question of enforcing them.

Mr. CONNALLY of Texas. Why does not the gentleman bring in some concrete proposition which will make the ruling effective? Some general observation on the part of the Chair as to a general proposition does not bind anybody, and it does not fix any precedent.

Mr. SNELL. I think perhaps the gentleman is correct.

Mr. GARRETT of Tennessee. The great difficulty about that, I may say to the gentleman from Texas [Mr. CONNALLY], we could only control this body and would turn the other body loose to do many things we would perhaps not want to do here and give them advantage, possibly, over our own Members.

Mr. CONNALLY of Texas. I will say to the gentleman in reply to that statement the House could make the rule as broad as it desired. If the House wants its Members to have extreme latitude, it could say so in this rule, and in that way avoid this continual squabble.

Mr. TILSON. Mr. Speaker, I feel that the membership of the House can be trusted to protect the RECORD. The parliamentary inquiry of the gentleman from New York was presented so that we may have a better understanding among ourselves. These extensions can only be made by unanimous consent. If it were found that any Member or any group of Members are inclined to abuse the privilege, then, of course, it would be the right of any Member of the House to refuse such Member or Members the right to extend at all.

Mr. SNELL. Mr. Speaker, under the circumstances, I withdraw the request for a ruling.

ITALIAN DEBT SETTLEMENT

Mr. BRAND of Georgia. Mr. Speaker, I ask unanimous consent to extend my own remarks briefly on the Italian debt settlement resolution.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. BRAND of Georgia. Mr. Speaker, I would not vote for the Italian debt settlement for several reasons, among others the following:

First. Because the settlement entered into between the United States Government and Mussolini government is an outright cancellation of approximately 75 per cent of the indebtedness which Italy owes the United States.

Second. Because such a settlement is against the spirit if not the letter of the law.

Third. Because in no event should the payment of the amount agreed upon be postponed for 62 years.

Fourth. Because the rate of interest agreed upon is ridiculously small.

Fifth. Because in my judgment it was an unwise action for our Government to deal with Mussolini upon any terms of settlement where postponement of payment is involved, because of the extreme uncertainty of the payments agreed upon being made.

Sixth. Because this Government, having reached the conclusion to deal with Mussolini at all, should not have done so except upon a present cash basis.

ITALY'S INDEBTEDNESS TO THE UNITED STATES

The amount of indebtedness due by the Italian Government to the United States which was incurred prior to the armistice, November 11, 1918, totals $2,042,000,000. Under the 62-year payment plan this debt with interest will amount to more than $5,500,000,000. Since November 11, 1918, the date of the armistice, the United States has loaned to Italy $617,034,050.90, on which Italy has paid $164,852.94, leaving balance due by Italy to the United States on the principal debt, $616,869,197.96. The amount of interest due on this debt up to the date of the time of the debt settlement is $144,364,250, on which there has been paid $6,948,424.65, leaving a balance due on loans made Italy since the armistice of $616,869,197.96, principal, plus $137,415,825.35 interest, totaling $754,285,023.31.

In the settlement which was made with Italy the loans made since the armistice were not taken into consideration.

TERMS OF SETTLEMENT

Under the form of settlement contract the Italian debt bears no interest at all until June 15, 1930, and thereafter the interest rate varies from one-eighth of 1 per cent per annum from June 15, 1930, to 2 per cent per annum after June 15, 1980. What a contrast this rate of interest which the United States agreed to accept is with the rate which Great Britain demanded and which Italy agreed to pay upon the debt she owned Great Britain, the same being at the rate of 5 per cent per annum and uniformly at that throughout the long period of indulgence. Under the agreement entered into the total annual payments begin at $5,000,000 and reach $80,000,000 in the sixty-second year.

Dealing with the settlement in another way, the American taxpayer will carry about 75 per cent of the burden of the loans made to Italy, while the Italian taxpayer carries but 25 per cent.

When the United States Debt Commission was created by Congress certain limitations were imposed upon it, namely: The commission was forbidden to cancel any part of the capital sum of any debt; it could not negotiate an interest rate lower than 4½ per cent; and it could not extend payments beyond a given length of time. This settlement is in conflict with each one of these limitations, which of itself would be sufficient reason for my opposition to this debt settlement.

The editor of a magazine entitled "Advocate of Peace" says:

> There seems to be a definite connection between the process of funding war debts in Washington and the extension in New York of new loans to European countries. France failed in reaching a settlement with our Debt Funding Commission, and her request for a loan in New York was promptly refused. Italy accepted and signed the debt-settlement arrangement, and almost immediately $100,000,000 were placed at her disposal.

Before this settlement was made Mussolini's representative was aggressively protesting and strenuously insisting that Italy could not pay $5,000,000 yearly to the United States in discharge of her loan indebtedness, and yet after the debt

settlement was executed Italy made an agreement to pay $8,000,000 per year as interest and amortization charges on the new Morgan loan. The check for $5,199,000 so spectacularly presented by Count Volpi, representing Mussolini, to Secretary Mellon on the day following the debt settlement was drawn against the proceeds of a $50,000,000 loan extended to Italy by the Morgan banking house several months ago.

Italy's assertions of incapacity to pay and her appeal upon this ground for extension of leniency is inconsistent with her ability to borrow money, which should be taken into consideration in determining her capacity to pay. Notwithstanding she plead poverty, to which appeal the Debt Commission yielded, she has been able to borrow from the United States Government since the armistice over $600,000,000, and from the Morgan banking interest that we know of $50,000,000 about six months ago and $100,000,000 additional a day or two after the debt settlement was completed, and has a promise of the Morgan banking house for another loan of $60,000,000 for various Italian municipalities.

A special from London to the Washington Post regarding the settlement entered into by Great Britain with Italy reads as follows:

LONDON, February 15.—The Westminster Gazette charges that there is a secret understanding between Great Britain and Italy by which the two countries will cooperate in a military sense in case the Turks make a fight for the Mosum oil fields.

This, according to the Gazette, is the real explanation of the easy terms granted Italy by Great Britain in the matter of the former's war debt.

In this settlement between Italy and Great Britain the latter got something out of the settlement, viz, the valuable oil interests referred to, under a "secret understanding" between the countries. In the settlement between Italy and the United States we know the latter got nothing out of it, but we do not know what the banking house of Morgan and the Morgan banking interests may have gotten out of it under some "secret understanding" known only to Mussolini and Morgan.

The national and international bankers of this country, including Morgan and his partner, Dwight W. Morrow, who, it is said, spends a large part of his time at the White House, and who is often consulted on matters of great financial import, is the same crowd who were responsible for the deflation policy of 1920, which did more harm to the people of this country than all the wars this Government was ever engaged in. These banking interests were the silent influences behind the curtains which made effective this destructive deflation policy in the one case and which brought about the cancellation of about 75 per cent of Italy's debt to the United States in the other case.

To demonstrate the monumental blunder which I think was made, and the great achievement which Mussolini accomplished under the debt settlement, is shown by the following figures which can be relied upon as being accurate because they were vouched for and printed by the bureau of business conditions, a division of the Alexander Hamilton Institute, published in New York City.

If the Dawes plan works without any revision the Allies will get approximately $600,000,000 annually from Germany as soon as the full standard payment is in effect. Great Britain will receive $132,000,000 per year, or nearly enough to pay her annual obligation to the United States Treasury. Italy will receive $72,000,000 per year, or about twice what she will need for total payments to Great Britain and the United States. France will receive $312,000,000 annually, which is twice as much as she will need to make total payments to Great Britain and the United States, if she pays England $60,000,000 annually and the United States $100,000,000 as suggested last year.

On its face everything will balance so that the Allies can pay their debts to the United States from what they get from Germany. Germany will pay the Allies and they in turn will pay the United States. This was admitted by Count Volpi, Mussolini's representative, when he made the following statement to newspaper reporters in Paris:

The weight of the two agreements Italy has made with Washington and London corresponds to what she should get from Germany. By virtue of these two transactions, Italy can say she really has no debt abroad.

The world now conceives that the house of Morgan and Mussolini secured a great triumph in the settlement of Italy's debt to the United States, according to press reports from the principal nations interested. Great Britain was glad to get off at paying 75 cents on the dollar. France offered 58 cents, which Mellon had practically accepted, but this settlement was defeated because Morgan protested. The question arises why it is that the most vicious dictatorship in Europe has been granted the most favorable terms.

MUSSOLINI

It is an undisputable fact that Mussolini, who was formerly a revolutionary bolshevist, was always a believer in and an advocate of violence. It is a matter of world history that Mussolini is a despot and that the Fascist Government which he has established holds its power only by force. The laws of Italy and international laws mean nothing to this dictator when it serves his purpose to ignore them. He silences his opponents, according to press dispatches from Europe, by threats of violence and when necessary by death.

He has under him an organization known as the "Battalion of Death" formed purposely to enforce his will and his decrees. The sword, the bludgeon, and the torch are his tools when necessary to suppress those who oppose his will. Mussolini is merciless toward his enemies and unmindful of opponents in all his activities as a premier of Italy.

The New York World indicts Mussolini in the following language:

With parliamentary institutions suppressed, free speech muzzled, a free press no longer in existence, and a dictator in complete control of every avenue of act and expression.

Dr. Bertrand M. Tippie, long a resident of Italy, publicly asserts that to-day in that country Mussolini is "both loathed and hated by the majority."

In the Washington Star appeared a special article from Berlin by the Associated Press, which is as follows:

BERLIN, February 20.—"Washington must free Europe from Mussolini," declares Vorwaerts, the socialist organ, in commenting on news from the United States of opposition in the Senate to the debt funding agreement concluded by Count Volpi and Secretary of the Treasury Mellon.

"In the interests of European democracy it must be hoped that the opposition against ratification of the agreement will be so strong that the Cabinet will remember the great traditions of the country," says Vorwaerts. "It would be a gruesome joke of world history if through the Washington debt agreement the name of one of the noblest champions of the freedom of peoples, George Washington, were to be linked permanently with the name of a suppressor of all freedom, Mussolini."

Vorwaerts asserts that Mussolini now plays a rôle in Europe similar to that of the Kaiser before the war, and makes the charge that his ruthless oppression of all opposition dates from "the diplomatic triumph over Secretary Mellon."

There is one phase of the life and character of Mussolini which probably is not material to the merits of the debt settlement and yet it is a matter of world-wide interest. I refer to his animosity to the Masonic fraternity and his remorseless activities against this institution. It is a historical fact that his avowed purpose is to banish the Masonic fraternity from Italy. He is the bitterest enemy of any of the world rulers to Masons and the Masonic fraternity. As evidence of the accuracy of these observations I submit by consent of Congressman RAINEY, from Illinois, a copy of a letter addressed to him by a Mason, which speaks for itself:

THE SUPREME COUNCIL OF THE THIRTY-THIRD AND LAST DEGREE ANCIENT AND ACCEPTED SCOTTISH RITE OF FREEMASONRY, SOUTHERN JURISDICTION, UNITED STATES OF AMERICA

WASHINGTON, D. C., *January 2, 1926.*

MY DEAR CONGRESSMAN: I inclose copy of resolution adopted by the Supreme Council of Scottish Rite Freemasonry for the southern jurisdiction of the United States at its recent session.

Our brethren of the Masonic fraternity in Italy are in deplorable difficulties—persecuted, discriminated against, deprived of their former rights of freedom of thought, speech, and action, falsely accused, and physical injuries inflicted even to the extent of murder. Their temples have been attacked and damaged, the furniture smashed, the records and paraphernalia destroyed or carried away, and this in the twentieth century.

Such a condition is a blot upon civilization and ought not to exist in this day of enlightenment and liberty. If you can help them or can advise or suggest a means of relief, your efforts will be greatly appreciated.

Yours sincerely,

JOHN H. COWLES,
Grand Commander.

The names of Mussolini, Mellon, and Morgan are so intimately connected with this Italian-debt settlement as to cause the thoughts of the peoples of Europe and the United States to center upon their activities in making effective this settlement which will continue during the next 62 years with un-

abating interest. The question will ceaselessly be propounded in good faith as the years come and go why such unprecedented liberality and such extreme generosity were extended to Mussolini. In all probability the inquiry may also be made by people of interested nations whether in accomplishing this settlement any "secret understanding" was entered into; and if so, what it is? In submitting this observation I am making no charge, nor am I thinking in terms of dishonor, and certainly have not in mind the able and honorable members of this commission from the House and Senate, and yet if any such secret compact was entered into by these three world figures I trust that the future will draw aside the curtains and disclose it. In considering this subject the citizens of the United States will naturally associate Mussolini with Rome, Mellon with Washington, and Morgan with Wall Street.

In the meantime I am wondering if this triumvirate and the other millionaires and multimillionaires of the United States, when dealing with each other in the frenzied struggle for power, position, and wealth, have forgotten the individual who is a supremely important and necessary unit of society, whom Edwin Markham had in mind when he wrote that imperishable poem entitled "The man with the hoe," part of which is as follows:

O masters, lords, and rulers in all lands,
How will the future reckon with this man?
Bowed by the weight of centuries he leans
Upon his hoe and gazes on the ground.
The emptiness of ages in his face,
And on his back the burden of the world.

NATIONAL SCREW THREAD COMMISSION

The SPEAKER. This is Calendar Wednesday. The Clerk will call the roll of committees.

Mr. PERKINS (when the Committee on Coinage, Weights, and Measures was called). Mr. Speaker, I call up the bill (H. R. 264) to amend an act to provide for the appointment of a commission to standardize screw threads.

The SPEAKER. This bill is on the Union Calendar.

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that this bill be considered in the House as in Committee of the Whole House on the state of the Union.

Mr. BLANTON. Mr. Speaker, reserving the right to object, this is a bill, as the gentleman knows, that has been before this House and has been vigorously contested for several years.

Mr. PERKINS. If the gentleman will permit, I never knew it to be contested before.

Mr. BLANTON. It has been defeated here once.

Mr. PERKINS. Oh, no.

Mr. BLANTON. And the last time, it passed only after strong opposition.

Mr. PERKINS. Will the gentleman just read the bill? This is not the bill which the gentleman has in mind. If the gentleman will listen to a statement just one moment, I think I can make it clear. This House passed a bill in 1918 creating a national screw thread commission——

Mr. BLANTON. Is not this the Vestal bill?

Mr. PERKINS. No; it has nothing to do with the Vestal bill.

Mr. TILSON. I can explain the bill, if the gentleman will permit.

Mr. BLANTON. I see that I am mistaken. I thought that it was the Vestal bill called up. Does this bill affect the Treasury?

Mr. TILSON. No; it does not.

Mr. BLANTON. Then why is it on the Union Calendar? It should not be on the Union Calendar if it does not affect the Treasury.

Mr. TILSON. Theoretically, it may affect the Treasury, but in its existence of seven or eight years it has never cost the Treasury anything and no authorization for any appropriation has ever been made and none is carried in this bill.

Mr. BLANTON. Then why was it put on the Union Calendar?

Mr. TILSON. Because, theoretically, it takes the time of certain officers of the Government, and to that extent, of course, does affect the Treasury indirectly, although they would draw their pay and do something else if they were not performing this duty. Theoretically, it does affect the Treasury in that way, because it takes the time of certain Government officials for a short time.

Mr. BLANTON. I shall not interfere if the majority and minority leaders are willing for it to go by.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. PERKINS]?

There was no objection.

The SPEAKER. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That an act entitled "An act to provide for the appointment of a commission to standardize screw threads," approved July 18, 1918, as amended by an act approved March 3, 1919, and extended by public resolutions approved March 23, 1920, and March 21, 1922, be, and the same is hereby, amended so that it will read:

"That a commission is hereby created, to be known as the commission for the standardization of screw threads, hereinafter referred to as the commission, which shall be composed of nine commissioners, one of whom shall be the Director of the Bureau of Standards, who shall be chairman of the commission; two representatives of the Army, to be appointed by the Secretary of War; two representatives of the Navy, to be appointed by the Secretary of the Navy; and four to be appointed by the Secretary of Commerce, two of whom shall be chosen from nominations made by the American Society of Mechanical Engineers and two from nominations made by the Society of Automotive Engineers.

"SEC. 2. That it shall be the duty of said commission to ascertain and establish standards for screw threads, which shall be submitted to the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce for their acceptance and approval. Such standards, when thus accepted and approved, shall be adopted and used in the several manufacturing plants under the control of the War and Navy Departments, and, so far as practicable, in all specifications for screw threads in proposals for manufactured articles, parts, or materials to be used under the direction of these departments.

"SEC. 3. That the Secretary of Commerce shall promulgate such standards for use by the public and cause the same to be published as a public document.

"SEC. 4. That the commission shall serve without compensation, but nothing herein shall be held to affect the pay of the commissioners appointed from the Army and Navy or of the Director of the Bureau of Standards.

"SEC. 5. That the commission may adopt rules and regulations in regard to its procedure and the conduct of its business."

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. RANKIN. Mr. Speaker, are we to pass this bill without any comment or explanation?

The SPEAKER. The bill has been read.

Mr. RANKIN. It seems to me, regardless of the parliamentary situation, that we ought to have some explanation of the bill before we attempt to pass it. I would like to have an explanation by the proponent or the gentleman in charge of the bill.

Mr. PERKINS. Mr. Speaker and gentlemen of the House, this is a bill that continues the life of the National Screw Thread Commission.

The Congress in 1918 passed an act establishing this commission, which is unique in more than one respect; but it is particularly unique in the respect it has not since 1918 cost the Government one cent, nor is it expected at any time in the future it will cost the Government anything. The purpose of the commission is to get the industry together for the purpose of regulating the threads of screws, bolts, nuts, and the like. This may seem a very small matter, but the testimony before the committee, particularly that of Secretary Hoover, is that this commission has saved the people millions of dollars per annum.

The object is the standardization of screw threads and nuts and bolts. To give an illustration of the work of the commission, one thing the commission has done has been to attempt to standardize the screw threads on fire hose. You can readily appreciate, gentlemen, if two departments, having different size screws on their hose, are called to put out a conflagration, if the screws are not interchangeable they can not work together. This same work applies throughout all Government work. The bill only applies, in a compulsory way, to the screws and the bolts and the nuts manufactured in the Government departments.

The industry itself originally filed with Congress a petition for the appointment of this commission, and the industry has four members on the commission. The commission consists of nine members—the Director of the Bureau of Standards, two members appointed by the Secretary of the Navy, two members appointed by the Secretary of War, and four members from the industry. They get together as a body and coordinate and simplify the screw threads, nuts, and bolts.

Mr. RANKIN. Will the gentleman yield?

Mr. PERKINS. Certainly.

Mr. RANKIN. This has nothing to do with screws, nuts, and bolts manufactured by private enterprise?

Mr. PERKINS. Nothing in a compulsory way; private manufacturers are glad to have the Government agency advise them about their work. The tendency is to have all sorts and sizes of screws and threads with threads of all sorts of angles, and this is to simplify it.

Mr. RANKIN. If the Government fixes a standard will private enterprises regulate their manufactures accordingly?

Mr. PERKINS. Yes; they do it voluntarily, there is nothing compulsory in the bill whatever.

Mr. WOODRUFF. Will the gentleman yield?

Mr. PERKINS. I will.

Mr. WOODRUFF. Does the gentleman mean one particular industry or all industries?

Mr. PERKINS. All industries that manufacture bolts, screws, jigs, dies, machinery—all of them. It has been adopted by a large number of motor-car manufacturers and other industries throughout the United States.

Mr. WOODRUFF. Why has not the commission accomplished its purpose in the eight years?

Mr. PERKINS. They have accomplished a great deal, for many industries have unified their standards. In recent years they have standardized the screws, nuts, and bolts used in the oil fields, and as new things come up and new threads and bolts are manufactured and as they want to have them standardized this commission will operate, and that is the object of the bill.

Mr. WOODRUFF. Different industries are from time to time adopting the program laid down by this commission, and it is the purpose of the commission to continue until such time as all industries have come in under regulations?

Mr. PERKINS. That is the object, precisely.

Mr. TILSON. Will the gentleman yield?

Mr. PERKINS. I shall be glad to.

Mr. TILSON. The object is to have such a commission in existence. If there is nothing to be done it will simply sleep, as the members draw no pay, but in case something of this kind arises it will be ready, a tribunal before which it can be brought, to determine the question of standardization. It is more important that there be a standard than that there be correct standards. To have a single standard is better than wasting time trying to get infinitesimally accurate standards.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. PERKINS. Yes.

Mr. JOHNSON of Texas. Is there anything in this bill that differs from the original bill creating the commission?

Mr. PERKINS. No; it is continuing the commission.

Mr. JOHNSON of Texas. It continues it indefinitely?

Mr. PERKINS. Yes.

Mr. TILSON. The life of the commission expires March 1, 1927. In order to give them time to plan their work, this action is taken so as to give them a continuance of life. The commission would not wish to begin any new work if it were to end in 1927.

Mr. MAGRADY. Mr. Speaker, in order that there may be no misunderstanding, I would like to say that there is nothing in the bill except a continuation of a commission already created, and that the commission is without any cost to this Government. The object is to set a standard, and it is hoped that all other industries employing such screws, nuts, and bolts will follow the Government practice. That is the whole intent of the bill.

Mr. RANKIN. Will the gentleman yield?

Mr. MAGRADY. I will.

Mr. RANKIN. The commission has been in operation some time?

Mr. MAGRADY. Yes; and the life is about to expire, having reached nearly the limitation set.

Mr. RANKIN. What has been the conduct of the private manufacturers heretofore with regard to adjusting their practices to the standards fixed by the commission?

Mr. MAGRADY. The practice of the manufacturers is to seek the advice of the Government, and they accordingly adopt those standards and the really economic advice.

Mr. RANKIN. If the Government sets a standard and the private manufacturer does not comply with it, it would be impossible to use this standard material with other material.

Mr. MAGRADY. There is no desire that the Government shall impose its wishes on individual manufacturers.

There is great economy, for instance, as was recited by the chairman of the committee, where, say, a great fire may occur, and a fire company from a neighboring town be asked to help. If the threads on the hose ends are not uniform, they could not assist in the work of quenching the fire.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MAGRADY. Yes.

Mr. BLANTON. When the House passed this bill several years ago for the distinguished majority leader, the gentleman from Connecticut [Mr. TILSON], it being one of his pet measures, we had an idea that the automobile manufacturers were to adjust their threads to the recommendations made by this commission. Yet we find to-day that practically all of them have different screw threads. You can buy a part from one and it will not fit another machine. It seems to have been a failure so far as automobile parts are concerned. Why is it that the automobile industry does not adopt the recommendations of the commission?

Mr. MAGRADY. I believe the gentleman from Texas will agree that it takes a long time to get even the most ordinary idea through all of the trades.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. MAGRADY. Yes.

Mr. PERKINS. May I suggest there that the General Motors Corporation has adopted it, the Willys-Overland has adopted it, and also the Westinghouse Electric Manufacturing Co. and the International Harvester Co.

Mr. BLANTON. How about Ford?

Mr. PERKINS. We still have hope for him.

Mr. MAGRADY. Our best information is that the trades are falling into line. It takes a long time to broadcast an idea and make it effective. It takes as long a time to make the practice general. That practice is growing. The object of the commission, and the object of the extension of its life, is to give the practice permission to grow until it is completed.

Mr. KETCHAM. Will the gentleman advise the House as to the procedure? Is there some particular department of the Government that takes upon itself the responsibility of bringing the standards desired to be adopted to these various groups?

Mr. MAGRADY. The commission itself gives whatever information is available out of its own experience, which is a rich experience, and the manufacturers are profiting by it without cost to anybody.

Mr. KETCHAM. Does the Bureau of Standards, our great bureau dealing with problems of this sort, assume any supervision of this, directly or indirectly?

Mr. MAGRADY. The person in charge of the bureau is a member of this commission and accordingly advises and works with it and gives it the benefit of his experience.

Mr. KETCHAM. At conferences that are called, I suppose?

Mr. MAGRADY. That is a matter of operation about which I know nothing. The commission, itself, is fully aware of that.

Mr. TILSON. Mr. Speaker, I move to strike out the last word. Supplementing what the chairman of the committee [Mr. PERKINS] and the gentleman from Pennsylvania [Mr. MAGRADY] have said, I wish to add a few words in regard to this measure. In 1917 when we entered the war and manufacture for the Government in the making of munitions began on a large scale, it was found that in bringing together the component parts of munitions manufactured in various factories there was difficulty in assembling the parts on account of the differences of screw threads, because the difference in tolerances and allowances were so great. The Bureau of Standards was appealed to and became interested in the solution of the problem. Doctor Stratton was at that time the director of the Bureau of Standards. He and others interested in the subject conferred with me, knowing that I was interested in munitions. The older Members of the House, especially, will remember that I was very much interested in munitions at that time. I went over the matter with these people, and this commission was hit upon, to be composed of two representatives of the War Department, two representatives of the Navy Department, two members from the automotive engineers, and two from the mechanical engineers, with the director of the Bureau of Standards as the chairman.

The commission adopted the policy of holding meetings and conferences all over the country where the men who know most about these questions, who were making screws and bolts and the appliances and tools for the manufacture of these articles, would gather. They came together and had long and numerous conferences in regard to the subject, in order that the standard set should be as nearly as possible the proper commercial standard. It was required in the law that the Secretary of Commerce should promulgate these standards and that thereafter they should be used in all Government contracts. No penalty is attached, as will be observed. Under the law private industries are not required to come in, but their best interests impel them to come in. They wish to manufacture for the Government when occasion offers, and they wish the standards used in their factories to be such that at any time they can do Government work, so they gladly

came in. The commission has gone on for seven years and has accomplished a great work.

One instance was referred to by the gentleman from New Jersey [Mr. PERKINS] which indicates the condition of affairs before this commission was created. It relates to the matter of screws on fire hose. Some Members will remember the great fire that occurred in Baltimore some years ago which burned up a good part of the city. Washington sent over all of the fire apparatus that this city could spare. It was hurried over there only to find, when they attempted to couple the fire hose of the Washington apparatus to the hydrants of the city of Baltimore, that the threads on the screws were so different that they could not attach the hose to the hydrants. This is just an illustration of what was going on all over the country in many lines of mechanical industry. The industry was exceedingly glad to have some one formulate a standard, and the fact that it was done by the Government, under Government auspices, made it more acceptable and has given it weight and authority.

In 1919 this commission went abroad to take up the question of international standardization with the British and French, and far-reaching results are still hoped for in this direction. In April of this present year the British standardization committee is expected to come to this country to take up again with our commission the matter of trying to arrange for international standards for screw threads.

Mr. SEGER. Will the gentleman yield?

Mr. TILSON. I will.

Mr. SEGER. Is this legislation permissive or mandatory?

Mr. TILSON. It is mandatory so far as the Government requirements are concerned, but it is entirely permissive so far as private industry is concerned. Nobody is compelled to come in unless they desire to do so.

The SPEAKER. The time of the gentleman has expired.

Mr. TILSON. Mr. Speaker, I ask for five additional minutes.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. RANKIN. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. RANKIN. Here is what I am trying to get at. To what extent did private manufacturers cooperate in the standardization of these screws, nuts, bolts, and so forth? The reason I ask that is, if the Government has one standard and private manufacturers have another standard, it seems to me we are going to come to a place after a while where we can not change or interchange material.

Mr. TILSON. That is exactly the situation we were in in time of the war, and I am glad to say to the gentleman from Mississippi that the manufacturers of such products all over the country have very largely accepted the standards formulated by the commission. Likewise, the makers of tools for the manufacture of screws have all, so far as I know, at any rate the leading manufacturers, adopted the national screw-thread commission standard.

Mr. MENGES. Will the gentleman yield?

Mr. TILSON. I will.

Mr. MENGES. Could this commission cooperate with the Patent Office when new patents are introduced there, say, for instance, for agricultural machinery and other machinery, so as to use the standard?

Mr. TILSON. No; the commission would simply formulate the standards to be used in all Government work and promulgate them for the use of such private individuals as may see fit to use them. Fortunately private manufacturers have seen their own advantage in using it.

Mr. MENGES. Could not this enforce it——

Mr. TILSON. No; it is not necessary to enforce it, and I am glad that there is no penalty attached.

Mr. RANKIN. Can the gentleman state the number of standards that have been fixed by the commission?

Mr. TILSON. I hold in my hand the first tentative report, made in 1922, I believe, with numerous tables of standards of different sizes and fits of nuts and bolts. I think there are four different fits provided for. There is a loose fit, so that the nut may be turned with the finger. Then there is a somewhat tighter fit, and then a very fine fit. Different standards are required for different uses, but the commission has reduced them to four different types of standards.

Mr. RANKIN. Let me see if I get the gentleman's meaning. Does the gentleman mean they will only be made in four different size threads, four different type threads——

Mr. TILSON. No; for the same size bolt there will be four different fits.

Mr. RANKIN. Four different fits for a bolt of a certain size?

Mr. TILSON. The fit depends upon what they are to be used for. Some things you want the fit so tight that it will be air-tight and water-tight, and then there is what we call a wrench fit where it takes a wrench to turn it.

Mr. RANKIN. The gentleman means all four of these bolts can be used in the same nuts in case it becomes absolutely necessary?

Mr. TILSON. No; I do not mean that. Loose fits would ordinarily be on the larger bolts, and the very tight fits as a rule would be on the smaller ones, but it might be the same size bolt in all four of these different standards.

Mr. CARSS. Will the gentleman yield?

Mr. TILSON. I will.

Mr. CARSS. If I understand the gentleman correctly, the gentleman wants to establish a standard pitch and a standard number of threads to the inch?

Mr. TILSON. That is the lead and the pitch and the angle of the screw thread.

Mr. CARSS. And to do away with different standards that exist in every manufactory which they maintain themselves.

Mr. TILSON. That is correct.

Mr. CARSS. The gentleman desires to bring them together so you can go and buy a bolt and nut of the same size and they will fit every other bolt.

Mr. TILSON. That is what we desire to have happen.

The SPEAKER. The time of the gentleman has expired.

Mr. TILSON. May I have five minutes more?

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. TILSON. We sent out and purchased 20 bolts and 20 nuts from different sources and then tried to assemble them together. Only a very small part of the number would fit into each other, although they were supposed to be the same size nut and bolt.

Mr. CARSS. But they did not have the standard threads?

Mr. TILSON. The threads were of a different standard.

Mr. CARSS. A different number of threads to the inch?

Mr. TILSON. Yes; and the pitch, as the gentleman understands, and the angle.

Mr. KETCHAM. Mr. Speaker, will the gentleman yield?

Mr. TILSON. Yes.

Mr. KETCHAM. Referring to the question I propounded to the gentleman from Pennsylvania, will the gentleman please give to the House information as to who is the directing head of this work? Really where is it centered?

Mr. TILSON. The Bureau of Standards is the head by law. The Director of the Bureau of Standards is made the chairman of the commission and the Secretary of Commerce is charged with the duty of promulgating the standards after they have received the approval of the Secretary of War, the Secretary of the Navy, and his own approval.

Mr. KETCHAM. Do I understand that whenever any manufacturing plant enters into correspondence with this commission to take up the question of standardization the correspondence comes to the Bureau of Standards, and it is a matter of mutual conferences, not orders, or anything of that kind?

Mr. TILSON. Entirely. One of the officials of the Bureau of Standards acts as secretary of the commission. In its meetings the director of the bureau acts as chairman of the commission. They lay out their work, appointing subcommittees of the commission, and they take the work home and work on it. When they get ready they come back and the whole commission acts upon it.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. TILSON. Yes.

Mr. BOYLAN. May I ask the gentleman whether the loosening up of these nuts will cause a flow of anthracite coal to tidewater in the next few months?

Mr. TILSON. I am talking about a matter to which the question of the gentleman is not at all pertinent. [Laughter.]

Now, Mr. Speaker, if there be no further questions, I yield the floor.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. PERKINS, a motion to reconsider the vote whereby the bill was passed was laid on the table.

WAR DEPARTMENT APPROPRIATION BILL

Mr. ANTHONY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8917, making appropriations for the Army.

The motion was agreed to.

The SPEAKER. The gentleman from Connecticut will please take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8917, the War Department appropriation bill, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8917, the War Department appropriation bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 8917) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes.

Mr. ANTHONY. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. ELLIS].

The CHAIRMAN. The gentleman from Missouri is recognized for 20 minutes.

Mr. ELLIS. Mr. Chairman, I deem this an opportune time to say something which I believe ought to be said.

Mr. Chairman, an appropriation of fifty millions for waterways! What then? The paramount concern of the inland West in this bill is in this single provision. Apart, perhaps, from tax reduction the paramount concern of the Mississippi Valley in the work of this Congress is that ample provision be made for waterway development—for the relief to our industries in general, and to our agriculture in particular, that is bound up in the improvement and use of our western rivers as waterways.

The proposed appropriation of fifty millions affords satisfaction. The action of the subcommittee is meeting with hearty approval. It affords me a peculiar pleasure to assure the distinguished chairman [Mr. ANTHONY] that he has won the plaudits and earned the gratitude of the people back home.

But, Mr. Chairman, I go straight to the purpose of taking the floor at this time, when I say that the people for whom I speak are not and will not be content with this one act at this session on this subject. They will want to know, are asking now, if, when this bill carrying this appropriation for the next fiscal year shall have passed, their Representatives in this Chamber are going to place a period to legislative efforts and legislative concern for this session; are to fold their arms and let their voices fall. They want us to move, move now, and move resolutely for a new departure in this waterway business.

The vision of the Secretary of Commerce first reflected in his great speech at the October waterway conference at Kansas City, reflected again in his statement the other day to the Committee on Rivers and Harbors—that vision of a great, comprehensive transportation system of developed, standardized, coordinated channels, trunk lines, and feeders, to be put to use with perfected up-to-date equipment, has not only caught the imagination, it has appealed to the practical common sense of the people everywhere.

They want realization. They want a new start to be made at once and that the work be carried forward vigorously. They have read in the newspapers Mr. Hoover's statement to the committee; how in stressing the importance of immediate development of the inland rivers into dependable channels of commerce, he said that—

the engineering questions are behind us as to the Mississippi system; that we know what should be done—

And that—

we know it can be completed to the present contemplated stage for something like $100,000,000 and would require about five years if we went at it vigorously.

That, Mr. Chairman and gentlemen, is precisely what our constituents want to have accomplished. Eight hundred thousand dollars are now in bank in Kansas City ready to be invested in a fleet of barges just as soon as the river is made fit for their operation. The engineers say that not more than 10 per cent of the river below Kansas City is now unfit for successful navigation. And Major Gee, the engineer on this same reach of the river, has given assurance that, if provided with funds for continuous, vigorous operation, in three years such progress will have been made that the boats may be put into the channel.

The other day I wrote General Taylor, Chief of Engineers, to advise me what legislation would best subserve the purpose of prompt, continuous, and vigorous action. Here is his answer. I commend it to your careful consideration:

The simplest bill that could be prepared, and one which, if enacted, would place the river and harbor work on a basis for rapid and economical prosecution, would be a bill authorizing appropriation of $250,000,000, of which $50,000,000 would become available immediately and $50,000,000 on July 1 of each succeeding fiscal year for four years. While this sum would not enable us to entirely finish all projects, as it would have to provide for the maintenance also, it would give us a sum which experience has shown is that which will permit of the prosecution of these works at a rapid rate, and most economically.

Such a bill would be in line with the last flood control bill for the Mississippi River, which authorized an appropriation of $10,000,000 per year for six years. Since this has been in effect, the Mississippi River Commission has made far more rapid progress toward the completion of the flood-control works in the Mississippi Valley, and with marked economies, than ever before.

In a bill such as I have suggested, it would not be necessary to refer to any particular streams, as the sum appropriated each year would, as I have stated, give sufficient money to carry on the work authorized by Congress as rapidly as could economically be done.

Why, I ask—and I would address the inquiry to any member of the Committee on Rivers and Harbors who may be present, as I shall hope soon to ask that committee in session—why should we not provide for these great endeavors, these outstanding internal improvements, now, at this session, as was so provided for the endeavor for flood control? Or as we did so promptly, resolutely, and effectively a few years ago in the national endeavor for good roads?

We know it would expedite operations. Every one appreciates that. We also know that to fail to so provide will retard operations. Over and over again in annual report after annual report, the Chief of Engineers has explained lack of satisfactory progress and has extenuated enormous wastes in operations on those alluvial streams by attributing them to irregular and insufficient appropriations.

But there is another very important consideration, not so well recognized, brought out in the hearings on this bill. Owing to this uncertain piecemeal, hand-to-mouth method or lack of method, we have been pursuing—and shall continue to pursue unless the advice I have just read from General Taylor shall be heeded—it has been necessary to confine operations on these projects almost entirely to Government plants and forces. We have not been able to get the benefit of competitive bidding or of private enterprise; and in this we are losing money year by year. In the hearings on this bill, General Taylor asserted that assured, continuous appropriations, for a prescribed period of years, would encourage the building of private plants and the result would be lower bids and great saving in the cost of these works.

Mr. Chairman, I wish I might sufficiently impress the fact that with respect to these rivers and the present industrial conditions in the West, we are dealing with an emergency. That is the way it appeals to me and, far more important, that is the way it appeals to the Secretary of Commerce and to the President. It is not simply action that is needed. There should be quick, effective action. It will not do to trust to this talk that is floating about, that this increased appropriation means a new policy. I hope that is all true. But we must get it out of the air.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. ELLIS. Yes.

Mr. LINTHICUM. Do I understand that the gentleman wants a separate bill, a separate appropriation, to carry on this work, apart from this general appropriation?

Mr. ELLIS. What I want is to have done in this case what was done in flood control, and what he did in respect to good roads—to prescribe a definite program for a definite period, and to provide the funds for the work during that period. That is what we want for the rivers. What we are doing to-day is to provide an appropriation for a fiscal year. If you will examine these hearings you will find that General Taylor says plainly to this committee that practice means that he can not look forward beyond one year; he can not lay out the work beyond the fiscal year; he can not invite private contractors to take hold of the work. He must keep within that period and confine operation to Government plants.

That is piece-meal work. That is haphazard work. That is work without a method. What I am asking for now is a bill in this Congress authorizing appropriations from year to year. In fact, I am advocating just what General Taylor says in this letter is the thing that should be done.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. ELLIS. Gladly.

Mr. McDUFFIE. I have listened, as I always do, with much interest to what the gentleman has to say, and I thoroughly agree with him that we ought to have some definite, fixed policy as to future development of our rivers and harbors. Certainly as to the great Mississippi system, in which the gentleman is interested and in which we are all inter-

ested, realizing that a waterway, regardless of the many miles now improved, is no better as a commerce carrier than its shallowest channel, the public is denied the use of that system as a whole as a great carrier of commerce. The public is denied the benefits of cheaper rates, and will continue to be denied the use of this system until its completion as a great trunk-line carrier of standardized depth. The Department of Commerce made some investigation as to the saving in freight rates by the use of our inland waterways, if they were all properly developed, and my recollection is that the testimony before the Rivers and Harbors Committee several days ago showed that a saving of 5 to 9 cents per bushel could be realized on wheat shipped to foreign markets, using our inland waters to reach the seaboard. The gentleman, I am sure, is aware that General Taylor testified before the Appropriations Committee that he needed $55,000,000, and that he could economically expend that amount during this next year.

Mr. ELLIS. Fifty-four million and a half, to be quite exact.

Mr. McDUFFIE. Approximately $55,000,000. The Budget Director recommended only forty millions for the next year. After several days and weeks of consideration the President sent an additional estimate, or an amendment to the original Budget estimate, adding $10,000,000 to the original estimate of $40,000,000, making $50,000,000, and that amount is carried in this bill. We are glad the President himself appreciates the necessity for at least fifty millions next year. Does not the gentleman think that General Taylor can carry on the work in which he is interested, making substantial progress on the Mississippi system as well as on all of the projects throughout the country, with that amount of money? Did not General Taylor suggest he could make fair progress during the next year with $50,000,000, but could not do so with any less amount? I think we should have the speedy completion of all the major projects already adopted, and especially the Mississippi system.

Mr. ELLIS. That is his recommendation, precisely stated. But General Taylor goes further than that in his argument before the committee, and has always gone further. He has said over and over again that what he needs is a program that covers more than one year—that covers a period of years. That is what he has recommended when I asked him what should be done in the way of legislation. He said an appropriation each year for a period of five years should be authorized now.

I know that the gentleman from Alabama [Mr. McDUFFIE] is interested in this subject and is ready in every way possible to forward the work on our waterways and harbors. Now, what has been the situation before this subcommittee? The subcommittee has been waiting for weeks for word from the Budget Director as to how much to put into this bill. But it did not have to wait a minute to know what is going into the bill for flood control. That is fixed in the law. The subcommittee did not have to wait a minute to determine that some $80,000,000 shall go into our highways this year. That is fixed in the law. Why should it not be fixed in the law that next year, and for a period of four years thereafter, $50,000,000 shall annually go into our waterways? If we really mean to do that, if we want to do that, then that is the way to insure accomplishment.

I know there is some talk here—it is floating around in the air—that this increase in the appropriation from $40,000,000 to $50,000,000 is an earnest of a new departure and a new policy on the part of the Government; but it is in the air. I want to get it out of the air.

Mr. LINTHICUM. Will the gentleman yield?

Mr. ELLIS. Yes.

Mr. LINTHICUM. I quite agree with the gentleman that we ought to know what we are going to do for a few years ahead.

The CHAIRMAN (Mrs. KAHN). The time of the gentleman from Missouri has expired.

Mr. ANTHONY. Mr. Chairman, I yield the gentleman one additional minute.

Mr. ELLIS. I want to appeal to my colleagues, and I want to appeal to the Committee on Rivers and Harbors for action at this session to put this endeavor on the high plane of the precedents that have prevailed in all other instances of our great national undertakings.

Mr. LINTHICUM. I do not think the gentleman quite understood me. I noticed that in the building of the Conowingo Dam between Maryland and Pennsylvania the enormous expense of assembling a plant entered into the proposition, and that unless the contractor could get the entire work, or knew they were going to go ahead for several years, the assembling of the plant would represent a very large proportion of the entire contract. But if that could be spread over several years, it would necessarily make the contract price less; and if we had a policy or program, then the man would know just how to calculate on the assembling of his plant, and that would result in reducing the contract price.

Mr. ELLIS. That is entirely right, and that is precisely what General Taylor said here in the hearings, to which I have just adverted. That is the economical principle I want to invoke. If we are in earnest, let us write into the law a program for vigorous action that will insure promptness rather than delay, economy than waste, certainty than doubt, method than madness. The iron is hot; it is time to strike. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. ANTHONY. Mr. Chairman, I yield 20 minutes to the gentleman from Alaska [Mr. SUTHERLAND]. [Applause.]

Mr. SUTHERLAND. Mr. Chairman and gentlemen, I have a leaflet which has been sent, I believe, to every Member of Congress by the Native Brotherhood of Southeastern Alaska, the pamphlet bearing on the fisheries situation. I ask unanimous consent to insert it in full in the RECORD, and with your permission I will read briefly from it in order to indicate why the native people of Alaska appeal to you:

We appeal to you as a Member of the American Congress to use your influence and your voting power to correct the unbearable conditions that have been imposed on the native people of southern Alaska by the Department of Commerce of the United States in its administration of the Alaskan fisheries.

From time immemorial our people have subsisted by hunting, fishing, and trapping. Many of the islands upon which our fathers hunted and trapped have now been preempted by white men for raising foxes. The intensive hunting and trapping by the whites has almost destroyed our fur supply. The sea otter, upon which we formerly relied for food and clothing, is now almost extinct, while the restrictions placed upon the killing of fur seal makes our revenue from that industry almost nothing.

Our only remaining source of revenue is salmon fishing, and by the ruthless, unfair, and discriminatory policy of the Department of Commerce we are now shut out from equitable participation in that business, and our wives and children must suffer thereby.

We are a fishing people; our food from generation to generation has been the salmon that once swarmed in our streams. Our right to catch salmon in the many bays and rivers of Alaska was first exercised by our ancestors. To-day our fishing rights are ignored, and we have been ordered out of the bays where our forefathers fished and from favorable places for fishing with the form of fishing gear to which we are accustomed, while the large cannery interests are permitted to fish unrestrictedly in the places that are favorable to the use of their mammoth fishing machines. The salmon that are not caught by these large machines are migrating to our fishing grounds, but we are forbidden to take them by the Secretary of Commerce.

Mr. LINTHICUM. Will the gentleman yield for a question?

Mr. SUTHERLAND. Briefly.

Mr. LINTHICUM. I want to know the situation as to the seal fisheries on the Pribilof Islands in these days?

Mr. SUTHERLAND. The seal herd is increasing under Government supervision. There is no question about that.

Mr. RANKIN. Did the gentleman propound his request for permission to insert that leaflet?

Mr. SUTHERLAND. Yes. I ask unanimous consent to insert the leaflet in full.

The CHAIRMAN. The gentleman from Alaska asks unanimous consent to extend his remarks in the RECORD by inserting the pamphlet referred to. Is there objection?

There was no objection.

The pamphlet referred to is as follows:

AN APPEAL TO CONGRESS FOR JUSTICE TO THE NATIVE PEOPLE OF SOUTHERN ALASKA

GRAND CAMP, ALASKA NATIVE BROTHERHOOD,
Ketchikan, Alaska, September 11, 1925.

DEAR SIR: We appeal to you as a Member of the American Congress to use your influence and your voting power to correct the unbearable conditions that have been imposed on the native people of southern Alaska by the Department of Commerce of the United States in its administration of the Alaskan fisheries.

From time immemorial our people have subsisted by hunting, fishing, and trapping. Many of the islands upon which our fathers hunted and trapped have now been preempted by white men for raising foxes. The intensive hunting and trapping by the whites has almost destroyed our fur supply. The sea otter, upon which we formerly relied for food and clothing, is now almost extinct, while the restrictions placed upon the killing of fur seal makes our revenue from that industry almost nothing.

Our only remaining source of revenue is salmon fishing, and by the ruthless, unfair, and discriminatory policy of the Department of Commerce we are now shut out from equitable participation in that business, and our wives and children must suffer thereby.

We are a fishing people; our food from generation to generation has been the salmon that once swarmed in our streams. Our right to catch salmon in the many bays and rivers of Alaska was first exercised by our ancestors. To-day our fishing rights are ignored, and we have been ordered out of the bays where our forefathers fished and from favorable places for fishing with the form of fishing gear to which we are accustomed, while the large cannery interests are permitted to fish unrestrictedly in the places that are favorable to the use of their mammoth fishing machines. The salmon that are not caught by these large machines are migrating to our fishing grounds, but we are forbidden to take them by the Secretary of Commerce.

The Secretary of Commerce says that this unjust policy is in the interest of conservation. We claim that this policy imposes the entire burden of conservation upon us and the few independent white fishermen who use our method of fishing by nets and seines. The people who are least able to bear the burden of conservation are compelled to bear it all.

Our race occupies all the coastal territory of North America from Bering Sea to the Straits of Juan De Fuca. When Russia ceded Alaska to the United States an imaginary dividing line was established on the north shore of Dixons Entrance, and those of our people who lived south of that line went under British sovereignty. Under this monarchial government of British Columbia the common right of fishery has always been recognized, and under just and equitable laws the native people of British Columbia have always and do to-day enjoy equal fishing privileges with the white residents.

The Hon. JOHN E. RANKIN, of Mississippi, who visited Alaska in the summer of 1923, noted the contrast between the unjust and inequitable fishery laws of Alaska and the fair and equitable administration of the British Columbia fisheries, and expressed his observations on the floor of Congress in the following language:

"I saw a large number of fishing smacks off the coast of British Columbia. These men were catching fish for a living. They were protected by the laws of British Columbia. There were no traps, no large nets, but they could go there and catch all the fish they pleased and sell them to the canners or ship them to any part of the world. But when we got into Alaska we found that even our ex-service men were driven from the fishing grounds by the canners, some of the very people who had been prosecuted for selling spoiled salmon to our soldiers during the war. Congress should force them to take their traps out and let the small men, the individuals who work for a living, enjoy the fruits of their labor, as the American worker does, or should do, in the continental United States."

By reason of her observation of the common right of all pepole to participate in fishery on an equal footing, British Columbia has built up a large and prosperous fishing industry, which is financed largely by American capital, and her fishery products compete in the world's markets with the Alaskan product.

We claim that under the American Government we should receive treatment equally as just as our racial brothers are accorded in British territory; that a republic such as ours should protect its citizens in rights that are recognized and protected in every monarchy on earth; and we believe it to be the desire of the American people that we should receive the just and equal treatment in the pursuit of our calling that is given in all fishing countries except Alaska.

We are not appealing for any exclusive privileges for a class of citizens; we ask no favors that others do not receive; we simply ask that all fishermen in Alaskan waters be placed upon the same competitive basis under as stringent measures as the Secretary of Commerce may care to impose for the protection of the fish supply. We are able to compete with the whites in fishery if we are given an equal chance with them, but under the discriminatory regulations of the Secretary of Commerce whereby monopoly is given to certain favored whites competition is impossible.

We have appealed to Mr. Secretary Hoover for a square deal, and our representatives have plead with him to treat us fairly, but he ignores our pleas, and therefore we now appeal to the American Congress for redress. We pray that the power to which Mr. Hoover is subject shall intercede for us and instruct the Secretary of Commerce to administer the Alaskan fisheries in fairness and justice to all who are engaged in the industry.

THE ALASKA NATIVE BROTHERHOOD,
By FRANK D. PRICE, *President*.

Attest:

GIDEON DUNCAN, *Secretary*.

Mr. SUTHERLAND. I have the regulations here for this coming season, and the regulations indicate that 63 bays, in the section of Alaska where these natives reside, have been closed to fishing.

For years they have operated their small, and we might say primitive, fishing gear in these bays. When the white cannery men first came to Alaska they recognized the rights of the Indians to fish in certain places. Finally two fishing crews came into conflict over ground that had been virtually leased from the Indians, and when it was taken into the court, the court held there were no exclusive fishing rights in Alaska and therefore the rights of the Indians were dissipated and destroyed.

These 63 bays have now been closed to them. They have been driven out of the waters where their small gear operates well, and are compelled, if they fish at all, to fish in waters where it is almost impossible to accomplish anything with the form of gear they have.

Mr. RANKIN. Will the gentleman yield?

Mr. SUTHERLAND. I will yield.

Mr. RANKIN. Does the gentleman mean it has been closed to all fishing or just to the small fisherman?

Mr. SUTHERLAND. The bays are closed to all fishing, but in some cases where the line across the mouth of the bay is drawn, the termination of the line on each side may be a trap site, where a large machine is operated for fishing. I do not know that it occurs in any bay that there is a trap on each side, but there are bays where the line is drawn right to the trap, and in that case, of course, the natives are compelled to go outside of that trap at least 300 feet to do their fishing with their little nets and seines. The point is, they can not fish successfully.

I want to read you from the regulations. Some of the natives as well as some of the whites, when they were driven out and found their gear was useless in waters where only traps are suitable to fishing, started in to fish with small traps, and here are the regulations for this year:

All traps shall be at least 1 statute mile apart laterally.

That is a regulation of the department under the authority given them to close certain areas to fishing; but here is the law as written in the very same act of June 6, 1924, under which the Secretary of Commerce closes areas to fishing and fixes a mile, and in some cases a mile and a half, between trap sites. This is the law that was written at that time:

It shall be unlawful to lay or set any seine or net of any kind within 100 yards of any other seine, net, or other fishing appliance which is being, or which has been, laid or set in any of the waters of Alaska, or to drive or to construct any trap or any other fixed fishing appliance within 600 yards laterally or within 100 yards endwise of any other trap or fixed fishing appliance.

The law specifically fixes the distance between these contrivances at 1,800 feet and the Secretary of Commerce extends it to 1 mile, and in one section to a mile and a half. This certainly must drive out a great number of small trap owners. It could drive out a large trap also, but the effect is it increases the efficiency of the traps that are allowed to remain with this space of 1 mile or a mile and a half apart, and sets up an exclusive privilege in fisheries. This act specifies that no exclusive or several right in fisheries should be recognized. This is the ruling case law definition of a several fishery:

A several fishery is an exclusive right to fish in a given place, either with or without the property in the soil at such place, and no person other than the owner of the fishery can lawfully take fish at such place.

Now, that would be a question, of course, for adjudication in the courts, but I hold it is absolutely the establishment of an exclusive privilege in a fishery set up, as I believe, eventually to obtain title to the site and to the soil. This is what the native people of Alaska are protesting against.

The natives in Alaska hold they have the right to fish in these bays and that the fisheries should be so regulated that there would be an escapement into the bays, and that they should have an opportunity to take fish on the fishing grounds that they have always occupied, and this theory is held all over the fishing world—the right of upper and lower fishery; and to say that a man in an upper fishery must be driven out and take his chance on a lower fishery, where there is no opportunity for him to fish, is unfair and I maintain should be declared illegal.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. SUTHERLAND. Yes.

Mr. OLIVER of Alabama. It is not then in the interest of conservation?

Mr. SUTHERLAND. The Secretary of Commerce would say so, but I say that the establishment of these traps a mile or a mile and a half apart increases the efficiency of each trap so placed, when the others are driven out, and I will also concede that if you take two traps out and only two remain on a certain line of the shore, there is going to be a greater escapement of fish. That is conceded, but beyond that is the

right that has been established in all countries on earth of every man to fish, and to fish on a fair and equitable basis.

Mr. LINTHICUM. Will the gentleman yield?

Mr. SUTHERLAND. Yes.

Mr. LINTHICUM. Do I understand the gentleman to mean they specify that these traps must be a mile or a mile and a half apart?

Mr. SUTHERLAND. Yes; a mile, and in some cases a mile and a half apart.

Mr. LINTHICUM. And a company may have a very large trap, and yet the individual with a little trap can not be within a mile or a mile and a half of that trap; is that correct?

Mr. SUTHERLAND. Any trap that gets a station a mile or a mile and a half away from another trap, as the case may be, may operate.

Mr. LINTHICUM. I understood the gentleman to say that that gave these large companies the advantage, because they could have the large traps, while the individual fishermen you speak of would have to be a mile or a mile and a half away.

Mr. SUTHERLAND. A large trap costs a great deal of money.

Mr. LINTHICUM. Yes.

Mr. SUTHERLAND. The small fisherman can not operate a big trap, and he has gone to the use now of a small floating trap.

Mr. OLIVER of Alabama. Will the gentleman yield for a moment?

Mr. SUTHERLAND. Yes.

Mr. OLIVER of Alabama. As bearing on the question of conservation, it would be interesting to the House if the gentleman could insert some figures showing the amount that were caught when the traps were only 1,800 feet apart and the number of fish caught now under the changed regulations.

Mr. SUTHERLAND. That would have to be done after the fishing season is over for this year. I do not think I could submit anything on that point at this time.

I call your attention further to the regulations:

> The total aggregate length of gill nets on any salmon fishing boat, or in use by such boat, shall not exceed 200 fathoms hung measure.
>
> All traps shall be at least 1 statute mile apart laterally.
>
> No salmon fishing boat shall carry or operate more than one seine of any description, and no additional net of any kind shall be carried on such boat. No purse seine shall be less than 200 meshes nor more than 300 meshes in depth, nor less than 150 fathoms nor more than 250 fathoms in length, measured on the cork line.

That is a good fishing regulation; that would be done in any good fishing country in the world. It is designed to enable all men who are engaged in the business of fishing, and there is a limitation on the efficiency of the gear they use, but here there is no limitation on the efficiency of the trap—not the slightest. And so if I am fortunate enough to get a site a mile from another man I may make it as large and efficient as I desire. So I say it is creating an exclusive privilege, building up a monopoly that may be handed down from generation to generation. It means that the small fisherman in Alaska has no opportunity to fish in the waters where only traps can operate sucessfully.

There are departments in Washington whose action would indicate that they believe their function is to build up monopoly, and that is what the Department of Commerce is doing in fishing. They know what was meant by the law of 1924 when it was written, that no exclusive right of fishing should be recognized, and that any man could fish where any other man fishes. And yet in the case of trap fishing the law is ignored.

Mr. LINTHICUM. Will the gentleman yield?

Mr. SUTHERLAND. Yes.

Mr. LINTHICUM. I am very much interested because in my State the clam industry has become almost extinct, the great shad industry is at a low ebb, the oyster industry about one-tenth of what it used to be, and we think there was not proper conservation. It looks to me as if this was in the interest of conservation, and if it is not I would like to have the gentleman suggest what should be done.

Mr. SUTHERLAND. I would suggest a reduction in the efficiency of all fishing appliances. If traps are to be used, I would let any man operate a trap, but the size should be reduced so that all would contribute to conservation.

Now, I want to say that when anyone to-day makes an appeal for small business he is very apt to be ridiculed. Business is going in almost every line to great combinations. The mercantile business is becoming established on such a scale that the small storekeeper is passing out of business. Recently we understand by the press that it is extending even to the baking of bread, and the small corner baker is passing away. It probably would be ridiculous to appeal for the small business man to-day, and perhaps I would be deserving of ridicule. But I maintain that if there is one industry on earth where this monopolistic system for the purpose of efficiency should not apply it is the fishing business. All through the centuries the right of man to participate in this great natural resource on an equality has been recognized, and there is no exigency of commerce to-day that requires a monopoly in that business. And so my appeal is for the native people who have appealed to you in this matter, a subordinated race, but they appeal to you to protect them in the right they believe the Constitution guarantees them, the right of fishing on an equality with any other man engaged in the business.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. SUTHERLAND. Yes.

Mr. SCHNEIDER. Just what concerns are there that operate on the large scale the gentleman describes in the waters of Alaska?

Mr. SUTHERLAND. Any of the concerns that drive the large traps. The small man is unable to furnish the great machinery required to drive a trap. It is a mammoth fishing machine. It is driven by great pile drivers, carried on scows, with a large crew of men. It requires machinery and appliances which costs a great deal of money to drive it.

Mr. SCHNEIDER. Do these concerns own their own canneries?

Mr. SUTHERLAND. Yes; in almost all cases. Some are independent.

Mr. SCHNEIDER. Do they have connection with the packing industry?

Mr. SUTHERLAND. Oh, yes; Libby & Co., the Booth Fishery Co., the California Canning Corporation—all are very large packing concerns.

Mr. LINTHICUM. Will the gentleman state whether these fish after they go into the stream and spawn die and float out to sea?

Mr. SUTHERLAND. Yes.

Mr. LINTHICUM. They never go out and come back again?

Mr. SUTHERLAND. No.

Mr. LINTHICUM. If you did not catch a great many, you would not get the supply you need.

Mr. RANKIN. The evil of the present system is that those you catch never reach the spawning bed to produce their kind.

Mr. WOODRUFF. Is anything done with the spawn of these fish that are caught in these traps and later canned?

Mr. SUTHERLAND. No. It is used as offal in some cases; ground up for fertilizer.

Mr. WOODRUFF. No attempt is made to bring that spawn through to life?

Mr. SUTHERLAND. No.

Mr. WOODRUFF. It occurs to me that it would be rather a good thing for the Government to undertake that particular work.

Mr. SUTHERLAND. When the fish are desirable for canning, the spawn is not quite ripe.

Mr. WOODRUFF. Certainly when these fish come in to spawn many must be about ready to spawn.

Mr. SUTHERLAND. Yes; but they are not as desirable then for food. They are desirable for food before the spawn is ripe.

Mr. WOODRUFF. How about the canning companies up there? Do they carefully select from these fish the fish most desirable for food, or do they can them all and sell those not quite so desirable as second grade?

Mr. SUTHERLAND. The spawn is in its ripe condition when the fish enters fresh water, and they catch none of them in fresh water.

Mr. WOODRUFF. How far from the fresh water?

Mr. SUTHERLAND. In some cases quite a great distance.

Mr. OLIVER of Alabama. Mr. Chairman, I feel that the Congress is in sympathy with the position taken by the gentleman that the rights of the individual fisherman should be protected. The gentleman recognizes, however, that even the small fisherman, where there are great numbers, should have some regulations.

Mr. SUTHERLAND. Oh, indeed, yes.

Mr. OLIVER of Alabama. So as to protect the fishing industry. I have listened to the gentleman's statement, and I failed to hear that the gentleman had any constructive pro-

gram that he would suggest which would correct the dangers that he anticipates from the large fisheries.

Mr. SUTHERLAND. The constructive program is simply to regulate in such a way that every man will have an opportunity to fish and not deny to some, as I have illustrated, and give special privileges to others.

Mr. OLIVER of Alabama. Has the gentleman protected what is more important still, the fishing industry?

Mr. SUTHERLAND. Yes.

Mr. OLIVER of Alabama. In other words, has the gentleman looked after the conservation in the program that he has announced?

Mr. SUTHERLAND. Yes; the Secretary has power to fix closed seasons, and that, in my judgment, is the proper way to protect the fish, and that is the way exercised all over the world.

Mr. WOODRUFF. And the gentleman would restrict the efficiency of these large traps?

Mr. SUTHERLAND. Yes.

Mr. HARRISON. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. BRAND].

Mr. BRAND of Georgia. Mr. Chairman—

Poppies in the wheat fields, on the pleasant hills of France,
Reddening in the summer breeze that bids them nod and dance.

[Applause.]

So sang a soldier poet of the American Expeditionary Forces that blazing summer of 1918 when an unleashed American Army was writing victory into our history. He sang of poppies because it was through machine-gun raked fields of them that the doughboy charged; he sang of poppies because the doughboys plucked them and wore them on their helmets as they forged ahead; and we wear them to remember—

Poppies in the wheat fields, how still beside them lie
Scattered forms that stir not when the star shells burst on high;
Gently bending o'er them beneath the moon's soft glance,
Poppies in the wheat fields, on the ransomed fields of France.

Great events of human progress are symbolized more or less in emblems. Great nations have their symbolic flowers, and events of world importance are brought to mind by these flowers. The Easter lily reminds the Christian world of the resurrection morn. The shamrock brings to the heart of every understanding son of Ireland the Trinity. The thistle reminds the Scotchman that its piercing thorns brought a groan from the encroaching enemy which aroused the sleeping Highlander to defend his frontier. The rose of England is still inspiration for the yeomanry of the empire to stand for King and country. As for the fleur-de-lis, it is to the Frenchman as full of sentiment as it is of beauty and fragrance. It is France! and calls her sons to her defense.

The newest flower to take its place of symbolism among the nations is the poppy of the World War battle front of Belgium and France.

It was immortalized by Col. John McCrae's poem, which gave the challenge to the liberty-loving people of the world to come to the rescue of the failing torch of liberty, which so valiantly had been held aloft by those whose places were then marked by white crosses and red poppies:

WE SHALL NOT SLEEP

In Flanders fields the poppies blow
Between the crosses, row on row,
That mark our place, and in the sky
The larks, still bravely singing, fly,
Scarce heard amidst the guns below.
We are the dead. Short days ago
We lived, felt dawn, saw sunset glow,
Loved and were loved, and now we lie
In Flanders fields.

Take up our quarrel with the foe!
To you from failing hands we throw
The torch. Be yours to hold it high!
If ye break the faith with us who die,
We shall not sleep, though poppies grow
In Flanders fields.

[Applause.]

No poem of the World War was more widely read or used as inspiration than this poem.

From it came the idea to Miss Moina Michael, in November, 1918, that the poppy of Flanders fields should be the memorial flower for symbolizing the sacrificial blood shed by our valorous defenders of world liberty.

And also the thought which resulted in a dedication which Miss Michael made to keep the faith and to wear always a red poppy of Flanders fields as a token of her pledge to hold high the light of liberty symbolized in the torch.

She wrote her pledge in words to those written by Col. Dr. John McCrae entitled "We Shall Not Sleep," her reply being entitled "We Shall Keep the Faith," and is as follows:

WE SHALL KEEP THE FAITH

O you who sleep in Flanders fields,
Sleep sweet—to rise anew!
We caught the torch you threw
And, holding high, we keep the faith
With all who died.
We cherish, too, the poppy red
That grows on fields where valor led;
It seems to signal to the skies
That blood of heroes never dies,
But lends a luster to the red
Of the flower that blooms above the dead
In Flanders fields.
And now the torch and poppy red
We wear in honor of our dead.
Fear not that ye have died for naught;
We've learned the lesson that ye taught
In Flanders fields.

[Applause.]

There may be in other portions of the United States or of the world some person who may have answered that immortal poem of Colonel McCrae, but I have failed to see it. There are multitudes of good women, both married and unmarried, throughout the length and breadth of this land who have felt the same way about it as Miss Moina Michael does, who have entertained the same thought and made the same dedication, but it has been left to the Southland of this great country and to the Empire State of Georgia and to this fair lady of my native county and district to pick up the torch which fell from the hands of the dying soldier in Flanders Fields, and be it said to her everlasting glory, to dedicate her life to the living and the dead, "To keep the faith."

If "peace on earth and good will toward men" is ever to prevail, it will be largely due to the mothers of this Nation and the other civilized nations of the world. [Applause.] With infinite compassion mother overlooks the faults of erring men, and with boundless love she forgives their sins. The children of men never worshiped at a purer or a more sacred altar than at the feet of mother. The word "mother" is the most beautiful word the pen of mortal man ever wrote. Mother's face is the sweetest face the brush of the artist ever painted. The prayers of the mothers of this Republic followed the soldier boys wherever the American flag was unfolded upon the battle field and wherever their country called them to duty. Their prayers not only followed but comforted and strengthened them when the camps, both here and over there, while at the cantonments and upon the high seas, yea, even—

In Flanders Fields, where the poppies blow,
Between the crosses, row on row.

[Applause.]

Under the privilege unanimously granted me to extend my remarks I submit the following facts relating to Miss Michael's service in the World War and her activities concerning the poppy being made the Legion memorial flower.

I hereby express my acknowledgment to Miss Michael for most of the information set forth in my remarks.

It is a source of pride to me that while I was addressing the committee MRS. FLORENCE P. KAHN, the gentlewoman from California, was presiding as Chairman of the Committee of the Whole House on the state of the Union. To me it was very appropriate that she should be presiding when these remarks were submitted, because she enjoys the priceless heritage of being a mother and is the widow of Hon. Julius Kahn, who was largely trusted by the House of Representatives with much important work of the Military Committee during the World War, in the performance of which he was always courteous and fair, standing solidly for America's cause in this war, and exemplifying in everything he did 100 per cent patriotism, though he was born in Germany. [Applause.]

Before there was any organized work in the way of Young Men's Christian Associations or Young Women's Christian Associations overseas, Miss Michael was busy planning a "Georgia home" in France. In the meantime she was organizing every way possible to help the boys in the camps.

She then received her appointment to the Young Men's Christian Association overseas headquarters at Hamilton Hall, Columbia University, New York City.

While serving on the staff there a soldier placed on her desk a copy of the Ladies' Home Journal, with Col. John McCrae's "In Flanders' Fields," illustrated, about the 6th of November, 1918. The training of the twenty-fifth conference of overseas Young Men's Christian Association and Young Women's Christian Association workers was then in session, November 6–13, 1918. During a quiet morning hour in the headquarter's office Miss Michael read this poem and studied its graphic illustration.

Her dedication was then and there made to keep the faith and to wear always a red poppy of Flanders fields as a sign of remembrance and a token of her pledge to hold high the light of liberty symbolized in the torch.

At that moment three men, as a committee from the twenty-fifth conference, appeared at her desk to bring a check for $10 from the twenty-fifth conference in appreciation of her efforts to make a model hostess house of their headquarters. She replied:

> How strange. I shall buy red silk poppies—25 red silk poppies. I shall always wear red silk poppies—poppies of Flanders fields! Do you know why?

Then she showed them the poems and illustrations. This committee was duly impressed and asked to take it all upstairs to the conference room, "old No. 3, Hamilton Hall."

The conference was equally pleased, and after adjournment the men came down asking for red poppies to wear. The first scene of wearing the poppy for "all who died on Flanders fields."

That afternoon Miss Michael went to Wanamaker's to get red poppies.

The next morning she made a visit to her friend Dean Talcott Williams, of the School of Journalism. She told him she had a little idea. He replied, "Cherish it, my daughter." But she informed him that she had come for him to help her. She told him all about it. He was enthusiastic and informed her that the same afternoon he was to meet a war worker's committee, on which would be Mrs. Preston (Mrs. Grover Cleveland) and Rodman Wanamaker. He would take her material and get their opinion of the idea. Of course she was delighted. He brought back most favorable reports.

Then Miss Michael put her energies behind the idea.

The armistice was signed. Other conferences met and adopted the poppy. "Home-coming programs" were made, and the poppy was used. The Gotham's Art Co., of New York, struck off buttons and pins with the torch and poppy as the emblem of remembrance and token of pledge to keep the faith. Memorial poppy gardens were planted, Sandusky, Ohio, having in the spring of 1919 one of the prettiest ones.

Miss Michael wrote her Congressman, CHARLES H. BRAND, and this is his reply of December 10, 1918:

> I am writing to-day the War Department in behalf of your suggestion that the poppy be adopted as the national emblem in commemoration of our soldiers who died in France—

And so forth.

The idea had grown considerably, and in 1920 Dr. Pender Jensen, of Tacoma, Wash., went back overseas to search for his "buddy" among the cemeteries of France. He was so impressed by the crimson waving masses of poppies over the graves of our men "over there" that when he returned he had his Legion post adopt the poppy as the memorial flower.

Mr. Charles M. Galliene, of Post No. 1, Atlanta, Ga., took charge of the material and presented the movement to the State convention in Augusta, Ga., August 18–20, 1920. It was adopted, and the delegation to the national convention was instructed to present it at Cleveland, Ohio, and to support the resolutions.

These same resolutions were taken to the national convention at Cleveland, Ohio, September 27–29, 1920, when the poppy became the national American Legion memorial flower.

Mr. LAGUARDIA. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from New York makes the point of order that there is no quorum present.

Mr. BARBOUR. Mr. Chairman, I move that the committee do now rise, and on that I demand tellers.

The CHAIRMAN. The gentleman from California moves that the committee do now rise, and on that vote he demands tellers.

Tellers were ordered; and the Chair appointed Mr. BARBOUR and Mr. LAGUARDIA to act as tellers.

The committee divided; and there were—ayes 1, noes 88.

The CHAIRMAN. The vote discloses that there is no quorum present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 32]

Adkins	Fuller	Luce	Schneider
Beers	Funk	McFadden	Sears, Nebr.
Box	Gallivan	Madden	Shreve
Britten	Gambrill	Mead	Sinclair
Burdick	Gibson	Merritt	Stephens
Butler	Gilbert	Michaelson	Stobbs
Chindblom	Glynn	Mills	Sullivan
Cleary	Hardy	Mooney	Summers, Tex.
Colton	Hawley	Nelson, Me.	Swoope
Connally, Tex.	Hayden	Nelson, Wis.	Taber
Connery	Hooper	Newton, Minn.	Taylor, Colo.
Corning	Houston	Newton, Mo.	Tillman
Cox	Hudson	Norton	Tincher
Cramton	Hudspeth	O'Connell, N. Y.	Treadway
Crisp	Hull, Morton D.	O'Connor, La.	Underhill
Crowther	Johnson, Ill.	O'Connor, N. Y.	Upshaw
Davey	Johnson, Wash.	Oldfield	Vare
Dickstein	Keller	Patterson	Vinson, Ga.
Dominick	Kendall	Peavey	Volgt
Douglass	Kiess	Peary	Wainwright
Drane	Kindred	Phillips	Warren
Dyer	Knutson	Porter	Wefald
Eaton	Kunz	Rainey	Wood
Fairchild	Kurtz	Reed, Ark.	Yates
Fish	Lampert	Reid, Ill.	Zihlman
Flaherty	Lanham	Robsion, Ky.	
Fredericks	Lee, Ga.	Sabath	
Freeman	Lineberger	Sanders, N. Y.	

The committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill H. R. 8917, finding itself without a quorum, under the rule he caused the roll to be called, whereupon 323 Members answered to their names, a quorum, and he presented a list of the absentees to be recorded in the Journal.

The SPEAKER. The committee will resume its session.

Mr. BARBOUR. Mr. Chairman, I yield one minute to the gentleman from Georgia [Mr. BRAND].

Mr. BRAND of Georgia. Mr. Chairman, I ask unanimous consent to extend the remarks I made a few moments ago, and in connection with that request, Mr. Chairman, I want it to appear in the RECORD that the lady from California [Mrs. KAHN], who is the widow of Mr. Kahn, former chairman of the Military Affairs Committee during the war, was presiding in the chair at the time this address was made. [Applause.]

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD. Is there objection. [After a pause.] The Chair hears none.

Mr. BARBOUR. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BRAND].

Mr. BRAND of Ohio. Mr. Chairman and members of the committee, I want to talk about bread. [Applause.] That is a familiar subject nowadays. The Army bakes and produces bread, so I have a right to talk about bread at this time.

I have introduced a bread bill standardizing the size of a loaf of bread, the same bill which I introduced in the previous Congress, which was reported out unanimously by the Committee on Agriculture for passage by the House, but which failed to get a rule or an opportunity for consideration by the House. We are inclined to be generous on this point and say there was not time in the short session of last year for the consideration of this measure.

I am asked whether or not this bill is intended to control in any way the merger of the big bakeries of the country which has attracted such attention. In reply I say that it controls only the weight of the bread which they sell, which is a perfectly practical matter.

A survey of the baking business of the United States, made by the Bureau of Standards, especially for the purposes of this bill, shows that 2 or 3 ounces of bread are pinched off of every loaf where there is no law requiring full weight. It also shows that where there is a State law requiring full weight—and there are 11 States that have such laws—the consumers get full weight bread and that the price is the same as in the States where short-weight bread is sold, because there is no law to the contrary.

For example, the survey shows that in New York City 20 ounces of bread sold for 12 cents, and in Ohio 24 ounces sold for 12 cents.

Mr. BLANTON. Will the gentleman yield?

Mr. BRAND of Ohio. I will.

Mr. BLANTON. In the District of Columbia there is a law which permits only a certain sized loaf to be baked, and upon each one of them the weight of the bread must be printed. Now, Congress only has control on this subject over the District of Columbia. We have no right to enter a State and tell them what they shall do. That is a problem which each State has to work out itself. I am asking the gentleman for information.

Mr. BRAND of Ohio. I will say to the gentleman this bill applies only to interstate commerce, and before I get through

with my statement I think I will be able to show that interstate business in bread must be controlled if the public is to be protected against short-weight bread.

Who is against this measure? At the hearings before the Agricultural Committee all classes of people in the United States were heard from. The big farm organizations were represented by witnesses and unanimously approved full-weight bread. It meant to them not only that the consumer gets what he is paying for, but also an increased use of wheat in the production of bread amounting to many thousands of bushels.

Labor organizations were before the committee, and without dissent from any quarter were for the bill, because they want the laborers of the country to have every ounce of bread to which they are entitled.

About six of the women's organizations of the country appeared and unanimously indorsed the bill and are to-day very much interested in its passage.

The Department of Agriculture and the Department of Commerce are both interested in this measure and are fully acquainted with every word in it.

The weights and measures officials of the States met in Washington and unanimously indorsed this measure. They had been having trouble in the States in securing the enactment of a similar law by the State legislatures. In the first place, the law is difficult to write, and they need a model.

Mr. BLANTON. Will the gentleman yield right there?

Mr. BRAND of Ohio. I will.

Mr. BLANTON. The gentleman must not conclude that I am antagonistic to him, because I have been cooperating with him since he has been here. I am sympathetic to his measure, but we have already a law in the District of Columbia which requires the weight to be printed on the bread. Now, does not the gentleman think that Congress should confine its time and attention to the great monopoly that has been now formed, a $2,000,000,000 monopoly, that is to control all forms of foodstuffs over the country——

Mr. BRAND of Ohio. I do not think that Congress should confine itself to the District of Columbia when Congress can provide full-weight bread for all the people just as it has in the District of Columbia.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BRAND of Ohio. I will.

Mr. LAGUARDIA. In connection with the suggestion of the gentleman from Texas, these very large companies to which he has referred do an extensive business in interstate commerce?

Mr. BRAND of Ohio. Absolutely.

Mr. LAGUARDIA. They run into the States of New Jersey, Connecticut, and so forth, and that could be reached by a proper law?

Mr. BRAND of Ohio. I think that will appear if I have time enough. As a matter of fact, bread is baked largely in the cities, and most of these cities reach out into several States. New York City sells bread in four or five States; Philadelphia, Baltimore, and Washington each reach into several States; Cincinnati four States; St. Louis, Chicago, as many; Minneapolis, Omaha, and Kansas City are in like position; and the Ward interests, who are promoting this $2,000,000,000 merger to control the food of the country, have branches in each of these cities, I think, and are selling short-weight bread wherever the law permits.

Shall we wait for each of the States to enact full-weight bread laws?

Here is the trouble:

Whenever such a law is proposed in a legislature, opposition from the Ward interests immediately appears and generally they are able to have the bill amended so that in effect it means nothing. Many such laws have been passed. These baking interests in the first place fight against any law, but when necessary, compromise on a requirement to put the weight on a loaf, which at first consideration seems to meet the needs of the case; but you can readily see that if the law permits them to put 14 ounces on, and all bakers in a territory agree not to make over 14-ounce bread, that the public has no opportunity to buy full-weight bread.

What is needed is the Federal law establishing full-weight bread in interstate commerce. Then these big bakers admit that they must change their position entirely and urge State legislators to pass a similar law. Why? Because a baker in interstate commerce will not want to ship full-weight bread into a State that permits short-weight bread.

That situation exists, I will say to the gentleman from New York [Mr. LAGUARDIA] in the city of New York.

Mr. LAGUARDIA. Yes; and they are putting fancy labels on the bread, too.

Mr. BRAND of Ohio. If we pass this Federal statute, you will see the States immediately taking action, urged by the big bakers in interstate traffic.

Mr. WURZBACH. Mr. Chairman, will the gentleman yield?

Mr. BRAND of Ohio. Yes.

Mr. WURZBACH. Has the gentleman any information as to the proportion of the bread that is sold, bought, and used throughout the country as interstate commerce that would be affected by that kind of legislation?

Mr. BRAND of Ohio. I will say to the gentleman that I will reach that in a moment.

Probably half the bread sold by the 103 branches of the Ward combine goes into interstate traffic.

Bread went up 4 ounces in the loaf without any change of price. The city of Cleveland had a law at that time requiring full-weight bread, and I became acquainted with the fact that the trucks delivering bread delivered full-weight bread within the city, and outside the city limits they delivered short-weight bread at the same price.

Secretary Hoover during the war enforced full-weight bread throughout the United States, but when the war was over Secretary Hoover lost his power to control, and the bakers slipped back to short-weight bread where there was no law to the contrary.

In Ohio they slipped back about 4 ounces on a loaf, and when we passed the law in Ohio in 1921 the weight of the loaf went up to full 16 ounces without any change in the price, and there has been no change since.

Who are those opposed to this bill?

We also had the bakers of the country before the committee. The retail bakers of the country, representing probably 25,000 bakers, who are the small bakers of the country, are in favor of the measure because it provides fair competition with the big fellows. They claim that the big baker advertises a loaf and gets the consumer to calling for a certain brand. Then they can pinch off a piece of the loaf and thereby pay for the advertising. The little baker does not want such competition.

Ohio and Indiana have full-weight bread laws, and the people of these States have been receiving full-weight bread for years, and the bakers in their conventions have indorsed the laws in those two States, and the only dissenting votes were the big bakers located in those States.

Who are these big bakers? They are the Ward interests, now attempting to merge into a $2,000,000,000 corporation to control the food of the Nation. They want the privilege of selling short-weight bread. Their representatives appeared before the Agricultural Committee and opposed this bill. That is the only opposition so far developed to this measure.

By careful computation of the amount of bread used in New York City it is shown that the people of New York City alone have $10,000,000 worth of bread pinched off the loaf each year. This is going on all over the country except where there are laws to the contrary, and the total loss to the people of the United States is something around one hundred millions a year, or a dollar a person. This is just enough to pay the soldiers' bonus.

This law governs interstate traffic only. What is the need in interstate traffic of such a law? Is there much bread in interstate traffic? The big bakers are generally located where they sell in several States. New York bakers sell bread in several States. The same applies to Philadelphia, Baltimore, Washington, Pittsburgh, Wheeling, Cincinnati, Toledo, Detroit, Minneapolis, St. Paul, Omaha, Kansas City, St. Louis, and many other cities of the country.

What danger is there in not having an interstate law? There is no danger that all the States that have bread laws will have them nullified in practice, because it is generally conceded that a baker can go from one State into another and make one sale of his product without entering intrastate traffic; that is, he can drive a truck into Ohio and sell the consumer short-weight bread without violating the Ohio law. If this is true—and I am advised by lawyers that it is—the Ohio law can be nullified.

A year and a half ago I was in Europe and investigated conditions there relative to bread. A pound of bread was selling at that time in Ohio at 8 cents, and when I got to England I found a pound of bread selling at 4½ cents.

The delivery system in England is exactly the same as in America. Bread is delivered by wagons to each house and was at that time sold at 4½ cents.

When I got to France I found a pound of bread sold for 3 cents, but the situation was entirely different. I saw no big factories there. You generally found a baker in each block, and the delivery system that I found consisted of some woman who made a pittance by carrying bread to consumers in the immediate neighborhood. But the consumers received the bread on a basis of about 3 cents in our money per pound.

In Italy and Greece I found about the same situation as in France, and on investigating I found in all the countries a considerable proportion of the bread was made from American wheat.

Can bread be sold in the United States at such prices as prevail in Europe? One answer to this question is as follows: The Corby Baking Co. in Washington a little over a year ago made a contract for delivery of bread to the Government at 3.69 cents per pound and at the same time they were selling wholesale to the retail dealers in Washington at 8 cents, more than twice as much. The quality was the same.

As to the labor cost in the United States, I counted 18 men actually occupied in a factory producing 100,000 loaves of bread a day. In England I was in a factory of similar size, but the people occupied were so numerous that it was impossible to get the count. The difference in the machinery explains the difference in the number of people.

In France, Italy, and Greece bread is made by hand, consuming an immense amount of labor.

The labor cost of making bread in the United States is much less per pound, although wages are higher.

As to the cost of administering this law, the President has investigated this for me and the Department of Agriculture has reported to him that their present force can handle its administration without expense.

If we in the United States are paying more than double as much as Europe pays for bread, are not the people of our country entitled to full weight? [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BRAND of Ohio. May I have five minutes more?

Mr. ANTHONY. I am sorry, but we have not the time left.

Mr. HARRISON. Mr. Chairman, I yield 30 minutes to the gentleman from South Carolina [Mr. McSWAIN].

The CHAIRMAN. The gentleman from South Carolina is recognized for 30 minutes.

Mr. McSWAIN. Mr. Chairman and gentlemen of the committee, I desire to talk very seriously in regard to what is perhaps the most important matter that is before this Congress, and the general subject of which is the most important matter that has ever been before this or any Congress. Because history reveals, and the Constitution itself expressly shows on its face, that one of the prime purposes in the organization of the Federal Government was to provide for the common defense.

Therefore, I want to speak a little while with regard to the national defense. The importance of this subject is discovered by a very superficial study of the Budget itself. Eighty-two per cent of the total appropriations of this Congress must go to providing for the expense of past wars and to make proper provision for possible future wars. But for the fact that we have had wars, and but for the possibility that we may have future wars, the Budget of this Nation might be cut 82 per cent. Therefore, I say that national defense is of prime importance to the taxpayer; it is of prime importance to the people, who, by their labor and toil, must produce the substance from which the taxes must ultimately be paid. The Budget Bureau wisely groups all Army and Navy items under the general head of "National defense."

Gentlemen, when President Harding about three years ago proposed for the consideration of this Congress that it might be wise and expedient in the promotion of efficiency in preparation, as well as in promotion of economy, that we should have one single department of national defense, that all defense activities should be merged in a single department, at first blush, it being contrary to over a hundred years of history and tradition, it seemed to me to be rather visionary and theoretical and impractical; if this suggestion now is coming to your minds perhaps for the first time, and it appears to you to be at all visionary, I ask you to go into the matter with that seriousness and earnestness that an 82 per cent proportion of the Budget requires, and that the life of this Nation itself for the future requires; and when the matter is finally and fully sifted in all its factors through your minds I believe you will come to the same conclusion as President Harding did. I believe that history will force upon you and that the logic of the situation will force upon you this thought, that the national defense of this Nation is one single enterprise; that it comprises one single, mighty project; that the taxpayers, and we as their responsible Representatives here, are not interested in any particular agency of defense; we are interested only in the proposition of defense itself; and whatever agency is efficacious and wise to bring about the concrete result of defense, that is the agency that we desire to promote, and that is the agency that we desire shall have its proper relation and proportion to all the other agencies that we maintain for bringing about the common result of national defense.

The Constitution itself prescribes that the President shall be the Commander in Chief of the Army and the Navy and, of course, by implication, of any other force that this Congress may subsequently create for bringing about and providing for the national defense. In these later days the President is not elected with regard to his qualifications as a military leader or with regard to his knowledge of the principles of grand strategy, or with regard to his understanding of wars and effective agencies for accomplishing national defense. You know that the Presidents are elected on economic questions; they are elected as heads of their respective parties; and we know that national defense looms far in the background of the minds of the people when they come to nominate a standard bearer in their conventions and come to cast their ballots at the quadrennial election. But, nevertheless, the power is there with the President, and wisely it is there, because all history compels us to conclude that the only effective means by which to accomplish victory, the ultimate of war, is unity of command—that one single person and one single mind shall be in command. When during the recent war General Pershing was commissioned to go in charge of our forces beyond the sea—the grandest military enterprise that this Nation has ever undertaken—he was given by the great Commander in Chief here at home carte blanche: "The job is yours; I put the responsibility upon you; I give you the power. If you do the job well, the glory is yours. If you show you are inefficient and incapable, I will remove you from your position and I will put another in your stead that I think has the power to accomplish results." So there must be unity of command in order to accomplish victory.

Now, what is the situation at present? The President, ordinarily, has no time to think of what should be done to provide for the common defense of the future. When these questions come, as they have come up in the last year or two in this Nation, with regard to what agencies are best calculated to promote and provide for the common defense, the President must take counsel from somebody? Whom does he advise with? He turns to his official advisers. He turns to the Secretary of War and the Secretary of the Navy. Now, suppose these gentlemen do not agree, as has actually happened? What is going to be the result? There is a deadlock and there is paralysis. Suppose war should break and the Secretary of War should say, "Mr. President, I advise that the Navy be mobilized and be employed to blockade a certain coast or be employed to provide a cooperative movement with the Army against a certain portion of land." The Secretary of the Navy says, "Oh, no; that is not my idea of strategy; that is not my idea of the means by which to bring about the result. I think the Navy should be employed in some other way." What is the President to do? He says, "Here are my official advisers and I am paralyzed with uncertainty, because they are both patriotic, they are both sincere, yet they disagree." Now, that is what we have had for practically the last three years as to air power.

When the World War concluded all citizens who had turned their attention to the subject in the most casual manner realized that a new agency had come upon the world in the making of war; that heretofore armies had operated only on land and must forever operate upon land; that heretofore boats had operated on the water and must forever operate on the water; but now these monsters of the air can sweep over the earth and over the sea; they know no limits of continent or ocean. A new element is now at the command of men in order to accomplish the ideals of civilization and procure the advancement of prosperity. But at the same time the most deadly weapon that the human mind has yet produced is now at the command of men for the destruction of each other. Why, gentlemen, there has been invented and can be put into production in 60 days some long-distance aerial torpedoes, which can be launched at a distance of 1,000 miles from the objective, say, some mighty city like New York; those torpedoes can be piloted directly over the city, cut loose from their conducting pilots and dropped at an angle by which they will come down in the city; and if 500 of such torpedoes were turned loose in New York City to-night, to-morrow morning would find New York as dreary a waste as the ruins of Pompeii or Nineveh or any of the ruined cities of the ancient world as revealed to-day by their ruins and the fragments of their former glory.

Mr. ALLGOOD. Will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. ALLGOOD. Is that an American invention?

Mr. McSWAIN. Sure, that is an American invention. Gentlemen, you need not talk about rules of civilized warfare.

You need not think that by a little word in a treaty or international agreement you can avoid the horrors of warfare. You can not accomplish that by a little clause in a book which, in substance, says, "We are going to play the game in a nice and genteel way." When war breaks, passions are aroused and the people feel their life is at stake, they will stop at no measure, and I do not compliment even this Nation by saying that she would stop at any measure necessary to preserve her life and to accomplish that victory which she considers and deems essential to the advancement of civilization and the protection and promotion of her national ideals.

Now, what do we have? About three years ago a board of experts—not just common, ordinary, know-nothing civilians, such as the gentleman who is talking to you—but experts, gentlemen, who have been educated at the expense of this Government, gentlemen who have been carried on the pay roll of this Government a lifetime, with nothing to do but to study the questions of national defense, studied this matter of aerial power. That was known as the Lassiter Board, and they brought in a recommendation that certain cooperative and joint producing agencies should be set up between the Navy Department and the War Department in order to save the taxpayers some money and in order to bring about efficiency. What happened? Well, one department said, "Yes; that is a very nice report, and we are in favor of it. Our experts recommended it." The other department said, "No; we do not like it. Our experts did not recommend it, and we will not do it." And here, in peace time, in this great era of economy, in the day when we ought to be saving every nickel for the advancement of the real ideals of civilization, we have two departments of national defense at loggerheads, producing waste and paralysis.

Mr. LAZARO. Will the gentleman yield?

Mr. McSWAIN. Certainly.

Mr. LAZARO. Is it not true that during the World War the Allies found it necessary to unite their armies under one command in order to win the war?

Mr. McSWAIN. Yes; and there is a history back of it that, no doubt, the gentleman knows—but if he does not, I will tell him—that that incident alone illustrates the reactionary, conservative, and, you might say, do-nothing policy of the military experts of this Government. It illustrates it in what way? Here were the English holding the left flank of the western front, over toward the English Channel, and here were the French over on the east flank, extending toward the Swiss Alps. The two lines came together, and each one thinned down his force at the point of juncture at Barisis. But old Marshal Foch, with the prescience of a wizard, realized that that weak point would be the place where the Germans would next strike. And, gentlemen, let me parenthetically throw in here that we have a law that requires our generals and admirals to retire at 64 years of age. They have got to get out just when experience is ripening into wisdom. When Marshal Foch was in command of all the allied armies he was nearing his threescore years and ten; he was 67 years old and Hindenburg was 71 years old. At that age, with the vigor and energy of middle life, and backed by a lifetime of the study of the principles of warfare, he was directing the activities of over 5,000,000 combatants on the western front. However, that is all parenthetical.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. HILL of Alabama. Is it not a fact that there are a great many officers now drawing retired pay simply because they have served 30 years, and they are now engaged in outside business?

Mr. McSWAIN. Yes. Men educated and paid for 30 years to give their ripe experience to the Nation. That is another story, and that is something this House ought to study. I will now come back to the main subject. Marshal Foch, in conference with Lloyd-George and Clemenceau, had already said, "We ought to have unity of command." That was back in 1917. They sent out virtual instructions, a kind of polite little note, to Sir Douglas Haig, in command of the British Army, and to General Pétain, in command of the French Army. And do you know what these commanders did? These militarists, proud and haughty, ignored these instructions. They got together themselves and said, "We will arrange the matter of cooperation amongst ourselves on a different basis. We have a method by which to meet the German when he comes. We are the experts. We are on the ground; we know our business, and we are not going to let anybody, especially any civilian like Lloyd-George or any civilian like Clemenceau, take that away from us." And what happened? Their arrangement was a mere rope of sand. Each agreed to take over a part of such front as might be attacked. They defied the very governments that placed them in command. It now developed that Gen. Sir William Robertson had been secretly conniving to overthrow the nonpartisan, war-emergency government of Lloyd-George. Such is "loyalty" in high command.

With the absolute precision of prophecy Foch had said, "The blow will fall in March near Barisis," and sure enough on the 21st day of March, 1918, Ludendorf commenced driving up his 92 divisions at the weak point, and one division followed another right down through the broken ranks of the English right flank until the Germans had almost reached Amiens, and if they had ever reached Amiens they would have pushed on to the English Channel. With the British and the French once separated, they would have driven the English into the channel, and they would have turned back and driven the French on Paris and quickly conquered Paris, and we would have been left alone to struggle with the mightiest war power that all history records.

When finally Sir Douglas Haig realized his impotency, he called upon his French general and friend Pétain, "Send me some reserves; send me some reserves, according to agreement." Pétain not having a supreme commander said, "Oh, I can not afford it, I am afraid they are going to strike me. I can not afford it; I need all I have got." The result was back, back toward Amiens and almost to a German victory.

Then on the 26th day of March, five days after that fell blow was struck, Sir Douglas Haig and General Pétain came in effect running like whipped boys and said "Lloyd-George, Clemenceau, Foch; we will now agree that you can take command," and at Doulleus, on March 26, 1918, Marshal Foch was given the power to direct the combined energies of the British and the French, and later, like a patriot, when our forces in larger number had come upon the scenes, General Pershing, seeing the wisdom of it, said to the Supreme War Council, "Yes; and I submit our American forces to your supreme command, because we are concerned alone in the mighty objective of victory; we have no little national jealousy, we have no little official jealousies, and we are not willing to delay victory by saying 'I am not going to have my command taken away from me.'" This had been the attitude for nearly two years of Sir Douglas Haig and General Pétain—"Oh, I know all about this command. I am not going to let anybody be over me. I am not going to have a boss. I know it all." This illustrates the situation of every professional militarist, gentlemen, and I say this with all friendliness and charity. You will see by an examination I conducted the other day, which is on record, in seeking to get the psychology of these gentlemen I said they are patriotic, and I mean by these gentlemen, the gentlemen who constitute the General Staff and the general Navy Board, because they are the War Department and the Navy Department.

Gentlemen, the Secretary of the Navy admits he speaks not his personal but departmental views on the subject of national defense. He admits it. And the Secretary of War says he is speaking for the War Department and expressing a group judgment, and this group is the General Staff.

In this country the civilian force and civilian law must be ever supreme, and the purpose of this Government in creating a civilian Secretary of War and a civilian Secretary of the Navy was to have the civilian ideals to check, to restrain, and to equalize the excessive zeal of the professional soldier; and yet under the present system the Secretary of War and the Secretary of the Navy become the special pleaders for their departments. They never use their power and authority and say as civilians: "Look here, you experts, you are going too far; look here, you are too unreasonable in your judgment; look here, I am speaking as a civilian representing the civilian people who do the work and pay the taxes, and who in fact, when war breaks out, do the fighting." The civilians are the people I am talking about. [Applause.] They get in the trenches and die like heroes in their tracks, and make the Alvin Yorks and all the other heroes whose names have added glorious luster to the military and civilian annals of the people of this Republic. Civilians not only do the working and taxpaying in time of peace, but do the major part of fighting in time of war; and I say the civilians should dominate in those departments always; and yet, in spite of that, these Regular Army people—some people call them bureaucrats—and though we have a way of cussing bureaucracy in general, when we see the individual we back off, because we know that that bureaucrat has a power we may need to appeal to some time. [Applause.]

Why, what can the General Staff do with a poor civilian when you put him in there as Secretary of War? Think back a few years when our nice Democratic friend, an elegant and brilliant lawyer and single taxer, from Cleveland, came down here to take the post of Secretary of War. Many jingo papers

who had protested against the virtual dismissal or the polite resignation of Lindley M. Garrison said, "Why, this Newton D. Baker, he is a pacifist; he is going to disband our Army; he is going to convert our swords into plowshares, and he is going to put our Army to planting peanuts and digging potatoes; he is not a militarist." Gentlemen, the militarists had not had him here many years before they not only converted him to a big army, but they had him advocating an army of 500,000 men, and worse than that, they had him writing magazine articles and making speeches all over this country advocating universal compulsory service for every boy over 18 years of age. That is going some in time of peace.

If they can do that with a single-taxer who was the special pet and political heir at law of Tom L. Johnson, the mayor of Cleveland, that big-hearted friend of humanity, in God's name what can we expect from these gentlemen, one of them a graduate of Annapolis and the other a graduate of Yale, I believe? Gentlemen, I do not blame these men. I say now, as I often say to their faces in the committee, I regard them as high, noble, and patriotic men, but they are the helpless victims of a system that we have allowed to grow up.

Now, what have we got to do? We have got to establish a single department of national defense [applause], a recommendation that a special committee from this House recently submitted. About a year or more ago this House, realizing that some sort of restraining, checking, repressing influence was going on among the professional militarists with regard to the development of air power, appointed a committee to look into it, and that committee said, "Yes; we need the fullest possible development of air power, but we are also interested in the broad, general subject of national defense, and in order to procure national defense in an effective way, efficiently, and to get the nearest to 100 cents of value for every dollar spent, we must have a single department of national defense." [Applause.] Why? What is the logic of it? You know the very argument made against it reveals the lack of logic. They say, "Oh, but the job will be too big for any one man; it is too big for any one man to undertake to compass the proposition of national defense."

And yet the Dwight Morrow committee reported recommending against a department of defense by argument, but by reference to historical facts destroyed that very argument. By the way, gentlemen, it is rather singular that the experts of the War Department made a recommendation that did not satisfy the War Department and the experts of the Navy Department made a recommendation that did not satisfy the Secretary of the Navy, and so the Secretary of the Navy and the Secretary of War last October wrote and said to the President, "We suggest that you appoint a board, largely of civilians not experts, to study the national defense." So the board was appointed on the recommendation of Secretary "Dwight" Davis and Secretary Curtis "Dwight" Wilbur, and when the board appeared for breakfast at the White House it was convened with "Dwight" W. Morrow as chairman. I do not know whether there is any significance in the name of "Dwight," but it is a stronge coincidence that these two Secretaries placed so much confidence in the report of the Dwight W. Morrow board, which was contrary to the conclusions of several departmental boards of "experts."

This committee of Congress, the Lampert committee, recommended a department of national defense. Why? Here is the logic of it. The bureaucrats say that one man can not attend to the job, and yet in their report the Morrow Board refer to the importance of unity of command, and then they say:

> During a war the President, as Commander in Chief of both services, must act as the director of national defense. President Lincoln in the Civil War and President Wilson in the World War had to assume such a position. Moreover, when the President assumed such a position the necessity of linking the defensive agencies of the Government does not stop with the Army and the Navy. The Council of National Defense, which during the World War was organized to coordinate our industries and resources, includes the Secretaries of War, Navy, Interior, Agriculture, Commerce, and Labor.

Now, if in time of war, when our present Army of 125,000 men had expanded to 4,000,000 men; when our Navy had expanded to nearly 1,000,000 men; when all the life of the Nation and every man, woman, and child, little and big, old and young, were acting to achieve victory for the ideals of the Republic, they say that one man then had the power and personality to control with his brain all the activity of the defense forces of the Government and of the Nation. They say that of Wilson, and they say that of Lincoln.

And yet they would have us think that in peace time no one man can be found able to handle our relatively small peace-time forces. The argument lacks consistency, lacks logic, and, more still, lacks common sense and ordinary business sense.

Mr. Chairman, the net result of all this preliminary statement of fact is that the Navy and Army and the Air Service do not need special champions and spokesmen in the person of secretaries with places in the Cabinet. To create a separate department of air with a secretary in the President's Cabinet would be to create a tripartite division of our defense forces. The simplest principles of warfare demonstrate that we must have unity of command in war and unity of command in preparation for war. Just as the duality of command now existing between the Army and Navy is bad and defeats both efficiency and economy, so a tripartite separation of defense powers between land and sea and air would be still worse. Yet something must be done to make possible the development of air power in this country. It is the most economical means of providing for the common defense. One thousand powerful bombing and pursuit planes can be built and equipped for the cost of one great battleship. The crew of a great battleship is about 1,000 men. So that we have 1,000 airplanes with their pilots set over against 1 battleship with its crew. Any man that has given the most superficial study to the power of destruction possessed by this weapon of fighting in the air and from the air must realize that there can be no fair comparison between the power of these 1,000 engines-dropping bombs from the air and the single battleship cruising at relatively slow speed on the water in fighting off enemy invaders of our country and our country's possessions and commerce. Our experiences since the close of the World War in spending more than $500,000,000 on various projects to develop air power under the Army and Navy having demonstrated to the complete satisfaction of the country that this arm of fighting and defense will not be properly developed and utilized by the existing agencies of the War Department and the Navy Department, we are driven to the alternative of either creating a single department of national defense or of erecting a new department of unified air service. This conclusion is made manifest by every investigation that has ever been made. Both the War Department and the Navy Department have had various and numerous boards of investigation and of study with their recommendations all consisting of their own experts, and yet these recommendations have not been adopted and put in practice.

Nearly three years ago what is known as the Lassiter board made certain recommendations as to joint activity between the Army and the Navy to bring about efficiency and economy, and ever since then the War Department and the Navy Department have been at loggerheads over this recommendation of experts, and absolutely nothing has been done.

Finally Congress appointed by resolution a committee known as the Lampert committee, made up of a widely diversified personnel, and this committee on December 14, 1925, filed its report and unanimously recommended the establishment of a single department of national defense, headed by a civilian secretary, specially charged with the coordination of the defenses of the country.

Yet, Mr. Chairman, the War Department and the Navy Department, not being satisfied with the various recommendations of the boards created by their own order and composed of their own experts, appealed to the President to appoint what is known as the "aircraft board," made up of civilians and retired officers. This board realized that there was something seriously wrong with our laggard development of air power. This board ascribes such failure to make progress in aviation to the conservatism and natural pride and inevitable jealousy of and between the officers of these two departments. Yet this board proposes a solution that leads to the dispersion and scattering and consequent weakening of the forces of defense. This board recommends another Assistant Secretary of the Army, charged with aviation, and another Assistant Secretary of the Navy, charged with aviation, and an Assistant Secretary of Commerce, charged with civil aviation. This is the substance of the recommendations of what is popularly called the "Morrow Board," or the President's aircraft board.

Yet, Mr. Chairman, it must be manifest that these recommendations fly in the face of the fundamental principle of unity of command. The inevitable result of such division of power will be costly rivalries, expensive jealousies, and paralyzing inaction. The inevitable result will be to well-nigh double the expense of developing air power and at the same time cut in half the efficiency of air power for defense. With equal, if not greater, reason could this Morrow Board have recommended another Assistant Postmaster General to have jurisdiction over aviation in that department. In like manner they could have recommended the creation of an Assistant Secretary of Agriculture to have jurisdiction over aviation

activities in that department. By the same token there should be an Assistant Secretary of the Interior to control aviation in that department in patrolling our forests to prevent fires. With greater force the board could have recommended the creation of another Assistant Secretary of the Treasury to have a fleet of airships and airplanes to patrol all our coast lines and border lines to prevent the smuggling of bootleg liquor. With all due respect and in great sincerity it is entirely manifest that the recommendations of the Morrow Board are pure compromises. There was a realization that the country is restive and well-nigh rebellious over the wild waste of money with little visible results. It was plain to the President and to his advisors that the administration itself might suffer in public esteem if it allowed this paralyzing prejudice of professional bureaucrats to prevent the development of air power, and allowed these heads of bureaus inexperienced in business matters and in the proper expenditure of money to continue to scatter our substance and to call for more money to prosecute further their confused plans in aviation.

Something had to be done, and so the Secretary of War and the Secretary of the Navy appealed to the President to appoint a board, largely of civilians. And this board comes with a report that is less progressive and with greater demoralizing diversification in development of air power than the boards of these two departments composed of their own experts. A great effort has been made by administration propaganda agencies to make it appear that the conclusions of the Morrow board are the last word in wisdom. Though the personnel of this board is distinguished individually and collectively, yet I dare in great modesty to dispute their conclusions and to deny the force of their arguments and to resist their recommendations that the defense forces of this Nation be further scattered and distributed to the consequent weakening of our national arm of defense.

Mr. Chairman, the key to the philosophy of a single department of national defense is contained in the words of that recommendation of what we call the Lampert committee, as follows:

> A single department of national defense, headed by a civilian secretary specially charged with the coordination of the defenses of the country.

The word "coordination" is the heart of the proposition. It will not require a great sailor to be the secretary of national defense. It will not require a great soldier to be such secretary. It will not require a great aviator to be such secretary. But it will require a man of broad knowledge of history, a well-trained mind, with a general understanding of the mission of an army and of a fleet and of air power, and with sufficient business experience and knowledge to require that these forces of army and fleet and air power work together for the common defense. In other words, what these arms of defense need is not a special champion as they now have, not a special pleader, but what they need is a master that will coordinate their expenditures, prescribe their special missions in training and in action, and will proportion between them, in proportion to their respective capacities to contribute to the national defense, the sum total of the revenue which the taxpayers of the Nation are willing to contribute to the single concrete result of national defense.

The taxpayer has no special pride in maintaining a Navy within itself. He is not willing to spend $300,000,000 a year just to say that we have a Navy to look at and to think about. What the taxpayer wants is a Navy to resist the invader and to protect our rights at sea. In the same way, the taxpayer cares nothing about an Army within itself as an ultimate result. But the taxpayer is tremendously interested in having just so much Army and no more as can provide for the common security in peace and for the common defense in war. In like manner, the taxpayer is not interested in our maintaining a great fleet of airships and of airplanes just to gratify our vanity and pride. But the taxpayer is vitally concerned in our Nation having adequate equipment in this latest and most powerful of all agencies to make our civilization and our very life itself secure. With a single secretary of national defense, with all this intellectual equipment and experience, not being an expert in any line, we may expect greater economies in peace time and greater efficiency in the preparation for the coming, in the distant future, we hope, of that inevitable clash of arms between our Nation and some nation, we know not which, that may seek to infringe upon our rights or to threaten our national life. This single secretary of national defense will be a master of and for all these agencies, and when the President, who is the constitutional Commander in Chief, shall ask for counsel and advice as to what he should do in any emergency, there will be no confusion of councils between two or three or four advisers, there will be no conflict of opinion, there will be no resultant paralysis of action, but the single mind of this secretary of national defense, having thought of all these problems through all these months and years, and having correlated and coordinated in advance the very agencies by which to accomplish the defense of the country, will be able to say, "Mr. President, here and now is the thing for you to do."

But, Mr. Chairman, many of our friends, equally as patriotic as myself, equally concerned with the great result of national security, fear that a single department of national defense can not function, and they seem unable to see how we can still have a Navy without a Navy Department and still have an Army without a War Department and have air power without an air department. To my mind, the problem is relatively simple. We have but to create the department of national defense, with jurisdiction over all defense activities, and create an undersecretary for the Army, with the same relative administrative functions as the Secretary of War now performs. At the same time create an undersecretary of the Navy, with the same relative administrative functions that the Secretary of the Navy now performs. Create an undersecretary for air power, with the same relative functions with regard to air power that the undersecretary for the Navy and the undersecretary for the Army would perform. It may be found desirable to create within the department of national defense an undersecretary especially charged with the study of national resources, with the preparation of plans for mobilization of all the material, financial, economic, and transportation agencies of the Nation. Let these three or four undersecretaries, together with the Chief of Staff of the Army, the Chief of the Bureau of Operations of the Navy, and the chief of the bureau of operations of air power, and the chief of the bureau of procurement and supplies, and the undersecretary of national resources, constitute a general staff of advisers to the secretary of national defense. I would stipulate that each of the undersecretaries above mentioned must be a civilian, in order to insure that the civilian view may properly appraise and counterbalance the excessive zeal and perhaps professional jealousy of the experts in the several subdivisions of the principal department.

Mr. Chairman, a very happy statement of a certain inherent weakness to grasp great and far-reaching issues of strategy is to be found on page 231 of a book entitled "David Lloyd-George, War Minister," by J. Saxon Mills. This statement is in response to the statements already made in this discussion that Lloyd-George and Clemenceau and Foch began back in 1917 to try to bring about unity of command between the Allies on the western front, especially to create a force of joint reserves that might be thrown in by the single commander at any point that might be attacked by the Germans. I have already mentioned the fact that the military and professional opinion in both the French Army and the English Army was hostile to a joint high command. Even among some of the civilians of these two countries there was an opinion growing out of an intense national pride that a single command would be a sort of reflection upon the officers in high command of that army from which might not be selected the generalissimo. I have already referred to the disregard by Sir Douglas Haig, soldier with a great career that he was, and by General Pétain, magnificent leader that he was, of the advice of these civilians, Lloyd-George and Clemenceau, and the great soldier Foch, and how this disregard came near to proving completely disastrous to the cause of the Allies in the great German drive of March 21, 1918, and how after this disaster General Haig and General Pétain, realizing their impotency, submitted to the creation of a joint high command at Doullens on March 26, 1918. With this review the appropriateness of the following language is manifest:

> In purely military matters, and perhaps even beyond that limit, the government had let the soldiers decide. But Mr. Lloyd-George was right in maintaining the claim of the civilian power to take its share in the conduct of the war and in the last resort to control the military. It may be desirable to leave tactics to professional soldiers, though even here many people have a certain suspicion of the rigid professional habit of mind. Common sense and imagination can not be taught by textbooks, and some of the greatest commanders in history have been wholly without professional training. It may even be said that in no department of life does the professional mind require the control and correction of the free lay civilian mind more than in that of military affairs.

So Mr. Chairman, it will not suffice for us to continue to criticize the War Department and the Navy Department and do nothing about it. Their action is entirely natural and entirely patriotic from their viewpoint. I do not question their

sincerity. I do not even attribute their attitude to jealousy or pride or ambition. I say it is the inevitable result of a lifetime of narrow, exclusive, impractical, professional training. They are mere tacticians in their respective arts. They are doing what seems to them to be the best thing for the country. But the responsibility is not theirs. They are neither the constitutional nor the legal advisers of the Congress. It is our privilege to call upon them and we do. But it is our duty to exercise our own judgment, founded upon an understanding of history, the broad principles of business, and the common-sense essentials of strategy. It is our business to protect the interests of the taxpayers. It is our business to enact laws to accomplish efficiency in the defense forces. It is our business to create such offices here and to abrogate such offices there as shall bring about this unity of training and unity of command. It is our business to counteract the propaganda that seeks to foist the recommendations of the Morrow Board upon the Congress and the country. The Morrow Board was an unofficial assembling of men. If the President will agree to call another aircraft board and not allow the War and Navy Department to pick the personnel for that board, but will authorize the Secretary of State to place in a box the names of 100 practical, successful, prominent business men of this Nation, men who pay large taxes, and then shake up those names and allow a blindfolded boy to draw therefrom 9 names and submit to those 9 business men with wide business experience, who feel the pinch of tax paying, the same testimony, word for word, that was submitted to the Morrow Board, then I am willing to gamble that the report of this new board of business men will agree almost line for line and word for word with the conclusions of the Lampert committee.

No business men would ever agree to divide their business forces such as this country now divides its defense forces. No business men could see any sense in a recommendation to further disperse and scatter their industrial agencies as it is proposed by the Morrow Board to scatter and divide our defense forces. No business man can read the Constitution that places the solitary responsibility of command in the President without seeing that the logical consequence of that is a single secretary for national defense as the sole advisor of the President on defense problems. No business man would approve of duplication of production, duplication of procurement, duplication of training, duplication of landing fields, duplication of hangars, duplication of boats and transports, duplication of warehouses and bases of military supplies, duplication of clerical personnel resulting in duplication of expense. Again I repeat that the recommendations of the Morrow Board do not reveal a single consistent, coherent plan. They do not show that there was a single dominating idea in the commission. It shows that there was a compromise all along the line. It shows that some one member wrote the recommendations about the Army, and another member wrote the recommendations about the Navy, and another member wrote the recommendations about the Department of Commerce, and each member got in the result what he started out to get when he went on the commission, to wit, a sort of vindication and justification for his preconceived ideas of a proper policy. This is no captious or personal criticism. It is not made in any offensive spirit. I am discussing the facts in the light of the responsibility that rests on me as a representative of the people and of the taxpayers and as a member of the Committee on Military Affairs which, under the rules of the House, is charged with all problems relating to "the common defense." We have the responsibility of considering the whole field of national defense on land or on water or in air. We have the responsibility of considering whether or not the agencies operating in these three different elements shall act separately or jointly. Whether these agencies shall be scattered or unified. Whether the expense of these agencies shall be reduced or multiplied. I am discussing the matter purely from a detached and impersonal standpoint.

I feel a responsibility to say what apears sincerely and honestly to my mind as the truth of the situation. I have no selfish motive save the desire to serve my country and to conserve the resources of my country, both human and material. I have no grudge to gratify and no prejudice to follow and no personal interest to serve. I may be mistaken, but I am sincere. But seeing the situation as I do, believing it is the truth, I am compelled to declare it whether it affects the Morrow Board, or the President's Air Craft Board, or the policy of the War Department, or of the Navy Department, or the plans and policies of the President himself.

On another public occasion I have expressed confidence in the President's patriotism. I have said that our country is safe against any rash entry into war so long as Calvin Coolidge is President. I rely upon the fact that he is not a militarist, that he does not "rattle the sword," that he does not swagger around with a "big stick," and that he is willing to preach that this Nation must give and take in its international relations in order to live peaceably with other nations. But I modestly and respectfully submit that all wisdom can not repose in one man, though it now seems that the War Department claims that the report of the Morrow committee expresses the quintessence of presidential wisdom, and the War Department seems about to enter upon another period of persecution against those who have dared to believe with General Mitchell and General Patrick that the air force is being repressed and discouraged. It now seems that all the talk by the War Department that officers are not muzzled was itself propaganda. It now seems that the War Department requires that all officers of every grade, from major general down to second lieutenants, even including reserve officers, pronounce the shibboleth "Morrow Board." These magical and mystical words "Morrow Board" admit to the inner circle of sanctum sanctorum in War Department preference and promotion. But the barbarians that refuse to pronounce this shibboleth and dare think for themselves and dare disagree are to be made to suffer either expulsion from the Army or the consequences of the official frown. Let the bureaucrats do their worst. Let them seek to discipline Major General Patrick for submitting a plan to the Committee on Military Affairs at its special request. Let it be remembered that this plan was the same plan that General Patrick submitted to the War Department more than a year ago on which no action was taken.

Let it be noted that General Patrick ought to be within the elect circle. He is a graduate of West Point and has run the gauntlet of promotion through honorable service until he is now nearing the period of retirement at 64 years. Unless General Patrick were sincere in his convictions, he would also pronounce the shibboleth. He can gain nothing by differing from the crowd. He must soon retire by operation of law. Perhaps the fact that he is serving under a new appointment, by confirmation of the Senate, as Chief of the Air Service for a full period of four years, and perhaps the fact that he must retire before that four years expires, accounts for his having some independence of judgment. Perhaps he realizes that the frown of the War Department can not hurt him. Doubtless he realizes that when he comes to end his career upon this earth he must answer to himself this question: "Have I been honest with myself and honest with my country in telling the various investigating committees and the committees of the Congress of my country what I honestly and sincerely believe to be the best thing for my nation now and hereafter? Is it not better for me to have the approval of my conscience in that great hour of judgment than it is to have the temporary approval of my comrades in the War Department? Have I not a responsibility higher than that of loyalty to any institution? I have not rushed into the public prints. I have not foisted my opinions upon the public or Congress. But when I have been officially summoned and have been asked on my honor to tell the Representatives of my country what I think with regard to what should be done to provide for the common defense, can I expect the approval of my conscience in the supreme testing time of life if I fail to say what I honestly think, and like a coward subscribe to the manufactured shibboleth of the General Staff?"

There is intolerance in the General Staff. It is probably due to the narrow field of education and experience, but it exists. Congress sees it and discounts their machine-made opinions.

Mr. ANTHONY. Mr. Chairman, I yield 20 minutes to the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Chairman and gentleman of the committee, this Congress will be called upon soon to pass upon a bill which is most significant and far-reaching in its importance. I refer to the Elliott public building bill, and being a member of that committee which considered the bill and reported it favorably to this House, I desire to discuss it before this body for a few minutes.

It is hardly necessary for me to talk of the imperative need for such a law when we realize that this Government is paying approximately $25,000,000 yearly in rentals for buildings to be used in the transaction of the business of this country. When we realize this, there can be no doubt about it being good policy and good economics and good business sense for this Government to undertake to build its buildings and so avoid this tremendous cost.

This bill, gentlemen, the terms of which, I take it, this House is very familiar with, provides that $165,000,000 shall be appropriated over a period of five years for the construction of public buildings for this Government. Fifty million dollars of

this amount is to be used in the city of Washington. One hundred and fifteen million dollars of this amount is to be used in the country generally throughout all the States, and at those places where the necessity for buildings is most apparent.

It will be interesting to this House to consider for a few minutes the history of the methods by which this Government has engaged in the construction of public buildings. The opposition to this bill appears to be based upon two reasons. The first, they say, is that this will take away from Congress the power which it has had delegated to it under the law, and which ought not to be taken away from it; that the Elliott bill provides that these appropriations shall be expended through two executive departments, and they insist that that ought not to be done, that it has been the time-honored policy of this country to let Congress say where these buildings shall be put and the amount used in the construction of them.

I have taken the trouble to make some historical investigation as to the manner in which the country has built its public buildings. I find that in the earlier years of our history, when the first buildings were being constructed, that this duty was intrusted to the President himself to designate where the buildings were to be put and have general supervision of the construction of them. After a few years, by specific provisions of law, the Secretary of the Treasury was charged from time to time with the construction of certain public buildings, and it appears that the Secretary of the Treasury for a number of years designated where these buildings were to be built, how they were to be built, and how much must be appropriated for their construction. During the time when the Secretary of the Treasury had charge of this and in the early days of our history, we constructed 23 public buildings, about 18 marine hospitals, and about 15 customshouses. After a while this method of constructing buildings was changed, and there was constituted by law a department in the Treasury Department of this country known as the "Construction branch of the Treasury Department." That was in 1853 during the administration of President Pierce and while Mr. Guthrie was Secretary of the Treasury. For a number of years the public buildings of this country were constructed through this construction department in the Treasury Department. That was done up until 1860, and the Government directed that an engineer from the War Department should be at the head of this construction department, and he was at the head of it.

From 1860 until 1875 several civilian architects were in charge of this construction department. In 1875 provision was made by Congress (18 Stat. 371-396) for the organization of the Supervising Architect's Office in the Treasury Department, and since then all construction work placed under the Secretary of Treasury has been carried out in the Office of the Supervising Architect, and the method we have now is under the Supervising Architect of the Treasury Department. So, it appears that for 100 years and more the public buildings of this country were constructed by and through the methods in many respects similar to those designated in this bill known as the Elliott bill.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. KERR. Yes.

Mr. DOUGHTON. I notice the gentleman is referring to the construction of buildings, the buildings being constructed in the manner designated and called for by the engineers. How were the designation of these sites provided for?

Mr. KERR. My impression is that those sites were designated by the parties who had the construction of the buildings in hand.

Mr. DOUGHTON. When did that change take place?

Mr. KERR. That change took place in 1902, and from 1902 until 1913 we had the omnibus or so-called "pork barrel" bills, and this is the only period in the history of this country when we have had an omnibus public building bill.

Mr. DOUGHTON. I am asking for information. Was the first omnibus public building bill passed in 1902? If so, what was the cause for abandoning the old policy?

Mr. KERR. I do not know. So far as I know, and so far as it appears, both policies or methods have been entirely satisfactory to the country.

Mr. DOUGHTON. Do I understand the gentleman to say that the present policy is entirely satisfactory?

Mr. KERR. Yes; and I think the old policy was also.

Mr. LANKFORD. Will the gentleman put in his remarks the exact language of the statute under which the buildings were constructed prior to this time?

Mr. KERR. Yes.

The sundry civil act, approved July 1, 1898 (30 Stat. 614) places under the Secretary of the Treasury the custody and control of all courthouses, customhouses, post offices, appraisers' stores, barge offices, and other public buildings outside of the District of Columbia, and outside of military reservations, purchased or constructed out of appropriations under the control of the Treasury Department, and invests the Secretary of the Treasury with full authority to assign and reassign space in such buildings. Congress annually appropriates funds for the maintenance of operation of all such buildings, and all contracts for the repair, extension, remodeling, and so forth, of such buildings, pursuant to such appropriation acts, are entered into by, or under the direction of the Secretary of the Treasury.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. KERR. Yes.

Mr. HASTINGS. Where is Wilson, N. C.?

Mr. KERR. It is in my district.

Mr. HASTINGS. I notice in looking over the hearings that it is one of the places mentioned on page 65.

Mr. KERR. Yes.

Mr. CARTER of Oklahoma. It is the only one mentioned in North Carolina, is it not?

Mr. KERR. Yes.

Mr. CARTER of Oklahoma. And no other district or city in that State will get a building.

Mr. KERR. I shall explain why that is mentioned and why no other North Carolina town is mentioned, and I am very glad that the gentleman has been kind enough to call that to my attention. In addition to the $150,000,000 which is to be expended in the construction of new buildings, the bill provides that $15,000,000 additional shall be set aside to finish the unfinished projects, buildings which have heretofore been authorized, but not built in this country. One of the unfinished projects is the Wilson courthouse and post office in my district. But the bill provides that not only shall the Wilson project be finished, but that 65 other projects in 38 different States of the Union shall be finished, in accordance with plans and specifications and cost estimate of the Supervising Architect.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. KERR. Yes.

Mr. DOUGHTON. I believe the gentleman says that this building at Wilson will be finished?

Mr. KERR. Yes.

Mr. DOUGHTON. What progress has been made, and what steps have been taken, and how much has been done toward the construction of this building?

Mr. KERR. The lot has been purchased, and there was an appropriation of $50,000, which was not enough, and the department so found, and they made a new estimate of how much it would take, and that new estimate is what I trust will be put into this building.

Mr. DOUGHTON. Then, as I understand it, the building will be constructed rather than finished?

Mr. KERR. Yes; it will be constructed, and the project will be be finished.

Mr. DOUGHTON. You could not finish a building that was not begun?

Mr. KERR. The law authorizing the construction of this building will be carried out?

Mr. CARTER of Oklahoma. What was the population of Wilson in the last census?

Mr. KERR. About 11,000. It has doubled its population in every 10 years since the 1900 census.

Mr. CARTER of Oklahoma. The gentleman knows that all of our towns when we want a public building have gained wonderfully in population since the last census.

Mr. KERR. I stated to the gentleman what the population was in 1920—11,000.

Mr. CARTER of Oklahoma. That is according to the census?

Mr. KERR. Yes.

Mr. DOUGHTON. Would the gentleman be good enough to tell the House how many places in North Carolina with a population of more than 11,000 according to the last census have not been designated in his bill?

Mr. KERR. I do not know of any. I know that the gentleman has in his district two towns for which he has introduced two bills asking that the Congress appropriate money to build public buildings in, and neither one of those towns has as many as 4,000 people in it.

Mr. DOUGHTON. If the gentleman will again yield, I have an authorization for a building that has been authorized since 1913.

Mr. KERR. No, sir; I did not know that. I know the gentleman has a site authorized, but I know the gentleman has not an authorization for a building.

Mr. DOUGHTON. We have a site bought.

Mr. KERR. I know there has been a site bought in towns not half the size, probably, of yours.

Mr. DOUGHTON. What does the gentleman propose to do with those?

Mr. KERR. I do not propose to do anything.

Mr. DOUGHTON. Where are these sites in towns of less than 2,000 inhabitants?

Mr. KERR. Right now I can not tell the gentleman, but I will be very glad to verify what I said to the gentleman at some later time; I think I can do so.

Mr. DOUGHTON. Publicly; there is nothing private.

Mr. KERR. I have not the information right at hand.

Mr. ARENTZ. Will the gentleman yield?

Mr. KERR. I will.

Mr. ARENTZ. Suppose there are a number of incorporated towns, such as Wilson, of 14,000 or 15,000 inhabitants who want to get a post office and who need a post office; how is it proposed under this bill to get the authorization and provide for its construction?

Mr. KERR. I think the $100,000,000 proposed to be appropriated under the Elliott bill will cover such projects as that.

Mr. ARENTZ. But how does the gentleman proceed to do it?

Mr. KERR. I would not proceed. This bill provides that the Secretary of the Treasury and the Postmaster General shall proceed to do it if there is a need for the construction of such a building. The matter of spending this $100,000,000 is vested in the Secretary of the Treasury and the Postmaster General.

Mr. ARENTZ. If there is a demand and a Member of this House, for instance, should go contrary to the wishes of the Secretary of the Treasury and the Postmaster General, how are you ever going to get the place; tell me that?

Mr. KERR. Get the place? They have the right under this bill, these executive officers, to construct the public building. I do not think the gentleman understands the bill.

Mr. ARENTZ. I understand the bill.

Mr. KERR. And put it in a place where they think can best subserve the interests of the public and the Government.

Mr. ARENTZ. I think the Members know better where they should have——

Mr. KERR. Ask your question, do not tell me what they think——

Mr. ARENTZ. I would like to ask, how would you proceed?

Mr. KERR. Under the bill, I have just told the gentleman.

Mr. ARENTZ. No; you do not proceed, the Secretary of the Treasury and the Postmaster General proceed. Suppose I bring before this House the needs of a certain town for a post office, and I impress the committee with the fact that the town needs a post office, do I go to the Secretary of the Treasury and say, Will you please build a post office?

Mr. KERR. This is the difference between an omnibus bill and the method proposed by this bill: You will have to convince these departments as to the merit of your project or cause.

Mr. McKEOWN. Will the gentleman yield?

Mr. KERR. I will.

Mr. McKEOWN. Is the gentleman aware of the fact that the appropriations for public buildings heretofore in certain large cities of the United States runs as high as from $2.49 in Detroit, Mich., per capita, and $21.57 in San Francisco, and in other portions of the country it runs less than $1 per capita?

Mr. KERR. Now, this brings me to the other point; that is, the other objection to this bill which I spoke of a while ago, and that objection is this, that this bill will enable the department to spend $100,000,000 in the large cities like Syracuse, N. Y., Los Angeles, Calif., and the smaller cities and towns, which deserve as much consideration at the hands of the Government as the larger ones, will not be taken care of.

Mr. DOUGHTON. Will the gentleman yield?

Mr. KERR. I will.

Mr. DOUGHTON. The gentleman, being a member of the Public Buildings and Grounds Committee, has doubtless made a very careful investigation and study of this matter. I will ask him, in view of the investigation he has made, how many places in North Carolina would stand a reasonable show to get a building under this bill, and how many towns larger than Wilson, in his own district, will not get buildings?

Mr. KERR. I will tell the gentleman that I think North Carolina, with its superimportance these days, has a great many places that should have Federal public buildings, and we will be compelled to build them before very long.

Mr. DOUGHTON. Can the gentleman recollect a conversation I had with him on the matter when I asked the pointed question after the bill was introduced and he said two or three?

Mr. KERR. Since the gentleman has called my attention to that conversation, I would like to call the attention of the gentleman to the conversation in which I asked him if he was willing to deprive North Carolina of a million or a million and a half dollars to erect public buildings because he could not be assured of two in his district.

Mr. DOUGHTON. I did not state I would not support the bill, but here is what I said, that I would not support a bill that was unfair to our State in order to help two or three large cities. I ask my colleague if he is willing to help large cities at the expense of the small towns of North Carolina?

Mr. KERR. I am willing to help all the cities and towns that need help in this country. I am willing to stand by the department if they undertake to put these buildings where they are most needed in this country. There never was any trouble when they had control of these buildings in this department, and they had control of them for nearly 150 years.

Mr. DOUGHTON. Why, then, have they proposed a change?

Mr. KERR. I do not know, but it does appear that the bill under consideration to a great extent follows the methods pursued for a long number of years in respect to the construction of public buildings.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. KERR. Yes.

Mr. HASTINGS. Does not the gentleman think that if one city with a population of 11,000 is entitled to a public building, all other cities similarly situated are entitled to it also?

Mr. KERR. I do. I think this is the beginning of a well-considered plan to build the public buildings necessary in this wonderful country of ours and I think this proposal will ultimately meet and include just such towns as that.

Mr. HASTINGS. We do not want to wait until they are all ultimately provided for. We simply do not want to be left out.

Mr. KERR. You will not be left out. If you have a project in your State for a public building in a city of 25,000, with no public post office in it, you will not have any trouble in my opinion about having this bill take care of that situation.

Mr. HASTINGS. There will not be any trouble about it while I am a Member of Congress.

Mr. CARTER of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. KERR. Yes.

Mr. CARTER of Oklahoma. The Treasury Department has to decide that.

Mr. KERR. I think it is a meritorious project, and I think the department will meet those meritorious projects. The second objection brought against this bill, as I was about to say a moment ago, is that you are putting $150,000,000 up here and intrusting it to executive department heads who are not responsible to the people of the country; that these departments will spend this money in the large cities and not be fair to the people of the smaller towns. As to this, let us bear in mind that Congress still holds the purse strings on that $150,000,000—$10,000,000 of which is to be spent annually in the city of Washington and $15,000,000 annually in the country at large. You would think, from the arguments heard here on the floor, that this money was to be put into the lap of these departments and that they could do with it as they please. That is not true and can not be true. This law provides that only $15,000,000 is to be expended annually in respect to the country at large, and that is to be expended in accordance with the law of Congress.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. KERR. May I have a little more time?

Mr. BARBOUR. I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from North Carolina is recognized for five minutes more.

Mr. CARTER of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. KERR. Yes.

Mr. CARTER of Oklahoma. The inference that I draw from the gentleman's remarks is that he insists that the House will have the right to appropriate for these buildings, and by naming the towns in the appropriation bill Congress will have the right to locate the places where the buildings shall be constructed.

Mr. KERR. I did not say that. I did not mean to convey that impression to the gentleman. I say this, that each Congress annually passes upon the $15,000,000 item of appropriation to pursue this building project. If this first appropriation, or any of them, is used in a manner which discriminated against any meritorious town or city, then the succeeding Con-

gress can cut off further appropriation, or even direct the place and manner wherein it shall be used.

If this amount appropriated for the country at large is not equitably and justly administered, then the gentlemen who oppose this bill and these appropriations will have something to stand on, but at present it is not fair for them to come in here and denounce this bill as a vicious bill, and as a notoriously unjust bill, and as a bill savoring of fraud, and as being a delusion and a snare. That is the argument always used when people have not a better one.

Mr. CARTER of Oklahoma. The gentleman's building has already been taken care of, and I submit that our sense of fairness sometimes falls out of the window when our personal interest comes in at the door.

Mr. KERR. The gentleman may be right about that. My building is taken care of. It is also a fact that 65 other buildings in this country, spread over 38 States, for which $11,000,000 has been appropriated for years, have been provided for. These are named in the bill, and $15,000,000 additional is appropriated to complete them. This fact itself, it seems to me, ought to impel every man who is interested in public buildings in this country to vote for this bill, because it expends in this country $26,000,000 in one year outside of the city of Washington, in one item, and at the places designated.

Mr. CARTER of Oklahoma. Now that the gentleman's district has been taken care of, I want to compliment the gentleman, as a member of the Committee on Public Buildings and Grounds, for having taken care of his district. He has taken care of his constituents. But the question is, Have the others been equally well taken care of, and have they been able to take care of their constituents with equal success?

Mr. KERR. I can not tell you what other Members have done about it. I do not think probably all of them have a project like mine.

Mr. DOUGHTON. Mr. Chairman, will my colleague yield?

Mr. KERR. Yes.

Mr. DOUGHTON. Does the gentleman remember making the statement at any time that if his project was not taken care of he would not support the bill?

Mr. KERR. No. Possibly I told the gentleman some time ago when this bill was first under discussion that the old plan, the omnibus bill, suited me all right.

Mr. DOUGHTON. And further, that if you were not going to get a building in your district you would not vote for the bill?

Mr. KERR. No. I never have been willing to keep out of North Carolina a million and a half dollars simply because I could not get one or two projects located in my own district.

Mr. DOUGHTON. And I am not willing to tax North Carolina for the benefit of a few large towns, and rob all the smaller towns.

Mr. KERR. We will not quarrel about that.

Mr. HASTINGS. Mr. Chairman, will the gentleman permit one more question?

Mr. KERR. Certainly.

Mr. HASTINGS. Does not the gentleman think he is as patriotic and knows as well the needs of his district down there in North Carolina and the necessity for locating a public building down there as the Postmaster General and the Secretary of the Interior?

Mr. KERR. I do not know, but I think probably if I made a study of it as carefully and systematically as these parties in the Post Office Department then I would know even better than they.

Mr. HASTINGS. Have you not made such a study?

Mr. KERR. No; I am not prepared to say that I have.

Mr. HASTINGS. I do not think that the Postmaster General or the Secretary of the Interior here in Washington have as much knowledge of my district as I have, or are as patriotic in their attitude toward the needs of the district as I am.

Mr. KERR. Now, Mr. Chairman, I started out to discuss a few minutes ago, the facts in respect to the expenditure of the $15,000,000 annually in the several States.

My idea about this is that it safeguards the interest of everybody in this Congress. I do not think the Members on either side of this House would be willing to have this money taken by an executive department and used each year for special favored localities; this would be manifestly unfair, and if done, I feel certain that Congress, which passes upon this appropriation each year, would so modify or change the law as to prevent such discrimination, even to the end of striking out the appropriation entirely; the purse string is not taken out of the hands of Congress, and those places which have merit in their demands will surely be taken care of. If I did not believe this, then I would not support this measure. Of course, every town which needs a public building can not get one at once. This is the beginning of legislation, in my opinion, which will be continued until the Government has placed public buildings in every town where the business will justify it to do so, and I believe that there are many towns in my progressive State which will be clearly entitled to these buildings and will get them.

Suppose the opposition defeats this bill, what has it to offer? Nothing, nothing, just "what the bear grabbed at." It is well understood that this is the only public-building measure which can be passed through this Congress and receive the approval of this administration. I do not feel justified in an attempt to defeat a measure which holds out the only hope to the people of this country for accommodation in the matter of adequate Federal buildings to transact the fast-increasing business of this Government. As for my part I shall not do it; I shall not do it!

In conclusion let me say that the method of appropriation through this bill can be taken care of in our Federal Budget plan of annual financial estimates of the funds necessary to run the Government. The appropriations are spread over a term of five years and it will not be necessary to increase taxes to meet the expenses of this building plan; this feature should heartily commend itself to the taxpayers of this country.

I think the political party of which I am a member, and I hope a most loyal one, should have great credit, which it justly deserves, for its effort to reduce taxation and lessen the burdens upon the average citizen of this country, and for its initiation of and hearty cooperation in those sincere efforts to administer the affairs of this Nation in a conservative and businesslike manner. We can lose nothing by a continuation of this policy. It will commend itself to the intelligence of this Nation.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. KERR. Mr. Chairman, I ask unanimous consent to revise and extend my remark in the RECORD.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BARBOUR. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. BRUMM]. [Applause.]

Mr. BRUMM. Mr. Chairman and Members of the House, since I became a Member of this distinguished body I have never made a speech on the floor. It is not a habit of mine to make public utterances unless upon invitation or when I feel I have a firm conviction to announce. I would not take up the time of the House to-day were it not that I am impelled by the seriousness of a certain question which I feel is of great importance not only to myself, to my constituency, and to the people of neighboring territories but of interest to the entire people of the United States.

As you perhaps know, I represent one of the great coal counties of Pennsylvania. Nestling among the hills in the Blue Mountains, one of the most beautiful spots on God's footstool, and covering an area of hundreds of square miles, are the coal fields of Pennsylvania. This region, endowed by nature with untold mineral wealth, has given wealth and prosperity to millions of people, and up to the present time in the history of the United States, and perhaps the world, there has never been a single spot more continuously happy, prosperous, and without need of assistance. Our people are made up of all the nations of the earth; nevertheless, we have been able to assimilate them with remarkable facility, and the result is that we have a citizenry sturdy and strong, industrious and brave, assiduous as laborers, and liberal as spenders. The general effect is, barring the terrible casualties of a most dangerous trade, that no people in the broad expanse of the United States are more happy and contented.

But a crisis has arisen in that section. Peace has been turned into war, prosperity to devastation, and death and destruction is rife on every side. Everybody seems to talk about it except those who know something of it. Resolutions have been offered; speeches have been made and ranting has been done, but to no purpose. And why? Because those who are familiar with the situation know that they will accomplish nothing. Not a single word has been said on the floor of this House by the Representatives of the seven great coal districts. Why? Because these men knew the seriousness of the situation. These men are responsible not only for their political success but for the safety, prosperity, and the very life of their people. They did not trifle. This is no time for political gestures and legislative gymnastics. This is a time for the people of the United States to recognize that there is a serious condition, the like of which, through industrial troubles, has

never been experienced in the United States of America. From early last December these men from the coal counties have been running back and forth studying the situation and trying to reach this and that solution, but absolutely in vain. They have reached no solution which will save the situation.

Let me show the general situation. Two years ago there was a strike. These troubles have come up almost every two or three years, and while Members from New England, New York, or somewhere else talk about the coal barons and unreasonable miners, the fact of the matter is that they are no different than they are anywhere else. The point is that our people are intelligent people and they are well organized, and the coal barons, so-called, are the rightful owners of certain property which they handle with more benevolence, perhaps, than some of you men who are interested in other vocations. That is not the trouble at all. It is because it is confined, of course, to a certain territory. When this strike broke out two years ago the newly elected Governor of Pennsylvania went to the White House and said to the President:

> These coal fields are entirely within my State and I will and intend to handle the situation.

The President said, "Very good," and he was right. The governor did handle it. The outcome has been very unfortunate, perhaps, both to the operators and to the miners and certainly to the general public, because the prices went up. Nevertheless, peace reigned for the two years past.

At the expiration of the present agreement an attempt was made to adjust their differences, but that failed. The governor came to the front as the governor of a sovereign State. The proposition was naturally his. Nobody disputes that, and as a matter of law that is as clear as can be. If the governor were capable or showed any chance of settling these troubles, it would be perfectly right for the White House to remain apart. The governor attempted and failed, and later he called an extraordinary session of the legislature for the purpose of passing legislation to settle the strike. Whatever may be said of his motives and whatever may be said of his good intentions as a lawyer, I know that these were the most futile and impossible methods that one could possibly conceive of. If within the borders of a sovereign State an impossible condition existed, the governor of that State, just as well as the President of the United States, under the ancient idea of the police power, when the health, safety, and prosperity of the people were at stake, would have the right to take hold, and under that ancient doctrine, invoked over and over in the history of this country, he might have insisted on these people getting together or subject them to the alternative of taking over the mines, as Governor Allen did in Kansas. But he did not. As I say, I am not impugning his motives, but his methods were certainly wrong, and the result is that the strike has grown and expanded, and the effects of it have reached over great expanses outside of Pennsylvania, and these outside territories are feeling the effects of this awful catastrophe.

Now, my position is this:

Having failed through the efforts of any of the departments or the bureaus to obtain relief, there is only one possible solution. Legislation is both inexpedient and impossible. The President told us in his opening message of a remedy for this sort of situation. He was right, but that was not to settle a strike present and growing. In time of war it is nonsense to make provisions for permanent peace. Why, great God, we have just gotten out of a terrible world calamity, and both this side and that side of the House will admit that the awful mistake was the combining of the articles of settlement of hostilities with the idea of permanent and everlasting peace and happiness throughout the world.

At the close of the Civil War, when the two great chieftains of the North and South, Grant and Lee, met together, solid, experienced men, knowing the terrible conditions under which the Nation had suffered, they made the settlement as simple and as easy as could be. Do you suppose if they had insisted upon measures for reconstruction, do you think if they had sought to settle all the questions between the white and the black populations, that the salutary result would be present which we experience now?

The long period of reconstruction, the unhappy moments of it for North and South, the dark days of misunderstanding, when blood was still hot and the wounds lay open, was no time to talk of permanent union. But as the years went on, by cool deliberation and with great common sense the Nation continued to prosper, slowly drew together the two great diverging lines, and to-day we have these happy, reunited indivisible United States.

So I say this is no time to talk of permanent peace in the coal regions. Why does the President so act? It is my humble opinion this is the reason: The representations made to him have been largely along the lines of personalities—"this man is wrong and that man is wrong; this one has made a mistake and that one has made a mistake. It is a running sore. We must end it forever. The way to do it is to let them fight it out. If you keep your hands off, it will solve itself."

Mr. BOYLAN. Will the gentleman yield for a question?

Mr. BRUMM. Please do not interrupt me until I am through with my general statement, and then I will be pleased to yield.

How in the wide world when these parties are driven to desperation, when terrible epithets have been hurled back and forth in their conferences, with misunderstanding and each having discredit one for the other, amidst the suffering and the hunger of the people, can you say let them wear it out? Great heavens, do you believe that would promote peace unless you absolutely obliterate the people of the coal region? Why, you are inspiring everlasting war. It can not be any different. Neither the miners nor the operators are in any fit condition to talk of permanent peace. We want this strike ended. That is what we ask, and by the grace of God through Executive intervention, I believe it shall be ended. Hundreds of thousands of people, running into the millions, are affected, and the hungry and the poor are crying out.

Mr. CARSS. Will the gentleman yield?

Mr. BRUMM. Please do not interrupt me for a question. I only have 15 minutes, and I ought to have at least an hour to properly discuss this question.

Mr. CARSS. I simply wanted to ask the gentleman what is his solution of the problem.

Mr. BRUMM. I will give it to the gentleman.

Banks are rocking to destruction. Our region is covered with little mills and factories, largely manned or womaned by the female portion of the mining families; all these businesses that dot the entire region have been helping these people. The banks have been lending and their credits have been extended until they have reached the bursting point, and yet you say, "Let them go and let them worry it out." O heavens, that can not be, because you are destroying this great industrious and populous section of the United States.

Now, is there a remedy? Legislation, I say, is foolish. That is what our governor is trying to do. It can not bring relief. It is too slow, and this is no time to deliberate. What can be done? Three successive Presidents of the United States, because of emergencies that existed, have taken hold of coal strikes. My question is, Why can it not be done now? The answer will come back, "The President feels that his offices would not be accepted." In my judgment that is not a fact. In my humble opinion both sides of this controversy will welcome intervention.

I do not care whether Mr. Lewis is right. I do not care whether the operators are right. These people are individuals, representing two great business interests, and it matters not for the sake of this argument; it is the cessation of hostilities we want and the President's good offices I humbly believe will be gladly accepted. [Applause.]

Now, what is the direct way of handling it? In my poor opinion it is this. As Executive of the United States—and remember while the President is the legal Executive of this Republic, he is something far more than that, as has been exemplified in innumerable instances, the President of the United States is not only the executor of the laws, but in time of stress, he is the source of information, the mouthpiece of the Nation, and his acts have the authority and sanction of the combined power of the people, as he is the veritable father of its citizens. Thus by the might of his office as Executive, if the parties to the controversy should refuse his kindly office, he can act in accordance with the declaration of President Roosevelt when he said "If something is not done to end this trouble I shall take over the mines"; and I say there is ample authority and precedent for it. [Applause.]

Mr. BLANTON. Will the gentleman yield there?

Mr. BRUMM. Yes.

Mr. BLANTON. Does not the gentleman remember that during the war we took over the railroads at a wasteful cost to the American people of several hundreds of millions of dollars?

Mr. BRUMM. I do not mean permanently.

Mr. BLANTON. Oh, we did not take them over permanently. But it cost us several hundred millions of dollars' loss before we could turn them back.

Mr. BRUMM. Please do not interrupt me with questions about other incidental matters in the little time I have to discuss this subject.

Mr. OLIVER of New York. It is worth the price now, whatever it cost.

Mr. BRUMM. I have much in explanation I could offer you in reference to that particular phase, but I have not the time now.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. BRUMM. Yes.

Mr. CONNALLY of Texas. The gentleman's idea is that the President ought to intervene and try to settle the strike?

Mr. BRUMM. Yes.

Mr. CONNALLY of Texas. Does not the gentleman know that the papers this morning carry the statement that the President will not do that, notwithstanding the Senate passed a resolution requesting it?

Mr. BRUMM. Yes.

Mr. CONNALLY of Texas. Does the gentleman think the President would act because he asked it when he would not act at the request of the Senate?

Mr. BRUMM. I say, that when the President has the true facts before him, the facts as to the real physical situation and not as a legal question at all, he will intervene.

Mr. BLACK of New York. Will the gentleman yield?

Mr. BRUMM. Yes; but please do not take up all my time.

Mr. BLACK of New York. The gentleman seems to have a very perfect knowledge of the situation; to whom does the gentleman ascribe the difficulty, the operator or the miner, in this situation?

Mr. BRUMM. Oh, that has nothing to do with it. I would not attempt to answer that. That is what my speech is about. I do not care who is to blame. When San Francisco had an earthquake, did the Executive or anybody else stop and ask the cause of the quake? That has nothing to do with it. My people are suffering, some dying, and business is going off the map; therefore, something ought to be done.

Mr. HARRISON. Does the gentleman desire further time?

Mr. BRUMM. Yes.

Mr. HARRISON. I yield five minutes to the gentleman from Pennsylvania.

Mr. ANTHONY. I yield the gentleman five minutes.

Mr. BRUMM. Now then, the direct point is this. If my voice could be heard at the other end of the Avenue where rests the executive authority of the Nation, they would do this. The Governor of Pennsylvania having apparently failed to bring about an end to the trouble, I would send a communication to his excellency the governor and ask him if he has a plan for the immediate settlement of the difficulty, and if so, to kindly give the time in which he thought it could be accomplished. If he had a plan, I should wait for that amount of time to expire. If he had none, I would then say "I shall take hold," and I would send for both sides to the controversy and see if they could not agree upon some sort of a board or commission or whatever you might call it—it does not make any difference what we call it—for the purpose of sitting down and adjusting their differences with the aid of the great power of the President of the United States behind them.

Mr. BOYLAN. Will the gentleman yield?

Mr. BRUMM. Yes.

Mr. BOYLAN. The gentleman is a Member of the majority side of the House, and also a Member of the Pennsylvania delegation. Would not it be wise for his delegation to wait on the President and ask him to take some action?

Mr. BRUMM. It might or it might not. I said when I first started out, and I meant it, that I am not doing anything for effect. We have been doing what we thought was right and most expedient and not doing it for political effect.

Mr. BOYLAN. Would not it be a good suggestion to do that now?

Mr. BRUMM. We have done all we could to bring them together.

Mr. BOYLAN. But you did not do that.

Mr. BRUMM. Now, if what I have suggested did not result in anything salutary, as a last resort the President would have the right to invoke the police power of the United States and insist upon something being done. But as a matter of fact it never would approach that point because the differences between the two parties, as I understand it, are really not very great.

Mr. KINCHELOE. Will the gentleman yield?

Mr. BRUMM. Yes.

Mr. KINCHELOE. In view of the fact that the Senate of the United States has gone on record in requesting the President to interfere, what is the cause of the gentleman's optimism that the President would interfere when the papers this morning say that he will not interfere?

Mr. CONNALLY of Texas. It is the optimism of hope.

Mr. BRUMM. It is more than that; but you might as well ask what was the cause of the optimism of Columbus when he discovered America. I do not know. I know the conditions in the coal region, and both sides to the controversy. I am familiar with the psychology of the situation, and I know something about the problems, and I know the demarcation between the two. I believe, as I said before, that this thing has never been put in a proper light before the President of the United States. The emergency has not been stressed, but the hope of a permanent peace has been given.

Mr. MANLOVE. Will the gentleman yield?

Mr. BRUMM. Yes.

Mr. MANLOVE. If the gentlemen around me knew the distinguished gentleman from Pennsylvania as I do, regardless of what may have been done or has not been done, I am of the opinion that the gentleman believes he is right and fearlessly assumes to avow his concern in this matter.

Mr. KINCHELOE. Nobody impugns the gentleman's motive, but I am surprised at his optimism when the gentleman says that they have done all they could in Pennsylvania.

Mr. BLANTON. Will the gentleman yield?

Mr. BRUMM. Yes.

Mr. BLANTON. I would follow the distinguished gentleman along any path that does not lead to Government control and Government ownership. If the eloquent gentleman who knows his present subject so well could give us some solution that does not lead to Government control and Government ownership, we would be getting along somewhere.

Mr. CARSS. In the present deadlock, is not that the only thing that will open the mines?

Mr. BRUMM. No; it would never go that far. I do not think it would lead to Government ownership. We have the experience of three separate strikes, and it has always worked out well. It would be a long matter for me to answer the gentleman from Texas, but I will say this, that I do not believe for a minute that the situation which is presented would lead to Government control and operation such as we had during the war of the railroads. It is not a similar situation in the mines, because under the law of Pennsylvania they could only have expert miners to work in the mines, and the taking over of the mines would have to be with the acquiesence of the miners' leaders and the miners themselves, for a very short interval, until concessions came from one or both sides.

Mr. BLANTON. I want to say to the gentleman that I saw Director McAdoo hand out at one time $765,000,000 out of the Treasury, and then I could no longer follow Bill McAdoo.

Mr. BRUMM. I congratulate the gentleman. [Laughter.]

Mr. BOYLAN. If the power was given the President to take temporary control of the mines, could not he arrange for the miners to immediately resume work? They would not refuse the President, would they?

Mr. BRUMM. No.

Mr. BLACK of New York. Will the gentleman yield?

Mr. BRUMM. Yes.

Mr. BLACK of New York. Does the gentleman know from any responsible leader of either faction in this situation whether or not they are willing to have the President intervene or have asked him to intervene?

Mr. BRUMM. I would not answer that if I knew. This is no new thing with me. I was raised in that region, and the problems have been discussed in my home ever since I was a child. My heart is full of sympathy for the people of my district. I have remained silent for the same reason that the other men from the coal counties have; because we wanted a real, honest-to-God solution of this proposition. We did not want to go off halfcocked, and I would not have opened my mouth except that I am convinced that we have come to the end of all avenues except calling on the President of the United States for help.

In my humble judgment, since the great Lincoln occupied the Presidency, no man has held that high office who has a finer courage or who has any more earnest intention, nor who has borne the weight of this great responsibility with more seriousness than Calvin Coolidge. [Applause.]

I do not believe that anyone has ever occupied that office who has a more thorough and comprehensive grasp of the spirit of America and of American institutions than he. I honestly believe that the heart of no President has ever been in closer sympathy with the wishes, the hopes, and the aspirations of the great commor people of the United States. I have followed him from the time that he was first nominated for the Vice Presidency, and 90 per cent of everything that he has done I have indorsed. My admiration for him has grown with my experience here. My faith in him is profound and my trust

is unbounded. I believe that the facts have not been properly shown to him and that he does not thoroughly comprehend the seriousness of the situation. Nobody can gain counsel with me who says that his ears are deaf to the cries that come from the trembling lips, through chattering teeth, of the cold and hungry of the coal region. No one could ever make me believe that the heart of Calvin Coolidge is stone, and I hope that ere long the true light of this awful situation shall fall upon his honest brow, and that we who have waited so patiently may have some relief through the strong, the able, and the capable arm of the present Executive of the United States. [Applause.]

Mr. ANTHONY. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, much tempted as I am to talk about coal, I have another subject I desire to bring to the attention of the House. I would much prefer if some one else had taken up the question, because I may be charged with being biased.

I want to protest against the tyranny and oppression of the General Staff now being invoked against officers of the Air Service. You gentlemen who have had experience in legislation know that it is no uncommon practice to receive communications from Army officers or from citizens who are interested in the Military Establishment. A few days ago General Patrick, Chief of the Air Service, appeared before the Committee on Military Affairs of this House on the invitation of the committee and gave testimony before that committee in response to a request of the committee as to his views on the reformation of the Air Service of the country. His testimony is a public record. It seems that his testimony and his recommendations were circulated among ex-service flyers of the country, and immediately thereafter the General Staff started an investigation in the Air Service. General Helmick himself spent a day at the office of the Chief of the Air Service, and since then an investigation is being conducted by an inspector general of the Army. That is in keeping with the attitude of the General Staff toward the Air Service ever since the Great War.

The country was startled and shocked not very long ago because of the punishment meted out to a brave, courageous, and gallant soldier, and on top of that the General Staff is keeping up its activities of oppression and intimidating these officers, to muzzle them, to depress them, to crush their spirit, and to prevent them from even thinking along lines of their own profession. I do not believe that the attitude of the General Staff can possibly meet with the approval of Congress.

If it is improper for an air officer to communicate with his friends in civilian life on matters pertaining to his branch of the service, so it is improper for any other officer of any other branch of the service to do likewise; but it is manifestly unfair and unjust for the General Staff to pick out the Air Service in its campaign of its oppression and to stifle the officers of that department. What is the result? It will be impossible for this House to receive any intelligent information from any officer of the Air Service, because he knows, if he comes down here to testify and he testifies according to his own views and not according to the views of the General Staff that he is going to be punished. They have the living example of what happened to General Mitchell, and now we have an investigation going on in the Air Service, conducted by the Inspector General of the Army, intimidating officers in that service. And we thought we were destroying Prussian militarism. You have it right here in your General Staff, and you can have it only if Congress is willing to permit that kind of spirit to grow up in the American Army.

I do not know where the Committee on Appropriations gets its information, but I know that the gentleman in charge of the subcommittee gave quite a laying out to a reserve officer, Brigadier General Delafield, who appeared before his committee. Personally I believe that General Delafield was entirely within his rights in appearing before the committee, and I think that the gentleman in charge of the subcommittee reflected the spirit and the Prussian attitude of the General Staff when he abused this distinguished citizen for coming before his committee.

Mr. ANTHONY. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. ANTHONY. I am sure the gentleman does not want to impute that any criticism of General Delafield, who is the man to whom he refers, was simply because he appeared before the committee of Congress. If the gentleman has read the RECORD he would know that General Delafield was criticized for deluging Members of Congress with unnecessary propaganda, and many Members of Congress have complained about it.

Mr. LAGUARDIA. Oh, General Delafield is a citizen.

Mr. ANTHONY. Yes; and he is also a reserve officer of the Army of the United States.

Mr. LAGUARDIA. Exactly; and that carries out the Prussian system. You have to obey orders; you can not appeal to your representatives. [Laughter.]

Mr. ANTHONY. I will say to the gentleman we are glad to hear General Delafield always; he is a fine gentleman, but the committee objects to answering propaganda.

Mr. LAGUARDIA. What right——

Mr. ANTHONY. Because we are tired.

Mr. LAGUARDIA. Now the gentleman knows that he would not object to propaganda of the farmers and to propaganda of manufacturers; of course not, but the gentleman from Kansas has been in contact so long with these hard-boiled eggs of the General Staff that he has got to be hard-boiled himself. There is a living example of it. The gentleman stands up and says he was tired out with letters. What of that; the gentleman is getting paid to attend to his business. [Applause.] It is part of your business and our business. Let us be perfectly frank about this. That is the spirit of the General Staff. It is about time we put an end to it. It does not represent the spirit of the American people. I will tell you these young men in the Air Service who take their lives in their hands every day with the rotten equipment they have, some good, as the gentleman from California stated yesterday in a very able statement. It is not fair to crush the spirit of these men just because the General Staff knows some day they will have to sit in a plane and fly a machine themselves. The man who is afraid to fly is yellow, and a man who is yellow has no business in the Army. They know what is coming; they know there is to be a change in military tactics, both offensive and defensive. They know a general will have to observe and transmit his orders from the air. They do not like it. They prefer the ballroom of the New Willard, which is more comfortable than the uncertain seat in a plane, and now they are trying to crush the most gallant branch of the American Army.

If there is anyone here in this House who desires to justify the attitude of the General Staff in jumping on the Air Service because some one circularizes a letter telling of General Patrick's testimony, I would like to have him take the floor and defend it. When we reach the paragraph in the appropriation bill I am going to offer an amendment, and I hope the gentleman from Kansas will not raise the point of order. It will come under the Holman rule as we understand it, and not under the poor Holman rule as it has been interpreted of late in this House. So I am not going to take any more time. It cost me a lot of time to get these few minutes, but I simply want to register my protest and tell the General Staff they had better stop their Prussian and oppressive methods. They have demoralized the Army to-day so they can not recruit American boys in the Army. I landed at Fort Tilden, I will tell the chairman, one day this summer, and as we landed the plane four soldiers came forth——

The CHAIRMAN. The time of the gentleman has expired.

Mr. LAGUARDIA. May I have two minutes?

Mr. ANTHONY. I yield the gentleman two minutes.

Mr. LAGUARDIA. Now, I have a smattering of several languages. These four boys came over to help us, and I tried them in every language of which I had a smattering, and they could not understand it.

A MEMBER. Did the gentleman try English?

Mr. LAGUARDIA. They could not speak English. They were Syrians or Armenians, and I could not speak that language. That is the condition of our Army to-day. It is not attractive to the American boys, and the General Staff is entirely responsible. Your Army is top-heavy. You have an organization that is out of all proportion to your enlisted personnel. You can not get away from that. The organization appropriated for in your bill can not compare with any army in the whole world, because it is so top-heavy. It carries over $300,000,000 for a small army——

Mr. COLE. If the gentleman will yield, there is only $261,000,000 for the military branch itself.

Mr. LAGUARDIA. And the rest?

Mr. COLE. Is for rivers and harbors.

Mr. LAGUARDIA. Well, for $261,000,000; compare that with the size of the Army and compare that with every other budget in the world. They have built up a machine, they intend to keep it, and intend to press over anyone who comes in their way. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARRISON. I yield 10 minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK of New York. Mr. Chairman and gentlemen of the committee, I am glad at last that we have heard from the anthracite-producing region in reference to the coal situation. The coal situation is not a new situation. We have had it for years and we have the well-informed gentleman of the mining district take the floor at this late hour and accuse other men who are trying to relieve the situation on behalf of the consumer of playing politics. And he comes in with a speech putting the situation right up to his President, and then lets his President out by making his President appear to be another Lincoln. If there ever was a political speech delivered in this House, it was the speech of the gentleman from the anthracite region of Pennsylvania. The gentleman has been in this House in times of peace in the anthracite region, and yet, with all his great knowledge of the anthracite coal situation, have we had a single constructive suggestion from the gentleman or from any other gentleman from Pennsylvania on the coal situation? No. Had these men, with their knowledge of the situation, come into this House before, in prior years, with plans to dispose of the coal situation, with the opinion of experts behind them, we who live in the coal-consuming towns would not now be in the great distress from which we suffer to-day.

Oh, no. We men from the consuming districts have not been playing politics. We offered suggestions at the beginning to assist the President and his party. There would have been no politics about the situation had the gentleman from Pennsylvania and others of the gentleman's party got into line with the consuming sections and asked that the President act. There would have been no discussion of this situation from the political standpoint. It is too late now to talk politics. It is too late now to do anything with the President and the gentlemen of his party. We were interested in relieving our people. We saw disaster and suffering facing them, and we were not informed by the gentleman from Pennsylvania or any other gentleman from the districts in which the coal mines are located as to helpful suggestions.

The same suggestion that he makes was made months ago to the President by us. I have great respect for the President, but I do not think he is another Lincoln.

I think if he had been Lincoln the slaves would have died before they were freed. But I have a great deal of respect for the President's political craftiness and I have a great deal of respect for him as a great politician. I am glad there is a great politician in the White House. It is a great place for a great politician. But there are times when the man in the White House should forget politics and do something from an entirely nonpartisan basis. The President always maneuvers from the strictly political viewpoint, and when I see him make political blunders, such as he is making now, I wonder what is back of it and why he is doing it; and I have come to the definite conclusion that the President of the United States, having always been supposed to be an opponent of union labor, is now taking the stand he is taking against the advice of the Senate and against editorial advice because he is now undertaking to break the Mine Workers' Union. That is what he has in mind, and when he does that, he and his satellites will then proceed to try to break down all the labor unions of the country. God help the country! For who is standing now between the American people and the Russian system? Nobody but the leaders of union labor, who are standing up, fighting toe to toe against communists in behalf of American ideals. God help you and God help the country when you break the unions of this country. [Applause.]

Last year we had a bill introduced into this House, a bill introduced by the gentleman from Massachusetts [Mr. TREADWAY], a man well informed on this situation, and there was ample time to put through that House bill 5263. It went to the Committee on Interstate and Foreign Commerce, which is the morgue of all decent legislation.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. BLACK of New York. Yes.

Mr. LaGUARDIA. I can inform the gentleman that the union is against that bill.

Mr. BLACK of New York. Oh, I do not care about that bill particularly. But the question was presented to that committee, and they never held a hearing on that bill, or on any other coal bill, and the gentleman from Pennsylvania [Mr. BRUMM] and the gentleman from New York [Mr. LaGUARDIA] did not ask the committee at that time, in time of peace, to do anything to help that situation.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield right there?

Mr. BLACK of New York. Yes.

Mr. LaGUARDIA. I can inform the gentleman that Mr. LaGUARDIA did not urge that bill. He consulted the labor leaders in regard to it and found they did not want it.

Mr. BLACK of New York. Mr. LaGUARDIA has not helped any bill. It was Mr. LaGUARDIA'S business to find out how his bill stood, and it was open to him to employ eminent counsel to help him.

Mr. LaGUARDIA. The gentleman from New York himself has not done anything with his bill.

Mr. BLACK of New York. I am satisfied that my bill is dead, and, being satisfied of that, I have lined up with the bill introduced by my colleague [Mr. BOYLAN], and it shows some sparks of life.

Mr. LaGUARDIA. I will assure the gentleman that none of my bills are dead.

Mr. BLACK of New York. I did not intend to discuss coal, but a bill I put in yesterday for the purpose of striking from the CONGRESSIONAL RECORD all statements not made on the floor of the House.

Mr. BOYLAN. The gentleman says he is going to strike out certain remarks?

Mr. BLACK of New York. From the RECORD all statements made by Members not delivered on the floor of the House; in other words, I want to see verbatim reports made in the House, and not newspaper clippings and statements made by people outside. In connection with that I want to insert a stenographic report of the meetings of the Cabinet. It is time the mysteries of the White House are revealed. It is time for us to know what the Cabinet is thinking about when they sit around the table with the President discussing great public questions.

Mr. ARENTZ. Mr. Chairman, will the gentleman yield?

Mr. BLACK of New York. Yes.

Mr. ARENTZ. I was reading an article in the Washington Post the other day about what took place in the Cabinet of President Wilson. We do not need to read anything along that line about the present Cabinet.

Mr. BLACK of New York. I might be able to obtain some information that would be of value if we had a stenographic record of their proceedings.

Mr. BARKLEY. Does the gentleman think that the Secretaries of the various departments will ever be able to report by memoirs that are hereafter to be publishel or otherwise any of the secrets of the present Cabinet that would be of value?

Mr. BLACK of New York. I think they will be buried with most of them. [Laughter.] The Supreme Court of the United States files dissenting opinions. We know how the Supreme Court of the United States comes to a conclusion on a public matter and we know the process of reasoning that led up to it. The whole country knows how we are reaching conclusions. We reach them in the open, but nobody knows why the President comes to a certain conclusion. It is about time that this high public office became public instead of being a secret proposition, as it is to-day.

Mr. OLIVER of New York. Will the gentleman yield?

Mr. BLACK of New York. Yes.

Mr. OLIVER of New York. Will the gentleman include the statements of this unofficial spokesman of the President? Does the gentleman regard him as a member of the President's Cabinet or does he think the President is a ventriloquist and is speaking through some dummy?

Mr. BLACK of New York. I have too much respect for the President to say that the President speaks through a dummy when he speaks through himself as official spokesman.

Mr. BAILEY. Will the gentleman yield?

Mr. BLACK of New York. Yes.

Mr. BAILEY. I just want to know if the gentleman referred to Colonel House?

Mr. BLACK of New York. There has been a proposition here for some time that we hear from the Cabinet officers on the floor of this House. That would take up a lot of time and probably get us no place. Let us get in our RECORD what they have to say to the President and what they have to say to each other, so that we will know what they are driving at. It is entirely unnecessary to bring them here, because we can all save time by the other process. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HARRISON. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. McKEOWN].

Mr. McKEOWN. Mr. Chairman and gentlemen of the House, I had made up my mind I would not have anything to say about the proposed public building bill until I heard the gentleman from North Carolina take the floor in behalf of the Elliott bill.

Gentlemen, you may be in favor of that bill; you may have made up your mind you are going to vote to suspend the rule and pass the bill, but I have this to suggest to you: That whenever you do that and your community comes around wanting

to know about its public building, you are going to have some explanations to make before you will ever realize your ambition to get your public building.

There is no reason why Congress should surrender its prerogatives. There is no reason why these places should not be designated in the bill and the amounts fixed, and there is no reason why Congress can not be trusted just as much as to trust any member in the Cabinet.

I am frank to say to you that I would be opposed to this bill. I care not what Democrat was in the White House or what men occupied the offices of Postmaster General or Secretary of the Treasury. I have no personal feeling against either one of the two gentlemen, but I want to tell you now that whenever you pass this bill this money will go to the large cities and the smaller places will not receive any consideration. There is no reason why they can not make recommendations to this body. I say that when you talk about pork, pork-barrel legislation, that is an imputation that Members of Congress have not sense enough to save the money of the people of this country, when every day the Appropriations Committee and the Congress, acting together, are saving thousands upon thousands of dollars of money for the people of this country.

I have a list here which I am going to ask to insert as a part of my remarks. This list shows that there are many States in the Union which have towns of a population of 5,000 which do not have public buildings. I can show you that as to the State of Ohio and the State of Oklahoma.

In the State of Oklahoma there are 14 cities with a population of over 5,000 that do not have Federal buildings. In that number there are six Federal court towns that have no public buildings. The per capita amount spent in Oklahoma for public buildings is $1.50. Take, for instance, the State of Ohio. In the State of Ohio there are 25 cities of over 5,000 in population, and in those cities the total receipts run all the way from $90,000 down to $13,000. The fair way to frame this public buildings bill is to fix the amount of the postal receipts and the population. That is the fair method of fixing a public buildings bill. I have no grievance against large appropriations for large cities, because they need large appropriations; but, gentlemen, I do have objection to turning the money over in a lump sum to one officer.

Now, you talk about the office of the Supervising Architect. The gentlemen in that office have been there through various administrations, so they can not be accused of anything political; but let me tell you what happened. When Congress appropriated money in 1913 for two buildings in the district I represent, I went to that office and urged them to change their plans. They had expensive plans, plans calling for large expenditures of unnecessary money in trimmings. I said:

> What you want to do is to get away from this idea of adornment and give us useful buildings, buildings built for the purpose, not so much for looks, but buildings that will render service. That is what we want.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HARRISON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. McKEOWN. What was the result? When they changed the plans they were able to build the building under the pre-war estimate, and they have as nice and complete a building as you can find anywhere. So, if we are going to go into the public building policy and we need public buildings throughout the country, we ought to go to work and see to it that the buildings are built for use and not so much for adornment. They will spend enough money on frieze work in some of these large city buildings to build one dozen comfortable buildings throughout the country.

Now, gentlemen, I have got just as much chance as the rest of you if this proposed public building bill passes. I have no more chance than the rest of you but I have got just the same scramble you have. How can you go back to your districts and say to the people of a certain town that you have been able to get a public building for them? If you pass this present proposed bill here is what is going to take place and what is going to happen to you and to all of us. Instead of having the place designated by Congress, here come two rival towns of equal claim and they will want your indorsement for a public building. Then, you will have to take it upon yourself to go down here to get a public building and if you are successful in obtaining the building for one of them, of course, you have got the ill will forever of the people of the other town. Whenever you let the judgment of 435 Congressmen, as well as the Senators, pass on it, they are not going to look at it in the same way, but you pass this bill and the big bulk of the money will be scattered out all over the country in the larger places and the Senators whose prerogative it is to handle patronage will do very little consulting with the Members of the House about where these buildings will be located; and you can not tell me you can turn over a lump sum of money like this and they will not play politics with it. You take a man who has a position where he can handle as much power as men in the other branch of the Government or on the other side of the Capitol, he is going to give you very little consideration unless it pleases him to do so.

Mr. MURPHY. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. MURPHY. I am sure my friend from Oklahoma wants to be accurate. I am not crazy about this bill myself, I will say to the gentleman, but I am sure the gentleman wants to make a fair statement, and the gentleman ought to tell the committee that the Postmaster General, after he has been consulting with the Congressmen and selects the places he is going have these buildings built, will submit his list to the Committee on Appropriations of the Congress; and then if the Committee on Appropriations passes favorably on the judgment of the Postmaster General, if the House does not like it, the House can either build it up or knock it down; is not that the fact?

Mr. McKEOWN. I will say to the gentleman it is true that the appropriations have to be passed on, but how is any single Member able to come here and defeat a proposition of that kind? The gentleman knows also that under this bill the Postmaster General will have nothing to say, or very little to say, until the Secretary of the Treasury first passes on the proposition, and then if it is a post office bill the Postmaster General is permitted to make a few suggestions. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

[Mr. McKEOWN asked and was given permission to revise and extend his remarks in the RECORD by placing therein some figures collated by Senator PINE, of Oklahoma.]

The matter referred to follows:

OHIO

Cities	Population			Postal receipts	Court town
	1910	1920	1925		
Barberton	9,410	18,811	23,286	$36,133	No.
East Youngstown	4,972	11,237	15,985	13,175	No.
Bucyrus	8,122	10,425	11,729	44,908	No.
Cuyahoga Falls	4,020	10,200	13,700	31,834	No.
Fostoria	9,597	9,987	----------	54,002	No.
Mount Vernon	9,087	9,237	----------	52,672	No.
Wellsville	7,769	8,849	----------	17,217	No.
Dover	----------	8,101	----------	43,089	No.
Norwald	7,858	7,379	----------	50,490	No.
Galion	7,214	7,374	----------	61,067	No.
Painesville	5,501	7,272	----------	75,634	No.
Troy	6,122	7,260	----------	90,363	No.
Ravenna	5,310	7,219	----------	52,411	No.
Kent	4,488	7,070	----------	64,965	No.
Circleville	6,744	7,049	----------	25,988	No.
Wellston	6,875	6,687	----------	13,501	No.
Girard	3,736	6,556	----------	13,524	No.
Nelsonville	6,082	6,440	----------	17,233	No.
Ubrichsville	4,751	6,428	----------	24,010	No.
Struthers	3,370	5,947	----------	11,311	No.
Bellevue	5,209	5,776	----------	34,067	No.
East Palestine	3,537	5,750	----------	22,119	No.
Shelby	4,903	5,578	----------	43,672	No.
Dennison	4,008	5,524	----------	13,005	No.
Wapakoneta	5,349	5,295	----------	24,950	No.

Population of State, 5,759,394.
Appropriations, $18,105,322.76.
Per capita, $3.14.
There are 25 cities in the State over 5,000 population without a Federal building.

KENTUCKY

No city in Kentucky over 5,000 population without a Federal building.
Population of State, 2,416,630.
Appropriations, $6,520,631.
Per capita, $2.69.

KANSAS

Cities	Population			Postal receipts	Court town
	1910	1920	1925		
Junction City	5,508	7,533	----------	$40,106	No.
Dodge City	2,214	5,061	----------	36,674	No.

Population of State, 1,769,257.
Appropriations, $3,514,605.38.
Per capita, $2.04.
There are two cities in the State over 5,000 population without a Federal building.

ALABAMA

Cities	Population			Postal receipts	Court town
	1910	1920	1925		
Albany		7,652		$28,761	No.
Sheffield	4,865	6,682		23,281	No.
Fairfield		5,003		14,910	No.

Population of State, 2,348,174.
Appropriations, $4,410,620.
Per capita, $1.87.
There are three cities in the State over 5,000 population without a Federal building.

NEW YORK

Cities	Population			Postal receipts	Court town
	1910	1920	1925		
White Plains	15,949	21,031	27,428	$138,362	No.
Port Chester	12,809	16,573	19,283	85,658	No.
Watervliet	15,074	16,073	16,158	24,519	No.
Beacon		10,996	11,621	35,112	No.
Rensselaer	10,711	10,823	11,304	24,508	No.
Ossining	11,480	10,730	12,769	52,861	No.
Herkimer	7,520	10,453	10,910	38,971	No.
Ilion	6,588	10,169	10,426	64,345	No.
Endicott	2,408	9,500	15,627	236,902	No.
Glen Cove	8,000	8,664		33,124	No.
Freeport	4,836	8,599		46,709	No.
Johnson City		8,587		37,894	No.
Norwich	7,422	8,268		54,425	No.
Mechanicville	6,634	8,166		25,827	No.
Mamaroneck	5,699	6,571		36,614	No.
Seneca Falls	6,586	6,389		51,732	No.
Rockville Center	3,667	6,262		33,272	No.
Lancaster	4,364	6,059		18,469	No.
Fredonia	5,285	6,051		28,945	No.
Medina	5,683	6,011		34,666	No.
Massena	2,951	5,993		23,756	No.
Depew	3,921	5,850		14,411	No.
Tarrytown	5,600	5,807		60,322	No.
Hudson Falls	5,189	5,761		28,113	No.
Rye	3,964	5,308		33,433	No.
Waverly	4,855	5,270		27,701	No.
Whitehall	4,917	5,258		15,394	No.
Haverstraw	5,669	5,226		15,345	No.

Population of State, 10,385,227.
Appropriations, $49,212,433.15.
Per capita, $4.75.
There are 28 cities in the State of over 5,000 population without a Federal building.

IOWA

No city in Iowa over 5,000 population without a Federal building.
Population of State, 2,404,021.
Per capita, $2.63.
Appropriations, $6,436,127.65.

OREGON

Cities	Population			Postal receipts	Court town
	1910	1920	1925		
Corvallis	4,552	5,752		$54,462	No.
Oregon City	4,287	5,686		50,150	No.
Bend	536	5,415		37,210	No.

Population of State 783,389.
Appropriations, $3,826,628.
Per capita, $4.85.
There are three cities in the State over 5,000 population without a Federal building.

UTAH

No city in Utah over 5,000 population without a Federal building.
Every city or town in the State over 3,000 has a Federal building or a site with the exception of six.
Population of State, 449,396.
Appropriations, $1,475,000.
Per capita, $3.27.

OKLAHOMA

Cities	Population			Postal receipts	Federal court town
	1910	1920	1925		
Okmulgee	4,176	17,430	25,209	$95,883	Yes.
Bartlesville	6,181	14,417	19,152	96,515	Yes.
Sapulpa	8,263	11,634	14,207	49,028	
Picher		9,676		16,453	
Ada	4,349	8,012		37,655	Yes.
Ponca City	2,521	7,051		62,556	

OKLAHOMA—continued

Cities	Population			Postal receipts	Federal court town
	1910	1920	1925		
Miami	2,907	6,802		$32,419	
Drumright		6,460		23,804	
Pawhuska	2,776	6,414		37,674	Yes.
Hugo	4,382	6,368		23,879	Yes.
Cushing	1,072	6,326		29,372	
Henryetta	1,671	5,869		31,015	
Vinita	4,062	5,010		25,285	Yes.
Norman	3,724	5,004		50,972	

Population of State, 2,028,283.
Appropriations, $3,235,500.
Per capita, $1.59.
There are 14 cities in the State over 5,000 population without a Federal building.

Table shows appropriations for Federal buildings

Cities	Population	Federal buildings	Per capita
New York	5,621,151	$36,093,171	$6.42
Chicago	2,701,705	11,535,840	4.25
Boston	748,060	11,343,945	15.16
Philadelphia	1,823,158	8,519,275	4.67
Cleveland	796,836	4,844,617	6.08—
Kansas City	324,410	2,265,000	6.98+
St. Louis	773,000	9,853,061	12.74+
Denver	256,369	3,997,436	15.59+
San Francisco	508,410	10,969,711	21.57+
Detroit	993,739	2,476,555	2.49+

Mr. HARRISON. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. BROWNE]. [Applause.]

Mr. ANTHONY. Mr. Chairman, I also yield three minutes to the gentleman from Wisconsin [Mr. BROWNE].

Mr. BROWNE. Mr. Chairman and gentlemen of the committee, I was surprised and disappointed on reading the statement of Dr. James Empringham, who assumed the right to speak for the Episcopal Church in the matter of temperance, and who said the Episcopal Temperance Society, presumably a society of the Episcopal Church of America, was in favor of modifying the Volstead law so as to permit the manufacture and sale of light beer and wines.

I am very pleased to find upon investigation that Doctor Empringham does not speak for the Episcopal Church of America but speaks for a defunct temperance society. [Applause.] This society at one time, before the Volstead law was passed, had a membership of something like 20,000 Episcopalians. After the passage of the Volstead law there was not very much interest taken in this or many other temperance societies. They took it as a foregone conclusion that inasmuch as an amendment prohibiting the sale or manufacture of intoxicating liquors had been made to the Constitution and the law passed by an overwhelming vote of Congress was on the statute books, it would be enforced and the further work of any temperance society of this kind was really not needed, and so the society became practically a defunct society, and I presume the secretary's salary also became very small and insignificant. I find in looking up his history that this Doctor Empringham was born over in England. He was ordained in Canada. Whether he is an American citizen or not I do not know, but I have my doubts. He has had a quite varied career that I do not care to speak about here; but for him to assume to speak for the million and a quarter Episcopalians in this country is something not only presumptuous and ridiculous but something which the facts show he had not the slightest authority to do. [Applause.]

I want first to read just a short statement from the bishop here in Washington, Bishop Freeman, who says:

The statement made by Mr. Empringham does not in any respect represent the mind of the Episcopal Church. It is an individual opinion proceeding from one who holds an office in an organization that for years past has been semimoribund. The only authoritative body of this church is the general convention. Such statements as Doctor Empringham's, without any indorsement or backing, must be taken as purely individual opinion. It is safe to say that no such expression of opinion could proceed from the authoritative voice of the church. The present law has been in operation comparatively a few years, and no adequate test has been made of it. Its effect may have disclosed inequities and inconsistencies, but it is the basic law of the land and as such must be obeyed. It is an unfortunate thing for any representative of the Christian Church by word or act to condone the offense of those who evade or willfully violate the law. It is hardly the business of the church or any of its representatives to seek to promote a senti-

ment that is inimical to the duly constituted authority of the church. If the chosen officers of the church would address themselves more vigorously to the upbuilding of the moral character of our people, there would be need for fewer laws to regulate human conduct.

[Applause.]

I have the testimony here of very many other bishops and clergy who had once been members of this temperance society of the Episcopal Church, and they were not even invited to this little townhouse meeting where this man passed the resolutions that were given such publicity. The force back of the resolutions of Empringham is about the same as the force back of the resolutions adopted by the three men who met in the city of London and passed resolutions that began, "We the people of London." Empringham speaks in about that same capacity for the Episcopal Church of America.

Mr. BLANTON. Will the gentleman yield?

Mr. BROWNE. Certainly.

Mr. BLANTON. A number of our colleagues here in the House are Episcopalians, does the gentleman know of a single one of them who indorses the sentiment of this "defunct secretary in New York"?

Mr. BROWNE. No.

Mr. LAGUARDIA. I can name one.

Mr. BLANTON. Which one?

Mr. LAGUARDIA. Myself.

Mr. BROWNE. So far as I can ascertain, none of them indorses it. Representative CARSS, of Minnesota, a vestryman of the Episcopal Church at Duluth, informs me that he and the other members that he has talked with repudiate Empringham's statement.

Mr. BLANTON. The gentleman from New York [Mr. LAGUARDIA] is the only one I have ever heard of, and coming from New York I am not surprised.

Mr. LAGUARDIA. Well, that is not a fair statement. We have many good Episcopalians in New York.

Mr. BROWNE. I want to read from a statement of the bishop of my own State, who is a man of national reputation, Bishop Reginald Weller, and other bishops that stand high in the Episcopal Church and who voice my sentiments, and, I think, the sentiments of 95 per cent of Episcopalians of America:

I think the prohibition amendment as interpreted by the Volstead Act has done as much good as could have been expected, considering the looseness of its enforcement. During a long period it has been a football for politicians, but at present seems to be in the hands of its friends, who are making reasonable progress. The old saloon system, with all its attending evils, was under the control of the breweries and the distillers and any radical amendment of the Volstead Act would put them in the saddle again. I do not think we can afford to admit that the liquor ring is stronger than the Government, nor do I think the Supreme Court would allow Congress to practically nullify the Constitution. (Bishop R. N. Weller, of Fond du Lac, Wis.)

Many bishops and other leaders of the Episcopal Church, both clerical and lay, have repudiated Dr. James Empringham and the statement issued by the Church Temperance Society urging the modification of the Volstead Act. This organization is declared to be moribund, to be small in membership, not prohibition in character, and without any authority to speak in behalf of the church. Among the many replies to Doctor Empringham from bishops and others the following, published by the New York Times, are significant:

I entirely disapprove of the stand of the Church Temperance Society favoring modification of the Volstead Act. The history of the State of Kansas has demonstrated the value of prohibition and the practicability of its enforcement. (Bishop James Wise, of Topeka, Kans.)

Empringham statement does not represent church's attitude. What he may say, or small groups employing him, does not express the mind of the Episcopal Church. Most heartily disagree with his recommendations. After living 10 years in old Chicago red-light district as chairman of Chicago's first municipal vice commission, am convinced conditions to-day improved tremendously over wet years—socially, economically, morally—notwithstanding deplorable disregard for law enforcement in certain quarters and among certain classes; drunkenness throughout old district almost universally due to beer drinking and vice protection by brewery interests.

Return to beer is for no other reason than to provide intoxicants. Those who deny this are either ignorant or interested in doing so. Volstead Act law is here to stay. Fathers and mothers and wives who have suffered will prevent its modification, which would ultimately and intentionally end its usefulness. It can be upheld and is bound to be more and more as time passes. (Walter Taylor Sumner, Bishop of Portland, Oreg.)

Bishop William T. Manning, of New York, in his sermon Sunday, February 7, 1926:

There is at the present time much discussion of the question of prohibition, and in view of the great importance of this question to the life of our people I feel it right, as bishop of this diocese, to make some statements upon the subject and to state clearly my own judgment in regard to it.

Let me say first that undue importance has been attached to certain statements made in the name of the society known as the Church Temperance Society. This society has no official authorization and no right whatever to speak in the name of the Episcopal Church. It is a voluntary association and its statements have only such weight as may attach to those of any voluntary organization. They are not to be taken as representing the mind of the Episcopal Church. For some years past the church has scarcely been aware of the existence of this society and it has not been regarded as having weight and influence in the church.

CITES HOUSE OF BISHOPS' STAND

How the findings were reached which were recently announced in the name of the society and whether this announcement was authorized and indorsed by the society itself we have still to learn. The mind of the House of Bishops was expressed at the general convention in New Orleans last October by the adoption without a dissenting vote of the following resolution:

"*Resolved*, That facing the danger of the spirit of lawlessness in American life we welcome the renewed efforts of the Government of the United States to enforce strictly and impartially the prohibition laws and the antinarcotic laws which are so widely and cynically disregarded, and we call upon the people of our church to set a good example of that obedience to law without which no democracy can endure."

As indicating the mind of our own diocese our diocesan convention in 1923, after full consideration, adopted a resolution appealing to Governor Smith to veto the bill repealing the Mullan-Gage law. No action by the convention since that time has suggested any change in its sentiment upon the subject.

My own judgment and conviction upon this question remain what they were when I addressed our convention upon the subject in 1922. I have given much study to the question and have considered carefully the evidence presented by those who believe in prohibition and by those who are opposed to it and I have found no reason to change my views. I do not hold that to drink wine or other intoxicant in moderation is in itself a sin. But I believe that the prohibition law, properly enforced, will make us a healthier, stronger, and better people, and I believe that these laws can be and ought to be enforced and are being more and more generally observed in the country as a whole.

Am wholly out of sympathy with statements of the Church Temperance Society, which does not speak for the Episcopal Church, and probably has not members in the West. The Episcopal Church in these parts is whole-hearted on the eighteenth amendment and the Volstead Act. To modify the law would but open the way to further lawlessness. Most of us are glad to obey the law and rejoice in the good influence upon our economic and social life. (Bishop R. H. Mize, of Salina, Kans.)

Terrible things have been attributed to prohibition which have had other causes and which would have been worse without the constitutional amendment. This is true of the behavior of young people. It is the extreme of the new freedom, and parents are reaping the harvest of the laxity, materialism, and irreligion they themselves have sown.

The disrespect for law had a serious menace in this country even before the World War. I believe that the general condition of our people in this country has been decidedly improved by prohibition. Prohibition is a huge national social experiment in the result of which the world is interested. Let respectable people, and, above all, Christians, set an example of loyalty to law; let them deny themselves for the sake of weaker brethren. Such a stand will turn the tide in favor of prohibition and give us a Nation sober and prosperous. (Bishop Lewis W. Burton, of Lexington, Ky.)

Bishop Lines, of Newark, entirely disapproves of the action of the officers of the Church Temperance Society and thinks no one ought to regard it as expressing in any way the minds of the Episcopal Church. The society had no official connection with the Episcopal Church whatever, and the friends of strong drink are seeking unwarranted comfort from the report, while the enemies of strong drink should not be discouraged.

I do not believe this action of the Church Temperance Society represents the feeling of the majority of the members of the Episcopal Church of the country. I did not vote for the Volstead law, but I

would not vote to have it repealed. I disapprove of the principle of the modification of the act, because I do not believe there is a middle ground. (Bishop George A. Beecher, of Hastings, Nebr.)

WHO IS DOCTOR EMPRINGHAM

The Rev. George C. Wadsworth, rector of Christ Church, Oil City, Pa., a member of the Church Temperance Society, answers the question, "Who is Doctor Empringham?" in his sermon last Sunday, when he discussed the organization which he described as "sleepy, dead-and-alive." He said:

In the first place, who is Rev. James Empringham, that he presumes to speak for the Episcopal Church or any part thereof? I first became acquainted with Doctor Empringham about 20 years ago, when he had been in the country only a short time. He is an Englishman by birth and in Canadian orders. Whether he is an American citizen or not, I do not know. His doctor's degree was given him by Syracuse University in 1911. When I first knew him he was working in the interests of a well-known fraternal society and acted as Sunday "supply" in various vacant parishes in the diocese of central New York. Among these was St. Pauls, Syracuse, the largest and most influential parish in the city. Attracting attention by his unusual ability as a preacher, Doctor Empringham was engaged by the vestry as special preacher and acted in that capacity until he was actually called to the rectorship in 1907. Doctor Lockwood, the former rector, had died in 1904.

It was while Doctor Empringham was at St. Pauls that he made overtures to me to become his assistant; but, after seeking counsel of friends, I decided to remain at my post. I have never regretted my decision. Shortly after I had become rector of Christ Church, Troy, however, I was surprised to hear that he had resigned St. Pauls to become associated with the Anti-Saloon League. The reason given was that he felt a special "call" to the work, but it was an open secret that the book "The Episcopal Church, for Which Does She Stand?" published by Doctor Empringham, a copy of which I have in my library, had greatly interfered with his usefulness as a parish priest.

While Doctor Empringham was connected with the Anti-Saloon League, he visited me a number of times in Troy and spoke in my church. I tried to get him other appointments, but the storm raised by his book somewhat prejudiced him in the eyes of the clergy. I recall attending a great session of the legislature in Albany with him, when the late William Jennings Bryan appeared before one of the committees. It was about this time, or a short time before, that Doctor Empringham went over to the Church Temperance Society, a sleepy, dead-and-alive church organization, whose conception of "temperance" was that of a former diocesan of mine in the East who solemnly cautioned his clergy at an annual convention to use "moderation" in their drinking.

There is no doubt that Doctor Empringham put new life in the Church Temperance Society. I became an active member myself, and still consider myself a member. Indeed, he was kind enough to make me a "volunteer speaker," and my name was published in this connection in the society's organ, Temperence.

In 1919 an old friend of mine, Rev. Douglas Mathews, left his parish at Nutley, N. J., and became a traveling secretary for the Church Temperance Society. Doctor Empringham again visited me in Troy and urged me to follow Mr. Mathews's example. After giving the matter careful consideration I again declined to associate myself with him; and again I have never regretted my decision.

When the nation-wide campaign was put into operation, the Church Temperance Society was not underwritten and at the same time it was prevented, as all church organizations were prevented, from making special appeals. Mr. Mathews and other members of the staff were obliged to find employment elsewhere. Doctor Empringham was retained, but for the last five or six years has not been heard from.

A paper informs us that Rev. G. A. Carstensen, rector of Holy Rood Church, New York City, "who was elected president last month, indorsed Doctor Empringham's statement." The impression is conveyed that Doctor Carstensen, whom some of you will recall as having been rector of Meadville from 1878 to 1882, is president of the Church Temperance Society.

The Living Church Annual, which is a semiofficial publication of the Episcopal Church, states on page 221 that Rev. James V. Chalmers is president and that Bishop Darlington is vice president. I assume that this is a correct statement, as I have seen no notice in the church papers either of Doctor Chalmers's death or resignation. This being the case, I am assuming that Doctor Carstensen is president of the New York Clerical Club, before which Doctor Empringham appeared, and any indorsement he may have given him was merely a personal one. Nothing is said in the Associated Press dispatch about the clergy having indorsed Doctor Empringham's findings by a resolution or otherwise. I shall be interested in reading what the New York Churchman has to say about it.

Another matter must be explained: Bishop Talbot is listed as "patron" of the Church Temperance Society. Every well-informed churchman should know that until the first of the year Bishop Talbot was presiding bishop of the American Episcopal Church, a position corresponding to that of the Archbishop of Canterbury in the Church of England; and as such he was bound to be "patron" of every national church organization. Bishop Talbot is, therefore, no more responsible for Doctor Empringham's opinion than you are.

There are two statements which the press dispatch reports Doctor Empringham as having made which I should like to analyze. First, that the subject was submitted to the membership of the Church Temperance Society, a body consisting, we are told, of 20,000 persons, in the form of a questionnaire last October. As I remarked a few minutes ago, I consider myself a member of the Church Temperance Society, yet I do not recall ever having received any such document. Furthermore, if everyone of the 20,000 voted in favor of the modification of the eighteenth amendment to our National Constitution, does Doctor Empringham presume for one instant that these "20,000" represent the registered communicant membership of the Protestant Episcopal Church in the United States of America, numbering something better than a million and a quarter souls? In my opinion Doctor Empringham is speaking neither for the Church Temperance Society nor for the Protestant Episcopal Church. He is speaking for James Empringham and a small group of other foreign-born persons to whom the enforcement of the eighteenth amendment may have been a personal hardship.

Second, Doctor Empringham states he has made a "personal survey" throughout the United States during the "past 18 months." A pretty big job for one man. I wonder if Doctor Empringham really believes this statement himself? But whether he does or doesn't, we have only his word for it and what that is worth, people who have known him longer and more intimately than I have, should be able to judge.

There is this to be said, however. A dozen different individuals might make a dozen different "surveys," with a dozen different findings. Doctor Empringham says America is more drunken than France. "Pussyfoot" Johnson said the other Sunday in a lecture here in Oil City that there is less drunkenness in New York than in Paris. New York is the larger city, and Mr. Johnson gave figures. But Mr. Johnson is an American, and he would not be apt to describe his country as "drunken."

Laying aside, then, all personalities, there is this to be said: Any individual who thinks he is speaking for the whole church is taking a good deal for granted, and when anybody tells you that the Episcopal Church is not solidly behind the eighteenth amendment and its enforcement—well, tell them anything you please, but make them prove their statement. As a church we have always been the friend of regularly constituted government, for we are a constitutional church and believe firmly in the principles of democracy. Does your governor believe in law enforcement? Well, your governor is an Episcopalian. Does Senator PEPPER believe in law enforcement? Senator PEPPER has been a deputy to general convention for years.

Personally, statements similar to those Doctor Empringham is reported to have made are little less than insulting both to my intelligence and to my church loyalty. As an American churchman I resent the imputation that the Episcopal Church is in favor of legalizing the manufacture and sale of light wines and beer. It is a ghastly libel.

But we must bear witness. And there is plenty of scriptural warrant for it. "For so is the will of God, that with well doing ye may put to silence the ignorance of foolish men."

The news story to which I referred at the beginning points out that Bishop Ward, of Erie, is one of the vice presidents of the Church Temperance Society. This is perfectly true. And does Doctor Empringham presume to speak for Bishop Ward?

As an officer of the Church Temperance Society and as an American citizen Bishop Ward may have felt that it would be just as well to officially commit the Episcopal Church on the subject of law enforcement. He may have had in mind a situation similar to that which has been precipitated in New York by Doctor Empringham. At any rate the following resolution was offered by our bishop at general convention in New Orleans last October, and, according to the Living Church of October 31, unanimously adopted:

"*Resolved*, That, facing the danger of the spirit of lawlessness in American life, we welcome the renewed efforts of the Government of the United States to enforce strictly and impartially the prohibition and antinarcotic laws, which are so widely and cynically disregarded; and we call upon the people of our church to set a good example of obedience to law, without which no democracy can endure."

Strong words, these!

The only way that the Episcopal Church can speak officially upon any subject is through general convention. There can be no misinterpreting Bishop Ward's resolution. Its language is unmistakable. There is not the slightest reference to "modification." Nothing is said about the "exemption of light wines and beer." It speaks of enforcing

strictly and impartially the eighteenth amendment to the Constitution of the United States. And his resolution was unanimously carried.

Here is something from an editorial that appeared in the New York Churchman under date of October 10, 1925. It should prove interesting reading to those who have been disturbed by the Empringham pronouncement: "One of the greatest contributions to the American churches of to-day has been made by that fact-finding section of the Federal Council of Churches, which is called the research department. In bringing out its 30,000 word report on the subject of prohibition it has once again proved the efficiency, intelligence, thoroughness, and courage of its personnel. The indifferent attitude of the Government toward sincere enforcement is roundly condemned. The only hope for the actual working of the prohibition law, the investigators state, depends upon genuine enforcement efforts by the Federal authorities and the creation of a body of public opinion to support such enforcement. The question of the right or wrong of a liquor supply for the American people does not seem to enter into the present problem. The people who had intoxicants had them before the Volstead Act, and they have them now. The present issue, the editor of the Churchman concludes, is the rapid growth of a new criminal class in the country; the widespread hypocrisy, deceit, and general disrespect for all laws, the gradual undermining of the effectiveness of our democratic system.

Nothing is said about "modification" or the exemption of light wines and beer; but this is one of the strongest indictments of American governmental laxity and insincerity that I have read anywhere.

If time would permit, I could quote the Living Church, of Milwaukee, published in the very community that was said to have been made famous by a certain brand of beer; but anyone at all acquainted with the intense Americanism of Frederick Cook Morehouse will understand what I mean when I say that nothing has ever been published over his signature that was not strictly in keeping with Bishop Ward's resolution and the attitude of American churchmen generally.

Undoubtedly those opposed to law enforcement would welcome the slightest suggestion that the Episcopal church is not squarely behind the operation of the eighteenth amendment. But they are doomed to disappointment. Officially and in the church press the church has spoken, and there can be no question as to her position. "For so is the will of God, that with well doing ye may put to silence the ignorance of foolish men."

I have no personal grievance against Doctor Empringham nor any other man, be he priest or layman, whose opinion differs from my own on the subject of the prohibition laws. There are just two things that I would like to make perfectly clear: First, as long as the eighteenth amendment remains on our statute books as part of the Constitution of these United States it is our duty as American citizens to see that it is "strictly and impartially" enforced. Second, at best, Doctor Empringham and other "new" Americans, whatever their position in the church, speak for themselves and themselves only. The Episcopal church has spoken officially on the subject of the eighteenth amendment, and for every loyal American churchman there can be no other voice.

I consider the action of the Church Temperance Society ill-advised and harmful in its effect. While I believe much more in temperance than in prohibition, I feel strongly that so long as the Volstead Act is in effect the law should be obeyed. The Church Temperance Society, which is a voluntary organization, does not and can not speak for the church. (Bishop Joseph M. Frances, of Indianapolis, Ind.)

The church can ill afford to indulge in a discussion that must inevitably result in weakening of law enforcement. It is the business of the church to stand for the enforcement of law. It weakens its whole appeal when it joins with those who to-day are utterly heedless of their obligations to what is the duly constituted law of the land.

If the church would address itself more unremittingly to the supreme business of strengthening the moral character of the people it would gain a firmer hold upon those who to-day lightly esteem it.

Such pronouncements as those recently made have behind them nothing of authority and make no impression whatever upon public opinion. The lawmaking bodies of this country are not affected by statements that proceed from such sources. (Bishop James E. Freeman, of Washington, D. C.)

In answer to your inquiry would state that as vice president for many years of the Church Temperance Society, and one of its oldest members, I was shocked to read in the newspapers of the contemplated change in its policy from its past ardent support of the prohibition law. The society at its beginning supported high license laws, but when they were found to be almost worthless in controlling liquor excesses, its new superintendent, Doctor Empringham, published strong prohibition articles in our magazine called Temperance.

When the Volstead Act was passed, many felt that the society had accomplished its work, and so regular publication of the paper ceased for a time, and the society advocated other reforms. Though I have paid dues to the society, I have received no notice of meetings for several years and had no knowledge of the recent meeting of the society, and so did not attend, and think that the bishops and other clergy and laity are by any great majority against exempting wine and beer, and in favor of supporting President Coolidge in the strict enforcement of the prohibition law as it now stands, as it has been so successful in the rural districts and many cities. There should be another meeting of the society held soon to reconsider and express the will of the majority of the church.

Bishop Talbot, recent presiding bishop, and I are both in favor of the present law. Bishop Colmore, of Porto Rico, told me yesterday that he held the same view. Bishop Ward, of Erie, favors prohibition, and his splendid resolution for stricter law enforcement was passed unanimously in the house of bishops in New Orleans last October.

Rescue missions know that beer drunkards are hardest to reform. When I was in Berlin to lecture at the university last July, a large vote was polled in the German Reichstag to limit the brewers' purchases of barley so starving children could have bread.

Due to the Volstead law there are now no open legalized liquor saloons from the Atlantic to the Pacific, wherein bad women and worse men, gamblers, panderers, and vote buyers can meet and corrupt our youth. In former coal strikes like the present there were rioting and bloodshed, but thanks to our prohibitionist and churchman, Governor Pinchot, and our law-enforcing judges, with miners idle for six months and much poverty and distress, there has been no disorder, no law breaking. To weaken the national prohibition law, which is working so admirably when properly supported by the State authorities, would be criminal foolishness, and the plain people and business interests of the country will never submit to it. The diocese of Harrisburg, which covers a territory larger than the four States of Rhode Island, Connecticut, New Jersey, and Delaware, has twice in diocesan conventions voted unanimously for strict prohibition enforcement. (Bishop James Henry Darlington, of Harrisburg, Pa.)

While not opposed to light wine and beer in themselves, I am opposed to any modification of the Volstead Act or the eighteenth amendment so long as civil officers are so remiss in enforcing the law, and church members and other leading citizens show such utter disregard, not of that particular statute but of law, by persistently and openly disobeying it. (Bishop W. Blair Roberts, of Sioux Falls, S. Dak.)

I heartily disapprove any action which makes more difficult the enforcement of the prohibitory law. (Bishop S. M. Griswold, of Evanston, Ill.)

Years ago I became an honorary vice president of the Church Temperance Society, as I thought it was helping the cause of temperance. No one has a right to assume that the men who were interested in this society years ago approve of Doctor Empringham's present stand. Personally, I am strongly opposed to the modification of the Volstead Act and heartily in favor of the strictest enforcement of that act and of the eighteenth amendment. I think the strict and impartial enforcement of these laws would result in the greatest economical, social, and general advance of the whole Nation. As Attorney General Sargent pointed out, the real problem is to persuade otherwise respectable and law-abiding citizens to cease bribing bootleggers to break the laws of the United States. This great task of education and conversion is part of the responsibility of all the churches. (Bishop John C. Ward, of Erie, Pa.)

Utterances by other bishops and officials follow:

The Church Temperance Society of the Episcopal Church is of small membership and has no official connection with the church. I am not acquainted with the Rev. Dr. James Empringham, its superintendent, and to my knowledge there are no members of that society in Chicago. (Charles F. Anderson, Bishop of Chicago.)

As far as I can recall, I never was asked to vote on the question, and I am quite sure that I never did vote on it. The Church Temperance Society has no authority to speak for anybody but itself. It does not speak for me or the the church. (Bishop Philip Cook, of Delaware, an honorary vice president of the society.)

The Right Rev. Charles K. Gilbert, executive secretary of the Social Service Commission of the Diocese of New York and secretary of the diocese, says that the Church Temperance Society was supposed to be defunct until Doctor Empringham's announcement. Doctor Gilbert says:

I did not hear the address which Doctor Empringham made before the Churchmen's Association on February 1, in which he gave his personal views on the prohibition amendment. The Churchmen's Association is an organization of Episcopal clergy meeting for social purposes only, and one of its rules is that publicity shall never be given matters which come before it. It would therefore be unfortunate if the

impression were given that the association has in any way indorsed Doctor Empringham's sentiments.

Of course, Doctor Empringham has no right to speak in any way for the Episcopal Church. It is my understanding that the Church Temperance Society, of which Doctor Empringham is nominally the secretary, has been practically defunct since 1918. Differences arose at that time which resulted in the resignation of many members of its governing board, and the resources of the society have since been so depleted that little active work has been maintained. It is not clear to me on what ground he speaks even for the Church Temperance Society.

It is difficult to believe that this society now has 20,000 members or that it ever had that many. And if a questionnaire were sent to that number of people, it would be important to know just how many replies were received. This Doctor Empringham fails to state.

As executive secretary of the Social Service Commission in the Diocese of New York, I can state that the matter has never come before it in any way, nor have any of its members been consulted. I can also state that the same is true of the department of social service of our National Council.

The remarks of the superintendent of the Church Temperance Society, if correctly reported, seem to me not to be based upon a thorough investigation of conditions throughout the country, especially in rural districts. Whatever criticism on theoretical grounds may be made of the principle of prohibition, I believe the duty of the hour is to promote the observance of the present law among all, rather than to hazard the experiment of a modification, which we are by no means certain would diminish the evils that arrive from the defiant attitude of some people. I therefore disapprove of the attempt to modify the Volstead Act. (Bishop Benjamin Brewster, of Maine.)

For more than 100 years prohibition was intensively and extensively studied and discussed. No question ever decided by the American people was better understood. Before national prohibition went into effect 33 States, acting separately for themselves, had adopted prohibition. More than three-fifths of the people and four-fifths of the territory were under prohibition. The eighteenth amendment was submitted by a vote of more than two-thirds of both Houses of the United States Congress and has been ratified by 46 of the 48 States.

By opinion of the United States Supreme Court in 1920 both the eighteenth amendment and the Volstead enforcement code were declared to be constitutional. With prohibition and every other law the good of the people can be enforced by placing men in authority who have the inclination, courage, and ability to do what they are paid and sworn to do. For these reasons and for the fact that prohibition is succeeding, I am opposed to the new position taken by the Church Temperance Society of the Episcopal Church, if correctly stated in the press, favoring modification of the Volstead Act to legalize beer and wine. I do not agree with the sentiments expressed by the Rev. Doctor Emphringham. (Bishop J. P. Tyler, of Fargo, N. Dak.)

The announcement favoring modification of the Volstead law distresses me as lining up Doctor Empringham's unofficial society with organized liquor traffic, which is impeding law enforcement. In Texas good citizens sought not to modify the law against cattle stealing, but gradually reduced the violation to a minimum by destroying offending organizations. Our church stands on the official action of the 1916 general convention and the 1917 house of bishops, as follows:

"This church places itself on record as favoring such action in our legislative assemblies as will conserve the largest interest of temperance and the repression of the liquor traffic." (Journal of general convention of 1916, p. 328.)

"And, grateful for the action of the President and of Congress in restricting the manufacture and sale of liquor, we urge all to support the authorities in enforcing the law and to set a personal example of abstinence."

Individuals or societies taking any other position repudiate the church's position and in my opinion impede righteousness. (Bishop E. Cecil Seaman, of North Texas.)

I recognize the truth of much that is said as to the increase of drinking among certain groups and classes of people, the lowering of standards, the flask carrying, and other disgusting and degrading practices which have been introduced among those who ought to know better and to have nobler ideals of life. I recognize the evil and corruption connected with bootlegging in which, let us remember, the respected members of society who patronize the bootlegger and so create him are just as reprehensible as the men whom they thus tempt and pay to violate the law.

We must remember, however, that the pictures of these violations of the law are drawn usually by those who wish to use them as an argument for the repeal or modification of the law. Other laws of our land are difficult of enforcement and are frequently violated, but we do not, therefore, suggest their modification or repeal. We must consider this law nor in its effect upon certain groups or communities who willfully choose to defy and violate it, but in its effects upon the life of our country as a whole, and so considered there is, in my judgment, no room for serious doubt as to its beneficial results.

By a great part of our people we see this law respected and obeyed. We see its observance in the country as a whole increasing and not decreasing. We see the lives and homes of our wage earners and our plain people immeasurably benefited by it. We see in many places jails closed because they are no longer needed. We see in such a situation as the present coal strike the entire absence of disturbance and disorder as a result largely of the prohibition laws. There is not the slightest likelihood that the country will ever repeal the prohibition laws, and we all know this.

CALLS WET PLANK IMPOSSIBLE

Neither of the two great political parties could be prevailed upon even to consider a wet plank in its platform. Any political party which adopted such a plank would sign its own death warrant.

I do not believe that the Volstead Act should be modified at this time. When the law is being so observed by all that we can be assured that its modification would not mean its practical nullification; when its modification is desired by the sincere friends as well as by the enemies of prohibition, some modification of it may and probably will be made.

The return to the sale of wines and beer which some are advocating would, in my judgment, increase and not reduce the present evils and would make any enforcement of the law impossible. I do not believe that the country as a whole would listen to this.

I see that some of our bishops and clergy say that this law can not be enforced. Instead of saying that it can not be enforced, let us do our part to arouse the spirit which will insure its enforcement and give our help more strongly to our brethren and the other authorities who are laboring far more earnestly than we to secure this.

Let me present briefly three or four of the main facts in regard to this question as I see them:

1. This law is not a wrong or evil or impious one such as we should be justified in refusing to obey. I quote the words of John G. Sargent, Attorney General of the United States, in his recent address to the New York State Bar Association: "That a traffic which for generations has been recognized and discussed, and written about by economists, sociologists, and jurists as an evil may be marked for extinction by the law-making power and agencies of the country is not only settled law, settled beyond the stage of being longer open to question, but it has been settled and rests on foundations of soundest reasoning," and our country had the full right to make that law.

The prohibition law being the law of our land, it is the duty of every good citizen to obey it. To quote the Attorney General again, "In this country the will of the people, expressed at the ballot box, creates the duty of the citizen upon the subject voted upon." The Attorney General no doubt recognizes, as I certainly do, that a law might be passed by a human tribunal so impious in its nature, so contrary to the law of God and of right that it would be our duty to defy and resist it to the death, but this is not such a law. If we are ever to resist the law in the name of personal liberty, I hope it will be in a higher cause than the right to buy and drink intoxicating liquors.

2. Those who disapprove this law have the right to say so, and to work in lawful ways for its modification, or repeal, but no citizen of our land has the right to disobey this law or to encourage others to do so, and no one can do this without reflection upon himself and injury to the life of our country. As President Coolidge has said: "It is the duty of a citizen not only to observe the law but to let it be known that he is opposed to its violation." A democracy can endure only upon the foundation of observance of the law.

4. The law has its great importance, but we must not depend only upon the law to promote temperance among our people. It is quite true that "social legislation is never a substitute for social education." In this one point, and this only, I agree with the recent statement made in the name of the Church Temperance Society. We need and should have by all the churches a continuous campaign of information and education as to the evils, physical, intellectual, economic, moral, and spiritual, which have cursed the world as the result of the use of intoxicating drinks.

URGES VOLUNTARY SUPPORT

5. Last, I wish that we might lift this subject up from the level of mere law enforcement to the higher level of free, voluntary, willing support of the law for the sake of the common good.

In view of what our race has suffered through the evils of strong drink, in view of the agony which fathers, mothers, and children have suffered from it, in view of the fact that its suppression means the reduction of poverty, sorrow, disease, and crime, may we not all of us be willing and glad to make such surrender of our personal liberties, or of our tastes, as the law calls for and to see prohibition fully and fairly tried.

We know that it was good for the young men of our land during the war, and we know that it is equally good for them now. We are all stirred with pride and admiration at the wonderful and heroic rescue of those in danger by Captain Fried and the officers and men of the *President Roosevelt*. That is an example which is an honor to our country and gives all of us a fresh impulse for nobler living. What a magnificent thing it would be if for the aid of those who are endangered by strong drink we should all of us give our full support to the prohibition laws. What better exhibition could there be of the idealism of America than such willing surrender of our preferences and tastes for the good of all and for the help especially of our weaker brethren? Shall we not all give our help to it?

There is no nobler spirit than that which says with St. Paul, "If meat maketh my brother to stumble, I will eat no flesh forevermore, that I make not my brother to stumble."

I wish that the clergy of our church and of all churches all over our land would join in a crusade for such voluntary and noble action in support of the law, and that the people of all churches and all good citizens would unite in such a movement. Can anyone doubt that this would be for the moral and spiritual good of our country?

The Right Rev. Warren L. Rogers, bishop coadjutor of Ohio, in commenting on the Church Temperance Society's change of policy, said at Union Theological Seminary Sunday that he believed the announcement was made in sincerity, but that he did not see "how legalizing light wines and beer will help the situation any."

"That doesn't go to the heart of the problem at all," he added. "The situation is much more serious than to be solved by a solution that is in effect no solution at all.

"I am well aware of the seriousness of the situation in respect to the young people. The laborer is hardest hit, but then I do not know that the laborer is protesting very much against the Volstead Act."

Bishop Rogers said the country would never vote "wet" again, and expressed the belief that a referendum would favor the eighteenth amendment.

"Our general convention is the only body that has the right to speak for the Episcopal Church on subjects of this kind. As indicating, however, the mind of Episcopalians in the diocese of New York, I might refer to the action taken by our diocesan convention in 1923, when by unanimous resolution appeal was made to Governor Smith to withhold his signature from the bill repealing the Mullan-Gage law. Thoughtful members of the Episcopal Church will recognize the right of any man to seek by legitimate means the modification of the Volstead Act, but it by no means follows that the sentiment of the Episcopal Church favors such modification."

Canon William Sheafe Chase, of Brooklyn, says:

"I am amazed at the announcement. I am a member of the board of directors of the Church Temperance Society, and I am surprised that I received no announcement of the annual meeting at the town hall and had had no intimation from any source that such an absolute reversal of the policy of the society was even contemplated. I am exceedingly anxious to have a meeting of the board of directors and have requested Doctor Carstensen to ask for one at the earliest possible date.

"I do not for a moment believe that the board of directors would indorse the attitude taken by Doctor Empringham. I understood that the society had chiefly gone into health work and into such scientific instruction as demonstrates the wisdom of total abstinence. I certainly do not agree with the findings as reported in this morning's newspapers. They do not at all agree with the sentiments of Doctor Empringham as he has expressed himself in my hearing.

"I believe that the Volstead Act needs modification, but in such a way as not to nullify but to make it easier to enforce the prohibition amendment. Prohibition has not had a fair trial. The chief modification should be that which was promised in the last national platform of the Republican Party—to put all prohibition agents under civil service, as advocated by the Cramton bill, which also takes their appointment out of politics and gives the prohibition department full control of all industrial alcohol. The enforcement of the Volstead Act should be taken from the Treasury Department, whose business it is to collect money, not to punish crime—to put it into a department where it can be free from the interference of corrupt politics. Prohibition agents should receive more than the minimum salary of $1,680 and a maximum of $2,150 a year, and they should not be obliged to drink intoxicating liquor in order to obtain evidence of sale or possession.

"All aliens convicted of violation of the prohibition law should be deported. Congress should establish Federal police courts to try small prohibition law violations, such as possession and transportation of liquor. All druggists' Federal liquor-selling permits should be abolished.

"The prohibition law is succeeding as well as the laws against murder, burglary, and gambling. The mistake which Doctor Empringham seems to make is in judging the progress of prohibition by its distance from the goal of perfect enforcement rather than by its distance from its starting point six years ago. Not prohibition but politics is failing."

Mrs. Ella B. Boole, president of the National Woman's Christian Temperance Union, says:

"The Church Temperance Society of the Episcopal Church years ago was a moderation society. They did not have a total abstinence pledge as a condition of membership. When Doctor Empringham became the superintendent he was interested in prohibition, but did not always have the support of the members of his society in pushing it.

"For the last few years he has given his time to the Health Education Society and has not been doing very much in prohibition work. So that, while I am exceedingly sorry that he personally has changed his mind, I do not consider that the referendum he has taken shows a great change in the mind of the Church Temperance Society.

"As for Doctor Carstensen, I don't believe I have heard of him before. He has not been identified with the temperance movement as far as I know. The Church Temperance Society's definition of temperance is not the same as it is in the Woman's Christian Temperance Union, where we are for total abstinence. They have the old idea."

Mrs. Boole said she did not believe there was any let down in the activities of temperance organizations as a result of prohibition.

"We are mobilizing for law observance and law enforcement. We all recognize that there has been inadequate prohibition enforcement. We all recognize that prohibition has not had as good a chance as it ought to have. But it takes time to put it over, just as it takes time to put over all reforms."

Rev. Dr. Daniel A. Poling, of the Marble Collegiate Church, New York, and international president of the Christian Endeavor Society, makes this statement:

"I believe that Doctor Empringham very seriously misrepresents this great Protestant communion.

"I do not believe that the Episcopal Church will officially or unofficially have anything to do with a campaign for prohibition modification and law repeal. If Doctor Empringham and those associated with him were to speak for the Episcopal Church it would mean that the saddest blow of a generation had been struck against church federation and the growing spirit of Christian unity.

"Immediately after the passage of the prohibition amendment there was a decided slump in temperance education. That slump is past. In my opinion conditions, including law observance and law enforcement, are steadily improving and are immeasurably better than they were before prohibition."

The charge made by Doctor Empringham that the World League Against Alcoholism tried to bring pressure upon him to prevent the publication of the report has been denied by Robert E. Corradini of that league, who says:

"Press says Episcopal Church Temperance Society preparing to make a public admission of the failure of prohibition. Cable fact.

"I saw Doctor Empringham and he authorized the following statement, which was cabled to London within three hours after we received the first inkling of this report:

"'Doctor Empringham, secretary. Society authorized following: "Report absolutely without foundation; attitude church society unchanged."'

"Doctor Empringham deliberately led us to believe that the report was not against the present status of prohibition. He told us that the only thing on which we might take issue would be a statement in the report, in which they regret that temperance education has been lagging since the advent of the eighteenth amendment.

"Press reports state that pressure has been brought to bear upon Doctor Empringham from 'across the Atlantic,' this pressure emanating from the 'World Alliance Against Alcoholism.' If this last-named organization is an inaccurate version of our name, the 'World League Against Alcoholism,' and if he has reference to the cablegram which I showed to him, and I have reason to believe that such is the case, then the statement is absolutely false and knowingly so. We wanted to know the facts. We could not possibly bring pressure to bear upon Empringham if we had been deceived into believing that the report would not be unfavorable to prohibition.

* * * * * * *

"No survey can possibly show that except a hand-picked inquiry. Our office has detailed data for about 700 cities, covering every State. We are not submitting to the public, but the official records are here, open to any responsible party for inspection.

"Our records do not show that intemperance is on the increase, but to the contrary, it is decidedly on the decrease."

Commenting on the announced change of policy by the Church Temperance Society, Dr. Percy Stickney Grant, formerly rector of the Church of the Ascension in New York City, said, on Sunday in his sermon at St. Mark's-in-the-Bouwerie:

"I am surprised to see that 18 bishops of the Episcopal Church stand by the present 'dry' laws. The reason I am surprised is that

for years it has been hard to get support financially for the Church Temperance Society, and it has been equally hard to get permission for its representatives to speak from Episcopal pulpits, so little backing did the organization have from the communion as a whole. I know what I am talking about because I was a director of the organization.

"Considering the slight interest the Episcopal Church has taken in that form of temperance I am filled with admiration for the 18 bishops who stand by the dry law.

"But wait until the 100 per cent Protestants—the Presbyterians, and Methodists, and Baptists—get hold of this question at the polls and the enemies of prohibition will see a sight to terrify them.

"Two billion of dollars have been saved to the Nation under prohibition. And we have had a better industrial population. One of the main reasons why America should have prohibition is that there are few American families which have not experienced at least one ruined life from drink."

Doctor Grant preached on the Mastery of Life, a subject chosen in view of Lincoln's birthday next Friday. He eulogized Lincoln for the emancipation of millions of negro slaves.

"The Irish, the Italians, the Germans, the Jews, are here," he said, "and it is our duty to like them and to treat them as Americans. I find all races are lovable."

The following statement in reply to Doctor Empringham was made by Wayne B. Wheeler, general counsel of the Anti-Saloon League:

"It is regrettable that the report of the temperance committee of the Episcopal Church released in New York advises modification of the national prohibition act on the ground that the law is not working satisfactorily. Evidence from New York, signally failing to accept its obligation to enforce the Constitution, does not have great weight with other States which are loyal to the Constitution.

"None of the church denominations which officially supported the Anti-Saloon League in securing the eighteenth amendment have backtracked, and I believe more individual Episcopalians are in favor of prohibition to-day than heretofore.

"The report is especially ill-timed now, because Government documents recently issued testify to prohibition's observance, enforcement, and good results. The preliminary census of prisoners shows that penal commitments dropped from 521.7 per 100,000 in 1910—an average wet year chosen by the Census Bureau and not by a dry organization—to 325.1 in 1923, a decrease of 37.7 per cent, while commitments for drunkenness fell from 185.9 to 83.1 per 100,000, a decrease of 55.3 per cent. Disorderly-conduct commitments dropped 51.5 per cent; assault cases 53.1 per cent; prostitution, 28.8 per cent; and malicious mischief, 68.8 per cent in that period. These offenses are intimately associated with drink.

"The latest report on census of paupers shows the lowest pauperism ratio in our history. The Census Bureau of Vital Statistics reports decreased death rates, which compared with the average rate for the last six wet years (excluding 1918, the influenza year) shows a saving of 1,000,000 lives in the six years of prohibition. Industrial accidents dropped from 9,997 in three wet years to 7,418 in the three dry years in coal and metal mines. Railroad accidents took a death toll of 49,975 in the last five wet years, but only 33,281 in the five dry years, with 946,237 injured while the saloons were open and 739,316 since they were closed.

"Reverse Mr. Empringham's seven points to find the facts. Instead of prohibition putting an end to scientific temperance teaching it has stimulated it. The Anti-Saloon League has reemphasized the need of education. The Scientific Temperance Federation was never so active. The Woman's Christian Temperance Union maintains its historic work in this respect. The laws of 33 States commanding such instruction in the schools are being observed and better material for such instruction is now provided.

"No evidence of increased drinking among young people exists. Charles L. Chute, general secretary of the National Probation Association, says, 'The number of spectacular crimes and the total number of law violations of all kinds have steadily decreased among juveniles since the national prohibition law went into effect.' Deans of colleges and universities and high-school principals have denied the wet slander that youth is as drunken to-day as when the license system existed.

"It's only a few years ago that the drunken college student, the university beer night, the reeling youngsters around the punch bowl at the ball, the high-school boys and girls sneaking into the saloon back room, and a host of other bacchanalian scenes made the mothers of America sing, 'Where is My Wandering Boy To-night?'

"There is more kick in a clear head and a healthy body than in all the bottles of whisky or moonshine ever brewed.

"Prohibition has not only discouraged the consumption of wine and beer, as Mr. Empringham declares, but has forbidden traffic in these liquors and reduced them to a small fraction of the former amount. If Mr. Empringham recalled the 167,740,325 gallons of distilled spirits consumed under license, he would not have made the blunder of saying that it has increased the demand for these liquors.

"Disrespect for law was not created by prohibition. The American Bar Association found it existed 80 years before the eighteenth amendment went into effect.

"There is no class legislation about prohibition. It forbids intoxicants to all alike. The rich can buy more devilry of any kind, including booze, than the poor, but the law does not cause that.

"Intemperance has not increased but decreased. With all the new severity of judges, the Census Bureau finds drunkenness commitments in 1923 were 55.3 per cent lower than in 1910. Welfare societies, health bureaus, economic experts, all report a decrease in intemperance. A man is unfortunate in his associations if he finds more intemperance than formerly.

"The Volstead Act can not be modified to permit the sale of beer and wine, even though the Episcopal Temperance Commission desires it. The eighteenth amendment forbids traffic in intoxicants. No nonintoxicating wine has ever been invented, and the wets do not want beer that is really nonintoxicating.

"To legalize wine and beer, making them cheap and easily accessible, and then to educate people not to drink them is scarcely a logical or hopeful method of attaining sobriety.

"The Supreme Court recently said of the eighteenth amendment: 'Its purpose is to suppress the entire traffic in intoxicating liquor as a beverage.'

"The courts have repeatedly indicated that the purpose of prohibition legislation is to prevent the evils growing out of the use of beverage intoxicants. It is illogical to argue on the one hand that the country is suffering from alcoholic lawlessness and on the other hand to propose an amendment to the law designed to increase the alcoholic content in permitted beverages.

"As long as the eighteenth amendment is a part of the Constitution of the United States Congress can not license the sale of liquors which are intoxicating in fact. Such a law would be declared unconstitutional by the courts.

"It is equally indefensible to suggest the withholding of the penalties necessary to make the law effective. If the manufacture of beer and wine were permitted it would necessitate places for their manufacture and sale. This would mean the return of the brewery and the saloon or its equivalent. These institutions were among the most corrupting influence in American politics.

"Prohibition was not adopted as a result of a sudden impulse during the war, as Doctor Empringham suggested. Prohibition has been a gradual growth in the United States. After 50 years of agitation it gradually extended from local option to state-wide prohibition, until at the time the eighteenth amendment was adopted 33 States had adopted State prohibition and a large portion of the remaining territory was dry under local option. Ninety-five per cent of the area of the country and 68 per cent of the people were under no license laws when the eighteenth amendment was adopted.

"Resolutions proposing national constitutional prohibition were introduced in Congress and had a substantial majority for their adoption before the United States entered the war.

"Doctor Empringham says that prohibition has been a failure. It has been a failure for the brewers who have lost their billions of income, for the distillers whose spirits are no longer used, for the saloon keepers and bartenders who have had to go to work. It is a failure for the loan shark who preyed on the saloon victims, the tenement gouger who rented slums to the worker who patronized the saloon. It is a failure for the toper who wants to stupefy himself. It is a failure for all who prey upon their fellow man. For others it is a success.

"Business authorities, such as Hoover, Gary, Ford, Scott, Babson, and others, declare prohibition an essential element in our prosperity. An unobserved, unenforced law would not achieve this.

"Disrespect for law was not brought about by prohibition, as Doctor Empringham remarks. Prohibition did not manufacture any new crimes. It outlawed the most prolific cause of crime. Behind most murders and assaults there was the mind inflamed with drink. In Washington you can see a sign, "Here John Wilkes Booth took a drink and then went to Ford's Theater, where he murdered Abraham Lincoln." A drink-inflamed mind sent Guiteau to the assassination of Garfield, sent Czolgosz to kill McKinley. Back of countless robberies there was the ruin wrought by drink which made its unsteady victim unable to earn honestly the money he stole. Prohibition did not manufacture false crimes or pretended crimes, but it did outlaw forever the crime factory called brewery, distillery, or saloon.

"This salutary law, as the President recently called the prohibition act, should have the support of every church denomination, and any denomination which did not give its official support to securing national prohibition should hesitate to embarrass its sister denominations which did make the sacrifice to secure this great moral victory and are keeping up the fight to make its enforcement more effective year by year."

The Rev. E. W. Gamble, rector of St. Paul's Church, Selma, Ala., in a signed statement, repudiates Doctor Empringham's utterances, saying:

"I noticed in the Age-Herald of February 4 and the Selma Times Journal of same date a statement purporting to be made by the Rev.

Dr. James Empringham, national secretary of the Church Temperance Society of the Episcopal Church, that the society, which had worked for the eighteenth amendment, now will work for the modification of the Volstead Act, to permit the sale of light wine and beer,

"That a nation-wide survey of the prohibition enforcement had convinced him that the Volstead Act had undone the temperance society's 50 years of educational work against the use of alcohol.

"That a poll of 20,000 members of the society showed a preponderance in favor of modification of the law.

"I wish to state as clearly as possible that there is no Temperance Society of the Protestant Episcopal Church in the United States of America. The general convention of the Protestant Episcopal Church has no such organization appointed by the convention, which is the only national authority that could so appoint.

"The general convention has never entertained a discussion of the question. All that Dr. James Empringham represents is a small group who may be members of the Episcopal Church, organized under the name of the Temperance Society of the Episcopal Church, which is a misnomer. It is a society in the church but not of the church. I doubt not that there are 20,000 people in the Episcopal Church who are in favor of a modification of the Volstead Act—it would be a miracle if it were not so—but what right have they to speak for more than a million Episcopalians?

"It was stated in the same article that there are also 21 bishops, members of the society; but what right has Doctor Empringham to claim that these 21 bishops represent the Episcopal Church, when there are 128 bishops who are not members of that society?

"Again it is stated by Doctor Empringham that the Volstead Act had undone the temperance society's 50 years' educational work against the use of alcohol.

"To my personal knowledge, his society did not stand against the use of alcohol until they saw that the eighteenth amendment was almost an assured fact. The society's education work was for the sale of alcohol with certain restrictions. They only came out for the eighteenth amendment as the last resort.

"I venture to assert that a large majority of the Episcopal Church are opposed to any modification of our law, but are for greater enforcement. It is my opinion that the success of enforcement of the prohibition law is simply marvelous when you consider the length of time it has been in force. It has surprised even the most ardent prohibitionists in that it has accomplished so much in so short a time.

"Let us not be alarmed when any such voice is heard against prohibition. It is one of the greatest laws that has ever been passed by man, and time and experience will never weaken but strengthen it.

"Sincerely,

"E. W. GAMBLE,

"Rector of St. Paul's Episcopal Church, Selma, Ala."

The Venerable William Poyseor, archdeacon of the diocese of Marquette, quotes the resolutions adopted by the diocesan convention, May 26, 1925, as follows:

"Whereas the Constitution and laws of the United States are inviolate and the basis of our freedom and individual rights;

"Whereas the violation of any part of the Constitution tends toward nullifying the whole; and

"Whereas the Constitution and laws of the country are continually and persistently violated in certain respects by men who are otherwise honorable and upright citizens: Therefore be it

"*Resolved*, That it is the sense of this convention that an appeal be made to our people to support and uphold the Constitution and laws of the United States in every respect."

[Applause.]

Mr. ANTHONY. Mr. Chairman, I would like to say to the gentleman from Virginia that if agreeable to him I will yield five minutes to the gentleman from California [Mr. FREE] and then move that the committee rise.

Mr. HARRISON. That will be agreeable to me.

Mr. ANTHONY. I yield five minutes to the gentleman from California [Mr. FREE].

Mr. FREE. Mr. Chairman, we have heard much discussion from the Democratic side of this Chamber recently in regard to the necessity for a reduction of the tariff. I have had occasion to investigate the tariff on a good many products of the United States, and I have come to the conclusion that if we are suffering from anything it is from the fact that we have too little tariff on many of our products. I have been investigating the subject of canned tomatoes, a subject you would not think much of, but I find that in the United States we produce 14,500,000 cases of canned tomatoes each year valued at $25,000,000 to $30,000,000. They are produced in a goodly number of States—Arkansas, California, Colorado, Connecticut, Delaware, Illinois, Indiana, Iowa, Kentucky, Maryland, Michigan, Missouri, New Jersey, New York, Ohio, Pennsylvania, Tennessee, Utah, Virginia, and West Virginia. That shows that this is a product that is canned very largely throughout the States of the Union. I have found that all local canneries in the United States have recently been losing their market and looking for the reason. I find that during the year 1923 the United States imported from Italy alone 26,593,502 pounds of canned tomatoes of the value of $1,522,299, and that in 1924 we imported 45,716,497 pounds valued at $2,207,000.

The situation is put to me in a letter which I have just received from one of the canners to-day, which says:

SAN JOSE, CALIF., *February 1, 1926.*

Hon. ARTHUR FREE,

House of Representatives, Washington, D. C.

DEAR MR. FREE: The writer has tried many, many times to write you on the same subject which you have written us in reference to Italian canned tomatoes and Salsina.

The Italian canned tomatoes and Salsina are the biggest competition that California, and maybe all the United States, has. In the first place, California has the most competition because California tomatoes come in quality that means color, flavor, and taste next to Italian tomatoes. For an illustration, before 1925 we were selling in New York market about 150,000 cases of standard California tomatoes and a large block of Salsina. Now we are shut off from the New York market.

The writer in 1923 traveled all over Europe, and went to Italy for the purpose of investigating how the canning industry was carried on, and found that men were working for 10 lire a day, equal to 40 cents of American money, and women for 8 lire per day, equal to 32 cents in American money; in addition, they were working about 14 hours per day. Furthermore, the freight from Naples to New York is cheaper than Baltimore to New York, and even from Naples to San Francisco for about 45 to 50 cents per 100 pounds on tramp steamers. For this reason the competition is so keen that the Italian canners can sell in all eastern markets 3-pound solid-pack cans for much less than we can sell 2½-pound standard grade.

The growing of tomatoes and all expenses that are required from planting the seed to a finished product ready for the market is accordingly cheaper when you compare them with us. In the condition under which we are working there is no comparison between ourselves and the Italian tomatoes. As you know, Mr. FREE, we are paying from 40 to 60 cents an hour for unskilled labor during the canning season, and according to California law the minimum wages that a female cannery worker must make is $16 a week, and if she makes less than that we must add the difference. In our cannery the average wage during the canning season is between $45 to $50 a week.

Now, Mr. FREE, I hope that you will take all these matters into consideration, because if the Congress will not raise the tariff up to 40 to 50 per cent ad valorem, the tomato industry in the Western States will be killed.

We have one of the largest canneries in California, and we have been packing a very large quantity of tomatoes. We have spent a tremendous amount of money on machinery, and all that is required to handle such a large quantity of same, and if Congress will not come to our aid we are in a very bad shape. If this order of things lasts very long, we are compelled to move a part, if not all, of this tomato machinery to Italy and start a cannery; and, in fact, we have our brother in Italy now studying the situation, to make such a move if Congress does not help us.

We do not wish to disturb you with more writing, because we feel we have said enough. Trusting you will give this matter your best consideration.

The tariff to-day is but 15 per cent ad valorem; it must be increased to at least 40 per cent ad valorem or the canned-tomato industry of the United States is doomed.

Mr. ANTHONY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill H. R. 8917, the War Department appropriation bill, had come to no resolution thereon.

THE SESQUICENTENNIAL CELEBRATION AT PHILADELPHIA

Mr. SNELL, chairman of the Committee on Rules, reported for printing under the rule a resolution for the consideration of House Joint Resolution 153, providing for the participation of the United States of America in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes.

Mr. GARRETT of Tennessee. Has the gentleman determined when this matter will be called up?

Mr. SNELL. No. I was going to talk with the floor leader about that. It will have to be called up very soon.

Mr. TILSON. I did not know until a few moments ago that there had been a favorable report upon that. I should think that we could get time by Saturday morning.

Mr. SNELL. We will let the gentleman know to-morrow.

CHILD LABOR AMENDMENT

The SPEAKER laid before the House the following communication from the Secretary of State, which was read and referred to the Committee on the Judiciary and ordered printed:

DEPARTMENT OF STATE,
Washington, February 9, 1926.

Hon. NICHOLAS LONGWORTH,
Speaker of the House of Representatives.

SIR: The following resolution with reference to a report on the proposed so-called child labor amendment has been received in the Department of State:

HOUSE RESOLUTION 40

HOUSE OF REPRESENTATIVES,
January 5, 1926.

Resolved, That the Secretary of State be directed to transmit to the House of Representatives a statement showing what States have, through their respective legislatures, as certified to his office, taken action upon the proposed amendment to the Constitution of the United States authorizing the regulation of the labor of persons under 18 years of age by the Congress, and what such action has been, giving in each instance, where available, the votes in the several legislatures that have acted.

Attest:

WM. TYLER PAGE, *Clerk.*

In response to this request there is attached herewith a report which is based on all the official information which has been received from the various States.

The number of the affirmative and negative votes have been given in the accompanying report in each case where this information has been officially supplied to the department, and the report is so phrased as to indicate, in so far as is known to the department, the exact nature of the votes taken in the State legislatures.

I have the honor to be, sir,

Your obedient servant, FRANK B. KELLOGG.

Mr. GARRETT of Tennessee. Mr. Speaker, I shall later ask that this be printed as a public document.

Mr. BLANTON. Mr. Speaker, can not the gentleman ask that that be printed now? We are having calls for this from all over the country.

The SPEAKER. It has been referred to the Committee on the Judiciary and ordered printed.

Mr. O'CONNOR of Louisiana. May I ask the gentleman from Texas from whom he is receiving these inquiries?

Mr. BLANTON. From school children and school-teachers.

Mr. LaGUARDIA. From school children? Are school children against the child labor amendment?

Mr. BLANTON. The school children are against the child labor amendment—lots of them—in my State. We protect the children down there.

ADJOURNMENT

Mr. ANTHONY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 35 minutes p. m.) the House adjourned until to-morrow, Thursday, February 11, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 11, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON DISTRICT OF COLUMBIA

(10.30 a. m.)

To repeal and annul certain acts of the Public Utilities Commission of the District of Columbia, known as the 5-cent fare bill. (H. R. 3805). Subcommittee on Public Utilities.

To establish a board of public welfare in and for the District of Columbia, to determine its functions, and for other purposes (H. R. 346 and H. R. 5045). Subcommittee on Welfare Laws.

To abolish capital punishment in the District of Columbia (H. R. 349 and H. R. 4498). Subcommittee on the Judiciary.

(7.30 p. m.)

To provide for the election of the Board of Education of the District of Columbia, and for other purposes (H. R. 58). Subcommittee on Elective Franchise.

COMMITTEE ON FOREIGN AFFAIRS

(10.15 a. m.)

For the acquisition or erection of American Government buildings and embassy, legation, and consular buildings, and for other purposes (H. R. 6771).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

For the amendment of immigration act of 1924 (H. R. 9036, H. R. 7089).

Regulating immigration and naturalization of certain veterans of the World War (H. R. 7968).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

Department of National Defense.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

Consideration of a five-year program for the Bureau of Aeronautics, Navy Department.

COMMITTEE ON PATENTS

(10 a. m.)

To prevent fraud, deception, or improper practice in connection with business before the United States Patent Office, and for other purposes (H. R. 5811).

COMMITTEE ON RIVERS AND HARBORS

(10.30 a. m.)

Ice piers in Ohio River.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

345. A communication from the President of the United States, transmitting a supplemental estimate of appropriations for the Interstate Commerce Commission for the fiscal year ending June 30, 1927, amounting to $119,847.78 (H. Doc. No. 248); to the Committee on Appropriations and ordered to be printed.

346. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Charleston Harbor and Cooper River, S. C. (H. Doc. No. 249); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

347. A letter from the Secretary of State, transmitting report on the proposed so-called child labor amendment to the Constitution of the United States in compliance with House Resolution 40, Sixty-ninth Congress, first session, "Directing the Secretary of State to transmit to the House of Representatives information as to which States have acted upon the child labor amendment" (H. Doc. No. 250); to the Committee on the Judiciary and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. HILL of Washington: Committee on the Public Lands. H. R. 6384. A bill to amend the acts of June 7, 1924, and March 3, 1925, granting certain public lands to the city of Phoenix, Ariz.; without amendment (Rept. No. 233). Referred to the Committee of the Whole House on the state of the Union.

Mr. DRIVER: Committee on the Public Lands. H. R. 7911. A bill to authorize the exchange of certain public lands and the establishment of an aviation field near Yuma, Ariz.; with amendments (Rept. No. 235). Referred to the Committee of the Whole House on the state of the Union.

Mr. NEWTON of Minnesota: Committee on Interstate and Foreign Commerce. H. R. 5013. A bill extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway; with an amendment (Rept. No. 234). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 132. A resolution providing for the consideration of H. J. Res. 153, a resolution providing for the participation of the United States of America in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes; without amendment (Rept. No. 236). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 8977) granting an increase of pension to Delilah Potter, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ZIHLMAN: A bill (H. R. 9167) to modify and amend the act creating the Public Utilities Commission of the District of Columbia; to the Committee on the District of Columbia.

By Mr. SWING: A bill (H. R. 9168) to amend an act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June 30, 1906, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER of Oklahoma: A bill (H. R. 9169) to authorize certain changes in homestead allotments of the Choctaw and Chickasaw Indians in Oklahoma, and for other purposes; to the Committee on Indian Affairs.

By Mr. GALLIVAN: A bill (H. R. 9170) to create a board of industrial adjustments and to define its powers and duties; to the Committee on Interstate and Foreign Commerce.

By Mr. HAUGEN: A bill (H. R. 9171) to amend section 2 of the act of June 7, 1924 (43 Stats. L. p. 653), as amended by the act of March 3, 1925 (43 Stats. L. p. 1127), entitled "An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on lands chiefly suitable therefor"; to the Committee on Agriculture.

By Mr. STROTHER: A bill (H. R. 9172) for the prevention of floods in the Ohio River at Huntington, W. Va.; to the Committee on Flood Control.

By Mr. TUCKER: A bill (H. R. 9173) providing for the revision and printing of the index to the Federal Statutes; to the Committee on the Judiciary.

Also, a bill (H. R. 9174) providing for the preparation of a biennial index to State legislation; to the Committee on the Judiciary.

By Mr. WINTER: A bill (H. R. 9175) for the adjustment of water-right charges on the Shoshone irrigation project, Wyoming, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. HULL of Tennessee: A bill (H. R. 9176) granting an increase of pension to all Mexican War veterans; to the Committee on Pensions.

By Mr. CELLER: A bill (H. R. 9177) admitting to citizenship the rescuers of the *Antinoe*, who were seamen on the steamship *President Roosevelt;* to the Committee on Immigration and Naturalization.

By Mr. MORIN: A bill (H. R. 9178) to amend section 12 of the act approved June 10, 1922, so as to authorize payment of actual expenses for travel under orders in Alaska; to the Committee on Military Affairs.

By Mr. VINSON of Kentucky: A bill (H. R. 9179) for the prevention of floods in the Ohio River at Catlettsburg, Ky., and Ashland, Ky.; to the Committee on Flood Control.

By Mr. MEAD: A bill (H. R. 9180) to recognize seniority of service in promotions and assignments of clerks in first and second class post offices; to the Committee on the Post Office and Post Roads.

By Mr. COLTON: A bill (H. R. 9181) to grant extensions of time under oil and gas permits; to the Committee on the Public Lands.

Also, a bill (H. R. 9182) further to assure title to lands designated in or selected under grants to the States, to limit the period for the institution of proceedings to establish an exception of lands from such grants because of their known mineral character, and for other purposes; to the Committee on the Public Lands.

By Mr. RATHBONE: A bill (H. R. 9183) to amend the act entitled "An act to reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis," approved June 5, 1920; to the Committee on the Post Office and Post Roads.

By Mr. KINDRED: A bill (H. R. 9184) to provide for regulating traffic in certain clinical thermometers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWNE: A bill (H. R. 9185) providing for the protection of public health and the prevention of fraud and deception by prohibiting the manufacture, the sale, or the having in possession with intent to sell, of adulterated or deleterious butter, and prescribing the penalty for the violation thereof; to the Committee on Agriculture.

By Mr. PARKER: Concurrent resolution (H. Con. Res. 9) for the printing of 15,000 additional copies of the hearings held before the President's Aircraft Board on matters relating to aircraft, including the report of the said board; to the Committee on Printing.

By Mr. FURLOW: Resolution (H. Res. 131) to pay Daisy Maxwell, daughter of Burr Maxwell, late an employee of the House of Representatives, a sum equal to six months' salary and $250 for funeral expenses; to the Committee on Accounts.

By Mr. SNELL: Resolution (H. Res. 132) providing for consideration of House Joint Resolution 153, providing for the participation of the United States of America in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Provincial Board of Tayabas, Lucina, P. I., urging the passage of legislation which will result in independence of the Philippine Islands; to the Committee on Insular Affairs.

Memorial of the Municipal Government of Orani, Province of Bataan, P. I., opposing the giving of more power to the Governor General of the Philippines; to the Committee on Insular Affairs.

By Mr. GARBER: Memorial of the House of Representatives of the State of Florida, requesting the establishment of military schools or camps for the purpose of training aviators upon the present Government fields of Dorr and Carlstrom, located near Arcadia, in De Soto County, Fla.; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEEDY: A bill (H. R. 9186) granting an increase of pension to Carrie M. Howard; to the Committee on Invalid Pensions.

By Mr. DOUGHTON: A bill (H. R. 9187) to provide for the retirement of ex-Cadet Jay Ernest Schenck as second lieutenant, United States Army; to the Committee on Military Affairs.

By Mr. FORT: A bill (H. R. 9188) granting a pension to Lydia Condit; to the Committee on Invalid Pensions.

By Mr. HALE: A bill (H. R. 9189) granting a pension to Margaret E. McCarthy; to the Committee on Invalid Pensions.

By Mr. HICKEY: A bill (H. R. 9190) granting an increase of pension to Eliza Keesey; to the Committee on Invalid Pensions.

By Mr. JEFFERS: A bill (H. R. 9191) granting a pension to Martha L. Houston; to the Committee on Invalid Pensions.

By Mr. KING: A bill (H. R. 9192) granting an increase of pension to John W. Ferris; to the Committee on Pensions.

By Mr. KNUTSON: A bill (H. R. 9193) granting an increase of pension to Margaret Malloy; to the Committee on Invalid Pensions.

By Mr. KUNZ: A bill (H. R. 9194) granting an increase of pension to Sarah L. Herrmann; to the Committee on Invalid Pensions.

By Mr. LEA of California: A bill (H. R. 9195) for the relief of William S. Keary; to the Committee on Military Affairs.

Also, a bill (H. R. 9196) granting an increase of pension to Anna D. Magee; to the Committee on Invalid Pensions.

By Mr. MACGREGOR: A bill (H. R. 9197) granting an increase of pension to Tena Allard; to the Committee on Pensions.

Br. Mr. MAGEE of Pennsylvania: A bill (H. R. 9198) to reinstate Victor Iago Morrison as a major in the United States Marine Corps; to the Committee on Naval Affairs.

By Mr. MAJOR: A bill (H. R. 9199) granting an increase of pension to Sarah L. Moore; to the Committee on Invalid Pensions.

By Mr. MILLS: A bill (H. R. 9200) for the relief of Riverside Contracting Co.; to the Committee on Claims.

By Mr. MOORE of Kentucky: A bill (H. R. 9201) granting an increase of pension to Sarah F. Roe; to the Committee on Invalid Pensions.

By Mr. MOORE of Ohio: A bill (H. R. 9202) granting a pension to Susan Dover; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

633. By Mr. ARENTZ: Memorial of Reno (Nev.) Stock Exchange, expressing its disapproval of provisions of House bill 52 to regulate the sale of stock and other securities by the Federal Government; to the Committee on Ways and Means.

634. Also, memorial of Reno Stock Exchange, expressing its disapproval of revenue stamp taxes on corporation stock and indorsing the amendment to the tax bill proposed by Senator HARRISON providing for the repeal of said stamp taxes; to the Committee on Ways and Means.

635. By Mr. CELLER: Petition of the Kings County Republican Club, of New York City, urging reward to the aliens of the steamship *Roosevelt* with United States citizenship; to the Committee on Immigration and Naturalization.

636. Also, resolution adopted by the American citizens of Polish descent, 569 East Fifth Street, New York City, seeking to amend the immigration act of 1924 so that the wives, husbands, unmarried minor children, and parents of citizens of the United States, and of permanent residents who have declared their intention to become citizens of the United States, may be admitted as nonquota immigrants; to the Committee on Immigration and Naturalization.

637. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, opposing the enactment of Senate bill 2289, to stimulate commerce in agricultural products, etc.; to the Committee on Agriculture.

638. By Mr. GARBER: Letter from the Chamber of Commerce, Fort Dodge, Iowa, protesting against Senate bill 575, known as the Gooding long-and-short-haul bill; to the Committee on Interstate and Foreign Commerce.

639. Also, report of the committee of the Northwestern Baptist Association in regular annual session at Buffalo, Okla., October 15, 1925, opposing any change in the prohibition law, the Volstead Act, or eighteenth amendment to our National Constitution; to the Committee on the Judiciary.

640. Also, resolution by the Ohio Wholesale Grocers' Association Co. relating to Federal legislation legalizing resale-price maintenance; to the Committee on Interstate and Foreign Commerce.

641. Also, petition by Fort Whipple Chapter No. 3, of the Disabled American Veterans of the World War, suggesting amendments to World War veterans act of 1924; to the Committee on Military Affairs.

642. Also, resolution of the New Mexico Cattle and Horse Growers' Association, indorsing Senate bill 595, known as the Gooding long-and-short-haul bill; to the Committee on Interstate and Foreign Commerce.

643. Also, resolution by the Associated Traffic Clubs of America, stating that the Congress should pass a law charging the Interstate Commerce Commission with the regulation of motor vehicles when engaged in interstate commerce; to the Committee on Interstate and Foreign Commerce.

644. Also, resolution of the National Preservers' Association, authorizing the officers and executive board of their association to oppose the enactment of Senate bill 481 and House bill 39; to the Committee on Agriculture.

645. By Mr. KVALE: Petition of the Evansville Parent-Teachers' Association, resolving that the education bill before Congress should be enacted into law; to the Committee on Education.

646. Also, petition of the Willmar Branch Railway Mail Association, Tenth Division, resolving to go on record as expressing their approval of the following bills: Lehlbach retirement bill, Kelly bill (H. R. 4476), Kelly bill (H. R. 4477), Kelly bill (H. R. 5697), Griest bill (H. R. 3838), Mead bill (H. R. 3508), Schneider bill (H. R. 14); to the Committee on the Post Office and Post Roads.

647. Also, petition of the Alexandria Commercial Club, favoring the establishment of a Great Lakes-St. Lawrence waterway; to the Committee on Rivers and Harbors.

648. Also, a petition of Business Forum of Minneapolis, for the construction of the St. Lawrence ship canal for the bringing of ocean shipping into the Great Lakes, by providing a channel around the rapids of the St. Lawrence River between Montreal and Lake Ontario; to the Committee on Rivers and Harbors.

649. Also, petition of several farmers to secure the passage of an amendment to the present immigration laws that will protect their interests in the event of the development of a shortage in the supply of farm laborers; to the Committee on Immigration and Naturalization.

650. Also, petition of representatives of 60 country members of the Federal reserve system in central and northern Minnesota relative to Federal reserve system; to the Committee on Banking and Currency.

651. By Mr. O'CONNELL of New York: Petition of the Upper Bushwick Civic Association of Brooklyn, N. Y., requesting the Congress to bring the coal strike to a settlement and to put an end to the existing deadly tragedy, the privations and hardships of the very poor people being frightful; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, *February 11, 1926*

(Legislative day of Monday, February 1, 1926)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT. The Senate resumes the consideration of House bill No. 1.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Fernald	King	Robinson, Ind.
Bayard	Ferris	La Follette	Sackett
Blease	Fess	Lenroot	Sheppard
Borah	Fletcher	McKellar	Shipstead
Bratton	Frazier	McLean	Shortridge
Brookhart	George	McNary	Simmons
Broussard	Gerry	Metcalf	Smith
Bruce	Gillett	Moses	Smoot
Butler	Glass	Neely	Stanfield
Cameron	Goff	Norbeck	Stephens
Capper	Hale	Norris	Swanson
Copeland	Harreld	Nye	Trammell
Couzens	Harris	Oddie	Tyson
Cummins	Harrison	Overman	Wadsworth
Curtis	Heflin	Pepper	Walsh
Dale	Howell	Phipps	Warren
Deneen	Johnson	Pine	Watson
Dill	Jones, Wash.	Ransdell	Weller
Edge	Kendrick	Reed, Mo.	Willis
Ernst	Keyes	Reed, Pa.	

Mr. SHEPPARD. The junior Senator from Texas [Mr. MAYFIELD] is absent on account of illness. This announcement may stand for the day.

The VICE PRESIDENT. Seventy-nine Senators having answered to their names, a quorum is present.

Mr. SMOOT. Mr. President, I ask that the Senate turn to page 135 of the bill. At the request of the Senator from Nebraska [Mr. NORRIS], the amendments on that page, in line 5, line 18, and line 22, involving the insertion of the words "without assessment," were passed over. The Senator from Nebraska has made an examination of the reasons why the words were inserted, and he has no objection now to the amendments.

The VICE PRESIDENT. The clerk will state the first amendment.

The CHIEF CLERK. On page 135, line 5, after the word "court," insert the words "without assessment."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The CHIEF CLERK. On page 135, line 18, after the word "court," insert the words "without assessment."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The CHIEF CLERK. On page 135, line 22, after the word "court," insert the words "without assessment."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. SMOOT. I yield to the Senator from Wyoming [Mr. WARREN] to submit a report from the Committee on Appropriations.

URGENT DEFICIENCY APPROPRIATIONS

Mr. WARREN. Mr. President, from the Committee on Appropriations I report back favorably with amendments the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, and I submit a report (No. 165) thereon. I give notice that I shall seek to call up the bill immediately on the conclusion of the consideration of the revenue bill.

The VICE PRESIDENT. The bill will be placed on the calendar.

PER CAPITA PAYMENT TO CHIPPEWA TRIBE OF MINNESOTA

Mr. HARRELD. Mr. President, the bill (H. R. 183) providing for a per capita payment of $50 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States is before us now in the form of a favorable report from the Committee on Indian Affairs. I ask unanimous consent for

the immediate consideration of the bill because of some emergency features connected with it.

Mr. SMOOT. I have no objection, if it does not lead to any debate.

Mr. HARRELD. I do not think it will, because it is an emergency matter, and the department is very anxious to have the bill expedited.

Mr. SMOOT. So I am informed.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to withdraw from the Treasury of the United States so much as may be necessary of the principal fund on deposit to the credit of the Chippewa Indians in the State of Minnesota, arising under section 7 of the act of January 14, 1889 (25 Stat. L. 642), entitled "An act for the relief and civilization of the Chippewa Indians in the State of Minnesota," and to make therefrom a per capita payment or distribution of $50 to each enrolled member of the tribe, under such rules and regulations as the said Secretary may prescribe: *Provided*, That before any payment is made hereunder the Chippewa Indians of Minnesota shall, in such manner as may be prescribed by the Secretary of the Interior, ratify the provisions of this act and accept same: *Provided further*, That the money paid to the Indians as authorized herein shall not be subject to any lien or claim of attorneys or other parties.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PETITIONS AND MEMORIALS

Mr. WARREN presented a memorial signed by 200 citizens of Jacksons Hole, Teton County, Wyo., remonstrating against any extension of the boundaries of the Yellowstone National Park, which was referred to the Committee on Public Lands and Surveys.

Mr. WILLIS presented a petition of sundry members of the faculty of Western Reserve University, at Cleveland, Ohio, praying an amendment of existing copyright law so as to include mimeographic copies as well as copies made by the photoengraving process, which was referred to the Committee on Patents.

REPORTS OF COMMITTEES

Mr. SHORTRIDGE, from the Committee on Naval Affairs, to which was referred the bill (S. 2086) for the relief of A. T. Marix, reported it with amendments and submitted a report (No. 166) thereon.

Mr. HOWELL, from the Committee on Claims, to which was referred the bill (S. 2679) for the relief of Herman A. Lueking, submitted an adverse report (No. 167) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. EDGE:

A bill (S. 3101) for the relief of Harold Eugene McCarthy; to the Committee on Naval Affairs.

By Mr. CAPPER:

A bill (S. 3102) to modify and amend the act creating the Public Utilities Commission of the District of Columbia; to the Committee on the District of Columbia.

By Mr. SHORTRIDGE:

A bill (S. 3103) authorizing the construction of a bridge across the Colorado River near Blythe, Calif.; to the Committee on Commerce.

By Mr. WILLIS:

A bill (S. 3104) granting an increase of pension to Julia A. Leisle (with accompanying papers); to the Committee on Pensions.

By Mr. DILL:

A bill (S. 3105) granting a pension to Mary E. Kester; and

A bill (S. 3106) granting a pension to Mary Stevens; to the Committee on Pensions.

CHANGE OF REFERENCE

On motion of Mr. WALSH, the Committee on Public Lands and Surveys was discharged from the further consideration of the bill (S. 1047) to reimburse the State of Montana for expenses incurred by it in suppressing forest fires on Government land during the year 1919, and it was referred to the Committee on Claims.

AMENDMENT TO AGRICULTURAL APPROPRIATION BILL

Mr. RANSDELL submitted an amendment intended to be proposed by him to House bill 8264, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed as follows:

On page 50, after line 17, add a new paragraph, as follows:

"For the experimental construction of airplanes to be used for the purpose of spreading arsenicals in dust form on a large field scale against the cotton boll weevil and such other insects as may be controlled by this measure; for the compensation of expert employees in this work and for the purchase of special parts, special instruments, special experimental dusting equipment, hangars, testing sheds, tools, machinery, etc., including employment of persons and means, in the city of Washington and elsewhere, $250,000."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed an act (H. R. 264) to amend an act to provide for the appointment of a commission to standardize screw threads, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

An act (H. R. 264) to amend an act to provide for the appointment of a commission to standardize screw threads was read twice by its title and referred to the Committee on Manufactures.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. COPELAND. Mr. President, I would like to suggest to the Senator from Utah [Mr. SMOOT] that he carry out his original plan for night sessions until the revenue bill is concluded. There is no reason that I can see why we might not have passed the bill two days ago. I think we can and ought to stay here until the bill is completed. I am speaking this way because four or five days ago the Senator from Utah suggested, because of my interest in the coal bill, that I was filibustering.

Mr. SMOOT. Oh, no.

Mr. COPELAND. The time taken on the coal question would not begin to compare with the time the Senator from Kentucky [Mr. ERNST] occupied the other day in reading an official report. My friend the Senator from Pennsylvania [Mr. REED], the friend of the Secretary of the Treasury, has taken five times as much time defending him as we have taken in the consideration of the coal question.

My suggestion is that we remain in session to-night until we complete the revenue bill. I hope the Senator from Utah will not yield to importunities to adjourn early but will hold the Senate in session until we finish the bill.

Mr. SMOOT. Mr. President, last night the Senator from Utah would not have consented to taking a recess, but we found that we could not keep a quorum here. There were a number of Senators who made that statement when I pleaded for the Senate to remain in session until 10 o'clock.

Mr. COPELAND. Senators should stay here. It is not right to go away and break a quorum. On this side of the Chamber we desire to see the bill finished, and I hope the Senator from Utah will insist on the Senate remaining in continuous session until we complete the bill.

Mr. SMOOT. I do not confine my last suggestion to Senators on one side of the Chamber alone. Last night the suggestion came from both sides of the Chamber. I hope to have the Senate remain in session until 10 o'clock to-night.

Mr. WILLIS. Mr. President, I wish to ask the Senator from Utah a question while we are discussing this matter. Some of us have engagements that we would like to fill on occasion of Lincoln's birthday to-morrow, but I have no disposition to run away from the work now before the Senate. I simply want to know what the Senator's plans are. Can he give us any indication as to when he expects to get a final vote on the pending measure?

Mr. SMOOT. I wish to get a vote on the bill at the very earliest moment, but I do not think we shall have concluded its consideration until to-morrow evening, anyway, in view of the number of Senators who have already told me that they have amendments and the questions which will be discussed when the bill reaches the Senate. That, I will say to the Senator, would be my opinion on that subject.

Mr. WILLIS. In all probability, then, there will not be a final vote on the bill until Saturday? I understand, however, that the Senator from Utah can not speak with definiteness as to that.

Mr. SMOOT. I can not say positively, but I certainly hope we shall reach a vote on the bill by to-morrow night.

Let me say to the Senate at this time that I do hope the final vote on the bill will not be delayed later than to-morrow night. If we shall then vote finally on the bill we can have it printed and the conferees can begin work on Sunday morning. We do not wish to lose a day, and if the bill shall go over

until Saturday we shall not be able to have it printed in order to begin consideration of the bill in conference on Sunday. I would be delighted, I will say to the Senator, if the bill shall pass to-morrow.

Mr. WILLIS. The Senator from Utah, then, rather hopes to get a final vote on the bill to-morrow evening?

Mr. SMOOT. I certainly hope so.

Mr. SMITH. I desire to ask the chairman of the committee a question. I believe there are still some committee amendments remaining undisposed of, and we have agreed that those amendments shall be first considered?

Mr. SMOOT. We have still three committee amendments remaining; and I wish to say now that the subcommittee, consisting of the Senator from Pennsylvania [Mr. REED] and the junior Senator from Utah [Mr. KING], to consider the question of amendments to the administrative features have now completed that examination; and I learn from the Senator from Pennsylvania that he is now ready to offer those amendments to the administrative features of the bill which the department thinks are absolutely necessary. I ask the Senator from Pennsylvania to offer those amendments at this time.

Mr. HARRISON. Why does not the Senator from Utah take up some of the other propositions—for instance, the alcohol tax?

Mr. SMOOT. The amendments to the administrative features to which I refer will take but a very few moments, and then we can consider the subject referred to by the Senator from Mississippi.

Mr. SMITH. Mr. President, I understand there are some committee amendments which under the agreement will be first considered, and that then, immediately after their consideration, the probabilities are that we shall take up the amendments to the administrative features of the bill?

Mr. SMOOT. I should like to take up the amendments to the administrative features of the bill right now. They will lead to no discussion, and I desire to get them out of the way.

Mr. SMITH. There are some of us who have amendments which we desire to offer to the bill and to have considered before the rush of the last minute arrives.

Mr. SMOOT. When the bill shall go into the Senate after its consideration in Committee of the Whole Senators will have ample opportunity to offer their amendments.

Mr. SMITH. I understand that; but I want to "get a whack" at the bill while it is in Committee of the Whole.

Mr. SMOOT. Senators will have ample time in which to offer their amendments.

Mr. NORRIS. Inasmuch as the Senator from New York [Mr. COPELAND] is so anxious to finish the bill to-night and has announced that Senators on the other side of the Chamber are so anxious to accomplish that result, I should like to suggest to the Senator from South Carolina to take the matter up in the cloakroom with the Senator from New York and decide whether or not the Senator from South Carolina will be allowed to offer his amendment. If we shall finish the bill to-night the probabilities are that amendments of individual Senators will have to be disposed of without debate. Therefore there is not any use of the Senator from South Carolina laying the unction to his soul that he is going to have any time in which to discuss his amendments. As I understand, we are to finish the bill to-night.

Mr. SMITH. No.

Mr. NORRIS. I do not see any reason why we should not finish the bill by 1 o'clock.

Mr. SMITH. No real reason?

Mr. NORRIS. No. Just as soon as the committee amendments shall have been concluded there will be no reason why we should delay this wonderful bill and prevent this reduction of taxes from taking place immediately.

Mr. COPELAND. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I yield.

Mr. COPELAND. I simply want to say that I rejoice that the Senator from Nebraska has promised immediate action on the bill. If we are to get through by 1 o'clock it is because we have a guaranty that the Senator from Nebraska is not going to speak five hours again to-day, as he did a couple of days ago.

Mr. NORRIS. The Senator from Nebraska has no apology to make. He may speak five hours more. I consented the other day to a limitation of debate on the inheritance tax, and that agreement cut off quite a number of Senators, including myself, from calling attention to some of the sins here that the Senator from New York, who now joins in this wonderful coalition, wants to cover up.

Mr. COPELAND. I want to say to the Senator that if my sins were to be covered up it would take several weeks of the time of the Senate; but if the Senator from Nebraska will be satisfied to let us proceed I think we can get the bill through quickly.

Mr. NORRIS. We would have proceeded if it had not been for the interruption of the Senator from New York, who started this debate about finishing the bill to-day. If he had said nothing about it there would not have been anything said, and we would have been going on doing business.

Mr. COPELAND. If my being quiet will facilitate the passage of the bill, I will sit silent and will not say another word.

Mr. NORRIS. The Senator began with an apology, which I do not think was necessary, because I voted with the Senator. I suppose he will next be telling about the time that I consumed in the debate in my discussion of the coal question, which was raised by him, and will be criticizing me for that.

Mr. SMOOT. Mr. President, at this time I ask the Senator from Pennsylvania [Mr. REED] to offer the committee amendments which have been agreed upon by the subcommittee to the administrative features of the bill.

Mr. COPELAND. Mr. President, will the Senator yield to me for just a moment?

Mr. SMOOT. Yes.

Mr. COPELAND. Mr. President, I will say that my friend from Nebraska must be a little "off his feed" this morning, because we so often agree that I think he must forgive me if I disagree with him on occasions. Ordinarily, I expect to continue under his leadership as he thinks I have done in the past!

Mr. NORRIS. The Senator has not followed my leadership very closely in the last day or two. As to being "off my feed," I presume from the Senator's professional knowledge he has better judgment on that question than have I. He is probably looking after his professional income when he suggests that I need medicine, because he knows that I very often consult him about my physical condition. I did not know, however, that he had a license to practice medicine in the District. It may be that there is a bill coming to me which I had not anticipated, and that he is fishing around to get an opportunity to send another bill. [Laughter.]

Mr. REED of Pennsylvania. Mr. President, reverting to the tax bill, I move that the word "such," on page 61, in line 4, be stricken out. It is merely a grammatical correction.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. REED of Pennsylvania. I send the following amendment to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. After the amendment heretofore agreed to, following line 10, on page 334, it is proposed to insert the following:

PERSONAL SERVICE CORPORATIONS

SEC. —. Any individual who has paid a tax, in accordance with section 218 of the revenue act of 1918 or section 218 of the revenue act of 1921) as a stockholder of a personal service corporation shall be entitled to a credit or refund, in the manner provided in section 284, if (a) such corporation has been finally determined not to be a personal service corporation, and (b) such corporation has paid the tax imposed by Title II of the revenue act of 1918 or Title II of the revenue act of 1921, as the case may be, and (c) claim therefor is filed within one year after the enactment of this act, or before the expiration of the period of limitations upon the filing of such claim, whichever is the later.

Mr. REED of Pennsylvania. Mr. President, in explanation of this seemingly confused amendment, it is necessary to state the conditions that have given rise to it.

Mr. COUZENS. Mr. President, will the Senator yield for a moment?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. COUZENS. Will the Senator tell us what is meant by "personal service corporation" before he proceeds?

Mr. REED of Pennsylvania. Yes. A personal service corporation is one whose income is derived chiefly from the personal services of the members of the corporation. An illustration of that would be an incorporated brokerage concern or an incorporated advertising agency or an incorporated hospital. We can think of a great number of illustrations if we pause to do so. Under the excess profits tax law——

Mr. SMITH. I ask the Senator on what page the amendment comes?

The VICE PRESIDENT. The amendment is proposed to page 334 of the bill.

Mr. REED of Pennsylvania. It is a new section and comes on the last page of the bill, page 334.

Under the excess profits tax law, as the Senate will remember, we had a graduated scale of taxes running up to 80 per

cent on all that a corporation earned in excess of 8 per cent on its capital. It is perfectly obvious that the capital of these personal-service corporations is in their brains, and Congress recognized that in the early revenue laws by providing that if they were true personal-service corporations of that sort they might make their returns as individuals, including the earnings of their proportion of the corporation. That made them subject to the personal surtax, but got them away from the very high rates under the excess profits tax law. So far so good. Many cases were doubtful. The taxpayers themselves and the bureau were not sure whether the corporations did fall within the definition of personal-service corporations or whether they did not. In those cases they would make their returns as individuals and then fight out the question with the bureau as to whether they were entitled to the benefit of that provision or not. Many of those cases were decided against the taxpayers. The bureau held that they should properly be taxed as corporations and should pay this high excess-profits tax; and that was all right; we are not trying to correct that; but then the trouble came in this way: The individual had paid his tax when he made his return; he had paid it as an individual, and could not claim credit for that payment on account of the tax which was due from the corporation. So the Government had to go ahead and collect the full tax from the corporation without giving any credit for the amount of money that had been paid by the individual when he filed his individual return. The result was that the Government collected a tax both from the individual and from the corporation on the same earnings.

The Senator from Virginia [Mr. SWANSON] told us at some length the other day of a case of this sort which had come up from his State, and he showed a case that is typical of a great many. The statute of limitations had run against any claim for a refund by the individual and the assessment had been made against the corporation, and it was obvious that unless we had something like this amendment the United States would have collected two taxes on the same income.

Mr. SMITH. Mr. President, if the Senator from Pennsylvania will allow me, I think in a hospital case in my State almost identically the same situation arose as that to which the Senator is now calling attention.

Mr. REED of Pennsylvania. I think that is quite likely, and, of course, it is not fair, and we ought in all good conscience to correct it.

Mr. SMITH. As I understood that case, a member of that corporation paid his personal tax and paid on identically the same thing when the corporation tax came up.

Mr. REED of Pennsylvania. Precisely——

Mr. NORRIS. Mr. President, I thought the Senator from Pennsylvania had not concluded. Had he?

Mr. REED of Pennsylvania. Yes; I yield the floor.

Mr. NORRIS. Then, Mr. President, I want to say a few words. Perhaps I should apologize to the Senator from New York for taking up time now. So far as I am able to see, there is not any objection to this amendment; but I should like to call my colleague's attention to the amendment, if he will give me his attention.

This amendment has not been printed; has it?

Mr. SMOOT. No.

Mr. NORRIS. No one has read it, and no one has heard it read, perhaps, except from listening to the reading at the desk. I have had my attention called to a series of cases that are pending; and I have been told by the prosecuting attorney representing the Government in the trial of one of those cases, a sort of a test case, that in his judgment there are hundreds, if not thousands, of similar cases. The one that was tried as a test case is now on its way to the Supreme Court of the United States. Involved in that case was the question of the excess-profits taxes of corporations, as I understood; and last night I read the opinion of the court of appeals in which this test case was decided. The opinion seemed to be quite clear, but it had the excess-profits tax involved in it in a case where the corporation, as the judge rendering the opinion said, had been dissolved just on the eve of the enactment of the law of 1917, I think. What law was it in which that tax was repealed?

Mr. REED of Pennsylvania. The law of 1917 was the one that first established the excess-profits tax.

Mr. NORRIS. I desire to ask my colleague the date. I do not know whether or not he read the case. I was going to consult with him this morning about it.

Mr. REED of Pennsylvania. The law of 1921 repealed it.

Mr. NORRIS. Was that the bill that was enacted and became a law in October?

Mr. REED of Pennsylvania. November 23, 1921.

Mr. NORRIS. The dissolution of the corporation I am speaking of took place in August. It took place after the bill had passed the House, had come to the Senate, and had been reported by the Senate committee, because the judge referred to the fact that corporations of this kind always kept close tab on the action of Congress. It was quite apparent at the time of the dissolution of the corporation that Congress was going to enact the law which later it did enact, but which at that time had not been enacted; and the judge held, for various other reasons that it is not necessary to enumerate, that they dissolved with the intention of avoiding the corporation tax and escaping taxation.

Mr. SMOOT. What year was that?

Mr. NORRIS. I can not give the Senator the year.

Mr. REED of Pennsylvania. It must have been the year 1917.

Mr. NORRIS. It probably was.

Mr. REED of Pennsylvania. Because dissolution in 1921 would not have any bearing on that case.

Mr. NORRIS. Would any case of that kind be affected by this amendment?

Mr. REED of Pennsylvania. Not at all.

Mr. NORRIS. Can the Senator give me any information as to whether the enactment of this amendment into law would end the litigation that is pending now in which this question is involved?

Mr. REED of Pennsylvania. I do not know of any litigation involving this question, but I speak largely from ignorance. There might be such litigation that I had not heard of.

Mr. SMOOT. These are cases where they have both paid the double tax—the excess-profits tax and the individual income tax.

Mr. NORRIS. Certainly wherever a man has paid a double tax we ought to return it. There is not any question about that.

Mr. SMOOT. This applies only to the double taxes.

Mr. NORRIS. That was not involved in this case, the opinion in which I read last night.

Mr. REED of Pennsylvania. Mr. President, if the Senator will indulge me——

Mr. NORRIS. Yes; I shall be glad to do so.

Mr. REED of Pennsylvania. I will say that in another amendment, which we have already adopted, we have made very clear the liability of the transferees of corporate property upon dissolution, and have provided very distinctly that the liability of the corporation for its tax shall persist as far as that property is concerned in the hands of the transferees after its dissolution. We are trying very hard to cover such cases. I think it is already the law. The general law of corporations applicable to failure to pay a debt on dissolution, I think, protects that.

Mr. NORRIS. This particular case that I said was a test case upon which a good many other cases depend, as I understand from the affidavits that I read in the case, was one where the Government sought to hold stockholders in the corporation liable for the tax of the corporation where the corporation had dissolved, sold its property, and turned all the proceeds of it over to the members of the corporation in proportion, of course, to the amount of stock that they owned in the corporation. They were legally dissolved under the laws of the State.

Mr. SMOOT. But they ran the business as a partnership so as to escape the excess-profits tax?

Mr. NORRIS. No; they dissolved the corporation in order to do that.

Mr. SMOOT. That is what I say.

Mr. NORRIS. I have some doubt whether that corporation, which was a close corporation with only four or five stockholders, would have been held to be a personal-service corporation. The question of double taxation, however, was not involved in the case. If it had been, I should be glad to relieve them. It was simply a question of escaping taxation under the law as it existed at the time they were in business.

Mr. REED of Pennsylvania. This amendment applies only to cases where the tax has been paid twice.

The VICE PRESIDENT. The question is upon agreeing to the amendment.

The amendment was agreed to.

Mr. REED of Pennsylvania. Now, Mr. President, I ask a reconsideration of the amendment on page 334, which deals with the filing of claims for amortization; and I hope the Senate will be patient with me if I try to explain what causes my request.

The amendment already adopted provides that claims for amortization shall be permitted if filed before March 3, 1924.

If the action on this amendment is reconsidered, I propose to move that that date be changed to June 15, 1924.

There is probably no question under the income tax laws that is so complicated as this matter of amortization. The Senator from Michigan [Mr. COUZENS] and his committee have studied it exhaustively for the past two years; and I know the Senator will agree with me in the statement I have made, that it is probably the most complicated question under all of these tax laws.

To go back to the original allowance of amortization, the idea was that where a corporation or any other taxpayer had expended money to create facilities for the production of articles that would help in the prosecution of the war the taxpayer should be allowed to deduct from his income the amount by which those facilities depreciated in value on the arrival of peace. It was to give him credit for the wasted war cost, so to speak, of creating those facilities.

A typical case would be that of a factory costing a million dollars, built to produce machine guns, which after the war had a value, say, for any conceivable purpose, of half a million dollars. Obviously, there was a loss to the taxpayer, due to his effort to assist the Government during the war time. At all events, that was the philosophy of Congress in enacting this amortization law.

As I recall, it was first put in the tax law of 1918, which actually was not signed by the President until February, 1919. Then, in the law of 1921 this same right to file amortization claims was recognized; but an unfortunate clause was put in the law, the effect of which seemed to occur to nobody at the time, which said that these claims should be allowed if the claim for amortization was filed with the return of the taxpayer for the year in which the amortization was taken. Senators can see that the effect of that was to deny all claims for amortization unless they were filed with the original tax return, say in the spring of 1919 or 1920, as the case may be.

The bureau at first did not give these words that effect. They did not construe this clause in parenthesis as having that effect at all; and they settled a great many tax claims that included amortization allowances where the claim was filed long after the original return had been filed. In fact, there were two decisions by the solicitor of the bureau, to which I shall refer in a minute, which held that those amortization claims could be filed at any time within five years after the date for filing the original return. Then came a decision by the Board of Tax Appeals, which put on this clause in parenthesis, the very strict construction to which I have referred.

The Board of Tax Appeals held that the solicitor had been all wrong, and the taxpayers' lawyers had been all wrong, and the current construction of the amortization law had been erroneous, and that no claim should be allowed unless it was filed at the same instant as the original tax return. That not only defeats the intention of Congress but it works out a shocking inequality among taxpayers, because a great many of them have settled their cases, have got their tax paid, and got their acquittance from the Government, and their cases can not be opened up. Many of them had not filed their amortization claims at the moment of filing their tax returns, and yet because the bureau happened to get to them first, or because the auditors working on those cases were a little more active, those cases are settled and closed and can not be reopened, many of them, and those taxpayers have an advantage that no other taxpayer can get. On the other hand, there are a good many cases that the Government can reopen, because the period of limitation has not yet run. So that if that decision of the Board of Tax Appeals is going to stand the bureau will have to go back and open up a whole lot of cases that it thought were closed, and that, you see, works out fresh inequalities.

It was agreed by all hands—by the Senator from Utah [Mr. KING] and myself, who were working on this matter as a subcommittee; by the Senator from Michigan [Mr. COUZENS], to whom we referred it because of his long interest in this very question; by his counsel, Mr. Manson, and by the counsel for the bureau—it was agreed by everybody that something ought to be done to establish a uniform rule. It was also agreed, I ought to say, that this amortization clause has been very much abused.

It was very loosely drawn in the original act. It depended largely upon the discretion of the engineers and the auditors who were assigned to the case. It was very difficult to enforce, and we all agreed that we should not open up the door to the manufacture and filing of any such claims in the future.

Those were the two extremes. We agreed we must not have any more claims filed in the future, and we were all agreed that something ought to be done. The problem then came to fix a date. The date of March 3 was originally put into this amendment as it was adopted last week, because, under a joint resolution, March 3, 1921, was the official date of the ending of the war for tax purposes. It is a curious contradiction that the President fixed July 2, 1921, as the official date of the ending of the war for most purposes, the veterans' laws, for example, but in all tax questions the war officially ended on March 3, 1921, and the date of March 3, 1924, was originally put in this amendment because that was the end of the three-year period from the official ending of the war. That date had been allowed by the bureau itself for filing claims, if my recollection is correct. We thought that did justice, and the Senator from Michigan, not very enthusiastic about extending this time at all, I know, consented to that date of March 3.

Mr. COUZENS. Mr. President, does the Senator mind telling us why a three-year period from the ending of the war was fixed upon?

Mr. REED of Pennsylvania. There are so many technicalities in this thing now that I am just a little bit afraid of involving myself over my head and over everybody else's head. Anyway, the three-year period was fixed and was recognized by the bureau. I guess it is enough to say that. I think it was fixed in one of the statutes, probably in 1918. That is why we agreed on March 3.

Since that agreement this situation has arisen. For a good many years before this decision of the Board of Tax Appeals it had been generally understood in the bureau that the taxpayer had five years after the date of the filing of a return to make his amortization claim. Solicitor Mapes and Solicitor Hartson, of the bureau, each rendered an opinion which, in effect, sustained that view. So that down until last year, as far as the law was settled at all or could be said to be settled by these official opinions, these solicitors' views seemed to control, and the lawyers of the country and the tax experts generally relied on that.

My attention has been called to one typical case, and perhaps it will make things clear if I refer to that with names and dates. The Smith & Wesson Co., manufacturers of revolvers up in Massachusetts, built a factory at Springfield, Mass., for the sole purpose of making revolvers for the United States Army during the war. They wanted to file a claim for the amortization of that factory, because they believed it to be entirely worthless to them after the war, or practically worthless. They consulted their lawyers about it. The lawyers looked up the opinions of the solicitors of the Bureau of Internal Revenue, and they said:

> Here are these two opinions of the solicitors which say you have five years to file your claim.

Under the tax law of 1918, which was delayed in its passage, the time for filing returns for the year 1918 was extended to June 15. So they said:

> You have five years from June 15 to set up your claim for amortization which occurred to your factory because of the signing of the armistice.

Obviously the moment pen was set to the armistice that revolver factory represented a big loss to the taxpayer. They deliberately refrained from filing their claim, because, as they and their counsel agreed, it would be easier to show the worthlessness of that factory if they delayed the filing of the claim until as late a date as possible, and so got all the evidence possible. They could have filed it sooner, but in reliance on the solicitors' opinions they did not do it.

It seems to me that we ought to make the date June 15 because the good faith of the Government is involved, in a sense, not to take care of that particular taxpayer, for there are some others; we can not ascertain the exact number, but not a very large number would be benefited. It seems to me we could not make the date later than June 15, 1924, because, although we have all been urged to—I dare say that every Senator who hears my voice has been urged to allow the general statute of limitations to fix the time—I feel that claims for amortization in the years that followed the war are not so meritorious as those of 1918.

What Congress wanted to take care of was the collapse of value which occurred in these munition establishments on account of the signing of the armistice, and therefore I think that a claim for amortization for the year 1918 stands on a far better footing than one for a later year. The great trouble with this amortization section has been that it has been taken advantage of by many taxpayers to recoup themselves for losses which occurred to them by reason of the panic of 1920 and the depression of 1921 which followed it. That was not what Congress meant to do at all. We wanted to take account of the change from war to peace, but we did not want to take account of depreciations in value which came about through a general slump in business. That is why I think that while

we should take care in good faith of these claims of 1918 there is no reason for giving the claims of 1919 and subsequent years privileges to which the taxpayers never thought they were entitled. I think the Senator from Michigan agrees with me in that.

Mr. COUZENS. Does not the Senator agree that they have already gotten advantage of those subsequent years?

Mr. REED of Pennsylvania. A great many of them have, I am sorry to say; but we can not do anything about it.

Mr. COUZENS. To the extent of hundreds of millions of dollars?

Mr. REED of Pennsylvania. I think to a very considerable extent. The total amortization allowances have been about $600,000,000. That does not mean the Government has lost $600,000,000.

Mr. COUZENS. It means, though, that they lost about 80 per cent.

Mr. REED of Pennsylvania. They lost the tax on $600,000,000. Part of that we meant the Government should lose. A large part of it is properly lost; but some of those allowances I think were excessive. The Senator from Michigan and myself are of one mind on that.

Mr. COUZENS. Mr. President, when there was first presented the amendment we are now asked to reconsider I recognized that many of these corporations had received excessive amortization allowances, due to the slump in business and the depression in the fall of 1920 and in 1921. But there seemed to be no way of preventing it, and the allowances were made. In other words, they had gotten away with it. They were working under the statute giving them three years from the official closing of the war, which was March 1, 1921, as applied to the revenue act. So that inasmuch as many of them had received their allowances, it seemed to be an injustice to estop those who had filed their claims prior to March 3, 1924, and in conference with the Senator from Pennsylvania [Mr. REED] I did not see how we could really object to doing equity between the taxpayers. One of the greatest faults the committee which investigated the bureau found was the evidence of injustices between taxpayers plus the injustices to the Government.

After we agreed upon this date, and the amendment was adopted by the Senate, there appeared these claims referred to by the Senator from Pennsylvania [Mr. REED], the claimants relying upon these decisions of two solicitors of the Bureau of Internal Revenue. For myself, I would have liked to see them all estopped the year following the signing of the armistice; but that seemed impossible of realization. So, to do equity between the taxpayers, I do not see how we can fail to recognize these two solicitors' opinions as giving the taxpayers five years from June 15, 1919, to file their claims. That means that no claim that was not filed prior to June 15, 1924, will be considered, but all claims filed up to that time will be considered if this amendment shall be adopted.

Mr. REED of Pennsylvania. Mr. President, when we were considering this matter this morning in the subcommittee the Senator from Utah [Mr. KING] asked that no action be taken on it until he had a chance to discuss it with Mr. Manson. I completely forgot that, and I have unconsciously broken my agreement with the Senator. Therefore I shall have to ask that this go over for the present, until the Senator from Utah has had a chance to have that conference.

The VICE PRESIDENT. It will be passed over.

Mr. SMOOT. That completes the administrative amendments, with the exception of the one that has just been passed over. I would like now to turn to page 264, the Board of Tax Appeals.

The VICE PRESIDENT. The clerk will read the amendment.

The CHIEF CLERK. The amendment passed over is at the bottom of page 265, to strike out lines 24 and 25, both inclusive, and on page 266 to strike out lines 1 to 7, both inclusive, and to insert:

(b) The terms of office of all members who are to compose the board prior to June 2, 1926, shall expire at the close of business on June 1, 1926. The terms of office of the 16 members first taking office after such date shall expire as designated by the President at the time of nomination, 4 at the end of the fourth year, 4 at the end of the sixth year, 4 at the end of the eighth year, and 4 at the end of the tenth year, after June 2, 1926. The terms of office of all successors shall expire 10 years after the expiration of the terms for which their predecessors were appointed; but any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired term of his predecessor.

(c) If at any time after the expiration of two years after the enactment of this act the President determines that the functions of the board can be performed efficiently by less than the number of members then in office, the President may by Executive order specify the number of members he determines to be necessary. After the issuance of such Executive order, no appointments to fill vacancies shall be made until the number of members is reduced to the number so specified.

Mr. KING. Mr. President, I send to the desk an amendment to the committee amendment.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 266, line 10, strike out "16" and insert in lieu thereof "12," and on page 266 strike out lines 8 to 21, inclusive, and insert in lieu thereof the following:

(b) The terms of office of all members who are to compose the board prior to June 2, 1926, shall expire at the end of June 1, 1926. The terms of office of the 12 members first taking office after such date shall expire, as designated by the President at the time of nomination, four at the end of the second year, four at the end of the third year, and four at the end of the fifth year, after June 2, 1926. The terms of office of all successors shall expire five years after the expiration of the terms for which their predecessors were appointed; but any member appointed to fill a vacancy occurring prior to the expiration of the term for which his precedessor was appointed shall be appointed only for the unexpired term of his predecessor.

Mr. KING. Mr. President, the amendment seeks to reduce the number of members constituting the Board of Tax Appeals from 16 to 12 and to shorten the terms of office of the various members of the board to a maximum of five years.

On page 266 of the pending measure and line 10 the word "sixteen" is found in the sentence, "The terms of office of the 16 members first taking office after such date shall expire," and so forth. My amendment proposes to strike out the word "sixteen" and to insert in lieu thereof the word "twelve." In line 12 the provision reads as follows:

four at the end of the fourth year, four at the end of the sixth year, four at the end of the eighth year, and four at the end of the tenth year, after June 2, 1926.

My amendment proposes to restrict the membership of the board to 12 and provides that the term of office of four shall terminate at the end of the second year after their appointment, four at the end of the third year after their appointment, and four at the end of the fifth year after June 2, 1926.

Mr. PHIPPS. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Colorado?

Mr. KING. I yield.

Mr. PHIPPS. Can the Senator inform us as to the condition of work of the Board of Tax Appeals at the present time? How many cases are pending and how long will it require the present board of 16 members to bring the work up current?

Mr. KING. There are approximately 8,000 cases pending; that is, 8,500 appeals have been taken up to about a month ago, but many were dismissed, hundreds of the appeals abandoned, and a considerable number determined. Under the confused condition resulting from former conflicting rulings, and unpublished ones, many taxpayers have sought to reopen cases or to appeal from the commissioners' rulings. But the situation will soon be cleared; the accumulated "war cases" will soon be disposed of, so that the work of the board will soon diminish, and within two or three years the collections of the bureau will be current. But I repeat to the Senator I can not state definitely the number of cases now on the calendar.

Mr. REED of Pennsylvania. I can give the figures, if the Senator will permit me to interrupt.

Mr. KING. There have been 8,500 appeals taken to the board.

Mr. REED of Pennsylvania. Does the Senator want the figures?

Mr. PHIPPS. Yes; I would like to have the figures.

Mr. REED of Pennsylvania. The total number of cases filed with the Board of Tax Appeals up to the last day of last month was 11,470. Of that number they have decided 1,275. They have dismissed for lack of jurisdiction, failure to prosecute, or other causes 2,795. They have heard, but have not yet decided, 904 of the cases. The number of cases pending is, of course, the difference between the total of those three and the total number filed.

Mr. PHIPPS. Of the total cases so far filed, over 7,000 have not yet been considered by the Board of Tax Appeals.

Mr. REED of Pennsylvania. Not quite so many. The total number of cases decided, dismissed, and so on, is 4,874, and that number from the total of 11,470 leaves about 6,600.

Mr. SMOOT. In this connection I want to say to Senators that the board is receiving on an average of over 250 new cases each week, and no doubt they will continue at about that rate for a considerable time, but how long no one knows.

Mr. REED of Pennsylvania. At their present rate of progress they are disposing of about 425 cases a month.

Mr. PHIPPS. It seemed to me, from information I have had, if the Senator from Utah will pardon me for taking his time, that the proper move would be to increase the number of members of the board rather than to decrease the number at the present time.

Mr. KING. I concede that a great number of cases have been appealed to the board. The work which it is doing was performed formerly by an agency in the Tax Unit which in effect correspond to the organization which the bill perpetuates. I want to say, however, that the great majority of cases which have been appealed and a great majority of those which will be appealed will fall into a limited number of categories, and the establishment of a rule—and rules are being established through the decisions—will automatically settle or dispose of many cases which reach the board. The Senator from Pennsylvania called attention a moment ago to about 2,800 cases which have been either dismissed or abandoned. Many of the cases filed are based upon efforts to reopen settlements or obtain special assessments or secure benefits by having different interpretations placed upon invested capital provisions of the law. A decision by the board may lay down a rule which will dispose of thousands of cases, and automatically they will be dropped from the docket, or, at least, will not be prosecuted, and in due course will be dismissed.

In my opinion, based upon the researches of the Couzens committee and information received from reliable sources, 12 judges could dispose of the business that will come before the Board of Tax Appeals; and also, that within 2 to 4 years not more than 6 to 8 members of the board will be required.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Washington?

Mr. KING. I yield.

Mr. DILL. I want to ask the Senator why it is proposed now to change the term of office of these men? The term is now 10 years. The House proposes to make it 14 years. There is an amendment proposed to make it 12 years, and now the Senator from Utah proposes to make it 5 years. What is the reason for wanting to change the term? Why change the length of term of office every time we pass a revenue bill?

Mr. KING. This legislation creating the Tax Appeals Board was experimental in character. There were some persons who wanted to create a huge and imposing court, panoplied with all the powers and dignity of Federal courts; judges were to be appointed who were to have a life tenure of office. Out of the conflicting views the present organization was developed. It was felt that it might not function well, or that radical changes might be necessary in its form and functions. The board has justified its existence, although there has been some criticism—particularly as to the influences which secured the appointment of some of its members.

When the Ways and Means Committee of the House considered the question early this year they provided for a board of 16 with a maximum term of office of 14 years. When the matter came before the Senate Committee on Finance the term was limited to 10 years. As I have indicated, the work of the board will soon be reduced to such a point that but a few members will be needed. With the settlement of the war cases and claims, the question of depletion and amortization, and the bringing of the work of the tax unit to date—that is, so that it is kept current—the board's labors will be greatly reduced. I believe at the end of five years a board consisting of five members will be sufficient to meet the needs of the Government and the people.

Mr. REED of Pennsylvania. Does not the Senator think that the contingency is amply taken care of by the committee amendment, which begins at the bottom of page 266, where the President is given authority to leave a vacancy on the board if at any time after two years he finds the work can efficiently be done by less than the full board?

Mr. KING. The Senator knows how difficult it is to abolish an office. Political pressure is exerted, and the President can not always resist it. Indeed, under our system of party government he responds to the wishes of his party, not always, but the departures are rare. It will be impossible to abolish any of these positions. There will be an apparent necessity for retaining all the members, and a multitude of reasons will be urged for the filling of every vacancy. It is unfortunate that judicial positions should be partisan.

I am told that, if not members of the present board themselves, at least their friends are insisting that the terms of members of the board shall be extended. Senators know that when offices are created political pressure will be brought and an abnormal situation developed under which it will appear that there is a necessity for continuing the positions.

Mr. SMOOT. May I call my colleague's attention to the fact that the House text provides for a term of 14 years?

Mr. KING. Yes; I know it does.

Mr. SMOOT. The Finance Committee cut that down to 10 years.

Mr. KING. That I have stated; it was a wise amendment, but I am not yet satisfied with the provision. I think we ought to cut the term down to five years.

Mr. DILL. Why does not the Senate hold to the present term of 10 years?

Mr. REED of Pennsylvania. That is what we want to do. That is the Senate committee amendment now.

Mr. DILL. I understood it was 12 years that was proposed by the Senate committee.

Mr. SMOOT. No. We reduce it from 14 years, as the House text provided, to 10 years.

Mr. DILL. I want to say a word against the lengthening of the terms. Whenever we get an official in office and give him a long term it makes him arbitrary just to the extent we lengthen his term of office. I am not objecting to the present 10-year term, but I am objecting to increasing it.

Mr. SMOOT. The House increased it to 14 years, but the Senate Finance Committee proposes to put it back to 10 years, which is the term under the present law.

Mr. GEORGE. Mr. President——

Mr. KING. I yield to the Senator from Georgia.

Mr. GEORGE. I wish to suggest to the Senator from Utah the fact that the board is empowered and is directed to hold hearings at other places than Washington. I think that a division of the board ought never to be composed of less than two members, and therefore, if they are to visit different parts of the country the number fixed in the bill would seem to me to be not too large. I think it very important that the board hold hearings in different parts of the country, so as to oblige the taxpayers; that is, to save them the great expense of coming to Washington to present their cases.

I agree with the Senator that in so far as the mere work of the board at its headquarters in Washington is concerned 12 men or possibly 10 or it may be even 5 might do the work just as well as a larger number; but when it is considered that they are to hold hearings about the country and for the convenience of the taxpayers, which I regard as important, I doubt the wisdom of reducing the number.

Mr. NORRIS. Mr. President——

Mr. KING. I yield to the Senator from Nebraska.

Mr. NORRIS. I want to get the Senator's idea about some questions that have arisen in my mind regarding the Board of Tax Appeals. I believe that it is more or less, and ought to be more or less, of a judicial nature. They will pass purely and solely upon questions of law. Am I right in that statement?

Mr. KING. Questions of fact necessarily are involved.

Mr. NORRIS. Oh, yes; I ought to modify my statement to that extent.

Mr. KING. They are in a sense nisi prius courts.

Mr. NORRIS. But it is their duty to say what the law is on the facts as they find them?

Mr. KING. Yes.

Mr. NORRIS. They are just the same as any other court in that respect?

Mr. KING. Yes.

Mr. NORRIS. Do these 16 members sit as a body and listen to arguments?

Mr. KING. No; they are divided into groups.

Mr. NORRIS. That is what I supposed; and the object of dividing them into groups is to expedite business?

Mr. KING. Absolutely.

Mr. NORRIS. So that, as a matter of fact, we have several courts?

Mr. KING. And they are also ambulatory; they visit the various sections of the United States for the purpose of considering cases that may be presented instead of having the taxpayers come to Washington.

Mr. NORRIS. When one group goes to San Francisco or some other place and sits on a series of cases, do they render no judgment until they make their report to the full board?

Mr. KING. My understanding is that they may render judgments—that is, pass upon preliminary matters.

Mr. SMOOT. No; they do not.

Mr. KING. That is, they may make their findings for presentation to the board when they report back to Washington.

Mr. SMOOT. They make no findings at all. The court itself makes the findings after the case is presented by the two or three members who have considered cases in other sections of the country.

Mr. KING. I repeat, they can pass on all preliminary matters, and they can prepare their findings or views upon the testimony taken, so that when they return to Washington they may have something concrete to present to the board.

Mr. NORRIS. It seems to me that would bring about a court so large that delays would necessarily occur.

Mr. REED of Pennsylvania. Mr. President, my attention was diverted when this conversation began, but if the Senator from Nebraska is speaking about the hearing of cases by divisions of this court, I will say that the proposed act as reported provides that the decision of any division of one or more members shall become final unless it shall be reviewed or ordered reviewed by the chairman within 30 days.

Mr. NORRIS. It seems to me we are considering this tribunal as having rather a judicial aspect, and that, I think, is the way it ought to be considered. That puts a loophole into the proposed law that will not result in efficient work, because here is a court composed of quite a large number of men—judges, let us call them—divided up into divisions that go out into different parts of the country and come in and make their report. The tendency is naturally going to be, I should think—I speak of it in no critical sense—that the report of one division would be approved mostly as a matter of form, and the judges involved in that decision would, as a matter of form, approve a report coming from another division.

Mr. KING. I presume there will be such a coordination of the activities of those various groups——

Mr. NORRIS. What kind of men compose those groups? Is the junior Senator from Utah acquainted with the personnel of the court?

Mr. REED of Pennsylvania. I can advise the Senator about that, but I do not like to do it in the time of the Senator from Utah.

Mr. KING. I know the names of the members of the board, but I was observing, when interrupted, that there is coordination of the activities of the various groups, so that there will be uniformity in the decisions.

Mr. NORRIS. I have no doubt that in their work one division would be found down in New Orleans, for instance, considering questions that would be, perhaps, identical with questions that would be considered by another group in Philadelphia or Pittsburgh or Harrisburg.

Mr. KING. Exactly.

Mr. NORRIS. One of the things I think that everybody must concede as necessary if we are to obtain good results is that the decisions coming from this court shall not be conflicting; they must be uniform, of course.

Mr. KING. Undoubtedly.

Mr. NORRIS. They can not reach uniformity, it seems to me, if each division renders a judgment and that becomes final unless somebody appeals from it.

Mr. KING. The Senator from Nebraska knows that in some States the appellate courts have two or more divisions or sections. In important cases the entire court will sit, but in many matters the controversies are submitted to a decision, usually three judges.

Mr. NORRIS. Somebody must do something in order to prevent the decision from becoming final.

Mr. REED of Pennsylvania. Mr. President——

Mr. NORRIS. Just a moment. If the decision of a division at San Francisco on a certain question is one way and a different conclusion is reached by another division in Boston, I can conceive that such conflicting opinions and judgments rendered by them might both stand unless it were necessary under their rules and regulations before either decision should become effective that they should be passed on by the full board.

Mr. KING. Mr. President, the procedure provision of the act, I think, makes for certainty and uniformity of decision; I think it is carefully guarded, and we need have no apprehension in that regard. Section 906 and the subdivisions following fully protect against incongruities and will bring about uniformity.

Mr. NORRIS. Of course, that is what we want. The certainty of the law is almost as important as to have the law itself, so that taxpayers may know what the law is.

Mr. KING. I agree with the Senator.

Mr. NORRIS. If the decisions are promulgated and the law becomes a certainty, a decision in one case will often settle several hundred cases.

Mr. KING. Undoubtedly.

Mr. REED of Pennsylvania. Mr. President, will the Senator let me interfere at that point?

Mr. KING. I yield.

Mr. REED of Pennsylvania. The same provision, in substance, is in the law to-day. The central office is in Washington; every decision is reported to Washington; and up to the present time every decision of a division has been looked over, privately if not publicly, by every member of the board before it has been published, and every decision is published for the benefit of the public. The board has built up already a substantial set of reports.

Mr. NORRIS. Let me ask the Senator another question——

Mr. SMOOT. Mr. President, I have the first volume of those decisions; there are over 1,200 of them; and each decision in the first volume is on a different subject matter.

Mr. NORRIS. Will not that result in the diminution of the cases that are pending? Is it true that there are so many questions arising all the time that the work is increasing beyond the power of the commission to pass on them and to keep the work current?

Mr. REED of Pennsylvania. I think the board has all it can handle at the present time.

Mr. NORRIS. Will there not be a tendency toward the reduction in the number of cases that the board will even be called upon to consider if there is uniformity in their decisions?

Mr. REED of Pennsylvania. Of course, that will be the tendency also because of the disappearance of the excess-profits tax cases, and because we are trying to simplify the law so as to cut out difficult questions of depletion, which always mean a lawsuit. As we get the law simplified, and the excess-profits tax recedes into history, the work of this board will be less. Then, if we put in the provision allowing the President to drop members of the board or to keep vacancies unfilled, instead of making prompt reappointments. If he finds that the board is catching up with its work, he will not have to fill a vacancy that occurs after two years.

Mr. WILLIS. Mr. President——

Mr. KING. I yield to the Senator from Ohio.

Mr. WILLIS. I desire to ask a question, either of the Senator from Utah or the Senator from Pennsylvania. I have not had opportunity sufficiently to examine this section, or, perhaps, I could answer the question for myself. Is there any provisions, other than the general provision which appears in section 901, touching the qualifications of the members of this board? This is practically a court, as I understand. Must the appointees thereto be members of the bar? What is the provision as to their qualification? Does that reside entirely in the sound discretion of the appointing power?

Mr. KING. It rests with the President of the United States.

Mr. REED of Pennsylvania. It is all in section 901, which provides that they shall be appointed "solely on the grounds of fitness to perform the duties of the office."

As the President has to consider that question and as the Senate has to consider it when the question of confirmation comes up—for appointments to this board all come to the Senate for confirmation—it is reasonably sure that they will be lawyers, and lawyers who know something about tax cases.

Mr. WILLIS. I should think, in view of the nature of the court, they would have to be lawyers.

Mr. KING. Mr. President, I have been asked by the Senator from Nebraska the names of the members of the board. Six of them were employees in the solicitor's office, receiving salaries much less than those which they are now receiving. They were passing upon questions of the same character as those presented to them as members of the Tax Appeals Board. They were taken out of the solicitor's office and lifted into these judicial positions. Then four former employees of the Treasury Department, who, as I understand, resigned and were giving attention to tax cases, were brought back into the department.

We hear much these days about the enormous fees received by persons engaged in tax cases and their disinclination to accept office, yet four persons who had been in the department and who had separated themselves from the service were glad to accept, or did accept, positions upon this board and thus reentered the service of the Government. I am not complaining or criticizing them for so doing. Of the entire board only six were not in the tax unit or former employees in the Internal Revenue Bureau. I have here the names of the members of the board, but shall not place them in the RECORD. I will hand them to the Senator of Nebraska if he desires me to do so.

Those taken from the solicitor's office were receiving much less compensation than is provided in the bill.

I am not advancing that as an argument against their appointment or against their qualifications for the position. Perhaps some of them are more familiar with our revenue laws than are some eminent lawyers throughout the country; and yet, in my opinion, it was most unwise to select so many employees and ex-employees of the bureau for these judicial positions. No matter what their qualifications may be, they are bound to have the bureaucratic view, or, to use the language of the distinguished Senator from Virginia [Mr. GLASS] a few days ago, they are saturated with the Treasury view or the tax view in regard to these matters. Moreover, it is, in my opinion, improper to create offices to be filled by those who are in the public service. I should like to see a provision in this bill making ineligible for a place on the board any person in the Treasury Department for two years after his separation from the service.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit an interruption?

Mr. KING. Yes.

Mr. REED of Pennsylvania. Does not the Senator think that is pretty well answered by the fact that out of all the cases they have decided they have completely reversed the commissioner in 13 per cent of their cases; they have partly reversed him in 34 per cent of the cases, and have affirmed him completely in only 53 per cent of the cases? That does not indicate that there is an absence of independence on their part?

Mr. KING. Well, I do not know whether those figures indicate very much, for the reason that the decisions of the employees in the department and of the commissioner himself were so varied, so incongruous, that whatever way they decided the board was bound to affirm many of the decisions and was bound to reverse many of the decisions of the Commissioner of Internal Revenue.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. KING. Yes.

Mr. McKELLAR. I want to know if the Senator has any information as to how many of the 16 are lawyers?

Mr. KING. Mr. President, I have no information——

Mr. SMOOT. They are all lawyers but one, I will say to the Senator.

Mr. KING. I do not know. I think most of them went into the department a few years ago as young men and worked themselves up from unimportant positions to the solicitor's office, and from the solicitor's office they were transferred to this board.

Mr. PHIPPS. Mr. President——

Mr. KING. I yield to the Senator from Colorado.

Mr. PHIPPS. I should like to ask the Senator as to the status of the 6,600 cases, approximately, which are now before the Board of Tax Appeals and which have not as yet been considered. While they are pending, and until the tax which the citizens must eventually pay is determined, the amount will not bear interest. The more quickly these cases are decided, the earlier the Treasury of the United States will receive the money, and thereby will have its use, and prevent this loss of interest which is now occurring by reason of the delay in considering these appeals.

Mr. KING. Mr. President, that is a two-edged sword. If the Government has to make a refund, the taxpayer is entitled to interest; and if the taxpayer is owing the Government, he is required to pay interest.

Mr. PHIPPS. Yes; but the taxpayer is entitled to the use of his money, and he should not be kept waiting an undue length of time for the adjudication of his case.

Mr. KING. There can be no controversy about that. Any person is entitled to money due him. However, 6 per cent interest is a fairly good rate of interest.

Mr. PHIPPS. Any business that can not earn more than 6 per cent is a mighty poor business in these days.

Mr. KING. I think the Senator, because of his knowledge of some of the great business organizations and trusts of the United States, knows that many of them are exploiting the people and making earnings far greater than are just or equitable.

Mr. PHIPPS. In the Senator's State and my State the business man as a rule has to pay considerably more than 6 per cent for money.

Mr. KING. I do not quite agree with the Senator.

Mr. PHIPPS. Perhaps not as a rule, but very frequently.

Mr. KING. I think the banks of my State are loaning large sums at 6 per cent, and the Senator knows that the land banks and many insurance companies are making loans for 6 per cent, and in some instances less than that. But no one opposes the Senator's contention that if a taxpayer has overpaid he should receive back from the Government at as early a date as possible the amount which is due him; and, of course, whatever is due from the taxpayer to the Government ought to be promptly paid by him.

Mr. SMITH. Mr. President, may I ask the Senator whether interest accrues from the time the tax is paid when they find that there has been an overpayment by the taxpayer? Does interest accrue from the date of payment when they find that the Government owes him a rebate?

Mr. KING. Yes. My understanding is that if the Senator had paid in 1920 or 1921 or 1922 to the Government an amount in excess of the proper tax, and the matter was before the department for final adjudication, and he was contesting the payment, and it was decided that he had overpaid, he would receive it with interest at the rate of 6 per cent.

Mr. SMITH. When did that law go into effect? That has not been operating long, has it?

Mr. KING. No; I think that law was passed in 1921. Recently, in one case that was brought to my attention, an individual received $300,000 as a refund, and interest amounting to $90,000 upon the refund.

Mr. SMOOT. The first interest was allowed under the act of 1921. All the acts before that time allowed no interest to the taxpayer; but the act of 1921 provided that the taxpayer should receive the same rate of interest that the Government charged the taxpayer in case he lost.

Mr. KING. And that is the reason why so many now are getting large amounts of interest.

Mr. SHORTRIDGE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from California?

Mr. KING. I yield.

Mr. SHORTRIDGE. I understand that the Senator favors the provision of the bill which permits, if it does not almost direct, the members of this appeal board to divide themselves up into divisions and hear cases throughout the whole country.

Mr. KING. I think that is a wise provision. That is one of the meritorious features of the bill.

Mr. SHORTRIDGE. I think so. Also, we must admit that there are now pending and undetermined something in the neighborhood of 6,500 or 6,600 cases. I assume that the Senator whom I am addressing favors that provision in the bill which will enable the President to defer appointments to fill vacancies in the event that he determines that such vacancies should not be filled.

Mr. KING. The Senator knows that when this matter was before the Finance Committee, of which both the Senator and myself are members, that provision was urged by me with what little force I possessed. I felt that the number of 16 was entirely too great, and that a provision should be inserted that would authorize the President to determine when the business of the board warranted, then the membership of the board should be reduced.

Mr. SHORTRIDGE. I understand that the Senator objects to the number of 16, however, and wishes to reduce it to 12.

Mr. KING. My position is, that 12 members can perform the work; that 16 are not required. The fact that a large number of appeals have been taken means nothing, in view of the fact that so many of them fall into a few categories, so that when a controlling decision is made hundreds will be abandoned or effectually disposed of.

May I give an illustration? The German Mixed Claims Commission had presented to it claims aggregating over one billion dollars. There will be allowed perhaps not more than two hundred million dollars. Many of the cases fell into three or four groups; and as soon as one of the cases in a group was decided, that automatically ended hundreds of cases which had been filed. As a result, the commission has disposed of practically all claims within an incredibly short time. It is to the credit of that organization that it has done such fine work. I wish that the Mexican Mixed Claims Commission would follow the example of the German Mixed Claims Commission.

Mr. SHORTRIDGE. I wish to make merely one observation, not to prolong the discussion. I suppose we will all agree that justice delayed is justice denied. We will also agree that there should be an ample number of members of this board to hear and consider cases speedily before deciding them. It has been remarked here that a great many of these cases were dismissed for lack of jurisdiction.

Mr. KING. Lack of prosecution.

Mr. SHORTRIDGE. Well, but first for lack of jurisdiction to hear and determine them. Of course, we all recognize that in order to decide that point an examination must be made

of the case, and it may take a very considerable time to resolve and decide that matter properly.

Mr. KING. May I interrupt the Senator right there?

Mr. SHORTRIDGE. Certainly.

Mr. KING. The Senator knows that many of these cases are prosecuted by clever tax experts and tax lawyers. They know the decisions; and when they have a case on appeal, and a decision has been made which affects it, they have sense enough to abandon the appeal; and many cases will not be brought to the attention of the board at all.

Mr. SHORTRIDGE. Let us hope that that has been so and will be so.

Mr. KING. I am sure that is the case.

Mr. SHORTRIDGE. I am merely inviting the Senator's attention and that of other Senators to the proposition that we want a speedy and a correct determination of these cases, and this so-called Board of Tax Appeals is, in point of its functions, a judicial tribunal; and no taxpayer's claim, no demand of the Government, should be finally determined by that body without a thorough examination of the facts and the law.

Moreover, I invite the Senator's attention to this proposition: The bill vests in the board the functions of a trial court. It is to hear and determine facts as well as to resolve the law applicable to those facts. It is not merely a tribunal to listen to arguments touching matters of law. They receive evidence, they listen to witnesses, they receive evidence oral and documentary, as a jury does. Therefore I am suggesting that the number, 16, when divided and holding court throughout this vast Republic, is not too great a number to speed on the work in hand.

Therefore, not to indulge in mere platitudes or reflections or generalities but to look at the practical situation, I should like to agree with the Senator; but I can not bring my mind to the conclusion that 16, divided up into divisions, is too great a number.

Mr. SMITH. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Utah yield; and if so, to whom?

Mr. SHORTRIDGE. That is all I have to say.

Mr. KING. I yield to the Senator from South Carolina.

Mr. SMITH. It seems to me that the Senator has given a persuasive argument here as to why we should keep 16 members of this board, in view of the fact that there is a provision in the bill that when they shall have caught up with the work sufficiently so that not all of them are needed the President may drop them out as he sees they are not needed.

Mr. KING. As their terms expire.

Mr. SMITH. As their terms expire, and their terms are not very long. In work of this kind I am inclined to view with favor a rather long term, because the work is of such a nature that if the man is qualified, the longer he is kept the more expert he becomes, and therefore he is better qualified to perform the duty. It seems to me that if we keep the 16 members, as they become more expert they will work doubly well, because of the accumulated number of cases and the expertness with which they can approach them; and then, as the work is caught up with, we may diminish the number.

Mr. SHORTRIDGE and Mr. EDGE addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator yield?

Mr. KING. To the Senator from California.

Mr. SHORTRIDGE. Mr. President, finally, the law will always be subject to controversy, discussions, and consequent appeals. We may not indulge ourselves in the vain hope that the law will become so certain and so definite as to make litigation unnecessary. New laws will be passed, new conditions will develop, and there will always be controversy and honest difference of opinion as to the meaning of the law.

This Republic is a going concern, vastly increasing in population; and I can not see a time when there will not be the necessity for at least this number of judges to determine all these controverted matters. I hope the Senate will at least retain this number, with the provision that the President may cut it down when it appears that a less number will be sufficient to carry on speedily the work of the board.

Mr. EDGE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Jersey?

Mr. KING. Yes.

Mr. EDGE. Did I understand the Senator a short time back to make the statement that 15 of the 16 members of the board are lawyers, members of the bar?

Mr. KING. The statement was made that 15 are lawyers and 1 was not. I did make the statement that the major portion of them—I gave the exact number—were employees of the department or ex-employees, and that only five had been drawn from outside the influence of the Treasury Department. I did not make that statement as a criticism, although I did say that I believed that the board was too much saturated with the bureaucratic spirit and that it would have been better if a greater number of members of the board had been drawn from lawyers of experience—not mere tax experts and accountants, but lawyers of broad knowledge and experience.

Mr. EDGE. I wanted to observe, with all due deference to the splendid profession of which the Senator from Utah is such a conspicuous member, that it might expedite the business of the board if some of the members were accountants or tax experts; and I ask the Senator if, in the consideration of his amendment to cut down the number of the board, it would or would not be wise to consider the possibility of expediting the business by having practical tax men, accountants, who may not have been admitted to the bar?

Mr. KING. Mr. President, I did not attack them upon the ground that they were not lawyers. The question was asked as to how many were lawyers. I was unable to answer that, but I was told by the chairman of the committee that all were lawyers except one. I believe that what the Senator says is true, that to have upon that board some who are familiar with the tax law is of advantage. Yet I believe that men who have a comprehensive knowledge of the law will do better work of a judicial character than men who are merely trained in the technique of bureau activities, no matter how able they are. I do not mean in any way to discredit that technique or the advantages which may be derived from long years of service in some bureaucratic pigeonhole of the Government.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. KING. I yield.

Mr. NORRIS. The law under which the members of this board are appointed provides that—

> Members of the board shall be appointed by the President, by and with the advice of the Senate, solely on the ground of fitness to perform the duties of the office.

I suppose that law was drafted and passed with the idea that these men should be appointed without regard to politics; that there should not be a lot of politicians put on the board; that they should be free from political influence.

Mr. KING. As all judicial officers should be. I agree with the Senator.

Mr. NORRIS. I have heard a great deal of criticism of this board, coming to me in an ex parte way, of such a nature that I would not give publicity to it, because, as I said, it is ex parte, and I do not want to do an injury to anybody. The Senator is familiar with the personnel of this board, and I desire to ask him this question: Has the spirit of that law been obeyed? The Senator can use his own judgment about answering, but I am satisfied that his answer will be in general terms. Have they been appointed with reference to their fitness entirely, or have they, or some of them, been appointed through influence, either of the bureau or of those interested in the work of the bureau, or through the influence of politicians?

Mr. KING. Mr. President, I try to be frank and I sometimes think I have a little degree of courage, but I hope the Senator will excuse me from answering that question.

Mr. NORRIS. Why should we not know about it? We are passing on this matter now. Has the law been carried out in good faith? Have we a board that is free from all the influences which the Senator himself admits should not exist on this kind of a board?

Mr. REED of Missouri. Mr. President——

Mr. KING. I have not sufficient knowledge to answer that question fairly. I know a few of the men upon the board by reputation and one I know personally. He is an able and splendid young man, and I think gives promise of a fine career. I have heard the same criticisms, doubtless, to which the Senator refers. I have not verified them. Therefore, I have refrained from making any criticism of the personnel of the board.

Mr. NORRIS. I asked the Senator the question because he has had better opportunity to find out——

Mr. REED of Missouri. Mr. President, I think I may relieve the Senator from Utah from embarrassment, by suggesting that he might answer that they are all men of the highest character, but there is a remarkable number of them related to distinguished gentlemen in the public service.

Mr. KING. Mr. President, I shall not detain the Senate longer. I felt——

Mr. NORRIS. Mr. President, may I pursue that inquiry a little further?

Mr. KING. I yield.

Mr. NORRIS. Is it true that men in the public service, high officials of the Government, are getting their relatives on this board?

Mr. KING. I did not answer the question, and so I shall again beg the Senator not to press the question. There are some names here which are rather suggestive, but I do not know, and I make no comment.

I agree with all that my good friend from California [Mr. SHORTRIDGE] has said as to the necessity of having expedition and celerity in the disposition of public business. It is very unfortunate that some of our judges are not up with their work; and may I say in passing, it is my opinion that many of the judges are not as expeditious as they should be.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. In one moment. I am afraid that many of the judges are political appointees. A few years ago we authorized the appointment of 25 additional Federal judges. The understanding was that they would be appointed because of their fitness and that politics should not be taken into account. Yet we know that quarrels between conflicting political parties or factions in parties in various States held up the appointments in many instances for weeks and months and years, although we were, under the whip and spur of the Republican Party, compelled to pass the bill, or at least we responded to the compulsion, upon the ground that business was crowding the courts and that they were congested and important cases could not be tried, and we must have those 25 judges immediately. The days went into months and the months into years before all the positions were filled, because of the quarrels of Republican politicians in the various States over who should distribute and receive the spoils. It is said that merit and judicial ability were not always considered in making these appointments. As I recall, there is only one Democrat in the entire number, and that was in Louisiana. The Republicans could not find a Republican lawyer in the State or they would not have appointed a Democrat.

Mr. WATSON. Mr. President, I wanted to ask how it happened that a Democrat was appointed.

Mr. KING. Because there was not a Republican lawyer in the State who was fit for the job.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I yield.

Mr. McKELLAR. The Senator is in favor of the system under which 16 judges sit here in Washington, various ones of their number being sent out to dispense justice in the various parts of the country. Would the Senator be willing at all to agree to a judicial system under which all the Federal judges should be put upon one bench here in Washington, and then the various members of the court sent throughout the country to dispense justice as they saw fit in the various States of this Union? I will say to the Senator that I can not think that he believes in any such system. If he does not believe in any such system, in so far as the ordinary matters of justice are concerned, why is he willing to stand for a system of this kind in regard to tax matters, which are just as important matters as any about which any question may be raised?

Mr. KING. The situation which confronts us now is sui generis. It does not quite approximate the situation which the Senator has in mind. Of course, I would not want the Supreme Court to divide into groups and visit the various States to hear controversies and then return to Washington to pass upon the cases. But we have an entirely different situation in the matter of collecting revenue. There is no analogy or resemblance.

Consider the Interstate Commerce Commission, for instance. It has quasi judicial functions, but its functions and labors are such that it is necessary at times to dispatch to various States one or more members to take testimony upon important matters relating to freight or passenger rates, and so forth. After taking testimony the member of the commission returns to Washington, where the question is considered by all members and a decision rendered.

Mr. McKELLAR. The Senator will recall that the Interstate Commerce Commission, following that procedure, has not given satisfaction to the country. I want to ask the Senator this question——

Mr. KING. Let me interrupt the Senator right there. That is possible; and yet I think the Interstate Commerce Commission in the main has acted prudently and wisely and has attempted to perform its duty. I make no criticism of the commission.

Mr. McKELLAR. Perhaps so; I am not going into that.

Mr. KING. We can not suit everybody.

Mr. McKELLAR. I want to ask the Senator this question: In the matter of these tax cases, which are really lawsuits between taxpayers and the Government, in the interest of good and orderly government, why would it not be better and simpler and more in accordance with American institutions to confer jurisdiction upon the various Federal courts of the land and let these tax questions be settled in the vicinage of the taxpayer by courts which are regularly appointed, having no particular bias in regard to these matters? Why would it not be infinitely cheaper for the taxpayer, infinitely better for the taxpayer, and infinitely better for the Government to have these important questions relating to taxes settled by the courts of the land?

Mr. KING. Mr. President, the question of taxes and the collection of taxes is one which has to be differentiated from the ordinary judicial procedure. The Government can not wait to have all of the questions in relation to taxation litigated in the courts. It goes out and seizes the property of the taxpayer when he is delinquent. Take the Senator's own State. An assessment is made.

The county commissioners—probably that is the title given there; it is the title given in many States—meet, and in an informal way pass upon the cases which are presented by the taxpayers, and they grind them out by dozens, if not by hundreds, every day. In most of the States no taxpayer can resort to the courts until he pays the tax.

Mr. McKELLAR. Mr. President, the Senator undertakes to differentiate tax cases in the way he has stated, but he is very largely mistaken about the facts concerning that. I say to the Senator, that within the last three or four years tax cases involving a hundred million dollars have been settled by court decisions, even under the restrictions by which the courts are hedged about. Cases involving at least a hundred million dollars have been settled in the courts in the way that I have suggested. We already have that system in part, and to-day about one-fifth of all the cases are settled in the courts. Why would it not be better to give the courts jurisdiction to settle all of the cases and not have this Peripatetic board going about the country, one man or two men taking testimony, which may or may not be in accordance with justice in a particular case.

Mr. WADSWORTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New York?

Mr. KING. Let me answer this question, and then I will yield. I do not agree with the Senator from Tennessee that one-fifth of all the tax cases have been settled by the courts.

Mr. McKELLAR. That is the report.

Mr. KING. I think that thousands and tens of thousands of cases where individuals have paid taxes are settled without controversy to one that reaches the courts. Now I yield to the Senator from New York.

Mr. WADSWORTH. I was going to observe, with the permission of the Senator from Utah, that doubtless the Senator from Tennessee remembers that the bill confers jurisdiction on the Federal courts under certain conditions.

Mr. McKELLAR. The taxpayer can appeal.

Mr. WADSWORTH. He can appeal to the district court.

Mr. McKELLAR. There are certain conditions under which that can be done, and it has been done for several years. For instance, we have paid judgments in favor of taxpayers amounting to a hundred million dollars, I will say to the Senator, within the last five or six years.

Mr. KING. Yes; and we have collected billions. I think the creation of the Board of Tax Appeals was a step in the right direction. As I remember, the Senator from Iowa [Mr. CUMMINS], as well as other Senators, complained about the method under which clerks, men who were not experienced, could settle tax cases involving millions of dollars. As a result of those complaints we evolved the present Board of Tax Appeals provision of the law. I believe it has worked fairly well. I think it is an improvement over the former plan or procedure, and I am satisfied with the provision which requires members of the board to visit the various States and there pass upon the tax questions which are presented, or at least to take the testimony connected with the same.

Mr. SHORTRIDGE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from California?

Mr. KING. I yield.

Mr. SHORTRIDGE. I wish merely to add that we must bear in mind that it is 3,000 miles from the city of Washington to the State of Washington, for example, or to my own State. The provision permitting the board to divide up into divisions and hear cases throughout the United States is altogether proper.

Mr. KING. I did not intend to detain the Senate more than a moment, but so many questions have been propounded that I have occupied the floor unduly. I shall not press my amendment at the present time. When the bill reaches the Senate I shall ask for a vote upon it.

The PRESIDING OFFICER. The Chair understands the Senator from Utah at this time to withdraw his amendment.

Mr. KING. I shall ask for a vote in the Senate if I conclude then to do so.

Mr. SMOOT. Has the committee amendment been agreed to?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

Mr. SMOOT. I would like now to have the Senate turn to page 325, which provides for assistants to the general counsel.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 325 the committee proposes to strike out lines 11 to 25, inclusive, in the following words:

(b) There is hereby created in the Bureau of Internal Revenue the office of special deputy commissioner of internal revenue. Special deputy commissioners shall be appointed by the President, by and with the advice and consent of the Senate, for terms of 10 years; but not more than six special deputy commissioners shall hold office at any one time. Each special deputy commissioner shall receive a salary at the rate of $8,000 per annum, and shall perform such duties as may be prescribed by the commissioner or required by law. Any special deputy commissioner may be removed by the President, after notice and opportunity for public hearing, for inefficiency, neglect of duty, or malfeasance in office, but for no other cause.

And to insert in lieu thereof the following:

(b) There is hereby created in the Bureau of Internal Revenue the office of assistant to the general counsel. Assistants to the general counsel shall be appointed by the President, by and with the advice and consent of the Senate, but not more than six assistants shall hold office at any one time. Each assistant to the general counsel shall receive a salary at the rate of $8,000 per annum and shall perform such duties as may be prescribed by the commissioner or required by law.

Mr. SMOOT. The junior Senator from Utah asked me, when we reached this provision, previously, to have it passed over. I do not know whether he is now ready to proceed with it or not.

Mr. KING. Mr. President, I want to call attention to the committee amendment. I think that the amendment should be rejected. I see no merit in it except to give jobs to a number of persons who are now in the department. As the bill came from the House it provided for additional deputy commissioners. It was elicited during the hearings before the Finance Committee that those persons were in the department and the claim was made that in order to hold them we would have to increase their salaries and, I presume, give them a higher title. So they were made assistant commissioners and their salaries increased to $8,000 per annum. I think the salaries are now in the neighborhood of $5,000 or less.

Mr. GLASS. Mr. President, will the Senator from Utah yield to me for a moment?

Mr. KING. I yield to the Senator from Virginia.

Mr. GLASS. I was temporarily called out of the Chamber. I wanted to offer an amendment to the section dealing with the Board of Tax Appeals.

Mr. SMOOT. I understand what the Senator wants, and I ask unanimous consent that the vote by which the committee amendment as amended, dealing with the Board of Tax Appeals, on page 266, was agreed to may be reconsidered for the purpose of allowing the Senator from Virginia to offer an amendment to the committee amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered. The vote is reconsidered, and the question is now on the committee amendment as amended.

Mr. GLASS. I send to the desk an amendment which I propose to that section of the committee amendment.

Mr. REED of Pennsylvania. It is on page 266, following line 21?

Mr. GLASS. If that be the proper place. I had proposed to insert it at the end of line 19, on page 265.

Mr. SMOOT. I think it ought to go in after line 21, on page 266.

Mr. GLASS. Very well.

The PRESIDING OFFICER. The amendment to the amendment will be reported.

The CHIEF CLERK. On page 266, after line 21, insert the following:

No person who has been an attaché of the Bureau of Internal Revenue shall be eligible to appointment to any vacancy on the Board of Tax Appeals until at least two years have elapsed since such official connection with said bureau, but this prohibition shall not apply to the present members of the board.

Mr. SMOOT. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Virginia to the amendment of the committee.

Mr. FESS. Mr. President, what would the amendment do?

Mr. GLASS. It does just exactly what it says. It precludes from future membership on the board attachés of the Internal Revenue Bureau.

Mr. FESS. Does the Senator mean that we could not promote someone from the bureau to the board?

Mr. GLASS. That is exactly what I mean; that we could not promote anyone from the Internal Revenue Bureau to this judicial body to reaffirm opinions and actions that he may have rendered and taken theretofore.

Mr. FESS. I have no objection to the amendment to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. REED of Missouri. Mr. President, I desire to offer an amendment to a committee amendment.

Mr. COPELAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. COPELAND. Has the committee presented all of its amendments?

The PRESIDING OFFICER. The Chair is advised that there are a number of committee amendments which have not yet been disposed of.

Mr. SMOOT. I understand the Senator from Missouri wants to offer an amendment to a committee amendment.

Mr. REED of Missouri. Yes; to paragraph 1001, on page 278, at the bottom of the page, in the committee amendment.

Mr. SMOOT. It is with reference to court review of decisions of the board.

Mr. REED of Missouri. Yes.

Mr. SMOOT. The committee amendment there has been agreed to, but in order that the Senator from Missouri may offer his amendment I ask unanimous consent that the vote by which section 1001, page 278, was agreed to may be reconsidered.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment offered by the Senator from Missouri to the committee amendment will be reported.

The CHIEF CLERK. Amend section 1001, at the bottom of page 278, by striking out all of paragraph (a) thereof and inserting the following:

SEC. 1001 (a). The decision of the board rendered after the enactment of this act may be reviewed upon appeal upon application of either the taxpayer or the commissioner, provided notice of such appeal is filed with the board within six months after its decision is rendered. Such appeal shall lie to the district court of the district in which the taxpayer resides, or, if the taxpayer and commissioner shall mutually agree, to the district court of the District of Columbia. The decision of the district court shall be subject to review upon appeal as in ordinary civil actions.

In case the taxpayer is not a resident of the United States the said appeal shall be lodged in the district court of the District of Columbia.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Missouri to the committee amendment.

Mr. CUMMINS. Mr. President, I would like to ask the Senator from Missouri a question in regard to the section. Does the Senator from Missouri understand that under this section the circuit court of appeals is to review the record made by the Board of Tax Appeals? The Board of Tax Appeals is not, technically at least, a judicial body. How is the circuit court of appeals to obtain jurisdiction of the act of, in law, an administrative body? Is the Board of Tax Appeals to certify the record it has made to the circuit court of appeals, and is the circuit court of appeals to consider the case as though it had been appealed from a district court of

the United States? I am at a loss to understand just how they are going to operate under the section.

Mr. REED of Missouri. The question of the Senator might perhaps more properly be addressed to the committee that reported the bill.

Mr. CUMMINS. That is very true. I recognize that.

Mr. REED of Missouri. What I am seeking to do is to change the location of the appeal from the circuit court of appeals to the district court of the district in which the taxpayer resides. The question which was just asked by the Senator from Iowa, when, I think, the Senator from Pennsylvania was for the moment otherwise engaged, and which I think the Senator from Pennsylvania perhaps ought to answer instead of myself, is how the appeal gets to a court, whether it goes up on the record that is made in the Board of Tax Appeals or how it gets there. I answered that I would prefer to have a member of the committee answer the question, because I am not dealing with that subject. I am dealing with the matter only in trying to change from one court to another.

Mr. REED of Pennsylvania. The procedure outlined in the bill as reported from the committee treats the Board of Tax Appeals practically as a court of original jurisdiction. An appeal from the board to the circuit court of appeals is in all respects similar to an appeal from a district court to the circuit court of appeals. The case is reviewed on the record and the appellate court has the power to reverse, with or without a venire de novo, or to affirm, but it does not try the case de novo. It does not take testimony. The practice is appellate practice entirely.

The amendment of the Senator from Missouri would change the procedure by making the appeal lie from the Board of Tax Appeals to the United States district court of the taxpayer's district, and, of course, in that court it would be tried de novo before a jury, with the commissioner and the taxpayer again offering their evidence and making their record.

Mr. REED of Missouri. Not necessarily, and I had not so intended. There is no procedure in the bill outlined for the matters which we are discussing, as I believe after having somewhat hastily examined the provisions of the bill.

As the bill now stands—it may not be very definite, but as I construe it—it means that there shall be a hearing before the Board of Tax Appeals. If the taxpayer or the commissioner is dissatisfied they appeal to the United States circuit court of appeals, and the case would, I presume, go up on the record, because that court, among other things, has no general jurisdiction to try a case de novo. All that I am seeking to do is to substitute for the circuit court of appeals the district court. The case would go there by appeal from the decision. I have used that term. While the district court does have jurisdiction to try cases de novo, and ordinarily does so, nevertheless the court can appoint a master to take evidence or a commissioner to take evidence, and in that case the court passes upon the record. It is not my purpose to have a trial de novo in the district court. If it is necessary to put in language to cover that, to say that it shall be there heard upon the record made, I have no objection to doing so. What I am trying to do is to give the taxpayer a chance to try the case, if he is dissatisfied with the board's decision, in his own district instead of having to go in many instances to a distant town to follow the circuit court of appeals wherever it may be.

Mr. WADSWORTH. Does the Senator not think that other provision in the bill which permits the taxpayer to take his case to the district court—conditioned, of course, upon his paying the assessment—meets the situation?

Mr. REED of Missouri. No; it does not.

Mr. WADSWORTH. Then he gets a trial de novo.

Mr. REED of Missouri. Yes; that is true; but he does not need a trial de novo if he tries his case right in the first instance, and neither does the Government.

Mr. WADSWORTH. That would be the first trial, would it not?

Mr. REED of Missouri. Yes; it would be in that case; but here is the difficulty about that, I will say to the Senator from New York, and I think a very grave one.

Let me say, by way of parenthesis, that all I want to do is to reduce the labors and burdens of the taxpayers as much as I can. In the instance put by the Senator from New York the taxpayer gets the trial, when and how? By paying whatsoever sum of money the Board of Tax Appeals has said he must pay.

Mr. WADSWORTH. No; the commissioner.

Mr. REED of Missouri. The commissioner, I should say. The commissioner may have levied a tax that is ruinous; that the taxpayer can not pay; but, in any event, to pay it is a great hardship, because it means to lay out his money. I have in mind cases that have come to my own observation where the taxpayer, in order to save himself from a distraint, has been obliged to pay the taxes under such conditions that the payment of those taxes has brought bankruptcy.

Sometimes men have credit when they can not get money, and sometimes they can get bond. My proposition here is that, so far as this particular amendment is concerned—and I have another one—instead of compelling the taxpayer to proceed by appeal from the board to the circuit court of appeals, to allow that question to be decided by the district court of the district. I can illustrate it geographically. Suppose that a tax is assessed against me in Kansas City. The Board of Tax Appeals comes to Kansas City, through one or more of its members, and hears my case. I put in my evidence and the Government puts in its evidence. Then that decision by the one or two members of the Board of Tax Appeals who have come to Kansas City goes to the general board sitting in Washington. If I am to have any relief there I must employ an attorney in Washington, or I must journey from Kansas City here with my attorneys and try the case. Then, if I am dissatisfied, I can appeal to the circuit court of appeals. This bill says to a circuit court of appeals; it does not say which one. The commissioner may be dissatisfied, and he may appeal to a circuit court of appeals; he may appeal to the court of appeals here in Washington. Then I have got to come here again, 1,200 miles from my home—and I am using myself as an illustration merely—and hire lawyers and present that appeal.

Mr. REED of Pennsylvania. Mr. President, has the Senator from Missouri seen the provisions of section 1002?

Mr. REED of Missouri. I thought I had.

Mr. REED of Pennsylvania. Those sections limit the appeal to the circuit court of appeals for the circuit whereof the taxpayer is an inhabitant, so that the taxpayer does not have to come to Washington.

Mr. REED of Missouri. In that event I should probably have to go to St. Louis or to St. Paul or to some other place where the circuit court of appeals sits in a circuit that embraces several great States. I think it is an unnecessary hardship, so I have brought in this amendment. If it shall be adopted this is the way it will work out: The Board of Tax Appeals will sit, by one or two members, in Kansas City. I will present my case. No matter what their decision may be, whether it is affirmed by the full board or not, I can await that decision and I can then file an appeal from it to the district court in Kansas City, where I live, where the collector of internal revenue lives, and where the property is located that is to be assessed; or, at least, the habitat of the owner of that property. It is a much simpler provision, and if adopted would save the terrible expense of traveling all over the country. All I desire is to fix it so that the trial shall occur as near the home of the taxpayer as possible.

Mr. REED of Pennsylvania. Does not the Senator from Missouri think that the procedure that he would introduce would really create one additional step through which the taxpayer would have to labor, because, to take the illustration that the Senator from Missouri has used, the Board of Tax Appeals goes to Kansas City and hears his case by one of its divisions. If he is dissatisfied with that decision he does not have to come to Washington to appear before the full board; he simply lets it go by default, as it were, unless the decision of the division ripens into the decision of the full board; or he may by a mere letter to the chairman of the board call his particular attention to that case, and he can be very sure the full board will consider it before they affirm the decision of the division. However, the taxpayer does not need to go from Kansas City.

Under the bill as it stands the dissatisfied taxpayer takes his appeal directly to the circuit court of appeals. Under the Senator's provision he would take it to the district court, and if he got his relief there, and if the commissioner were sure enough of his ground to have fought the case before the court, the probability is that the commissioner would then appeal to the circuit court of appeals, so that the case would reach there eventually; but the taxpayer would have had his trouble for his pains in the district court.

What we are trying to do is to short-circuit this procedure as much as possible and to expose the taxpayer to as little litigation as possible and give him a prompt decision so far as it is possible to do so. At present, under the law of 1924, if the taxpayer does not like the board's decision he simply ignores it and brings suit in the district court, and then the case is tried out de novo. Then he goes on up to the circuit court of appeals and perhaps to the Supreme Court of the United States. There is too much litigation about it. We are trying to abbreviate it.

Mr. REED of Missouri. I wish to say to the Senator from Pennsylvania that I think the committee improved the bill,

but I do not agree with the Senator's argument in whole, because he assumes the appeal of these cases from the district court. My own opinion is that there will be but few cases appealed. The district courts are presided over by judges of experience and ability in almost every instance, and if the taxpayer can get a trial at home it is very likely that he will be satisfied, or the Government will be satisfied, when once a judge has decided it. It is true the right is preserved to either side to appeal to the circuit court of appeals, but the vast majority of cases are not appealed, and I think in this class of cases few of them would be appealed to the circuit court of appeals.

The method that is presented by the committee compels recourse to the circuit court of appeals at once. That does make for finality, that is true, but it also makes the citizen pay—I suppose he would be compelled to pay—the expense of the printing of his record under the rules of the circuit court of appeals, the printing of his brief, and the sending of his attorneys to the court, which very likely is at a distant point.

The provision which I submit is one which allows the determination, at least, by a judge in the district court in the home practically of the taxpayer. I think it has that great advantage. I think, also, it has another advantage; I think it means a much quicker decision and much quicker disposition of the case.

So I want the Senator from Iowa to understand that my amendment does not change the procedure except in the matter of going to court. I do not think this bill is as clear as it might be in the matter of getting the record either into the circuit court of appeals or into district court.

Mr. CUMMINS. Mr. President, I understand that; but, of course, my question went a little deeper than the amendment proposed by the Senator from Missouri.

Mr. REED of Missouri. It does go very much deeper.

Mr. CUMMINS. My difficulty with regard to this part of the bill is rather fundamental. At the present time the commissioner makes his assessment finally, and the taxpayer must either allow the assessment to be collected or he must pay the assessment under protest and bring suit to recover the amount he has paid to the United States. He can bring that suit in either of two tribunals. He can bring it in the Court of Claims—and under the present law the Court of Claims is given jurisdiction—or in certain cases, which I need not stop to particularize, he can bring the suit in the district court of the United States, and it is there, of course, tried like any other suit which may be brought. So it is in the Court of Claims. I do not know why the Court of Claims is ousted from its jurisdiction by the bill before us. I have not heard any explanation upon that point. There may be a very good explanation; I do not know as to that.

Mr. REED of Pennsylvania. Does the Senator want an explanation now or would he prefer that I wait until he finishes?

Mr. CUMMINS. Just a moment, and then I will yield to the Senator. But the point I am making is that there is absolutely no way provided in the bill for the review. It is not provided that the Board of Tax Appeals shall certify to a record. It is not provided that the Board of Tax Appeals shall have any record. The Board of Tax Appeals, so far as I know the law, can try the case without taking down one syllable of the testimony that may be introduced. It is not required to make a record. I speak with deference about that, because I am not as familiar with the bill as the Senator from Pennsylvania is.

If the circuit court of appeals, or the district court, either, for that matter, is called upon to review the action of the Board of Tax Appeals, it must be reviewed in one of two ways. It must be reviewed upon a record made by the Board of Tax Appeals and certified to either the district court or the circuit court of appeals; and that is provided for only in a very indirect way and a very unsatisfactory way in paragraph (b) of this section, which reads:

> Such courts—
>
> Speaking of the circuit courts of appeals—
>
> are authorized to adopt rules for the filing of such petition—
>
> I assume that is a petition for a review—
>
> and the conduct of proceedings upon such review, and, until the adoption of such rules, the rules of such courts relating to appellate proceedings upon a writ of error, so far as applicable, shall govern.

What is the proceeding upon a writ of error in an appellate court? A writ of error may bring up to the appellate court the entire proceedings had in the court below, or it may bring up a single point. It does not require a full record; and in a writ of error the litigant must take his exception in the trial court, and he must preserve that exception by a bill of exceptions which is signed by the trial court.

I can not conceive, Mr. President, of a proceeding in an administrative board, even if it is quasi judicial, in which a review is attempted by a judicial tribunal. In the first place, I have the very gravest doubt about the constitutionality of the entire provision. I do not believe that the Board of Tax Appeals is a judicial tribunal. If it is a judicial tribunal, its members must be appointed as provided in the Constitution of the United States; they must be appointed during good behavior. If it should be held that the Board of Tax Appeals is a judicial tribunal in the sense of the Constitution, then it seems to me that the whole foundation that is laid in this section and the subsequent sections for a review will fail. If it is not a judicial tribunal, you can not appeal a case from an administrative tribunal to a judicial tribunal. You can review the action of such a tribunal as the Board of Tax Appeals in a judicial way; but it must be reviewed either by attacking the order of the administrative tribunal in a court, as, for instance, by an application or a petition or a bill in equity for an injunction, or it can be enforced, on the other hand, by a suit brought by the administrative tribunal to enforce its order.

I know there has been some confusion about this particular point; and it has been said that the orders of the Interstate Commerce Commission, which is as truly judicial or quasi judicial as the Board of Tax Appeals, can be reviewed, and that the orders of the Federal Trade Commission, which occupies exactly the same relation to our Government that the Interstate Commerce Commission does, can be reviewed, and that under the packers' act it is provided that there can be a review; but I have looked in vain for a decision of the Supreme Court of the United States which holds that there can be what we understand to be an appeal from such a tribunal to a judicial tribunal.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit a question?

Mr. CUMMINS. Certainly.

Mr. REED of Pennsylvania. Would not the Senator's entire objection on that score, then, be removed if we were to amend the word "appeal" to read "review"?

Mr. CUMMINS. No; you use the word "review," but in some fashion that I can not quite understand you are to get the record of the inferior tribunal before the superior tribunal. I do not know how you are going to get it there.

Mr. REED of Missouri. Mr. President, I have not given this clause of the bill anything except a very cursory reading. My attention was directed more particularly to the place of review.

Mr. CUMMINS. Do not understand that I have any objection at all to the Senator's amendment.

Mr. REED of Missouri. No; but unless there is apt language in the bill providing for the preservation of a record and for some proper certification of the record, I think it ought to go in. I submit to the Senator, however, whether the document which the taxpayer files, in which he appeals from the decision of the board, is not in the nature of an original petition which he might file to review or set aside the decision of this board; and, although it does not come within the old forms, nevertheless we have the power by statute to give the court a jurisdiction by saying in direct terms, if we want to, that whenever the Board of Tax Appeals has rendered a decision, its record, which shall embrace all of the evidence taken and the rulings thereon, shall be, at the request of the taxpayer, certified to a court, and that it shall constitute the record upon which the court shall decide the case. If that is not in here, or something like it, it ought to be.

Mr. CUMMINS. I think there is no difficulty whatever in giving either the district court of the United States or the circuit court of appeals original jurisdiction of this subject; but, when you do give it original jurisdiction, my judgment is that either the Government or the taxpayer ought to be permitted to introduce further testimony that relates to the issues of the case.

Why should you cut off a man from his opportunity to introduce evidence if he believes that the action of the Government has been illegal? In every other case—in the cases that relate to the Federal Trade Commission, in the cases that relate to the Interstate Commerce Commission—when their orders are sought to be reviewed by an original petition brought in any court, both sides may introduce additional testimony.

I am not very familiar with the way in which cases are tried before the Board of Tax Appeals and just how they do oper-

ate; but under paragraph (b), if the Government or the taxpayer should offer testimony that was irrelevant, immaterial, or incompetent, and it was admitted, there is your exception; you take an exception to that and can review that ruling, I suppose.

Mr. REED of Missouri. I think the most dangerous point the Senator makes on that subject is that if no exception is taken to the decision, or to any ruling made, a court on appeal might refuse to consider the objection then raised for the first time.

Mr. REED of Pennsylvania. Mr. President, will not the Senator let me interrupt him?

Mr. CUMMINS. Certainly I will.

Mr. REED of Pennsylvania. The whole thing, I think, is answered by the provisions of the bill on page 273, where the make-up of the record before the board is fully described—the provision for findings of fact and for conclusions of law, the provision for an opinion giving the reasons, and the transcript of the stenographic report of the hearings—and then there is a provision that the rules of evidence prevailing in the equity courts of the District of Columbia shall govern this board. The rules to which the Senator has called attention, which are found in clause (b) on page 279, are rules of the appellate court.

Mr. CUMMINS. Precisely.

Mr. REED of Pennsylvania. They do not relate to the proceedings before the board itself, although they clearly can relate to the making-up of the record on appeal.

Mr. CUMMINS. But there is no provision whatever for getting the record that is made before the Board of Tax Appeals before the circuit court of appeals.

Mr. REED of Pennsylvania. But it is provided in section (b) on page 279 that the courts are to adopt rules for that.

Mr. CUMMINS. Oh, no; they can not adopt rules for the Board of Tax Appeals.

Mr. REED of Pennsylvania. But that was not what the Senator said. The Senator spoke of getting the record up to the appellate court. That will be done by writ of certiorari, or its equivalent, issuing out of the appellate court.

Mr. REED of Missouri. But what record, Mr. President?

Mr. REED of Pennsylvania. The record that will go up will be the record that is made as directed on page 273.

Mr. REED of Missouri. Let us see what that is:

(b) It shall be the duty of the board and of each division to make findings of fact and a decision in each case before it and report thereon in writing, except that the findings of fact and report thereon may be omitted in case of a decision dismissing any proceeding upon motion either of the taxpayer, the commissioner, or the board. Whenever the board deems it advisable, the report shall contain an opinion in writing in addition to the findings of fact and decision.

(c) All reports of the board and all evidence received by the board and its divisions, including a transcript of the stenographic report of the hearings, shall be public records open to the inspection of the public, except that after the decision of the board in any proceeding has become final the board may, upon motion of the taxpayer or the commissioner, permit the withdrawal by the party entitled thereto of originals of books, documents, and records, and of models, diagrams, and other exhibits introduced in evidence before the board or any division; or the board may, on its own motion, make such other disposition thereof as it deems advisable.

That is a provision to make them public records, but it is not a provision that the testimony shall be taken in shorthand, or, taken, that it shall be transcribed, that it shall be certified, that it shall constitute the record in the case, and that it, together with the findings of the board, shall be sent up on appeal. Does not the Senator, as a careful lawyer, think that we might have some difficulty in being sure that on appeal the evidence goes up, although it is made a public record?

Mr. REED of Pennsylvania. Yes; I think we might go more into detail with that. I think it was the intention of the draftsman that it should be part of the record, but he has not said so in clear language. I think that can be improved by further amendment.

Mr. CUMMINS. Does the Senator think the circuit court of appeals could issue a writ of certiorari to the Board of Tax Appeals?

Mr. REED of Pennsylvania. Under the power given on page 279; yes.

Mr. REED of Missouri. Why could we not get past that by simply saying that, in case an appeal is lodged, the record shall be forthwith sent up?

Mr. REED of Pennsylvania. Because in many cases the whole record is not wanted.

Mr. REED of Missouri. Or such part of the record as the taxpayer calls for.

Mr. REED of Pennsylvania. The Senator from Iowa called attention to the fact that on writ of error often the whole record did not go up. It ought not to go up in this case.

Mr. CUMMINS. We agree on that.

Mr. REED of Pennsylvania. In some cases one-tenth of the record will present the only question that needs to be litigated.

Mr. CUMMINS. But there must be established some sort of a legal connection between the circuit court of appeals and the Board of Tax Appeals or the district court if the amendment of the Senator from Missouri shall prevail. I do not think the connection is established and described. I have some doubt whether the connection can be established, but the Senator from Pennsylvania has considered that question, and I have no disposition to argue it.

Mr. REED of Pennsylvania. May I also offer another suggestion to the Senator, so that he may answer it before he concludes his remarks? He spoke about the impossibility of taking evidence in the circuit court of appeals. I assume such a court always would have power to take testimony by a master, if it wanted to appoint one.

Mr. CUMMINS. The Senator must have misunderstood me. The circuit court of appeals has no difficulty in taking testimony.

Mr. REED of Pennsylvania. Whenever it wants to do it.

Mr. CUMMINS. It has original jurisdiction in quite a variety of cases where it must take testimony.

Mr. REED of Pennsylvania. Then I must have misunderstood the Senator.

Mr. CUMMINS. I think the Senator misunderstood me.

Mr. REED of Pennsylvania. I think the Senator was not in the Chamber when an amendment was adopted on page 282, referring to the authority of the appellate court, in paragraph (b). I will read the section to the Senator as it has been amended:

Upon such review such courts shall have power to affirm or, if the decision of the board is not in accordance with law, to modify or to reverse the decision of the board, with or without remanding the case for a rehearing, as justice may require.

So, if there has been any inadequacy in the record, it can always be corrected by a remanding, with a direction to take further testimony.

Mr. CUMMINS. My own judgment is that if the circuit court of appeals can acquire jurisdiction at all, it ought to enter the final decree, precisely as it does in cases of equity, and ought not to remand cases to the Board of Tax Appeals.

Mr. REED of Missouri. It seems to me that, in view of all these complications which have come up, we will save the time of the Senate and the time of all of us if this matter can be passed over, and we can take a few minutes out of the Senate to frame these amendments, about which we can probably agree; except that I hope the Senator from Pennsylvania will agree to my amendment and let it go in.

Mr. REED of Pennsylvania. I do not like the Senator's amendment, because it introduces just one more step to be taken in contesting cases.

Mr. REED of Missouri. There is a possible additional step, but the fact is that in 90 per cent of the cases in all probability the case will be settled in the district court.

Mr. REED of Pennsylvania. It means just one more trial of each case and one more court to go to, and I do not like it for that reason.

Mr. CUMMINS. We can very easily avoid that if we so desire. Senators are treating the Board of Tax Appeals as a court of original jurisdiction, and if they wanted to they could make the decision of the district court final, because then the taxpayer would have had two trials, just as a litigant has two trials when he tries a case originally in the district court and takes it to the circuit court of appeals. However, I am not sure that I would favor the Senator's amendment.

Mr. REED of Pennsylvania. I do not believe I would favor that. We would be getting a great variety of decisions.

Mr. REED of Missouri. The fact is that if a case goes to the Board of Tax Appeals and is decided, and goes to the district court, in all human probability that will end it; but the right ought to be preserved to go clear to the Supreme Court of the United States, if that right should exist.

Mr. CUMMINS. Under the present law that right can exist only through certiorari, or through a certificate of questions by the circuit court of appeals.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri to the committee amendment.

Mr. REED of Missouri. If the amendment is not accepted, I suppose we will have to call for a quorum. I want to present my reasons for offering the amendment.

Mr. REED of Pennsylvania. Perhaps for the present the easiest way to handle the matter would be to accept the Senator's amendment, with the understanding that we may move to reconsider later in the day.

Mr. REED of Missouri. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. REED of Missouri. I have another amendment, which I send to the desk and ask to have read.

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. On page 127, section 274, to amend by inserting in advance of the text of paragraph (a) the following:

The return made by the taxpayer shall be prima facie evidence of its correctness, and the commissioner shall not declare that there is a deficiency in the return until he has given the taxpayer notice that a deficiency is believed to exist and has given the taxpayer an opportunity to explain the alleged deficiency.

Mr. REED of Pennsylvania. I ask unanimous consent that the vote by which the committee amendment inserting section 274 was adopted be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered. The question is on agreeing to the amendment offered by the Senator from Missouri to the amendment of the committee.

Mr. REED of Pennsylvania. I think the amendment is open to objection, particularly in cases of jeopardy assessments, and I think that the last part of it is really unnecessary, because it outlines the practice which the commissioner now follows; that is, in giving the taxpayer a chance to present his side before he sends out the formal 60-day letter.

As we add these various requirements in the statute we are simply multiplying the technicalities open to dishonest taxpayers. It is one more step that the commissioner has to establish as a prerequisite to his right to collect. As a matter of fact, it is a just thing that he should give an opportunity to the taxpayer, and, as a matter of fact, he does it now; but I do not like to see it added as a condition precedent to his authority to proceed further.

Mr. REED of Missouri. There is one objection which the Senator has raised which I am willing to meet; that is, in case of an emergency, and I am willing to interline the proper words to take care of that.

Mr. REED of Pennsylvania. Add the words "except in cases of jeopardy assessments."

Mr. REED of Missouri. Make it read:

The return made by the taxpayer shall be prima facie evidence of its correctness, and the commissioner shall not, except in cases of jeopardy assessments, declare—

And so forth.

I am very much in earnest about this proposition, because I know that while the commissioner may have a custom of notifying the taxpayers, it is not observed. They may observe it in certain cases, but in the last 90 days three cases have come to my direct attention where taxpayers have simply been notified that taxes have been raised, and in one of those cases in particular there was an absolutely plain explanation, and, if the young man who came out to represent the Government had taken the pains to interrogate the taxpayer, certainly there would never have been any increase in the levy.

I do not speak of these cases because I have any special interest in them, but because they happened to come to my attention. The circumstances in the case I mentioned the other day were these: An attorney collected a fee of some $18,000 from a body of men for whom he was working. That was substantially his income for the entire year, for he had been giving them all of his time. He reported $18,000 legal fees, but he did not say from whom he had collected the fees, which he was not required to do. One of these bright young men, in examining the books of the men who had paid this attorney the fee, discovered that he had received this money, and without saying a word to him, proceeded to raise his assessment, and then notified him, after it had been done; and, of course, he is put to all the difficulty and circumlocution of explaining that matter. A simple visit to his office and an inquiry, and the trouble would have been avoided.

The Senator said that the commissioners have followed the rule which I now propose to put into the law. If they already do so, they will suffer no additional hardship. There ought to be a protection of the taxpayer. I think about one-third of the dissatisfaction that our people feel in paying taxes to-day arises from the way in which the business is handled. There have been outrages perpetrated that I would not want to tell about on the floor of the Senate. I have known of concerns being bankrupted by the purely arbitrary action of young men who have had no experience, but are simply keenly alive to the fact that it is their business to get the money.

Before any man in the country has what amounts to a judgment entered against him—because that is in its nature what is done when his taxes are raised with the right of a distraint to be issued by the Government at once existing—I think that the taxpayer ought to have notice so he can protect himself. I have modified the amendment by inserting the words suggested, and I hope the Senator from Pennsylvania will not insist on his objection.

The PRESIDING OFFICER. The Chair suggests that it may be advisable to have the amendment as modified again reported. The clerk will report the amendment to the amendment as modified.

The CHIEF CLERK. Amend section 274, page 127, by inserting in advance of the text of the bill the following:

274. (a) Except in case of jeopardy assessments, the return made by the taxpayer shall be prima facie evidence of its correctness, and the commissioner shall not declare that there is a deficiency in the return until he has given the taxpayer notice that a deficiency is believed to exist and has given the taxpayer an opportunity to explain the alleged deficiency.

Mr. REED of Pennsylvania. I think I can assure the Senator that the amendment is not necessary, but I suggest for the present that we accept it with the understanding we had with reference to his other amendment, that we may move later to reconsider in case we fail to agree.

Mr. REED of Missouri. That is agreeable to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified. Without objection, it is agreed to, and the amendment as amended is agreed to. Has the Senator from Missouri another amendment?

Mr. REED of Missouri. Yes; I have sent it to the desk.

The PRESIDING OFFICER. The amendment will be reported.

The CHIEF CLERK. On page 132, after line 13, insert:

In any event, and notwithstanding the other provisions of this act, any taxpayer aggrieved by the action of the commissioner may file his action in the district court of the district in which he resides to review the action of the commissioner and/or to determine the amount of taxes by him justly due and payable. Upon the filing of such petition, together with a good and sufficient bond conditioned that the taxpayer will abide and satisfy the decision of the court, no distraint against the properties of the taxpayer shall issue. If such bond is not filed, then distraint may issue as elsewhere in this act provided. If the court, upon the hearing of the cause, shall find that the suit was filed for the mere purpose of delay, or that the action was not in good faith, then the court may, in addition to the other penalties provided for in this act, award an additional penalty in excess of the taxes returned by the taxpayer of not to exceed 10 per cent of the taxes found to be due.

Mr. REED of Pennsylvania. With the same agreement as to this amendment that we have as to the other two amendments, that a motion to reconsider may be made, I shall not present any objection at this time.

Mr. REED of Missouri. That is agreeable to me.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Missouri is agreed to.

Mr. SMITH. Mr. President, may I ask the Senator in charge of the bill if the committee amendments have yet been completed?

Mr. REED of Pennsylvania. No; we are now considering an amendment on page 325, which deals with assistants to the general counsel. There are about half a dozen committee amendments still to dispose of. The Senator from Utah was discussing this amendment a short time ago.

Mr. KING. Recurring to the amendment, which I shall briefly state, I want to submit just a word or two. On page 325, beginning with line 24, the following language appears:

There is hereby created in the Bureau of Internal Revenue the office of assistant to the general counsel.

That is a part of the amendment tendered by the Finance Committee. To that sentence I have no objection. It is to the residue of the section that I object; it reads as follows:

Assistants to the general counsel shall be appointed by the President, by and with the advice and consent of the Senate, but not more

than six assistants shall hold office at any time. Each assistant to the general counsel shall receive a salary at the rate of $8,000 per annum and shall perform such duties as may be prescribed by the commissioner or required by law.

Such legislation in my opinion is highly improper. It is an attempt to take care of six persons now holding positions in the Treasury Department. I opposed this morning in a temperate way some of the provisions relating to the Board of Tax Appeals.

I stated then that the board was saturated with bureaucracy. A great majority of the appointments were from within the department or gathered from the outside from a list of persons who had recently severed their relations with the department. It seems as if the commissioner, or those who are controlling the tax unit of the Government, want to keep within the department, and in these important positions, persons having their point of view and who will owe their appointments to those whose actions and rulings they are to pass upon.

I am advised that efforts to have appointed to this board lawyers of recognized standing and ability were unsuccessful, and the reason was that the commissioner and others connected with the Treasury Department determined that most of the members of the board should be employees and ex-employees of the Internal Revenue Bureau. In my opinion the letter and spirit of the law were not observed in the selection of persons to fill the board. Most of the members of the board represent the Treasury's views; they have grown up under the spirit of the tax unit, and can not do otherwise than reflect the unit's views upon the questions which will come before them. This is unfortunate when it is recalled that the investigation of the Internal Revenue Bureau by the Couzens committee demonstrated that erroneous rulings have been made, injustices have been permitted, confused decisions have been made, and the Government has been deprived of millions of taxes legally due from large corporations.

Most of those appointed upon the board were persons who had had no experience as lawyers in the general practice of law. They were officials in the tax unit, and with but little knowledge of the great science of the law. I am not condemning the board. So far as I know, they are men of good character and ability. I am criticizing the policy of filling these positions with so many young men from the tax unit instead of selecting lawyers of large practice and recognized standing by the profession. I do not think the bureaucratic view should be so strongly represented on the board. But to return to my amendment.

There are six other men in the tax unit whom the commission desires to retain, it is claimed, and they must therefore be given new titles and increased emolument. The House provided that there should be created six special deputy commissioners of internal revenue to be appointed by the President, with a salary of $8,000 per annum each. They were to hold office indefinitely; it might be a life tenure. The House gave these individuals a higher title and larger salaries. They are to perform the same duties with diminishing responsibilities and duties, because the work of the Internal Revenue Bureau will grow less, and with the settlement of the war-tax cases there will be a material diminution in the activities of the bureau. The House raised the salaries of these six persons to $8,000.

The Finance Committee amended the bill and provided that—

Assistants to the general counsel shall be appointed by the President, by and with the advice and consent of the Senate, but not more than six assistants shall hold office at any one time. Each assistant to the general counsel shall receive a salary at the rate of $8,000 per annum, etc.

The Senate committee is still solicitous for the welfare of these same six men. They are called "assistants to the general counsel," but their duties are to be the same and their salaries the same. The general counsel already has 162 lawyers working under him. We are asked now to give him six additional ones, with salaries of $8,000 each. I submit this is special and unjust legislation. Its sole purpose is to care for persons now in the bureau and give them a tenure of office different from that which they now enjoy, with a great increase in compensation.

But it may be said the men hold important positions and the department needs their services. That is said of nearly every official in the Government. Particularly when legislation is contemplated to abolish the office or to diminish the salary. The claim is then made that the official is indispensable to the public service. It is possible some Senators think they are indispensable, and they may appeal with great earnestness to their constituents to reelect them because of their invaluable services to the country. However, they retire or pass on and the Republic moves on undisturbed by their departure.

The positions in question are not vital to the country; they can be filled if the present incumbents should resign. There are no "key positions" that can not be filled by others than those now occupying them. Other men can fill the positions the men are occupying to-day, and with as much ability as that which they exhibit in the performance of their duties. I submit that the effect of this proposed legislation will be bad.

If we take these men now occupying positions that correspond with heads of bureaus and give them $8,000 a year, every head or subhead of a bureau and every person holding a corresponding position in the various departments will demand an increase in salary and perhaps a higher and more exalted title. It is my opinion that if we enact into law this particular provision every official in the Government who occupies a corresponding position in any department or any executive agency will insist that he shall receive $8,000 per annum. I think this proposed legislation is unwarranted and discriminatory and will be provocative of further attacks upon the Treasury, further efforts to increase salaries in every department of the Government.

There was no explanation made before the Finance Committee which satisfied me as to the wisdom or necessity of this action. Those men are there, and they have been there for years. I think if some of them should go that there would be no disadvantage to the Government. There have gone out of the department to the advantage of the Government persons who held similar positions. There are some men who would come within this class who are men of ability and standing, but they have been there for years; they have been satisfied with the salary received; and there is no reason why they shall not continue. If they do not do so, others will be glad to take their places without an increase in salaries. So, Mr. President, I hope that my amendment to the committee amendment will be adopted.

The PRESIDING OFFICER. The amendment of the junior Senator from Utah will be stated at the desk.

Mr. KING. My amendment is to strike from the Senate committee amendment beginning in line 25, on page 325, all of the residue of the paragraph down to and including the word "law" in line 7 on page 326.

The PRESIDING OFFICER. The amendment will be stated from the desk.

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Fess	La Follette	Sheppard
Bayard	Fletcher	McKellar	Shipstead
Blease	Frazier	McLean	Shortridge
Borah	George	McMaster	Simmons
Bratton	Gerry	McNary	Smith
Brookhart	Gillett	Metcalf	Smoot
Broussard	Glass	Moses	Stanfield
Bruce	Goff	Neely	Stephens
Butler	Gooding	Norris	Swanson
Cameron	Hale	Nye	Trammell
Capper	Harreld	Oddie	Tyson
Copeland	Harris	Overman	Wadsworth
Couzens	Harrison	Pepper	Walsh
Cummins	Heflin	Phipps	Warren
Curtis	Howell	Pine	Watson
Deneen	Johnson	Ransdell	Weller
Dill	Jones, Wash.	Reed, Mo.	Wheeler
Edge	Kendrick	Reed, Pa.	Willis
Fernald	Keyes	Robinson, Ind.	
Ferris	King	Sackett	

The VICE PRESIDENT. Seventy-eight Senators having answered to their names, a quorum is present.

Mr. REED of Pennsylvania obtained the floor.

The VICE PRESIDENT. Will the Senator from Pennsylvania yield, in order that the amendment proposed by the junior Senator from Utah [Mr. KING] to the committee amendment may be stated?

Mr. REED of Pennsylvania. I shall be glad to have that done.

The VICE PRESIDENT. The amendment to the committee amendment will be stated.

The CHIEF CLERK. On page 325, beginning in line 25, the junior Senator from Utah [Mr. KING] proposes to strike out the words:

Assistants to the general counsel shall be appointed by the President, by and with the advice and consent of the Senate, but not more than six assistants shall hold office at any one time. Each assistant to the general counsel shall receive a salary at the rate of $8,000 per annum and shall perform such duties as may be prescribed by the commissioner or required by law.

Mr. REED of Pennsylvania. Mr. President, the purpose the committee had in mind in inserting this amendment was, if possible, to cut down the excessive turnover among the lawyers employed in the Bureau of Internal Revenue. At the present time it is nearly impossible to keep a good man there. Those men can earn more in a month outside in private practice than they are paid for a year's service for the Government. The men who will be paid $8,000 per annum under the committee amendment have to handle cases running into the millions of dollars. Never a day will pass but each of those men will have on his desk a case involving a million dollars or more to the Government.

An illustration of the responsibilities that rest on these men and the way they are underpaid is shown in the Steel Corporation case, which involved $27,000,000. The report on that case was written by a man who was getting a salary from the Government of but $3,500 a year. By the time he had written his report he received an offer to take outside employment at $10,000 a year, and he accepted it. Now, there is no one in the bureau who knows what is in that opinion, which is nearly 3,000 pages long, and the bureau will have to consume a good deal of the time of another man in learning just what is in the opinion.

In the long run we waste money by underpaying these men, and the committee felt, and felt almost unanimously—I think the junior Senator from Utah [Mr. KING] was the only one who disagreed—that $8,000 a year was not too much for these assistants.

Mr. KING. Mr. President, I apologize for restating some of the points which I made a few moments ago. The situation briefly is this: The House created or sought to create six additional deputy commissioners. The object was to create high titles for men who are now in the department. They occupy similar positions in the department to those occupied by men in other agencies and departments of the Government whose salaries are from $4,000 to $5,000 a year. My first point was that if we increase the salaries of these officials we are bound to increase them in all the departments of the Government, and the result will be that we will have hundreds and thousands of applications to increase salaries in all departments of the Government.

Secondly, these six men are there working in the department. They have been satisfied, apparently, with the salaries which they have received. The plan now is to give them different titles and call them assistants to the general counsel of the bureau. He already has 162 lawyers under his jurisdiction, and some of them receive four, five, or six thousand dollars. I think they are rendering efficient service. Mr. Gregg, who will be named general counsel, indeed, who has been named now for solicitor, is a man of ability, and he will have charge of all the legal activities of the bureau. I object to taking these men who now have positions there, giving them different titles, and increasing their salaries. Their positions are in part executive in character. I think it is unfair and discriminatory to lift them out and give them a different title and increase their compensation, because, as I said, every subordinate in the Government service who occupies a corresponding position in the departments of necessity will have to be paid the same salary, or at least he will demand an increase in his salary.

It is true that there is some turnover there, Mr. President. It is true that a good many men have left the department. A good many men who have left the department are not making double the salaries that they made there. It is like it is in law or in medicine. We hear of some man who makes a fee of $100,000 or $200,000, and immediately young men covet the position of lawyer, and they study law, expecting to become immensely rich; and yet the lawyers of the United States do not earn on the average $1,000 a year. That is the average earning of all the lawyers of the United States. We select some of these men who have gotten secret information in the departments and who go out and get some client who has a large claim, and they get 15 or 20 or 30 per cent upon any refund which they may obtain, and thus get an enormous fee, and so we soon hear of these large fees; and other young men, hoping to get large fees, leave the department. Many of them succeed, many do not. There are some men in the department, as there are some men upon the bench, who have some pride in their work, and who are interested in doing good work and who would not be seduced away from their positions by the possibility of being employed in some big case if they should sever their relations with the Government.

I know of men who have left lucrative positions to become professors on a salary of three or four thousand dollars a year. There is something in the world besides the mere salary; and merely to gratify these six men, or to provide berths for them by increasing the compensation beyond that which is paid to men who are doing law work in the Post Office Department or in the other departments of the Government seems to me vicious, discriminatory, unwise, and unfair.

Mr. REED of Pennsylvania. Mr. President——

Mr. KING. I yield.

Mr. REED of Pennsylvania. Does the Senator know that we have had seven Solicitors of Internal Revenue in the last seven years; that the old committee on appeals and reviews in the bureau, which contained the highest-paid lawyers there, had 16 resignations out of 21 members in a space of four years; that they had four chairmen of that board in four years? Does not the Senator think there is a great loss of efficiency from that excessive turnover?

Mr. KING. Mr. President, I agree with the Senator that there is some loss of efficiency; but the Senator is referring to an abnormal situation, which will not be long continued. We had these amortization cases, these depreciation cases, these war situations, in which there was a vast amount of business dumped in upon the department. Some of these men when they learned of these tax-refund cases and of the chaotic condition of the department, of the lack of uniformity in rulings, when they learned that they could go out and take the case of some taxpayer and get an enormous fee in a few weeks, resigned. A good many of them resigned; but, fortunately, that situation will soon end. The department will clear up its business; matters will become current; and I make the prophecy that within two years there will be hundreds of lawyers seeking jobs in the Government service at salaries very much less than $8,000. Men covet these positions as they coveted the positions upon the Tax Appeal Board, where the compensation was only $7,500. Now we propose to increase that to $10,000, though there were scores of men seeking the positions when the compensation was only $7,500.

Mr. President, this is discriminatory. It is an effort to take care of six men in the department and to increase their salaries by merely changing the title of the office which is bestowed upon them.

I hope that my amendment will prevail.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. KING. Mr. President, in line 3, I move to strike out the word "six" and insert the word "four," so that it will read:

not more than four assistants.

As I state, the general counsel already has 162 lawyers, and now it is proposed to give him 6 more. I wish to limit it to 4.

I ask for a vote.

The VICE PRESIDENT. The question is upon agreeing to the amendment offered by the Senator from Utah to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. KING. Mr. President, I desire to say that I shall ask for a record vote on this amendment in the Senate.

The VICE PRESIDENT. The question now is upon agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. REED of Pennsylvania. Mr. President, I ask now that we take up my request to reconsider the amortization amendment, which was put in on page 334. I ask unanimous consent that the vote by which that amendment was adopted be reconsidered.

The VICE PRESIDENT. Is there objection to the request for reconsideration? The Chair hears none, and the vote by which the amendment was adopted is reconsidered.

Mr. REED of Pennsylvania. Now, Mr. President, I move to strike out the date "March 3, 1924," and to insert in lieu thereof the date "June 15, 1924." I may say that I understand that the Senator from Utah [Mr. KING] has had a chance to consider the matter and is now ready to agree to the change.

Mr. KING. Mr. President, I have given attention to that matter, and I believe that it was the intention of Congress to extend the period for three years, and that would bring it up to June, 1924. If the amendment goes no further than that, I am willing to accept it.

Mr. FLETCHER. Mr. President, I do not quite understand what the amendment is. Does the Senator say it is on page 334?

Mr. REED of Pennsylvania. On page 334 an amendment was inserted which will allow amortization claims if they were

filed up to March 3, 1924. The committee wants to change that date to June 15, 1924.

Mr. KING. It does not permit the filing of any claims now, or after June, 1924, no matter what their character may be.

Mr. SMITH. Mr. President, how far back are these claims allowed to run? I understand that now they only run up to a certain fixed period, and that after that there will be no more amortization claims.

Mr. REED of Pennsylvania. The whole idea of war-time amortization has ceased. It does not apply now. No such amortization is permitted for present years.

Mr. SMITH. Mr. President, let me read a letter which I have here. I want the Senator to help out my constituent. He says:

As there are matters concerning claims for refund in which I am much interested, and as our local interests, in common with others, had to make certain changes under war-time conditions, there has been pending with the Board of Tax Appeals a case in which consideration of amortization is an important factor.

I am informed that, following the decision of the Board of Tax Appeals in the case of the Stauffer Chemical Co., decision 835, the Treasury Department is disallowing all deductions for amortization in which claim was not made at the time of filing returns for the taxable years 1918, 1919, 1920, and 1921.

Mr. REED of Pennsylvania. Mr. President, I can answer that now. Those claims will be allowed, if they are otherwise proper, provided they were filed at any time before June 15, 1924. That will amply take care of the case of the Senator's correspondent.

Mr. SMITH. Yes. Let me read another paragraph and see if we are correct:

I do not believe that it was the intention of Congress to thus deprive taxpayers of proper deductions, the right to which had accrued prior to the passage of the revenue act of 1921, especially in view of the fact that in many cases the extent of deductible losses was not definitely ascertained until the end of the normal postwar years, namely, March 3, 1924.

It is quite possible that later decisions of the Board of Tax Appeals may define the situation more clearly, but at present I believe it to be highly desirable that, if possible, an amendment be made of the pending revenue bill which will remove all doubt and clearly define the rights of taxpayers in this respect.

Now he refers to this bill:

As the case in which I am interested is going to be affected by the foregoing decision of the board, I would request and urge your consideration to use your efforts in having the adoption of the amendment of the pending revenue bill to the effect "that nothing in paragraph (9) of subdivision (a) of section 214, or paragraph (8) of subdivision (a), section 234, of the revenue act of 1921, shall be construed to bar from allowance any claim for amortization relating to any taxable year prior to 1921.

Mr. REED of Pennsylvania. In substance, this provides the same thing. All that would limit the claim of the Senator's correspondent would be that he neglected to file his claim until after June 15, 1924; but as the date that he himself mentions is March 3, 1924, it is perfectly obvious that he will be satisfied, because we give him even more time than he asks for.

Mr. SMITH. If he filed his claim prior to June 15, 1924, his claim will be considered?

Mr. KING. Yes.

Mr. SMITH. Very well, Mr. President.

Mr. KING. Mr. President, I want to say, with respect to the law passed by Congress dealing with amortization claims, that in my opinion Congress has been entirely too lenient. We ought to have cut them off years ago; but Congress passed the law giving three years, and I have acceded to this amendment because in good faith I think we should carry out that provision of the law.

The VICE PRESIDENT. The question is upon agreeing to the amendment offered by the Senator from Pennsylvania to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. Mr. President, the next amendment we desire to take up is found on page 19, known as the depletion amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 19, the committee proposes to strike out lines 19 to 24, inclusive; all of page 20; and page 21 down to and including line 11, and in lieu thereof to insert:

(c) The basis upon which depletion, exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the same as is provided in subdivision (a) or (b) for the purpose of determining the gain or loss upon the sale or other disposition of such property, except that—

(1) In the case of mines discovered by the taxpayer after February 28, 1913, the basis for depletion shall be the fair market value of the property at the date of discovery or within 30 days thereafter, if such mines were not acquired as the result of purchase of a proven tract or lease, and if the fair market value of the property is materially disproportionate to the cost. The depletion allowance based on discovery value provided in this paragraph shall not exceed 50 per cent of the net income of the taxpayer (computed without allowance for depletion) from the property upon which the discovery was made, except that in no case shall the depletion allowance be less than it would be if computed without reference to discovery value. Discoveries shall include minerals discovered or proven in an existing mine or mining tract by the taxpayer after February 28, 1913, not included in any prior valuation.

(2) In the case of oil and gas wells the allowance for depletion shall be 25 per cent of the gross income from the property during the taxable year. Such allowance shall not exceed 50 per cent of the net income of the taxpayer (computed without allowance for depletion) from the property, except that in no case shall the depletion allowance be less than it would be if computed without reference to this paragraph.

On page 22, line 5, the senior Senator from Florida [Mr. FLETCHER] has the following amendment pending, to strike out the words:

Discoveries shall include minerals discovered or proven in an existing mine or mining tract by the taxpayer after February 28, 1913, not included in any prior valuation.

Mr. FLETCHER. Regarding that amendment, I do not propose to discuss it at any length at all. I merely submit it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Florida to the committee amendment.

Mr. REED of Pennsylvania. I think I ought to say that the amendment offered by the Senator from Florida is very strongly approved by the Treasury Department. They say that if that sentence is left in it will add great confusion and do great injustice to the Government.

Mr. COPELAND. May I ask the Senator from Pennsylvania if he has had any conference with the Senator from West Virginia [Mr. NEELY] about the depletion provision?

Mr. REED of Pennsylvania. That is a different question entirely. That has to do with oil. This relates to the question of mines.

Mr. COPELAND. That matter in which he is interested will be given consideration?

Mr. REED of Pennsylvania. That will be discussed at length, I think, after the Senator from Michigan shall have concluded his remarks.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Florida to the committee amendment.

The amendment to the amendment was agreed to.

Mr. COUZENS. Mr. President, I would like to have the chairman of the Finance Committee explain subdivision (c), paragraphs 1 and 2, on pages 21 and 22 of the bill.

Mr. SMOOT. I will be compelled to leave the Chamber in just a few moments, and if it is agreeable to the Senator from Michigan, I will ask the Senator from Pennsylvania [Mr. REED] to explain that provision.

Mr. COUZENS. That is entirely agreeable.

Mr. REED of Pennsylvania. Mr. President, in substance, the committee did not mean to change the basis for ascertaining depletion on mines. Any change as to mines is a mere change in the wording of the section. It is not intended to change the basic law. We did intend to change the method of calculating depletion on oil wells.

As the Senator so well brought out in his investigation, the calculation of depletion in the case of oil and gas wells has led to great uncertainty and in many cases to widely varying depreciation allowances. It is a rather complicated subject, but perhaps it ought to be explained in some detail.

When we come to calculating the income of a man who owns an oil well, we have to take into account the fact that his capital is constantly disappearing, that it is being depleted by the flow of the oil or gas.

Mr. COUZENS. That is equally true of the depletion of other minerals, is it not?

Mr. REED of Pennsylvania. It is equally true of the depletion of other minerals, and we allow depletion in the case of other minerals, just as coal mined from the ground depletes the mine owner's capital.

It is more difficult to deal with oil than with coal, because we can measure the thickness of the seam of coal, we know its area, and we can calculate with considerable accuracy the tonnage that is in the ground. We do not discover coal in the same way that we discover oil. There is not the element of uncertainty about it.

Obviously, in calculating the oil well owner's income tax, we have, first, to make a deduction from his gross income for the amount by which this capital is being returned to him in this form which we call depletion. In the past that has been calculated in this way: The expert engineer of the bureau goes to the area where the oil is being produced, he finds out what the size of the tract is, and, by a combination of guesswork and imagination, he estimates the quantity of oil in that area, the quantity of oil that is likely to be produced by that well during its entire life. Then, by another process of guesswork, he estimates what each barrel of that oil will bring in during each of the future years during which the oil will be produced, and having arrived at one uncertainty, he multiplies it by the other uncertainty, and that gives him the depletion allowance per barrel to be credited against that man's income before calculating his tax.

Mr. COUZENS. Mr. President, will the Senator yield there?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. COUZENS. If the depletion were computed on cost, that would not happen, would it?

Mr. REED of Pennsylvania. No; it would not happen. If we were to calculate the depletion at some fixed percentage of the cost of the property that would not occur. But ever since early war days Congress has followed the policy of allowing what they call discovery value for both oil and gas wells and for minerals. It is perfectly obvious that if I buy an acre of land in the Rocky Mountains and pay $10 an acre for it, and then, by hard work, discover a rich deposit of gold in it, the calculation of my depletion on the original $10 basis would not allow me any adequate return for my real capital. So, in allowing what is called discovery value, Congress and the bureau have tried to get at the real but the unknown value of the property owned by the taxpayer.

Whether it is wise to handle the problem in that way or not I am not entirely persuaded. It has led to some large deductions from income, but to refuse to do it and to calculate the depletion on the original cost is not fair, either, because in these uncertain industries there is much property which is bound to be worthless, on which the taxpayer really makes a dead loss; but there is no production and consequently no depletion from that property.

Mr. KING. And no tax.

Mr. REED of Pennsylvania. And no tax.

Mr. COUZENS. Does the Senator know of any other industry where that is allowed?

Mr. REED of Pennsylvania. The production of minerals is the only one that I know of—either oil or gas or solid minerals. It is only in the production of such minerals that the element of uncertainty enters so largely.

Mr. COUZENS. We can not determine the degree of the element of risk that enters into the respective industries, but I submit that anyone who undertakes an industry, whether it be a manufacturing industry, a bank, or something else, has an element of risk, has he not?

Mr. REED of Pennsylvania. Yes; he has an element of risk, but his property is generally worth something, even if the risks go against him. That is not true of the man who takes a worthless mineral claim.

Mr. COUZENS. If he discovers oil he gets the results similar to those obtained by the man who produces some trade-marked article that happens to please the people. He may or may not trade-mark an article that appeals to the public. In other words, he may go on for years experimenting with a trade-marked article, and he may lose many millions of dollars; then he may discover an article which appeals to the public, but he is not allowed to capitalize all his previous losses in computing his taxes.

Mr. REED of Pennsylvania. I see the Senator's point. Will not the Senator let me explain what Congress has done and what the committee recommends now, and then we can go back to the more fundamental question which the Senator raises, as to whether either policy is right—that is, the past policy or the new one that we have recommended?

I hope I have explained to the Senate how this present method of calculating depletion in oil wells is really a combination of uncertainties. The factor of error that is possible in either of those elements is intensified by the fact that we are multiplying one uncertainty by another.

That leads to almost constant conflict between the oil-well operators and the bureau. There is hardly any important operator who does not have a lawsuit on every year's return, because he estimates that his depletion is, say, $1.25 a barrel, and the bureau sends its engineers down, and they make guesses different from those of the taxpayer, and they say to him, "No; your depletion is only 30 cents a barrel." While that does not sound very large when applied to an important producing area, it means a difference of millions of dollars to the Government and to the taxpayers.

So we are trying, by the Finance Committee amendment, to get away from those uncertainties and to adopt a rule of thumb which will do approximate justice to both the Government and the taxpayers.

We find, then, that probably the best way to do it is to provide that an arbitrary percentage on the gross value of each year's yield be chalked off for depletion. We figure it on gross income instead of net income, because the net income from oil wells varies very greatly. When the first flush production comes the operating cost of the well is very low per barrel, but as the well trails down and finally comes to produce a small quantity of oil, the cost increases. Up in my State we have many wells working which average less than a quarter of a barrel of oil per day. Obviously, the operating cost of those wells is pretty high, and in many cases production gets down to the point where there is practically no net income, and yet the oil keeps flowing. There is a reduction of capital going on, and if we based the depletion on net income we would not always reflect it.

Mr. HARRELD and Mr. NEELY rose.

The VICE PRESIDENT. Does the Senator from Pennsylvania yield; and if so, to whom?

Mr. REED of Pennsylvania. I yield to the Senator from Oklahoma.

Mr. HARRELD. I would like to ask, if this rule were in vogue, would it not result in thousands of the wells of which the Senator has spoken being shut down entirely because they would not pay, thus taking off the market thousands of barrels of oil?

Mr. REED of Pennsylvania. Oh, no; Mr. President.

Mr. HARRELD. If we applied the depletion based on net profits it would result in that, would it not?

Mr. REED of Pennsylvania. Yes; it would.

Mr. HARRELD. That is what I mean. If we applied a rule that dealt with net profits, it would cause a great many of those wells to be shut down. They may be barely paying now, and yet, because there are thousands of them, they are producing thousands of barrels of oil.

Mr. COUZENS. Let me point out the fact that the law takes only 12½ per cent, so the operator still has 87½ per cent of his profit, even though there arises a condition such as the Senator from Oklahoma has stated.

Mr. HARRELD. As the Senator from Pennsylvania has said, a great many of those wells are producing only a half or a quarter of a barrel per day. Yet, it is high grade oil, and the owner can afford to pump, because he is perhaps making enough each day to justify it. But if you took off a percentage of the net profit, it would bring the profit below the point where it would pay to run a great many of those wells.

Mr. REED of Pennsylvania. Endeavoring to come at the rule of thumb, the Finance Committee decided to base the tax on gross income from the well, and they decided, after long consideration, that 25 per cent of the gross income was about fair. We realize, in doing that, that that is going to work rather a hardship on the owners of flush production, newly discovered oil pools which put out a great amount of oil per day. It is hardly going to be enough to take care of those people, because that flush production does not last long. At the same time we realized that it was going to be a great help to the owners of these little wells which barely pay the cost of pumping and keeping cleaned out. We tried to strike approximately the correct point between the two extremes.

Mr. NEELY. Mr. President, is it not a fact that the period of flush production to which the Senator has referred is usually of short life in his State and in the neighboring State of West Virginia?

Mr. REED of Pennsylvania. Yes; and I think that is true in the mid-continent field, too.

Mr. NEELY. Is it not also a fact that 25 per cent is not a sufficient amount of depletion for those who have this flush production, because of the fact that, basing the judgment on past experience, it can not endure for any great length of time?

Mr. REED of Pennsylvania. If we consider that the well will probably run on for years with the same production and

that we have to strike a happy medium some place, it seemed to me that 25 per cent was pretty nearly enough. If there is any error in the 25 per cent figure, I imagine it is in favor of the Government.

Mr. KING. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I am glad to yield to the Senator from Utah.

Mr. KING. I call the Senator's attention to the further fact which of course the able Senator from West Virginia has in mind, namely, that there is no provision which excludes from consideration all the money which has been expended by the oil man in finding the well. I think he gets as a capital investment, or gets as a part of his expenses, hundreds of thousands or possibly millions that he may have expended in nonproductive activities, and those are to be credited to him and allowed, as I understand the amendment, so that he gets many accretions to the aggregate sum which he balances against any amount he may receive from the well.

May I say to the Senator when he speaks about the action of the committee that I was not satisfied with the amendment and did not agree to it, so I do not want the Senator to include me in the number of Senators on the Finance Committee who agreed to the amendment.

Mr. REED of Pennsylvania. I had forgotten that. I am glad the Senator called attention to it.

Mr. NEELY. Mr. President——

Mr. REED of Pennsylvania. I am glad to yield to the Senator from West Virginia.

Mr. NEELY. Is it not a fact that the bureau in the past has allowed a great deal more than 25 per cent for depletion?

Mr. REED of Pennsylvania. The bureau has allowed on an average about 37.5 per cent, as I recall the figures, over all its cases. Perhaps I had better put the figures in the RECORD to be more definite about it.

Mr. NEELY. Does the Senator think the bureau has allowed an excessive amount for depletion in the past?

Mr. REED of Pennsylvania. I do think so in a good many cases.

Mr. NEELY. The question is, Has the average allowance made by the bureau in all cases been fair and just?

Mr. REED of Pennsylvania. I am not qualified to speak about the average because I do not know of many cases, but I know of some that seemed excessive, and of others that have been criticized which seemed to be all right.

Mr. NEELY. Inasmuch as the purpose of the bill with which the Senate is now laboring and for which the country is anxiously waiting is to reduce taxes, does the Senator think that we should approve this provision, the effect of which will be to raise the taxes of every independent oil operator in the country?

Mr. REED of Pennsylvania. That depends on whether the amount previously allowed was or was not excessive. I believe it is just as important in the tax bill that we equalize burdens as that we reduce for everybody. Now, let me put in the RECORD the figures that show just what the allowances have been.

Mr. NEELY. If the bill is passed in its present form it will result in an increase in the taxes of all independent operators.

Mr. REED of Pennsylvania. It would for some of them and it would result in a decrease for others. I can not bring that out too strongly, that all the little men and men who have settled production will probably be the gainers.

Mr. NEELY. They are the large ones, are they not?

Mr. REED of Pennsylvania. In my section of the country they are not.

Mr. NEELY. In my section of the country they are.

Mr. REED of Pennsylvania. It would result to the disadvantage of those men who have the bonanza wells, the great flush wells producing thousands of barrels a day. I can see why they do not like it, but against each one of those there are 100 men owning smaller wells and it is to their advantage. Before we carry the discussion any further, let me put the figures in the RECORD for which the Senator asked.

Mr. NEELY. Does the Senator know of any independent or so-called small operator who is in favor of the change?

Mr. REED of Pennsylvania. Yes; I do. I know of a good many.

Mr. NEELY. So far as I am informed every independent operator in my State is opposed to it.

Mr. REED of Pennsylvania. Let me be plain about it. I think every oil man of my acquaintance has been after me to get me to agree to raise the figure to 35 per cent, but that is just the thing that takes place in connection with every tariff bill and every tax bill. Nobody wants to pay taxes. Everyone wants to have his exemptions raised. They have a perfect right to do it; and if their point is sound, it ought to be respected. But I can not agree with the Senator that no oil man would be glad to have the amendment adopted. I think very many of them would.

Mr. NEELY. I think those who have settled oil production, like the Standard Oil Co., are perfectly satisfied with it as it is, but I know of no independent producer who does not think that the 25 per cent provided in the amendment should be increased to 35 per cent. I hope the bill will be amended so as to protect the small producers.

Mr. GOFF. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the junior Senator from West Virginia?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. GOFF. I do not want to interrupt the Senator from Pennsylvania now if he will yield to me for a few moments after he has introduced the figures into the RECORD. I want to discuss a point that was suggested by my colleague, the senior Senator from West Virginia.

Mr. REED of Pennsylvania. I am glad to yield to the Senator at this time.

Mr. GOFF. I wish to ask the Senator, if the 25 per cent of gross income allowance does not have the effect, at least on the flush wells, so to speak, of depreciating the capital assets rather than the income received from the wells? While it may result in increasing the income of the Treasury Department, it nevertheless decreases the capital account that is invested in oil, and it has the ultimate effect of discouraging the opening and operating of new fields. My colleague, the senior Senator from West Virginia, has suggested very clearly and most accurately the effect which the 25 per cent depletion has upon the new operator in new territory in such States as West Virginia and the Southwestern States of the United States. Many of the wells, at least 25 per cent, as the Senator from Pennsylvania well knows, are dry holes. If the capital account is to be depleted in the new wells—that is, the discovery wells, so to speak—then the fact that we have a rate of only 25 per cent and not 35 per cent would make a vitally material difference, I understood the Senator to say, and I understand that the figures he is going to introduce are within the experience of the Treasury Department.

Mr. REED of Pennsylvania. I want to put those figures in the RECORD because they are rather enlightening and it is interesting to know just exactly what has happened.

Mr. GOFF. We had better have the figures inserted in the RECORD first and then I will submit some further questions to the Senator with reference to the matter.

Mr. REED of Pennsylvania. The Treasury Department selected at random 50 taxpayers engaged in the production of petroleum for the three-year period 1918, 1919, and 1920, and again for the three-year period 1921, 1922, and 1923. The result shows the percentage of depletion to gross income for those years, and I ask Senators to follow the figures carefully because some of them are pretty startling.

In 1918 the gross income was $15,900,000. I will omit the odd figures. The depletion allowed for net income was $5,195,000. In other words, 32 per cent of the gross income of those taxpayers was excluded from the payment of income tax that year. In 1919 the gross income of the 50 taxpayers was $26,748,000, while the depletion allowances were $11,169,000, or 41.76 per cent of their income. In 1920 their gross income was $57,984,000 and the depletion allowances $21,640,000, or 37 per cent of the income. The average amount of the reduction from their gross income in that three-year period was 37.75 per cent.

The law was changed and I ask Senators to follow the results for the next three years. In the first period of three years there was no limitation in the law on the amount of depletion that could be taken, but in the 1921 law a limitation of 100 per cent of the net income was established. In the 1924 act this was reduced to 50 per cent, but we have not any cases under the 1924 act.

In 1921 the gross income of those taxpayers was $38,412,000 and the depletion allowances were $21,590,000, or 56.20 per cent of their gross income. That, it should be understood, is the amount that is claimed by those taxpayers. There are a number of audits pending and it is to be hoped or expected that the Government would not acquiesce in those high allowances. But that is what their returns show they have deducted from their taxable income on the score of depletion.

Mr. HARRELD. The 1919 and 1920 cases have been audited, and the figures were based on audited accounts?

Mr. REED of Pennsylvania. I think that is true. If it is not true in every case, it is so in nearly every case.

In 1922 they reported gross income of $28,593,000 and charged off $17,842,000 for depletion, or 62.39 per cent of their income. That again I think is apt to be reduced by the time the auditors get to it. In 1923 they reported $21,031,000 gross income and took off $10,911,000 in depletion deductions, or 51.85 per cent.

Mr. COUZENS. How many companies were involved in those figures?

Mr. REED of Pennsylvania. Fifty companies. I may say that these 50 companies are none of them engaged in marketing refined products. If we took cases involving such companies, we would get into complications of their income from refining operations and that would obscure the lesson we can draw from the figures.

Mr. SMITH. Were the last figures the Senator quoted under the 50 per cent limitation?

Mr. REED of Pennsylvania. No. That limitation was put into the 1924 law.

Mr. SMITH. This was where in the judgment of the department it might go as high as 100 per cent?

Mr. REED of Pennsylvania. This was where under the 1921 act the depletion was limited to 100 per cent of the net income.

Mr. HARRELD. What was the per cent in 1919?

Mr. REED of Pennsylvania. The percentage for 1919 was 41.76.

Mr. SACKETT. Does the 50 per cent refer to net income or gross income?

Mr. REED of Pennsylvania. It refers to net income, and the Senator will find the provision on page 22, line 12. On that page appears the Finance Committee's solution or attempted solution of this very difficult problem.

Mr. GOFF. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I am glad to yield to the Senator from West Virginia.

Mr. GOFF. As I understand these figures which the Senator from Pennsylvania has just read into the RECORD, they would admit of the interpretation that the computations of the Treasury Department show that a 35 per cent allowance based upon those figures is necessary to maintain the capital account of the industry.

The depletions which had theretofore been made, beginning in 1918, 1919, and 1920, would average, the Senator said a moment ago, about 37½ or possibly 40 per cent if we are to maintain strictly the capital account of the investment.

The purpose of the depletion allowance is to enable the operator to maintain his capital account, inasmuch as he is a discovered operator rather than one who is maintaining a settled industry.

It seems to those who are operating upon a discovery basis that, if they are to be allowed only 25 per cent for depletion, then, as soon as the flush period of the well has passed, the 25 per cent depletion allowance will obviously invade the capital account, and to that extent deprive them of the incentive as well as the opportunity to continue in the reproduction of oil.

Mr. COUZENS. Mr. President, will the Senator from West Virginia yield at that point?

Mr. GOFF. Certainly, I yield.

Mr. COUZENS. I desire to ask the Senator how he arrives at the capital account? The method of arriving at the capital account that the Senator is talking about being depleted is the important issue; it is the whole controversy.

Mr. GOFF. That is very true; but we arrive at the capital account by taking the general average of the investment devoted to the discovery oil. We then take the number of cases—the Senator from Pennsylvania [Mr. REED] said that his computations were based upon about 50 companies or 50 discovery productions—and so obtain the general average. I was intending to read when the Senator interrupted me—and I was glad he did so—a statement.

Mr. COUZENS. Does the Senator mind stating where that statement came from? I ask that because I observe that it is on the desks of Senators and is without any signature, and to me it bears the evidences of being propaganda. We might as well put advertising on the desks of Senators if propaganda is going to be put there without any signatures to it.

Mr. REED of Pennsylvania. Is the Senator from Michigan referring to the statement I put in?

Mr. COUZENS. No. I am talking about the statement which the Senator from West Virginia [Mr. GOFF] is going to read.

Mr. GOFF. I will say in reply to the Senator from Michigan that he must not think that everything of which he disapproves is propaganda.

Mr. COUZENS. I said it was not signed, sir.

Mr. GOFF. That may all be true, but the Senator says that because it is not signed it is propaganda.

Mr. COUZENS. It is evidently so.

Mr. GOFF. Let me say to the Senator that the figures were given to me by those who obtained them from the tax experts of the Treasury. They are furnished by reliable people interested in this matter and who are constituents of mine. I am using this document not because it contains these statements, but because the figures here collected are correct and are true. I am using the statement merely for the purpose of showing that on page 2 of this memorandum is——

Mr. COUZENS. Who signed the memorandum?

Mr. GOFF. It is not signed; there is no question about that, but the figures to which I refer are figures obtained from the experts of the Treasury Department. Those gentlemen are here; they are within hearing of my statement, and they can rise, through the Senator from Pennsylvania or the Senator from Michigan, and deny anything that I assert is accurately stated in this memorandum. I am using it merely because it contains information which I am advised is correct, inasmuch as it came from the representatives of the Treasury Department.

Mr. President, I desire further in this connection to call the attention of the Senate to a quotation from an address by Mr. E. W. Marland before the American Petroleum Institute on December 23 last, in which he said:

> Up to 1923 approximately $12,000,000,000 were placed in the legitimate channels of oil-field development and operating in the United States, and only $7,500,000,000 returned from the sale of crude oil produced, leaving a deficiency of four and one-half billion dollars.

This memorandum is based upon statements made and conferences had with the experts of the Treasury who have investigated the matter, it is true, in a field of more or less conjecture, but based upon returns made and audited.

The Senator from Pennsylvania says that many of these claims are now in process of audit. I understand he means that many of the claims for depletion are now in what might be denominated the auditing stage, but that, so far as the Treasury can now determine, a fair depletion allowance, an allowance that does not confiscate the capital investment in the interest of the Treasury, is from 35 to 37½ or 40 per cent; clearly a 25 per cent depletion from the gross income is not sufficient to preserve intact the capital account. If we do not have at least 35 per cent—and 40 per cent would be better—then the capital account is invaded; and the tax, instead of being a tax reasonably levied, is a tax to confiscate the capital invested, and therefore discourages the reinvestment of capital in discovery oil production.

Mr. COUZENS. Mr. President, will the Senator yield there?

Mr. GOFF. Certainly.

Mr. COUZENS. The Senator uses two expressions. One is "capital account" and the other is "capital invested." I want to say that the Senator has no evidence that the discovery value is capital invested.

Mr. GOFF. As a matter of course, the very statement of the proposition involves essentially that it is capital. If a man engaged in the production of oil goes out into a new field and invests a certain amount of money in the discovery of oil, such an investment is essentially capital.

Mr. COUZENS. Certainly; I absolutely agree that the amount he has invested is capital invested; that is just the point I am contending for and the thing on which depletion ought to be allowed is the capital invested. No one wants to invade the domain of capital invested; but what we do want to prevent is the fictitious value placed on capital invested.

Mr. GOFF. The difference, as I see it, between the Senator from Michigan and myself is merely a difference in the experience as we see it which the different discoverers of oil have had. If the men who are engaged in discovery production—that is, in flush production—find that this flush production, as my colleague [Mr. NEELY] so well said, exists only for a short time, is exhausted within a very short period, and that the depletion is allowed only at 25 per cent from the gross income, in the majority of cases from which this computation is a logical deduction, then obviously 25 per cent is an invasion of the capital account and so reduces the capital, that it is only a question until that point is reached where all of the capital which is available for the discovery of oil has been absorbed. That is the question in which the producers in the new field not only in West Virginia but in other States are interested.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit a question?

Mr. GOFF. Certainly.

Mr. REED of Pennsylvania. I wonder if the Senator has noticed the last sentence in this paragraph, which provides that

the owner may always have depletion in an amount equal to his actual cost? He is in no danger of getting less than that.

Mr. COUZENS. That is what I was trying to point out.

Mr. GOFF. That might, of course, be, but that is bringing the provision down to a situation which is contradictory, to say the least. The Senator states that the operator is entitled to 25 per cent unless he is willing to stand upon his individual depletion. I do not care to put that construction upon the bill. Under it anyone who is faced with a 25 per cent depletion from gross income would be in the position of saying, "I do not care to stand upon the law; all I want to do is to invoke the individual depletion computation." That is an uncertainty in the law to which I contend the discoverer producers, as we denominate them in the oil fields, should not be subjected if they are to have their capital run such risks. As I said a moment ago, it is a fair statement that 25 per cent at least of the wells drilled are dry. That is another risk to which anyone who engages in producing oil in new fields is subjected. When he goes out to discover he is subjected to that additional loss which comes from 25 per cent of the wells being dry.

Mr. HOWELL. Mr. President, may I ask the Senator a question?

Mr. GOFF. Certainly.

Mr. HOWELL. Does the Senator think that this is necessary in order to encourage the production of oil?

Mr. GOFF. I do.

Mr. HOWELL. Is it not a fact that it is being urged now that oil is being produced too fast; that we ought not to deplete our natural resources as rapidly as we are?

Mr. GOFF. Of course, the question of the Senator from Nebraska involves a matter of economics as to whether we are too extravagant or whether we are living beyond our mineral capacity. I am in no position to answer that question. I think that the law of supply and demand, the law of trade, would regulate the question of the production of new wells. That is to say, Mr. President, if the price of oil reached such a low point in the market as to be unprofitable, those who are investing capital in such productivities would refrain from taking the risk, for the obvious reason that success in producing wells would not repay the tying up of the capital in such enterprises.

Mr. HOWELL. Does not the Senator think we might well wait until the production of oil falls to such a point that it appears necessary to present as a gift to the oil producer a reduction of 25 per cent from his income in figuring his income-tax return?

Mr. GOFF. No; I should not say that, for this reason: The question of the Senator, in my judgment, involves our entering the paternalistic field, and that I do not think we should do in reference to the oil industry or to any other industry. I do not think the Senate of the United States should say to any producing industry in the United States, "You are producing too much" or "You are producing too little." We should let the industries produce as they see fit to produce, and they should be the arbiters of whether or not the demand for what they produce should be supplied by their activities.

Mr. HOWELL. Does not the Senator think that paternalistic tendencies are indicated by a gift rather than by the refusal of a gift?

Mr. GOFF. No; I do not, and for this reason: I think that we should always take into consideration the existing business development in any specific line, and we should then arrive at what is a fair, judicial, and impartial penalty in the form of a tax upon people who see fit in the pursuit of happiness as the Senator and I both know that term is constitutionally used to develop their producing properties.

Mr. HOWELL. But if they are overdeveloping now, why should we offer this premium for further development?

Mr. GOFF. Then that is their lookout and not the lookout of the Government, unless we intend to be paternalistic.

Mr. HARRELD. Mr. President, will the Senator yield for a minute?

Mr. GOFF. I yield to the Senator from Oklahoma.

Mr. HARRELD. I should like to ask the Senator from Nebraska where he gets the idea that there is an overproduction of oil? If there were not another barrel of oil produced to-day and the consumption of oil should continue at the same rate that it is continuing to-day, three months from to-day there would not be a drop of oil in the United States. Where does the Senator get the idea that there is an overproduction of oil?

Mr. HOWELL. Because I have noted that the prices of gasoline in the retail market have been low, especially where those prices have been regulated. The price of gasoline within the past year in Nebraska ran as low as 12 or 13 cents a gallon. Furthermore, I note that gas oil is cheaper to-day than it has been for a long time. Therefore I assume that when these products are relatively cheap there is an ample production, and that there is no necessity of giving a bonus to an oil producer in the way of deducting 25 per cent from his profits before you figure his income tax.

Mr. GLASS. Mr. President, the Senator from Nebraska is the first man I have ever discovered who thinks that gasoline is cheap. Gasoline is more than 100 per cent higher to-day than it was eight years ago.

Mr. HARRELD. If the Senator will permit me to say——

Mr. HOWELL. Just a moment. I should like to say that in Nebraska we have discovered a method of stopping profiteering. As a consequence, when I was in Nebraska last year gasoline could be purchased as low as 13 and 14 cents a gallon. Prior to the time when we put a public gasoline station into operation they had been charging 18 and 22 cents.

Mr. GLASS. Then the Senator's plea is for public gasoline stations, owned by the State, rather than a contention that gasoline generally is very low. Nebraska is exceptional if gasoline is low there. It is not low in Virginia.

Mr. HOWELL. My contention is simply this: That there is ample oil being produced under the conditions which exist to-day to furnish, at least in one State during this last year, gasoline at 13 and 14 cents; and therefore that it is not necessary to insert in this bill a new provision whereby we say to a man who goes into the oil business: "Your profits are $100,000, but before we calculate your income tax we will take away $25,000." That is what this amendment proposes, and I do not think the industry is in a condition that demands this sort of thing; and talking about paternalism, this is paternalism. It is granting these people something that we do not afford anybody else. This proposes a very favored child.

Mr. NEELY. Mr. President, will my colleague yield?

Mr. GOFF. I yield.

Mr. NEELY. Is it not a fact that the only State in which gasoline has been selling for 14 cents a gallon is the State of the Senator from Nebraska, where the State or its municipalities have gone into the business themselves? Has my colleague or any other person heard of gasoline being ridiculously cheap anywhere in the United States, unless it has been in the State of Nebraska?

Mr. HARRELD. Mr. President——

Mr. HOWELL. Mr. President, I should like to answer that question. I am not referring to the prices paid for gasoline at a publicly owned station. A publicly owned station was established and operated until the prices were reduced, and then it went out of business; but the officials said: "We will be ready to go into business again any time you unduly raise prices." As a consequence, last summer, without a public station operating, the spread in gasoline was only 3 or 4 cents. The trouble here in Washington is that you have a tremendous spread. We know very well that the quartermaster store here in the city sells gasoline to naval officers and Army officers at a reasonable price. The Senator can not get it. I can not get it.

Mr. GLASS. I can not get it, and that is the reason why I asked the Senator how he came to the conclusion that gasoline was low.

Mr. HOWELL. I wish to say that I merely have my experience to go by, and I do not consider that the mere fact that retail gasoline is high indicates that the production of oil is falling off. The prices of gasoline and the other products from oil are absolutely controlled; and the difficulty confronting the people of this country is that there is cooperation in nearly every line for the insurance of profits, except agriculture, and that is what is the trouble with agriculture to-day.

Mr. HARRELD. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Oklahoma?

Mr. GOFF. I do.

Mr. HARRELD. I should like to ask the Senator from Nebraska what would be the effect if once the production of oil should drop below the consumption of oil? Would not that necessarily increase the price of gasoline? Would not the law of supply and demand cause it to do so? Does not the Senator think that the important thing, therefore, in holding down the price of gasoline, is to pass such laws as will encourage the production of oil and keep the production of oil above the consumption; and was not that the purpose of this part of the bill and the purpose that Congress had in 1918 in prescribing and giving this discovery depletion to the oil industry? It was to encourage them to take the risks—and they are enormous risks—in order to keep production ahead of consumption and thereby hold down the price of oil.

I desire to ask the Senator if that was not the underlying principle on which this depletion clause was allowed, and if it has not resulted in keeping the production of oil slightly ahead of the consumption of oil?

I gave the figures on this floor last year in discussing another matter. I showed from the statistics that in 47 days from the time I spoke, if there was not another barrel of oil produced, and consumption continued at the rate at which it was then continuing, there would not be a drop of oil in the United States for any purpose. Therefore, it is necessary to keep production ahead of consumption. If not, the price of gasoline will mount to a dollar a gallon; and the very purpose of this allowance is to avoid that. It is not generally understood that that is the very purpose of this discovery depletion allowance, so as to encourage wildcatting; and it has encouraged wildcatting. It has resulted in keeping production ahead of consumption, and thus has held down the price of gasoline.

I make the prediction that if this clause is stricken out of the law men will not go out and take the chances that it is necessary to take in wildcatting; and the natural result will be that consumption will soon exceed production, and then we will have gasoline selling at a dollar a gallon. That will be inevitable, because the law of supply and demand will naturally have that result.

Mr. HOWELL. Mr. President, if that is the situation we shall ultimately be confronted with high prices for petroleum; and I submit that it would be a much better policy for this country to retain a part of its petroleum in the ground here for an emergency, rather than to go on exhausting the oil supply of the country, and secure what is needed to-day from foreign sources. Senators are aware that British scientists have announced that if they do not pay their war debt in rubber they will make us pay their great war debt on account of oil, because Great Britain is securing the great sources of petroleum throughout the world.

Mr. WHEELER. Mr. President——

Mr. HOWELL. I wish to say one word further in this connection. At the time we were loaning Great Britain the funds that represented the debt that has been canceled, she was utilizing her funds in purchasing the interest she now owns in one of the great oil monopolies of the world.

Mr. GOFF. Mr. President, as I was saying when the Senator from Nebraska interrupted with his question, we are discouraging independent oil developbent by allowing a depletion which confiscates the capital invested, because such an allowance of necessity discourages wildcatting or independent oil operations. The suggestions made by the Senator from Nebraska, as I see them, followed to their logical conclusion, take us clearly into the realm of encouraging a monopoly in the production of oil.

It is a well-known fact—so well known that it is axiomatic—that the independent oil operator has no organization that he can take into a new field with him, and that one of the great expenses which he faces is the expense of an overhead; and it is that expense, coupled with the small depletion allowed as a deduction from his gross income when he is successful in discovering oil, that discourages the independent operator from entering the field to compete with monopoly that has its permanent overhead, and has, by and through permanent overhead, the power to eliminate proportionately an operating expense.

I have some other figures, Mr. President, which I now call to the attention of the Senate.

In addition to the fact that 25 per cent of the wells now being drilled are dry, it is computed that from 8 to 10 per cent, and in some instances 12 per cent, of the wells are producing gas and not oil. That brings us clearly to the conclusion that from 35 to 40 per cent of the wells drilled for oil are dry from the oil point of view; and that is another obstruction if not prevention to independent oil development in new fields.

When we take into consideration the further fact that the industry can count upon but little more than one-fourth of its wells being successful, then if we discourage the independent production of oil by those who discover and develop new fields and take the chances of dry wells—from 35 to 40 per cent—and who incur the additional expense which comes from an improvised overhead, then we have discouraged the independent oil operator and have, whether we meant to do so or not—we have played exclusively into the hands of those who produce oil through the cheaper processes of monopoly.

It is for that reason that, in behalf of those who are discovering oil, not only in the State of Pennsylvania and the State of West Virginia, but down in the great oil-producing States of Oklahoma and Texas, that I feel there should be an increase of this depletion tax from 25 to at least 35, if not 40, per cent, for the very necessary reason that the Senator from Pennsylvania has very frankly and very fairly admitted that his computations indicated that from 37½ to possibly 40 per cent was the basis of the depletion which these wells should be entitled, if we were not to have the Treasury of the United States invade the capital investment.

Mr. HARRELD. Mr. President, this is purely an economic question. The trouble comes from the fact that so few people know anything about the production end of the oil business.

Figures were given by the Senator from Pennsylvania awhile ago which show that there is a great deal more money put into oil development than is ever taken out, and that is an undisputed fact. It is a very hazardous business.

In 1918 Congress recognized for the first time the righteousness of allowing to the oil industry this so-called discovery depletion charge. Senators have heard it said that it was a war measure, but it came after the war. It was done because Congress thought by that policy to encourage the production of oil, to keep production above the point of consumption, as I said awhile ago.

Whatever may be said about it, it would be disastrous in this country if we did not produce as much oil as we consumed. If there is a desire to cut down the consumption of oil that is a different question; but as long as there are no restrictions on the consumption of oil it is fundamental that we must produce enough to supply the consuming public with what it uses, and the moment we fail to do that the law of supply and demand will naturally increase the price of gasoline in this country. Congress, recognizing that fact, recognizing that it was necessary to keep production ahead of consumption, as I said, in 1918 for the first time provided for this discovery depletion.

It is not generally understood, but the producer has his choice. He may take his depletion on the cost basis or he may take it on the value of his property at the time the discovery is made, or within 30 days thereafter. A great many of these returns are made upon the cost basis, and they are not affected by this law at all.

I repeat, in so far as depletions are claimed by a producer of oil who pays a big price for his production, this law does not affect them. It affects only that class of producers who go out and lease a body of land, paying a small price for it, drill a wildcat well, or more than one, bring in oil, and discover a field. In that case, of course, because they had gotten these leases at a small price, when there was no oil in sight, had gone out and spent $100,000 in putting down a wildcat well, and had taken the chance in doing so, it would not be right to do otherwise than to give the prospector a depletion allowance as of the value of the property after the discovery was made.

Congress recognized that. That is the only class of men who are affected by this discovery depletion, because the other is based on cost. Just exactly as in the case of a man who buys an office building and tries to deduct depletion allowance, based on the cost of the value of that property, just so a man in the oil business bases his depletion on the cost. But it applies only to that class of fellows who go out and take the hazards of wildcatting and bringing in wells under those circumstances. Congress, I think, rightfully recognized that they were entitled to this relief.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. HARRELD. I yield.

Mr. KING. Does not the Senator know that the number of wildcatters, to use his expression, who have had the advantage of the discovery depletion, is inconsiderable, measured by the number who have been advantaged by it? Is it not a fact, in other words, that it is the Standard Oil, and the Shell, and the Union, and the other big corporations, almost exclusively, who get the benefit of the discovery, and a wildcatter does not get the discovery depletable value? If he gets anything for his risks and hazards, it is in the enhanced sale price he receives soon after the discovery, is it not?

Mr. HARRELD. I will answer that by saying that the usual course in the oil field is that the independent man goes out and does the wildcatting, and afterwards, when he has brought his production up to a point which justifies it, he perhaps sells out to the Standard and gets this relief. The Standard generally uses the cost price, because they have bought after the oil has been discovered and after the values have been determined. The Standard generally uses the cost price for its depletion.

Mr. KING. The cost price, or the discovery depletable, whichever they prefer, and they get such a large discovery de-

pletable value that it is greater than the cost price, and they get that augmented credit or deduction from the taxes which they pay.

Mr. HARRELD. It may work that way sometimes, and I am not saying that it does not, but that does not justify repealing absolutely this provision of law.

Mr. KING. Is the Senator in favor of the amendment which has been offered by the committee?

Mr. HARRELD. I am in favor of the amendment, except that I think the percentage ought to be higher, and I am coming to that in a moment.

Mr. KING. Does not the Senator know that the common practice of the oil companies is to deduct development costs from income as current expense, and that this would permit that to be done, in addition to obtaining the credit for the 25 per cent?

Mr. HARRELD. Of course they deduct as expenses everything in the way of cost that takes place after they acquire the property, but that has nothing to do with the cost value in the first instance or the appraised value of the property 30 days after a well is brought in. That has nothing to do with it. That refers to additional costs which come along in the way of development afterwards, just as if, when the Senator buys a mill, he would take off his expense after he bought it. That is just exactly what the oil producers do.

In order that we may understand the real purpose of this law, I want to read a quotation from a man who is president of the Mid-Continent Oil and Gas Association, which association is made up of both the Standard and independents. This man is an authority on these questions. I quote Judge William N. Davis, president of the Mid-Continent Oil and Gas Association:

> Apparently the criticism of the so-called discovery depletion section is based entirely on the assumption that the allowance was given in the first instance only as a sort of subsidy or bonus to encourage the wildcatters, to stimulate activity and the discovery of oil for war purposes, but the real reason for the allowance was economic and had no relation to the war supply of oil.
>
> This economic reason is found in the character of oil production. An oil well is no sooner completed than its rapid decline begins. The same is true of oil pools and of the total production of the United States. Maintenance of the necessary production of oil is secured only by drilling every year a vast number of wells. The following statement is justified by the closely uniform experience of past years: The sums of money involved have been greatly increased by the ever-increasing depth to which it is necessary to drill.
>
> The record for 1925 will show drilled in the United States to maintain production some 25,000 wells, at a cost of from $800,000,000 to perhaps more than a billion dollars. Of this number between 25 and 30 per cent will be dry holes. Another 5 to 10 per cent will be so small as to be almost equivalent to dry holes; and another one-third of the whole number will have initial production of less than 25 barrels a day to the well. A large portion of these will not return the investment with interest during their lifetime. Thus the profits from the producing branch of the oil industry must come from about one-third of the wells drilled.
>
> Obviously the oil producer, whether an individual or a corporation, must set aside, from the income derived from profitable wells, a reserve for replacement of the oil produced, in an amount adequate to cover all of the contingencies of this hazardous and uncertain business. It would not be sufficient when producing cheap oil from a rich and prolific property to set aside for replacement no more than the cost of that oil. Such procedure, followed by the distribution in dividends of the remainder of the income, would lead to bankruptcy or rapid liquidation of the business.
>
> It may be reasonably assumed that the cost of replacement will approximate the average cost of the discovery and development of a like amount of oil in the ground, and a producing company failing to make the necessary discoveries is frequently forced, in order to maintain its production, to purchase properties discovered by others. A replacement or depletion reserve must therefore be adequate to meet that contingency, and it was upon this ground that in 1919 Congress authorized the discovery value of a property to be the basis for depletion deductions.
>
> Congress should allow oil producers in computing taxable income the same deductions for replacement or depletion reserves that the hazards and irregularities of the business force them to make in the sound conduct of their affairs. They should not be required to pay on income which is only apparent and which in the maintenance of a continuing business must be set aside to replace the oil then being produced.

Mr. President, as I said, in 1918 for the first time Congress recognized this right. Since that time and up until 1924 the oil companies have been enjoying it. In 1924 the law was reenacted except that we reduced to 50 per cent the amount of depletions that might be claimed, instead of allowing a full 100 per cent. The only question, it seems to me, that remains is the question of whether or not the new proposal made by the Senate Finance Committee should be adopted in lieu and instead of the law that has been in existence since 1918.

I listened to the figures presented by the Senator from Pennsylvania [Mr. REED] a while ago. It will be remembered that he took 50 companies, none of whom dealt in the products of oil, but dealt only in the production of oil. The figures showed that depletions were allowed which equals 32 per cent of the gross income received from oil in 1918; that depletions were allowed which equals 41.75 per cent of gross income in 1918; that depletions were allowed in 1920 which, if based on gross income, amounted to 37 per cent; that depletions were allowed in 1921 which, if based on gross income, amounted to 56.20 per cent; that depletions were allowed in 1922 which, if based on gross income, amounted to 62.39 per cent; and that those allowed in 1923 based on gross income amounted to 51.85 per cent. I have added those percentages together and, dividing them, get an average percentage of 46.86; yet complaint is made here because we propose to change the law so as to allow 25 per cent of the gross income. The very figures cited by the Senator from Pennsylvania, in charge of the bill, show that the oil producers of the country have been entitled heretofore to an average depletion charge based on gross income of 46.86 per cent, and yet in the bill it is proposed to reduce that to 25 per cent.

The only objection I can see to the amendment of the committee as it is now pending is that the rate is not high enough. I am informed that the experts of the Treasury Department—and they will correct me if I am in error—have taken 50 cases under the act of 1921, and their figures show that the amount the Government would realize from the income tax on oil would not be affected in those 50 cases if the rates were raised to 35 per cent instead of 25 per cent of the gross production.

I think the proposal to change the method of calculating the discovery depletion charge is very commendable, is very proper, and is right. I happen to know what a force of oil engineers the department has to have to arrive at those values. As I said, the producer of oil may base his depletion on cost or he may base it on the appraised value at the time of the discovery of the well or within 30 days thereafter, so that the engineers of the department are compelled to go out under the present law and make a valuation, not as of this date, but a valuation of the property as of 5 or 10 years ago or 3 years ago. They make a valuation of it as it ought to have been at the time of the discovery or within 30 days thereof, whenever that may be. Anyone can see what a task that is for the Treasury Department. It has resulted in the employment of almost an army of oil engineers. The proposal involved in the Senate committee amendment does not do away with that. All that a man is required to do is to report to the department his gross receipts from oil and take from it a depletion of 25 per cent. The only objection I can see to that is that I think it is not giving the producer of oil a sufficiently large percentage. In my judgment, it ought to be 35 per cent, and I may later offer an amendment to that effect.

Mr. COUZENS obtained the floor.

Mr. NORRIS. Mr. President, will the Senator from Michigan yield to me?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. COUZENS. I yield.

Mr. NORRIS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The enrolling clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McKellar	Sheppard
Bayard	Frazier	McLean	Shipstead
Blease	George	McNary	Shortridge
Bratton	Gerry	Metcalf	Simmons
Brookhart	Gillett	Moses	Smith
Broussard	Glass	Neely	Smoot
Bruce	Goff	Norris	Stephens
Cameron	Hale	Nye	Swanson
Capper	Harreld	Oddie	Trammell
Copeland	Harris	Overman	Tyson
Couzens	Harrison	Pepper	Wadsworth
Dale	Heflin	Phipps	Walsh
Deneen	Howell	Pine	Warren
Edge	Johnson	Ransdell	Watson
Ernst	Jones, Wash.	Reed, Mo.	Weller
Fernald	Kendrick	Reed, Pa.	Wheeler
Ferris	King	Robinson, Ind.	Willis
Fess	La Follette	Sackett	

The PRESIDING OFFICER. Seventy-one Senators having answered to their names, a quorum is present.

Mr. COUZENS. Mr. President, I ask that the committee amendment, on page 21, inserting lines 12 to 25, inclusive, and on page 22, lines 1 to 16, inclusive, be disagreed to. I would cut out of the bill all values based on discoveries and leave it so that all depletions will be computed on the basis of cost. It seems to me, in view of the discussion that has taken place, that perhaps the best way to point out the desirability of the amendment is to read at least briefly from the report of the select committee that investigated the Internal Revenue Bureau. I move to strike out what the committee propose to insert.

The PRESIDING OFFICER. If the Senator from Michigan will permit, the Chair will state that the amendment offered by the Senator from Michigan relates to the proposed committee amendment, and the object which the amendment seeks to accomplish would be accomplished by the rejection of the proposed committee amendment.

Mr. SMOOT. That would be the proper procedure.

Mr. COUZENS. That is the correct parliamentary situation.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. COUZENS. On page 17——

Mr. NORRIS. Mr. President, before the Senator from Michigan proceeds I should like to understand the situation.

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. COUZENS. I yield.

Mr. NORRIS. I should like to understand the situation. I understood that the Senator from Michigan has offered an amendment to the committee amendment.

The PRESIDING OFFICER. If the Senator from Michigan will permit, the Chair will state that the amendment offered by the Senator from Michigan proposes to strike out the committee amendment as amended, which is printed in italics, beginning in line 12, on page 21, and running to line 16, on page 22.

Mr. NORRIS. The amendment offered by the Senator from Michigan was to strike out the committee amendment.

Mr. COUZENS. I withdraw my amendment, and we can take a vote directly on the committee amendment. If the committee amendment shall be rejected, my amendment will then be offered, because it will then be to strike out the provisions of the House bill.

Mr. NORRIS. Did the Senator's amendment undertake to insert anything in place of the committee amendment?

Mr. CUMMINS. No.

Mr. NORRIS. It strikes out the committee amendment?

Mr. COUZENS. What I shall have to do will be to move to strike out the provisions of the House bill after the committee amendment shall have been disagreed to, if it shall be disagreed to.

Mr. President, on page 17 of the report of the committee which investigated the Internal Revenue Bureau, under the head of "Discovery depletion—depletion of discovery value is an exemption," it is stated:

> The provisions of the income tax law which permit discovery value——

Mr. GOFF. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from West Virginia?

Mr. COUZENS. I do.

Mr. GOFF. Before the Senator from Michigan begins his argument, I should like to offer an amendment relating to the same subject matter concerning that to which the Senator from Michigan is now addressing himself. I ask that the amendment which I now send to the desk may be read.

The PRESIDING OFFICER. Without objection, the amendment proposed by the Senator from West Virginia will be stated.

The CHIEF CLERK. On page 22, after line 16, it is proposed to add:

> *Provided, however,* That when the operating expenses of a property are less than 35 per cent of the gross income from the property during the taxable year, the allowance for depletion shall be 35 per cent of such gross income; and when the operating expenses of a property are less than 25 per cent of such gross income, the allowance for depletion shall be 40 per cent of such gross income. Such allowance shall not exceed 50 per cent of the net income of the taxpayer (computed without allowance for depletion) from the property, except that in no case shall the depletion allowance be less than it would be if computed without reference to this paragraph.

Mr. COUZENS. Mr. President, I continue to read from the report of the committee which investigated the Internal Revenue Bureau:

> The provisions of the income tax law which permit discovery value to be depleted grant an exemption to those engaged in the mining and oil industry not granted to or enjoyed by other taxpayers.
>
> The 1913 act and all subsequent income tax laws have treated all increment in the value of capital investments over cost which has accrued since March 1, 1913, as income which becomes taxable when realized by the sale of the property.

That is true when it comes to the sale of the property, but when operated it is exempted under discovery depletion.

I shall skip over a portion of the statement, so as not to delay the Senate, and turn to page 18 of the report, which deals peculiarly with oil, because that seems to be the most discussed matter, although what I propose is applicable to mines and minerals of all kinds just as well as to oil, but the difficulty involved in the case of coal and other minerals is not so great as it is in the case of oil.

> It may be said that the discoverer of oil or minerals assumes a great risk in drilling or prospecting in an unknown field. In the first place, attention is called to the fact that discovery depletion is allowed to the lessor, who sits idly by and risks nothing that is not risked by every investor in real estate. In the second place, we will show that the greater part of the allowances for discovery depletion are made to those who drill in proven ground, where the finding of oil is practically certain. Furthermore, every investor in speculative stocks, particularly those who invest in new enterprises, organized to manufacture new inventions, assume great risks of loss. Except in the case of mines and oil and gas wells, no investor is permitted to set up the value of his business, after its success has been demonstrated, as a deduction from the profit to be derived from that business for the purpose of determining his net taxable income. Discovery depletion is not a deduction permitted for the purpose of arriving at the net income derived from mines and oil and gas wells. It is clearly an exemption from taxation on net income and as such is a discrimination against every other taxpayer and every other industry.
>
> DISCOVERY DEPLETION, $300,000,000 PER YEAR ON OIL
>
> No statistics of the amount of discovery depletion allowed as deductions from taxable income have been compiled by the Bureau of Internal Revenue. Mr. Albert H. Fay, former chief of the natural resources division of the Income Tax Unit, estimates that the deductions allowed to oil producers alone for discovery depletion amount to approximately $300,000,000 per year. As practically all of this depletion is allowed to corporations, which are now taxed at the rate of 12½ per cent, the tax exemption enjoyed by taxpayers in this one industry is approximately $37,500,000 per year.

That appears on page 1874 of the testimony before the committee.

> As these estimates were presented to the committee on February 10, 1925, and no exception has ever been taken to them by the bureau, we feel safe in assuming them to be fairly accurate.
>
> It is obvious that during the high tax years this exemption was worth several hundred millions of dollars to the oil industry. This fact is shown by the allowances made to the Gulf Oil Corporation.
>
> The Gulf Oil Corporation and subsidiaries were allowed depletion deductions, based on cost and 1913 values, for the three years 1917, 1918, and 1919, amounting to $11,517,427.42. These companies were allowed discovery-depletion deductions for 1918 and 1919 alone amounting to $20,996,496.33. Thus it appears that in this case the income exempted from tax, by reason of discovery depletion, in the two years 1918 and 1919 alone was nearly twice the capital depleted during the three years 1917, 1918, and 1919, and that the income exempted would have been taxed at a very much higher rate, had it been taxable, than the rate which was applied to taxable income. The discovery depletion allowed the Gulf Oil Corporation for 1918 and 1919 reduced its taxes for those years by $3,862,517.95.

I submit, Mr. President, that that is not a "wildcat organization"; that is not the producer for whom the Senator from Oklahoma is pleading. That corporation, as will be proved later on, as well as most of the corporations that get the advantage of this provision, could well pay not only the excess-profits tax but could continue to pay the 12½ per cent tax on their profits the same as every other corporation.

If this provision shall be entirely removed from the act it will mean nothing like we are told it will mean by the Senator from Oklahoma and the Senator from West Virginia in its effect upon the industry, because if the companies engaged in the industry make no profit they pay no tax, and if they make a profit they only pay 12½ per cent. So I submit that the entire repeal means no calamity to the industry, but will simplify administration and will put the oil industry and the mining industry on the same basis as every other industry.

> Another illustration of the effect of discovery depletion is found in the case of the United Verde Extension Mining Co.

This case is referred to on pages 3406 to 3411 of the testimony before the committee:

The 1913 value of the property of this company was determined to be $525,000, which was also the par value of the outstanding capital stock of the company. But for the discovery clause in the law, $525,000 would have been the amount this company would have been permitted to deduct from income as depletion during the life of its property.

In 1915 the company discovered an immensely rich deposit of ore. As a result of the allowance of discovery value the amount to be depleted was increased to $30,652,379. Thus during 1915 there was an increase in the value of the property of this company of $30,127,379, which will be realized in the form of operating profits during the life of the property, but which will be exempt from tax as discovery depletion.

In the Texas Gulf Sulphur Co. case a discovery value for depletion purposes of $38,920,000 was allowed on a property which had been purchased by the company for $250,000.

It seems to me, Mr. President, that those are outstanding examples not only of the stupidity of Congress in the past but of the continued stupidity of keeping the provision in the law when the conditions are known.

LIMITATIONS OF AMOUNT OF DISCOVERY DEPLETION DEDUCTIBLE

The provision for the depletion of discovery value was first inserted in the law in 1918. The 1918 act did not limit the discovery depletion allowable. It was found that in some instances the allowance exceeded the operating profit from the property, and the loss thus created was deducted from the income from other sources or carried forward as a deduction from the net taxable income of the succeeding year.

Just imagine that situation! No matter how much profit was made, the fictitious value created by discovery valuation not only wiped out all the profit of the concern and obviated the payment of any tax whatsoever, but the amount by which discovery value exceeded the profits of the corporation was carried over into succeeding years to be deducted again from profits and from taxation.

Mr. SMOOT. That could not possibly happen under the provisions of the pending bill.

Mr. COUZENS. I understand that, but I am showing the absurdity of the whole——

Mr. SMOOT. Of the original law.

Mr. COUZENS. I am showing the absurdity of the whole question of allowing depletion on an estimated value. The only sound value on which depletion can be allowed is the cost of the property to the taxpayer.

To meet this situation the 1921 act provided that the discovery depletion allowable as a deduction shall not exceed the net income—

Now, remember, after this had been going on for some years, they discovered that they were giving the oil and the mining industries too much; so they said:

You can not deduct any more than 100 per cent of your profits and carry over any excess to the following year; so we will exempt you from all taxation, but we will not let you take off for one year in the following year.

Mr. PINE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. COUZENS. I yield.

Mr. PINE. Does the Senator mean to say that they carried over depletion from one year into another year?

Mr. COUZENS. I do.

Mr. PINE. Was that done?

Mr. COUZENS. Yes, sir; and it was permitted by law up to 1921.

Mr. PINE. I deny that it was done.

Mr. COUZENS. The Senator, then, questions the veracity of my statement?

Mr. PINE. I do not question the Senator's veracity. I deny that it is a fact.

Mr. COUZENS. I state that it is a fact, and that we obtained it from the investigation of the Internal Revenue Bureau; and I defy the Senafor to prove that it is not true. He has not a scintilla of evidence to prove that that did not happen in the oil industry.

Mr. PINE. I do not have to prove that it did not happen. I ask the Senator to prove that it did happen.

Mr. COUZENS. I am proving it. If the Senator will sit down and wait long enough, I will prove that it did happen.

Mr. PINE. How can you deplete an income more than 100 per cent?

Mr. KING. That was done.

Mr. COUZENS. That was done, because it was carried over until the following year.

Mr. PINE. That statement I deny.

Mr. COUZENS. I think the Senator is entirely out of order. He submits no proof and practically states that this report that is signed by three Senators, a majority of the committee, is telling an untruth.

Mr. PINE. I have been in the oil business all of this time——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. COUZENS. I do not think I ought to yield to a man who impugns the reputation or the character of a committee that has made a thorough investigation, and who is so ignorant that he has never even been through the bureau to know anything about it.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. PINE. Mr. President——

Mr. COUZENS. I decline to yield.

Mr. HARRELD. Mr. President——

Mr. COUZENS. I decline to yield.

Mr. HARRELD. Does the Senator decline to yield to me?

Mr. COUZENS. I decline to yield.

Mr. HARRELD. All right. I simply wanted to explain that.

Mr. NEELY. Mr. President, I call the Senator from Michigan to order for charging the Senator from Oklahoma [Mr. PINE] with being ignorant.

The PRESIDING OFFICER. The Senator from Michigan will take his seat, and the reporter will read what was said.

The reporter read as follows:

Mr. PINE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. COUZENS. I yield.

Mr. PINE. Does the Senator mean to say that they carried over depletion from one year into another year?

Mr. COUZENS. I do.

Mr. PINE. Was that done?

Mr. COUZENS. Yes, sir; and it was permitted by law up to 1921.

Mr. PINE. I deny that it was done.

Mr. COUZENS. The Senator, then, questions the veracity of my statement?

Mr. PINE. I do not question the Senator's veracity. I deny that it is a fact.

Mr. WILLIS. Mr. President, I move that the Senator from Michigan be permitted to proceed in order.

Mr. NORRIS. It has not been decided yet that he was out of order.

Mr. SMOOT. Let the rest of the statement be read.

Mr. NORRIS. I submit that it has not been decided yet that the Senator from Michigan is out of order.

Mr. KING. Mr. President, I ask to have read what the Senator from Oklahoma said.

The PRESIDING OFFICER. The reporter will read the entire colloquy.

The reporter read as follows:

Mr. PINE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. COUZENS. I yield.

Mr. PINE. Does the Senator mean to say that they carried over depletion from one year into another year?

Mr. COUZENS. I do.

Mr. PINE. Was that done?

Mr. COUZENS. Yes, sir; and it was permitted by law up to 1921.

Mr. PINE. I deny that it was done.

Mr. COUZENS. The Senator, then, questions the veracity of my statement?

Mr. PINE. I do not question the Senator's veracity. I deny that it is a fact.

Mr. COUZENS. I state that it is a fact and that we obtained it from the investigation of the Internal Revenue Bureau; and I defy the Senator to prove that it is not true. He has not a scintilla of evidence to prove that that did not happen in the oil industry.

Mr. PINE. I do not have to prove that it did not happen. I ask the Senator to prove that it did happen.

Mr. COUZENS. I am proving it. If the Senator will sit down and wait long enough, I will prove that it did happen.

Mr. PINE. How can you deplete an income more than 100 per cent?

Mr. KING. That was done.

Mr. COUZENS. That was done because it was carried over until the following year.

Mr. PINE. That statement I deny.

Mr. COUZENS. I think the Senator is entirely out of order. He submits no proof and practically states that this report that is signed by three Senators, a majority of the committee, is telling an untruth.

Mr. PINE. I have been in the oil business all of this time——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. COUZENS. I do not think I ought to yield to a man who impugns the reputation or the character of a committee that has made a thorough investigation, and who is so ignorant that he has never even been through the bureau to know anything about it.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. PINE. Mr. President——

Mr. COUZENS. I decline to yield.

Mr. HARRELD. Mr. President——

Mr. COUZENS. I decline to yield.

Mr. HARRELD. Does the Senator decline to yield to me?

Mr. COUZENS. I decline to yield.

Mr. HARRELD. All right. I simply wanted to explain that.

Mr. WILLIS. Mr. President, before the Chair rules on that point, I submit that a careful consideration of what was said——

The PRESIDING OFFICER. The present occupant of the chair will state that from the reading of the rule it is impossible for him to determine whether or not the Chair is called upon to rule as to whether the point of order is well taken.

Paragraph 4 of Rule XIX reads:

If any Senator, in speaking or otherwise, transgress the rules of the Senate, the Presiding Officer shall, or any Senator may, call him to order; and when a Senator shall be called to order he shall sit down and not proceed without leave of the Senate, which, if granted, shall be upon motion that he be allowed to proceed in order, which motion shall be determined without debate.

Mr. WILLIS. I now renew my motion, Mr. President, that the Senator from Michigan be permitted to proceed in order.

The PRESIDING OFFICER. The question is on the motion of the Senator from Ohio.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. COUZENS. Mr. President, I am not a parliamentarian, but I should like to find out if there was any decision reached as to whether I was out of order. The Senator from West Virginia [Mr. NEELY] submitted to the Chair the point that I was out of order.

Mr. NEELY. Mr. President——

The PRESIDING OFFICER. If the Senator from Michigan will permit, the Chair will state that the Senator from West Virginia stated his motion in such a manner as to invoke paragraph 4 of Rule XIX, which gives the Chair no opportunity to rule on the question. The rule is mandatory, and the present occupant of the chair will state that he complied with that provision. As far as the present occupant of the chair—who also is not a parliamentarian—is concerned, the Chair has no authority or province to rule under paragraph 4 when it is invoked by any Senator. It then becomes mandatory on the part of the Chair to enforce that section of the rule, and no discretionary power is given to the Chair under the rule to decide as to whether or not the point of order is well taken.

Mr. SMITH. Mr. President, does not the rule say, just preceding that paragraph, that the Chair may, upon his own motion or upon the motion of a Senator, call a Senator to order when he has done certain definite, specific things? That is the point the Senator from Michigan is raising. What thing has he done that would cause either the Chair or a Senator to invoke the rule?

Mr. NEELY. Mr. President, I made the point of order and should like to answer the question.

The PRESIDING OFFICER. The present occupant of the chair will state that he will be glad to be advised by Senators older in service here than himself as to the parliamentary situation which exists.

Mr. NEELY. With the permission of the Senate, I read from Rule XIX, paragraph 4:

If any Senator, in speaking or otherwise, transgresses the rules of the Senate——

Mr. BLEASE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. BLEASE. The Chair has ruled on the proposition, and the Senate has unanimously agreed that the Senator from Michigan may proceed, and he has the floor.

The PRESIDING OFFICER. There is no question about that; but the Senator from Michigan raised this point himself, after he received the floor under the rule.

Mr. BLEASE. I submit that he has not any right to raise that question. The Senate has given him permission to proceed, and he has floor.

Mr. NEELY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from West Virginia?

Mr. COUZENS. I do.

Mr. NEELY. With the understanding that I have the floor, Mr. President——

The PRESIDING OFFICER. No; the present occupant of the chair will state that the Senator from Michigan has the floor. He has yielded to the Senator from West Virginia.

Mr. NEELY. Mr. President, I understand that the Senator from Michigan has yielded to me.

The PRESIDING OFFICER. He has yielded to the Senator, but he has not yielded the floor.

Mr. COUZENS. That is true. I have not yielded the floor, but I have yielded to the Senator to ask a question.

Mr. NEELY. I do not want the floor. I want the Senator to permit me to proceed——

The PRESIDING OFFICER. He has done so.

Mr. NEELY. Until I can read the rule and make my comment on it.

Paragraph 4 of Rule XIX provides:

If any Senator, in speaking or otherwise, transgress the rules of the Senate, the Presiding Officer shall, or any Senator may, call him to order; and when a Senator shall be called to order he shall sit down, and not proceed without leave of the Senate.

I submit, Mr. President, that it is a violation, at least of the unwritten law of this body, for one Senator to call another Senator an ignoramus. It is not in keeping with the dignity of a United States Senator to do such a thing, and I protest against it.

Mr. KING. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. KING. While I think the Senator from West Virginia was meticulous—I say that not by way of criticism—in invoking the rule, he could, I think, with far greater propriety have invoked the rule against the Senator from Oklahoma, because it seems to me that a proper interpretation of his statement was a challenge to the veracity of the Senator from Michigan.

Mr. HARRELD. Mr. President——

Mr. NEELY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield; and if so, to whom?

Mr. COUZENS. I yield to the Senator from West Virginia.

Mr. NEELY. I wish to say that I did not hear the first part of the colloquy. I came from the anteroom, and just as I entered the Senate Chamber I heard the distinguished Senator from Michigan say what I have stated, and what I do not think he would have said if he had not been peeved. I, of course, did not hear the remarks that were made before I entered the Chamber.

Mr. HARRELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the senior Senator from Oklahoma?

Mr. COUZENS. I do.

Mr. HARRELD. I do not think the Senator from Utah is justified in making the statement that my colleague had said anything which reflected at all upon the Senator from Michigan. He was taking issue with the statement of fact which is contained in the report of the committee. He did say that he did not believe that that report stated the fact. I think he was within his rights when he made that statement; but, if the Chair will go to the trouble of having the proceedings read again he will find that my colleague said not a thing which reflected upon the Senator from Michigan, although the Senator from Michigan might have understood it in that way; and perhaps that is the cause of the whole trouble. He may have interpreted it in that way, but I think that it is a tempest in a teapot; and I think the Senator from Michigan should go on with his speech, and let that end it.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. The Senator from Michigan.

Mr. COUZENS. I submit that it is not quite so simple as that. This report was signed by the senior Senator from New Mexico [Mr. JONES], the junior Senator from Utah [Mr. KING] and myself—a signed statement, which was being read to the Senate—and I yielded to the junior Senator from Oklahoma, and during the discussion he denied as not true a statement that we had signed. I do not know whether the Senate thinks it is worse to call a Senator a liar or to call him ignorant. It seems, from the way the rule was invoked, as though it is less reprehensible to call a man a liar than it is to call him ignorant.

Mr. BLEASE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from South Carolina will state it.

Mr. BLEASE. The Senate gave the Senator from Michigan permission to go on with his speech, presuming that the other incident had been dropped. I submit that the Senator from Michigan should go on with his speech, and let the personal matter rest. There is another place where they can settle that. [Laughter.]

The PRESIDING OFFICER. The Senate will be in order. The Senator from Michigan will suspend until the Senate is in order. [A pause.] The Senator from Michigan.

Mr. COUZENS. Mr. President, in answer to the junior Senator from Oklahoma, I will state that I have had Mr. Manson conferred with, and he specifically says that the deductions for depletion taken from an Oklahoma field could be deducted from the profits on a Texas production in the following year's return.

Mr. HARRELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. COUZENS. I think I had better not enter into any more controversies with the Senators from Oklahoma.

Mr. HARRELD. I do not mean to get into a controversy.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. HARRELD. I do not mean to be controversial. I do not do that kind of thing.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. COUZENS (reading)—

The provision for the depletion of discovery value was first inserted in the law in 1918. The 1918 act did not limit the discovery depletion allowable. It was found that in some instances the allowance exceeded the operating profit from the property, and the loss thus created was deducted from the income from other sources or carried forward as a deduction from the net taxable income of the succeeding year. To meet this situation the 1921 act provided that the discovery depletion allowable as a deduction shall not exceed the net income, computed without allowance for depletion, from the property on which discovery is made.

In other words, it was obvious to the Congress that they were taking more than 100 per cent, and the losses created thereby carried it over to the next year, because the Congress themselves corrected it, and said by statute that one could not take off more than 100 per cent of his profit.

The 1924 act further limited the discovery depletion allowable to 50 per cent of the net income.

In 1924 Congress observed that this depletion discovery value was so absurd that they cut it by 50 per cent in 1924. So that it must be obvious to anyone that the act of 1918 was absurd, that the act of 1921 was less absurd, and that by 1924 the act had to be worded so as to reduce the depletion by 50 per cent.

An examination of the hearings before the Ways and Means Committee of the House and before the Finance Committee of the Senate, when the 1918 act was under consideration by these committees, shows that the purpose of the provision for discovery depletion was to stimulate wildcatting or prospecting for the oil and minerals then needed to carry on the war.

That was the pretext that was presented to both committees of Congress in 1918 when the war was on.

Mr. HARRELD. Mr. President——

Mr. COUZENS. That was the argument that was advanced as to the request for allowing a discovery value, rather than a cost value.

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. COUZENS (reading)—

The oil industry, through the representatives of its various associations of operators——

Mr. HARRELD. Mr. President——

Mr. COUZENS (continuing)—

represented to the committees of Congress that the country was then consuming oil in excess of production at the rate of 60,000 barrels a day.

The PRESIDING OFFICER. The Senator from Michigan declines to yield.

Mr. COUZENS. That was in 1918. The consumption was in excess of the total production by 60,000 barrels a day. So, because production was much less than the consumption, they appealed to Congress to encourage wildcatting, and for the purpose of encouraging wildcatting Congress granted them this discovery value for depletion purposes.

The oil industry represented to Congress that the prospecting for new oil fields was mostly done by small individuals or concerns. When these prospectors or wildcatters struck oil they sold out and moved on to new undeveloped territory. Sometimes, for years, the wildcatter had no income from which to deduct his losses and expenses, and when he did find oil or mineral the tax rate was so high as to prevent him from even recouping the losses of former years. It was represented that relief from this situation was necessary to encourage that prospecting or wildcatting which was so essential to increase or even maintain the supply essential for the prosecution of the war (1865–66).

It was to meet this situation that the discovery provision was put into the 1918 act.

I submit, Mr. President, that the two purposes for which this was put in the act have entirely disappeared. For one thing, the war is over and the development of oil for the prosecution of the war is not necessary; secondly, the supply is ample for the consumption. Therefore the bases of the two arguments used by the industry have disappeared.

The situation intended to be met by the discovery provision has so changed that every reason advanced for its enactment has disappeared.

Except in the case of lessors, who spend nothing and risk nothing for the discovery of oil, practically all discovery depletion is allowed to corporations. The corporation tax has been reduced to 12½ per cent, and no reason is apparent why any corporation engaged in the operation of oil wells or mines should not pay a 12½ per cent tax on the profits it derives from the discovery of oil or mineral on its property.

An inventor may spend years of time developing an invention from which he may derive immense profits. During the time he is perfecting his invention the inventor, like the wildcatter, may spend much time and money and have no income from which he can deduct his expenses. The manufacturer of a new article may suffer losses over a long period pending the perfection of his manufacturing processes and the development of his market. Neither such inventor nor such manufacturer is permitted by the income tax law to capitalize the prospective profits to be derived from an invention or business developed since March 1, 1913, and deduct their present value from future net income for the purposes of taxation. There is, however, no difference in principle between the cases above stated and that of the prospector for oil or mineral.

Risk is an incident of profit in any business, and, as a rule, the greater the profit the greater the risk which is assumed. The fundamental principle of the whole income tax law is that net profit, "from whatever source derived," shall be taxed. The only exemptions from this rule are the discovery depletion allowed to oil-well and mine operators and the income derived from tax-exempt securities.

The war emergency, arising out of the consumption of 60,000 barrels of oil per day in excess of production, which was pressed as a reason for the enactment of the discovery clause, has also passed. The production of oil now exceeds the demand. The present problem is how to conserve this natural resource.

The President now has a conservation committee in Washington setting about to find ways and means for conserving our natural resources.

LARGE OPERATING COMPANIES, NOT SMALL WILDCATTERS, BENEFICIARIES OF DISCOVERY EXEMPTION

Attention has already been called to the fact that the prospector who discovers new deposits of oil and mineral was represented to the committee of Congress as an itinerant adventurer, who when he discovered an oil well or mine sold out and moved on to new fields (1865). Attention has also been called to the fact that discovery value is not an allowable deduction from the profits arising out of the sale of an oil well or mine, but is deductible only from the income arising out of the operation of a well or mine. It thus appears that the very class for whose relief this exemption was provided can not get the benefit of it, and the exemption can not accomplish its purpose of stimulating activity by this class.

That the wildcatter, who discovers new oil pools, has not been the real beneficiary of this exemption is shown by figures prepared by the oil and gas section of the Income Tax Unit and supplied to the committee (1869).

These figures show that out of 13,671 cases in which discovery depletion was claimed only 35 were actual discoverers of new oil deposits.

In only 35 out of 35,671 cases were they the real discoverers of oil.

Of these 13,671 cases discovery depletion had been allowed in 8,450 cases and 5,221 cases had not been reached for consideration by the oil and gas section.

Another examination of 200 cases made by the oil and gas section showed that 37.5 per cent of the amount of discovery value allowed for depletion was allowed on unproven ground and 62.5 per cent to those who brought in wells in proven fields.

In other words, this whole act produces a result which gave only 37½ per cent of the discovery depletion to real discovery wealth.

These latter cases also showed that 36.3 per cent of the discovery values involved in them were allowed to small operators and 63.7 per cent was allowed to large operators. A note upon the table showing these figures, made by the engineer of the oil and gas section who made the investigation, states that "The very close uniformity in the percentages allowed small operators probably reflects consistent practice in the oil and gas section and also the unvarying operation of economic laws." He also states that the very close approximation of the percentage allowed wildcatters and those allowed small operators "probably indicates nothing more than that taking a large number of cases the original wildcatter is generally a small operator."

In considering the percentages shown for these 200 cases, it must be borne in mind that in classifying these cases a wildcatter is considered to be one who brings in a well outside of a 160-acre tract proven by a commercial well. An oil pool may be, and usually is, large enough to contain many times 160 acres. The real wildcatter, described before the Ways and Means Committee by the representatives of the oil industry, and for whose benefit this clause was enacted, is the discoverer of a new oil pool or field. The ratio in which he has benefited is indicated by the first figures above quoted, 35 out of 13,671.

Mr. Fay estimates that approximately $10,000,000 out of the $300,000,000, or 3⅓ per cent of the annual deductions for discovery depletion, has gone to wildcatters.

That appears in the testimony on page 1874. In other words, out of $300,000,000 allowed for discovery depletion, $10,000,000 goes to the individuals whom Congress intended should have it when they passed the act.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from California?

Mr. COUZENS. I yield.

Mr. SHORTRIDGE. The facts as recited go rather to a criticism of the administration of the law, do they not, than to the true intent and purpose of the law?

Mr. COUZENS. I think not, because it is a difficult problem; and that is a long story, which appears in the testimony. I do not think the committee found so much fault with the interpretation of the law as it did with the lack of uniformity in its application. There was a lack of uniformity in its application.

Mr. President, much has been said about what this 25 per cent which is provided in the Finance Committee's amendment to this provision means.

After this amendment was first suggested in the Finance Committee by the senior Senator from Kansas [Mr. CURTIS], the members of the investigating committee were asked, through Mr. Manson and myself, to ascertain what this would really mean, as far as they could. The conclusions reached, which are substantiated somewhat by these figures which I am now reading, were that a 25 per cent allowance on gross incomes meant in practice an allowance of 50 per cent on net incomes in all cases.

In other words, in some cases it might exceed the 50 per cent, but according to the statute the 50 per cent was the limit, and in no case could we find where it would be less than 50 per cent, so that in effect we might as well say that the discovery value allowed meant a reduction of 50 per cent of the net income in all cases. For example, we took 100 companies who reported in 1918. I might say that the bureau said some of the companies we took were not simply producing companies, but that we included in the list some refining companies. We do not know whether that is true or not, but if it is so the error is entirely upon the bureau, because we took the companies that they used in arriving at the average per cent paid in excess profits under what were called special assessments.

In other words, instead of having to take the whole 80 per cent of the maximum, if there were unusual conditions existing in a particular taxpayer's system or financial structure, then the law permitted him to apply for what was called a special assessment. He may pick out or the bureau may pick out 5 or 10 competitors and average the percentage the competitors paid. The particular taxpayer's percentage may have been 55 per cent of his profits. His competitor's tax may have been anywhere from 15 to 50 per cent. It was intended by the law to cover unusual conditions that might exist where a man in the same industry might have to pay as high as 80 per cent, while his competitor, because of a different financial structure, might get down as low as 15 or 20 per cent, and that would create an unfair condition as between competitors. Therefore the Congress provided what was called a special assessment, so that when a man thought his ratio was too high he applied to the bureau to be assessed under the special assessment provision.

Mr. KING. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. KING. If I may emphasize the statement made by the Senator, which was very clear, the department furnished the 100 companies as a standard of comparison and as a basis for determining whether any abnormality existed which would call for a special assessment and allow greater deductions or greater benefit; so if they have furnished to the committee an unfair comparative statement as a basis, obviously they must have been unfair in reaching the conclusions which they have reached in settling a number of the cases where it was alleged that abnormalities existed. The committee assumed that the officials of the department were fair, and I think they were fair, and that they adopted a fair basis for comparison. The 100 companies which they selected were undoubtedly fairly selected, and therefore the committee was entirely justified in taking for their basis of comparison the same companies which the department itself had taken to determine whether there should be special assessments or not.

Mr. COUZENS. I think that is entirely correct, because if in arriving at those comparisons they used any company that was not in an identical business, if they used an operator and then used a refiner or sales agency and took those for comparative purposes, it was entirely illegal and improper, because the law requires that they take industries in the same business. If they were going to arrive at a comparison for special assessments in a producer's case, they should use all producers for obtaining the rate and not confuse it with refiners.

In the 100 cases gross income from production in 1918 was $286,000,000—I will not read the odd figures. Twenty-five per cent of that, which is what it would be under the pending bill, was $71,000,000. The net income computed without allowance for depletion was $76,000,000. Fifty per cent of that, which was the maximum, was $38,000,000. The depletion allowed by the Income Tax Unit was $18,000,000. The percentage of gross income allowed as depletion was 6.34 per cent in those 100 cases, against 25 per cent as proposed in the bill. The per cent of net income computed without allowance for depletion was 23.6 per cent, showing the difference between an allowance on gross income and an allowance on net income. In other words, in those cases the average allowance based on net income was 34.5 per cent on the net income and only 6.34 on the gross income.

For 1919 we took 115 cases with a gross income of $338,000,000, 25 per cent of which, as proposed under the bill, would be $84,000,000. The per cent of gross income allowed for depletion by the bureau was 5.6 per cent, or 30 per cent of the net income. In 1920 we took 75 companies, with a gross income of $361,000,000, 25 per cent of which was $90,000,000. The net income, computed without allowance for depletion by the bureau, was $29,000,000. The depletion allowed by the Income Tax Unit was $16,000,000, or 4.5 per cent of the gross income or 31.5 per cent of the net income.

I ask permission to have the table inserted in the RECORD, so as not to have to take up the time of the Senate in reading the figures. I have pointed out what I consider the high spots in the report.

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

Comparison of depletion actually allowed oil companies with depletion allowable under 1926 revenue bill

[Discovery depletion included in depletion allowed]

	1918	1919	1920	Total
Number of companies	100	115	75	
Gross income from production	$286, 863, 485	$338, 419, 621	$361, 121, 041	$986, 404, 147
25 per cent of gross income	$71, 715, 871	$84, 604, 905	$90, 280, 260	$246, 601, 037
Net income (computed without allowance for depletion)	$76, 985, 704	$66, 431, 726	$59, 595, 303	$203, 012, 733
50 per cent of net income (computed without allowance for depletion) maximum depletion allowable under 1926 bill	$33, 492, 852	$33, 215, 863	$29, 797, 651	$101, 506, 366
Depletion allowed by Income Tax Unit	$18, 188, 348	$18, 958, 781	$16, 381, 431	$53, 529, 060
Per cent of gross income allowed as depletion	6.34	5.6	4.5	5.4
Per cent of net income (computed without allowance for depletion) allowed as depletion	23.6	28.5	27.5	26.4
Net income taxed after deducting depletion allowed	$58, 796, 856	$47, 472, 945	$43, 213, 872	$149, 483, 673

Comparison of depletion actually allowed oil companies with depletion allowable under 1926 revenue bill—Continued

	1918	1919	1920	Total
Net income taxable after deducting depletion according to 1926 bill	$38,492,852	$33,215,863	$29,797,652	$101,506,367
Per cent of increase in depletion allowable under 1926 bill over depletion actually allowed	111.6	75.2	81.9	89.6
Per cent of reduction in net taxable income when depletion is computed under 1926 bill	34.5	30.0	31.5	32.1

Mr. COUZENS. It might be safely said that the attempt of the Finance Committee to arrive at a percentage was a very admirable undertaking, because the records of the committee which investigated the Internal Revenue Bureau pointed out very clearly the difficulties involved in arriving at a value. It is obvious that those values had to be arrived at in many cases years after discovery was made. The law provided that the value must be fixed as of the time of discovery or within 30 days thereafter, and yet it was years after that time before the Income Tax Unit reached the point where they could examine and audit the taxpayer's return. Then they had to go back and compute the valuation, as to which the taxpayer had the entire benefit of all the experience that accrued from the date of discovery, or 30 days thereafter, up to the time the valuation was actually computed.

If the Senate is determined to allow the oil and mining industry a discovery value, it is a much better proposition to allow them a certain per cent of net income, rather than 25 per cent on gross income, because 80 per cent on net income will be as nearly as possible what the industry has been getting, according to our experience, rather than the 25 per cent as provided in the amendment of the committee.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Utah?

Mr. COUZENS. I yield.

Mr. SMOOT. When the question was first brought to the attention of the committee I spent considerable time trying to arrive at a figure that would be just to the Government and just to the miner. In consultation with the miners they insisted that they should have 40 per cent and that nothing short of 40 per cent would answer. Later there was a representative of the Kansas oil people particularly who so insisted.

The decision by the representatives of the oil people was that 35 per cent was absolutely necessary. But taking into consideration the report made by the Couzens committee, together with the information furnished by the department, which I think showed an average of about 37 per cent, the committee finally decided that they would report the 25 per cent provision as has been done. I really believe that that is as low a percentage of allowance as we ought to impose upon the industry. I have come to the conclusion that it would hardly be fair to make it less than that, although it is said that 20 per cent would be sufficient. I am sure from the investigation I have made that if 35 per cent is not given them, which is what they have to-day, perhaps they are entitled to 25 per cent. That is, my investigation leads me to that belief.

Mr. COUZENS. I submit anyone can pick out any number of cases from the great number in the bureau and arrive at almost any conclusion that he wants to, and yet I do not charge that that has been done. I mean that the results of our inquiry, taking the different concerns that were given to us by the bureau, indicate an entirely different result than was obtained from the 50 companies which were submitted to the Finance Committee.

Mr. SMOOT. That may be true. I know that in some cases, particularly in the case of an oil well where there is a gusher and great production the first year, 25 per cent would not cover it at all. It does seem to me we have to arrive at an average somewhere. We could not enact a law that would recognize, as a basis for taxation for all oil wells, anything that would give what the great gusher would receive under existing law. I do not think it is fair that we should do so. I do believe, however, that it is as far as we ought to go when we reduce it to 25 per cent.

Mr. COUZENS. Does not the Senator consider it a subsidy to the industry to promote development?

Mr. SMOOT. I hardly think so. It is not at the present time with the 25 per cent provision. I know that in 1918 when we had the bill up for discussion the statement as made by the Senator would have been absolutely correct, that it not only affected oil but all the minerals that were needed so badly for war purposes. We have cut it down now in the bill to the point where I believe there is hardly any advantage at all to the companies, taking them as a whole. There may be an advantage here and there to certain producers in small quantities, but there is a disadvantage to the great gusher. That is about the situation. So far as I am personally concerned, I have told all of them that I would support the 25 per cent, but that I could not go any higher than that. The committee was a unit that that was all that could be done. It is for that reason that I want the committee amendment agreed to.

Mr. COUZENS. Mr. President, it seems to me that the committee, under the pressure of the oil industry no doubt, has compromised on a rate lower than the industry wanted. That industry is vitally interested and insistent, as all industries are, on getting every possible advantage that it can in taxation. I am not finding any fault with that, and if the Congress wants to submit to that, it is for them to say; but I can not conceive why that industry is entitled to any concession for depletion any more than any other industry is entitled to a similar concession.

Mr. SMOOT. The only reason, I will say to the Senator, in my mind is this: Every dollar that is taken out is capital. Take a gold mine or a copper mine, and when a vein of ore is discovered every dividend that is paid is not like a dividend that is paid by a going merchandising concern or a manufacturing concern, because such concerns only pay dividends after keeping their capital just as it was, but in the case of a mine every dollar of dividend paid is capital. God Almighty put the ore there and nobody else can ever return it. That is why depletion is allowed to this industry and why it is entitled to the allowance.

Mr. COUZENS. That is a strange philosophy to me. The operators go out and get new oil wells when the old wells have ceased to produce; and that is what this allowance is proposed to encourage. It seems to me that it presents a case no different than that of a man going out and buying more timber. When an individual owner exhausts his forests usually he goes and buys more forests; and when a man exhausts his oil wells he goes out and prospects for or buys more oil wells. These industries have been going on for years and years. Therefore I do not understand the philosophy of saying that something is being taken out of the ground that can not be replaced. It may only be said it can not be replaced in that particular spot, but the industry continues just the same as does any other industry.

Mr. SMOOT. But the individual never will own that same oil or ore in that same spot. His capital is being taken away; there is not any doubt about that at all.

Mr. COUZENS. If I buy ore to produce iron to make automobiles, I am also consuming capital.

Mr. SMOOT. But the Senator gets all that back, together with a profit; he is using his capital, and he does not lose a cent of capital unless he makes a loss in the transaction.

Mr. COUZENS. But his capital in the original investment in the oil well or mine, as the case may be, and he gets back all the capital plus a profit, as other industries get back their capital plus a profit.

Mr. SMOOT. Perhaps he does; but I will say to the Senator now that I think it costs for the prospecting, discovery, development, and working of a mine two or three times more than is ever obtained from the mine in dollars and cents in dividends. I think the whole history of mining in the West ever since it began is that the cost to the prospector, including the development of mines that never pay, amounts to many times more than the dividends that are paid by the mines. I have never heard it denied; I think it is absolutely true; and I know it is true so far as my State is concerned.

Mr. COUZENS. It is also true of other industries. Many more millions of dollars have been lost in the automobile business over a certain period of time than were ever made in the automobile business over a certain period of time. That is true, perhaps, over a certain period of time in the oil or the mining industry.

Mr. SMOOT. Of course, the Senator knows more about the automobile business than I do, but it has been a profitable business to certain individuals I know, and so also has mining.

Mr. COUZENS. Yes; so has mining.

Mr. SMOOT. Yes; I so stated; but I do not think there have been as many dollars lost in the building of automobiles as there have been in undertaking to develop mines.

Mr. COUZENS. Where is the difference, then? If some have been profitable and some have lost in all industries, why an exception in the case of this industry?

Mr. SMOOT. The difference is in the management of the business. Ninety per cent of the failures in business—and

there are about 92 per cent of failures within a given time—comes from over-credit, bad management, and mistakes that are made by those in charge of the business. I do not care how good a manager may be; I do not care if he has studied all of the laws in the world, chemistry and geology and everything else, he can go and hunt for a mine, and he may think it is there, but nine times out of ten—yes; I was going to say ninety-nine times out of one hundred—it is not there. I myself have had a little experience in that matter, I will say to the Senator.

Mr. SHIPSTEAD. Mr. President, if the Senator from Michigan will yield, in the case mentioned no tax is paid.

Mr. COUZENS. Not only is no tax paid, but depletion can be capitalized and deducted as to any property that he does happen to own.

Mr. SMOOT. It is depletion because capital has been taken instead of profits.

Mr. COUZENS. We are not objecting to depletion; there is no controversy about depletion. I recognize that any capital that is depleted must be given credit for, but what I am objecting to is crediting a value for depletion much in excess of what the man invests in the property. That is not done in any other industry; there is no record of any instance in which men are allowed to base depreciation or depletion on anything except what the property cost them. I do not object to that; no one objects to that; but what I object to is this: If a man spends $10,000 in drilling an oil well or in drilling two oil wells and then makes $1,000,000 out of them, he is permitted to deplete on the basis of $1,000,000 instead of on the bases of $10,000, which he invested.

Now, just to show the unreliability of some of the statements that have been made let me refer to the fact that the Senator from West Virginia [Mr. GOFF] read from an unsigned memorandum that was left on the desks of Senators. It is headed—

Memorandum in re the error in section 204 (c) (2) in H. R. 1.

It says it is an error, but no one has pointed out where the error is. Without taking up the time of the Senate to read it all, because it would be a repetition of much of what the Senator from West Virginia said, I call the attention of the Senate to the absurdity of this statement.

Up to 1923 approximately $12,000,000,000 were placed in the legitimate channels of oil-field development and operating in the United States, and only seven and one-half billions of dollars returned from the sale of crude oil produced, leaving a deficiency of four and one-half billion dollars.

Just think how misleading that statement is! It says nothing about how much is left in the wells, nor how much is yet invested. It seeks to draw a misleading, dishonest inference. It says that they have taken out $7,500,000,000 and they invested $12,000,000,000. Suppose then that they have $12,000,000,000 left. Nobody knows from this memorandum. It is the kind of propaganda and it is the kind of material that is used to mislead Congress.

Mr. President, I do not believe it is necessary for me to take up any more time of the Senate in pointing out the unreasonableness of allowing a discovery value for these companies. I call attention to the fact that out of 13,671 cases only 35 were "wildcatters.' If I understand correctly, the proponents of this bill and of this particular provision have abandoned the idea of allowing it to "wildcatters," which was the intention of Congress when it was originally proposed. They have abandoned the idea of allowing this discovery value to "wildcatters," and are going to allow it to the Standard Oil Co., to the Mid-Continent Oil Co., to the Gulf Oil Co., and other oil companies which, as everyone knows, can well afford to pay the 12½ per cent tax on their profits. That is all they have to pay. If the Senators want to exempt them, if they want them to save the 12½ per cent, they will of course pass the bill as it is; but what Congress first intended to do was to allow the deduction to the little "wildcatter" who had spent nearly all his money in exploring for oil and then discovered a well. That was the intent of Congress, as the evidence before the Ways and Means Committee and the Finance Committee of the Senate plainly shows, and as every Senator and Representative who was on those committees at that time must know. That idea has now been entirely abandoned, and this is so profitable and advantageous to the oil industry that it is proposed to extend it so that not only the little "wildcatter" but the whole industry will get the benefit.

I can not understand the philosophy of it all. It is a frank admission that the Standard Oil Co., the Gulf Oil Co., and other big oil companies can not pay the 12½ per cent tax on their profits because the investment they have does not represent the value of the property; in other words, the value of the property, it is assumed, is something different than the amount of money they put into it, and therefore we are going to create a fictitious or an unusual value and allow a depletion based on that value, rather than on the basis of cost, which is the basis used by every other industry except the oil and mining industries.

The VICE PRESIDENT. The question is on agreeing to the amendment to the committee amendment.

Mr. SIMMONS. Mr. President, before the vote is taken on this amendment I wish to make some observations, although I do not propose to discuss the amendment. I may say, however, that so far as the amendment is concerned the committee has dealt with the question very justly, very fairly, and very equitably. One of the most mooted questions that we have had in connection with all of our revenue legislation since 1916 has been the matter of discovery and depletion. I myself have examined very carefully the statistics and I have discussed the matter with many experts who have knowledge of the discovery value and the depletion value of mines, as well as of oil wells. I think it will not work to the disadvantage of the Government, and I am satisfied that it will work very much more justly to the operators and owners if we establish this arbitrary amount as the full extent of the depletion to which the miner and the owner of oil wells shall be entitled.

However, Mr. President, I did not rise for the purpose of discussing that question. I read a few moments ago an article in the New York Times of to-day, in which this statement appears:

Repeal of the estate tax was sanctioned by a much larger vote than had been hoped for—49 to 26—but the Democratic-Republican coalition, which had been driving the bill through the Senate with speed and force, went to pieces when proposals were made to take taxes off admissions, dues, and automobiles. Senators SIMMONS and HARRISON of the Finance Committee could not hold their fellow-Democrats in line, with the result that more Democrats than Republicans voted to abandon the motor and admissions taxes.

The first onslaught on these levies came when Senator KING, of Utah, a Finance Committee member, who disagrees with Senator SIMMONS on the bill, moved to strike out all admissions and dues taxes. His motion was carried by the narrow vote of 36 to 34.

I may state here that I was one of the 36.

Mr. President, that statement in the paper is very misleading and very erroneous. One of the propositions made by the minority in the very beginning, before this bill was taken up by the committee, was the repeal of all admissions and dues taxes. In the committee the minority, as I now remember, voted unanimously in favor of the repeal of admissions and dues taxes. When the matter came up in the Senate the other day on the motion of the Senator from Utah [Mr. KING] to reject the committee amendment, both the Senator from Mississippi [Mr. HARRISON] and myself, and every other member of the minority who voted on the matter, voted as we had voted in the committee, to take the tax off of admissions and dues. In all of the votes that the minority have cast here, with the exception of the Senator from Utah [Mr. KING], the members of the minority have voted in the Senate just as they voted in the committee.

In the committee the members of the minority proposed certain reductions upon the surtaxes. When the committee met we offered to amend the House bill by making those reductions. That motion was defeated by a strict party vote, all Republicans voting against it, all Democrats voting for it; and so we stood upon that question until after we entered into the compromise arrangement with reference to surtaxes.

When our proposition was practically accepted by the majority as to surtaxes we voted for the House bill with that amendment on it. At the time we did that it was known to every member of the committee that the majority members were in favor of the abolition of the inheritance tax; and when that was reached in the committee we all voted for the abolition of the inheritance tax except the Senator from Utah [Mr. KING], without any previous agreement about it, simply because we believed in that principle.

With reference to everything else that has been before the Senate that was before the committee, the minority members of the Finance Committee have taken the same position here that they took in the committee, and have voted that way.

The Senate will recall that some days ago, when we had up the amendment of the committee to increase the tax on corporations from 12½ to 13½ per cent, I stated to the committee that I had opposed this increase in committee and that I proposed to oppose it upon the floor of the Senate with all the might and vigor that I had. I did oppose it, and we came within three votes, I think, of defeating it. When the automobile tax came up in the committee, the committee proposed to

put a tax upon trucks. The minority members of the committee voted unanimously against that proposition. When the matter of adopting that committee amendment was reached yesterday the Senator from Utah [Mr. KING] made an objection to it. If he had not done it, I should have done it; and when the vote was taken upon the question of agreeing to the committee's amendment upon trucks, I voted against it. I voted to take off that tax, and every member of the minority on the Finance Committee voted to take it off.

When the question of the tax on automobiles came up, the same thing happened. We did not "go to pieces." I voted here yesterday to take the tax off of automobiles. I had stated here day before yesterday, in a colloquy which I had with the Senator from Wisconsin [Mr. LENROOT], that I was in favor of taking the tax off of trucks and off of automobiles, and that I was opposed to raising the tax upon corporations. I had already made my fight against the latter, and I stated that I intended to vote against the former, too.

So, Mr. President, what has happened is that the minority members of the Finance Committee have stood by the committee's action in those particulars in which they agreed to the committee's action in the committee, and the minority members of the Finance Committee have opposed and are going to continue to oppose those things adopted by the committee which we did not agree to in committee. We have reached now the matters that we did not agree to, and therefore I am in hearty sympathy and was in hearty sympathy, and so were my associates of the minority, with the position taken by the Senator from Utah [Mr. KING] with reference to the corporation tax and with reference to automobiles and with reference to trucks and with reference to admissions and dues.

I have made this statement, Mr. President, because I find that there is some confusion about it, especially in the press gallery.

The VICE PRESIDENT. The question is upon the amendment offered by the Senator from West Virginia [Mr. GOFF] to the amendment of the committee.

Mr. REED of Pennsylvania. Mr. President, may the amendment be stated?

The VICE PRESIDENT. The Secretary will state the amendment to the amendment.

The CHIEF CLERK. On page 22, at the end of line 16, before the period and after the word "paragraph," it is proposed to insert a colon and the following proviso:

Provided, however, That when the operating expenses of a property are less than 35 per cent of the gross income from the property during the taxable year, the allowance for depletion shall be 35 per cent of such gross income; and where the operating expenses of a property are less than 25 per cent of its gross income, the allowance for depletion shall be 40 per cent of such gross income. Such allowance shall not exceed 50 per cent of the net income of the taxpayer (computed without allowance for depletion) from the property, except that in no case shall the depletion allowance be less than it would be if computed without reference to this paragraph.

Mr. SMOOT. Mr. President, do I understand that the amendment is offered to follow the word "paragraph," in line 16, page 22?

The VICE PRESIDENT. It is.

Mr. SMOOT. I will say to the Senator from West Virginia that the amendment ought to be a substitute for paragraph (2), beginning on line 9, down to and including line 16. It simply provides 35 per cent instead of 25 per cent. It is almost word for word the same as paragraph (2).

Mr. HARRELD. I do not believe that it is subject to that construction.

Mr. SMOOT. This is the first time I have heard it. I was called out of the Chamber.

Mr. HARRELD. I do not believe that the Senator will find that that is the proper construction of it.

Mr. SMOOT. If the Senator from Oklahoma desires to speak in the meantime, I will look at the amendment.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, I should like to state that while I voted for 25 per cent, I should have been willing to allow a little bit more than that; but after conference with Senators who come from the mining sections and the oil sections of the country I became satisfied that it was impossible to get a larger deduction than 25 per cent. I think 25 per cent is fairly just, although I should have been willing to let it go a little bit higher.

Mr. SMOOT. I think myself it is a little low, but I believe it will work out in the end all right.

I find that the Senator from Oklahoma is correct in his construction.

Mr. NEELY. Mr. President, before the vote is taken, I make the point of no quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Fess	La Follette	Sackett
Bayard	Fletcher	McKellar	Sheppard
Blease	Frazier	McLean	Shipstead
Borah	George	McMaster	Shortridge
Bratton	Gerry	McNary	Simmons
Broussard	Gillett	Metcalf	Smith
Bruce	Glass	Moses	Smoot
Butler	Goff	Neely	Stanfield
Cameron	Gooding	Norbeck	Stephens
Capper	Hale	Norris	Swanson
Copeland	Harreld	Nye	Trammell
Couzens	Harris	Oddie	Tyson
Cummins	Harrison	Overman	Walsh
Deneen	Heflin	Pepper	Warren
Dill	Howell	Phipps	Watson
Edge	Jones, Wash.	Pine	Weller
Edwards	Kendrick	Ransdell	Willis
Fernald	Keyes	Reed, Pa.	
Ferris	King	Robinson, Ind.	

Mr. JONES of Washington. I desire to state that the Senator from Kansas [Mr. CURTIS] is necessarily absent on account of his health. He is paired for the rest of the day, as I understand, with the junior Senator from Michigan [Mr. FERRIS].

The VICE PRESIDENT. Seventy-four Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment offered by the Senator from West Virginia to the committee amendment.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is upon agreeing to the amendment as amended.

Mr. SMOOT. I send the following amendment to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 22, line 5, after the word "value" and the period, insert:

Discoveries shall include minerals in commercial quantities contained within a vein or bed discovered in an existing mine or mining tract by the taxpayer after February 3, 1913, if the vein or bed thus discovered was not merely the extension of a continuing vein or bed already known to exist, and if the discovered minerals are of sufficient value and quantity that they could be separately mined and marketed at a profit.

Mr. SMOOT. The Senate to-day struck out lines 5 to 8, and this is to take the place of the matter stricken out.

The VICE PRESIDENT. Lines 5, 6, 7, and 8 have already been stricken out on motion of the Senator from Florida [Mr. FLETCHER].

Mr. SMOOT. I move this as an amendment to the amendment.

Mr. REED of Pennsylvania. This morning, when those lines were stricken out, I made the statement that the Treasury was opposed to the matter contained in the lines stricken out on the motion of the Senator from Florida. I am advised that the same objection does not obtain to the amendment now offered by the Senator from Utah, and it is satisfactory to all concerned.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah to the committee amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment as amended.

Mr. NEELY. Mr. President, I move to amend the bill by striking out the figures "25," in line 10, on page 22, and inserting in lieu thereof the figures "35."

The object of this amendment is to effectuate the purpose of the amendment offered by my colleague [Mr. GOFF], which has just been voted down.

The chairman of the Committee on Finance admitted on the floor a few moments ago that he believed a 25 per cent depletion allowance in the case of oil and gas wells to be insufficient. The ranking minority member of the committee, the Senator from North Carolina [Mr. SIMMONS], just stated that in his opinion an allowance of 25 per cent is not quite adequate.

The 25 per cent is thoroughly satisfactory to the multimillionaire operators, because their production is what is termed "settled production." They suffer little depletion. But every independent operator in West Virginia, Pennsylvania, Texas, Indiana, Louisiana, and California knows that the life of his business demands more than a 25 per cent depletion allowance.

I implore the Senate to give the "wildcat" operator and the courageous explorer a chance. They hazard all their

capital every day and all day long. Neither their taxes nor their burdens should be increased.

But since the 25 per cent depletion allowance provided by the bill is less than the average depletion heretofore allowed by the Bureau of Internal Revenue, the effect of the bill, if passed in its present form, will be to increase the taxes of every independent oil and gas company in the country, and to put many of them entirely out of business.

I ask for justice for these independent concerns, and on my amendment I demand the ayes and noes.

Mr. SIMMONS. Let me say to the Senator that I did say that 25 per cent was a little low, but there was a great deal of evidence that it was sufficient. Thirty-five per cent, however, I think is too high.

Mr. NEELY. Will the Senator yield for a question?

Mr. SIMMONS. Yes.

Mr. NEELY. The Senator states that there was evidence that 35 per cent was too high——

Mr. SIMMONS. No; I said I thought 35 per cent was too high.

Mr. NEELY. And that 25 per cent is too low. I grant that some of the operators who appeared before the committee agreed to the 25 per cent provision, but it was because of the fact that the attitude of the committee led them to believe that if they did not accept 25 per cent they would get nothing, and consequently be ruined.

Mr. SIMMONS. I suggest to the Senator that if he would change it to 30 per cent I would be strongly disposed to support the amendment.

Mr. NEELY. I hope my 35 per cent amendment will carry. But if it should unfortunately fail, I shall then offer another amendment, based upon the suggestion of my distinguished friend from North Carolina [Mr. SIMMONS]. Mr. President, I now demand a vote on my proposed amendment.

Mr. HARRELD. Mr. President, in support of the motion of the Senator from West Virginia, I want to call attention again to the fact that the Senator from Pennsylvania gave some figures a while ago showing that depletion was allowed to the little men in 1918 amounting to 32 per cent on gross income from oil, 41.75 per cent in 1919, 37 per cent in 1920, 56.21 per cent in 1921, 62.39 per cent in 1922, and 51.85 per cent in 1923. That was an average of 46.86 per cent for the six years. If that does not justify the increase from 25 to 35 per cent, I do not see how it could be justified.

Mr. REED of Pennsylvania. Mr. President, I think it is only fair to say that the figures given for those last three years are the figures claimed by the oil operators themselves. In the first three years the figures were 32 per cent, 41 per cent, and 37 per cent. For the last three years, of which the returns have not been audited, the claims of the oil men are filed in their returns, and in those returns they have asked for deductions amounting to 56 per cent, 62 per cent, and 61 per cent.

Mr. SMOOT. I want to say also that some of the claims made by the operators themselves showed a discrepancy between what they would pay under existing law and what they would pay under the Senate committee amendment. They took it for granted they were going to have the full 50 per cent, and perhaps when their returns were audited they would not get more than 25 or 30. So that would hardly be a fair comparison.

Mr. REED of Pennsylvania. Another thing that is worth considering in connection with these claims of the oil operators is that in some of the leases there was a variation in their own claims of their own returns, running from 30 cents to $1.09.

Mr. COUZENS. That is correct.

Mr. REED of Pennsylvania. That shows how much they themselves are apart in their estimates.

Mr. HARRELD. I merely want to say that, leaving out the last three years and taking only the first three years, of the figures the Senator from Pennsylvania gave, the general average is over 40 per cent, which still justifies this amendment making the figure 35 per cent.

Mr. NEELY. I ask for the yeas and nays on my amendment to the amendment.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FERRIS (when his name was called). I have a pair with the senior Senator from Kansas [Mr. CURTIS]. In his absence I withhold my vote.

Mr. FLETCHER (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. DU PONT]. I understand that if the Senator from Delaware were present he would vote "nay," and if I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. HOWELL (when his name was called). I have a pair with the Senator from Kentucky [Mr. ERNST], and in his absence I am compelled to withhold my vote.

Mr. KING (when his name was called). I have a general pair upon this measure with the Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the Senator from Mississippi [Mr. STEPHENS] and vote "nay."

Mr. McLEAN (when his name was called). In the absence of my pair, the Senator from Virginia [Mr. GLASS], I withhold my vote. If I were at liberty to vote, I would vote "nay."

Mr. SWANSON (when his name was called). I have a pair with the senior Senator from Illinois [Mr. McKINLEY]. I transfer that pair to the senior Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. BLEASE. I have a pair with the Senator from Missouri [Mr. WILLIAMS]. I do not know how he would vote on this particular matter, so I withhold my vote. If I were permitted to vote, I would vote "yea."

Mr. FERRIS. As I stated, I have a pair with the senior Senator from Kansas [Mr. CURTIS]. I transfer that pair to the Senator from New Jersey [Mr. EDWARDS] and vote "yea."

Mr. COPELAND. The junior Senator from New Jersey [Mr. EDWARDS] is unavoidably absent. If he were present, he would vote "yea."

Mr. REED of Pennsylvania. I wish to announce that the senior Senator from New York [Mr. WADSWORTH] is necessarily absent. If present, he would vote "nay."

Mr. KING (after having voted in the negative). Since announcing the transfer of my pair, the Senator from Mississippi [Mr. STEPHENS], to whom I transferred it, has entered the Chamber and voted. I therefore transfer my pair with the Senator from Colorado [Mr. PHIPPS] to the Senator from Missouri [Mr. REED] and allow my vote to stand.

Mr. WALSH. My colleague [Mr. WHEELER] is absent on account of illness. He is paired with the senior Senator from Vermont [Mr. GREENE].

Mr. McLEAN. I find I can transfer my pair to the Senator from Minnesota [Mr. SCHALL], which I do, and vote "nay."

Mr. NORRIS. I wish to announce that the senior Senator from California [Mr. JOHNSON] is unavoidably detained from the Senate. He is paired with the senior Senator from Arkansas [Mr. ROBINSON].

Mr. JONES of Washington. I wish to announce the following pairs:

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD].

Mr. SHEPPARD. I desire to announce that my colleague [Mr. MAYFIELD] is detained from the Senate on account of illness. I will let this announcement stand for the day.

The result was announced—yeas 31, nays 32, as follows:

YEAS—31

Bratton	George	Keyes	Shortridge
Broussard	Gerry	Neely	Simmons
Cameron	Goff	Oddie	Smith
Capper	Harreld	Overman	Stephens
Copeland	Harris	Pine	Swanson
Deneen	Harrison	Ransdell	Tyson
Edge	Heflin	Sackett	Weller
Ferris	Kendrick	Sheppard	

NAYS—32

Bayard	Frazier	Metcalf	Shipstead
Borah	Gillett	Moses	Smoot
Bruce	Hale	Norbeck	Stanfield
Butler	Jones, Wash.	Norris	Trammell
Couzens	King	Nye	Walsh
Cummins	La Follette	Pepper	Warren
Dill	McLean	Reed, Pa.	Watson
Fess	McMaster	Robinson, Ind.	Willis

NOT VOTING—33

Ashurst	Ernst	Lenroot	Robinson, Ark.
Bingham	Fernald	McKellar	Schall
Blease	Fletcher	McKinley	Underwood
Brookhart	Glass	McNary	Wadsworth
Caraway	Gooding	Mayfield	Wheeler
Curtis	Greene	Means	Williams
Dale	Howell	Phipps	
du Pont	Johnson	Pittman	
Edwards	Jones, N. Mex.	Reed, Mo.	

So Mr. NEELY's amendment to the amendment was rejected.

Mr. HARRELD obtained the floor.

Mr. NEELY. I now offer another amendment.

The VICE PRESIDENT. The Senator from Oklahoma has the floor.

Mr. HARRELD. I move to amend the committee amendment by striking out, in line 10, on page 22, the numerals "25" and inserting in lieu thereof "30."

Mr. NEELY. That is what I was about to do, and is what I said a few moments ago I would do if the amendment first offered was rejected.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Oklahoma.

Mr. KING. Mr. President, the closeness of the vote just taken would seem to indicate that there exists a strong sentiment in the Senate in favor of conferring special favors on the oil producers and the oil companies in the United States. Undoubtedly the legislation, beginning with 1918, which has dealt with the oil industry, has been most discriminatory and highly favorable to that industry. Under one of the statutes the oil producers of the United States were enabled to avoid paying taxes to the United States, or at least to avoid paying just and fair taxes. Under the pretext of encouraging production the act of 1918 was passed, which was so advantageous to those engaged in the oil industry. It was contended when this legislation was enacted that encouragement was necessary to the wildcatter in order that the needs of the Government and the people might be satisfied.

It is obvious that no legislation of such character, or any legislation, was needed to induce the expenditure of time and money for the discovery of oil fields. But it has transpired that the wildcatter, so called, has not been the principal beneficiary of the legislation enacted by Congress affecting the oil industry.

The wildcatters, if they were persons of limited means, derived but little profit from their efforts and their hazards. The wells which they found were speedily absorbed by the great oil companies of the United States, and these companies were enabled, under the legislation referred to, to secure benefits, advantages, and favors which resulted in the Government being deprived of legitimate revenue.

An examination of the returns made by oil producers and oil companies to the Internal Revenue Bureau support the contention which I am making. The investigation made by the special committee of the Senate, charged with the duty to investigate the Internal Revenue Bureau, incontestably established the fact that the oil companies of the United States have deprived the Government of tens of millions of dollars of taxes. In my opinion, the deductions which have been allowed by the Government under claims of the oil companies for discovery depletion, costs, capital expenditures, depreciation, and so forth, can not be justified. The enormous profits made in this industry and by many companies and producers have not yielded to the Government a fair and just return.

No other industry or business has been so favored in the matter of taxation as has the oil industry. It is not my purpose to examine the law and the rulings of the Treasury Department and the claims made by the oil companies which have resulted in this gross favoritism, this indefensible discrimination, and this loss to the Government of revenues which amounts, in my opinion, to hundreds of millions of dollars. The amendment before us will, in my opinion, prove more favorable to the oil industry than the present law. No wonder the oil interests are back of this amendment and determined that it shall be enacted into law.

Notwithstanding the present statute allows them enormous deductions and advantages and absolves them from paying a just tax to the Government, the tendered amendment will further protect them and so operate as to absolve many producers from paying any tax whatever. The passage of this amendment will be received with great joy by the oil companies of the United States.

I can not understand this great solicitude for the Standard Oil Co., the Shell Co., the Sinclair Co., and the other great organizations, whose annual profits are many hundreds of millions of dollars.

Mr. President, under the guise of simplifying the law we are asked to further legislate in the interest of those who have made millions in the oil fields of the United States. Every industry and every taxpayer should be treated fairly; there should be no inequities and no favoritism. I am afraid we are blinded because of the power and the bigness of great corporations and sometimes deal unjustly with the people. Those who invest capital in acquiring oil lands and in driving wells should have proper deductions and should have a return on their capital before they are called upon to pay taxes to the Federal Government. They are entitled to the application of the same principles which govern in determining invested capital, losses, depreciation, and so forth, in other lines of industry. It may be that because of the peculiar hazards in driving wells there should be an additional allowance or deduction. But the proposition before us goes far beyond any reasonable or fair limits, and is a concession to a profitable industry denied to other industries and not warranted by any conditions of which we have knowledge growing out of or connected with oil production.

Mr. President, Senators are anxious to dispose of this question and I shall not detain them longer. I hope that the amendment will be defeated.

Mr. HARRELD. Mr. President, for reasons best known to myself I withdraw the amendment which I have just offered.

Mr. NEELY. I renew my motion to amend the committee amendment on page 22, in line 10, by striking out the numerals "25" and inserting in lieu thereof the numerals "30."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 22, line 10, the Senator from West Virginia moves to amend the committee amendment by striking out the numerals "25" and inserting in lieu thereof the numerals "30," so as to read:

(2) In the case of oil and gas wells the allowance for depletion shall be 30 per cent of the gross income from the property during the taxable year. Such allowance shall not exceed 50 per cent of the net income of the taxpayer (computed without allowance for depletion) from the property, except that in no case shall the depletion allowance be less than it would be if computed without reference to this paragraph.

Mr. KING. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FERRIS (when his name was called). I have a pair with the senior Senator from Kansas [Mr. CURTIS]. I transfer that pair to the junior Senator from New Jersey [Mr. EDWARDS] and vote "yea."

Mr. FLETCHER (when his name was called). Making the same announcement as on the last vote, I withhold my vote.

Mr. NORRIS (when Mr. JOHNSON's name was called). I desire to announce that the Senator from California [Mr. JOHNSON] is unavoidably detained from the Senate. He is paired with the senior Senator from Arkansas [Mr. ROBINSON].

Mr. KING (when his name was called). I have a general pair upon this question with the Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the senior Senator from Missouri [Mr. REED] and vote "nay."

Mr. McLEAN. Transferring my pair as on the previous vote, I vote "nay."

Mr. SWANSON. Making the same announcement that I did on the previous vote I vote "yea."

The roll call was concluded.

Mr. JONES of Washington. I wish to announce that the Senator from Connecticut [Mr. BINGHAM] is paired with the Senator from Nevada [Mr. PITTMAN], and that the Senator from Colorado [Mr. MEANS] is paired with the Senator from Texas [Mr. MAYFIELD].

Mr. BLEASE. Making the same announcement as before with reference to my pair with the junior Senator from Missouri [Mr. WILLIAMS] I withhold my vote. If I were at liberty to vote I would vote "yea."

Mr. COPELAND. The junior Senator from New Jersey [Mr. EDWARDS] is necessarily absent. If he were present he would vote "yea."

Mr. SACKETT. The senior Senator from Kentucky [Mr. ERNST] is unavoidably absent. If he were present he would vote "yea."

The result was announced—yeas 35, nays 29, as follows:

YEAS—35

Bratton	Goff	Oddie	Simmons
Broussard	Harreld	Overman	Smith
Capper	Harris	Pepper	Stephens
Copeland	Harrison	Pine	Swanson
Deneen	Heflin	Ransdell	Tyson
Edge	Kendrick	Robinson, Ind.	Walsh
Ferris	Keyes	Sackett	Watson
George	Moses	Sheppard	Weller
Gerry	Neely	Shortridge	

NAYS—29

Bayard	Fess	McLean	Shipstead
Borah	Frazier	McMaster	Smoot
Bruce	Gillett	McNary	Stanfield
Butler	Hale	Metcalf	Warren
Cameron	Jones, Wash.	Norbeck	Willis
Cousens	King	Norris	
Cummins	La Follette	Nye	
Dill	McKellar	Reed, Pa.	

NOT VOTING—32

Ashurst	Edwards	Johnson	Reed, Mo.
Bingham	Ernst	Jones, N. Mex.	Robinson, Ark.
Blease	Fernald	Lenroot	Schall
Brookhart	Fletcher	McKinley	Trammell
Caraway	Glass	Mayfield	Underwood
Curtis	Gooding	Means	Wadsworth
Dale	Greene	Phipps	Wheeler
du Pont	Howell	Pittman	Williams

So Mr. NEELY's amendment to the amendment was agreed to.

Mr. KING. I desire to give notice that I shall ask for a separate vote on this question in the Senate.

The VICE PRESIDENT. The question is upon agreeing to the committee amendment as amended.

Mr. NORRIS. I think we ought to have the yeas and nays on that, and I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FERRIS (when his name was called). I have a pair with the Senator from Kansas [Mr. CURTIS]. I transfer that pair to the junior Senator from New Jersey [Mr. EDWARDS] and vote "yea."

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. I transfer that pair to my colleague, the junior Senator from Florida [Mr. TRAMMELL], and vote "yea."

Mr. KING (when his name was called). I have a pair upon this question with the senior Senator from Colorado [Mr. PHIPPS]. Not knowing how he would vote if present, I withhold my vote.

Mr. SWANSON (when his name was called). Making the same announcement as on the previous vote relative to my pair and its transfer, I vote "yea."

Mr. REED of Pennsylvania (when Mr. WADSWORTH's name was called). I am asked to state that the senior Senator from New York [Mr. WADSWORTH] is unavoidably absent, and that if present would vote "yea."

The roll call was concluded.

Mr. JONES of Washington. I desire to announce that the Senator from California [Mr. JOHNSON] is necessarily absent and is paired with the senior Senator from Arkansas [Mr. ROBINSON]. I also desire to announce that if the senior Senator from Kansas [Mr. CURTIS] were present, he would vote "yea."

I am also requested to announce the following pairs:

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD].

Mr. COPELAND. The junior Senator from New Jersey [Mr. EDWARDS] is unavoidably absent. If present, he would vote "yea."

Mr. BLEASE. Making the same announcement as before, I withhold my vote.

Mr. BROOKHART. I have a pair with the junior Senator from Arkansas [Mr. CARAWAY]. If permitted to vote, I should vote "nay."

Mr. HARRISON. I wish to announce that the junior Senator from Wyoming [Mr. KENDRICK] is necessarily absent, and that if present, he would note "yea."

The result was announced—yeas 48, nays 13, as follows:

YEAS—48

Bratton	George	Metcalf	Shortridge
Broussard	Gerry	Moses	Simmons
Bruce	Gillett	Neely	Smith
Butler	Goff	Oddie	Smoot
Cameron	Hale	Overman	Stanfield
Capper	Harreld	Pepper	Stephens
Copeland	Harris	Pine	Swanson
Deneen	Harrison	Ransdell	Tyson
Edge	Heflin	Reed, Pa.	Warren
Ferris	Jones, Wash.	Robinson, Ind.	Watson
Foss	Keyes	Sackett	Weller
Fletcher	McLean	Sheppard	Willis

NAYS—13

Bayard	La Follette	McNary	Nye
Couzens	McKellar	Norbeck	Reed, Mo.
Dill	McMaster	Norris	Shipstead
Frazier			

NOT VOTING—35

Ashurst	du Pont	Jones, N. Mex.	Robinson, Ark.
Bingham	Edwards	Kendrick	Schall
Blease	Ernst	King	Trammell
Borah	Fernald	Lenroot	Underwood
Brookhart	Glass	McKinley	Wadsworth
Caraway	Gooding	Mayfield	Walsh
Cummins	Greene	Means	Wheeler
Curtis	Howell	Phipps	Williams
Dale	Johnson	Pittman	

So the committee amendment as amended was agreed to.

Mr. SMOOT. I ask that the committee amendment, on page 23, line 23, be now agreed to, the Senate having agreed to the amendment relative to depletion on page 19. The amendment is made necessary by the change which we have made in the law.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. SMOOT. Mr. President, on page 260 is the alcohol tax provision, which I desire to bring up at this time.

The VICE PRESIDENT. The Secretary will state the amendment proposed by the Committee on Finance.

The CHIEF CLERK. Under the subhead "Title IX.—Tax on distilled spirits and cereal beverages, tax on distilled spirits," on page 260, after line 9, the Committee on Finance propose to strike out:

SEC. 600. (a) There shall be levied and collected on all distilled spirits now in bond or that have been or that may be hereafter produced in or imported into the United States, in lieu of the internal revenue taxes now imposed thereon by law, an internal revenue tax at the following rates, to be paid by the distiller or importer when withdrawn, and collected under the provisions of existing law.

(1) Until January 1, 1927, $2.20 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon;

(2) On and after January 1, 1927, and until January 1, 1928, $1.65 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon; and

(3) On and after January 1, 1928, $1.10 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon.

And in lieu thereof to insert:

"SEC. 600. (a) (1) There shall be levied and collected on all distilled spirits now in bond or that have been or that may be hereafter produced in or imported into the United States, in lieu of the internal-revenue taxes now imposed thereon by law, an internal-revenue tax of $2.20 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon, to be paid by the distiller or importer when withdrawn, and collected under the provisions of existing law.

Mr. SMOOT. Mr. President, the majority of the Finance Committee have instructed me when this item was reached for consideration to say that the committee desired to recede from its amendment so that the tax imposed upon alcohol will be that as provided by the House of Representatives. The estimates show a loss of revenue under the House provision for this year of $4,000,000 and for next year of $8,000,000; but I think that there is a mistake in the estimates, because, as the House provision reads, there would be no loss for the year 1926. The first reduction begins in 1927. Following this year, however, there would be a loss of $8,000,000.

All I care about is to have the Senate vote upon the question. I have decided that, so far as I am concerned, I will vote to reject the Senate committee amendment, but over $100,000,000 having been taken out of the bill last night, I do not feel that I can vote for any reduction hereafter. I think, Mr. President, I will merely ask the Senate to vote on the question.

Mr. SMITH. Mr. President, let me ask the Senator a question. The tax under the old law was $4 a gallon, was it not?

Mr. SMOOT. No; it was $2.20.

Mr. SMITH. What is the figure that the Senate committee proposes in lieu of the $1.65 tax as provided by the House?

Mr. SMOOT. Under the House provision there is a gradual reduction from $2.20 to $1.10, which was the rate before the World War. The House, however, does not make that reduction in one step. It makes a step from $2.20 to $1.65, and then from $1.65 to $1.10. As the question is now, if the Senate shall disagree to the committee amendment the House provision will stand.

Mr. SIMMONS. Mr. President, I understood the Senator from Utah to say that the Finance Committee had requested him to ask that the Senate recede from the amendment?

Mr. SMOOT. I did.

Mr. SIMMONS. If the committee recedes from it, then there is no amendment.

Mr. SMOOT. I am merely asking now that a vote be taken on it.

Mr. REED of Missouri. What is the present tax?

Mr. SMOOT. It is $2.20 a gallon.

Mr. REED of Missouri. And the committee is now proposing to leave it at that rate?

Mr. SMOOT. The amendment of the Committee on Finance proposes to leave it at $2.20, but if we disagree to the committee amendment, then the House provision will prevail.

Mr. SMITH. Why should we disagree to the committee amendment? What is the reason?

Mr. SMOOT. Because we will thereby be reducing a tax.

Mr. SMITH. Is the rate in the Senate committee amendment lower than in the House provision?

Mr. SMOOT. No; the rate in the Senate committee amendment is higher than in the House provision. The committee amendment makes no reduction whatever in the tax on alcohol, while the House provision does make a reduction.

Mr. SMITH. I understand.

Mr. HEFLIN. Let us vote now on the committee amendment.

Mr. REED of Pennsylvania. Mr. President, I do not agree with the Senator from Utah. I think the amendment proposed by the Finance Committee is wise.

Mr. SMOOT. I did not say that it was not.

Mr. REED of Pennsylvania. Perhaps I misunderstood the Senator. However, I do not agree with those Members who wish to rescind the action of the Finance Committee. They are giving away $8,000,000 a year in revenue, and there is no reason in the world for doing so. The present tax is $2.20. The Finance Committee decided to hold the tax at its present level and not to reduce it. Since that time there has been a perfect storm of letters coming to all the Senators here, and many telegrams, most of them, if not all of them, inspired by manufacturers of a few proprietary medicines, who frankly admit when they are cornered that they do not intend to reduce the price of their medicines to the public.

It is not going to make any difference to the person who goes to the drug store to get a prescription filled; it is not going to make any difference to the person who goes to the drug store to buy a proprietary medicine. The beneficiaries of the reduction made by the House are, first, the manufacturers of patent medicines; and, second, the people who would use that alcohol illegally in the preparation of synthetic liquors.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from Pennsylvania yield to the Senator from Tennessee?

Mr. REED of Pennsylvania. I do not yield the floor; I yield for a question.

Mr. McKELLAR. Mr. President, I just want to say to the Senator that he stated that it would make no difference in the price. Fifty-three thousand retail druggists, represented by the National Association of Retail Druggists and State and county pharmaceutical druggists' associations, all on record in favor of the reduction, have stated, through their national president and general counsel, that the price of prescription products will be lowered to the consumer from 10 to 30 per cent; and that was shown in the House hearings.

Mr. REED of Pennsylvania. Now I should like to take up that statement.

Probably there is no medicine on the shelves of the drug stores that contains a larger percentage of pure grain alcohol than sweet spirits of niter. It runs from 92 to 95 per cent grain alcohol. If anything were going to be benefited by the reduction, that would be. An ounce of that sells at retail for 20 cents.

The statement has been made frequently—I have heard it over and over again—that if we will put in the reduction adopted by the House sweet spirits of niter will sell for 15 cents instead of 20 cents an ounce. The fact is that the tax on an ounce of pure alcohol—assuming that the sweet spirits of niter were all alcohol, 100 per cent—the whole tax on that is about 3¼ cents, and the House reduction, which will take effect after two years, would amount to 1⅝ cents, obviously making impossible the 5-cent reduction that these people talk about.

Then they go on and argue that we use great quantities of iodine in our homes, and that this is a tax on iodine, and that we are keeping up the price of iodine to the poor people who buy it at the drug store, when the fact is that iodine is made of a specially denatured alcohol and they do not use any of this tax-paid alcohol in tincture of iodine.

The same thing is true of the rubbing alcohols that are sold. They will not be cheapened one penny's worth by this action, because those are specially denatured and they pay no tax.

So that the propaganda that we have been getting in such quantities, I want to assure the Senate, proves on investigation to be false. About 90 per cent of it is false, and the Senate ought not to be misled by it.

Mr. LA FOLLETTE. Mr. President, will the Senator yield for a question?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. LA FOLLETTE. How does the Senator from Pennsylvania interpret the testimony of Mr. Sailer, speaking for the American Drug Manufacturers' Association, before the House committee, when he said he thought "there would be a reduction of 20 to 25 per cent in the selling price to the trade of all our alcoholic pharmaceuticals"?

Mr. REED of Pennsylvania. It is not possible. It is positively impossible. The Senator from Utah, I know, will bear me out in that. Whether he is for or against the amendment, I know he will agree with me on that.

Mr. LA FOLLETTE. This man appeared before the committee and was speaking for the American Drug Manufacturers' Association. Of course, it is true that he was appearing in opposition to the amendment; but under cross-examination, as I read his testimony, he admitted that the reduction in tax would cause a 20 to 25 per cent reduction in the cost to the trade. Of course, he could not state whether or not the retailers would pass on the reduction, but he was speaking of selling these preparations to the trade, and stated that the reduction would be from 20 to 25 per cent on the alcoholic pharmaceuticals.

Mr. REED of Pennsylvania. I think that is a gross exaggeration.

Mr. SMOOT. It may be true as to Peruna.

Mr. LA FOLLETTE. No; Mr. President——

Mr. SMOOT. I want to say to the Senator that I have a letter—I have not it here or I should be glad to read it—from a druggist in a city of 15,000 people, and there are four drug stores in that city. He says in that letter to me that during the year 1925 those four drug stores used 4 gallons of alcohol in their prescriptions—1 gallon to each store, on the average—and he is interested in some of the drug stores himself.

Mr. LA FOLLETTE. Mr. President, if the Senator from Pennsylvania will be kind enough to yield further——

Mr. REED of Pennsylvania. I am glad to yield.

Mr. LA FOLLETTE. This gentleman, Mr. Sailer, was not representing the pharmacists, as I understand; he was representing the American Drug Manufacturers' Association. That is, I assume that he was representing those who are engaged in the business of manufacturing drugs and other preparations to be sold to the drug stores, where they are then retailed. I do not want to trespass on the Senator's time.

Mr. REED of Pennsylvania. I am glad to have the Senator make his statement.

Mr. LA FOLLETTE. This gentleman, of course, was arguing against a reduction in the tax, on the ground that a reduction in the tax would bring about a reduction in the price of the goods, and that they had large stocks on hand and would, therefore, suffer a loss; but he says:

> With a list of between five and six hundred alcoholic preparations, of which we have to carry tremendous stocks—and some of those goods have to be made at certain times of the year on account of the particular drug involved—and with our branch houses, of which we have quite a number scattered all over the United States, where we carry stocks, there is a shrinkage right away, and we must sell those goods.

That is, provided the tax should be reduced.

> Our competition will force the reduction. You can depend on them to do that.
>
> We will have immediately to begin selling those goods manufactured at the higher cost at lower prices and be subjected to the entire loss and more than the entire loss of the amount of alcohol that went into them.

Prior to that he had stated that, in his judgment, the reduction on these alcoholic pharmaceuticals would be from 20 to 25 per cent. I was just offering that as some evidence that there would be a reduction in the price of these products to the consumer.

Mr. REED of Pennsylvania. Undoubtedly at wholesale there will be some reduction in those products that contain a very large percentage of alcohol. It is conceivable that a gallon of sweet spirits of niter will sell cheaper to the druggist than it does now, but I think I have shown that the consumer, the ultimate user of that medicine, can not possibly get the benefit of it, because the reduction is so slight. The House bill takes care of the particular trade disadvantage that those people called attention to in the hearings, because it postpones the reduction and lets them work off their stock in trade. Their objection is not based on that, but they are still very strongly opposed to the reduction.

Mr. LA FOLLETTE. Of course I was not presenting that as an argument against the reduction provided by the House. It seems to me that it should be made. I was simply offering it as perhaps evidence tending to show that there might be some reduction in the cost of these products to the consumer.

Mr. REED of Pennsylvania. There will be a slight reduction, undoubtedly, to the drug trade, but the ultimate consumer will not get the benefit of it.

Now, just one word more about the effect of reducing the tax on grain alcohol.

Mr. WILLIS. Mr. President, before the Senator starts on that portion of the question, I want to be sure that I understood his statement as to the financial effect of this amendment. What does he think it would be for the next year?

Mr. REED of Pennsylvania. In the calendar year of 1926 it will have no effect on the price, but it will have a very marked effect otherwise, because there will be no more tax

paid alcohol taken out during the balance of this year. Naturally, nobody is going to take out alcohol and pay the tax on it if after the 1st of next January it is going to be possible to do it at 55 cents less.

Mr. WILLIS. In other words, under the terms of the House bill the change, if any, is to be gradual?

Mr. REED of Pennsylvania. The change in rate takes effect on the 1st of next January, and then on the 1st of the following January. The effect will show from the moment that this bill becomes law, because nobody will take out any alcohol and pay the full tax on it unless he knowns he can use it this year.

Now, about the use that will be made of it.

It is obvious that as you make grain alcohol cheaper you make the operations of the bootlegger easier. It is obvious that the present shift that a bootlegger is driven to resort to in redistilling denatured alcohol is an impediment to his business. It is argued, and I think with force, that as you make grain alcohol cheaper you bring it within the reach of people who will use it illegally. They do not now, because it costs so much with all this heavy tax on it; but if you reduce the tax, you will bring in new fields of consumption for that class of alcohol.

Mr. SMOOT. I call for the yeas and nays on the amendment.

Mr. HARRISON. Mr. President, people rich and poor have received some benefits from this bill. We have adopted here reductions on automobiles, trucks, admissions and dues, and various other things; but here is a proposition in which the little drug stores throughout the country say they can reduce the price of medicines to the poor and needy of this land if a reduction is made in the tax on alcohol.

It would seem to me that we are doing a very little thing even by adopting the House provision, which does not reduce the taxes this year at all, but leaves them as they are and only begins reduction in a small way the first of the year 1927, and then makes a further reduction the next year, to reduce the taxes to the pre-war basis. That is all that the House has done. It takes two years to do it.

The drug stores throughout the country say that if this tax is reduced they will be able to get alcohol somewhat cheaper; they will be able to make up their little tinctures, and sell them to the people who need them, cheaper than they can now. The only people, so far as I have seen, who oppose this proposition are some of the big wholesale drug houses of the country that want to furnish to the little drug stores the medicines already prepared.

I hope, therefore, that the House proposition will be adopted.

Mr. COPELAND. Mr. President, it seems to me absurd to drag the bootlegger into this discussion. From what I have heard of the bootlegger, he does not care how much the alcohol costs; he will only put another dollar on the quart. Here, however, is a matter which has to do with the welfare of every family.

With reference to the proprietary medicines, about which the Senator from Pennsylvania spoke, only a very small amount of alcohol goes into them. They contain only from 5 to 15 per cent of alcohol. On the other hand, prescriptions—what the druggists call pharmaceuticals—contain a very considerable amount of alcohol, from 40 to 60 per cent. Furthermore, flavoring extracts, used in every home, could not be made without alcohol. They consist of alcohol to the extent of 75 to 85 per cent. So we are dealing here with a matter which has no moral significance, a thing not related in any way whatsoever to the question of beverage liquor. We are dealing wholly with a question which has to do with the compounding of medicines for the curing of people.

Mr. President, it seems to me that where we have given consideration to people who have riches, and have reduced taxes all down the line, we might give some consideration to the poor mother and father who go around the corner to buy some medicine.

I hope that the amendment of our committee will be voted down.

Mr. SMITH. Mr. President, may I ask the Senator a question? I want to ask him as a professional man, one whose profession deals with medicine, as a doctor, whether he really believes that the reduction proposed here will materially cheapen the medicines that are essential in ordinary use at drug stores?

Mr. COPELAND. Mr. President, I have no question that what we are proposing will reduce the expense of these medicines. I do not think it will be tremendously great; it may not be material in that sense; but when you have a sick baby in the house, and have only a dollar to pay the doctor and 30 cents to buy the medicine, it makes a lot of difference whether the medicine costs 30 or 35 cents.

Mr. SMITH. That is the very point I want to know about—whether the Senator thinks it will be sufficiently reduced for the 30 cents to answer the purpose, where without this reduction in tax it would not answer the purpose?

Mr. COPELAND. I do think so.

Mr. NYE. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. NYE. In connection with the question asked by the Senator from South Carolina, I, too, had been given to doubt whether this tax reduction would be made to revert to the people eventually the consumers of these products. A number of days ago, in answer to the appeal and petition of the Druggists' Association of my own State, I dispatched a letter inquiring of them whether they thought that the reduction would be made to revert to the people. In response to that letter I have this telegram, under date of February 8:

FARGO, N. DAK., *February 8, 1926.*

Hon. GERALD P. NYE,

United States Senate, Washington, D. C.:

A tax reduction on medical alcohol would without question revert directly to the advantage of the consuming public, inasmuch as there is bound to be a decided lowering of cost on the individual constituents of medical preparations of all kinds, thereby bringing household remedies and medical preparations within reach of people of moderate means.

W. F. SUDRO, *Secretary.*

I am ready to assert that the people will get the advantage of that reduction.

Mr. BROUSSARD. Mr. President, may I ask the Senator from Pennsylvania whether this tax applies to all alcohol before released?

Mr. REED of Pennsylvania. Oh, no.

Mr. BROUSSARD. Suppose some alcohol is wanted which, under the regulations of the department, must be denatured. Would the tax be imposed?

Mr. REED of Pennsylvania. No; this tax would not be imposed on alcohol intended for denaturing.

Mr. BROUSSARD. I merely wanted to understand that feature of it before I submitted a few observations to the Senate.

I have from my State letters from several wholesale druggists. The largest favor the $2.20 tax, and their competitors, who do a little smaller business, seem to want the reduction. The Louisiana State Pharmaceutical Association has passed very strong resolutions, which I do not care to read here, but which convinced me that there is some benefit to be derived from accepting the House provision.

I wish to call attention, in additon, to the fact that the $1.10 tax, which I think will become effective in three years, is the pre-war rate. We ought to go back to the pre-war basis on that proposition.

I think the Senator from Pennsylvania is not taking into consideration a fact called to our attention by the Senator from New York that, whether the tax be $2.20 or $1.10, it will not interfere with the business of the bootleggers. We might, for the purposes here, absolutely disregard them, because, if the tax were $5, they could still continue their business. We certainly will not stop them by imposing a tax of $2.20.

We must not anticipate and assume that this alcohol will be diverted to illegal purposes. We are expending plenty of money to keep it in legitimate channels, in which it may legally be used, and we must not assume it will be diverted.

The pre-war rate of $1.10, I think, is ample. We should some time or other get back to pre-war rates in all taxes, and there is no reason why we should disagree with the House on that, who have already decided to make reductions, so that on January 1, 1928, the rate will be $1.10.

When we say that a reduction of the cost of the materials that enter into medicines that are kept on a shelf of the drug stores in some places, and in the general stores in the country, will not be affected by a reduction of the price of this alcohol we are denying practically what is generally accepted to be a fact, and in these days of active competition in business that is bound to be reflected in the price to the consumer, to those who have to buy medicines and drugs and articles in the manufacture of which this alcohol is used. They are bound to receive the benefit which the House intended they should receive.

Mr. LA FOLLETTE. Mr. President, I do not want to detain the Senate in discussing this matter; but in view of the remarks of the Senator from Pennsylvania that a reduction in the tax on alcohol to the pre-war rate would encourage the bootlegger, I desire to direct the attention of Senators to the statement which Gen. Lincoln C. Andrews, Assistant Secretary

of the Treasury, in charge of prohibition enforcement, made before the House Committee on Ways and Means. I quote part of his testimony. He said:

We feel in the Prohibition Unit that the high tax on pure alcohol makes so wide a spread between the cost of pure alcohol to the legitimate user and the illegitimate competitor in the manufacture of products in which alcohol goes, such as perfumeries, proprietary medicines, and so on, that it actually encourages the illegitimate user to enter the field.

In answer to questions General Andrews further stated:

I said I thought that a reasonable reduction in the tax on pure alcohol would decrease the wide spread between what the legitimate dealer pays for his alcohol and the illegitimate dealer, who gets his alcohol from the bootleg industry. And by reducing that wide spread you would put the legitimate manufacturer of medicines and perfumes in a position where he could more easily compete with the illegitimate user and manufacturer, who uses the manufacture of these articles as a cover for getting alcohol to turn into the bootlegging liquor traffic.

Mr. TREADWAY. Briefly, your position is that the tax on pure alcohol should be materially reduced, so far as the matter of prohibition is concerned?

Mr. ANDREWS. Yes, sir.

With regard to whether or not any of this reduction in tax will reach the ultimate consumer, I want to call attention to a statement made by Mr. J. M. George, of Winona, Minn., representing the Interstate Manufacturing Association, which, I understand, is composed of manufacturers of medicines, flavoring extracts, perfumes, and toilet articles. Mr. George said:

It has been said by those opposing elimination, apparently in all seriousness—and you will no doubt hear it again to-day—that the elimination of this 1,000 per cent ad valorem tax will not be reflected in the price of alcohol products to the consumer. I am here to say to you positively that our companies will not only reflect it but will actually pass it all right down to the consumer, and in some instances more than the amount of the resulting eliminated cost of manufacture will be passed on to him.

I might say that when the tax went on we passed it to the consumer also.

The amount of this reduction to the consumer will naturally be determined by the percentage of alcohol present in the product. When the amount of the tax represented by the alcohol in one particular package is 25 cents the retail price of that package will be reduced 25 cents when the tax is eliminated.

The alcohol tax itself represents from 25 down to 5 per cent of the retail price of our various alcoholic preparations, and those percentages as they apply to each product will be the percentage of consumer price reduction when the tax is eliminated.

To-day our large-size lemon extracts bring from the consumer $1.25 to $1.50 per bottle. The cost of the alcohol in each bottle is slightly over 25 cents. Tax removal will result in a retail price of $1 on this article. Our 45-cent sizes will drop to 35 cents, which is a 23 per cent reduction.

That statement was made before the Ways and Means Committee of the House, and appears in the hearings on page 1048.

I realize that the Senate is anxious to vote on this matter, and I shall not take any more time upon it; but I hope the committee amendment will not be agreed to.

Mr. McKELLAR. Mr. President, proprietary medicines are looked upon as the poor people's medicines. They will unquestionably be reduced in price if this tax is reduced. If that does not apply to this kind of a tax, to what should it apply? Why should we reduce other taxes? Why is it that the reduction of other taxes will make for prosperity, but when it comes to reducing a tax on those things which are used by the poorer classes of people, it is said, "Oh, it makes no difference. They pay as much, just the same."

I do not subscribe to that doctrine. I think this tax should be reduced in the same measure that we are reducing taxes upon other people, and for that reason I shall support the motion to strike the tax out.

So far as the bootleggers are concerned, I do not think that has any application. Why should the bootlegger pay any tax on this alcohol when he can buy denatured alcohol, and, by a process that costs about 10 cents a gallon, ply his trade just as before? I do not think there is any question of prohibition in it.

I have uniformly voted for every prohibition measure. I do not suppose anyone has more uniformly than I supported prohibition. If I thought it was the question of prohibition, I would be found on the other side, but I believe it will be a matter of justice if we vote this relief for those who use proprietary medicines, flavoring extracts, and everything of the sort.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. SMITH. Mr. President, may I inquire of the Senator in charge of the bill how many more committee amendments are yet to be acted on?

Mr. SMOOT. There is one further amendment that the committee wants to act on, and then one clarifying amendment.

Mr. WILLIS. I desire to inquire of the Senator from Utah what his program is for to-night. Does he intend to finish with the committee amendments and then take up individual amendments?

Mr. SMOOT. Yes; we will take up the individual amendments just as soon as we are through with the committee amendments.

Mr. REED of Pennsylvania. Mr. President, I send to the desk an amendment which I offer.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 332, line 3, strike out after the word "to" through the word "tax" in line 6, and insert in lieu thereof the words "the taxes paid," so as to read:

SEC. 1204. (a) Where prior to the effective date of the repeal of subdivison (2) of section 600 of the revenue act of 1924 any article subject to the tax imposed by such subdivision has been sold by the manufacturer, producer, or importer, and is on such date held by a dealer and intended for sale, there shall be refunded to the manufacturer, producer, or importer an amount equal to the taxes paid in respect of such article.

Mr. REED of Pennsylvania. The purpose is to make the provision on page 332 regarding refunds correspond with the action of the Senate last night in striking out the automobile tax. This is just a companion amendment that goes with the action of the Senate last night.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. Mr. President, in behalf of the Senator from Washington [Mr. JONES] I send to the desk an amendment, which I ask may be stated.

The PRESIDING OFFICER. The Clerk will state the amendment.

The CHIEF CLERK. On pages 47 and 48, in lieu of the part stricken out beginning in line 22 on page 47 and down to and including line 3 on page 48, insert the following:

In the case of an individual citizen of the United States, a bona fide nonresident for more than six months during the taxable year, amounts derived and received from business conducted without the United States.

Mr. SMOOT. I expected the Senator from Washington would be here, but he is temporarily absent. There is no objection to the amendment. It simply means that if an American citizen is engaged in business in a foreign country for a period of six months or more, he is treated the same as an American living in this country and not as a foreigner. It affects all our commercial agents abroad who go to get business.

Mr. McKELLAR. Does it affect any of the employees of the Government?

Mr. SMOOT. It does, as well as individual citizens. Sometimes their occupations keep them abroad for nine months of the year. We simply say that if they are out of the United States for six months, then they are to be treated the same as if they lived in a foreign country all the time. There is no possible objection to it.

The PRESIDING OFFICER. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. JONES of Washington subsequently said:

Mr. President, in connection with the amendment adopted on page 47, with reference to Americans doing business abroad, I ask unanimous consent to have printed in the RECORD a statement by Richard P. Momsen, the president of the American Chamber of Commerce in Brazil. I ask that it may appear in the RECORD just following the adoption of the amendment. I do this so that the conferees will have this information. It is a very fine statement with reference to this question.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

AMERICANS ABROAD AND THE INCOME TAX

[By Richard P. Momsen, president of the American Chamber of Commerce for Brazil]

At this moment the people of this country are awaiting the final outcome of the revenue bill, now pending before Congress, with much interest; public opinion is centered upon the main issues of this legislation, the increase of deductions, the reduction of surtaxes, the abolition of publicity surrounding returns, the elimination of the estate tax, and other important provisions of the bill. And quite naturally these same subjects are those upon which the interest and attention of individual Senators and Congressmen is centered, because their constituencies are vitally concerned with these issues. But there is a special class of Americans who are deeply interested in a particular section of the bill; those few thousands of Americans who reside in foreign lands, the great majority of whom are engaged in the promotion of American trade.

Since the inception of the original law levying an income tax in the United States, Americans residing abroad and deriving their income in foreign lands, have felt that our Government has been unjustly imposing this tax upon them. Sporadic attempts were made to correct this situation; a test case was tried, but the Supreme Court decided that Congress has the power to tax our citizens irrespective of the place of their residence. The only other alternative remedy, therefore, lies within the power of Congress. During the last revision of the income tax law several years ago, a provision for the relief of Americans abroad was almost enacted, but was defeated in the Senate.

When the proposition for revision was revived, due to the tremendous surpluses which the Government has been accumulating and it became evident that taxes would be reduced, Americans individually and collectively abroad, commenced again to try and convince Congress of their situation.

HOUSE GRANTS PARTIAL RELIEF

During the hearings before the Ways and Means Committee of the House in October and November of last year the committee heard the arguments of Mr. O. K. Davis, secretary of the National Foreign Trade Council, a nonpartisan and nonpolitical organization engaged in the promotion of our foreign trade. As a result of the information and suggestions imparted by Mr. Davis, together with other organizations such as the Chamber of Commerce of the United States, the National Association of Manufacturers, the American Manufacturers' Export Association, and others, the committee included the following exemption in the bill which it presented to the House:

"In the case of an individual citizen of the United States, amounts received as salary or commission for the sale for export from the United States of tangible personal property produced in the United States, in respect of such sales made while he is actually employed outside of the United States, if so employed for more than six months during the taxable year." (Par. 14, sec. 213, b.)

The provision was adopted by the House.

SENATE COMMITTEE STRIKES OUT HOUSE PROVISION

When the revenue bill came before the Finance Committee of the Senate the provision cited above was stricken out, with the following comment:

"The committee sees no reason for such an exemption, inasmuch as a citizen so employed abroad, if required to pay any income tax to the foreign country on his salary, receives a credit against his United States tax of the amount of tax paid to the foreign country."

Although the House provision for exemption did not go far enough, according to the opinion expressed by various American chambers of commerce abroad, the Senate, instead of amplifying the exemption, eliminated it completely.

Having been delegated by the American Chamber of Commerce for Brazil and the American Chamber of Commerce of Cuba, established in Rio de Janeiro and Habana, respectively, to express the views of Americans resident and doing business in those countries, it seems to me that our Congress requires further information on the subject, which I am glad to give.

While it is true that Americans residing abroad are permitted to credit against their American tax the amount of their foreign income tax, this only covers income or excess-profits taxes of foreign Governments. Most countries levy a great variety of business and other taxes which are entirely unknown or unheard of in the United States.

These taxes, which are not "income taxes" and consequently can not be applied as a credit against the American tax, in some countries are levied in lieu of income taxes, and in others make up a great part of the taxes imposed. As a result, the present partial "exemption" in the form of a reduction is to a great extent of no value. In countries where the income tax imposed is greater than that in the United States, it would seem that the relief we desire is not necessary. But there is perhaps only one country which levies a higher income tax than the United States. In other countries an income tax lower than that of the United States is imposed. Brazil, where I have resided for the greater part of the last 13 years, is in that category. An income tax was inaugurated there several years ago, and while there is a tendency to increase the rates, they are still far less than those of this country. There are, however, a multitude of other taxes which are imposed upon business and professional men, which, if added to the income tax, would probably make the total a greater burden than our taxes in this country. Every business man in Brazil, for illustration, has to pay a municipal business tax which in many classifications runs into thousands of dollars per year; he must pay a tax on every sign on his place of business or elsewhere; he pays an ad valorem stamp tax on every sale he makes; he pays a stamp tax on every draft, note, or other document he issues or accepts; each time he buys a piece of real estate he pays more than 8 per cent of the value in transfer taxes; the cities also exact the payment of sanitary and a multitude of other taxes on business in every form.

To the Federal Government he pays a fixed tax known as the industrial and profession tax, depending upon the kind of business or profession in which he is engaged; he also pays the Federal Government another tax under the same heading which varies between 10 and 20 per cent of the rent or rental value of the premises he occupies. If he has a bookkeeper, the bookkeeper pays a separate tax, and likewise he pays another tax if he represents a corporation. His commercial books must all be registered and each page pays a small tax; if he engages passage on a steamer to return to the United States, his ticket pays a tax. And the partial list indicated above is entirely separate and distinct from the Brazilian income tax. And yet the American in Brazil, who is compelled to pay these taxes, can not credit them against his American income tax.

It is therefore plainly to be seen that the reason given by the Senate committee as the basis of its decision was undoubtedly reached without a full knowledge of the facts as seen by a foreign resident familiar with the situation on the ground. In other countries where there is no income tax at all and burdensome taxation is levied in other forms the situation is still worse, because there the American must pay not only his full American income tax but a parallel tax, although it may contain a thousand different labels, to the foreign government as well.

UNITED STATES POSITION ISOLATED

One of the arguments we have been using is that the United States is the only country in the world which imposes a tax on its foreign-resident citizens upon their incomes derived from abroad. No one can deny but that the United States can adopt its own policies of taxation, but the point we are making is that other countries—England, France, Germany, Japan, and every other one of our competitors—have recognized the wisdom of giving their nationals abroad every opportunity of competing on equality with the citizens of other nations. It must be obvious that the American trading is at a disadvantage when compared with his competitor, who pays no tribute to any Government other than to the country in which he is established. To illustrate the situation, take an American and a national of another country competing for business in Brazil; examine the array of taxes which each of them have to pay there; and then impose on the American the United States income tax besides. Is his disadvantage not obvious? No question of patriotism or devotion to his country is involved; it becomes a question of business competition under tremendous handicaps; it is discouraging; it is killing American business abroad.

Is it not self-evident that those European countries which are suffering from financial strangulation would levy taxes on their nationals abroad if they thought it would be good policy? Of course they would. But they are keen traders; they have been in the foreign field for many centuries; they see into the future; they give their citizens every moral and governmental encouragement and assistance.

OUR FOREIGN TRADE NEEDS SUPPORT

The United States is a newcomer in foreign trade as compared with European countries; our foreign trade needs every support we can give it. American factories are to-day dependent upon overseas markets, and when periods of depression fall upon us in the future, as they inevitably must, our foreign trade will help fill the gap and keep American capital and labor occupied. Each day competition is becoming more acute, and we are handicapped with high labor costs, our money at par, and a lack of Americans to take care of our business in foreign fields.

It has been stated that the exemption we desire would cause an exodus of Americans from this country. No fear, because one of the greatest difficulties American companies and firms encounter in their foreign trade is to induce Americans to go into foreign fields and to remain there a sufficient time to enable them to become of real value to their employers and to our foreign trade in general.

One can travel to almost any country and find American firms with European managers and other employees in executive positions. Experience has proven that American interests in the hands of Americans are more adequately protected than when intrusted to nationals of competing countries. American citizens established in business abroad or conducting American business are performing valuable services for this country in finding a market for our goods, maintaining a favorable trade balance, and upholding our prestige abroad.

The tendency of our national legislation toward our foreign trade has been and is to promote it, but there is no other proposition which merits as much consideration and attention as does the present issue surrounding our income tax as applied to our citizens resident abroad.

"EXPATRIATES" SHOULD NOT BE EXEMPT

It has been stated that the exemption proposed would open the door to a fairly large number of Americans who have transferred their fortunes abroad, who maintain their citizenship nominally but who seek to escape taxation under our laws.

The organizations I represent, and I am certain that this is the consensus of opinion of American chambers of commerce the world over, are not asking for exemption of these so-called "expatriates." We desire exemption for the American who is a bona fide foreign resident and who is engaged in the pursuit of some legitimate business, profession, or other occupation. Such distinction is, after all, a mere question of so wording the exemption clause to exclude those who are not entitled to receive its benefits. Limiting the exemption to "earned income," if not too narrowly defined, would prove an adequate protection against any wholesale departure of capital from this country into foreign enterprises if it is desirable to avoid it.

THE COST OF LIVING ABROAD

It is contended that Americans in many foreign countries can live more cheaply than they do here. The general costs of living in certain countries are cited to prove this. The argument does not hold in most instances, however, because the American living abroad (the average American who is engaged in a business, a profession, or who is a paid employee) requires a standard of living approximating that to which he has been accustomed here.

In some countries it can not be had at any price; in others the comforts which to-day are necessities here are luxuries abroad. Consequently, although the general cost of living to the native of a particular country may be lower than the average here, this does not imply that an American can thrive under similar conditions nor live as he has been accustomed to without incurring large extra expenses. The high standard of living in this country, the innumerable luxuries of yesterday which are necessities to-day, all make it difficult and costly for the American abroad to give his family the environment which it would enjoy here.

AMERICANS AS PERMANENT FOREIGN RESIDENTS

Contrary to general belief in this country, Americans who go abroad for business and similar purposes almost invariably return to the United States here to permanently reside. In most cases Americans consider it a sacrifice to live abroad and the novelty soon wears off. An examination of the consular records of our principal foreign colonies would no doubt show a great shifting population with a notation "Returned to United States permanently" in most instances. After five years of residence in almost any foreign community one becomes known as "an old timer." The absence of the many comforts of life, the lack of sanitation in certain communities and other unhealthy conditions, the inadequacy of educational facilities in others, the difficulty of mastering foreign languages, the impossibility of harmonizing with the customs of foreign peoples, the disappointments in business ventures—these are but a few of the many motives which contribute to the early return of so many Americans to this country after a comparatively brief foreign residence.

Suppose an American has resided abroad over a period of years and then wishes to return here. What is the situation which confronts him? He is entirely out of touch with conditions in this country and he has lost the thread of success in our ever-changing American life. He can not compete with the man who has stayed here, identified himself in a particular community, and has risen through the ranks of a business, profession, or other occupation.

This means that Americans residing abroad for a period of years must accumulate or endeavor to accumulate sufficient means to enable them to subsist when they return here to permanently reside. Consequently they prefer their investments in this country, and thus these accumulations immediately or eventually return here for permanent capital employment.

Mr. SMOOT. That completes all the committee amendments, and the bill now, of course, is open for individual amendments.

Mr. SMITH. Mr. President, I desire to offer an amendment. There is no particular place where my amendment should be placed, as it pertains to the method by which we will close up and finally settle the question of a receipt for a tax paid.

Mr. DILL. Mr. President, does not the Senator from South Carolina think the amendment of such importance that we ought to have a quorum present?

Mr. SMITH. I think perhaps we had better have a quorum.

Mr. DILL. I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MOSES. Mr. President, has the amendment been stated?

Mr. DILL. No; but I think it is well to have a quorum here when it is stated.

Mr. SMITH. That is one reason why I desired to have a quorum.

Mr. MOSES. Although the clerk has begun the roll call, I think no one has yet answered, so I am not interrupting it. May I further ask the Senator from South Carolina if his amendment is likely to lead to much debate?

Mr. SMITH. I do not think so. I hope the amendment will so appeal to the Senate that it will be voted for without much opposition.

Mr. MOSES. Of course, all of us who have individual amendments hope they will be accepted by the Senator in charge of the bill, so that there will be no debate at all.

Mr. SMITH. So far as that is concerned, the amendment as I am offering it will, of course, have to take its course.

Mr. DILL. Mr. President, I insist on the point of no quorum.

The PRESIDING OFFICER. The clerk will proceed with the roll call.

The Chief Clerk called the roll, and the following Senators answered to their names:

Bayard	Frazier	McMaster	Sheppard
Blease	George	McNary	Shipstead
Bratton	Gillett	Metcalf	Shortridge
Broussard	Goff	Moses	Simmons
Bruce	Hale	Neely	Smith
Butler	Harreld	Norbeck	Smoot
Cameron	Harris	Norris	Stanfield
Capper	Harrison	Nye	Stephens
Copeland	Heflin	Oddie	Trammell
Deneen	Jones, Wash.	Overman	Tyson
Dill	Kendrick	Pepper	Warren
Edge	Keyes	Pine	Watson
Fernald	King	Ransdell	Weller
Ferris	La Follette	Reed, Pa.	Willis
Fess	McKellar	Robinson, Ind.	
Fletcher	McLean	Sackett	

The PRESIDING OFFICER. Sixty-two Senators having answered to their names, a quorum is present.

The Senator from South Carolina will proceed.

Mr. SMITH. Mr. President, I offer the amendment which I send to the desk. I suggest that the amendment should be inserted on page 289, after line 10.

The PRESIDING OFFICER. The amendment proposed by the Senator from South Carolina will be stated.

The CHIEF CLERK. On page 289, after line 10, it is proposed to insert the following:

When returns are made in accordance with the rules and regulations prescribed by the Treasury Department for making returns for taxes imposed by this act, and such returns are made by or with the aid of an official of the Treasury Department qualified to make such returns for the taxpayer or to aid in making such return, the amount thus found due, when paid by the taxpayer, there shall issue to him by the Treasury Department a receipt for the same, which shall be final except for actual fraud.

The Secretary of the Treasury is hereby authorized and directed to designate for each State officers of the Treasury Department in number adequate to the requirements of the taxpayers thereof qualified to make or aid in making returns as prescribed by the Treasury Department, which shall by rule prescribe the times when and the places at which the services of such officers will be available.

Mr. SMITH. Mr. President, I think every Senator in this Chamber and every citizen of the United States will agree that since the adoption of the income-tax amendment to the Constitution and the statutes enacted for the purpose of carrying that amendment into effect we have reversed the policy of our laws in reference to our citizens. In all of our criminal procedure, we take it for granted that the person accused is innocent until proven guilty. In our attitude toward our taxpayers, however, we seem to take it for granted that every man is a scoundrel until a board of officials at the Treasury Department or elsewhere proves that he is honest. The entire discussion of the income-tax question, whenever the relation of the income tax law to the taxpayer has come up, has had in it a note and flavor to the effect that every man who is called upon to pay taxes to support his Government is attempting to defraud his Government and is a man without character. That is evidenced by some of the arguments which have been made on this floor and by the very system which we have put into operation. The whole attitude of the Government has been that a host of spies, inspectors, inquisitors, shall search minutely into every detail of each tax return in order to ascertain whether or not the citizen who has made the return, who is a free American and who has sworn to it, has either ignorantly or maliciously defrauded the Government out of what it is rightfully entitled to under the law.

Let us analyze this situation. Congress passed the income tax law. We, who are charged with the responsibility of formulating a statute under which there might be collected from the income-tax payers of this country an amount requisite to the needs of the Government, have enacted a law and have graduated and scaled the taxes to be imposed. Then the department has prepared and issued forms and blanks on which tax returns shall be made, the character and nature of which has made it impossible for the average taxpayer of the country even to approximate their full import or to be able to make out his tax return.

I submit, as a simple question of honest dealing with the citizens of this country, that we have no right to impose upon them the miserable piece of machinery now provided for the collection of the taxes which the citizens owe. Not only should the form of tax return be simplified, but if it can not be simplified you and I are in duty bound to furnish the taxpayer the machinery by which when, as an honest citizen, he has sworn to the correctness of his return that he shall have a receipt for that which he has tendered his Government under the law to which you and I have forced him to accede.

What is the condition now? I have just finished going through with the department a tax return for the year 1917 in connection with which an extra assessment was made. Through the years 1918, 1919, 1920, 1921, 1922, 1923, 1924, and 1925 a citizen, as honest and upright as any man who sits on this floor, has been dragged back and forth from Washington, has been forced to employ legal advice, has been put in the attitude of a constructive criminal by his Government when he made an honest return of all that under the circumstances he thought he was justified in returning. He made the return with the aid of an official of the Government, and yet for eight long years he has been harassed by his Government in order for them to collect what they consider, or what different officials consider, an assessment still due the Government. The upshot was that after all these years, when a really competent officer of the department visited my city and went over the return and the papers, there was remitted to the taxpayer $1,800.

Mr. President and Senators, this thing is so manifestly plain on its face that I think it hardly needs any argument. If we formulate the rules under which a taxpayer is to make his return, and we specify the information upon which the returns shall be based and the amount of the deductions and additions and then the Treasury Department furnishes a competent officer to go over it with the taxpayer and the taxpayer lays his cards on the table and, collaborating together, the citizen and the department official work out what the taxpayer owes the Government, when he has tendered the amount that is thus found to be due under his oath, the Government ought to give him a receipt.

Mr. WATSON. Suppose he makes a mistake against himself?

Mr. SMITH. I think that it is better that he should be allowed to make an honest mistake than that you and I, who formulated the law, should hound him for four or five years and put him in the position of a constructive criminal because he has made a mistake.

Mr. WATSON. But suppose he makes a mistake against himself, the taxpayer?

Mr. SMITH. The rule ought to work both ways. If a mistake is made against the taxpayer, as a matter of course let that be final.

Mr. WATSON. Let it be final?

Mr. SMITH. And if there is a mistake against the Government let that be final, unless there may be some process provided by which, upon request, the matter may be adjusted without a legal binding process.

The point I am making is this: It would be infinitely better, as I think the Senator from Indiana will agree with me, for us to lose half the revenue we are getting than to create the spirit that we have created in the hearts of the American taxpayers. I do not believe there has been anything done since this Government was formed that has produced as much irritation and as much resentment and as much contempt for our Government as the method by which we collect the income taxes.

My proposal is simple enough. The amendment provides that where the Treasury Department prescribes certain rules and regulations, according to which tax returns are to be made, and an official, properly qualified, collaborates with the taxpayer, and the taxpayer lays his cards on the table and the amount is found which is due the Government, then the taxpayer shall have a receipt which shall be final except for actual fraud.

I wish that it were possible for us to get a tabulation of the cost to the taxpayers of employing counsel, running from their homes to Washington, back and forth, and paying their other expenses. I will guarantee the assertion that the amount of money the taxpayers have paid out in attorneys' fees, in railroad and other expenses, and in loss of time has been twice the amount that the Government ever received by virtue of the mistakes alleged to have been found and the additional amounts paid because of such mistakes.

As the Senator from Florida [Mr. FLETCHER] suggests, there are accountants, bookkeepers, auditors, a host of young men running about over the country duplicating each other's work. When one inspector has been over the figures, the next year another one comes.

Every honest citizen of this country is willing to pay his tax; he wants to pay his tax; but he does not want a horde of inspectors and spies turned loose on him to harass him after he has honestly attempted to meet the requirements of his Government.

Do you consider it no expense and burden to a taxpayer that when the officer of the law says: "I find that there is due from you to the Government so much," he must obey him? What does the Government do? It says: "There is due from you so much. We make an assessment on you of so much." Then, in order to protect himself, the taxpayer must go right away and employ legal counsel. Where is the matter to be finally adjudicated? First he may take it to the local revenue department. There the decision is not final. Then a trip to Washington is necessary. Then experts must go over his books and audit them again; and the result is that the cost to the Government itself exceeds the amount it collects, and the cost to the taxpayer exceeds the amount involved, to say nothing of the feeling that it engenders.

Why is it not my duty and your duty so to fix the law that the proper officers shall collaborate with the taxpayer; and when the requirements of the law are met in the first instance, and he swears to the return, why should not that be final until or unless actual fraud is discovered or an attempt to defraud the Government?

I take no stock in the seeming thought and attitude that we have toward the host of taxpayers of this country. Listen to the debate on the floor of the United States Senate! One would think, to hear us speak about how we must frame a law in order that the scoundrel may not slip through its meshes, that we are sent here by a horde of thieves, and come here as the only honest men in the country to frame laws to put out a dragnet and draw them in and take what we can before they slip out.

Our whole attitude in discussing this entire tax bill has been that the taxpayer will evade the tax if we do not make it so burdensome, so complex, so intricate, that nobody can make the return for the taxpayer but a skilled lawyer, an expert; and even that is not to be settled for four or five years. It is the most monstrous proposition ever put before the American people.

We have framed the law. We have pointed out the things to be taxed. We have pointed out the method by which the tax is to be collected. We have forced the law upon the citizens of this country and have made it so intricate and complex that we know, you know, I know that the average man can not intelligently sit down and make out his tax return. Fifty per cent of the Members of the Senate can not do it.

I will guarantee the assertion that Senators in this body who have made out their tax returns have had assessments made against them subsequently, and have been called upon subsequently to pay an additional tax. Here we, the people who make the law, are not competent to sit down and make out the returns under it. We have made it so that we force the citizen to go to an expense sometimes equal to or exceeding the amount of the tax to get the proper legal counsel, and then he is not sure of what he has. Four or five or six or seven years afterwards, perhaps after he has gone out of business, perhaps after some disaster has overtaken him, the Government comes and levies an assessment on him, and he is then haled into court or dragged before the department and put in the attitude of an offender against the Government which he would love and does love to support.

We have no right to do this thing. Talk about our restricting and placing the bar of limitation for two years! It ought not to be any longer than an honest man can see the terms and the amount, swear to the return and sign it, and his Government ought to give him quittance then.

When I first drafted this amendment, a Senator said to me, "Why, it is impossible of administration." Mark you, he said that the Government could not get enough experts to help me and the other taxpayers make out our returns. What right have we not to provide the machinery to put into operation this complex thing that we have forced upon the citizens of this

country? The main taxpayers are the nonprofessional men. Are we justified in forcing the citizens to employ outside professional aid to perform a duty that we impose upon them? How will you justify it? It is not a theory; it is a fact. You know that no man of comparatively large affairs can sit down and make out his own tax return; or, if he does, he knows that he is liable to be assessed an additional amount even when he employs what he thinks is the proper legal help.

Mr. SHORTRIDGE. Mr. President, if it does not break the thread of the Senator's remarks, what is the remedy he suggests? I was not in the Chamber when the Senator began his remarks.

Mr. SMITH. Just let me read to the Senator my amendment, which is a good American doctrine. I want the Senator to hear it:

When returns are made in accordance with the rules and regulations prescribed by the Treasury Department—

We pass the law, and they prescribe the rules and regulations under which the returns are to be made—

for making returns for taxes imposed by this act, and such returns are made by or with the aid of an official of the Treasury Department qualified to make such returns for the taxpayer or to aid in making such return, the amount thus found due, when paid by the taxpayer, there shall issue to him by the Treasury Department a receipt for the same, which shall be final except for actual fraud.

I ask the Senator from California, as I asked my other colleagues here, what right have we not to make a provision of that kind, but to force the taxpayer to come here, and leave the door wide open for a host of inspectors and investigators to harass that honest man until we have driven him to a point where he believes, not that honesty is the best policy, but that dishonesty and dodging is the only way in which he can save himself? We have no right to do it. This is a simple, direct method of closing the matter.

Think of the host we now have of inspectors and additional inspectors and auditors and accountants, hosts of them employed by the department and employed by the citizens to try to meet the requirements laid upon them by the law!

I have another paragraph to this amendment that should appeal to us, and that is:

The Secretary of the Treasury is hereby authorized and directed to designate for each State officers of the Treasury Department in number adequate to the requirements of the taxpayers thereof qualified to make or aid in making returns as prescribed by the Treasury Department, which shall by rule prescribe the times when and the places at which the services of such officers will be available.

Mr. President, we have in every State in this Union a branch of the Internal Revenue Bureau. It would be an easy matter, but even if it were a hard matter, it is our duty to provide those who are competent, in the first instance, under the rules and regulations prescribed by the Treasury, to go over finally, to go over particularly and carefully the return of the taxpayer.

He has 65 days from the 1st of January until the 15th of March—plenty of time to serve notice by every local internal-revenue department, plenty of time for him to assemble his facts and avail himself of this offer of the Government, plenty of time to get all the facts assembled and make his return and get his receipt; and then, unless there is actual fraud, we ought to allow him to go and attend to his business, and not have this possible menace over his head until such time as the Government and its agents may see fit to reopen the case.

Mr. WATSON. Mr. President, will the Senator yield?

Mr. SMITH. I yield; yes.

Mr. WATSON. I quite agree with the Senator in what he says about the perplexities and involvements of the income-tax return; but the question is whether the Senator's remedy is adequate, or, indeed, not worse than the disease.

Mr. SMITH. What disease can be worse than the one we have now?

Mr. WATSON. It would take at least 10,000 men to do this.

Mr. SMITH. The Senator is merely speculating as to that.

Mr. WATSON. No, Mr. President.

Mr. SMITH. Wait a minute, now, before we get away from that statement about "at least 10,000 men." In the name of Heaven, how many does it take now, and what does it cost now, to audit and reaudit and reaudit the books? Somebody does it.

Mr. WATSON. Yes; somebody does it, but somebody does not do it as a finality. For example, the refunds after all the investigations made this year amounted to five hundred and some million dollars. The collections by the Government after all the investigations made amounted to two billion eight hundred and some million dollars. In other words, under the Senator's system, to start with there would have been a loss of about two billions.

Mr. SMITH. How much did the Senator say had been collected?

Mr. WATSON. There has been collected for the Government, as a result of reinvestigation, $2,800,000,000. There has been paid, by way of refund to the taxpayers, $554,000,000.

Mr. SMITH. Does the Senator claim that those are official figures?

Mr. WATSON. Oh, yes; they are official figures. I know the figures; and therefore there would be a loss at once to the Government of $2,300,000,000 to start with.

Mr. SMITH. Does the Senator mean that the extra assessments that were made and collected amounted to $2,000,000,000?

Mr. SMOOT. Two billion eight hundred million dollars.

Mr. SMITH. And the rebates were how much?

Mr. WATSON. Five hundred and fifty-four million dollars of refunds to individual taxpayers.

Mr. SMITH. That covered how many years? It covers all the years the income tax has been in operation, does it not?

Mr. SMOOT. From 1917.

Mr. WATSON. From 1917 down to the present time.

Mr. SMITH. And will the Senator tell me how many dollars have been recovered in the last three or four years?

Mr. WATSON. I can not do that.

Mr. SMITH. Now, even taking those enormous figures, I should like to have available and presented to the Senate how much it has cost the taxpayers of this country in lawyers' fees, in reauditing books, in loss of time, in railroad fares, in order that the Government over eight or nine years might collect $1,500,000,000 in excess of what they would have collected had they not had the unlimited recourse that they have.

I state here now that if it had been $5,000,000,000, I would rather lose the billion five hundred million than to lose the spirit of respect and confidence in my Government which we are forcing our citizens to lose under the present miserable system.

I believe, besides that, that an investigation of the figures will show that as the years have gone by and we have become more accustomed to the method of making out the returns, the amount collected has been smaller.

We may say what we please and talk as we please about the amount that was collected by virtue of reinvestigation, the amount lost to the American people at the cost of their respect for the Government has more than doubled that. As I said before, I would rather lose in eight years a billion five hundred million and take the taxpayers' sworn statements as accurate.

Mr. WATSON. Mr. President, I can give the Senator the figures now for 1922, 1923, 1924, and 1925. The amount of tax deficiencies totaled $1,758,000,000.

Mr. SMITH. How much was collected?

Mr. WATSON. That is the amount of the tax deficiency.

Mr. SMITH. How much was collected?

Mr. WATSON. There was collected in that time eleven billion——

Mr. SMITH. No; I mean in the years for which the Senator had the report as to deficiencies.

Mr. WATSON. In 1922, 1923, 1924, and 1925 the collections were——

Mr. SMITH. No; I mean how much was collected as additional assessments?

Mr. WATSON. The result of reaudits?

Mr. SMITH. Yes.

Mr. WATSON. One billion seven hundred and fifty-eight million dollars.

Mr. SMITH. That much was collected?

Mr. WATSON. Yes.

Mr. SMITH. What did it cost to collect it?

Mr. WATSON. I do not know.

Mr. SMOOT. The total appropriations by the Treasury Department for the four years would not have been one-fourth of that amount, taking in everything, in Washington and everywhere else.

Mr. WATSON. For those four years $1,758,000,000 were collected for the Government, and there were refunds to individuals of $450,000,000.

Mr. SMITH. I have not had time to study those figures, and they would not have influenced me if I had studied them, for the simple reason that it is a monstrous proposition. Let me put this to the Senator: Does he think that as lawmakers we are justified in providing for such a miserable, complex method of tax return that after a citizen has sworn to it we can send out a host of investigators and collectors and collect, in addition, $1,700,000,000, to say nothing of the cost of the reassessments and the aggravation of those who have been reassessed?

Does the Senator think we are justified in having such a complicated system, both of the assessment and the method of collecting the tax, as to make such discrepancies as that possible?

I have not analyzed these figures, but I do not believe that, outside of the excess-profits taxes and certain other exigent taxes, we ever collected any such amount.

Mr. WATSON. These are the official figures.

Mr. SMITH. I understand; but the excess-profits taxes came in, and these exigent taxes came in, which are now practically a negligible amount. They are nothing in comparison with what they were just a few years subsequent to the war.

Mr. WATSON. The Senator must remember that we repealed the excess-profits tax at the end of 1921 by the tax law of 1921.

Mr. SMITH. That is gone, and, as a matter of course, that excess-profits tax was very difficult to collect.

Mr. WATSON. It was.

Mr. SMITH. And it was a war tax. We are now down to the basis of taxes based on the income from property, and I maintain that, as we have come to that, we should simplify the methods. The Senator has no way of figuring, nor have I, what the assessments and collections would have been if the taxpayer had been furnished with an experienced, qualified official to help him make out his return.

Eliminate the excess-profits tax, eliminate the exigent taxes, which disappeared after they were not needed, subsequent to the war, and come down to what we have classified as taxable matter in this bill, and then furnish us with a qualified official who will aid in making out the return, and what is lost in taxes will mean a gain in satisfied and contented citizenship.

I maintain that of all provisions we ought to incorporate in this bill, the most important is the provision that when the taxpayer has made his return, sworn to his return, tendered the money to his Government, and they have received it, he should receive a receipt, and his return should not be reopened except upon charge of actual fraud.

Mr. WATSON. The law itself was exceedingly complex, dealing with immense sums of money, and enforcing the hastiest collection, in 1917.

Mr. SMITH. Yes.

Mr. WATSON. Then, under the revision of 1921 there was an attempt to simplify the language so that the average taxpayer might at least begin to understand it.

Mr. SMITH. Yes.

Mr. WATSON. Then, when the next revision came, in 1924, there was a further effort to simplify the language. Since that time the experts have been studying the question of phraseology, so as further to simplify the language, to make it impossible in the future for taxpayers to make these mistakes, especially these egregious blunders, which largely led to the great annoyance; and that is coming about.

Mr. SMITH. The Senator has put his finger exactly on the crime we committed, for it was really that. In order to get income we made such a complex piece of machinery that it has resulted disastrously to the citizens of this country. We would have better done with less, or raised the tax higher and made the return simple, and taxed fewer things, than to have sent out this piece of complicated machinery to the vexation of every taxpayer.

Mr. SMOOT. Mr. President, I ask unanimous consent that when we recess to-night we recess until 11 o'clock to-morrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SHORTRIDGE. Mr. President, will the Senator yield to me for just a moment?

Mr. SMITH. Yes.

Mr. SHORTRIDGE. A few days ago when this subject was before us I engaged in a short colloquy with the Senator from Michigan [Mr. COUZENS], in the course of which I took the liberty of making certain statements which I recall now, somewhat in support of the thoughts very forcibly expressed by the Senator from South Carolina.

I said then, and I repeat now:

> If the Senator will permit me an additional sentence, I will not interrupt further. It is not in any contentious spirit, but I have heard so much along this line that I beg leave to state that I think where the citizen, the taxpayer, the honest man, or the honest woman enters into an agreement with his or her Government, and acts upon that agreement, the Government, as well as the citizen, should be bound by the agreement. I apply the same principle of law to the Government and to such a case that I apply as between two citizens who in good faith enter into an agreement and act upon that agreement. It is a well-known, universal, immemorial principle of equity that where an agreement has thus been entered into it may not be set aside unless there is charge of fraud or excusable mistake; but the Government has not acted on that theory in many, many instances.

Mr. SMITH. And particularly this one.

Mr. SHORTRIDGE. If the Senator will permit me to say it, I do not know whether the remedy suggested cures the evil pointed out by the very thoughtful Senator from South Carolina, but I do believe that the same rules which govern as between two honest men should govern as between the honest citizen and his Government, and that where the Government, speaking through an authorized agent, enters into an agreement with the honest citizen, that agreement should become, be considered as, and be held to be an account stated, just as an agreement entered into between two citizens becomes an account stated.

I further believe that where such an agreement has been entered into and acted upon, that agreement is not to be set aside, is not to be opened up, unless there is a specific charge of fraud on the part of the citizen, or mistake which, in law, is known as an excusable mistake.

Mr. SMITH. Let me ask the Senator this question: Does he think we are discharging our duty when we pass a tax law—which in itself, of course, is a burden—and so frame the law as to make it absolutely mentally impossible for a vast majority of the taxpayers to make out properly their returns? Then, after we have made that impossible and the taxpayer has gone to the expense of employing counsel, the best he may obtain, paying that additional tax, employing counsel to do the best he can to meet the requirements of his Government, should we then make him liable to the further expense and annoyance of having his return reaudited and reinvestigated, compelling him to go from his home to Washington, or to his capital, having still further to employ counsel, and still further to incur expense, not taken out of the Government, not taken out of the Senator and me, who frame the law, or the Government that forced its citizens into acquiescence, but taken out of him, not only a tax to meet the Government's expenses but the tax to meet the legal requirements of making it out? I state to the Senator that it would be perfectly competent and I believe fairly within the rules of equity wherever a taxpayer makes out his return for the Government to pay him a reasonable attorney's fee to aid him in doing it. Does not the Senator think that would be right?

Mr. SHORTRIDGE. Mr. President, the Senator has put a rather complex or compound question, which involves many elements.

Mr. SMITH. Just let me put it this way——

Mr. SHORTRIDGE. Permit me. I am in sympathy with the Senator's attitude. We are not opposing one another. I appreciate what he is saying. I sympathize with what he has stated. I am only concerned as to the remedy. If the Senator will be good enough to grasp what I said briefly, I think we agree that there should be a day of adjustment and settlement as between the taxpayer and the Government, and I agree with the Senator, if I understand his position, that where there has been a coming together and an acceptance of the amount, there being no fraud, there being no excusable mistake, that the settlement should be a finality, applying the same rules of law that obtain and control in a settlement, an account stated, between two citizens. Of course, the Government should not be bound by the act of an unauthorized person.

Mr. SMITH. That is right.

Mr. SHORTRIDGE. And, of course, where there is a settlement and the parties act upon it, it should not, in my judgment, be opened up in the manner the Senator has suggested unless, as I repeat and emphasize, as I think the Senator from South Carolina has done, there should be such evidence presented as would show what we term in law excusable mistake or a positive fraud perpetrated in and about the settlement.

It will help the Senator, I think, if I further suggest that the Government in matters of taxation, of course, is acting as a sovereign. I would apply the same rules to the sovereign when acting in that capacity as I would apply and as a court of equity would apply where the Government enters a court of equity asserting its rights as a landowner or property owner. The Senator knows, every lawyer knows, every well-informed person knows, that when the Federal Government or a State government enters into a court of equity, its own court of equity set up by itself, and seeks equitable relief as against a citizen, the Federal Government, mighty as it is, or the State government, powerful as it may be, enters that court of equity as the humblest, the most ragged citizen.

It does not enter with all the trappings of sovereignty, with all the power of sovereignty, but it enters that court as humble and as feeble as the most humble and feeblest citizen, sub-

mitting itself to the rules of equity. And if in a given case the citizen would be deprived of relief, if by equitable principles the citizen would be estopped from asserting even a legal right, the Government is estopped.

It might be of value to those interested in the problem, which has a bearing upon the matter the Senator is discussing, if Senators would turn to the great case of the State of Iowa against Carr, wherein this principle, this doctrine, is stated with great force and with an amplitude of authority to sustain the doctrine. I have elsewhere, unheard and perhaps unnoticed, said on many occasions, even as the Senator in better and finer terms has expressed it, that the Government should not alienate the people, should not so pursue the people as to cool their love for it. I believe that the attitude which the Government has taken in numberless instances has had this deplorable result—that the citizen's love for his country is cooled, if not entirely dead.

I believe the laws should be made more simple, but just how the pending bill could be made more simple I can not now state. But if I grasp the purport of the amendment now offered by the Senator from South Carolina, it is that there should be a settlement as between the Government and the citizen, which settlement should be regarded as an account stated, not to be opened unless there is positive allegation of fraud or excusable mistake.

Mr. SMITH. I think I have fulfilled the necessary requirements when I provide that there shall be a qualified governmental official to participate on the part of the Government in making out the returns. If it took twice the time that it now takes, and if that official were not competent, it is our duty to see that we do furnish the taxpayer with the proper facilities for making out his tax return.

Mr. REED of Pennsylvania. Mr. President, I did not have the advantage of hearing the first part of the debate, but I want to ask the Senator whether he has ever calculated the number of officials that it would be necessary to employ for that purpose?

Mr. SMITH. I just replied to that very question which was asked a few moments ago. Somebody is employed now. Somebody makes out the returns now. Somebody goes over them now. Whose duty is it? What somebody should do that? What somebody should that be? If the Senator and I impose upon the taxpayers of the country a certain duty that he and I know they are not competent to perform, namely, the intelligent filling out of a tax return, does he not think common justice would make him and me vote for the furnishing of material to carry out that which we have imposed upon the taxpayers? The Senator knows that there are Senators in this body who can not make out their tax returns or, if they do, there are mistakes found—found by whom? They may be for or against the Senator.

The contention that I am making is that if the very exigencies of the case require the return to be so complex that the citizen must employ legal assistance it is our duty to furnish that legal assistance. There is no escape from that situation.

Mr. REED of Pennsylvania. Yes; I think there is. It does not seem to me that it is necessary for a citizen to employ aid in the average case. If he makes truthful answer to the questions asked in the blank his return is sufficient. The calculation of the tax is purely a matter of arithmetic, and in a country where literacy is as great as it is in this country, I should say that about 98 per cent of the taxpayers could make out their own returns.

Mr. SMITH. The Senator says the average intelligent man can make out his tax return, and I will admit that men are all honest. That is the attitude of our Government as distinguished from some others, in that we assume a man is innocent until he is proven guilty.

Mr. REED of Pennsylvania. The average man is honest.

Mr. SMITH. Yes; I agree with the Senator. To aid him a little, I think if we would furnish our Internal Revenue Bureau in the several States with a comparatively few well-equipped men, it would answer the purpose. The number of taxpayers we have now is something over a million. We now have in the States comparatively few who would have to make returns, and they have 65 days in which to make them.

Taking the Senator's own admission that they are honest, that they are intelligent enough to make up their own returns, and the only thing to do is some matter of addition and multiplication, let us furnish them with aid where they need the aid and then give them receipts. If the taxpayer is an honest man, competent to make out his own tax return, why does the Senator want to leave him a victim for four years for the exploitation of such agents as may be sent out to audit and reaudit and go over and visa every return? The Senator's own statement was that the majority of them are honest, and the majority of them are more or less competent, and I maintain that by furnishing them a little aid no harm would be done to give them receipts and stop this spying and espionage.

Mr. REED of Pennsylvania. Let us figure that out for a moment. There will be between 6,500,000 and 7,000,000 returns due on the 15th of March at the minimum. They have, as the Senator said, 65 days in which to prepare those returns. Assuming that everybody starts promptly on the 1st of January, assuming that everybody works on Sundays and holidays, that means 100,000 returns every day, including Sundays and holidays.

Mr. SMITH. In 48 States.

Mr. REED of Pennsylvania. One hundred thousand returns in the United States. Assume also that one of the experts can dispose of a return every 30 minutes, though I think it is quite unlikely that he can. He could scarcely ask the necessary questions and do the necessary writing and the necessary computations to fill out a return in 30 minutes. That would be 16 returns per day for each day of eight working hours for each expert. If we are to do 100,000 returns per day, it would take 6,000 experts working steadily eight hours a day, Sundays and holidays included. Has the Senator calculated what that would cost?

Mr. SMITH. I calculate that they may make them out in 65 days, and I also calculate that we have already enough men employed to inspect all of these returns. It seems to me that we could provide in the States sufficient experts. I think it is our duty to do it, army or no army of experts. I think in order to avoid what the Senator from Virginia [Mr. GLASS] complained of the other day, when he himself said, though he did not say it on the floor of the Senate, that it would take a vast army, of course, to administer the amendment I propose. But, I say, suppose it did? It would take a very small addition to the force we already have. I have not taken the trouble to find out just how many employees there are in the several internal-revenue offices in the several States plus those in the Internal Revenue Department in Washington. I do not know. But I do know that it is our duty to see to it that a citizen, when we have forced upon him a condition that he can not meet, should be provided with the means of aid to meet it.

Mr. GLASS. Mr. President, does the Senator imagine the Internal Revenue Bureau would be able for a period of 65 days only to employ between 6,000 and 10,000 experts, whose services it would have to dispense with at the end of 65 days?

Mr. SMITH. That is proceeding upon an assumption that I myself have not figured out, but if it was our duty to do it we would figure it out. It is a question of whether it is our duty or not. The Senator from Virginia can satisfy himself as to whether we are justified in formulating a law that requires the services of an expert to make out the return of a citizen's tax or a mechanic to make it out—whether we are justified in forcing our citizens into that position and forcing them to employ an expert attorney's aid, or whether it is our duty to furnish that aid. It is not a question of how many it will take. It is not a question of what it will cost. It is a question of our duty to those on whom we have imposed this burden.

Mr. GLASS. If I were to concede that it is our duty, which I do not concede——

Mr. SMITH. Why is it not our duty?

Mr. GLASS. If I were to concede that it is our duty to do it, I say that the Senator's proposal is impossible. It can not be put into practical operation.

Mr. SMITH. Why not?

Mr. GLASS. I have just told the Senator why it can not be done. It can not be done because it is an impossibility for the Internal Revenue Bureau of the United States to employ between 6,000 and 10,000 expert tax accountants for a period of 65 days and then dispense with their services at the end of that period.

Mr. SMITH. Very good. Then the Senator and I have no right to impose a law on the people that requires them, out of their pockets——

Mr. GLASS. It does not require them to do it at all.

Mr. SMITH. Why does it not?

Mr. GLASS. It is the misfortune of any man who can not make out his own tax return.

Mr. SMITH. I have heard the Senator say——

Mr. GLASS. Yes; that I can not make out my own return, nor can I, and I employ somebody to do it for me.

Mr. SMITH. Then the Senator thinks we are justified in enacting a law which requires legal assistance in making out a return under it, and then for four or five years officials to be haled back and forth from Washington in order to meet assessments that grow out of, not the expert but the very man whom the Senator has denounced here on the floor of the Senate.

I would rather go to the expense of hiring 8,000 or 10,000 experts for 65 days than do the very thing that the Senator called the attention of the Senate to here the other day.

Mr. GLASS. But you can not hire them; they are not in existence to be hired.

Mr. WATSON. On the 1st day of January there were 14,996 employees in the Internal Revenue Bureau. Ten thousand of those can not make out one of these tax returns so as to permit it to bind the bureau and to bind the Government for the return made.

Mr. SMITH. It comes back to what I said at the very outset, that there has been provided a form for returns that is a disgrace to the United States Congress in respect to its attitude toward its citizens.

Mr. WATSON. How is the Senator going to help it? We have done the best we could.

Mr. SMITH. Heaven help the worst, if this is the best.

Mr. GLASS. All of us could well wish that there were not so many complications in the law; we all might well wish that it were simple enough for a business man to understand and act upon it; but it is not. If it can be made so, if the Senator from South Carolina can make it so, we will all rise up and call him blessed.

Mr. SMITH. Yes; but the Senator from South Carolina is simply claiming what the Senator from Virginia himself admits, that it is capable of further practical reduction to a more simple form.

Mr. REED of Pennsylvania. Oh, no, Mr. President; it is capable of many improvements which will add to its simplicity; but every time we propose such a change the representatives of the interests which are going to be affected by it deluge the Senate with telegrams and letters and lobbyists, and the change is defeated.

Mr. SMITH. Yes; and when I submit an amendment proposing a method to simplify the process and relieve the taxpayer I am deluged with statements to the effect that it might take 10,000 employees for 65 days. I would rather take 100,000 employees, even if it cost the Government half of what it collects, than to leave the citizen to be hounded as a citizen of the State of the Senator from Virginia was hounded by men who, perhaps, had sinister motives, a proceeding which you and I make possible by the method of our legislation.

Mr. GLASS. Those men had a period of four years in which to review the tax returns, but the Senator is proposing to hire an army of experts, which is not available at all, which does not exist, to do the thing in 65 days.

Mr. SMITH. Well, somebody does it in 65 days. The Senator from Pennsylvania said the citizen is honest; that he is competent. Therefore let us amend my proposition and provide that where the citizen has filled out his return and sworn to it and sent in his money the Treasury shall give him a receipt.

The Senator from Pennsylvania said the citizen is honest and is competent and can fill out the blanks. Now, let us take it for granted that he is about as honest as we are, and about as earnest in his desire to pay taxes as we are, and as competent to make out the forms as we are. Then let us dispense with this host of investigators, take the citizen into our confidence as an American taxpayer, and say, "Here is our method of collecting our taxes; we have made it as simple as we can; we are not going to impose upon you the necessity of employing legal experts; make it out yourself, swear to it, and we will accept that; and if a mistake is made we will take it for granted that it was honestly made and that you are not a rogue, and we will not send some Government spy to hunt you up." Let us amend it and say when a taxpayer makes out his return in accordance with the rules and regulations furnished him by the Government, swears to it, and tenders his money, that that shall be final.

Mr. GLASS. If he does it in accordance with the rules and regulations furnished him by the Government, there will be no question in the world about its acceptance.

Mr. SMITH. Very well; I will accept that as an amendment.

Mr. GLASS. No amendment of that sort is needed; the law provides that, and the regulations provide that.

Mr. SMITH. It does not do anything of the kind; and the Senator knows that it does not.

Mr. GLASS. The Senator does not know that it does not.

Mr. SMITH. Rules and regulations are provided, and then after the Government has accepted the money three or four or five different investigators are sent out to search into the details of the return; so where is the finality?

Mr. GLASS. If it is done according to the law and regulations——

Mr. SMITH. Nobody knows the law; it is not done according to any laws and regulations. The taxpayer does the best he can; then an expert comes along and does the best he can for his job; another one comes along and does the best he can for his job, and between the two the citizen is drawn from his home back and forth to Washington, as the Senator so graphically pictured here some days ago, until he reaches the point where he despises his Government. I say that it would be infinitely better—and I never was more earnest in my life—for us to provide that when the taxpayer has made out his return to the best of his ability under the law, as set forth in the return, and has sworn to it, he shall have a receipt. Then, if the Government finds actual fraud, hale him to court; but do not, after he has done the best he can and tendered his money, provide an interim of four or five years during which he may be hounded down by the host of inspectors who are sent out, and even by the department itself. It is a crime against the American people.

Mr. GLASS. Mr. President, I wish very earnestly that the proposition of the Senator were feasible, but, in my judgment, it is utterly impossible.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Carolina.

Mr. BLEASE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Bayard	Fletcher	McKellar	Sackett
Blease	Frazier	McLean	Sheppard
Bratton	George	McMaster	Shipstead
Broussard	Glass	McNary	Simmons
Bruce	Goff	Metcalf	Smith
Butler	Hale	Moses	Smoot
Cameron	Harreld	Norris	Stanfield
Copeland	Harris	Nye	Trammell
Deneen	Harrison	Oddie	Warren
Dill	Heflin	Pepper	Watson
Edge	Jones, Wash.	Pine	Weller
Fernald	Kendrick	Ransdell	Willis
Ferris	Keyes	Reed, Pa.	
Fess	La Follette	Robinson, Ind.	

The VICE PRESIDENT. Fifty-four Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. SMITH].

The amendment was rejected.

Mr. COPELAND. Mr. President, I send forward an amendment, which I desire to offer to the pending bill.

The VICE PRESIDENT. The Secretary will read the amendment.

The CHIEF CLERK. On page 44——

Mr. SMITH. Mr. President——

The VICE PRESIDENT. The Senator from South Carolina.

Mr. SMITH. Mr. President, my attention was diverted for a moment, during which time the Chair put the question on my amendment. I ask to have the vote by which the amendment was rejected reconsidered, and that we may have a roll call on the amendment.

The VICE PRESIDENT. Is there objection?

Mr. FESS. Yes, Mr. President.

Mr. KING. I object to a roll call.

Mr. MOSES. The Senator from South Carolina may get a separate vote on his amendment in the Senate.

Mr. SMITH. All right. When the bill comes into the Senate I shall again offer the amendment and ask for a roll call upon it.

Mr. SMOOT. Without any further discussion?

Mr. SMITH. I do not know as to that, I will say to the Senator.

Mr. SMOOT. Then let us have the roll call now.

The VICE PRESIDENT. Without objection, the roll will be called on the amendment of the Senator from South Carolina [Mr. SMITH].

The Chief Clerk proceeded to call the roll.

Mr. FERRIS (when his name was called). I have a pair with the Senator from Kansas [Mr. CURTIS]. I transfer that pair to the Senator from New Jersey [Mr. EDWARDS] and vote "yea."

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. In his absence I withhold my vote.

The roll call was concluded.

Mr. WARREN (after having voted in the negative). I transfer my pair with the Senator from North Carolina [Mr.

OVERMAN] to the Senator from Minnesota [Mr. SCHALL] and will let my vote stand.

Mr. BLEASE. Mr. President, when I made my pair with the Senator from Missouri [Mr. WILLIAMS] it was understood that he would vote "yea" on this proposition and that I would vote "yea." I have voted on this roll call, therefore, since we had that agreement.

Mr. JONES of Washington. I have been requested to announce the following general pairs:

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Nevada [Mr. PITTMAN];

The Senator from Kentucky [Mr. ERNST] with the Senator from Nebraska [Mr. HOWELL];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Virginia [Mr. SWANSON];

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD];

The Senator from Colorado [Mr. PHIPPS] with the Senator from Utah [Mr. KING];

The Senator from Vermont [Mr. GREENE] with the Senator from Montana [Mr. WHEELER];

The Senator from California [Mr. JOHNSON] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from New York [Mr. WADSWORTH] with the Senator from West Virginia [Mr. NEELY];

The Senator from Iowa [Mr. BROOKHART] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Vermont [Mr. DALE] with the Senator from Tennessee [Mr. TYSON]; and

The Senator from Idaho [Mr. GOODING] with the Senator from Montana [Mr. WALSH].

The result was announced—yeas 13, nays 40, as follows:

YEAS—13

Ashurst	Frazier	Ransdell	Smith
Blease	George	Sackett	
Dill	Heflin	Sheppard	
Ferris	McKellar	Shipstead	

NAYS—40

Bayard	Glass	McLean	Reed, Pa.
Bratton	Goff	McMaster	Robinson, Ind.
Broussard	Hale	McNary	Simmons
Bruce	Harreld	Metcalf	Smoot
Butler	Harris	Moses	Stanfield
Cameron	Jones, Wash.	Norbeck	Trammell
Copeland	Kendrick	Nye	Warren
Deneen	Keyes	Oddie	Watson
Edge	King	Pepper	Weller
Fess	La Follette	Pine	Willis

NOT VOTING—43

Bingham	Ernst	Lenroot	Schall
Borah	Fernald	McKinley	Shortridge
Brookhart	Fletcher	Mayfield	Stephens
Capper	Gerry	Means	Swanson
Caraway	Gillett	Neely	Tyson
Couzens	Gooding	Norris	Underwood
Cummins	Greene	Overman	Wadsworth
Curtis	Harrison	Phipps	Walsh
Dale	Howell	Pittman	Wheeler
du Pont	Johnson	Reed, Mo.	Williams
Edwards	Jones, N. Mex.	Robinson, Ark.	

So Mr. SMITH's amendment was rejected.

Mr. SMOOT. Mr. President, the action of the Senate in regard to the committee amendment dealing with the alcohol provision required two other amendments to be agreed to and one to be rejected in order to make the House text perfect. So on page 261, line 19, after the word "gallon," I ask that the amendment inserting "or wine gallon when below proof" be agreed to.

The amendment was agreed to.

The CHIEF CLERK. On line 21, before the word "gallon," it is proposed to insert "or wine."

The amendment was agreed to.

The CHIEF CLERK. On line 22 it is proposed to strike out "$2.20, $1.65, or $1.10" and insert "$2.20."

The amendment was rejected.

Mr. MOSES. Mr. President, I offer the amendment which I send to the desk. I ask unanimous consent that the amendment may not be formally read, because it has been in printed form before the Senate for two weeks and is exactly the same amendment as was adopted in the Senate to the revenue bill of 1924. I ask the Senator from Utah [Mr. SMOOT] if he will not accept this amendment and permit it to go to conference.

Mr. SMOOT. This identical amendment was agreed to on the last revenue bill and went to conference, and the House rejected it. I see no reason why we should not agree to it now and let it go to conference.

The VICE PRESIDENT. Without objection, the reading of the amendment will be dispensed with, and without objection it will be agreed to.

The amendment offered by Mr. MOSES was, on page 91, to strike out lines 7 to 15, inclusive, being paragraph numbered (8), and to insert in lieu thereof the following:

PAR. 8. (A) In the case of mines, oil and gas wells, other nature deposits, and timber, a reasonable allowance for depletion and for depreciation of improvements, according to the peculiar conditions in each case; such reasonable allowance in all cases to be made under rules and regulations to be prescribed by the commissioner, with the approval of the Secretary. In the case of leases the deduction allowed by this paragraph shall be equitably apportioned between the lessor and lessee.

(B) In the case of lands managed for the production of crops of timber there shall be allowed as deductions all expenditures pertaining to such management, including expenditures for protection, taxes, administration, planting, and culture; or, at the option of the taxpayer, acting consistently from year to year such expenditures may be capitalized: *Provided*, That in the case of such expenditures for planting and/or culture there may be deducted in any one year not to exceed $15,000 or 15 per cent of the net income of the taxpayer computed without the benefit of this paragraph, whichever is greater, and in case this limitation results in excluding from the deduction a part of the expenditures made for such purpose during any year, then the excess of expenditures over the amount of the deductions shall be capitalized. If and to the extent that such expenditures are capitalized, they shall be added to and form a part of the basis used in the determination of depletion or of gain or loss from sale, exchange, destruction, or other disposal of the timber to which such expenditures pertain.

(C) One-half only of the net income resulting from and allocable to the conversion, utilization, sale, or other disposal of timber from or together with lands managed in good faith for the production of crops of timber shall be used in determining the net income subject to tax: *Provided*, That this paragraph shall apply only to trees left for seed, to immature trees left for further growth and/or to second-growth timber produced by natural and/or by artificial means.

Mr. MOSES. Mr. President, I offer a further amendment which I ask may be read, and to which I invite the attention of the Senator from New York [Mr. COPELAND].

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 48, line 17, after the word "trade," it is proposed to add a comma and the word "profession."

Mr. MOSES. Mr. President, I am offering this amendment in line with the suggestion which I made the other day in the course of a brief colloquy with the two Senators from Utah. It aims simply to put the medical profession upon the same basis as a traveling man who sells neckties, for example.

Mr. MCKELLAR. May the amendment be stated?

Mr. MOSES. It has just been stated.

The VICE PRESIDENT. The amendment will be restated.

The CHIEF CLERK. On page 48, line 17, after the word "trade," it is proposed to add a comma and the word "profession."

Mr. SMOOT. Mr. President, they are on the same footing now.

Mr. MOSES. If the Senator will permit me, I do not intend to ask for a record vote, because at this stage of the night and with the attendance of the Senate as it is I understand perfectly well that that would not be practicable.

Mr. SMOOT. I hope the Senate will reject the amendment.

Mr. MOSES. I simply want to get this matter before the Senate in some formal way. Of course, the colloquy which I had with the senior Senator from Utah [Mr. SMOOT] and his colleague [Mr. KING] the other day sufficed amply to set forth to the Senate my views on this subject, wherein the medical profession are discriminated against, as I believe, in spite of the protestations of both the Senators from Utah. I have not any desire to impede the passage of the bill at this stage, but I do want the amendment voted upon; and I ask for a division on the amendment.

Mr. SMOOT. Mr. President, I hope the amendment will be rejected.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New Hampshire.

On a division, the amendment was rejected.

Mr. MOSES. Now, Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 136, at the end of line 8, it is proposed to insert a new sentence to read as follows:

Despite the foregoing provisions of this subdivision, such credit or refund may be allowed or made in respect of any taxable year if a deficiency is asserted by the commissioner in respect of any of the seven succeeding taxable years; but no such credit or refund shall

be allowed or made unless it appears that the taxpayer has overpaid the tax for the taxable year to which the claim for credit or refund relates, even though the assessment of a deficiency for such taxable year is barred by an applicable statute of limitations.

Mr. MOSES. Mr. President, the moving cause for this amendment, I will frankly say to the Senate, is the desire to set aside the statute of limitations in some cases.

I have had called to my attention in the last two months probably a hundred cases of taxpayers in New England who discover, when an agent of the internal revenue office of the district comes around to check up their accounts and to make a final settlement of their taxes for a year within the statute of limitations, that the rules under which the check-up is made, if applied to years prior to the statute of limitations, would show that the taxpayer has paid the Government a considerable sum of money in excess of what he should have paid, for which he secures absolutely no credit whatever; whereas if he is shown to have a deficiency a claim is made for that, and he has nothing to set off as against it.

This amendment is offered to correct what I believe to be a palpable evil as against the taxpayer; and with reference to this amendment, as with reference to the others which I have offered, I merely wish to get this state of facts before the Senate, in the hope that without using more words we may get an intelligent and favorable vote of the Senate on the amendment.

Mr. SMOOT. Mr. President, what the Senator has stated is correct. The amendment simply waives the statute of limitations on the part of the taxpayer. If that be done, it ought to be waived in relation to the Government.

Mr. MOSES. Mr. President, the language of my amendment permits that.

Mr. SMOOT. Then I have the wrong amendment.

Mr. MOSES. I am quite sure that the language of my amendment permits it to be waived on behalf of the Government equally. At any rate, I had no intention of making it a unilateral proposal.

Mr. WATSON. Not as it was read.

Mr. MOSES. Then the language is not correct.

Mr. WATSON. May it be read again?

Mr. MOSES. Then I will ask permission to withdraw the amendment, in order that I may make sure that that is the case; and I will reoffer the amendment when the bill comes into the Senate. I will say, in further explanation, that I had this amendment drawn by one of the experts.

The VICE PRESIDENT. The amendment is withdrawn.

Mr. REED of Missouri. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The READING CLERK. On page 334, after line 10, following the amendments heretofore agreed to, it is proposed to insert the following new section:

MUTUAL INTERINSURERS AND RECIPROCAL UNDERWRITERS

SEC. —. The exemption granted mutual interinsurers and reciprocal underwriters under paragraph (11) of section 231 shall be retroactively applied in determining tax liability under the provisions of the revenue act of 1916, the revenue act of 1917, the revenue act of 1918, the revenue act of 1921, or the revenue act of 1924, or of any such acts as amended. Any tax that has been paid under such acts since December 31, 1918, shall be credited or refunded to the taxpayer as provided in section 284, if claim for credit or refund is filed within one year after the enactment of this act.

Mr. SMOOT. Mr. President, this is on all fours with the amendment that was agreed to and made retroactive as to taxes paid on the installment plan; and I see no reason why it should not apply here, just the same as to installment payments.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Missouri.

Mr. HEFLIN. Mr. President, let us see if we understand the amendment. Does that mean that we are going back now to 1918 to carry on this business of refunding taxes?

Mr. SMOOT. Yes; that is about what it would mean.

Mr. HEFLIN. It seems to me there is a time to put a stop to that. The honest taxpayer ought to know, within a year or two years, whether he has paid more taxes than he ought to have paid.

Mr. SMOOT. Mr. President, why should we make a retroactive provision as to installment payments on real estate—and we all thought that was just—and not, in a case here virtually of a mutual company, an insurer, grant the same privilege? Why should they not have that privilege?

Mr. HEFLIN. Certainly they ought to have it if we are going to grant it to others.

Mr. SMOOT. But they have not.

Mr. HEFLIN. But there ought to be a time when that will stop.

Mr. SMOOT. That is true. I believe that.

Mr. MCKELLAR. It is only to include mutual insurance companies.

Mr. HEFLIN. I think it ought to be extended to them, because if it has already been extended to the others it should be extended to them.

Mr. SMOOT. It has been extended to others, and that is the reason I say that it ought to go in.

Mr. HEFLIN. There should come a time when we would stop this refund of taxes. I think a great deal of it is done when it is not justified at all.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I have sent to the desk an amendment which I ask to have reported.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 44, line 24, after the word "thereof," strike out the period and insert a comma and the following:

provided that employees of municipally operated public utilities who have failed to make an income-tax return or who have failed to pay an income tax during the years 1918 to 1924, both inclusive, shall be exempted from any penalties which may have accrued because of their failure in those years either to make a return or to pay a tax

Mr. COPELAND. I think this is understood by the Senate.

Mr. SMOOT. We discussed it before, and there is no objection to this amendment. It simply relieves certain taxpayers who thought they were exempt because they were employed by municipal plants. This exempts them from all penalties which would be imposed upon the taxpayers for not having paid their taxes. It does not relieve them of the payment of taxes, but when they pay them, all employees of that class of industries will be on the same footing.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I want to ask the Senator in charge of the bill why the committee makes a distinction between these municipal employees engaged in operating waterworks and electric light plants and street railways, where they are owned municipally, and other municipal employees?

Mr. SMOOT. One very good reason is because of a decision of the Supreme Court of the United States.

Mr. COPELAND. I expected the Senator to say that. I would like to have him point out——

Mr. SMOOT. There is another good reason—that money is received for the operation of those plants. There are profits to the cities in many cases—in fact, I think in all cases—and the Supreme Court has held that the compensation of such employees is taxable, and I do not see why it should not be.

Mr. COPELAND. I believe the Senator is mistaken about the Supreme Court. There was a district court decision, just as there have been district court decisions on the other side of the question, but I do not think the Senator can refer to any Supreme Court decision in the matter. I want to say further, since the Senator has not replied to my question——

Mr. SMOOT. The Supreme Court decision was handed down on January 11 of this year.

Mr. SHIPSTEAD. Mr. President, I would like to hear what is being said on the other side.

Mr. SMOOT. The Supreme Court decision was handed down on January 11 of this year.

Mr. COPELAND. If it is actually a fact that the court has so ruled, of course I am out of court; but I can not understand why there should be any distinction. In my city the employees of the water department are on exactly the same plane, they have the same standard of salaries, they are subject to the same retirement consideration with all other employees. They are just exactly in the same situation, and I can not see how an employee helping to serve a city with water should be any different in the eyes of the income tax law from a citizen of my city who is cleaning the street or putting down sewers.

Mr. SMOOT. It does not apply only to employees of waterworks, but also to those of street railways.

Mr. SHIPSTEAD. Will the Senator from Utah yield for a question?

Mr. SMOOT. In just a moment. The decision of the Supreme Court applies to the employees of street railways; it applies to

those of the electric-light plants and the gas plants of the city. Therefore they are not exempt.

Not only that, but when this bill becomes a law there will be a $3,500 exemption for the employee and his wife and an extra exemption of $400 for each child. In other words, the employee would have to receive a salary of $4,700 before he would ever pay a cent of tax, and there are not many employees who are receiving more than that. Under the existing law, of course, the exemption was not sufficient to take many of them in, but under the pending bill very few employees will ever have to pay any tax.

Mr. COPELAND. What would be the attitude of the committee toward a proposal to remit the taxes of these men?

Mr. SMOOT. I thought perhaps those taxes did not amount to very much, and that that could be done, but after an investigation the department thought it would be very unwise to undertake to do that.

Mr. COPELAND. How much would it be?

Mr. SMOOT. The officials could not say, but it would run into the millions.

Mr. COPELAND. There are many of these employees, and nobody is better prepared to consider this question than the Vice President himself. Here are a lot of city employees, many of them low salaried, comparatively, and back taxes and penalties have been piling up. By our action to-night we have gotten rid of the penalties, but back taxes for these past years they can not pay; they can not get the money.

I was somewhat in sympathy with the Senator from South Carolina in this matter, because these employees have been assured by officials of the department that they would be relieved. I have here a sheaf of affidavits from waterworks employees stating that the internal-revenue authorities have said that they are exempt and that they were exempt. It is a great pity, it seems to me, to allow this imposition to be placed upon these persons.

Mr. SMOOT. The Senator must know that if we exempted these few from payment we would have to refund all that had been collected from the others. I thought the Senator was perfectly satisfied to go this far, and I rather insisted with the department that this be agreed to.

Mr. COPELAND. Let me say that that was the understanding, but since that time I have been given assurance that there was no Supreme Court decision. If it is as the Senator says, however, the matter is exactly as he thought it was.

Mr. SHIPSTEAD. Mr. President, I send an amendment to the desk, which I ask to have reported.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 47, after line 21, to insert the following:

(14) Any taxes imposed by the revenue act of 1924 or prior revenue acts upon any individual in respect of amounts received by him as compensation for personal services as an officer or employee of any State or political subdivision thereof (except to the extent that such compensation is paid by the United States Government directly or indirectly) shall, subject to the statutory period of limitations properly applicable thereto, be abated, credited, or refunded.

Mr. SMOOT. This simply goes a little further than the amendment offered by the Senator from New York [Mr. COPELAND]. I hope this will not be adopted. It is in the face of a decision of the Supreme Court. I can not say anything more than I said in regard to the amendment offered by the Senator from New York, except that this goes further and refunds everything that has been paid.

Mr. SHIPSTEAD. I am advised that the Supreme Court decision did not cover the subject of an employee of a city; that that decision covered the proposition of a man who held a contract to manage for a city a waterworks department, an entirely different question.

This would exempt employees of a subdivision of a State. It covers a field which I think the Supreme Court has held time and time again is not a subject of Federal taxation. For that reason I think this amendment ought to be adopted.

This would put the employees of the city in the position they have always been in under the law and under the Constitution, that the Federal Government can not tax their incomes when those incomes are paid by the city and they are bona fide employees of the city. I think I am right when I say that the Supreme Court did not go so far as the Senator from Utah claims.

Mr. SMOOT. The only ground upon which municipal employees can be exempted at all is found in a provision of the Constitution. Where that has application, where they are working for the government, as in the case of laborers upon the street and all that class of employees, they are exempt to-day. Where an industry is started, like a street railroad or a lighting plant, perhaps in competition with a private company that has been established before, and they charge the same rate and make money in the same way, it seems to me there is no justification for asking that the employees be exempted if they are receiving more than $4,700 a year. That is the amount they will have to receive before they would have to pay anything under the provisions of this bill. I do not think anybody will suffer who is drawing that amount of salary.

Mr. SHIPSTEAD. On that assumption, why exempt any city employee?

Mr. SMOOT. Because the Constitution compels it.

Mr. SHIPSTEAD. The Senator does not deny that they work for the city?

Mr. SMOOT. They work for an organization or a business concern operated by the city. That is quite a different thing from working for the city.

Mr. SHIPSTEAD. I do not see the Senator's distinction. But I do not care to prolong the debate on this question. I ask for a vote on the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota.

The amendment was rejected.

Mr. HARRISON. Mr. President, I ask unanimous consent that the vote by which the Senate amendment on page 266 touching the terms of office of members of the Board of Tax Appeals be reconsidered, so that I may offer an amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and the vote is reconsidered.

Mr. HARRISON. I offer the amendment, which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 266, to strike out lines 8 to 21, inclusive, and to insert in lieu thereof the following:

"(b) The terms of office of all members who are to compose the board prior to June 2, 1926, shall expire at the end of June 1, 1926. The terms of office of the 16 members first taking office after such date shall expire, as designated by the President at the time of nomination, 4 at the end of the third year, 4 at the end of the fourth year, and 4 at the end of the fifth year, and 4 at the end of the sixth year, after June 2, 1926. The terms of office of all successors shall expire six years after the expiration of the terms for which their predecessors were appointed; but any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired term of his predecessor."

Mr. SMOOT. The only changes the Senator's amendment makes is on line 13, the fourth year, where the Senator strikes that out and makes it the third year?

Mr. HARRISON. Yes.

Mr. SMOOT. And on the same line, the sixth year, he strikes that out and makes it the fourth year?

Mr. HARRISON. Yes.

Mr. SMOOT. And the eighth year, he makes the sixth year.

Mr. HARRISON. The fifth year. Then on the same line, where it provides for the tenth year, it should be the sixth year.

Mr. SMOOT. Yes.

Mr. HARRISON. In other words, it makes the terms of the members of the Tax Appeals Board 6 years instead of 10 years.

Mr. SMOOT. Then the terms of office of all successors the Senator makes six years.

Mr. HARRISON. The amendment carries that with it.

Mr. KING. It reduces the tenure.

Mr. HARRISON. The latter part of the amendment carries with it a provision that the term shall be 6 years instead of 10 years.

It would seem to me, Mr. President, that 10 years is rather too long a term of office for the members of the Board of Tax Appeals. I have been one of those who believed that to a very great extent to the victor belongs the spoils, and I think that each administration ought to have people within it who are in sympathy with it and its policies. It would seem to me that six years ought to be a long enough term for members of the Tax Appeals Board.

Mr. SMOOT. I wish to say that of course the amendment will have to go to conference and the House more than likely will insist upon the term of years they have fixed, which is a great deal longer than even the Senate Committee on Finance reported.

Mr. HARRISON. I understand they desired to make it a life term.

Mr. SMOOT. Oh, no; I think not.

Mr. HARRISON. I think that idea was in their minds for a while, but they finally got away from it.

Mr. SMOOT. The only objection I have to the Senator's amendment is that it is very doubtful whether we could get men for such a short term to give up their business to take these positions and carry out the work. They would naturally prefer to make it a life business or a large portion of their life business. A first-class attorney can not afford to leave his business and break it up to take a position here for six years.

Mr. HARRISON. We have 96 men in the Senate who are willing to come in for a term of six years.

Mr. SMOOT. That is our attitude, I will say to the Senator. I hope the Senate will not agree to the amendment.

Mr. HARRISON. I will not ask for the yeas and nays, but I do ask for a division on the question whether or not we shall make it a 6-year term or a 10-year term.

Mr. HEFLIN. I suggest to the Senator that he ask for the yeas and nays.

Mr. HARRISON. Very well; I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FERRIS (when his name was called). With the explanation I have previously given of the transfer of my pair, I vote "yea."

Mr. FLETCHER (when his name was called). I transfer my pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Alabama [Mr. UNDERWOOD] and vote "yea."

Mr. WARREN (when his name was called). Has the junior Senator from North Carolina [Mr. OVERMAN] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. WARREN. I have a standing pair with the junior Senator from North Carolina. I transfer the pair to the Senator from Massachusetts [Mr. GILLETT] and vote "nay."

The roll call was concluded.

Mr. KING (after having voted in the affirmative). I have heretofore voted "yea." I have a general pair with the senior Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the senior Senator from Rhode Island [Mr. GERRY] and permit my vote to stand.

Mr. FERNALD. I have a pair with the senior Senator from New Mexico [Mr. JONES]. I transfer the pair to the junior Senator from Minnesota [Mr. SCHALL], and vote "nay."

Mr. BLEASE. I transfer my pair with the junior Senator from Missouri [Mr. WILLIAMS] to the senior Senator from Arizona [Mr. ASHURST], and vote "yea."

Mr. JONES of Washington. I wish to announce that the Senator from Wisconsin [Mr. LENROOT] is necessarily absent.

Mr. NORRIS. The junior Senator from Nebraska [Mr. HOWELL] is unavoidably detained. He is paired with the Senator from Kentucky [Mr. ERNST].

I also wish to state that the senior Senator from California [Mr. JOHNSON] is necessarily absent. He is paired with the senior Senator from Arkansas [Mr. ROBINSON].

Mr. McKELLAR. I was requested to announce that the Senator from West Virginia [Mr. NEELY] is unavoidably absent. If present, he would vote "yea."

Mr. COPELAND. The junior Senator from New Jersey [Mr. EDWARDS] is unavoidably absent. If he were present, he would vote "yea."

Mr. CAMERON (after having voted in the negative). I have a pair with the junior Senator from Washington [Mr. DILL]. I transfer that pair to the senior Senator from Iowa [Mr. CUMMINS] and let my vote stand.

Mr. JONES of Washington. I wish to announce the following general pairs:

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Nevada [Mr. PITTMAN];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Virginia [Mr. SWANSON];

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD];

The Senator from Vermont [Mr. GREENE] with the Senator from Montana [Mr. WHEELER];

The Senator from California [Mr. JOHNSON] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from New York [Mr. WADSWORTH] with the Senator from West Virginia [Mr. NEELY];

The Senator from Iowa [Mr. BROOKHART] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Ohio [Mr. FESS] with the Senator from Mississippi [Mr. STEPHENS];

The Senator from Vermont [Mr. DALE] with the Senator from Tennessee [Mr. TYSON]; and

The Senator from Idaho [Mr. GOODING] with the Senator from Montana [Mr. WALSH].

The result was announced—yeas, 26, nays 28, as follows:

YEAS—26

Bayard	Frazier	King	Sheppard
Blease	George	La Follette	Shipstead
Bratton	Glass	McKellar	Simmons
Broussard	Harris	Norris	Smith
Copeland	Harrison	Nye	Trammell
Ferris	Heflin	Ransdell	
Fletcher	Kendrick	Reed, Mo.	

NAYS—28

Butler	Harreld	Moses	Sackett
Cameron	Jones, Wash.	Norbeck	Smoot
Deneen	Keyes	Oddie	Stanfield
Edge	McLean	Pepper	Warren
Fernald	McMaster	Pine	Watson
Goff	McNary	Reed, Pa.	Weller
Hale	Metcalf	Robinson, Ind.	Willis

NOT VOTING—42

Ashurst	Dill	Jones, N. Mex.	Shortridge
Bingham	du Pont	Lenroot	Stephens
Borah	Edwards	McKinley	Swanson
Brookhart	Ernst	Mayfield	Tyson
Bruce	Fess	Means	Underwood
Capper	Gerry	Neely	Wadsworth
Caraway	Gillett	Overman	Walsh
Couzens	Gooding	Phipps	Wheeler
Cummins	Greene	Pittman	Williams
Curtis	Howell	Robinson, Ark.	
Dale	Johnson	Schall	

So Mr. HARRISON'S amendment was rejected.

Mr. KING. Mr. President, I had intended to offer an amendment to the provision dealing with the Board of Tax Appeals, reducing the salaries from $10,000 to $7,500. I shall await a more propitious moment and will offer the amendment tomorrow.

Mr. FLETCHER. Mr. President, I desire to offer several amendments. I send the first one to the desk. I think there will be no objection to it. It is an amendment which provides for certified copies of returns in certain cases. There is no provision in the bill for a certified copy.

Mr. SMOOT. Has the Senator's amendment been printed?

Mr. FLETCHER. It has not been printed. I referred it to the department.

Mr. SMOOT. Let the amendment be read.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. On page 113, line 2, after the word "inspection," insert "and certified copies thereof shall be furnished," so as to read:

They shall be open to inspection, and certified copies thereof shall be furnished only upon the order of the President.

Mr. SMOOT. I see no objection to the amendment.

Mr. REED of Pennsylvania. It is perfectly all right. It will be a great help to heirs where the ancestor may have lost his return.

Mr. FLETCHER. I think so. There are certain regulations covering it, but this will put a provision in the law authorizing certified copies.

Mr. REED of Pennsylvania. Would the Senator from Florida accept a modification providing for a proper fee for the preparation of such certified copies? That seems to be only reasonable.

Mr. FLETCHER. I have no objection to having it furnished at the expense of the applicant.

Mr. REED of Pennsylvania. Yes; or provide that it shall be furnished for a reasonable fee to be fixed by the commissioner.

Mr. FLETCHER. I have no objection to that modification.

The VICE PRESIDENT. The clerk will report the amendment as modified.

The CHIEF CLERK. On page 113, line 2, after the word "inspection," insert "and certified copies thereof shall be furnished for a reasonable fee, to be fixed by the commissioner," so as to read:

They shall be open to inspection and certified copies thereof shall be furnished, for a reasonable fee to be fixed by the commissioner, only upon the order of the President.

The VICE PRESIDENT. The question is upon agreeing to the amendment as modified.

The amendment as modified was agreed to.

Mr. FLETCHER. I offer another amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 53, after line 13, insert:

(11) A reasonable addition to a reserve for future expense liabilities, under such regulations as the commissioner, with the approval of the Secretary, may prescribe, if in the opinion of the commissioner such reserve or such addition thereto is necessary in order clearly to reflect the income.

Mr. KING. I wish the Senator would explain the amendment.

Mr. FLETCHER. It enables a reasonable reserve to be provided for under regulations by the commissioner and where the commissioner finds that it is necessary in order clearly to reflect the income, these reserves being such as are contracted for and not mere suppositious reserves, but reserves that are actually contracted for. The amendment provides for "a reasonable addition to a reserve for future expense liabilities." I can see no possible objection to it, since it leaves the whole matter in the hands of the commissioner under such regulations as he, with the approval of the Secretary, may prescribe, if in the opinion of the commissioner such reserve is necessary in order clearly to reflect the income.

Mr. REED of Pennsylvania. The effect of the amendment would be to suspend from current income a reserve to take care of expenses that might last over so long a period as a hundred years. Let me illustrate, and Senators will understand thoroughly what is meant. Where a corporate mortgage is made to a trustee it is customary for the compensation of the trustee to be paid at the moment when the mortgage is executed. And yet the agreement of a trustee is to register bonds and take care of the certifying of bonds and the satisfaction of the mortgage throughout, perhaps, a hundred years of the life of the bonds. This provision would allow that corporate trustee to set up a reserve against its receipts at the time of the execution of the mortgage to take care of a hundred years of expenses in the performance of its duties as trustee. I think the provision goes altogether too far.

As I understand the motive of the Senator from Florida, it is particularly to take care of those casual cases where a person who is not in a business that entails the doing of the same thing over and over again undertakes future liabilities, and against that there would not be the same objection; but take a concern like a trust company that is acting as trustee under a bond issue.

They do such things every week or so, and the expenses and the current receipts wash themselves out as they go along. It is all wrong to set up a complicated system of bookkeeping which requires a return to be kept open for decades to come. It is much better to let the current expenses and the current receipts set themselves off one against the other. I am sure the Senator from Florida will not insist on going as far as this amendment does. It is not necessary to take care of casual sales by any such provision as this.

Mr. FLETCHER. I had not contemplated extending this amendment so far as the Senator from Pennsylvania seems to apprehend. I am trying to cover cases where there is an apparent profit on sales, for instance, or in any financial transaction, but that profit is not a real profit because the party engaged in the transaction, the seller, for instance, of property has an obligation outstanding to make certain improvements upon that property or incur certain liabilities in respect to the transaction over a period of years and has not made a profit this year because apparently there is a profit in the transaction he is engaged in because he has obligations which he must incur and which will call for expenditures on his part in the future.

I have offered this amendment simply to provide for reasonable reserves, such as the commissioner will approve, in order to take care of expenditures it is necessary to incur before any profit is made at all. I do not think it would cover such an extensive case as the Senator from New York has in mind. I believe the amendment is thoroughly safeguarded by provision for regulations to be made by the commissioner, with the approval of the Secretary. It is only in cases where he is clearly convinced that it is intended to reflect the real income that it is intended to be availed of.

Mr. EDGE. Mr. President, will the Senator from Florida yield to me?

Mr. FLETCHER. I yield.

Mr. EDGE. It is the Senator from Pennsylvania particularly to whom I desire to address my suggestion. I am wondering if the Senator from Pennsylvania would not agree to accept the amendment and let it go to conference? It seems to me that the amendment proposed by the Senator from Florida covers a very necessary field in some parts of the country where development and investment are being carried on on a large scale. If the amendment could be reworded so as thoroughly to protect any future situation, would not the Senator from Pennsylvania accept it and permit it to go to conference?

Mr. REED of Pennsylvania. If the Senator from Florida would present an amendment which covered such a case as he has described, I think there would not be so much difficulty about it. This amendment goes much too far. It is perfectly proper to set up a reserve, I think, against such an undertaking as the Senator has described, if the taxpayer will give bond to protect the Government for the payment of taxes if he should not apply his income toward the performance of his undertakings.

Mr. EDGE. I agree with that thought. I think that there should be a protection in the way of entering bond or some other method; but, with that protection, I do think the bill should provide for the setting up of a reserve to encourage development of that character. I think it is a step in the right direction. I think there should be something in the bill that would permit the conferees, at least, to try to work it out in a businesslike manner.

Mr. REED of Pennsylvania. I understood the Senator from Florida had under consideration an amendment which would more specifically take care of the case. If he has, I would be interested to hear it.

Mr. FLETCHER. I have another amendment, but it only applies to a casual sale, to isolated transactions. However, I have no objection to having it read.

Mr. SIMMONS. Why does not the Senator apply the principle of this amendment to the case that he has just stated?

Mr. REED of Pennsylvania. May we have the alternative amendment of the Senator from Florida read, Mr. President?

The VICE PRESIDENT. The clerk will read the amendment.

The CHIEF CLERK. On page 53, after line 13, insert the following:

(11) In the case of a casual sale or other disposition of real property, a reasonable addition to a reserve for future expense liabilities, incurred under the provisions of the contract under which such sale or other disposition was made, under such regulations as the commissioner, with the approval of the Secretary, may prescribe, including the giving of a bond, with such sureties and in such sum (not less than the estimated tax liability computed without the benefit of this paragraph) as the commissioner may require, conditioned upon the payment of the tax (computed without the benefit of this paragraph) in respect of any amounts allowed as a deduction under this paragraph and not actually expended in carrying out the provisions of such contract.

Mr. REED of Pennsylvania. Mr. President, it seems to me that that exactly covers the necessities of the case and does it with a proper safeguard to the Government. I hope the Senator will agree to substitute that for the first amendment which he sent to the desk.

Mr. FLETCHER. There is one objection to it, Mr. President. Of course I know the term "casual sale" is used in the bill, but I do not like that expression very well.

Mr. SIMMONS. The Senator inserted something else in addition to the words "casual sale," I think. What was that addition?

Mr. FLETCHER. It was "or other disposition of real property."

Mr. SIMMONS. Does not that cover it?

Mr. FLETCHER. That covers the disposition of real property.

Mr. REED of Pennsylvania. It seems to me that does cover it. If it is not a casual sale, then the thing washes itself out in the current operations of the taxpayer, but if it is a casual sale, then it needs the protection the Senator has in mind.

Mr. FLETCHER. I would rather have the first amendment suggested, and I would be willing to add, if that would meet the view of the Senator from Pennsylvania, a provision for a bond in the first proposal.

Mr. REED of Pennsylvania. I do not think it ought to apply except in cases of casual sale such as the Senator has provided for.

Mr. FLETCHER. Mr. President, I should like to get the sense of the Senate on the first amendment proposed by me. I offered the first amendment. I simply referred to the other amendment so as to give notice that I would offer it.

The VICE PRESIDENT. The question is on the first amendment submitted by the Senator from Florida.

Mr. EDGE. Mr. President, will not the Senator perfect his first amendment by including a provision for a bond?

Mr. FLETCHER. I will add to the first amendment after the word "income," the last word in the amendment, the words:

upon the giving of a bond, with such sureties and in such sum (not less than the estimated tax liability computed without the benefit of this paragraph) as the commissioner may require, conditioned upon the payment of the tax (computed without the benefit of this paragraph) in respect of any amounts allowed as a deduction under this paragraph and not actually expended in carrying out the provisions of such contract.

I add that to the first amendment to come in after the word "income," being that portion of the second proposal I submitted with regard to the giving of bond. That meets the suggestion of the Senator from New Jersey, does it not?

Mr. EDGE. I think that would be entirely safe to the Government and would be an encouragement to business development.

The VICE PRESIDENT. The question is on the first amendment of the Senator from Florida, as modified.

The amendment as modified was rejected.

Mr. FLETCHER. Then, Mr. President, I offer the second amendment, and I think there will be no objection to it.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 53, after line 13, it is proposed to insert the following:

On page 53, after line 13, to insert:

"(11) In the case of a casual sale or other disposition of real property, a reasonable addition to a reserve for future expense liabilities incurred under the provisions of the contract under which such sale or other disposition was made, under such regulations as the commissioner, with the approval of the Secretary, may prescribe, including the giving of a bond, with such sureties and in such sum (not less than the estimated tax liability computed without the benefit of this paragraph) as the commissioner may require, conditioned upon the payment of the tax (computed without the benefit of this paragraph), in respect of any amounts allowed as a deduction under this paragraph and not actually expended in carrying out the provisions of such contract."

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Florida.

The amendment was agreed to.

Mr. FLETCHER. Mr. President, I desire to offer an amendment now with reference to cigars.

I will say that as the bill comes to the Senate there has been a reduction provided in the tax on cigars. In the act of 1924 the tax on cigars manufactured to retail between 5 cents and 8 cents was $6 a thousand. The House bill made the tax $4.50 a thousand and the committee has reported in favor of $3 a thousand, which is right, in my judgment.

On cigars "manufactured or imported to retail at more than 8 cents each and not more than 15 cents each" the act of 1924 imposed a tax of $9 a thousand; the House bill made it $7 a thousand and the Senate committee has reported in favor of $5 a thousand. I think that was a very fair and proper reduction to make. Those amendments have been agreed to.

My amendment now is to strike out the figures "$10.50" in line 5, on page 213, and insert "$7." I have always had in mind that it ought to be $6, which would be a 50 per cent reduction from the present law, and that is what ought to be done. We have made such a reduction in the two classes I have mentioned; classes A, B, and C have been allowed practically a 50 per cent reduction from the present law. Remember that the tax prior to 1917 was only $3 a thousand flat on classes A, B, C, D, and E. In 1917 the tax was increased. During the war—these were war taxes, mind you—we made the tax on class A cigars, those that sell for 5 cents each, $4 per thousand. We made the tax on class B cigars, those selling for more than 5 cents and not more than 8 cents each, $6 per thousand. We made the tax on class C cigars, those that sell for more than 8 cents each and not more than 15 cents each, $9 per thousand. We made the tax on class D cigars, those that sell for more than 15 cents each and not more than 20 cents each, $12 per thousand—mind you, from $3. On class E cigars, those that sell at retail for more than 20 cents each, we made the tax $15 per thousand. It has almost destroyed the industry. Those taxes are simply utterly unreasonable. They are inexcusable except in war times. They are war taxes.

Now we are trying to get away from those war taxes; and the committee have been very wise in the reductions they have made, only they have not gone far enough. They have taken care of classes A, B, and C quite well. The reductions there amount to practically 50 per cent. I am simply asking that we give the same reduction to classes D and E. Those classes are higher priced cigars. In the case of class D, for instance, the act of 1924 provided for a tax of $12 per thousand. The House bill makes it $10.50. There is a reduction of 12½ per cent—not 50 per cent, as it ought to be, but 12½ per cent. The reduction on the cigars that retail at more than 20 cents made by the House bill is from $15 to $13.50, a reduction of only 10 per cent.

You have reduced the taxes on classes A, B, and C 50 per cent; you have reduced the taxes on class D 12½ per cent, and you have reduced the tax on class E only 10 per cent. That is not fair. It is not fair to a great industry that has been built up, particularly in Florida. In Tampa the industry gives employment to some 30,000 people. There are enormous sums of money invested in cigar manufacturing—I am speaking of Tampa alone—and they have built up a class of goods somewhat different from and a much higher grade than are manufactured anywhere else in the country.

That industry in Tampa is terribly stricken by the high taxes imposed upon this kind of goods; and now you propose to perpetuate those war taxes in this time of peace, when you are reducing the taxes on other industries. There is not any industry concerned in this bill where you have not made a greater reduction than 10 per cent from the war taxes except this.

Mr. SMOOT. Oh, yes there is, Mr. President.

Mr. FLETCHER. I doubt it.

Mr. SMOOT. The tax on corporations is not reduced at all.

Mr. FLETCHER. From the war-time taxes?

Mr. SMOOT. Yes; from the war-time taxes—12½ per cent.

Mr. COPELAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from New York?

Mr. FLETCHER. I yield.

Mr. COPELAND. Is the Senator suggesting a change also in line 8?

Mr. FLETCHER. The first amendment that I am offering is to strike out "$10.50" in line 5, page 213, and make it "$7.00." It ought to be $6. Then I propose to strike out "$13.50" in line 8, and make it "$8." It ought to be $7.50, just half of what the present tax is. The present tax is $15 per thousand.

Now let me very briefly explain this matter. I will not take up much of the time of the Senate. I will hurry right through.

On cigars of classes A, B, and C, the reduction is practically 50 per cent, as I have stated; but when you get to classes D and E the reduction is only 12½ per cent as to class D, and 10 per cent as to class E. One of the manufacturers writes me as follows:

We desire to impress upon you and your colleagues that the manufacturer has no desire for any direct gain to him in asking for the 50 per cent reduction in tax on cigars. His only benefit will arise in the increase in business brought about by a well-satisfied consumer creating a larger demand for cigars of a standard quality at reasonable prices, and this increased consumption of cigars will bring in an increased revenue to the Government that will in a great measure offset the reduction in tax.

It is not for the benefit of the manufacturer, except that it enables him to live. He proposes to make a better cigar that you will get at 15 cents than you are able to get now. That will increase the demand for his goods, that will increase the consumption, and that will increase the revenues to the Government.

These factories have been falling off in recent years. Twenty-seven per cent of the cigar-manufacturing establishments in this country have gone out of business in the past year.

Mr. SMOOT. Cigarettes have taken their place.

Mr. FLETCHER. Very largely cigarettes are taking their place, because people are not willing to pay the prices that you make necessary by these high taxes. This industry has to pay not only the stamp tax of $15 a thousand on cigars, for instance, but it has to pay the customs duties on all the raw material it uses. Practically all that material comes from Habana. It is imported. Why, just think for a minute what it means to the Government. I will show you the figures.

These figures are for the Tampa district alone, if you will allow me to speak of that. I am not localizing this thing, because these cigars are manufactured in other parts of the country also; but I know the conditions in Tampa, and I have the figures as to the industry there. Therefore I am obliged to refer to Tampa; but the same remarks apply to New York or Pennsylvania or Chicago or St. Louis or anywhere else where these cigars are made.

In the Tampa district alone the Government income from its two major taxes—that is, without regard to the capital tax, the two major taxes being the revenue tax and the customs duties—in 1924 amounted to $3,856,706 internal-revenue tax and $1,857,977 customs duties. In other words, in Tampa alone, where this industry, and particularly the making of

these class D and class E cigars, is established on the highest possible basis of efficiency and good work, this industry paid to the Government in 1924 $5,714,743. I think we are entitled to some consideration here. That industry alone pays that much to the Government, and that is without regard to the capital-stock tax.

Mr. SIMMONS. Mr. President, I desire to ask the Senator a question.

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from North Carolina?

Mr. FLETCHER. I do.

Mr. SIMMONS. The committee, I think, was constrained to make the reduction on these low-priced cigars because the cigarette has come into violent competition with that class of cigars. I desire to ask the Senator if the cigarette has come as much into competition with the high-class cigars embraced in these two sections that he wishes to have amended?

Mr. FLETCHER. I think not.

Mr. SIMMONS. It was the competition of the cigarette, I think, that moved the committee chiefly to make these first two reductions, and I think the impression of the committee was that these higher class cigars were not met by the same kind of competition; and I think that is a very important fact in connection with the proposition which the Senator now advances.

Mr. FLETCHER. I think undoubtedly people largely got in the habit of smoking cigarettes when good cigars cost too much money.

Mr. SIMMONS. But do the people who smoke these high-class cigars resort to the cigarette because it is cheaper, as the people who smoke these low-class cigars do? Of course, the people who use the low-priced cigars are people of very moderate means, and they have to consider the cost of their smoke; and if they find they can get a smoke from the cigarette much cheaper, they resort to the cigarette. Therefore the demand for the low-class cigars has fallen off so much that the industry is not profitable. The man who buys the 20-cent cigar or the 25-cent cigar, however, does not care particularly about the price of his cigar. He is not disposed to discontinue his use of that high-priced cigar because he can get the cigarette a little cheaper, as is the case with the man who uses the low-priced cigar.

Mr. COPELAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from New York?

Mr. FLETCHER. I yield to the Senator.

Mr. COPELAND. There was a very distinguished predecessor of the present Vice President who said that the great need of this country was a good 5-cent cigar.

Mr. SIMMONS. That is the reason why we reduced the tax on the 5-cent cigar.

Mr. FLETCHER. That is all right. I have no complaint to make of that at all. That is a good end of the business. When, as a war measure, you increased the taxation on the 5-cent cigar 33⅓ per cent, you ought to get back somewhere to the half of that; and then you increased the taxation on these cigars that sell for more than 20 cents 400 per cent. I am simply asking you to get back to 200 per cent.

Mr. SMOOT. Mr. President, does the Senator think that a man who smokes a 20-cent cigar is going to cease smoking that cigar because of a tax of half of 1 cent on the cigar? Does the Senator think he is going to quit smoking because it costs him half of 1 cent?

Mr. FLETCHER. He is not going to quit smoking unless you drive the manufacturer of that kind of cigar out of this country. You are tending here to crush out a great industry.

Mr. SMOOT. No; the manufacturer charges to the cost of his cigar just what it pays in taxes. Let me tell the Senator this: Take, for instance, cigarettes. Their use has increased 1,000 per cent in the last few years.

Mr. FLETCHER. I do not doubt it.

Mr. SMOOT. There has been an increase of 1,000 per cent in the use of cigarettes in the United States. That has naturally affected the cheaper-cigar market; and the Finance Committee cut the taxes below those that the House provided.

Mr. FLETCHER. Somewhat.

Mr. SMOOT. Now the Senator is pleading here, after I thought the committee had gone to the very limit——

Mr. FLETCHER. The committee has not touched this item.

Mr. SMOOT. We have reduced the taxes $17,000,000 on cigars.

Mr. FLETCHER. You get $44,000,000 out of this industry.

Mr. SMOOT. We got out of cigars $43,000,000, and the House reduced that to $31,000,000, and the Finance Committee reduced it to $26,000,000, leaving a reduction from the present law under the committee bill as reported to the Senate of $17,000,000.

Mr. FLETCHER. Yes; that is all right. That ought to have been done. Your taxation, as I say, has been on a war basis. There has been an increase ranging from 33⅓ per cent in the case of the low-grade cigars to 400 per cent in the case of these cigars that I am talking about. It is absurd. You do not want to drive out of the country an industry that is manufacturing these high-class goods, and let the people who enjoy that kind of goods be dependent upon Habana and other foreign places for their supply.

Mr. SMOOT. I have all of my mail separated in accordance with the demands made for the reduction in the tax on cigars, beginning with the 5-cent cigar, then the 10-cent cigar, then the 15-cent cigar. I have all of those letters, hundreds and hundreds that I have received, classified, and there was not one single letter asking for a reduction of the tax on the higher-priced cigars.

Mr. FLETCHER. That is most astonishing.

Mr. SMOOT. If the Senator wants to come over to the committee, I will be glad to show him all of the letters. I thought that was rather astonishing, too. Most of them were in relation to the 5-cent cigar.

Mr. FLETCHER. Most of them; yes.

Mr. SMOOT. Next in number were those relating to the 10-cent cigar.

Mr. FLETCHER. Those classes, class A, class B, and class C constitute the main production, I know, and I am not finding any fault with the committee. On the contrary, I am commending them for their wisdom in making those reductions. But my position is that it is not fair to stop there. I think the committee should include the other classes. The Senator speaks about the letters he has received. I have received any number of letters and petitions of all sorts asking a reduction, and I think that this association, known as the Tobacco Merchants' Association, an organization representing cigar manufacturers all over the country, applied to the Committee on Finance, as they did to the Ways and Means Committee in the House, urging in the hearings a reduction of 50 per cent all down the line, in classes A, B, C, D, and E. That is the request they made, and that is what they urged before the Committee on Ways and Means in the House, a reduction of 50 per cent.

I am not asking quite that. Where the tax is $12 a thousand under the act of 1924, I am asking that it be made $7. Where it was $15 a thousand under the act of 1924, I am asking that it be made $8. So I am not asking even as much as this Tobacco Merchants' Association has asked, an organization which has a membership all over the country and represents this great interest generally. They ask for a reduction of 50 per cent.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. FLETCHER. I yield to the Senator.

Mr. REED of Pennsylvania. The Senator has stated that this business of manufacturing the high-priced cigars has been cut down by the high taxes. I would like to call his attention to the actual figures of production since 1918 and ask him to explain them.

The low-priced cigars, class B, which sell for from 5 to 8 cents apiece, were produced in 1918, we find, to the number of 4,167,000,000, and the output of those cheap cigars, which we were taxing at $6 a thousand under the war taxes, declined to 1,273,000,000 in 1924, a reduction of more than 66 per cent. On the other hand, these class D cigars, about which the Senator is now talking, the 15 and 20 cent cigars, which we taxed at $12 a thousand, actually increased from 16,000,000, in 1918, to 116,000,000, in 1924.

The committee cut the tax on the cheaper cigars in half, from $6 to $3, and they cut the tax on the more expensive cigars less. They cut it from $12 to $10.50. In view of the fact that the number of cheap cigars was declining, that the industry was on the wane, while the cigars about which the Senator talks have increased in number sevenfold since 1918, does not the Senator think that what the committee did was substantial justice? That is a pretty long question, but, perhaps, the Senator will give it a long answer.

Mr. FLETCHER. I think that what the committee did, as I said a while ago, is most commendable; but they have not gone far enough. It may be that the consumption of these high-class cigars has increased. I have not the figures as to that. I have the figures as to the increase in population from 1917 to 1925, namely, 11,320,875, an increase of 11.1 per cent. The total consumption of cigars decreased 1,349,436,790, or 16.3 per cent, and the per capita consumption decreased 24.1 per cent.

Mr. REED of Pennsylvania. But the decrease came in the cheap cigars, where we have given the relief, and the consumption of these expensive cigars has increased sevenfold.

Mr. SMOOT. The consumption of even class E cigars has increased 29 per cent, the cigars costing 20 cents and above, while as to the class D cigar, as the Senator has said, the consumption of that has increased 700 per cent.

Mr. FLETCHER. There has been an increase in population, and there has been an increase in demand. The people have been able to pay a higher price for cigars, and they want something good. I am not so sure that we might not have an improvement in the output of Cabinet meetings if they smoked clear Havana cigars instead of West Virginia stogies. I am inclined to think the meetings might be much more agreeable and better, with a possibility of getting better results. The people are learning gradually that in order to enjoy a satisfying smoke they have to have the Havana goods, and they are being consumed more and more where the people can afford to get them. Some people have not yet learned about these clear Havana goods which we make a specialty of making in bond in Tampa.

Mr. SMOOT. Advertise more.

Mr. FLETCHER. During 1925, it is interesting to note, Tampa produced, in round figures, 490,000,000 cigars, of which 84,000,000 were sold under class B, and 3,300,000 under class E.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. FLETCHER. I have not the complete figures available for the United States, but I estimate that during the year approximately 150,000,000 class D cigars were produced throughout the country, with perhaps 40,000,000 class E cigars.

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from West Virginia?

Mr. FLETCHER. It is a general industry, scattered over the United States. I yield. I did not mean to get a rise out of the Senator from West Virginia by that piece of pleasantry, but I yield to him to defend West Virginia smokes.

Mr. NEELY. I heard the Senator say something that sounded as if he were slandering West Virginia cheroots. His back was turned to me, and I did not hear all he said, but if he has any criticism to make of anything produced in West Virginia, I want to protest against it. Would the Senator please repeat——

Mr. FLETCHER. I think people do very well to smoke West Virginia smokes, or cheroots, if they can not get anything better, and do not know anything about clear Havana goods. [Laughter.]

Mr. NEELY. Mr. President, a large number of our people who have recently gone to Florida and lost their money in real-estate deals down there came back so poor that they could not buy anything else but the cheapest cigars which we produce in West Virginia—which, by the way, are better than the high-priced cigars produced in many other States—and these returning wanderers find their health better after they smoke West Virginia tobacco than it was when they were smoking the expensive cigars produced farther south.

Mr. FLETCHER. I found any number of West Virginia citizens, very fine people, located permanently in Florida when I was down there in November, and they seemed to be very prosperous and happy, with no idea of ever returning to West Virginia.

Mr. NEELY. That is because Florida has abolished the inheritance tax. After we get through with this revenue bill, if the coalition spoken of by some of my colleagues stands, I assume there will be not quite so much attraction in Florida as there is at the present time. Then your citizens, Mr. President, and West Virginia's citizens will stop dodging taxes and come back home, not only to live but to die, and finally go to heaven.

Mr. FLETCHER. Of course, if they had had any estates worth while they could have gotten rid of the inheritance tax all these years in Florida ever since 1845.

Mr. WATSON. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. WATSON. The late Tom Marshall said that what this country most needed was a good nickel cigar. The tax we put on them drove them out. This tax we provide will enable us to again have a reasonably good 5-cent cigar.

Mr. FLETCHER. I hope so.

Mr. WATSON. Driving out the cigar led to the manufacture and consumption of the cigarette. In the last year we manufactured 72,000,000,000 cigarettes in the United States, partially because the cheap cigar was driven out, partially because the boys, as well as the girls and the women, began to smoke them.

Mr. SMITH. Smoke what?

Mr. WATSON. Cigarettes; not West Virginia cheroots.

Mr. NEELY. The women did not smoke any of these 20-cent cigars the Senator from Florida has been talking about, did they?

Mr. WATSON. No.

Mr. NEELY. I understand those cigars are so strong that nobody but an unusually strong man can survive the smoking of them.

Mr. WATSON. Seriously, I think the committee undoubtedly did the right thing.

Mr. FLETCHER. I thoroughly agree. I am not asking that they go quite as far as they did with reference to the 5-cent cigar. In that case they reduced the tax 50 per cent. I am asking that they approach that all down the line, as to all these classes, that is all.

Mr. WATSON. But inasmuch as the manufacturer of that particular class has gradually increased, there is no occasion for an increase in the tax.

Mr. FLETCHER. Apparently the consumption has increased.

Mr. WATSON. Manyfold.

Mr. FLETCHER. But the industry is to-day struggling under the highest prices they have ever paid for raw materials. They have to pay the customs duties on this material, wages are higher than they have ever been, and I say to the Senator frankly that one of the largest manufacturers of these cigars in Tampa told me he was not making to-day 1 per cent on his investment in his business. Yet the committee propose to tax this industry 20 per cent on its yield. Twenty per cent of all the gross returns from this manufacturer's establishment must go in taxes to the United States Government. Does the Senator know any other industry struggling under such taxes as that?

Mr. SMOOT. I think the Senator has made a wonderful defense of the cigar business. Are there any more figures the Senator wants to put in?

Mr. FLETCHER. I am glad to have the suggestion that I ought to quit; and I am willing to do so. I have plenty of statements here bearing directly on the justice of this amendment, but I will not take the time to read them, as I want to hurry on with the bill. But I do want a fair, square understanding of just what is being done here, and a vote on the committee's conclusions as to whether they are treating this industry right or not. It is not a question of luxury any longer in the smoking of good cigars. People generally are smoking good cigars where they can get them, and this reduction would not go so much to the benefit of the manufacturer as to the improvement of the class of goods and the increase of consumption. Whereas the reduction I have asked for might mean a possible decrease in revenue, on the face of it, to the amount of something like a million dolars or so, if the committee will consider the increased consumption that will follow the increased demand for these goods that will follow they will find that the Government will not lose anything by making this reduction.

The VICE PRESIDENT. The question is on agreeing to the first amendment of the Senator from Florida in line 5, on page 213.

Mr. FLETCHER. To save time, I am willing to have both amendments considered together, if it is the desire that we do so, the amendment in line 5, page 213, to change $10.50 to $7, and on line 8, page 213, to change $13.50 to $8.00, and consider the two propositions together.

Mr. TRAMMELL. Mr. President, my colleague has entered into the subject very thoroughly and I believe it is fully understood by the Members of the Senate, but I desire to add merely that the city of Tampa has built up the greatest cigar manufacturing industry in the United States. Also in Key West, Fla., there is very extensive manufacturing of clear Havana cigars. The committee, in considering the question of the tax upon cigars, saw fit to make a reduction of approximately 50 per cent on the cheaper grades of cigars. The cheaper grades of cigars are not manufactured in Florida to any great extent. It is the higher classes of cigars costing from 10 to 25 cents that are manufactured principally in our Florida cities. We are contending that the industry within our State, and also, of course, in New York and some other sections of the country, is entitled to the same consideration as the cheaper classes of cigars.

I believe manufacture of the cheaper classes of cigars has diminished largely on account of the increased cost due to the revenue tax and to the increased cost of manufacture, resulting in poorer grades of cigars, and that fact has driven people more to the smoking of cigarettes.

This situation also prevails in regard to the higher classes of cigars. Before the expenses were so great attaching to clear Havana cigars, one could purchase a splendid cigar

for 10 cents; but now, with the customs duty and the internal-revenue tax as imposed by law and as proposed to be imposed by the pending bill, it is and will be almost impossible to purchase a clear Havana cigar for less than 15 cents or two for a quarter. Of course, the price runs as high as 20 and 25 cents. It is the contention of the industry in Florida, and I believe throughout the country, that if the duty is reduced or the tax is reduced there will be an increase and expansion in the manufacture of the higher classes of cigars. That is the position which has been taken, I am sure, by the Florida manufacturers. I am told that the industry is struggling under the expense imposed by revenue taxes and by the customs dues. We are pleading that those who conduct this industry in Florida should have the same consideration as those who manufacture the cheaper grades of cigars; that is all.

Why should the manufacturers of cigars costing 5 to 8 or 10 cents in other States have a 50 per cent reduction while the manufacturers of the higher classes of cigars, which are the product of Florida manufacture, are only granted a reduction that amounts to not in excess of 12½ per cent.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. TRAMMELL. Certainly.

Mr. NORRIS. I presume the Senator is referring particularly to Florida?

Mr. TRAMMELL. I am.

Mr. NORRIS. That is the State where Congress has decided to establish an untaxed reservation for millionaires. So why should they not pay a higher tax than the rest of the country on the cigars they smoke?

Mr. TRAMMELL. There is no reason why they should pay more. I know the whole attitude of the Senator from Nebraska would indicate that he does not think a man who has $1,000,000 should live anywhere unless he has higher taxes imposed upon him than are imposed upon anyone else.

Mr. NORRIS. We can not tax him there upon his inheritance or his income, but we can tax him on the cigars he smokes.

Mr. TRAMMELL. The Senator's attitude is that we have to bear down very heavily on the wealthy of the country, whether in Florida or Nebraska or anywhere else. He wants to drive them from Nebraska, and we are glad to have them in Florida.

Mr. NORRIS. That is all the more reason why they should pay the taxes on their cigars.

Mr. TRAMMELL. We do not want to discriminate against them on the cigar question. These cigars are sold all over the country and not simply in Florida. A great business has been established throughout the country by virtue of the enterprise and industry of the manufacturers of clear Havana cigars in the city of Tampa and the city of Key West in particular, and also through the efforts of manufacturers in other places in Florida.

Mr. BLEASE. Mr. President, may I inquire of the Senator where the tobacco comes from?

Mr. TRAMMELL. The Havana tobacco is brought from Cuba, and the manufacturers, as has been stated by my colleague, pay to the Federal Government more than $3,000,000 a year in customs duties. The wrapper, of course, comes more or less from other sections of the country. They use quite extensively a wrapper produced in the northern part of our State, where we produce a most excellent quality of wrapper. It is a class of wrapper that is also produced in Connecticut and other sections of the country. But the Havana filler, so-called, comes from Cuba; it is imported to Florida from Cuba.

What we insist upon is that the higher class cigars should have the same consideration when we come to making reductions and that the industry deserves that recognition at the hands of Congress. If we maintain the higher duties on the better grades of cigars when we have lowered the tax on the cheaper class cigars, we will come near to hampering and interfering with the expansion and enlargement of the industry engaged in the manufacture of the higher priced cigars.

Mr. SIMMONS. Mr. President, I only want to say a few words. I dislike very much to have to antagonize my good friends from Florida, but there must be some proportion in the taxes imposed upon competing products. Cigars compete with cigarettes. The two Senators from Florida represent a cigar-producing State and I represent a cigarette-producing State. The tax imposed on cigarettes is $7.50 a thousand, more than the tax imposed in the pending bill on the cheap cigars, and within $1.50 or $2 of the tax imposed upon the high-grade cigars. That is out of proportion.

I would be tempted, if the Senate should go any further in these reductions, to urge a reduction in the high tax upon cigarettes. There never has been, from the peak prices of the war, 1 cent of reduction in the tax on cigarettes. I am not asking, and I do not want to ask, for any reduction, but it is a competing product, and if we are going on down the line cutting the taxes off of cigars, I would be forced to ask for some reduction in the tax on cigarettes.

Mr. FLETCHER. I call for the yeas and nays on agreeing to my amendment.

Mr. SMOOT. Let us have a division.

Mr. FLETCHER. Very well.

On a division Mr. FLETCHER'S amendment was rejected.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Thomas Reed Powell, of the Harvard Law School, on "The abolition of the Federal inheritance tax."

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

THE ABOLITION OF THE FEDERAL INHERITANCE TAX

(By Thomas Reed Powell, Harvard Law School)

The publication in the November Bulletin of "Extracts from report of special committee of the trust company division of the American Bankers' Association," giving reasons for the abolition of the Federal estate tax, prompts me to offer a few comments on some of the reasons advanced in favor of the abolition advocated. These comments are designed not as an argument in favor of the retention of the tax, but rather as an inquiry into the canons of judgment that should be applied in passing upon an important issue of public policy. When I find what seem to me foolish reasons urged by presumably picked minds, I am tempted to believe that the reasons are not the inducing cause of the conclusion, but are put forward to rally support for a conclusion founded on other considerations.

I

After describing the Federal estate tax and the Federal gift tax, the report affirms that "the Federal estate tax is not based on the same logical right as the State inheritance tax." This is true in a sense. The States have a special power over inheritance not possessed by the Federal Government. This special State power to regulate the devolution of the property of a decedent has been referred to by the courts in condoning State inheritance taxation that violates accepted constitutional canons of property taxation. The recent Frick case indicates a wholesome modification of the general latitude shown toward State inheritance taxation, and bids us hope that in time the idea of inheritance as a State-controlled privilege will no longer appeal to the Supreme Court as a sufficient basis for sustaining State taxation that in substance is taxation of extraterritorial values.

This special State power over inheritance has been seized upon as a justification for some State taxation that is undeniably unfair.

It does not follow, however, that without this special State power over the devolution of property, the States would not have power to levy inheritance taxes. This special power has not been the necessary basis of the power to tax. It has been the necessary basis merely of certain excrescences in State inheritance taxes. Without any such special power the Federal Government has authority to impose estate and legacy taxes, as the report recognizes by its citation of New York Trust Co. v. Eisner. Whatever difference there is between State and Federal power over the devolution of property has logical relation only to possible special features of inheritance taxation. The logical difference is not the broad, logical difference that the report assumes it to be.

The argument of the report on this point, if carried to its logical conclusion, would deny to the Federal Government the power to impose an excise on doing business in coporate form, an excise on manufacture or on sales. The States have the power over corporate charters, the power to regulate manufacture, and to regulate intrastate sales. The United States has no one of these powers. Yet, the United States may tax all these operations. It may tax them because they take place within its borders. So it may tax inheritances because of the relation of the inheritance to the geographical area of the United States or the relation of the decedent to the sovereignty of the United States. With the special issue whether Federal taxes on these subjects are direct taxes or indirect taxes we need not be concerned. They have been authoritatively adjudicated to be indirect taxes. The distinction between direct and indirect taxes goes, not to the power of the United States to tax the subject, but to the necessity of apportioning the tax among the States according to population.

II

The second proposition of the report is that "the Federal estate tax should be reserved for emergencies only." This is supported by the facts that in the past Federal inheritance taxes have been of brief duration. This is of slight significance. The conditions of the past are not the same as the conditions of the present, as the needs of the past are not the same as the needs of the present. The appeal to history is ineffective without a concrete comparison of the past and the present. This comparison is not undertaken by the report. There is the assertion that "it is believed that" Federal inheritance taxation

"should be an emergency source of revenue, to be done away with as soon as the emergency has passed," followed by the assertion that "we consider that that situation has now arrived." It is hard to say that the fiscal emergency of the war is over when the United States still owes some twenty billions of dollars borrowed because of the war. In the past, when the Federal inheritance tax has been lifted, there was no such indebtedness still unpaid.

There are excellent reasons why an inheritance tax should not be regarded as a peculiarly appropriate emergency tax. Emergency taxes should be related to enterprises that have some relation to the emergency. Folks die whether the Government has special need of revenue or not. From any standpoint, other than that of a need for revenue that outweighs all considerations of fairness to taxpayers, it is whimsical in the extreme to put taxes on estates, depending upon whether the decedent dies in one quinquennium or another. Those who feel the grasp of an inheritance tax because their decedent died before January 1 have solid justification for feeling that they have been grievously discriminated against if others have escaped entirely because their decedent dies after January 1. From the standpoint of equality between individuals, the argument in favor of long-time continuity of inheritance taxation is much stronger than that in favor of an inheritance tax that goes on or off as some governmental need rises or falls. The report would have been more weighty on this point if it had urged that the Government should not, because of an emergency, impose higher inheritance taxes than it imposes over a long period of years.

III

The third proposition of the report is that "the Federal estate tax is no longer needed as a source of Federal revenue." This is supported by figures showing that the annual yield of the estate tax is less than the annual surplus of the Federal Government. The report does not mention the fact that the Federal Government still owes some $20,000,000,000. Such taciturnity tempts one to question the candor of the authors of the report. The question whether we should increase the rate of reduction of the national debt is one about which there can be no difference of opinion from the standpoint of the welfare of the National Treasury. Everyone would agree that the debt should be reduced as fast as possible, provided the reduction might be painless to taxpayers. Any effort to alleviate the pain of reduction, on the ground that reduction is not desirable, is quite patently more sensitive to the pain than to the public fiscal problem. Federal estate taxes may be painful and bad in other ways, but they are not bad because the Government wouldn't know what to do with the proceeds.

IV

The fourth proposition is that "the abolition of the Federal estate tax would increase inheritance-tax revenue in the States." The report states that 29 of 45 States now deduct Federal inheritance taxes from the estate taxable by them. Under such statutes the State taxes would be larger if there were no Federal tax to deduct. They would be equally larger if the 29 States adopted the rule of the other 16 and declined to allow the deduction of the Federal estate tax. The States have no need whatever of the abolition of existing Federal estate taxes. In so far as the report goes on to suggest that the States with a broader tax base might use lower rates and that the abolition of the Federal estate tax would reduce the bother and expense of administering estates, it points to undeniable truths. These truths, however, are not pertinent to the caption that the abolition of the Federal estate tax would increase inheritance-tax revenue in the States. They show merely that it would be nicer for those who have to pay taxes if they didn't have to pay them. No one doubts this. Yet while it may have played some part in the minds of the promulgators of the report, it is not put forward as one of the heads of the argument.

V

Another aspect of the self-interest of the taxpayer is, however, chosen as the keynote of the fifth proposition of the report. This says that "the administrative burden on estates is heavier in the case of the Federal estate tax than in the case of State inheritance taxes." The reason given is that Washington is farther away than the State capitals. This is a reason why it might be well for the National Government to decentralize its administrative machinery for assessing and collecting Federal estate taxes. It can hardly be a reason why the National Government should forego a tax. Such a reason, if a good reason, would apply to many other forms of national taxation. The National Government must live, even if its Capital is not in the immediate vicinage of taxpayers.

VI

The report then goes on to present objections to five arguments advanced in support of the retention of the Federal inheritance tax. All the arguments thus picked out for refutation may be foolish arguments, and still the Federal estate tax may be a wise tax. The arguments may severally be weak and yet collectively strong. No one argument may give a sufficient reason for the tax, but each may give one-fifth of a sufficient reason. Or a sufficient reason may be found in the underlying fact that the tax yields revenue to a Government which has need of it and in the collateral fact that the arguments urged against the particular tax are arguments against taxation or arguments based on private interest rather than on public welfare.

(a) The first argument set up to be knocked down is the claim that the Federal estate tax rounds out a complete system of taxation and enables the Federal Government to overcome to a degree the obstacles to getting revenue from exempt sources. Estate taxes may be measured by assets invested in State and municipal bonds, whereas the Federal income tax may not.

This isn't a very compelling argument in favor of the retention of the Federal estate tax, and the objections urged against it in the report are sufficiently satisfying.

(b) The second prop of the estate tax which the report seeks to fell is the "claim that war debts should be paid from capital." To this the report answers:

"All Government debt is simply postponed taxation. The taxation levied to meet it should fall within such rate limits that it can be paid by taxpayers from their current income. It should not require a tax derived from the sale of capital assets of estates which arise through such fortuitous circumstances as deaths occurring during the term of the debt."

This is a general argument in favor of income taxation as against inheritance taxation. A judicious mixture of the two is so firmly settled a canon of taxation that a complete condemnation of either element in the compound need not be considered. The final sentence of the refutation deserves fuller consideration. It is an argument against inheritance taxes as emergency taxes, though the report elsewhere insists that such taxes are emergency taxes. If "deaths occurring during the term of the debt" are "fortuitous circumstances," how much more fortuitous are the deaths occurring during a two-year war and for six years thereafter, while $20,000,000,000 of the debt are still unpaid.

If the argument were that death itself is a fortuitous circumstance and therefore should not give rise to a tax, it could readily be met. Inheritance taxes generally are not to be swept away by such a zephyr. The windfall to the recipients of the assets of decedents is fortuitous and fiscally fortunate. These are compelling justifications of inheritance taxation when the Government needs money or can use it wisely. What the recipient gets comes not from his own efforts but by the chance of having someone leave it to him. The fact that it comes by such a chance is a fortuitous fact, but it affords a solid reason why the Government should get some of it in order to take less from what comes through sweat of brain and brawn, or from capital acquired by sweat of brain or brawn.

The report does not directly controvert this. The fortuitous circumstances it has in mind are not deaths, but deaths occurring during the life of the war debt. It finds fortuitous inequality in confining the Federal estate tax to such period.

This is an argument why an inheritance tax should never be imposed or else an argument why an inheritance tax once imposed should not be lifted. The situation is that we have a Federal inheritance tax. Q. E. D. Clearly enough, to justifiable fortuitousness is added unjustifiable fortuitousness, if the chance occurrences of deaths give rise to taxation only in spasmodic periods. It is fairer all around to tax inheritances over a long term of years than over a short term of years. The life of the national debt bids fair to be a sufficiently long period, so that we need not push this "fortuitous" argument to its limit that estate taxes like death itself should be perennial.

Somewhat collaterally the report argues that the longer the Federal estate tax is retained, the more likely it is to be permanent, and that, if it is permanent, it needs supplementary forms of taxation, thereby increasing the machinery of Government and the annoyance of taxpayers. The report cites the gift tax as an effort to prevent the evasion of the estate tax. These are reasons why those who inherit should prefer the abolition of the estate tax. They are not sufficient reasons why it should be abolished.

(c) The claim that the Federal estate tax should be retained for social purposes is met by saying that "we do not believe it is the function of the Federal Government, through the instrumentality of taxation, to accomplish alleged social reforms." The unconstitutionality of the Federal child-labor tax is cited and it is then avowed: "It is believed that the only tests which a legislator or the public should apply to this question should be, 'Does the United States Government need the money to balance an intelligent budget, and is this the best method of raising it?'" One wonders how many of the favorers of this report favor a protective tariff. More generally, it may be said that any scheme for raising revenue necessarily has social results as well as fiscal results. No discerning person can find it possible to believe that the Federal Government can tax without producing social results. Discerning persons may disrelish "the alleged social reform" of getting ratably more money from those who have much than from those who have little, where they do not disrelish the alleged social beneficence of endowing American manufacturers and American laborers at the expense of American consumers; but they can not object to taxation by the Federal Government because it has social results.

True enough, the Federal child labor tax was held unconstitutional. But the Federal estate tax was held constitutional. Beyond doubt it is predominantly a fiscal measure, as the child labor tax was not. The regulatory features of a Federal estate tax are collateral. They must be compared with the regulatory features of alternative forms of Federal taxation. The report asks the right question in its concluding sentence under this head, but it does not tell us why more rapid debt reduction should be excluded from "an intelligent budget," and it does not compare the estate tax with the automobile tax and the tariff and the many other forms of Federal taxation to show why the estate tax should be the one to be abandoned—except as it shows its inconvenience to those who have to pay it.

(d) The claim that the Federal estate tax should be retained to get revenue to give grants in aid to the States for highways, education, National Guard, etc., is answered by a disrelish for grants in aid and for Federal expenditures which encourage State expenditures. Neither the claim nor its disapproval has close relation to any particular form of tax.

(e) The claim that the Federal estate tax is needed to correct State inheritance tax policies is next considered. Let us agree that correction by way of credits on the Federal tax of payments of State taxes would be incomplete and uneven. The report does not object to the allowance of a larger credit for State taxes. It objects to the retention of the estate tax for this sole purpose. Whether the tax, if retained, can be made a successful instrument for reducing to a satisfactory degree the inequalities resulting from the varying inheritance tax policies of various States is a subordinate question. If the favorers of the report do not attain their major end of abolishing the Federal estate tax entirely, we may then be grateful for their contribution of reasons why the allowance of credit for State taxes will not go far toward correcting the inequalities resulting from the diversities of State inheritance tax policies.

VII

Part II of the report condemns the gift tax. It says that many constitutional lawyers think it unconstitutional and that President Coolidge has called it of doubtful legality. The report does not go into reasons. Thereby it avoids some of the pitfalls it has stumbled into elsewhere. It says that legal difficulties of construction and the administrative difficulties of collection are out of proportion to the amount to be collected. These suggestions would be worth consideration if they were made specific.

Two contentions made separately may be considered together. The report says that the gift tax prevents normal donations and is not needed to eliminate loss of Federal taxes through gifts to reduce income taxes and estate taxes. No statistics are given. None can be given. The report seems to overlook the facts that would-be donors who are restrained because of the gift tax subject themselves to continued restiveness in the higher brackets of the income tax and subject their legatees to estate taxes on what goes by will instead of by gift inter vivos. Any father desiring to endow his son for other reasons than reduction of taxation would be a hard father if he refrained because of the gift tax and left the son to wait to suffer from an inheritance tax. The report refrains from mathematics and does not affirm that the gift tax makes gifts inter vivos a more expensive method of donation than gifts by will. If it does, this might be a reason for reducing the rate of the gift tax. It would not be a reason for abandoning it so long as the income taxes and the estate taxes remain in force.

The cream of the argument comes in the concluding paragraph, which concedes that gifts inter vivos have been increased by reason of the high rates of the income tax and the estate tax, and then proceeds:

"The remedy, however, is not to continue an additional economic evil—the gift tax—but to reduce the rates of income tax and to abolish the estate tax, so that these taxes will no longer seriously disturb the ordinary economic life of the Nation."

This is the answer to the claim on behalf of the gift tax that it prevents the evasion of other taxes. The way to prevent the evasion of the estate tax, says the report, is to have no estate tax to evade.

The way to prevent the evasion of the income tax is to reduce it, and thereby reduce the temptation to evade it. The way to prevent a man from killing his wife is to have some one else kill her, and thus to have no wife to kill.

A gentle word may be said about the position of the report that "those who believe the estate tax serves a purpose of social economics by aiding the diffusion of wealth can not at the same time logically advocate a gift tax which stops the voluntary diffusion of wealth." The diffusion of wealth, which is the "purpose of social economics," in an estate tax is not a diffusion by a father among his offspring. The estate tax does not promote that diffusion. The diffusion it promotes is a diffusion of the wealth of a decedent not among his family but among many other families by the abstraction of a part by public authority to be devoted to public uses. The same sort of diffusion is promoted by the gift tax. No one ever thought that an estate tax had for its object, or for one of its objects, some inducement to a man to leave his money to his family. That inducement arises aliunde, and may be trusted to continue in spite of estate taxes. If gift taxes are no heavier than the ensuing relief from income taxes and from estate taxes, gift taxes will not thwart any natural inducement of a father to be a live donor instead of a dead one. Gift taxes will, however, thwart inducement to give him gifts for the sole object of reducing income taxes and estate taxes.

Here endeth the consideration of the argument of the report against the gift tax.

VIII

This paper, as confessed at the outset, is an effort at destructive criticism of a memorandum put forward to urge the abolition of the Federal inheritance tax. It is not designed directly as an argument in favor of the retention of the tax. As may be surmised, I am not convinced by the report under review that the arguments it gives are solid arguments. The report, however, may be as feeble in argument as it seems to me, and still the estate tax and the gift tax may be unwise or unnecessary taxes. This, however, is a relative matter. The evils of these taxes should be weighed in comparison with the evils of alternative taxes and the evils of continuing heavy public indebtedness.

That the Federal estate tax is annoying to those who have estates to administer may be conceded. The administrative annoyances of any inheritance tax are hard enough for tax officials and hard enough for executors. The annoyance added by Federal taxation is not great compared to that inflicted by the varying and cumulative demands of the various States. One may sympathize with officials of trust companies in their desire to reduce the annoyance wherever may be. One may sympathize with taxpayers in their desire to abandon that uncongenial rôle by elimination of the tax rather than by admission to the worthy but not select group of those who have nothing to tempt taxation. Such sympathy, however, can not blind us to the fact that inheritance taxation is a well-established means of getting revenue for National as well as for State Governments, and that it takes strong arguments to justify the relinquishment of such a tax by a government indebted to the extent of $20,000,000,000.

What I should like to know from the authors of the report under review is why it is better to prolong heavy income taxation in order to hasten the abandonment of estate taxation. I am the more curious when I find them also urging the reduction of income taxation. I am curious to know how far they think we can go in reducing income taxation to save those in the higher brackets from temptation to split their wealth by gifts to members of their families and still get revenue enough to maintain the present rate of debt reduction. I should like to know what they mean by "the ordinary economic life of the Nation" which is to be saved from serious disturbance by the abolition of the estate tax and the reduction of the income tax. I had thought that the ordinary economic life of the Nation included taxation for the reasonably rapid reduction of heavy public indebtedness. Recent reading of the ticker has not revealed to me the serious disturbance of the ordinary economic life of the Nation by either the income tax or the estate tax.

Recent reading of income-tax levies has revealed a degree of prosperity among lenders, makers, and vendors that has not seemed to me disheartening. I have even assumed that men with large incomes enjoy paying high taxes, for I observe them applauding the position of the Secretary of the Treasury that lower rates on rich men will make rich men pay higher taxes. It has seemed to me that the reports of the settlement of large estates show that governments can get good-sized taxes thereon and still leave something fairly adequate to the needs of widows and orphans. I still need more light on this serious disturbance to the ordinary economic life of the Nation.

I need, too, a fuller consideration of the problem of the national debt than the authors of this report have given me. To me the slogan of tax reduction by debt reduction makes a strong appeal. I read in the report that "no one would expect a business corporation which sees reasonable prospects of an early retirement of its emergency debt out of its current earnings to sell part of its plant to pay that debt after the emergency has passed." I agree. Yet I question the analogy. I have not seen any proposal to sell the National Capitol, the Yellowstone Park, or the Panama Canal. Is the National Government selling part of its plant when it imposes an estate tax, not on itself but on some one else? How early are we going to retire the debt by income taxation and still hope for reduction of income taxation? The war to end war may leave in its train another war to end war. No nation, even one with the wealth of ours, is best prepared for war or for peace with a debt of twenty billions of dollars.

Taxation is in part at least a public problem, and only in part a private problem. In so far as the report of the trust company division of the American Bankers' Association touches upon the public aspect of the problem it seems to me woefully weak. In so far as it hints at or is responsive to the private aspect of the problem I find in it no flaw.

Mr. SMITH. Mr. President, I desire to submit an amendment, which I ask may be printed and lie on the table. I ask that the clerk may read it.

The VICE PRESIDENT. The clerk will read as requested.

The CHIEF CLERK. On page 134, after line 23, insert the following new paragraph:

1. The amount of income taxes imposed by this act shall be assessed within two years after the return was filed, and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period.

And, on page 135, in line 8, strike out the words "and by this act."

The VICE PRESIDENT. The amendment will be printed and lie on the table.

THE COAL SITUATION

Mr. COPELAND. I ask permission to have printed in the RECORD an article by Father John J. Curran, which is entitled "The big stick is needed," published in Collier's National Weekly, and also a leading editorial in the New York World of to-day, which is entitled "The art of doing nothing—and some reasons."

There being no objection, the matter referred to was ordered printed in the RECORD, as follows:

[From Colliers', the National Weekly, for February 18, 1926]

THE BIG STICK IS NEEDED

(By Father John J. Curran, for 40 years a potent mediating force between coal miner and operator)

One punch from the White House would reopen the coal mines, send 158,000 men back to work, and alleviate the terrible winter suffering of more than a million women and children. Let's have that punch from the President!

All yearn for peace.

President Coolidge well might be guided to-day by the spirit of Theodore Roosevelt. In the summer of 1912, when Colonel Roosevelt came to Wilkes-Barre to attend my silver jubilee, we recalled the strenuous days of 1902, when we worked successfully to end the so-called Mitchell strike, that kept the anthracite miners idle for six months.

"Father Curran," my dear friend said to me then, "if the operators and the men had not agreed to arbitration in 1902 I would have put the United States Regulars into the mines to dig coal. I would have seized a pick and gone with the Army. And you would have been at my side. Perhaps I would have been impeached, but we would have moved the coal out of the mines and into the bins!"

Vital differences prolonged the stubborn deadlock of 1902. No such condition exists now. There are but two substantial points of difference between the opposing factions. The miners insist upon arbitrating wages upward only. The operators wish to arbitrate downward also at any time within the proposed five-year life of a board of conciliation. The miners demand the "check off"—a deduction of union dues from each pay envelope. The operators refuse this demand in toto.

The miners, upon the recommendation of Governor Pinchot, have receded materially from their original stand as regards arbitration and wages. I have talked with representatives of the operators, and I feel certain that a strong word from the President would bring to an end this intolerable suspension of mining.

This is the time for the President to move decisively and firmly.

I speak from experience. For my memory goes back to the six-months strike of 1869, when I marched out of a mine near Pittston in protest over threatened reduction in wages. I was 10 years old and a mule driver. A year before I had been promoted from my job as breaker boy. I earned a nickel an hour picking slate out of the coal as it raced through the chutes.

As a mule driver I earned more than 70 cents a day! I worked from 7 in the morning until 6 in the evening, six days a week, and I never saw the sun from Sunday to Sunday.

Conditions are different to-day. Spiritually different, too, thank God. There is no longer the bitter personal hatred so marked, for instance, in the strike of 1902.

That strike, President Roosevelt truly said, "threatened the Nation with disaster second to none which has befallen since the days of the Civil War."

Often the colonel and I talked over the 1902 days. I remember when he stayed with me during my jubilee. One morning at breakfast he wanted another cup of coffee. He astonished the serving girl by leaping from the table and carrying his cup into the kitchen to be refilled.

The colonel was always very much interested in advice I always gave strikers: Observe the law; avoid liquor as you would the plague; go into the fields and work.

I don't believe in coercion. Suggestion is a more powerful agent in making men do the right thing.

The time is now at hand for a bit of suggestion from the White House to the warring factions in the present strike. Moral pressure from the President of the United States would reopen the mines.

Apply this pressure, Mr. Coolidge!

[From the New York World, February 11, 1926]

THE ART OF DOING NOTHING—AND SOME REASONS

This is the second coal strike and the third session of Congress since Mr. Coolidge became President. Twice in general terms he has recommended legislation which would go far to prevent strikes in the future. And yet Mr. Coolidge sits coolly in the White House and has not even written a letter to a Senator or given out an anonymous hint through his spokesman that he favors any particular coal bill before Congress and would like to see it enacted. Practically, Mr. Coolidge has done nothing and is doing nothing about the most serious industrial question of his administration. His half-hearted recommendations made in 1923, forgotten in 1924, and renewed even more timidly in 1925, do not count as action. Until the administration has a bill backed by the White House and the Republican majority in Congress, it is fair and it is true to say that the President is not seriously trying to do anything.

It is pertinent to ask why Mr. Coolidge is so little interested in his own recommendations. One explanation, of course, is that, temperamentally, Mr. Coolidge always prefers doing nothing. He hates to commit himself to a definite course of positive action, he dislikes the trouble and worry of trying to lead his party, he is afraid of rows, and he is gun-shy after the repeated drubbings administered to him by his party in Congress. Never having made a success of his leadership in Congress, he does not wish to risk another failure. To do anything about coal would involve certain risks, and Mr. Coolidge does not like to take risks. He is shrewd enough to know that in about six weeks mild weather will be here, and then the agitation about coal will die down. By next winter the strike will probably be settled, and the next strike may not come for some time.

There are other reasons why Mr. Coolidge is not ardent about his recommendations. The brunt of the strike is borne by the State of Pennsylvania, which is so solidly Republican that it can't squeal. The inconvenience of the strike is felt chiefly in New England and in the Middle Atlantic States, where Mr. Coolidge is so well intrenched among conservatives that he can afford to defy the discontent of the people of small means in the cities, who are generally Democratic anyway. The profits of the strike accrue to the soft-coal interests in politically doubtful States like West Virginia, Kentucky, Ohio, Indiana, Illinois, Missouri, which is very satisfactory from the point of view of party strategy.

Above all, the recommendations include provision for publicity of the coal operators' accounts under Federal supervision, and that is not the sort of thing that Mr. Coolidge, or Mr. Mellon's pretorian guard of industrial captains, cares to see enacted into law. He has sworn not to interfere with the prerogatives of big business and to defend it against all inspection and regulation by the Government. The coal proposals made by the Hammond commission and sponsored by Mr. Coolidge in effect declare coal a public utility and subject the coal companies to Federal regulation. Calvin Coolidge does not see himself gladly as the sponsor of legislation which Mr. Mellon's following must regard as almost bolshevist in its implications. That at bottom is the compelling reason why Mr. Coolidge is determined to do nothing to protect the public against recurrence of the strikes. The proposals he is committed to are contrary to his philosophy, and as a precedent they are objectionable to the large interests which Mr. Coolidge has set himself to please.

RECESS

Mr. SMOOT. I move that the Senate carry out the order previously made with reference to a recess.

The motion was agreed to; and the Senate (at 10 o'clock and 8 minutes p. m.), in accordance with the order previously entered, took a recess until to-morrow, Friday, February 12, 1926, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

THURSDAY, *February 11, 1926*

The House met at 12 o'clock noon.

Rev. S. Carroll Coale, McKendree Methodist Episcopal Church, offered the following prayer:

Almighty God, before whom we bow in humility and reverence, unto whom the heart of humanity must always turn, wilt Thou be pleased to smile upon us with smiles of approval as we, Thy children, pray. Grant that upon this gathering here assembled there might come that assurance of Thy guidance and care. Be pleased to direct and prosper all of their consultations that out of them there may come glory to the church, advancement to the Kingdom of God, and safety and protection to Thy children, that down through the years Thy children may have piety and religion, honor and happiness, justice and peace. May each person in Thy presence know the intimacy of Thy fellowship so that in the years to come we may know that there is One who stands by us in our problems,

whether they be problems of a national character or of our own firesides. Let Thy voice speak to us and our hearts be willing to hear. Bless our Nation, bless our homes, bless all and help us to keep our eye directed toward the Eternal God. We ask it all for Thy honor. Amen.

The Journal of the proceedings of yesterday was read and approved.

CHILD LABOR AMENDMENT

Mr. GARRETT of Tennessee. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Tennessee rise?

Mr. GARRETT of Tennessee. Touching the RECORD.

Mr. Speaker, on yesterday afternoon the Speaker laid before the House a report of the Secretary of State, made in response to a resolution requesting certain information touching the action taken by the various legislatures upon the so-called child labor amendment. It was my impression that the full statement would be printed in the RECORD. Perhaps I had an erroneous impression or did not make myself clear in the request I made.

The SPEAKER. The Chair so intended it.

Mr. GARRETT of Tennessee. The complete report——

The SPEAKER. The Chair understood the gentleman from Tennessee asked that it should be printed.

Mr. GARRETT of Tennessee. Giving the States, a table giving the action of the States. It is not in the RECORD, and I would like consent that it may be inserted in the RECORD.

The SPEAKER. Without objection, it may be inserted in full. The Chair hears no objection.

Mr. GARRETT of Tennessee. It is on page 3741.

The statement is as follows:

DEPARTMENT OF STATE,
Washington, February 9, 1926.

Hon. NICHOLAS LONGWORTH,
Speaker of the House of Representatives.

SIR: The following resolution with reference to a report on the proposed so-called child labor amendment has been received in the Department of State:

HOUSE RESOLUTION 40

HOUSE OF REPRESENTATIVES,
January 5, 1926.

Resolved, That the Secretary of State be directed to transmit to the House of Representatives a statement showing what States have, through their respective legislatures, as certified to his office, taken action upon the proposed amendment to the Constitution of the United States authorizing the regulation of the labor of persons under 18 years of age by the Congress, and what such action has been, giving in each instance, where available, the votes in the several legislatures that have acted.

Attest:

WM. TYLER PAGE, *Clerk.*

In response to this request there is attached herewith a report which is based on all the official information which has been received from the various States.

The number of the affirmative and negative votes have been given in the accompanying report in each case where this information has been officially supplied to the department, and the report is so phrased as to indicate, in so far as is known to the department, the exact nature of the votes taken in the State legislatures.

I have the honor to be, sir,

Your obedient servant, FRANK B. KELLOGG.

[Enclosure: Statement with reference to votes taken concerning proposed child labor amendment.]

STATEMENT OF STATUS OF PROPOSED CHILD LABOR AMENDMENT

Arizona: Resolution to ratify passed house January 19, 1925, 41–3; passed senate January 28, 1925, 19–0.

Arkansas: Joint resolution to ratify approved in senate June 28, 1924; approved in house June 28, 1924.

California: Resolution to ratify adopted by assembly January 8, 1925; adopted by senate January 8, 1925.

Connecticut: Resolution to ratify failed in senate February 3, 1925; failed in house February 11, 1925.

Delaware: Joint resolution to ratify failed in senate February 2, 1925, 17–0; failed in house January 28, 1925, 32–0.

Georgia: Joint resolution to reject approved by house August 6, 1924; approved by senate August 6, 1924.

Idaho: Joint resolution proposing ratification failed, presumably in house, February 7, 1925, 38–18.

Indiana: Senate voted to reject February 5, 1925, 32–16; house voted to reject March 5, 1925; no votes given.

Iowa: House voted indefinitely to postpone action March 11, 1925. (This information was conveyed to the department in a letter from Mr. A. C. Gustafson, chief clerk of the house of representatives.)

Kansas: House concurrent resolution to reject passed house January 21, 1925; passed senate January 27, 1925.

Louisiana: House rsolution to ratify was rejected by house June 27, 1924, 55–23.

Maine: Resolution to reject passed both house and senate April 10, 1925.

Massachusetts: Joint resolution to reject passed senate February 16, 1925, 33–1.

Minnesota: Joint resolution to reject passed house February 26, 1925; passed senate April 14, 1925.

Missouri: Concurrent resolution to reject approved by senate March 20, 1925; passed by house March 3, 1925.

New Hampshire: Concurrent resolution rejecting passed house; passed senate March 18, 1925.

North Carolina: Joint resolution rejecting passed house August 28, 1924; passed senate August 28, 1924.

North Dakota: Senate failed to ratify (January 28, 1925), 32–17. (This information was certified to the department under the seal of the senate of the State of North Dakota by Walter Maddock, president of the senate, and C. R. Verry, secretary of the senate, under date of January 28, 1925.)

Pennsylvania: Joint resolution disapproving the proposed amendment passed the general assembly. (This information was certified to the department under the seal of the State of Pennsylvania by Clyde L. King, secretary of the Commonwealth.)

South Carolina: Concurrent resolution rejecting passed by house January 21, 1925, 110–1; passed by senate January 27, 1925, 38–0.

South Dakota: House and senate failed to ratify. (This information was certified to the department by the president and secretary of the senate and by the speaker and chief clerk of the house of representatives, under date of February 24, 1925.)

Tennessee: Senate resolution rejecting passed by senate February 4, 1925.

Texas: Concurrent resolution rejecting passed by senate January 26, 1925; passed by house January 27, 1925, 111–16.

Utah: Joint resolution rejecting passed by senate February 4, 1925; passed by house February 4, 1925.

Vermont: Joint resolution rejecting passed by house and also by senate. (This information was certified to the department by the secretary of state under date of February 26, 1925.)

Wisconsin: Joint resolution ratifying passed by senate, 19–10; passed by house, 64–26. (This information was certified to the department by the secretary of state under date of February 26, 1925.)

EXTENSION OF REMARKS

Mr. LEHLBACH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and I desire to make a brief statement as to my reason for making that request. The Committee on Civil Service, together with the Senate committee, held extensive hearings on proposed retirement legislation. At that time there was submitted a statement representing the views of the United National Association of Post Office Clerks, the National Rural Letter Carriers' Association, the National Association of Postal Supervisors, the National Council of Supervisory Officials of the Railway Mail Service, and Service Postmaster Associations. In lieu of having oral discussion the committee ordered this statement, which comprises three pages, be printed in the hearings. Through some inadvertence it was omitted from the hearings. Of course supplemental hearings could be printed, but it occurred to the Committee on the Civil Service that it would be a much cheaper procedure to print the statement in the RECORD and then those who desired to circulate them could have copies printed at their own expense. If this is objected to, it will necessitate the printing of supplemental hearings and distributing them at a greater expense than the insertion of this statement in the RECORD. That is the reason I have preferred the unanimous-consent request.

The SPEAKER. Is there objection?

Mr. BLACK of Texas. Mr. Speaker, I object. I do not think statements of this kind made before a committee ought to be made part of the CONGRESSIONAL RECORD, and I object.

The SPEAKER. Objection is heard.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 2822. An act authorizing Rear Admiral Edwin A. Anderson, United States Navy, retired, to accept the silver service tendered by the Government of Panama.

The message also announced that the Senate had passed, without amendment, bill of the following title:

H. R. 183. An act providing for a per capita payment of $50 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States.

SENATE BILL REFERRED

Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 2822. An act authorizing Rear Admiral Edwin A. Anderson, United States Navy, retired, to accept the silver service tendered by the Government of Panama; to the Committee on Foreign Affairs.

ANNOUNCEMENT

Mr. SNELL. Mr. Speaker, I desire to make a short announcement. Several Members have sent in inquiries as to whether we expect to bring in a rule in reference to the Philadelphia Sesquicentennial bill. I have talked the matter over with the floor leader, and I desire to state that unless something not anticipated happens that bill will be called up immediately after the reading of the Journal on next Tuesday.

GENERAL KEIFER

The SPEAKER. The Chair is in receipt of a letter from General Keifer, former Speaker of the House, in response to a telegram recently sent him by the Chair, at the request of the House, congratulating him upon his birthday. Without objection, the Clerk will read the letter.

There was no objection.

The letter is as follows:

SPRINGFIELD, OHIO, *February 9, 1926.*

Hon. NICHOLAS LONGWORTH,
Speaker House of Representatives, Washington, D. C.

MY DEAR FRIEND: Though I may have acknowledged the receipt of a communication from you relating to the House congratulating me on my reaching 90 years of age, etc., I desire to specially, heartily, and sincerely express to you and all the Members of the present House for the unanimous action taken on my becoming 90 years of age. I am unable to adequately express my appreciation of the action taken.

I have some time since fully retired from public political life, but I hope to continue through my life deeply interested, as an humble citizen of our great Republic, and ready, health and strength permitting, to do all I possibly can to sustain the liberty our country guarantees to all its citizens.

Notwithstanding my above five years in war, I have always been, and will continue to be, for "peace on earth and good will toward men," as the angel from heaven with a heavenly host around him proclaimed at Bethlehem at the birth of Christ.

I congratulate you on holding a high and important legislative office, and remain, ever and sincerely,

Yours truly,

J. WARREN KEIFER.

LEAVE OF ABSENCE

By unanimous consent, Mrs. ROGERS (at the request of Mr. TREADWAY) was granted leave of absence indefinitely on account of illness.

ORDER OF BUSINESS TO-MORROW

Mr. TILSON. Mr. Speaker, I ask unanimous consent that to-morrow, immediately after the reading of the Journal and the transaction of routine business on the Speaker's desk, that the Gettysburg Address of Lincoln be read, and that the Speaker designate some one to read it.

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The SPEAKER. The Chair designates the gentleman from Colorado [Mr. TIMBERLAKE].

COMBINATION IN MILLS AND BAKING INDUSTRY IN RESTRAINT OF TRADE

Mr. LAGUARDIA rose.

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. LAGUARDIA. I rise to move to discharge the Committee on the Judiciary from further consideration of House Resolution 114, and move the adoption of that resolution under Rule XXII.

Mr. GRAHAM. Mr. Speaker, I make the point of order that the resolution is not privileged within the rules.

The SPEAKER. The Clerk will report the resolution for the purpose of giving information to the House.

The Clerk read as follows:

House Resolution 114

Resolved, That the Attorney General be, and he is hereby, directed to inform the House of Representatives as follows:

1. Any action taken by the department to prevent the formation of a monopoly, concentration, or control, agreements, combinations, or conspiracy in restraint of trade in the mills and baking industries in the United States during the past three years.

2. Any action taken by the department to punish any person or the persons who have formed combinations, agreements, or have conspired to monopolize the mills or baking industries in restraint of trade.

3. Has the department made any investigation to ascertain whether or not there exists in the United States a monopoly or monopolies, concentration, or control of the mills and baking industries, or combinations or conspiracy in said industries, in restraint of trade?

4. Has the department made any investigation and ascertained whether or not the Ward Food Products Corporation, a Maryland corporation, is a monopoly or a combination, agreement, or conspiracy in restraint of trade?

5. If the said Ward Food Products Corporation is a combination in restraint of trade, what action has been taken to prevent its formation or to prevent its operation and doing business in restraint of trade?

Mr. BLANTON. Mr. Speaker, I make a further point of order. So far as the merits of the resolution are concerned, I am in favor of it. But there is another point of order that is good against this resolution. The first, second, and third paragraphs are in accordance with the rule, as they ask for information that may be on file in the executive offices of the Government. But the remaining part of the resolution is not in accordance with the rule, because it would require an investigation on the part of the Government to reach the conclusions sought to be elicited. It does not ask for information that is already in existence, but it would require investigation, and that is contrary to the rule. Under the rulings of Mr. Speaker Gillett and Mr. Speaker Clark, both, part of the resolution not being in accord with the rule, makes the entire resolution vicious and without the privilege that is given under Rule XXII.

Mr. GRAHAM. Mr. Speaker, I make the point of order against the resolution. And I would like to say that when this resolution came, recognizing the fact that if it were privileged we would be obliged to report it within three days, I made it my business to communicate with the Department of Justice to ascertain whether or not compliance with these requests would be against the public interests, and I was requested to delay action for two or three days for the purpose of affording the department the opportunity for making an examination.

Mr. LAGUARDIA. Mr. Speaker, I make the point of order that the gentleman is not arguing his point of order. He is arguing the merits of the resolution.

Mr. GRAHAM. I am not arguing the merits, for so far as getting information is concerned I have no objection to it. This does not stop you from getting information. But the question is whether or not this takes precedence over other business in the House as a privileged resolution. Afterwards I read it carefully, and came to the conclusion, in addition to what the gentleman from Texas [Mr. BLANTON] has said, that the fourth and fifth paragraphs alone, if nothing else, would prevent this resolution from being considered a privileged resolution. The fifth paragraph says:

If the said Ward Food Products Corporation is a combination in restraint of trade, what action has been taken to prevent its formation or to prevent its operation and doing business in restraint of trade?

The first part requires an opinion from the Attorney General as to whether or not that is a combination in restraint of trade. The precedents, which I wish to refer to briefly, in the third volume of Hinds' Precedents, are as follows:

A resolution of inquiry, to enjoy its privilege, should call for facts rather than opinions, and should not require an investigation. On December 19, 1905, Mr. Webster E. Brown, of Wisconsin, from the Committee on Mines and Mining, reported back from that committee this resolution, with a favorable recommendation:

"*Resolved*, That the Secretary of the Interior be, and he is hereby, requested to furnish to Congress a report on the progress of the investigation of the black sands of the Pacific slope, authority for which was included in that section of the sundry civil act approved March 3, 1905, which provided for the preparation of the report on the mineral resources of the United States, and for his opinion as to whether or not this investigation should be continued."

A question arose as to whether or not this resolution was privileged as a resolution of inquiry, whereupon the Speaker held:

The Chair thinks the first part of the resolution privileged. The latter part is not privileged, and that destroys the privilege of the whole resolution.

Again, in another case, on the same page, page 174, this resolution was presented:

On January 18, 1906, Mr. Oscar W. Gillespie, of Texas, claimed the floor for a privileged motion in order to move to discharge the Committee on Interstate and Foreign Commerce from further consideration

of the following resolution, which had been referred to that committee more than a week previously:

"*Resolved*, That the Attorney General of the United States be, and he is hereby, requested to forthwith report to the House of Representatives for its information whether there exists at this time, or heretofore within the last 12 months there has existed, a combination or arrangement between the Pennsylvania Railroad Co., the Pennsylvania Co., the Norfolk & Western Railway Co., the Baltimore & Ohio Railroad Co., the Philadelphia, Baltimore & Washington Railroad Co., and the Northern Central Railway Co., and the Chesapeake & Ohio Railway Co., or any two or more of said railroad companies, in violation of the act passed July 2, 1890, and entitled "An act to protect trade and commerce against unlawful restraints and monopolies," or acts amendatory thereof; and the said Attorney General is also requested to report to this House all the facts upon which he bases his conclusion."

Mr. Sereno E. Payne, of New York, made the point of order that the resolution was not privileged, as it asked for an opinion of the Attorney General as well as for facts.

After debate the Speaker said:

"The House undoubtedly has power to call for facts. And under the rule where a resolution privileged within the meaning of the rule is referred to a committee and is not reported within a certain time it is in order to move to discharge the committee and bring the resolution before the House for consideration. But that rule applies to a resolution calling for facts and information. Now, the query the Chair puts to the gentleman is, Does not the concluding lines in these words, "and the facts upon which he bases his conclusion," show that what is practically asked for is the conclusion or opinion of the Attorney General or the head of the Department of Justice; and does not that destroy, under the rule, the privileged character of the resolution? * * * In reading the resolution without the last line the Chair might perhaps have a doubt as to whether it were a resolution of inquiry asking for facts or one asking for an opinion. Now, the Chair is perfectly clear that under the precedents if the resolution is to be made privileged it must be a resolution of inquiry as to facts existing—something in esse. It seems to the Chair that a resolution asking an opinion from the head of a department would not be privileged. While it is in the power, the Chair apprehends, for the House by resolution to ask an opinion of the head of a department, it occurs to the Chair that such a resolution would not be privileged and would not come within the rule that is now invoked. But whatever the ruling of the Chair might be, were it not for the concluding line or lines of the resolution it is perfectly patent to the Chair that what is desired by the resolution is not the facts alone, if at all, but the conclusion or opinion of the Attorney General. Therefore the Chair sustains the point of order."

Mr. BEGG. Will the gentleman yield right there?

Mr. GRAHAM. Yes.

Mr. BEGG. Right on paragraph 5 the gentleman can add the additional argument that under Rule XXII a resolution is decidedly not privileged if it requires an opinion or an investigation.

Mr. GRAHAM. That is quite true.

Mr. BEGG. Under paragraph 5, before the Attorney General could render an opinion he would of necessity be forced to make an investigation, and that doubles the force of the gentleman's argument, does it not?

Mr. GRAHAM. That is quite right. Both points can successfully be made in support of the point of order, and that is all I have to say, sir.

Mr. LAGUARDIA. Mr. Speaker, it is not necessary to be a great parliamentarian or an astute lawyer or a professor in English to decide whether or not this resolution comes within the rules. Apparently the distinguished chairman of the Committee on the Judiciary has not read all of the resolution and surely he did not read paragraph 4 in connection with paragraph 5. The first paragraph asks the Attorney General to inform the House of—

> Any action taken by the department to prevent the formation of a monopoly, concentration, or control, agreements, combinations, or conspiracy in restraint of trade.

That does not ask for an opinion but asks for facts which are in the possession of the department and may have been in the department during the past three years. So the answer of the Department of Justice would be a recital of what action, if any, has been taken by the department to prevent the formation of a monopoly in the baking industry.

Paragraph 2 asks:

> Any action taken by the department to punish any person, * * * who have formed combinations, etc., in the baking industry in restraint of trade.

That does not ask for an opinion. It simply asks what action has been taken. Have there been any indictments, any complaints filed with the Federal Trade Commission, and that calls for no conclusion, for no opinion, and for no investigation. It simply refers to action heretofore taken by the department in this matter.

The third inquiry is:

> Has the department made any investigation to ascertain whether or not there exists in the United States a monopoly * * * in the baking industry, or combinations or conspiracies in said industry in restraint of trade?

And the answer to that is either yes or no. That asks for no opinion and for no investigation.

Now comes paragraph 4:

> Has the department made any investigation and ascertained whether or not the Ward Food Products Corporation, a Maryland corporation, is a monopoly or a combination, agreement, or conspiracy in restraint of trade?

Mr. GRAHAM. Will the gentleman yield right there?

Mr. LAGUARDIA. I can not yield now, but I will be glad to yield when I am through with my argument. Mr. Speaker, has the department made any investigation? I am not asking the department to make any investigation. All I am doing is inquiring whether they have made any investigation, and the answer is yes or no. I ask if they have ascertained whether this corporation is operating or preparing to operate in restraint of trade, and the answer is yes or no. It asks for no opinion: it asks whether action has been taken, and then the fifth paragraph must be read in connection with the fourth paragraph. The fifth paragraph says:

> If the said Ward Food Products Corporation is a combination in restraint of trade, what action has been taken?

If paragraph 4 is answered in the negative there is no answer to paragraph 5. If paragraph 4 is answered in the affirmative then the answer to paragraph 5 is simply "We have commenced an action to dissolve the corporation," or "We have filed indictments," or "We have taken no action." That simply asks for information in the narrowest sense of the word.

Now, Mr. Speaker, the distinguished chairman of the Committee on the Judiciary read to the Speaker the resolution introduced on January 18, 1906, by Mr. Oscar W. Gillespie, of Texas. That resolution asked the Attorney General to forthwith report to the House for its information whether there exists at the time or heretofore within the last 12 months a combination between certain specified railroads in restraint of trade. He asked there for an opinion, but even that was in order. A point of order was sustained on another part of the resolution, which the distinguished chairman of the Committee on the Judiciary did not read to the House.

Mr. GRAHAM. I beg the gentleman's pardon. I did read it.

Mr. LAGUARDIA. As I say, as to that section, Speaker Cannon sustained a point of order; now, this is the part of the section which was ruled out of order:

> And the said Attorney General is also requested to report to this House all the facts upon which he bases his conclusion.

But, Mr. Speaker, permit me to call your attention to the fact that 11 days after that point of order was sustained by the Speaker the resolution was again introduced in substantially the same form but omitting the last sentence of the resolution, which I have just quoted, and which clearly asked the Attorney General to give an opinion and the process of his mind in arriving at that opinion. Speaker Cannon held the resolution good, and the resolution was passed, although it goes much further than my resolution, because it asks the Attorney General to give the House information as to "whether there exists at this time a combination in restraint of trade," clearly calling for a conclusion of law. I am only asking what action, if any, he has taken. And again, Mr. Speaker, a case also in point which was not cited, was on a resolution introduced by Mr. Mondell on the 12th day of August, 1913.

The resolution asked:

> That the Secretary of the Treasury be, and he is hereby, directed to transmit to the House of Representatives the facts in his possession on which he based the charge recently made by him that the recent decline in the price of United States 2 per cent bonds is due "almost wholly to what appears to be a campaign waged with every indication of concerted action on the part of a number of influential New York City banks to cause apprehension and uneasiness about these bonds in order to help them in their efforts to defeat the currency bill."

And so on.

That resolution surely is much broader than mine.

A point of order was raised against that resolution, but Mr. Mann, the great parliamentarian, in opposing the point of order, stated:

Now, what does this resolution do? Does it ask for an opinion, or does it ask for facts? The resolution expressly states that the Secretary of the Treasury is directed to transmit to the House the facts in his possession on which he based the charge recently made by him; and again, that the Secretary is directed to inform the House as to facts on which he based his statement, as follows: If the Secretary of the Treasury did not make this statement he can easily reply to the resolution by so stating.

That is directly in point with my resolution, Mr. Speaker. If the Department of Justice has not made the investigation as inquired into under paragraph 4 of my resolution, then paragraph 5 is fully answered.

Mr. Speaker Clark, after considerable argument, ruled, and I call this ruling to the attention of the Speaker:

The Chair has absolutely nothing to do with the motives which prompt people in offering resolutions. It is purely a technical matter, simply that and nothing more. The question is, Does this resolution conform to the practice of the House as asking for facts and not asking for an opinion?

I am not asking for the opinion of the Attorney General. I do not want his opinion. I do not know what his opinion may be worth, but what I do want to know is what action has been taken; not what action is the department contemplating, but what actually has taken place in the department.

Then Mr. Speaker Clark continued:

It may be true that the gentleman from Wyoming, Mr. Mondell, was doing exactly what sundry gentlemen have charged him with doing, namely, fishing for an opinion under the guise of asking for facts.

Perhaps I am doing that, but the Chair is not concerned with that at this time.

That may be true. It probably is. [Laughter.] But the Chair has nothing to do with that. Whoever drew that resolution, if he had that idea in mind, was a very skillful artist.

Now, Mr. Speaker, it can not be construed by the wildest imagination or by the keenest desire to prevent a discussion on this resolution that this resolution asks for opinions or requires investigation, because it does neither, and while perhaps the Chair may be inclined to rule against me in this instance, I again call the Speaker's attention to the decision of Speaker Cannon, which I have cited in the railroad conspiracy resolution where a point of order was sustained as to the last line only, although the body of the resolution is stronger than mine, because it asked upon what the Attorney General based his opinion, and nine days later it was passed by the House.

This resolution was introduced in absolutely good faith. It went to the Committee on the Judiciary. The Chair said he read it. The gentleman stated that he communicated with the Department of Justice and then the gentleman from Pennsylvania [Mr. GRAHAM] lets the cat out of the bag and says that the Department of Justice wants this resolution delayed; but that has nothing to do with the resolution, Mr. Speaker. I am entitled to have my resolution passed upon in accordance with the rules of this House and not in accordance with the wishes of the Department of Justice, and I appeal to the Speaker to apply the rules as he finds them in passing on the point of order just made against my resolution.

Mr. GRAHAM. Mr. Speaker, may I add a word? I forgot to add that when I called again upon the Attorney General it was within the seven days, and the Attorney General said that his answer would appear publicly in a suit that was going to be filed, and he desired to take no action before my committee. It was after that——

Mr. LAGUARDIA. Mr. Speaker, I respectfully make the point of order that the chairman of the Judiciary Committee is not arguing the point of order but is seeking to get information before the Speaker that is highly improper at this time in deciding whether or not my resolution is in order.

The SPEAKER. The gentleman from Pennsylvania will confine himself to the point of order.

Mr. GRAHAM. I am simply answering a remark made by the gentleman from New York [Mr. LAGUARDIA].

I call your attention, Mr. Speaker, to the fact, taking the fourth and fifth paragraphs together, it is impossible to reach any other conclusion than the one which I have mentioned. The Mondell resolution does not touch the case. The Mondell resolution asked for facts upon which the department chief had based an opinion which he had expressed. What facts had he to support that opinion? This does not deal with a question of that kind. This asks, Has the department made an investigation and ascertained whether or not this company is a monopoly? I can not understand the English language if that does not call for an opinion, substituting the word "opinion" for "ascertained."

Mr. LAGUARDIA. Will the gentleman yield?

Mr. GRAHAM. No, sir; you did not yield to me, and I will not yield to you.

The fifth paragraph reads—and each of these must be taken separately, but if taken together my case is stronger—

If the said Ward Food Products Corporation is a combination in restraint of trade, what action has been taken?

Now, that is not an inquiry for the action that has been taken, it is an inquiry for an opinion whether or not it is a monopoly in restraint of trade.

Mr. LEHLBACH. Mr. Speaker, I call attention to one feature of section 4 in this resolution which strips of any doubt whatsoever the question as to whether an opinion is asked for. It is asked whether the Attorney General has ascertained whether the Ward Food Products Corporation is a monopoly or a combination, agreement, or conspiracy in restraint of trade. Those words "monopoly or a combination, agreement, or conspiracy in restraint of trade" describe an offense against the law. The only agency that can establish as a fact that an offense against the laws of the United States has been committed is a court of competent jurisdiction. Until the court speaks, a statement by anyone as to whether a person charged with an offense is guilty or not is merely an opinion, and, necessarily, under our form of jurisprudence, must be an opinion. Consequently this resolution asks for an opinion.

Mr. LAGUARDIA. Mr. Speaker, may I reply to the statement of the gentleman from New Jersey; and surely he could not have urged his last argument seriously, because the gentleman is well familiar with the rules of this House.

Mr. Speaker Cannon held in order a resolution reading as follows:

That the President of the United States be, and he is hereby, requested to report to the House of Representatives, for its information, all the facts within the knowledge of the Interstate Commerce Commission which shows or tends to show that there exists at this time, or heretofore within the last 12 months has existed, a combination or arrangement between the Pennsylvania Railroad Co., the Pennsylvania Co., the Norfolk & Western Railway Co., the Baltimore & Ohio Railroad Co., the Philadelphia, Baltimore & Washington Railroad Co., the Northern Central Railway Co., and the Chesapeake & Ohio Railway Co., or any two or more of said railroad companies, in violation of the act passed.

And so forth.

This is directly in point, and the ruling was made by Mr. Speaker Cannon. And, Mr. Speaker, if I may refer for a moment only to the last statement made by the gentleman from Pennsylvania [Mr. GRAHAM], I desire to point out again that he bases his entire argument upon the wording of paragraph 4 of my resolution. I call the Speaker's attention to the fact it is worded in the past tense, "Has the department made any investigation and ascertained." I am not asking the department to make an investigation now but whether it has ascertained in the past certain facts.

Mr. BANKHEAD. Mr. Speaker, I would like to be heard very briefly, because I think this is an important matter. There is no question but that there is a long line of decisions to the effect that where a resolution of this character attempts to call for the expression or ascertainment of an opinion, or where it calls for an investigation upon which to presume an opinion, or asks for a report or a suggestion of an opinion, by an executive officer it is clearly not a privileged resolution.

But the question the Speaker has to construe here on this particular point of order is whether or not the resolution of the gentleman from New York is phrased so that as a matter of fact it calls for a naked opinion on the part of the Attorney General or whether it merely calls on him to give to the House a statement of facts already ascertained. It seems to me, although I have no direct authority at hand, that in construing the privilege of a resolution of this character the Chair should have in mind possibly the wisdom of the policy of construing the proposition liberally to the end that the House of Representatives in the exercise of its functions might have all the proper information of the affairs of Government.

Coming down to the question involved, it seems that the only controversy arises as to the construction of paragraphs 4 and 5 of the resolution. It says:

Has the department made any investigation?

There can be no controversy as to whether or not that is asking for a statement of fact.

and ascertain whether or not the Ward Food Products Corporation, a Maryland corporation, is a monopoly or a combination, agreement, or conspiracy in restraint of trade.

In other words, liberally construed, logically construed, it is merely asking the Attorney General to state to this House whether he had made such an investigation and whether or not upon making that investigation he ascertained a state of facts to exist; and if such a state of facts has been ascertained to exist, to give to the House information of what the fact is as found by investigation already made; that is, whether or not that fact was found to exist after the investigations were made.

Mr. BEGG. Will the gentleman yield?

Mr. BANKHEAD. I will.

Mr. BEGG. I would like to ask the gentleman this question and call the Speaker's attention to this proposition. The fourth paragraph in the resolution can be answered by the word "none" or "no." So far that is a fact, but I want to ask the gentleman from Alabama if the fifth paragraph can be answered in any way but yes or no without the Attorney General expressing an opinion as to whether the corporation is a conspiracy in restraint of trade.

Mr. BANKHEAD. I do not agree with my friend on his construction. I think the general rule of application to documents where there is more than one paragraph involved is that they should be construed together. I think, as argued by the gentleman from New York [Mr. LAGUARDIA], that a proper construction of paragraph 5 would be that it should be construed in connection with the inquiry made immediately preceding. They might well have been placed in one paragraph, but, for the purpose of convenience probably, the gentleman added another as paragraph 5.

The fourth paragraph asks the Attorney General to give us the information whether or not he made an investigation, and upon that investigation whether, probably by the papers on his desk, no doubt, in pursuance of that, a collective rendering of facts; and then it proceeds that, if said investigation has been made, if such ascertainment has been had by the Attorney General, then, if the Ward Corporation is a corporation in restraint of trade, what action has been taken. The first part is by way of inducement. That is not the substantive portion of paragraph 5; it is the inducement—if he has made an investigation, what action has been taken, and that merely calls for information from the Attorney General.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. MOORE of Virginia. Does not the gentleman think that a fair construction of the fifth clause is that it asks the Attorney General, in case he has made an investigation and reached a conclusion that it is a monopoly, whether he has taken any action?

Mr. BANKHEAD. I intended to get to that. I think the construction of the gentleman is correct, and it is an answer to the question put by the gentleman from Ohio. It can be answered categorically either in the affirmative or the negative. So it seems to me that there should be a liberal interpretation of the privileges of the House for the purpose of securing information from the department, in view of the construction that I am attempting to place upon it. It is not calling for an indeterminate opinion; it is not calling for an investigation upon which to base some future act, but I submit to the Chair that upon a fair and usual construction, upon a logical construction, it merely calls for the ascertainment of facts already in the possession of the Attorney General, and therefore it is a privileged resolution.

Mr. VAILE. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I am through, but I yield to the gentleman.

Mr. VAILE. Can paragraph 4 be answered in the affirmative without expressing an opinion of law? How could the Attorney General ascertain whether the Ward Food Products Corporation is a monopoly without expressing an opinion of law?

Mr. BANKHEAD. It calls for a statement as to whether or not there has been an investigation, and then it calls for an opinion as to whether or not on that investigation it had been determined as a matter of fact, or law, if the gentleman wants to put it in that way, and I do not seek to avoid the issue, but the statement of fact as to whether or not in the opinion of the Attorney General it has been so determined.

Mr. LEHLBACH. Mr. Speaker, will the gentleman yield for a question?

Mr. BANKHEAD. You can not have any opinion at all except, of course, in construction of the law in the case. I yield to the gentleman.

Mr. LEHLBACH. Does not the law prohibit the Attorney General from establishing as a fact that a person is guilty of a crime. Under the presumption of innocence which exists in this country that could be established only by a court.

Mr. BANKHEAD. I think that is going far afield from the inquiry now before the Chair. I do not think it is necessary to answer that question at all to secure a correct construction.

Mr. BEGG. Mr. Speaker, I call the Chair's attention briefly to this reasoning. Paragraph 1 can be answered by the word "none." Paragraph 2 can be answered by the same word, and paragraph 3 by the word "no." Paragraph 4 can be answered by the word "no."

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. BEGG. I yield.

Mr. GARRETT of Tennessee. Could it also be answered by the word "yes."

Mr. BEGG. Yes; it certainly could; and each of these inquiries could have an affirmative answer; but it is not necessary to consume the time of the House to show either branch of the answer. I submit that to follow it through with either a negative or an affirmative answer will prove the case. When you come to paragraph 5 the only way that it can have a negative answer is upon the assumption that the investigation has been made and the suit has been had and the verdict has been guilty. If any other condition exists on paragraph 5, it must be clearly an opinion; and the rule authorizing the privilege provides that the resolution shall not be privileged if it asks for an opinion or if it requires an investigation to furnish the answer to the question.

The SPEAKER. The Chair is prepared to rule. Of course, the Chair is not concerned in any degree with the merits of this proposition or with the objects to be attained in the opinion of the gentleman who introduced it. The Chair is concerned only in ascertaining whether this resolution asks for anything more than mere bare existing facts.

It is a well-known principle that such a resolution of inquiry as this loses its privilege if it asks for anything amounting to an opinion or involving an investigation. The Chair agrees with the gentleman from Alabama [Mr. BANKHEAD] that in construing these resolutions technicalities should be avoided in so far as possible, and the Chair in giving his reason for his decision in this case, as he will in other such cases where points of order are raised, will look at the matter from as broad a standpoint as possible.

In this case, however, the Chair is unable to see how an answer to paragraph 5 could be given without the expression of an opinion. Is this or is this not a monopoly in restraint of trade? In so far as the Attorney General can answer that question, he can answer it only by saying whether it is or is not a monopoly in his opinion. One Attorney General might think that it is, another Attorney General might think that it is not. The Chair has no means of knowing what the present Attorney General thinks about it, but the only answer that he can give in responding to this query is that it is or is not a monopoly in his opinion. The Chair can not avoid that by any process of reason. The Chair can not see how this resolution can be answered by the Attorney General except through the means of an expression of the opinion of the Attorney General.

Under these circumstances the Chair has no recourse except to sustain the point of order, and the Chair therefore sustains the point of order.

WAR DEPARTMENT APPROPRIATION BILL

Mr. ANTHONY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8917) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the War Department appropriation bill, with Mr. TILSON in the chair.

The Clerk read the title of the bill.

Mr. BEGG assumed the chair.

Mr. ANTHONY. Mr. Chairman, I yield six minutes to the gentleman from Connecticut [Mr. TILSON].

Mr. TILSON. Mr. Chairman, for several weeks we have been hearing much talk more or less pertinent concerning the coal strike in the anthracite regions of Pennsylvania. Much of this talk has been obviously for home consumption, and most of it has been aside from the point and leads nowhere. Such talk, in my judgment, has done far more harm than good; in fact, has done more to prolong the coal strike than

any other thing, save only the obstinate attitude of the warring parties. I have thus far refrained from adding to this ineffectual output of words simply because I have felt that nothing I could say could possibly help the situation and might do harm. After listening to the very earnest remarks of my friend from Pennsylvania [Mr. BRUMM] on yesterday I came to the conclusion that a few words from me might possibly help a little toward clearing the atmosphere, and, at any rate, might do no harm. I therefore take the floor for a very brief statement, in which, of course, I speak for myself alone.

What is the situation? A most unfortunate and disastrous strike prevails in the anthracite coal region. The anthracite mines are located entirely within the State of Pennsylvania. The Constitution of the United States has given no one outside of the State of Pennsylvania the power to take possession of, operate, and control this property any more or any further than the right is conferred to take possession of, operate, and control a farm in Kansas, a shoe factory in Massachusetts, or a cotton mill in South Carolina.

The strike is a very serious matter affecting many people. What shall be done about it? The ready talkers say: "Give the people coal," but how do they purpose to do it? On a former occasion when there had been a suspension of coal mining, a commission was appointed and made certain general recommendations. President Coolidge in one or two of his messages has suggested the appointment of another commission, which it was hoped might do something in the way of encouraging voluntary arbitration. It is admitted, however, that there is nothing in the report of the former commission or in any message of the President that would meet the present emergency or bring immediate relief. The gentleman from Pennsylvania brought this out very clearly in his speech yesterday, and I commend that portion of his speech to anyone who has an open mind. So we may lay aside, so far as any action relieving the present situation is concerned, all recommendations of the coal commission or the President's messages. They do not apply at this stage of the present struggle.

The proposition most generally urged is that President Coolidge should call the operators and the officials of the mine workers to the White House for a conference. Why should the air of Washington be any more conducive to an agreement between the warring parties than the air of New York or Atlantic City? The effects of this strike have been most disastrous, and more especially so in the coal region directly affected than anywhere else. The people there are suffering. They are the neighbors, acquaintances, and friends of the warring parties. The contestants know the conditions there and have witnessed with their own eyes the suffering that this strike has brought. Is it reasonable to suppose that simply because President Coolidge invites the gentlemen to the White House and says, "Please, Mr. Operator and Mr. Mine Worker Official, compose your differences," that they would be more influenced by this than by what they have seen and know of the conditions among the people where they live? If these stubborn operators and mine-worker officials will not listen to the cries of women and children at home, they are like the brothers of Dives, they would not be persuaded even though Lazarus himself should be sent from Abraham's bosom to appeal to them.

What next is proposed? Shall we, without warrant in the Constitution, attempt to confiscate private property in the State of Pennsylvania, take control of the mines, and send the mine workers back to the mines upon their own terms, or any other terms, for that matter? I am not in favor of doing this. If anyone else is, let him make his proposition specific, and we shall fight it out along that line.

What next? Shall we, without authority from the Constitution and in violation of the statute laws of the State of Pennsylvania, take over private property in that State and attempt to mine coal with unauthorized miners? I am not in favor of this. If anyone is in favor of it, let him make his proposition specific, and I for one shall contest it with him. What else can be done? Pass some silly resolution that means nothing and gets us nowhere simply in order to deceive and humbug those who are already suffering discomfort and distress on account of the strike? Such action, in my judgment, would be worse than criminal folly.

Why does not some one of these gentlemen propose something direct and specific that is constitutional and that will meet the present emergency? In my judgment the time has come when it is incumbent upon those who are agitating this matter to be specific as to any remedy proposed. They should no longer indulge in glittering generalities which serve only the purpose of arousing false hopes inevitably doomed to disappointment. Let me suggest to any gentleman who thinks that the Congress or the President of the United States should settle this coal strike that he take pad and pencil and draft a law that is constitutional and that will end the coal strike now. Loose talk only tends to prolong the strike. I for one am unwilling to engage in a purposeless talk fest regarding so serious a matter. Let us get down to specific proposals before we enter upon such a course. In the language of the street, we should either "put up or shut up." [Applause.]

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield for a question?

Mr. TILSON. My time has expired.

Mr. HARRISON. Mr. Chairman, I wish the Chair would notify me when I have consumed 30 minutes.

Mr. Chairman and gentlemen, I regret very much that the duty falls upon me to present the views of the minority upon this bill. My distinguished colleague, the gentleman from Kentucky [Mr. JOHNSON], a member of the subcommittee, is just recovering from a very serious illness and has not been restored to sufficient strength to take part in this debate. I know that all wish him a speedy recovery to full strength. [Applause.]

I wish first to make my acknowledgments to the distinguished chairman of this committee, the gentleman from Kansas [Mr. ANTHONY], and to my associates upon the committee. The gentleman from Kansas is so familiar with every branch of the Army service that I shall leave to him to answer all of the details about the bill, and shall ask not to be interrupted to any extent except where obvious information is desired.

The embarrassment that I have had in regard to the figures carried in the bill is the fact that I am not certain that the subcommittee has had full and complete information as to all the figures. The figures are made up in this way: The Army submits estimates to the Bureau of the Budget and then the Bureau of the Budget, without any explanation, applies the pruning knife. The War Department is then required to distribute the amount of money allotted to it through the several branches of the service.

One feature of the Budget law is that no one interested is permitted to call in question any of the appropriations made by the Budget. Also, Army discipline is such that Army officers are not given free permission to make suggestions. We have already had a conspicuous example of this in recent times when one Army officer was too venturesome with his talk. I do not for a moment suggest that the splendid men who wear the uniform of this country pervert the truth or shirk any duty imposed upon them, but naturally they do not make suggestions. However, there are one or two things that are very striking. In the first place, the Army under the national defense act was supposed to be about 125,000 men. About 118,000 is now provided. The bill, however, does not provide sufficient funds to maintain the Army in its present efficiency.

It has resulted in the noncommissioned officers and the privates, first class, and the specialists being substituted with raw recruits. Again, the funds appropriated in my judgment halts the National Guard in its development. The funds in my judgment will not permit all the units which may be organized in the several States to be taken into the Federal service. The training of the National Guard has also been crippled. It no longer receives 52 drills a year, but only 48. Again, the Reserve Corps complains of the funds allotted to its training. In addition to that, under the national defense act the uniform, the equipment, the stores for a million men are supposed to be provided for so that in case of emergency the Army may immediately take on that proportion if necessary. These reserves have been greatly encroached upon, and to-day we have not a sufficient reserve to take care of the increase of the Army in case the increase of the Army should be called for. That provision in our national defense was placed there for the reason that when this great war broke out we were wholly unprepared. So when the war was over and we were preparing a peace-time status of defense it was provided that we should have a reserve of equipment, ammunition, and guns for a million men, and that has been encroached on and such encroachment is not taken care of. Now, it may be all very well for people who do not desire large military establishments to say we should allow our Army to dwindle and our National Guard development to be halted, our reserves to go untrained—I say that may all be very well to those who are opposed to any adequate military establishment, but I think that the people should know such impairment of the military defense as lack of funds necessitates. About these matters there may be a difference of opinion.

The great feature in this bill which I think is most objectionable and deserves criticism is its failure to properly care for its military establishments. Anyone who visits any military plant

will be shocked at its deterioration. I read from what Secretary of War Davis says:

I have not hesitated to say quite frequently that I think the condition of our housing is a very serious matter, and almost amounts to a national scandal.

Mr. LINTHICUM. What page?

Mr. HARRISON. Page 771. Then I asked him what amount of money would be necessary to rectify that condition, and he said:

We figure that there is an accumulation of depreciation of $10,000,000 as a minimum.

That is a statement of the Secretary of War, that there is a deterioration of $10,000,000 as a minimum, and then when he was asked by me:

Does it appear to you that if we spend $10,000,000, that would be the best economy for the Government?

He answered "Yes."

That is simply in corroboration of different statements of the various officers. Here is what General Williams said, who has charge of these buildings, arsenals, fortifications, and so forth. He says:

A serious condition that we confront, in so far as all our buildings are concerned, is a matter of roofs. A great many of them are leaky. There are a great many of them that are made of corrugated iron. Practically all of them require painting and repair in order just to keep the weather out; the time is coming before long when the expenditures will have to be considerable in order to take care of that.

Mr. TAYLOR of Tennessee. How much was appropriated?

Mr. HARRISON. We do not take care of it.

Mr. TAYLOR of Tennessee. No sum appropriated?

Mr. HARRISON. Oh, yes. I do not recall, but there is some. The Secretary of War said that an additional $10,000,000 for that purpose was necessary.

Mr. LINTHICUM. I would like to say to the gentleman that I went through the buildings at Honolulu, and the hospital buildings and all of them are in terrible shape.

Mr. HARRISON. At Puget Sound at Fort Worden an observation station caved in, and as there was no money to repair the station it had to be abandoned.

At Fort Story, one of the most important of coast defenses in the Chesapeake Bay, the military railway has been allowed to fall into decay. The result is that ammunition can not be delivered to the guns.

These are just some of the instances mentioned in the hearings.

I consider this false economy. It is putting aside what should be done to-day and what must be done to-morrow at greatly increased cost. The testimony at the hearings was that if the proper amount of money should be furnished for necessary repairs we could save money.

Again, that same policy is followed in all our construction work. Take the building that is going on at West Point: By increasing the appropriation the total cost will be cut at least 25 per cent. Instead of taking care of that situation the Budget postponed the completion of that building through a period of five years at a greatly increased cost of construction.

This committee has rendered a service in that particular instance by increasing the appropriation for the building at West Point $350,000.

If the taxpayers of this country have got to pay, why not impose upon them the least burden possible by doing the work in the most economical way? It will not make, perhaps, such a showing in the Budget, but we will have a showing eventually by having our work done at 25 per cent less actual cost imposed. We may have doubts about the size of the Army or about taking care of the National Guard or the Reserves; but certainly there can not be any doubt about the fact that where it is economy to spend money now, we should do it, and that should be done in our repair work, and it should be done in all new construction work, because in the long run we are imposing great burdens upon the taxpayers.

Now, I represent an agricultural community, and the agricultural districts of this country are suffering. They get mighty little consideration from Congress. As was said here on the floor of the House by the gentleman from Kentucky [Mr. KINCHELOE], the farmer's dollar is only 60.3 cents. It seems to me that these taxpayers that do not receive particular consideration at the hands of Congress should at least have Congress conscientiously meet the duties that are imposed upon it, and where it is economy to appropriate money, to appropriate it.

When the delay in making the appropriation results in greater ultimate expense we may make a showing of present economy, but the day of reckoning will come.

Now there is one matter connected with this Army appropriation that I have always taken an opportunity to call attention to, and that is that we have been grossly unfair to the disabled emergency officers. When the emergency Army was formed we passed what is known as the emergency act. Of course, this discussion does not properly belong in this bill, but there is a bill on the subject pending before Congress, and I think we all ought to take notice of it. In the emergency act providing for the emergency Army this clause was incorporated:

That all officers and enlisted men of the forces herein provided for other than the Regular Army shall in all respects be on the same footing as to pay, allowances, and pensions as officers and enlisted men of corresponding grades and length of service in the Regular Army.

The disabled emergency officer has been denied the right of retirement. For instance, two officers on the field of France, fighting for their country, receive wounds and are injured. One of them is entitled to retired pay, and is taken care of in that way, but the emergency officer, in spite of the statute, is denied the right of retirement under the rulings of the War Department. A bill has twice passed the Senate, without any opposition, but has died, for some reason, in this House. It seems to be grossly unjust to the emergency officer when injured in discharging the very duties of the Regular Army officer should be denied the same rights and the same privileges that are accorded to the Regular officers.

Mr. DEAL. Will the gentleman yield?

Mr. HARRISON. Yes.

Mr. DEAL. Did not the gentleman make a mistake when he suggested that this change had been made under a ruling of the War Department? Should he not have said under the law written by the War Department?

Mr. HARRISON. Yes. It was not written by Congress, because Congress passed a statute which wiped out all distinctions between emergency and Regular Army officers. It seems to me it would be but just and fair that the emergency officers should receive the same consideration as the Regular officers.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. HARRISON. Yes.

Mr. BLACK of Texas. There were two classes of private soldiers who served in the World War. One class was that small body that was a part of the Regular Army and the other class was made up of the privates who belonged to the emergency forces. Now, some of the men who had spent a long term in the Regular Army could retire as privates if they incurred disabilities, and they had that right.

Now, if what the gentleman contends be true, why not amend the law and retire all men who were disabled, privates as well as officers, and repeal the war risk insurance act, because we would have no need for it? If you are going to put the officers who were disabled on the retired list you would do away with any necessity for having the war risk insurance act, so far as they are concerned.

Mr. HARRISON. The Veterans' Bureau applies to the Regular officers as well as the emergency officers.

Mr. BLACK of Texas. But the privates who belong to the Regular Army, of course, have the retirement privilege if they are disabled and have exercised it under the general law. Now, the point I have in mind is what better equity do the emergency officers of the Army have to retire for disability than the emergency private soldiers?

Mr. HARRISON. Well, this applies to both. It says:

All officers and enlisted men of the forces herein provided for.

It applies to both enlisted men and emergency officers. They are on the same footing with the Regular Army officers and the Regular enlisted men and they perform the same character of duties.

Mr. AYRES. If the gentleman will yield, I desire to ask the gentleman a question relative to the report on page 4, where it is said:

The bill provides for a reduction of the number of noncommissioned officers of the first five grades and first-class privates of 2,967.

These noncommissioned officers, I understand, are corporals, sergeants, and so on. Now, that absolutely stops their promotion, does it not?

Mr. HARRISON. It stops their promotion and it interferes seriously with the work of the Army.

Mr. AYRES. In other words, that is a discrimination against the enlisted men?

Mr. HARRISON. Well, I do not know about any discrimination. They are not discharged.

Mr. AYRES. As a matter of fact, in whipping an army together we use those noncommissioned officers, like sergeants

and corporals—both in the Army and Navy, for that matter—more than any other officers.

Mr. HARRISON. It not only does that, but according to the statement of General Nolan, a deputy chief of staff, it interferes seriously with the training that the national defense act provides for.

Mr. AYRES. May I ask why that was done?

Mr. HARRISON. It was done because we are trying to get a reputation for economy.

Mr. AYRES. It seems to me it would be far better to make this cut from some other sources or in some other way.

Mr. HARRISON. You have got to cut everywhere.

Mr. AYRES. There is certainly no inducement for these enlisted men to go ahead if they are not entitled to promotion.

Mr. BARBOUR. If the gentleman from Virginia will permit, I will state to the gentleman from Kansas that that was done in order that the number of noncommissioned officers should conform to an army of 118,000 men; that with the number they have been carrying they have more noncommissioned officers than they should have for an organization of 118,000.

Mr. HARRISON. I do not read it that way.

Mr. AYRES. And I do not so understand it.

Mr. BARBOUR. That was my understanding.

Mr. HARRISON. I understand it was done because we have not provided money enough.

Mr. AYRES. It looks to me as though it is simply reducing at the expense of the enlisted men, whereas it ought to be done somewhere else.

Mr. HARRISON. Here is what General Nolan says:

> In so far as the Regular Army is concerned, we shall lose grades, even though our estimates do provide for maintaining the average enlisted strength of 118,750 as in 1926. The loss is in noncommissioned officers and privates, first class.

And then he adds:

> In addition to that, we shall lose specialists ratings for about 1,380 men. It will also be necessary to limit the number of Philippine Scouts to about 7,100 instead of 7,953, as now authorized. It is regretted that the loss of these noncommissioned officers will force a further reduction in the number on duty with the National Guard, Organized Reserve, and Reserve Officers' Training Corps.

Mr. BARBOUR. Will the gentleman yield?

Mr. HARRISON. Yes.

Mr. BARBOUR. Of course, if they reduce the total number it will necessarily reduce the number in various lines of duty, but my recollection of the purpose is borne out by the statement of General Nolan on pages 2 and 3 of the hearings. General Nolan was asked this question:

> You found you did not need all the noncommissioned officers provided for or authorized by legislation by the last Congress?
>
> General NOLAN. We need them.
>
> Mr. ANTHONY. You found them to be a rather expensive luxury?
>
> General NOLAN. Not a luxury, but if we have to reduce to come within a limiting figure we can cut down the number of noncommissioned officers and substitute the privates for them, rather than reduce the total strength.

Mr. HARRISON. Raw recruits?

Mr. BARBOUR. No; not raw recruits.

Mr. HARRISON. They are not privates of the first class?

Mr. BARBOUR. Here is what General Nolan said:

> Our policy is to cut down the number of noncommissioned officers practically 5 per cent, so it will correspond with a strength of 118,750, instead of as now corresponding with a strength of 125,000, which is the authorized legal strength.

In other words, the number of noncommissioned officers now carried corresponds to the authorized strength rather than the actual strength.

Mr. HARRISON. They did not propose to cut down the 12,000 officers, which is out of proportion to the 118,000 men?

Mr. BARBOUR. No; of course, they are maintained for an entirely different purpose.

Mr. HARRISON. My understanding is they cut that down for the sole reason we have not appropriated enough money to take care of them, and as I have said, it is a matter of policy whether we are going to have an Army of sufficient strength to look after the defense of this country or whether we are going to have a reputation for economy.

Mr. McKEOWN. Will the gentleman yield for a question?

Mr. HARRISON. Yes.

Mr. McKEOWN. I want to know, as a matter of information, how much this bill carries in excess of what was recommended by the Budget, especially in the matter of supplies, and so forth.

Mr. HARRISON. I think about $1,000,000. The gentleman from Kansas [Mr. ANTHONY] will discuss that question later. We had to increase the amount over the sum recommended by the Budget.

Mr. TAYLOR of Tennessee. Will the gentleman yield for one further question?

Mr. HARRISON. Yes.

Mr. TAYLOR of Tennessee. Is there anything in this bill to equalize the pay of retired Army officers?

Mr. HARRISON. No.

Mr. TAYLOR of Tennessee. Nothing at all?

Mr. HARRISON. No; I think there is a very unjust discrimination there, but that would have been legislation, and we have not undertaken to enact any legislation in this bill.

There is another thing I want to discuss while I have this opportunity, and that is the administration of the Veterans' Bureau. I regard the administration of that bureau as very unjust to the injured men. I have numerous appeals coming to me from men who have been virtually destroyed, asking for relief, and the rulings of the Veterans' Bureau appear to me to be thoroughly unjust and unwarranted by the law. They have been enabled to save a good deal of money, but I think there is something else in this world besides saving money. I think this country is rich enough and strong enough to appropriate sufficient money to take care of the welfare and the defense of the country. It is strong enough and rich enough to be fair and just to the people who have claims upon it; and it is strong enough and rich enough to discharge whatever duty it should undertake.

Why should not this country run its business just like any ordinarily prudent man would run his business? Why should we stand by and see our plants, so to speak, go to pieces and the necessary forts established for the protection of our cities fall in ruin? The whole proposition amounts to nothing except postponing the day when this country will have to make the appropriations at a greatly increased cost.

I do not know exactly how these matters can be remedied in this bill, but I think the Members of this House should know that this bill fails to take proper care of the property of the country under the War Department. It fails to provide adequately for the Army, which it proposes to maintain, and it has fallen down in carrying out the provisions of the national defense act, which provided for reserves in case of war, an act in regard to the training of citizen soldiers. This may be economy and may look well in the Budget at this time, but in the long run the taxpayers of this country have got to make good this false and sham claim of economy. [Applause.]

Mr. Chairman, I reserve the remainder of my time.

Mr. ANTHONY. May I inquire of the gentleman from Virginia if he is going to use any further time?

Mr. HARRISON. I yield five minutes to the gentleman from Kansas [Mr. AYRES].

Mr. ANTHONY. I would be pleased if the gentleman would use now whatever time he is going to yield.

Mr. HARRISON. Very well.

Mr. AYRES. Madam Chairman, the reason I asked for time now is because I am not satisfied with the bill at the present time, and I apprehend the gentleman from Kansas, who is in charge of the bill, will probably want to answer some of the objections I shall make to this bill.

The first question in my mind is why it is necessary to appropriate anywhere from $1,000,000 to $1,100,000 more than recommended by the President.

Another question is, I can not see why it is necessary at this time, seven years after the close of the war, to appropriate for a military force of over one-half million men.

While I have yet the first time to vote against an appropriation measure since I became a member of the Appropriations Committee, I am tempted to vote against this one. I regret this, too, because my colleague from Kansas [Mr. ANTHONY] is the chairman of the subcommittee which has framed this measure. I know the gentleman from Kansas is painstaking and has given this measure great consideration. I also know that the bill contains many—in fact, very many—meritorious projects, which I stand ready to support and am anxious to see protected and cared for; therefore I am placed in the position of voting against these meritorious projects or, in order to support them, vote for an appropriation which I feel is out of all proportion to what should be the attitude of Congress regarding the military forces of this Nation at this time.

I can not understand why it is necessary to have over 500,000 men under military training at this time in the United States and financed by this Government at the expense of an already overburdened, taxed public. I wonder how many Members of this Congress remember the complaints we used to hear about our large standing Army and the expense of maintaining

it prior to, we will say, 1912. It might be interesting to show what it was at that time. June 30, 1912, we had an Army of 81,331 enlisted men—that is, Regulars—with 5,480 Philippine Scouts, making a total of 86,811, with 4,650 officers, or a grand total of 91,461 as a Regular Army. At the same time we had a total of 121,852 National Guards. In 1916 we had a standing Army of Regulars, officers and men, of 107,641, and National Guards, officers and men, of 132,194. Now, suppose we take up the military forces being trained and provided for in this country at this time. We have a standing Army, including 7,000 Philippine Scouts, a total of officers and men of 137,499; National Guards, 186,000; reserves, 23,000; Reserve Officers' Training Corps, 120,000; Enlisted Reserve Corps, 692; citizens' training camps, 33,681; or a total of 500,872, over a half million men under arms and being trained at the expense of the taxpayers, and Congressmen being daily bombarded from many sources with propaganda to increase even what we have. The question is, When are we going to stop, and who will stop it? Congress is the place to stop it; and if it does not, the people who bear the burdens of maintaining these military establishments will stop it, if by no other means than by electing a Congress who will stop it.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Alabama.

Mr. HUDDLESTON. The figures which the gentleman gave do not seem to include the training units in the schools and colleges.

Mr. AYRES. Yes; I included them and stated there were 120,000 in the Reserve Officers' Training Corps.

Mr. HUDDLESTON. Should not that be added to the figure the gentleman stated?

Mr. AYRES. I included that. That goes to make up the one-half million men.

Apparently we are fast becoming a military Nation. At the close of the World War a desperate effort was made to adopt compulsory military training in this country in times of peace. I am happy to say I played a part, though it may have been a small one, in defeating this effort and program, and while the militarists did not succeed in fastening that indefensible military scheme on this country they seem to have succeeded fairly well along other lines.

Although the President, through his energetic press agents, has succeeded, and I might say, is succeeding in convincing the country that he embodies all there is in economy; in fact he is touted as the last word in economy; I wish to say this committee—that is, the Appropriations Committee—up to date, has so far outeconomized Mr. Coolidge that there is no comparison to be drawn. This committee, as has already been said, has cut the President's recommendations for appropriations since we have had exclusive jurisdiction over the question of appropriations about $146,000,000. The last session of Congress we cut the present President's recommendations $11,125,000, and so far this session we have cut his recommendations some $8,000,000 to $10,000,000, and we are not through yet. I do feel, however, if there is a department in which the President ought to know what is needed, it is the department or departments of which he is the head, made so by the Constitution. Every high school boy and girl knows that the Constitution of our country provides that the President of the United States is the Commander in Chief of the Army and Navy. So, I say, by reason thereof he should know fairly well what is necessary in these two governmental activities. As a member of the subcommittee on appropriations for the Navy, along with my four colleagues on that committee, we concluded at the very beginning, notwithstanding the demands of a certain class of militarists, we would see to it that there would be no increase of the appropriation to care for the Navy over the recommendations of the President. It is unnecessary at this time for me to go into detail how we had to fight it out with many who came before our committee, or the fight we had on the floor with some of our colleagues, to sustain our action as a committee; but I wil say, we cut the appropriation recommended by the President for the Navy $3,500,000, to be exact, $3,680,243. We are now considering the Army appropriation bill, and what do we find? Not a reduction in the appropriation recommended by the President, the Commander in Chief, but an actual increase of $1,087,000.

Mr. HARRISON. Will the gentleman yield?

Mr. AYRES. Yes.

Mr. HARRISON. If, as I have said, the Secretary of War shows that we ought to spend $10,000,000, why should not we make the appropriation?

Mr. AYRES. I have said that I agree with the gentleman, when necessary to make repairs and protect property; but what I am talking about is an appropriation necessary to bring 500,000 men into military training.

Mr. HARRISON. I will say that is all in the line of the national defense act, to keep in training soldiers in case of emergency. They are not Regular soldiers; they are citizens trained how to shoot a gun.

Mr. AYRES. Oh, if we heeded all the demands on the Navy to keep all the personnel desired we would never be able to make any reduction. And yet at the same time we made the reduction I stated and still did not cripple the Navy at all; as a matter of fact, we have more personnel now than is actually needed to man the Navy, and it will probably be reduced in the future. In conclusion, I wish to state I do not want to do anything that would deprive this country from being amply prepared, but there is a vast difference between being amply prepared and becoming a military nation. There is no evidence of this country being attacked by any other country in the near future, and we are not going to be; therefore there is no legitimate excuse for this military spirit. The question is how to stop it, and who must stop it? My opinion is, there is but one way, and that is through and by Congress. All we have to do is cut off some of the means of support—that is, the money—and it will do more to dampen this military ardor and spirit than any other one thing.

Mr. ANTHONY. Mr. Chairman, I propose to devote a portion of the time remaining for general debate to a presentation of some of the pertinent points of the bill.

Mr. FRENCH. Would not the gentleman from Kansas like to have a larger membership than is now present?

Mr. ANTHONY. No; I do not desire to put the House to that trouble.

Mr. CONNALLY of Texas. Will the gentleman yield? I am surprised that the gentleman from Idaho should make a slip of that kind. Of course, the gentleman from Kansas will not say that he wants a quorum. I think the gentleman ought to have a good audience. Notwithstanding the fine Italian hand for which the gentleman from Idaho is credited, I think he made a faux pas. [Laughter.]

Mr. FRENCH. I think when Members know that the gentleman from Kansas is speaking they will all come in.

Mr. CONNALLY of Texas. Will the gentleman from Kansas yield for a motion? It will not take but a minute. I am not going to ask for a quorum.

Mr. ANTHONY. Yes.

Mr. CONNALLY of Texas. Mr. Chairman, I move that the committee do now rise, and on that I ask for tellers.

The CHAIRMAN (Mrs. KAHN). The gentleman from Texas moves that the committee rise, and on that motion he demands tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. CONNALLY of Texas and Mr. FRENCH.

The committee divided; and the tellers reported that there was 1 aye and 101 noes.

So the motion to rise was rejected.

Mr. ANTHONY. Madame Chairman, the two criticisms that have just been made of the Army appropriation bill illustrates the two fires that are directed each year at the subcommittee which has the responsibility of preparing this bill. One viewpoint that we are not appropriating enough money to provide a proper military force for this country, and another fire of criticism that we are expending far too much of the people's money for that purpose, as just voiced by the gentleman from Kansas [Mr. AYRES].

Now, before going into the merits of these criticisms, I simply want to say to the gentleman from Kansas, who serves on the subcommittee which makes the appropriations for the Navy, that anyone from that committee should be the last person in the world to criticize this subcommittee for extravagance in making appropriations. As a matter of fact, the Navy is the one branch of this Government which has failed since the war to take part in this great work of economy, in which we are all engaged, and bring the expenses of the Government back to a safe and sane basis. Perhaps the sentiment and distance that surrounds the Navy may be among the reasons that this House invariably oversteps itself in generosity in making appropriations for the Navy.

I dare say that you could take the different items in this bill and compare them with the same items in the naval bill and find every one of these Army items pared down to the bone, as compared with the extravagant sums allotted for similar activities in the naval appropriation bill. In my turn I serve notice now upon the gentlemen who make up our naval appropriations that from now on I intend to carefully scrutinize some of their appropriations which I believe could be brought down to a more economical basis. [Applause.]

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. AYRES. We welcome all criticism, and I will join with the gentleman from Kansas at any time when we can reduce some of the expenditures in the naval appropriation bill that ought to be reduced.

Mr. ANTHONY. I thank the gentleman. This bill, as the House knows, carries appropriations not only for the expenses of maintaining our military forces, but for all nonmilitary activities which are carried on by the War Department, such as Panama Canal operation, the expense of our river and harbor improvement and maintenance work, roads in Alaska, and a multitude of other nonmilitary activities. The aggregate which the bill carries for military purposes this year is $261,081,169.16. In 1926 the appropriation carried for military purposes was $259,857,250. As a matter of fact, this is the first bill making War Department appropriations which carries a greater sum than was recommended by the Budget, and this year your committee has exceeded the Budget recommendations for military purposes about $1,100,000; but I assure the House that in every instance where the recommendation of the Budget was exceeded there is what we consider to be a very good reason for going over the figures of the Budget, and in this connection there is perhaps some ground for the criticism made by the gentleman from Virginia [Mr. HARRISON] with regard to the figures which were placed before this committee which came from the Budget. When the War Department endeavored to compress within the limits of the gross sum that was set aside for it for the next fiscal year it was compelled to curtail the amounts requested of the Budget for many of its activities, not upon grounds of reason and logic, but they had to arbitrarily lop off on many of the items here and there amounts which could not be justified by any of the evidence submitted to this committee, and our committee found that if we desired the activities which were occasioned by these items to continue, as they have been heretofore, and as we felt that the House wished them to continue, we would be compelled to increase the amounts in each case.

There is another unusual feature in this bill, and that is the fact that this is the first time since the war when we are making appropriations to augment the reserve which we have set up each year. A number of years ago we provided that reserve supplies should be maintained in the War Department for use in time of emergency of an Army of 1,000,000 men. The Army since the war has been steadily living upon the surplus inherited from the Great War. It has not only been living upon that surplus largely, but we have been invading the reserve that we have ourselves set up by legislation, requiring the War Department to hold for an Army of 1,000,000 men. So that this year, if you desire to maintain that reserve for 1,000,000 men intact, we found we would be compelled to make some provision for renewing ammunition and clothing supplies which had been invaded largely for the use of civilian components of the Army.

Mr. BERGER. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. BERGER. How could you maintain a reserve of ammunition, for instance? They deteriorate in from six weeks to three months, do they not?

Mr. ANTHONY. I think the gentleman is mistaken.

Mr. BERGER. Smokeless powder, for instance.

Mr. ANTHONY. The evidence has shown that the life of the larger sizes of fixed ammunition is practically unlimited, but it is true that in some of the smaller sizes, like 30-caliber shells, this year for the first time we found deterioration in the supply, and there is $1,300,000 appropriated in this bill to commence to build up our supply of 30-caliber rifle ammunition, which we found to be deteriorating. Six million dollars is carried in the bill to build up these reserve supplies, and in order to take care of that $6,000,000 increase and not bring the totals for military purposes above what they are this year, the War Department was compelled to make these arbitrary reductions in those items that I have spoken of, and we were compelled to make an increase over the amount recommended by the Budget.

For nonmilitary purposes this bill carries $78,504,755. The appropriation for the current year was $72,000,000 and odd, but when the House takes into account the fact that we have increased the river and harbor appropriation for the next fiscal year by $10,000,000 over what it is for the current fiscal year, and the further fact that the current year's bill carried $3,000,000 for Muscle Shoals and that there is none in this bill, and the further fact that we are reducing the Panama Canal appropriations by $1,000,000 for the next year as compared with this year, it makes the net increase in nonmilitary activities about $5,700,000.

The size of the Army, as other gentlemen have explained, will be practically the same next year as it was this year, and has been for two years past. The only change that this bill will make will be the number of noncommissioned officers. The War Department of its own volition has suggested a reduction in the amount of money appropriated for pay of enlisted men in the Army, which amounts to about $900,000.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. AYRES. Is not that a discrimination, an attempt against the enlisted man? Will it not rob him of the fruits of any ambition he may have?

Mr. ANTHONY. Absolutely not, as I shall explain.

Mr. AYRES. It seems to me that it absolutely removes any inducement for the enlisted men to go on.

Mr. ANTHONY. It does no harm to any man, and will leave about the proper number of noncommissioned officers of the Army of the size that we have. About two years ago this House passed legislation authorizing the War Department to increase the number of noncommissioned officers in the Army.

At that time I told the House I did not believe an army of the size we were maintaining needed that large number of noncommissioned officers, but the idea was that we did need this number in order to help train the civilian components. The bill passed and an additional number of noncommissioned officers were appointed. Now the War Department itself says that that was more than was justified for an army of the average size of 118,000 men, so that we can reduce that number without harm to the service. It is proposed to cut out approximately 2,000 of the first five grades of noncommissioned officers, about 2,000 of the number of first-class privates, which will save about $900,000 each year. Now, not a single man will be discharged from the service. The policy to be followed will be not to fill the vacancies when vacancies occur, so after the lapse of a year, perhaps, the Army will have a proper percentage of noncommissioned officers based upon the size of the Army we are maintaining.

Mr. AYRES. Will the gentleman yield for information?

Mr. ANTHONY. I will.

Mr. AYRES. That means 2,900 noncommissioned officers at least in filling those vacancies?

Mr. ANTHONY. It means as the vacancies occur they will not be filled. There will be no individual suffering any reduction.

Mr. AYRES. Can they be promoted?

Mr. ANTHONY. Oh, yes; but promotions will be delayed for a while.

Mr. AYRES. I may be wrong in this, but I have got an idea and I would like to be put right——

Mr. ANTHONY. The promotions will undoubtedly be delayed for a while.

Mr. AYRES. And 2,700 to 2,900 noncommissioned officers by reason of the cutting of this appropriation will be absolutely prohibited from receiving any promotion.

Mr. ANTHONY. For a while, that is correct; but I will say to the gentleman further that the Army now is unquestionably top heavy with noncommissioned officers. They are maintaining a very large number of first-class privates when an ordinary private could answer every purpose.

Mr. AYRES. Another question along that same line. Is it a fact that it is more top heavy with commissioned officers than noncommissioned officers?

Mr. ANTHONY. They have a large number of commissioned officers, and there is a reason. It is a fact that the military establishment is maintaining an extra large number of commissioned officers in order to have trained officers available in time of war, so that they can assist in the command and organization of large levies of men who will be ready in case of such emergency.

Mr. BERGER. Will the gentleman yield?

Mr. ANTHONY. I will.

Mr. BERGER. What is the proportion between commissioned officers and privates?

Mr. ANTHONY. Twelve thousand commissioned officers to 125,000 enlisted men.

Mr. BERGER. About 1 to 10?

Mr. ANTHONY. Yes.

Mr. BERGER. That is a larger proportion than——

Mr. ANTHONY. We are maintaining an excess of about 5,000 commissioned officers in our Army over what you might figure are absolutely necessary to command that number of men, but we maintain them for the purpose of providing sufficient well-trained officers for use in time of war and having a sufficient number to help train the National Guard, our reserve, and 120,000 men in the schools and colleges with the other activities among the civilian components of the Army in time of peace.

Mr. BERGER. What about the other 3,000?

Mr. ANTHONY. They are on various duties, as I said a while ago. The War Department and the Army not alone concerns itself about purely military duties but have a vast number of various activities in their charge, and it is safe to say that probably 2,000 officers are engaged upon these civilian activities which Congress by law has imposed upon the War Department, such as river and harbor work, engineering improvements, and so forth.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. ANTHONY. I will.

Mr. HILL of Maryland. This reduction of about 2,000 in the present authorized noncommissioned, first-class private, strength the gentleman says would give a proper balance to the noncommissioned personnel of the existing Army. Is the existing Army 125,000?

Mr. ANTHONY. That is the maximum, but they propose to maintain an average of 118,700 men.

Mr. HILL of Maryland. This proposed reduction is intended to be sufficient to take care of 118,000 men?

Mr. ANTHONY. A noncommissioned strength for about 118,000 men.

Mr. LAZARO. Will the gentleman yield?

Mr. ANTHONY. I will.

Mr. LAZARO. In regard to the complaint of the large number of commissioned officers, is it not true that when the World War was declared between this country and Germany the greatest trouble we had in the beginning was trained officers to train men?

Mr. ANTHONY. That is absolutely correct.

Mr. LAZARO. And that lasted at least six months?

Mr. ANTHONY. That is absolutely correct; and I will say further that to-day this country has one of the smallest regular armies in proportion to population of any other country in the world, and that our greatest military asset is in the maintenance of this large number of trained commissioned personnel, and they are constantly at work keeping abreast of the military art in all the phases of its development.

We have schools pertaining to every branch of the service, where the men are instructed and where they constantly perfect themselves. We have the War College and the general service schools, where these men are kept in touch with every stage of military development; and I am safe in saying that with this extra large number of officers 90 per cent of them are probably as highly trained in the military art as is possible to train human beings to-day.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a question in that connection?

Mr. ANTHONY. Yes.

Mr. BANKHEAD. Does the gentleman speak of reserve officers or the regular commissioned officers?

Mr. ANTHONY. Of the regular commissioned personnel.

Mr. BANKHEAD. I have been trying to obtain some information for some time concerning the number of officers assigned to civilian duties or quasi-civilian duties; duties other than of a military character. Has the gentleman any information as to the number of commissioned officers who are assigned to duties of that kind?

Mr. ANTHONY. There are perhaps 2,000. I know of about 580 that are assigned to units of reserve, scattered all over the country. There are about 500 assigned to duty with the National Guard. There must be three or four hundred of them assigned to duties in schools and colleges, with the Reserve Officers' Training Corps units, and the others would probably number about 2,000.

Mr. LOWREY. Mr. Chairman, will the gentleman yield there?

Mr. ANTHONY. Yes.

Mr. LOWREY. I understand that both at the Military Academy at West Point and the Naval Academy at Annapolis we are carrying a great deal smaller number of students than the equipment of those schools could provide for. I wonder if the committee has considered the question of filling that room. It occurred to me that probably the best thing to do, since the room is there and the expense is on us, to provide for the training of a larger number of students than we have now. When they graduated they would certainly be prepared for other activities in civil life.

Mr. ANTHONY. Our two academies provide a training and an education that can not be found anywhere of equal value. But we would be confronted with this objection if we operated the academies to their full capacity: We would have difficulty in taking care of the graduates. They could not all be used in the service.

Mr. LOWREY. Probably something could be done with them in civil life. That would give us that considerable body of men as valuable citizens.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. BYRNS. Would there not be another objection to that, the question of discrimination? We should then be discriminating in favor of those boys as against the great multitude of other boys.

Mr. SPEAKS. Mr. Chairman, will the gentleman yield there?

Mr. ANTHONY. Yes.

Mr. SPEAKS. Do you understand that all the troops at the different stations are fully supplied with officers of every grade under the tables of organization?

Mr. ANTHONY. I do not know that the committee has gone into that. That is a technical military matter.

Mr. SPEAKS. The facts are that wherever troops are stationed, whether in continental United States or in our insular possessions, they are amply supplied with commissioned personnel of every character to meet the needs of the service. That aggregates about 6,500 officers. That leaves about 4,600 officers to be accounted for. What I am inquiring for now is the disposition of officers not assigned to troops.

Mr. ANTHONY. I just explained to the House, in a general way, what they are doing. I explained that we have 2,000 of them who are taken up by the training work of our civilian components. The balance of them are engaged in carrying on nonmilitary activities. The gentleman has in his hand, I notice, a statement from the War Department, which, no doubt, will give him that information.

Mr. SPEAKS. Yes; I have the information, but I want the Members of the House also to have the information. Am I taking too much of the gentleman's time?

Mr. ANTHONY. No; but I will say to the gentleman that I would like to finish this general statement.

I desire to touch upon a few of the principal items of the bill and take up first the Organized Reserve. The committee has exceeded the recommendation of the Budget about $53,000 for the Organized Reserve, simply so that we would be enabled to train exactly the same number of reserve officers in the next fiscal year as we are training this year; and the bill provides for about 16,900 reserve officers to receive training as reserve officers, and for about 6,300 additional reserve officers to receive training as members of the National Guard. The committee was unable to meet the wishes——

Mr. HILL of Maryland. Mr. Chairman, will the gentleman yield for a question?

Mr. ANTHONY. Yes.

Mr. HILL of Maryland. The number of reserve officers to be trained for the 15-day period who are not National Guard but exclusively reserve officers is in no way increased?

Mr. ANTHONY. No. We increased the Budget, so that there should be no mistake about this. The committee has followed every recommendation of the War Department in reference to the reserve. It was unable to follow the recommendations received from the Officers' Reserve Corps Association to provide uniforms for certain classes of officers of the reserve, nor could we provide for the detail and appointment of certain other officers of the reserve to certain duties in connection with the administration of the War Department or the various corps areas. We felt that was a matter of internal administration and that the recommendations should come from the War Department itself if they desired it, rather than from outside influences.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. WAINWRIGHT. May I ask the gentleman to inform the committee whether all the officers provided for took the 15 days' training last year? In other words, did the full number of officers provided for take the training covered by the appropriations last year?

Mr. ANTHONY. Our information is that, of course, all the individual officers who were designated for training did not report for duty, but that the full number authorized will be trained before the end of this fiscal year. The training year covers the entire calendar year.

Mr. WAINWRIGHT. May I ask the gentleman whether he has any figures showing how many officers have taken the training during this fiscal year?

Mr. ANTHONY. We have that information at some place in the hearings, and we also have the assurance of the War Department that the entire number of 16,900, together with 6,300 in the National Guard, will be given the training before the end of this fiscal year on June 30.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. HILL of Alabama. Can the gentleman inform us how many officers applied for training who were not given training through the fact that the money was limited?

Mr. ANTHONY. No; I have no figures to show that. However, I will say to the gentleman that it is very enlightening when you analyze the number of officers who are eligible for training. The total number of officers in the Organized Reserve is now 97,000. That number has been increased during the last two years tremendously; it has jumped up, if I remember correctly, ten to fifteen thousand this last year, and has been increased, in the judgment of your committee, in a very ill-advised way. For instance, the War Department has been commissioning men in the Organized Reserve in the noncombatant branches of the service in a far too liberal manner. Thousands of men have been commissioned in the Quartermasters Corps and in the other nonmilitary branches. It looks, if that policy is continued, as though in a few years a reserve commission will not be worth any more than an old-time colonel's commission in a State militia as given out by the governor of a State.

Mr. HILL of Alabama. In that connection, is there no limitation?

Mr. ANTHONY. There is absolutely no limitation in the law.

Mr. HILL of Alabama. Your committee feels, then, that the legislative committee ought to take some action in that matter?

Mr. ANTHONY. Not, perhaps, the legislative committee, but it ought to be the policy of the War Department to make a good, live reserve of live, active officers, a reserve made up mainly of men in the main military branches.

Mr. HILL of Alabama. And a number that can properly be trained.

Mr. ANTHONY. Absolutely. Now, here is another thing. We now have 97,000 reserve officers and the War Department admits that over 40,000 of that number are made up of what they call deadwood and men who never ought to be trained, and they say it will be a waste of money if we expend it in training them. So that, taking into consideration the amount of deadwood there is in this reserve, when we train 23,900 of them each year we are training considerably more than one-third of the live and active membership of the reserve.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. CONNALLY of Texas. Does not the gentleman from Kansas think, however, that the War Department ought to take into the reserve every man it can train who is efficient and capable of becoming efficient, because that is what the Reserve Corps is for? It is for the purpose of training these men in time of peace and have them prepared for war. Does not the gentleman agree to that proposition?

Mr. ANTHONY. We do not want an army of quartermasters when we go to war.

Mr. CONNALLY of Texas. Of course not, but the War Department is supposed to exercise some intelligence in coordinating the different branches and evening them up.

Mr. ANTHONY. But I would rather have, I will say to the gentleman, a smaller number of efficient and highly trained officers in the reserve than a large number that are indiscriminately commissioned and who receive training only at wide intervals.

Mr. HILL of Alabama. In other words, merely issuing a reserve commission to a man does not mean that that man is going to be worth anything to the Government in time of emergency or war?

Mr. ANTHONY. Absolutely not.

Mr. HILL of Alabama. You have got to train that man.

Mr. ANTHONY. Certainly. You should not waste money on training men who will not be of any material value to us when an emergency comes.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. HILL of Maryland. The gentleman said there were about 97,000 reserve officers?

Mr. ANTHONY. That is our information.

Mr. HILL of Maryland. Of the 97,000, how many are line officers and how many are staff and department officers?

Mr. ANTHONY. There are about 40,000 commissioned in the Staff Corps, or about half of them.

Mr. HILL of Maryland. That would make about 47,000 in the line?

Mr. ANTHONY. Yes.

Mr. HILL of Maryland. How many of the 47,000 line officers will be trained in the 15-day camp?

Mr. ANTHONY. I am unable to give the gentleman figures as to that. That is up to the War Department.

Mr. HILL of Maryland. A large proportion of those trained during the 15-day periods will be line officers, will they not?

Mr. ANTHONY. Undoubtedly.

Mr. SPEAKS. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. SPEAKS. The 97,000 reserve officers the gentleman mentioned includes also about 6,000 National Guard officers who, under the regulations, are required to hold dual commissions?

Mr. ANTHONY. Yes; and who are trained under the National Guard appropriation.

Mr. SPEAKS. I want to inquire whether the gentleman read the article by General Pershing in the Infantry Journal for December wherein he recommends from 50,000 to 60,000 as the limit of reserve officers to be maintained?

Mr. ANTHONY. I did read that article, and I will say to the gentleman it reenforced views which I already held on that question.

Mr. FISH. Will the gentleman yield?

Mr. ANTHONY. I yield to the gentleman.

Mr. FISH. I think the figures your committee gave were 56,000 Reserve Corps officers that did not come under the staff category, and out of that number you trained 16,000 reserve and 7,000 National Guard, making about 23,000, and making altogether approximately 40 per cent, and I am in entire accord with the position taken by your committee, and I want to congratulate the committee on the work they have done in that respect.

Mr. ANTHONY. I thank the gentleman.

Mr. WAINWRIGHT. Will the gentleman yield for a further question?

Mr. ANTHONY. I yield.

Mr. WAINWRIGHT. Turning to the hearings of the committee, on page 12, there is a table put in showing an analysis of the Officers' Reserve Corps, and I make it that there are about 50,000, roughly, in the Cavalry, Field Artillery, Coast Artillery, and Infantry, and then I find there are 10,000 quartermasters. Has the gentleman any comment to make upon the proportion in the Quartermaster General's Department in comparison with the combat branches, and also the proportion of 9,578 in the Medical Corps in comparison with the combat branches?

Mr. ANTHONY. The gentleman will find in the report which accompanies this bill that the committee took the liberty of calling the attention of the War Department to the fact it considered the commissioning of such a large number of men during the last year in these noncombatant branches as being bad policy. There can be no question about it; it is a bad policy. I think one thing, perhaps, that has actuated the department in distributing these commissions is that a number of these quartermaster commissions have been given to business men in various cities scattered all over the country, with the idea of getting them interested in the military game, and perhaps indirectly getting their influence in military matters. That may be the policy that lies behind this widely distributed number of quartermaster commissions, and we felt we should call the attention of the House to that condition.

Mr. WAINWRIGHT. Will the gentleman yield for another question?

Mr. ANTHONY. Yes.

Mr. WAINWRIGHT. May that not have been in line with the organization development of the industrial war plans to have these business men throughout the country available for that purpose?

Mr. ANTHONY. That may be the excuse for it.

Mr. WAINWRIGHT. May I ask the gentleman to yield to me simply to make this statement. The gentleman said there were about 15,000 officers commissioned during the last year; I find there were over 19,000.

Mr. ANTHONY. I am glad to be corrected.

Mr. COLLINS. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. COLLINS. I notice that the appropriations recommended amount to something over $1,000,000 in excess of the amount recommended by the Director of the Budget. Will the gentleman, briefly, name the main items making up that increase?

Mr. ANTHONY. Yes; the main item in that increase is $350,000 toward the construction of a mess hall at West Point. The Budget asked for $350,000 for this purpose. The evidence showed that this building is going to cost about $1,800,000, and that if we went ahead on the basis of expending $350,000 a year it would take us five years to complete it. On the evidence submitted the committee felt the Government would lose 25 per cent of the money expended by delaying con-

struction over such a long period of years. Colonel Timberlake, the quartermaster, showed us he could save about $250,000 in the total cost of the building if allowed to complete it in three years. So we doubled the appropriation in order to get economy and efficiency in construction. That is one item.

Then we increased the estimate for roads in Alaska from $600,000 to about $750,000, with the idea of permitting Colonel Steese, who is in charge of that work up there, to make another year's progress in building the main road from Chatanika to Circle. This is one of the biggest road enterprises we have undertaken there. It will take three years to build it. The evidence of representatives of American mining companies who came before our committee showed that during the present year with only one-third of the road built they are going to ship in freight for new mining industries along the line of this new road amounting to almost as much as the entire tonnage of the Alaskan Railroad a year ago, due to our expenditure of several hundred thousand dollars last year above the Budget recommendation on Alaskan roads. Our purpose in spending this money is to build these feeders to the railroad and try to build up the business of the railroad.

The other items are a multitude of small ones that I do not recall at this time, with increases for reserve and civilian training.

Mr. COLLINS. Those two items make about $450,000 or $500,000.

Mr. ANTHONY. Yes; I have not all the figures here, but I can get them later on for the gentleman.

Other items include moneys for keeping up buildings under the Ordnance Department and keeping up the buildings of the Regular Army—barracks and quarters, and a number of things of that kind.

Now, with respect to the National Guard——

Mr. WAINWRIGHT. Will the gentleman yield for one question before proceeding to the matter of the National Guard? Will the gentleman inform the committee how many additions the Reserve Officers' Corps receives by commission from the Reserve Officers' Training Corps, which is the basis of the whole plan?

Mr. ANTHONY. I think there were approximately 5,000 young men who came from the schools and colleges that were either commissioned or will be commissioned when they become of age. That is one of the most important feeders to our reserve.

Mr. WAINWRIGHT. Five thousand out of how many trained?

Mr. ANTHONY. Out of the 120,000 that received training in the Reserve Officers' Training Corps.

Mr. WAINWRIGHT. That is to say, out of the 120,000 whose training we pay for——

Mr. ANTHONY. We get 5,000 young men who will graduate into our reserves as commissioned officers each year.

Mr. FISH. Will the gentleman yield for a question for information?

Mr. ANTHONY. I yield to the gentleman.

Mr. FISH. Why is it the gentleman's committee does not require bids for contract work at the Military Academy at West Point?

Mr. ANTHONY. The committee has found that the construction work we have done at West Point has always been done considerably under any figure at which it could be done by contract. On the construction of the hospital there, which is just about completed, there is no question but what we saved from $150,000 to $200,000 by doing the work under the supervision of the quartermaster officials. Conditions around West Point, I will say to the gentleman, in reference to labor and other matters that enter into construction problems, are not the very best in the world, and there is no question but what it is economy to do such work in the way we have been doing it.

Mr. FISH. Does the gentleman know whether that is the practice in any other department of the Government? It is quite a departure. I am not objecting to it.

Mr. ANTHONY. Oh, yes; the Army does it frequently; wherever it can build its own buildings to the best advantage it has followed that policy. Take it in the river and harbor work where a contract can be let to the best advantage the policy is to let it by contract, but where our engineers figure that they can do the work to the best advantage, we let them do it.

Mr. LAGUARDIA. Is it not true that at West Point we have our own quarry and use our own stone; that Colonel Timberlake has built up a very efficient organization and is doing good work?

Mr. ANTHONY. We feel that way.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. OLIVER of Alabama. What amount is carried in the bill for reserve clothing?

Mr. ANTHONY. There is $6,000,000 to build up the war reserve—not quite two million for clothing and over four million for ammunition.

Mr. OLIVER of Alabama. What increase is that over previous years?

Mr. ANTHONY. We have never carried any money for that purpose, but we lived off the war surplus.

Mr. OLIVER of Alabama. That would furnish clothing for what number of men?

Mr. ANTHONY. We are purchasing clothing and ammunition for the purpose of reimbursing the reserve for a million men, which they are authorized to carry. I want to say about the reserve that I am not clear in my mind whether it is really necessary that we should carry the reserve of war material for a million men. The committee considered the advisability of cutting down the authority of the War Department for the maintenance for a reserve of a million men, but we did not have information enough this year upon which to take such drastic action; but I think undoubtedly our committee will go carefully into the matter next year with the idea of seeing if we can not get along on a reserve for a half a million men.

Mr. OLIVER of Alabama. How far will the amount carried in the bill purchase reserve clothing and supplies for a million men?

Mr. ANTHONY. The amount of money we are spending for ammunition would just about reimburse what we expend in target practice each year. I can not tell the gentlemen how far the amount for clothing will go, but clothing for the reserve will about make up what we gave out last year to the National Guard and training camps.

Mr. BACON. Will the gentleman yield?

Mr. ANTHONY. I will yield to the gentleman.

Mr. BACON. What amount is the committee recommending for the military hospital in the Hawaiian Islands?

Mr. ANTHONY. The committee is familiar with that situation. Nothing is carried in this bill for that hospital, but the department assures us that it will be one of the first items considered in any construction program they bring to the House. The members of the committee were as much surprised to find that there was a hospital in a partially completed condition in the Hawaiian Islands as anybody. That had been standing there for a year or two in that shape. The building was undoubtedly started out of funds for conducting the war, and they never have asked us for any money for the purpose of completing the building, and it was there without our knowledge.

Mr. BACON. I suppose the gentleman will agree that the existing hospital is a disgrace; that it is a fire trap and leaks every time it rains.

Mr. ANTHONY. The gentleman from California [Mr. BARBOUR] was over there, and he acquainted us fully with the conditions, and the committee agreed that if at any time the War Department had asked the subcommittee for money to complete the hospital we would have given it without question.

Mr. BACON. Is it not true that the Field Artillery are living in tumbledown shacks, that the housing conditions on the Hawaiian Islands are entirely inadequate?

Mr. ANTHONY. Yes and no. We have some of the best housing conditions in that country and some of the worst. The reason that some of them are living in the shacks, which the gentleman speaks of, is due to the persistence of the War Department in sending more troops there than they should send. Some members of the committee entertain the belief that the garrison there is entirely too large, larger than is justified, but the War Department persists in sending a large number of troops over there, and puts them up against being housed in poor quarters.

Mr. COLLINS. Will the gentleman yield?

Mr. ANTHONY. I will.

Mr. COLLINS. The bill carries $6,000,000 for reserve clothing and ammunition.

Mr. ANTHONY. Yes.

Mr. COLLINS. Does this amount represent any increase over that recommended by the Budget?

Mr. ANTHONY. It is exactly the amount recommended by the War Department and the Budget. The committee felt that the maintenance of an adequate reserve of ammunition was of such great importance that it granted the amount without hesitation; and especially in view of the statement that the small-arms ammunition was deteriorating. We wanted to enable them to build it up.

Mr. REECE. If the so-called Army real estate bill passes, as we hope it will very soon, the Army will then have plenty of

funds with which to construct the building and other construction really necessary in the Army without waiting for additional appropriations.

Mr. ANTHONY. I think that is the situation.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. WAINWRIGHT. In connection with the question of my colleague from New York [Mr. BACON] in regard to the housing of some troops in the Hawaiian Islands, is it not a fact that there are many troops in this country in the Regular Army that are living under as bad, if not worse, housing conditions as those in the Hawaiian Islands?

Mr. ANTHONY. Undoubtedly there are troops in this country that are a lot worse off in that respect.

Mr. BACON. I think that is true in New York State. Take, for instance, Mitchel Field, one of the most important flying fields in the country, just outside of the city of New York. That is in a deplorable condition.

Mr. WAINWRIGHT. My only purpose in asking the question is to call attention to the fact that the subject raised is of much broader application than the Hawaiian Islands.

Mr. BACON. I am glad to agree with the gentleman in that respect.

Mr. BARBOUR. I suggest that both gentlemen from New York and all of the other Members of the House will have just as much opportunity to improve this condition as will the members of this subcommittee, if they will just pass this building program bill now pending before the House. Then those conditions will soon be remedied.

Mr. BACON. I am heartily in favor of that.

Mr. WAINWRIGHT. We have heard so much and are so heartily in favor of having that question properly solved that we thought we would like to take this opportunity of bringing it before the Committee of the Whole.

Mr. ANTHONY. For the National Guard the bill provides for a maximum of about 187,000 officers and men for the next fiscal year. There was maintained this year only about 176,000 men in the National Guard. In fact, the War Department did not use all the money Congress appropriated for the maintenance and operation of the National Guard, and a considerable amount of money unexpended will be carried over from this fiscal year into the next.

Mr. SPEAKS. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. SPEAKS. When the Militia Bureau was established it was with a view to having the National Guard detached, so far as possible, from the control of the Army. At the present time I think the National Guard of the country are more interested in the question of having all appropriations made for the guard expended under the supervision of the chief of that bureau. Is the gentleman in sympathy with that plan?

Mr. ANTHONY. I doubt the advisability of allowing all of the appropriations to be expended under the Chief of the Militia Bureau, but there is no question that the gentleman is right in assuming that the Chief of the Militia Bureau has not been given all of the power and authority it was the intention of Congress to give him when it created that office.

Mr. SPEAKS. Does the gentleman believe that if given the full power and authority contemplated when the law was enacted the National Guard would have been further advanced and better satisfied?

Mr. ANTHONY. I think they would be better satisfied. They would at least have had a voice in the handling of their own affairs, and in our opinion the Chief of the Militia Bureau has been little more than a figurehead down there for several years past.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. HUDSPETH. I have not had an opportunity to read the bill, but having a border of 950 miles in my district, we are very much interested in a pretty strong standing Army. Does this bill decrease the present personnel of the standing Army in any way? In other words, does it carry an ample appropriation for the present standing Army?

Mr. ANTHONY. It does not increase the average strength of the Army in any respect.

Mr. HUDSPETH. And does not decrease it?

Mr. ANTHONY. No. It decreases the number of noncommissioned officers, but that decrease is made up by a larger number of privates. Mr. Chairman, for the Reserve Officers' Training Corps the bill appropriates a sufficient amount to take care of the training for another year of the same number of students as were trained in our schools and colleges during the past year, 120,000 all told. For the Citizens' Military Training Camp we increased the Budget estimate by $212,000. I forgot to mention that item to the gentleman who asked me for the items of Budget increase a few moments ago.

This one of $212,000 for civilian training is one of the most important ones. The War Department desires to make certain changes in the location of their training camps for these civilian trainees this year, under which they would only train men from a smaller radius. We thought that if we did not increase the amount of money to at least the same amount this year there would be a greater number of boys living at a greater distance who might be deprived of training, and so we restored the full amount carried this year, and practically the same number or more will be trained under it.

Mr. BRIGGS. That is what I wanted to ask the gentleman, whether the appropriation carried this year is the same as last year?

Mr. ANTHONY. Yes; and if the War Department carries out the modification of its new policy they will train more men under this amount of money.

Mr. BRIGGS. How will they accomplish that?

Mr. ANTHONY. By training more men from near-by distances.

Mr. WAINWRIGHT. Will the gentleman inform the committee exactly how many young men were trained in the civilian training camps?

Mr. ANTHONY. Thirty-three thousand and odd.

Mr. WAINWRIGHT. How many of those who applied for training were not trained?

Mr. ANTHONY. About forty or fifty thousand applied for training, and a large number did not show up; but the number that can be secured for these civilian camps is unlimited. It depends upon the amount of advertising you put into it and the amount of effort you put forth to recruit the boys.

Mr. WAINWRIGHT. Does the gentleman think that 33,000 is, on the whole, a large enough number to realize the purpose of these camps?

Mr. ANTHONY. I think it is carrying out our purpose in a very wonderful manner. I know the gentleman realizes that the Regular Army has its hands full in looking after all of these other activities. It should be realized that we are now giving training each year to over half a million men in this country, including the Regular Army, National Guard, the Reserves, the Reserve Officers' Training Corps, and so forth. We are carrying out this policy of training our civilians in peace time at a maximum which we did not think was possible in the past.

Mr. WAINWRIGHT. My question was simply to bring out what the gentleman thought, whether, in view of the great demand and great benefits which have been conferred upon these young men by this training, it might not justify a considerably larger appropriation.

Mr. ANTHONY. I think we are going as far as the finances of the country justify at this time, or the financial policy under which we are working justifies. I think, however, the country ought to realize that before the war we only expended about $5,000,000 each year upon the civilian branch of our Military Establishment and nearly all of that upon the National Guard, and now we are expending in this bill practically $40,000,000 in the way of giving training to the civilian branch, and I want to give this warning to the House, that unless we do not look out we are going to have a constantly mounting cost, because the House is susceptible to pressure from these civilian components in asking for more and more appropriations. These increasing appropriations will be reflected here from year to year, and some day you are going to wake up and find yourselves spending almost as much upon the civilian training activities as on the regular establishment.

Mr. WAINWRIGHT. I just wish to ask whether in the opinion of the gentleman this civilian military training experiment has not proven to be a very great success?

Mr. ANTHONY. Undoubtedly it has, and, as I have stated, here we are getting 100 per cent back for every dollar we spend. It is simply miraculous to see the change made in 2,000 green boys taken into camp. Some in the camp I saw out in Kansas came from the hills of Arkansas and southern Missouri. One told me he had never ridden on a railroad before he came to that camp. These boys were green, but at the end of 30 days they were as fine a lot of upstanding, vigorous, athletic young Americans as you could picture, and I made up my mind the money expended was the very best carried in this bill. [Applause.]

Mr. SNELL. If the gentleman will permit, it has been decided for some time that that was our fixed policy, and I understand it is being 100 per cent carried out.

Mr. ANTHONY. That is the case.

Mr. BACON. I am informed that there are not sufficient Army officers available to carry out the splendid work which the gentleman has just described.

Mr. ANTHONY. I think there are. It is not necessary to use all Regular Army officers for this purpose. More and more each year these civilian camps are being trained by reserve officers.

Mr. BACON. Are they paid for their full time?

Mr. ANTHONY. While on duty at these camps; and they have a number of very efficient men doing this work.

Mr. WAINWRIGHT. I desire to call attention to the fact that at Plattsburg last year we found several graduates who were training the boys with great success.

Mr. ANTHONY. I think all must agree the results from these civilian camps are apparent on the last day of the 30 days' training, and on that final day when I saw 2,000 of those boys who never had a particle of military training before marched by, representing three branches of the service—Artillery, Infantry, and Cavalry—officered entirely by their own men, and when they passed in review before officers of the Regular Army, for the life of me I could not tell them from regular organizations of the Army, and every one of that force of 2,000 were absolutely green 30 days before; so you might think it possible after all to raise an army of young Americans overnight if you had to do so.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield?

Mr. ANTHONY. I will.

Mr. McLAUGHLIN of Michigan. I have seen the same thing, and I agree with the gentleman as to the wonderful good to these young men and the resulting benefit to the country; and in view of that I am a little surprised at the statement of the gentleman from Kansas as to his fear that this appropriation might get too large. In any emergency we must depend upon our civilian officers and call upon the population for our Army. Now, why not have them well trained, besides the wonderful good which it does these men. I would not have the fear which the gentleman has that this appropriation might get too big; certainly it has not reached any alarming extent.

Mr. CLAGUE. If the gentleman from Kansas [Mr. ANTHONY] will allow me to answer the question——

Mr. ANTHONY. Certainly——

Mr. CLAGUE. I will say that our committee added $200,000 more than the Budget estimated. We were criticized quite severely for doing so by some Members. Does the gentleman think we were justly criticized?

Mr. McLAUGHLIN of Michigan. No. I think you did what you ought to do. I commend what the gentleman did.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. HILL of Alabama. Does the gentleman approve of the Reserve Officers' Training Corps work?

Mr. ANTHONY. Yes.

Mr. HILL of Alabama. Do you think we are getting the same success there that we are getting at the training camps?

Mr. ANTHONY. Yes; I have seen them out on the Pacific coast.

Mr. HILL of Alabama. How much have we expended for that purpose?

Mr. ANTHONY. The Reserve Officers' Training Corps work is handled in the junior and senior units. The high-school work is in the junior unit, and over one-fourth of the amount goes to the junior unit.

Mr. HILL of Alabama. The gentleman believes in it?

Mr. ANTHONY. Undoubtedly.

Now, Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has two minutes remaining.

Mr. ANTHONY. I want to devote those two minutes to the discussion of the Army Air Service. This bill carries an increased amount over last year for the Air Service. Each year it has been our policy to carry as much money as we felt could be consistently done for the construction of new airplanes for the Army Air Service. The committee felt that in spite of the criticism that has been heaped upon the inadequacy of the machines with which the Army was equipped it had not made a single mistake since the Great War in its policy with reference to the Army Air Service. If the committee in any one year up to the present time had gone ahead on any extended policy of construction, as the gentleman from California [Mr. BARBOUR] said the other day, every one of those machines would to-day be in the junk pile. Only in the last year has the committee felt safe in going ahead on any extended program. I want to assure the House now that so far as our Army Air Service is concerned we have got the best flyers in the world. We have the machines, new ones; 305 new ones provided in this bill and four hundred and odd machines provided for in the appropriation of the current year, making a total of over 700 altogether; and when we get them all we shall have the best planes in the world for the men to fly with, and I want the House to feel sure that so far as criticisms are concerned of our Army Air Service they do not lie within reason and are not based on fact. [Applause.]

Any recommendation that I would be called upon to make to this House in regard to the Army Air Service would be to let it alone. It is all right. [Applause.] No mistake has been made either by Congress or by the War Department in handling the Air Service matters since the Great War. It is true that there are some things in the Air Service that perhaps could be remedied.

The officers of the Air Service were unfortunately placed upon the single list of the Army when that single list was created; unjustly so, because most of them had to take from 10 to 12 months' longer training in the training camps than men in other branches before receiving their commissions. There is a grievance there that should be remedied. I think it was unfortunate that Colonel Mitchell felt called upon to leave the service. I regard him as one of the ablest officers we have ever had in the Air Service. [Applause.] If I had my way about it, I would like to see him back in the service, ultimately at the head of the Air Service, when a vacancy exists there. But, as I said before, there is nothing fundamentally wrong in the Air Service, and I think the House would make a great mistake if it were to adopt any radical innovations in regard to it.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. McSWAIN. Does the gentleman understand that the War Department itself has introduced and initiated two pieces of legislation that would meet the conditions?

Mr. ANTHONY. The creation of an additional Secretary of War would not make any difference, nor would the creation of two more brigadier generals help the situation a particle.

Mr. McSWAIN. Then why did they make that recommendation to Congress?

Mr. ANTHONY. The gentleman will have to ask them and not me. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes, namely:

Mr. BOYLAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from New York moves to strike out the last word.

Mr. BOYLAN. Mr. Chairman and gentlemen of the committee, yesterday our distinguished colleague from Pennsylvania [Mr. BAUMM] in a speech said, in answer to a question, that the President could settle the coal strike and that the miners would go to work at his request.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, a point of order. The gentleman is not speaking to the bill.

The CHAIRMAN. The point of order is sustained, and the gentleman from New York will proceed in order.

Mr. BOYLAN. The gentleman will proceed by saying that in order that the Military Establishment be properly sustained during the next fiscal year a proper supply of coal should be obtained in advance. [Laughter.]

The CHAIRMAN. The gentleman from New York can not trifle with the House. The gentleman, if he wishes to proceed in order, will proceed; if not, he should take his seat.

Mr. BOYLAN. I contend that the gentleman from New York should be heard on the point of order. It is the customary practice for men in the House to rise on occasions of this kind and propose amendments such as I am proposing and no objection is raised. If it is going to be the policy of the House to insist upon a procedure of this kind, the gentleman from New York also has the power to act accordingly. I trust the gentleman from Michigan will withdraw his point of order.

The CHAIRMAN. The Chair can do nothing but enforce the rules of the House when his attention is called to their infraction.

Mr. McLAUGHLIN of Michigan. We have had days and days of general debate on this bill, and it seems to me the gentleman has had plenty of time to express himself on this subject during that general debate.

Mr. BOYLAN. I will say, Mr. Chairman, in answer to the gentleman, that I have sat here and listened to a lot of talk from the gentleman from Michigan but have never offered any objections. Mr. Chairman, I ask unanimous consent to proceed for three minutes out of order.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for three minutes out of order. Is there objection?

Mr. BACON. Mr. Chairman, I shall have to object.

Mr. BOYLAN. I thank the distinguished gentleman from New York. Mr. Chairman, I make the point of order of no quorum.

The CHAIRMAN. The gentleman from New York makes the point of order of no quorum. The Chair will count.

Mr. ANTHONY. Mr. Chairman, I move that the committee do now rise, and on that I ask for tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. ANTHONY and Mr. BOYLAN.

The committee divided; and the tellers reported—ayes 1, noes 100.

So the motion was rejected.

Mr. BACON. Mr. Chairman, in order to secure consideration of this important bill, I withdraw my objection to the gentleman proceeding three minutes out of order.

The CHAIRMAN. The gentleman from New York is recognized to proceed for three minutes out of order.

Mr. BOYLAN. I thank the gentleman from New York. Mr. Chairman, yesterday we heard a very able speech from a distinguished Member of the House coming from the State of Pennsylvania [Mr. BRUMM]. The gentleman stated, in answer to questions, that in his opinion the President could settle this strike. He also said that if the miners were requested by the President he was sure they would return to work.

To-day we heard the distinguished leader of the majority rise on this floor and say that under the Constitution the House could do nothing. We claim that under the welfare provision of the Constitution, Article VIII, the President has the power, in case of emergencies, to safeguard the life and the health of the people of our country. The gentleman very facetiously said that perhaps the air of Washington, beneficial as it might be, would not cause any change of heart or mind on behalf of the miners or operators. You remember, gentlemen, that there was a celebrated Queen of France, who, when the people asked for bread, facetiously remarked, "Why not give them cake?" And let us be careful now when the people ask for coal not to give them wind.

The gentleman said we should propose something that is constitutional. I am sure the distinguished gentleman does not set himself up as the Supreme Court of the United States. Let us do something. Let us help the people by taking over the mines and operating them during this emergency. We do not intend to confiscate them. We will proceed in an orderly manner and whatever compensation is due to the owners of the mines for their temporary use we will pay them. I am sure that will be absolutely constitutional.

We are told that the Members of the House should "put up something or shut up." Well, I would like to say to the distinguished gentleman that we have put up propositions of a meritorious nature and of a constitutional nature and we say that if the administration does not act upon them the people will perhaps "shut up" some of the eminent statesmen now basking in the high sun of political affluence.

Only to-day the daily papers cite the fact that anthracite coal is selling in the city of New York at $40 per ton, and that soft, unsifted coal, which is about the equivalent of sawdust, is selling for $8.75 per ton. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed for three minutes out of order.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for three minutes out of order. Is there objection?

Mr. CONNALLY of Texas. Mr. Chairman, reserving the right to object, for how long?

The CHAIRMAN. Three minutes. Is there objection?

There was no objection.

Mr. FISH. Mr. Chairman and gentlemen of the House, this morning we heard from the distinguished Republican floor leader to the effect that the Congress was powerless to act or do anything about the coal situation. To my mind it was the silliest and most fatuous speech ever heard in this House. [Laughter and applause.] It seemed to me it was a deliberate attempt to ridicule Republicans and Democrats alike who had taken the floor insisting that some action should be taken, to do our part at least, to help settle this strike and secure coal.

Now, the people back home are not concerned about the merits of the quarrel between the hard-coal operators and the miners. Plague on both their houses is the attitude of the man on the street and on the farm. What the people want is coal and immediate coal legislation by Congress. The reason I say, and without fear of contradiction, that those remarks were fatuous is that we have pending before Congress two recommendations of the President of the United States and another recommendation of the fact finding commission, for which the taxpayers of the country paid $600,000. That should be a sufficient answer in itself.

Now, what does the President ask and what does the fact finding commission suggest? They ask that the President be empowered by act of Congress to create or appoint a commission of arbitration and conciliation. The President submitted this request to Congress as far back as December 6, 1923, yet the majority leader is apparently unaware of its existence. I believe that if the President had power to appoint such a commission it would have sufficient power, backed by public opinion, by public pressure, and by publicity, to stop these strikes once they have started.

It seems to me to be undeniable that after waiting for six months some action should be taken by the Congress of the United States, and I take this opportunity of differing completely with the remarks made by the Republican floor leader to the effect that Congress is powerless to act in this emergency. The prime duty of Congress and of all governments is to protect the property and lives of the people.

The responsibility, and the whole responsibility, rests on the Congress at the present time, and it is no use trying to pass the buck to the President or to any other body. The responsibility rests with both branches of Congress. Until we act we Members of Congress will have to face that issue and face the public back home.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. FISH. I yield if I have any time left.

Mr. CONNALLY of Texas. The gentleman does not mean he is quitting the President and the Republican leader and the Republican Party, does he?

Mr. FISH. The gentleman knows exactly what I mean. I rise to differ with the remarks made here ridiculing the Republican Members of this House who have spoken demanding coal legislation by the Congress.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CONNALLY of Texas. It is with regret I note the gentleman's departure.

Mr. WINGO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. Would it be in order to ask the gentleman from New York the number of the bill he wants us to pass to settle the coal situation? [Laughter and applause.]

Mr. FISH. In answer to the gentleman I will say the floor leader made the remark that no one could write a bill to take care of this situation, and I make the remark that any Member of this House has the intelligence within an hour to write a bill that carries out the recommendations of the President of the United States; and if the committee will consider it, it would be passed very promptly.

Mr. WINGO. I think my friend could do it in 10 minutes, and I just wanted to know the number of the bill.

Mr. STRONG of Kansas. If the gentleman will yield, I would like to ask if the gentleman has prepared such a bill?

Mr. KETCHAM. Regular order, Mr. Chairman.

The Clerk read to page 3, line 7.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and gentlemen of the committee, I think it is due at this time, as a Member of the House, to say something in favor of the present Committee on Appropriations which has had this bill in charge. To my mind they have started on a program which means more to the country than anything that has happened in the last decade.

I note in their dealing with the question of the improvement of the waterways of the country, they have outlined what I think will be the settled policy of the Government for the future, and that is, there shall be at least a minimum of $50,000,000 a year appropriated for the purpose of developing our waterways throughout the country. For one, when we are having so much criticism of various activities of the Government and so much controversy pro and con on the various sides of the House, I want to pay my tribute here, if I may, to the

liberality of this committee in increasing the appropriation for waterways in the country $10,000,000 in this appropriation bill.

I think this is the beginning of new things in this country. I am glad to see this movement. I note in reading the hearings that the distinguished Representative from the State of Missouri [Mr. NEWTON] and others appeared before the committee and asked that this policy be inaugurated, and I hope it is the beginning of a new policy in this country, and instead of calling these appropriations for waterways pork-barrel legislation, we will have this policy established as the settled policy of the Government.

Mr. STEVENSON. Will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman.

Mr. STEVENSON. There used to be in connection with this so-called pork-barrel legislation a creek operating down in the gentleman's district known as New Begun Creek. Is that where the new things are going to come from under this new system? [Laughter.] How much is to be given to New Begun Creek every year under this system?

Mr. ABERNETHY. That is nearer the gentleman's district in South Carolina than mine.

Mr. STEVENSON. It is not in my district at all. I have not such a project in my district.

Mr. ABERNETHY. We do not have any "New Begun Creeks" in North Carolina, we have "all completed creeks." New Begun creeks only happen in the gentleman's State of South Carolina. [Laughter and applause.] I am glad we have at least got the pork-barrel idea eliminated down to the State of South Carolina. I will tell you the trouble with South Carolina. It is one of the best States in the Union because it is next to North Carolina [laughter], but she has always given us trouble, although, of course, we love them, but the gentleman who moved from North Carolina into South Carolina has been giving us trouble ever since he got down there, and the gentleman has even tried to make us believe that Andrew Jackson was born in South Carolina, which is a very much disputed fact.

The pro forma amendment was withdrawn.

The Clerk read as follows:

OFFICE OF THE JUDGE ADVOCATE GENERAL

Salaries: For personal services in the District of Columbia in accordance with the classification act of 1923, $87,820: *Provided*, That not to exceed $25,000 may be used for the employment of such experts, at rates of pay to be fixed by the Secretary of War, and other employees as may be required by the Judge Advocate General of the Army for the preparation of evidence for use in behalf of the Government in claims or suits filed in Federal courts on account of alleged patent infringements and for like services in connection with other patent matters and for necessary per diem and traveling expenses in connection therewith, as authorized by law.

Mr. McSWAIN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: Page 9, line 17, after the word "law," strike out the period, insert a colon and the following words: "*Provided further*, That not more than $100 per day for the services of any expert witness in any litigation shall be paid."

Mr. McSWAIN. Mr. Chairman and members of the committee, I was amazed to find from the hearings that the Judge Advocate General's corps has been paying witnesses in court as high as $1,000 a day. It is amazing that this Government should be paying for the opinion of men, her citizens, $1,000 a day. Why, I remember a year or so ago, when the fact was disclosed that, according to the system of letting contracts to auction off camps, cantonments, and other Government property, the fellow who just got up and raised the gavel and called for the third and last bidder, the last time, received in some instances as high as $68,000 a day; and when we offered an amendment to limit them to $100 a day the suggestion was made that the selling force of the Government would be paralyzed—that these auctioneers were earning their money—but we put it on, and the evidence is that the sales are just as good now as they ever were. According to my personal opinion, there are auctioneers in every town in this country that would be glad to auction off for $10 or $20 or $25 any camp or cantonment this Government has ever sold or ever will sell, and do it just as well as any gentleman who comes from New York or Chicago or anywhere else and rides 1,000 miles to come down and take the contract to auction off property to your neighbor or my neighbor. Government property, when it sells, sells itself, and the lip talk and the rattlejam clatter of the tongue of an expert auctioneer surely does not affect the judgment of a business man who is paying thousands and tens of thousands of dollars for Government property.

The proposition here is to limit the per diem pay of any witness who comes into court in litigation with regard to the infringement of patents, to which the Government is a party, to $100 a day rather than $1,000 a day, that they admit they have been paying in some instances.

I tell you, gentlemen, I believe these experts, between the time they get $1,000 a day from the Government, are wearing their pants out looking for jobs at $20 a day. It is outrageous; and if this House does not stop it now the people have a right to know the reason why.

Mr. ANTHONY. Mr. Chairman, I have the very highest regard for the opinion of the gentleman from South Carolina, not only on military matters but in any matter which he discusses in this House. I think he is in error in criticizing the work of the men who are defending suits for infringement of patents in which the War Department is involved, and the expenditure for these extra fees for experts in these cases. I hope the gentleman will take into consideration the fact that since the war the Judge Advocate's Department of the Army has defended patent cases involving $600,000,000, and out of 150 cases only 11 were lost. Some of these cases were highly technical in their character. Take cases involving the radio, of which there were suits for $150,000,000 against the Government for infringement of patents. It is unquestionable that in such a case the Government must rely on the highest technical advice it can get, and it can not get experts without paying them an adequate amount. I was talking the other day with a gentleman who has a suit against the Government for a million dollars for the infringement of his patent. He admitted that the greatest obstacle to a successful result of the suit was the fact that the Government was able to call to its defense such experts as the gentleman from South Carolina has referred to. I feel it is vital that the department should have the authority to call in the highest experts in important cases.

Mr. McSWAIN. Will the gentleman yield?

Mr. ANTHONY. Certainly.

Mr. McSWAIN. All of these proceedings are in a court having the power to issue process to compel the attendance of witnesses?

Mr. ANTHONY. Undoubtedly.

Mr. McSWAIN. It has the power to subpœna any witnesses in this country and compel the attendance of witnesses who know the truth. Does the gentleman think that paying Professor Smith, of Chicago University, a thousand dollars a day affects his honest judgment about the truth? Is not truth a proposition that money consideration can not affect—will Professor Smith say that his judgment is based upon the amount of money he receives rather than the truth?

Mr. BARBOUR. Let me say to the gentleman that these expert witnesses frequently have to investigate and prepare the case. You can issue a subpœna and bring them into court, but without the preparatory work the professor would have to say when asked a question that he could not say because he had not seen it.

Mr. McSWAIN. What is the salary of Professor Smith?

Mr. BARBOUR. I do not know.

The CHAIRMAN. The question is on agreeing to the amendment offered by Mr. McSWAIN.

The question was taken; and on a division (demanded by Mr. McSWAIN) there were 25 ayes and 51 noes.

So the amendment was rejected.

The Clerk read as follows:

For additional pay for length of service to enlisted men, $2,658,790.

Mr. WOODRUM. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 10, line 20, after the figures "$2,658,790," insert the following new paragraph:

"*Provided*, That hereafter during concert tours approved by the President members of the United States Army Band, the service band of the United States Army, shall suffer no loss of allowances."

Mr. WOODRUM. Mr. Chairman, in explanation of the amendment I want to remind the House that there are three bands in the service—the Marine Band, the Navy Band, and the United States Army Band. There has been legislation in relation to the United States Marine Band and the Navy Band, but no legislation for the Army Band with a provision similar to this amendment that I wish to incorporate. It has been the practice of the President on stated occasions to allow the Marine Band and the Navy Band to leave the post for a temporary concert tour. Experience has shown that it not only

gives the musicians of the band an opportunity to go before the people, but it gives the people of the country an opportunity to hear the musical organizations of the Government. The Army Band has never been recognized in any legislation and is in this kind of a situation: Should the President desire, as he would be willing, to allow it to go out of the city away from the post, the men would lose their allowances. I have shown the amendment to the gentleman from Kansas [Mr. ANTHONY], to the chairman of the Committee on Military Affairs [Mr. MORIN], and the amendment is satisfactory to the Chief of Staff and the Secretary of War, and I hope it will be a pleasure of the committee to allow it to go in. It calls for no appropriation and is merely to correct a little inequity, which I am sure would have been corrected long ago if it had been called to the attention.

Mr. ANTHONY. Will the gentleman yield?

Mr. WOODRUM. I will.

Mr. ANTHONY. Will the gentleman read his amendment again?

Mr. WOODRUM. It is as follows:

Provided, That hereafter during concert tours approved by the President, the members of the United States Army Band, the service band of the United States Army, shall suffer no loss of allowances.

Mr. ANTHONY. I agree with the gentleman that it is perfectly proper to put the Army Band on the same basis as the other bands of the other services, but would the gentleman object to changing that so as to make it in the discretion of the Secretary of War? I make that suggestion for the reason that I think in legislation we hang too much authority and discretion upon the President. This is a matter that ought to be in the discretion of the Secretary of War.

Mr. WOODRUM. I have no objection to that, but this has been suggested as a reason why the discretion should be exercised by the President. There would then be no competitive status among these different organizations, the Secretary of War, for instance, feeling that he ought to send his band out because the Navy Band has gone out; and that it would be proper to allow the President to have control of the whole situation, and he would be more likely to make an equitable division of the trips that these people should make.

Mr. ANTHONY. This is really a matter that we ought not to bother the President about. It is a matter in which he probably, of course, would not exercise any direct control, but I think we should repose this discretion in the Secretary of War.

Mr. WOODRUM. Very well. I have no objection to that, and I ask unanimous consent that my amendment may be so modified.

The CHAIRMAN. Without objection, the Clerk will report the amendment as proposed to be modified by the gentleman from Virginia.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: Page 10, line 20, after the figures "$2,658,790," insert the following new paragraph:

"*Provided*, That hereafter during concert tours approved by the Secretary of War members of the United States Army Band, the service band of the United States Army, shall suffer no loss of allowances."

The CHAIRMAN. Is there objection to the modification?

There was no objection.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McSWAIN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 10, line 20, after the amendment just adopted, insert: "*Provided further*, That no part of this appropriation shall be used to pay any enlisted man hereafter enlisted who can not distinctly speak, read, or write the English language."

Mr. ANTHONY. Mr. Chairman, on that I reserve the point of order.

Mr. McSWAIN. Mr. Chairman, it is true that the general law stipulates that only American citizens who can speak the English language shall be enlisted, but the truth is that when I was going through Arlington Cemetery here two or three years ago I was challenged by a sentinel who could not speak the English language. The gentleman from New York [Mr. LAGUARDIA], who was before the Committee on Military Affairs recently, said that he landed in an aviation field, and that the enlisted men of the post gathered around him. He said that although he has a pretty good smattering of some five or six foreign languages, he could not understand a word that they said. They were Syrians. They could not understand the English language. The theory of the standing Army is that these men are to be instructors for the civilian population of America, and yet there are men in the Army that need to be instructed in the medium of communication with American citizens, to wit, the English language. The Army has been grabbing and snatching at anything it could get; it has taken boys that have run away from school, who will not be subject to home discipline, and the testimony shows that out of 118,000 enlisted men there have been 13,000 desertions. There is something wrong. I submit the theory of ability to instruct ought to be worked out in practice, and we ought to insist that the general law shall be observed, that they shall speak, read, and write distinctly the English language.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. BEGG. I am interested in the 13,000 deserters. Does that mean that in the next session of Congress or so we will have 13,000 private bills to remove the charge of desertion?

Mr. McSWAIN. I can not say about that. I have never introduced such a bill and do not intend to.

Mr. BARBOUR. I understand that the gentleman does not contend that because a man can not speak the English language he could not be made a good fighter?

Mr. McSWAIN. But he would not make a good fighter in America.

Mr. BARBOUR. Why not?

Mr. McSWAIN. Because the simplest proposition in fighting is your liaison between the fellow fighters, your ability to understand orders, and ability to understand each other.

Mr. BARBOUR. Does not the gentleman know that among the names of the men who went from this country to France in the World War there were thousands that were foreign?

Mr. McSWAIN. Yes.

Mr. BARBOUR. Many of them learned to speak the English language after they came to this country.

Mr. McSWAIN. Exactly.

Mr. BARBOUR. But the gentleman would bar those men from serving in the Army—some of the best men that we had.

Mr. McSWAIN. But we put those fellows in schools of instruction and taught them to read and understand the English language.

Mr. BARBOUR. The Army conducts schools of instruction. It is the best training that these men could have in the English language and in American citizenship.

Mr. McSWAIN. Does the gentleman contend that in America with a population of 115,000,000 people we can not find 120,000 who can speak and read and write the English language distinctly who would be willing to serve in the Army?

Mr. BARBOUR. No; but I do say this, that if a man comes along who can not speak English and he is capable of being made a good American citizen, we ought not to bar him.

Mr. McSWAIN. I say that you can not find out whether a man will make a good American citizen if he can not understand your language and you do not understand what he says.

Mr. BARBOUR. Oh, you can find that out in various ways.

Mr. McSWAIN. I am surprised that my good friend from California advocates the proposition of having such a personnel of an Army that is maintained, as we say, to train civilians. My good friend speaks of training men. Is there a gentleman here who advocates the proposition of maintaining in the Army people who can not speak your language?

Mr. BARBOUR. I advocate simply this, that because a man can not speak the English language there is no reason why he should be denied the right of enlisting. Some of the best soldiers we had in the World War were loyal men whom we took into the service—Chinese, as well as other nationalities—who made good American soldiers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McSWAIN. My friend made a mighty good speech in my time. I ask for one additional minute.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. McSWAIN. It may be that in time of war that in an emergency when we need men to fill a gap we would accept into our service a man who intends at least to learn to speak the English language, but in time of peace to say we are going to accept a man who can not speak and read the English language is a denial of the fundamental proposition for which we are maintaining a standing Army in time of peace, and my friend, if he defends the principle, ought to move to repeal the general law which says it can not be done. I am only seeking to use the purse strings to compel the department to obey the law; that is all.

Mr. ANTHONY. Mr. Chairman, I think the point of order is good. What the gentleman seeks to be done through the amendment is already the existing law, and, as far as the merits are concerned, it seems to me the Army is doing a good service when it recruits a man who has come to this country for the purpose of becoming an American citizen, and the enlistment in the Army will make a real American citizen out of him, and we are doing the man a greater service by giving him an opportunity to imbibe the principles of good citizenship through service in the Army. Therefore I ask the gentleman if he thinks it will add anything to the force of the existing law to reenact what is already on the statute books?

Mr. McSWAIN. The existing law only provides that they be able to speak the English language.

Mr. ANTHONY. No; it goes further, I will say to the gentleman. "Speak, read, and write the English language."

Mr. McSWAIN. The gentleman does not use my adverb, "Distinctly speak, read, and write the English language."

Mr. ANTHONY. Then the gentleman would bar out a large percentage of the citizens of the country.

Mr. LOWREY. Does the gentleman think it is fair to offer an amendment that will rule so many Members of Congress out of the Army?

Mr. McSWAIN. I have not heard of any Congressman here trying to break into the Army, but I have heard of 13,000 soldiers who broke out of the Army.

Mr. ANTHONY. I make the point of order.

The CHAIRMAN. What is the point of order?

Mr. ANTHONY. That it is already existing law.

Mr. WINGO. That is not a point of order.

Mr. ANTHONY. That it is legislation on existing law.

Mr. WINGO. If it is already law it is not new legislation.

The CHAIRMAN. It seems to the Chair that this is a limitation. It simply refers to a man's qualifications and requires that he must be able to speak, read, and write the English language. It is only a qualification of the person to whom the salary can be paid, and therefore falls under the rule governing limitations. The Chair overrules the point of order.

Mr. ANTHONY. Mr. Chairman, I hope the gentleman will not insist on the passage of the amendment exactly as he has offered it. I understand the amendment is to speak, read, and write the English language. If that language goes into the law and the courts interpret it you will bar half the American citizenship of this country.

Mr. McSWAIN. I will try to be as reasonable as my friend from Kansas in reference to a modification.

Mr. ANTHONY. Drop out the word "correctly."

Mr. McSWAIN. I agree.

The CHAIRMAN. There is no such word in the amendment.

Mr. HILL of Maryland. May we have the amendment again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The amendment was again reported.

Mr. McSWAIN. Strike out "distinctly."

The CHAIRMAN. Is there objection to the modification proposed by the gentleman from South Carolina? [After a pause.] The Chair hears none. The question recurs on agreeing to the amendment offered by the gentleman from South Carolina.

The question was taken, and the Chair announced the noes seemed to have it.

Mr. McSWAIN. Division. Surely my friend is going to vote for it after I met him on the modification.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 16, noes 50.

So the amendment was rejected.

Mr. KVALE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KVALE: Page 10, line 11, after the word "hundred," strike out the remainder of the line and insert in lieu thereof the word "thousand."

The CHAIRMAN. This paragraph has been passed. It can only be recurred to by unanimous consent.

Mr. KVALE. I ask unanimous consent, then, to return to page 10, line 11, for the purpose of offering an amendment.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to return to page 10, line 11, for the purpose of offering an amendment. Is there objection?

Mr. ANTHONY. I object.

The CHAIRMAN. Objection is heard.

Mr. WINGO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. I understood it was possibly the Cole amendment.

The CHAIRMAN. No.

Mr. FISH. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from New York moves to strike out the last word.

Mr. FISH. Mr. Chairman, I have been receiving letters, as I presume many other Members of the House have, from members of defense societies asking for greater appropriations in the Army bill. I want to say, so far as I am concerned, and as far as my knowledge goes, that we are better prepared for national defense and national-defensive purposes than at any time in the history of the United States except for immediately after the Civil War and immediately after the World War.

I want to congratulate the gentleman from Kansas [Mr. ANTHONY] for the ability and intelligence that he has shown in drawing up and submitting this bill, which carries out an adequate and reasonable national-defense policy. We have actually over 500,000 men under training during part of the year when you add to the regular Military Establishment the members of the Reserve Officers' Training Corps, Citizens' Military Training Camps, National Guard, Officers' Reserve, and the marines, which amounts to more than we have ever had before except in time of war; and in spite of that, well-meaning citizens, especially from New York State and New England, who belong to defense societies, listen to professional agitators and so-called military experts urging them to petition Members of Congress for greater appropriations. In spite of the fact that the members of the defense societies are among the best citizens that we have, very few of them know the actual difference between a battalion and a regiment. They do not actually know the component parts of an army. Yet they will listen to men urging bigger appropriations, bigger armies, bigger military establishments, and will sign and send letters to Members of Congress indicating that we Members of Congress do not know anything about what we are doing; that we have no policy of national defense; and that the gentleman from Kansas is incompetent and endangering national defense. I stop right here to say that there is no man, no officer, living or dead, who knows one-half as much about military appropriations for the different branches of the Army as DAN ANTHONY, from somewhere away back in Kansas. [Applause.]

Only a few years ago, if you will refresh your memories, you will recall that the Secretary of War sent in a message to the House saying that if the Army were reduced from 280,000 down to 175,000, that the morale of the whole Army would be broken wide open, that it would be disorganized, that it would be unfit for defensive purposes. Instead of that, the gentleman from Kansas went about his work conscientiously and deliberately and reduced the size of the Regular Army to 175,000. A year later he reduced the Army from 175,000 down to 150,000. Again a message was sent in from the Secretary of War, mostly directed against the gentleman from Kansas, declaring that the legislation which he had submitted to Congress was disorganizing the Army, that the Army would not be fit for any purposes. In spite of that he went ahead quietly, without answering back, and reduced the Army down to 125,000, which is satisfactory to nine-tenths of the Members of Congress and to the people back home. He has done a great job. He has done a wonderful job for national defense. He deserves all the credit in the world. For years he was denounced by some as a bolshevist, as one who came from out of the West and did not know anything about military affairs. But we have gradually found out in this House, and the people back home have found out, and the Army officers and even the general staff are willing to admit that DAN ANTHONY is right, and that we have an adequate constructive system of national defense to-day in this country. [Applause.]

Mr. KVALE. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Minnesota moves to strike out the last word.

Mr. KVALE. Mr. Chairman, I am very glad to hear the testimonial given the gentleman from Kansas [Mr. ANTHONY] by the gentleman from New York [Mr. FISH], and I am more than glad to hear that the gentleman from Kansas in time past has been called a "Bolshevist" because he reduced the size of the Army. Therefore I hope that he will not object to my recurring again to my amendment to reduce the size of the Army from 125,000 to 100,000. If in times past it could be reduced from 150,000 to 125,000 without endangering the

Nation, I ask the gentleman from Kansas why, by the same token, it can not now be reduced to 100,000, and still give us an adequate defense?

Mr. ANTHONY. The gentleman has heard about an irreducible minimum?

Mr. KVALE. Yes. But the question is what an irreducible minimum is?

Mr. ANTHONY. Well, we figure it is about 125,000 men. I will say to the gentleman that in all the successive reductions we have made in the Army and in the appropriations for the conduct of the Army we have always tried never to impair any vital activity of the service, and we feel that the size of the service we are giving now is just about what is required to handle each function of the service, and we feel that if we should cut it down any further we would cripple the service.

Mr. KVALE. I understand the gentleman's position, but I am quite certain that if he and I are here five years from now we will find that the Army will not number more than 100,000, and that the reduction will be effected in response to the pressure of public opinion.

Now, I would like to ask the gentleman from Kansas why it is necessary to have 125,000 men when we have 4,000,000 men in this country trained as soldiers, the vast majority of them ready to spring to arms the moment they think this country is endangered in any way. Can we not in an emergency and in a time of danger make use of those 4,000,000 men and save many millions of dollars?

I would like to have the gentleman from Kansas answer me.

Mr. ANTHONY. We can only use the 4,000,000 men in the emergency the gentleman talks about if we have the framework and the nucleus of a Military Establishment.

Mr. KVALE. Oh, I want the nucleus for a Military Establishment, but I do not believe 125,000 men are necessary for that nucleus.

Mr. ANTHONY. The whole purpose of our present military service is to provide just the nucleus and framework that will be required to properly organize the man power of this country in time of war.

Mr. KVALE. Some years ago there were a great many men who thought that 150,000 was the nucleus necessary.

Mr. ANTHONY. I think that when you come to talk about figures 25,000 either way does not make any material difference.

Mr. KVALE. I will take the gentleman at his word. Then why not agree to reduce to 100,000?

Mr. ANTHONY. Simply because in our judgment 125,000 is as low as we feel it safe to go.

Mr. KVALE. I think the gentleman's judgment may change in a few years as it has changed in times past.

Mr. ANTHONY. That is barely possible.

Mr. KVALE. But the gentleman has not answered my question and not given any reason why we should maintain this force of 125,000 when we have these several million trained men ready to spring to arms in 24 hours.

Mr. HUDSPETH. Will the gentleman yield?

Mr. KVALE. Yes; I yield.

Mr. HUDSPETH. Following the gentleman's logic, why not reduce the Army to 25,000 men? Give us a reason why we should not reduce it to that number?

Mr. KVALE. I think we need more than 25,000.

Mr. HUDSPETH. The gentleman asked the gentleman from Kansas why we needed 125,000, and I am now asking the gentleman why we need more than 25,000.

Mr. KVALE. Well, let me answer the gentleman. We need more than 25,000 men as a police force, partly for the purpose of giving the gentleman adequate police protection down on the Mexican border.

Mr. HUDSPETH. I would like to know, then, on what the gentleman bases his figures of 100,000 men.

Mr. KVALE. I do not believe we need 100,000 men, but I put that figure because I do not believe it possible for the present to get votes enough for a greater reduction.

Mr. HUDSPETH. Then 100,000 is simply an arbitrary figure, and the gentleman suggests it without any consideration?

Mr. KVALE. I have given it due consideration these many years. The number 125,000 is as much an arbitrary figure as my 100,000.

Mr. HUDSPETH. Then, I ask the gentleman on what he bases that figure? I would like to have the gentleman tell us on what he bases his belief that we should reduce the Army to 100,000.

Mr. KVALE. I base it on the fact——

Mr. HUDSPETH. Why should we not reduce it to 25,000?

Mr. KVALE. Will the gentleman let me answer him?

Mr. HUDSPETH. Yes. The gentleman from Minnesota asked the gentleman from Kansas why the Army should not be reduced from 125,000 to 100,000, and I now ask him why it should not be reduced to 25,000?

Mr. KVALE. Will the gentleman calm himself long enough for me to answer his question?

Mr. HUDSPETH. I will.

Mr. KVALE. I base it on this information, that many thousands of these soldiers have no other work during the year but to take part in parades, and many of them are not performing any useful service.

Mr. HUDSPETH. I will say to the gentleman that they are not parading on the Rio Grande.

Mr. KVALE. And I will say to the gentleman from Texas that I do want to see some of the men parade there in order to give the gentleman ample protection on the Mexican border. I am with the gentleman on that proposition.

Mr. HUDSPETH. Following up the gentleman's suggestion that we have 4,000,000 men available in time of emergency, why not cut off the standing Army altogether and depend entirely on those 4,000,000 men?

Mr. KVALE. For the reason I have already given, that we need an adequate Army to act as a police force. But, in my judgment, we do not need 125,000 for that purpose.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Pay of persons with retired status: For pay of the officers on the retired list, $6,949,923.

Mr. SPEAKS. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee a question.

Some time ago I introduced a bill for the purpose of correcting the pay status of certain retired officers. I can illustrate the point by citing the experiences of two officers. Colonel A, for instance, entered the Army about 1880, served through all the Indian campaigns in the West, continuing through the Spanish War and the World War, arrived at retirement age about the 25th of June, 1922, with 40 years of service to his credit. Colonel B, who entered the service in 1900, served in the United States during the World War, became incapacitated and retired July 5, 1922. There were but 10 days intervening between the date of retirement; but Colonel A, the officer serving for 40 years through all the hard campaigning, receives much less pay than Colonel B, whose service was only two-thirds that of Colonel A. I want to ask the chairman of the subcommittee if it would be possible in this connection to correct that defect in the law?

Mr. ANTHONY. I do not think we could make any change that would bring that about on this bill without violating the rules of the House.

Mr. SPEAKS. Well, because of the gentleman's high standing in the House as a military expert and one acquainted with every phase of our national defense laws, I desire his opinion as to whether the bill I refer to is a just measure.

Mr. ANTHONY. I do not think there is any question about it.

Mr. SPEAKS. The gentleman favors it?

Mr. ANTHONY. The gentleman refers to the inequality in the pay of retired officers. One class retired before the last pay act was enacted retire on a much smaller amount of pay than those who retired since the new pay act.

Mr. SPEAKS. Yes.

Mr. ANTHONY. I think the thing for the gentleman to do is to report out such a bill from his committee.

Mr. SPEAKS. We have such a bill on the calendar now.

Mr. ANTHONY. In my judgment it ought to be passed, but this bill is not the place for it.

Mr. BEGG. Will the gentleman yield?

Mr. SPEAKS. Yes.

Mr. BEGG. Does not the same inequality referred to in the case of these officers occur in the case of civil employees who were retired three days before the passage of the retirement act? They get nothing, while the employee who retired three days or one hour after the retirement act was a law gets retirement pay. Is there not the same inequality in that case?

Mr. SPEAKS. Positively not.

Mr. BEGG. I do not see any difference at all in the two cases.

Mr. SPEAKS. This is a different question entirely, because all retired officers occupy exactly the same status, with the same responsibilities and the same privileges. They may even be ordered back on duty.

Mr. BEGG. Suppose at this session of Congress we should pass a retirement pay bill for officers of this same class, retiring them on full pay, would not that same inequality exist, and under the argument of the gentleman would we not be obligated to pass a law and put all officers who had retired previously under this new schedule?

Mr. SPEAKS. I do not think there is any likelihood of the Congress doing such an apparent injustice.

Mr. BEGG. It is simply a question of equity.

Mr. SPEAKS. Yes.

Mr. BEGG. There must be a day for any law to begin, and those who come under the provisions of the new law would get the increased pay, while those who retired prior to that time would come under the provisions of prior law.

Mr. SPEAKS. The gentleman does not quite catch the point I make. The law was passed to establish the pay of all retired officers, but by the omission of one or two words, which I think was unintentional, there was an injustice done those who had retired previously to July 1, 1922.

Mr. HASTINGS. Mr. Chairman, I rise in opposition to the pro forma amendment for the purpose of asking the chairman of the subcommittee a question. As I recall, last year we incorporated a provision in this bill requiring the written consent of the parents of boys enlisting in the Army under 21 years of age, and failing in that, requiring their discharge provided an application was made within six months thereafter. I want to inquire of the chairman of the subcommittee whether that has been made permanent law.

Mr. ANTHONY. That is now permanent law.

Mr. HASTINGS. And that is the reason it is not incorporated in this bill?

Mr. ANTHONY. Yes.

Mr. HASTINGS. Then the law to-day requires the written consent of the parents if the boy is under 21 years of age, and, failing in that, requires his discharge if an application is made within six months thereafer.

Mr. BULWINKLE. Is it not 60 days?

Mr. ANTHONY. Six months.

Mr. HASTINGS. It is 60 days in the Navy and it was 60 days in the Army before the last bill was enacted, when we extended the time to six months.

Mr. ANTHONY. That is correct.

Mr. HASTINGS. And the gentleman states that is now permanent law?

Mr. ANTHONY. Yes; the language in the bill for the current year is as follows:

Provided further, That hereafter upon the presentation of satisfactory evidence as to his age and upon application for discharge by his parent or guardian presented to the Secretary of War within six months after the date of his enlistment, any man enlisted after July 1, 1925, in the Army under 21 years of age who has enlisted without the written consent of his parent or guardian, if any, shall be discharged with the form of discharge certificate and the travel and other allowances to which his service after enlistment shall entitle him.

Mr. HASTINGS. Of course, if it is permanent law, it is not necessary to incorporate a provision to that effect in this bill, and I therefore withdraw the pro forma amendment.

The pro forma amendment was withdrawn.

The Clerk read as follows:

For pay of retired veterinarians, $3,570.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 11, after line 4, add the following: "*Provided,* That none of the moneys in this bill shall be used for the pay of any General Staff officer who does not take flights in an airplane of at least three hours' total duration during each month."

Mr. ANTHONY. Mr. Chairman, I reserve a point of order.

Mr. LAGUARDIA. I submit to the chairman that the amendment is entirely within the Holman rule. The General Staff officers are permitted to fly at this time. This does not enact any new law, and, as Mr. Mann so often stated, it simply provides for the doing of something which they are empowered to do.

The CHAIRMAN. The gentleman from Kansas only reserved a point of order.

Mr. LAGUARDIA. Will the Chair rule on the point of order?

The CHAIRMAN. No point of order has yet been made; it is reserved. The Chair will hear the gentleman from New York on the point of order.

Mr. ANTHONY. Mr. Chairman, I make the point of order that it is an infringement of executive discretion for one thing, and it is new legislation for another.

Mr. WINGO. And another point of order is that it violates the constitutional inhibition against cruel and unusual punishment—the General Staff can not fly. [Laughter.]

Mr. LAGUARDIA. They do not have to fly. Mr. Chairman, I do not think it is necessary for me to argue the point of order.

The CHAIRMAN. The gentleman's amendment says that none of the money in this bill shall be used for the pay of any General Staff officer who does not take flights in an airplane of at least three hours during each month. It is not a limitation on qualifications.

Mr. LAGUARDIA. Oh, yes, Mr. Chairman, it simply directs the General Staff officers to engage in three hours' flight during each month.

The CHAIRMAN. That is the trouble with the gentleman's amendment; it does direct.

Mr. LAGUARDIA. If they do not do it, money is limited.

The CHAIRMAN. The gentleman has correctly stated the effect of his amendment.

Mr. LAGUARDIA. It limits the appropriation, because if they fail to do it, it is limiting the appropriation and is within the Holman rule. It says that none of this money shall be used "unless."

Mr. ANTHONY. Mr. Chairman, the amendment can not possibly come under the Holman rule, because instead of restricting expenditures it would have a tendency to vastly increase the expenditure of money by the breaking up of innumerable machines. [Laughter.] If this amendment were adopted, it would cost the Government a million or two millions more than is carried in the bill.

Mr. LAGUARDIA. Why?

Mr. ANTHONY. Because the officers would break up innumerable machines.

The CHAIRMAN. Will the gentleman from New York give attention to the reading of his amendment? It says:

Provided, That none of the moneys this bill provides shall be used for the pay of any General Staff officer who does not take flight in an airplane of at least three hours' total duration each month.

The gentleman has a double negative there which seems to neutralize the effect.

Mr. LAGUARDIA. It means that no money shall be used unless they fly.

The CHAIRMAN. The Chair is very clear that it limits the executive discretion, and therefore is subject to the point of order.

Mr. LAGUARDIA. There is no question involved as to the discretion of the executive officer. It requires a General Staff officer to do something which he is entitled to do.

The CHAIRMAN. The gentleman states it correctly; it requires the officer to do a certain thing, and the amendment is therefore made subject to the point of order. The Chair sustains the point of order.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word. I desire to ask the chairman a question in reference to the item for pay of persons on the retired status. In the report I find that there is an increase of $1,206,000 from the current bill. May I ask the chairman whether that is to be a continuing increase, or if we are going to reach a maximum and then gradually decrease. There is an increase in spite of the fact that the size of the Army has been considerably reduced since the war.

Mr. ANTHONY. The evidence shows that the amount of money that we appropriated for that purpose last year was short. That is the only reason we have for making such a radical increase this year. The retired list has been largely added to. In answer to the gentleman's question I want to say that we can get relief from the continual increase in the retired list only by a change of policy of the War Department so that it would be more difficult for an officer to get on the retired list. As it is now it is easy for an officer to get on the retired list after he reaches the age of 50 years because he imagines he has some ailment that interferes with his activity, and the gentleman knows that the medical profession is inclined to pick flaws in the physical make-up of men after they have reached the age of 50 years. If an officer reports to a medical board, they will find defects in him so that if the department wants to they can put it on a technical medical basis and put him on the retired list. In that way they have loaded down the retired list.

Mr. KETCHAM. Does the gentleman feel that the peak has been reached in this item?

Mr. ANTHONY. I hope it is. A few years ago when we reduced the number of commissioned officers Congress intended that the most of that reduction should be discharged under the terms of the legislation which gave them the pay for a year's service. Instead of that a large number of them made a break and successfully got on the retired list through the laxity of the administration of the War Department, and that thing alone loaded the retired list down immensely, so I say that if the War Department would tighten up in the administration of the retired law they could save us a whole lot of money on this retired list.

Mr. KETCHAM. The War Department is familiar with the attitude of the gentleman on that question?

Mr. ANTHONY. Yes; but they do not have very much regard for the opinion of the gentleman.

Mr. KETCHAM. I am very glad to have that statement made to the House.

The Clerk read as follows:

EXPENSES OF COURTS-MARTIAL

For expenses of courts-martial, courts of inquiry, military commissions, retiring boards, and compensation of reporters and witnesses attending same, and expenses of taking depositions and securing other evidence for use before the same, $70,000.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word. Is this $70,000 for expenses in connection with courts-martial for the coming fiscal year, or does that cover any courts-martial heretofore held?

Mr. ANTHONY. This will apply to the next fiscal year beginning June 30.

Mr. LAGUARDIA. Has the gentleman any information as to how much the court-martial of Colonel Mitchell is to cost the Government?

Mr. ANTHONY. Yes; it cost about $35,000. That will be taken out of the appropriation for this year.

Mr. LAGUARDIA. What were the expenses incurred, besides telegraphing?

Mr. ANTHONY. The expense was largely incurred by the defense. They brought witnesses from all over the world to Washington.

Mr. LAGUARDIA. Did not that come out of mileage?

Mr. ANTHONY. Probably a great deal of it must have come out of mileage.

Mr. LAGUARDIA. Then the $35,000 was not a deficit?

Mr. ANTHONY. Any Army officer ordered here as a witness would undoubtedly have his expenses paid out of mileage.

Mr. LAGUARDIA. How much do they get a mile?

Mr. ANTHONY. Eight cents a mile on land, to cover all expense.

Mr. LAGUARDIA. Do they get any daily allowance after they are here?

Mr. ANTHONY. No; 8 cents a mile would cover all expenses.

Mr. LAGUARDIA. Mileage certainly did not cover that item. The $35,000 that the trial cost was for what? They did not have any counsel fees, did they?

Mr. ANTHONY. The statement was made that the $35,000 includes mileage and all expenses of the court.

Mr. LAGUARDIA. That is what I am trying to get at. What other expense did they have besides getting officers here from all over the world and for stenographic service, for I assume they employed reporters?

Mr. ANTHONY. We did not get an itemized account of the expenses of the court.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I rise in opposition to the amendment, to ask a question or make a brief statement. I wish to know how these rules and regulations governing courts-martial are formulated, by whose authority, and what the laws are which define the proceedings of courts-martial and limit their jurisdiction. I have followed some cases, as I have been able to do so by the newspapers, and have had occasion sometimes to look over what I now remember as official papers in some of the cases. I have been impressed that a court-martial is a sort of close corporation; a sort of star chamber proceeding, at least; that they are sometimes very arbitrary. I have doubted if the rights of the accused soldier on trial are properly protected. For example, I have in mind one thing. I understand that the court appoints some officer to act, as one might say, as an attorney for the accused. As far as I am able to learn, the one so appointed is not a lawyer. He may attend and take some part, but he is not a real attorney acting vigorously in the defense of the accused. We have analogous cases in all of our courts. When a prisoner is brought before a court he is asked by the judge on the bench whether or not he has counsel. If the answer is no, the judge asks him if he wishes counsel. The answer being yes, the judge asks him if he is able to employ counsel, and the answer being no, the court appoints some capable attorney to defend the accused, and usually, if not always, the accused gets a real defense. Everyone who has practiced law knows that cases are tried on their merits under those circumstances. The accused gets a real defense. I am inclined to believe that in the usual court-martial the accused does not get a genuine, fighting defense unless he is permitted by the court and is able to hire a lawyer competent to look after his interests. If I am justified in believing there is an unsafe or faulty procedure here, where does the fault lie? Do we permit the Army, and the Navy in similar cases, to formulate their own laws and their own procedure and to carry them out, or is there a law directing these matters which must be followed? If it is a law, it seems to me that it is up to Congress to make some amendments of that law.

Mr. HILL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. HILL of Maryland. In reference to courts-martial, although the counsel appointed for the accused person is an Army officer and not a lawyer, the judge advocate who decides the case is also an Army officer and not a lawyer, so that the defense has just as much if not more opportunity than the prosecution.

Mr. LAGUARDIA. If the gentleman will permit, if it is an important case, they assign the judge advocate from the judge advocate's department, who is experienced in trials and does nothing else, and he knows just how to prosecute the man under trial.

Mr. BULWINKLE. Oh, but many a judge advocate is appointed.

Mr. LAGUARDIA. Yes; but not for the minor cases.

Mr. BULWINKLE. Oh, for the other cases, too.

Mr. HILL of Maryland. In case of a very important trial there is always the greatest care in the court-martial to see that the defendant has proper representation.

Mr. McLAUGHLIN of Michigan. I hesitate to express a doubt of that, but the doubt is in my mind. I have often felt that the accused's interests are not properly protected.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. McLAUGHLIN of Michigan. I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BULWINKLE. Mr. Chairman, there are officers appointed to take care of the accused, and it is a matter of credit for those officers to do the best they can. I have been in many court-martials, both defending the accused, as a judge advocate, and as a member of the court. And there are cases when the accused does not get what we would consider in civil practice the best. Usually it is equal between the judge advocate and the counsel for the accused, neither one being lawyers. In time of peace the sentence of the court-martial is reviewed by the commanding officer of the camp and on through military channels to the Judge Advocate General of the Army, and the case is reviewed all the way along. The accused soldier can, if he wishes, get other counsel besides that one assigned; and in nearly all cases, you will notice in the record, the men are satisfied with the counsel assigned to the case.

Mr. HILL of Maryland. And is it not true that it is a point of honor with the counsel detailed to beat the court-martial if he possibly can do it?

Mr. BULWINKLE. Absolutely.

Mr. HILL of Maryland. It is a matter of pride with the counsel?

Mr. McLAUGHLIN of Michigan. I trust it is evidently understood I have not been criticizing this matter, but I have been asking questions because I gained the impression, it was not strong enough or well enough fortified in justifying me to make a criticism here, but I simply stated that I had such an impression, and pretty strong, as I looked over the proceedings in some of the court-martial cases, that the man had not been properly defended.

Mr. BLANTON. And in some civil cases there is some injustice.

Mr. CHALMERS. Mr. Chairman, I think the gentleman from Michigan is right. I have personal knowledge of a court-martial that was held in France where five youths from this country were "framed," and they were sentenced to life imprisonment in Leavenworth. One boy came from Ohio, one from Tennessee, one from Texas, and one from Nebraska.

They were "framed." Not one of those youths was within 5 miles of the rough-house where the English officer was killed. They were sentenced to life imprisonment by a court-martial in France. I followed up this case during the Sixty-seventh Congress. We were turned down by the Secretary of War. No investigation would be permitted. We followed it up. Now, I would not take the time of the House in telling about it, but the Ohio boy is a citizen of Toledo to-day, a good citizen. The other boys are back home. The case was reheard, and the President pardoned them. Now, mistakes are made, so I think the gentleman from Michigan is correct in calling the attention of the House to this proposition.

Mr. BLANTON. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. BLANTON. The gentleman from Maryland, Colonel HILL, said that the defense counsel has a purpose to beat the court-martial if he can. They did beat the court-martial in the Grover Cleveland Bergdoll trial, did they not?

Mr. HILL of Maryland. I am not as familiar with that case as the gentleman.

Mr. BLANTON. Well, in the prosecution of the officers who turned that slacker loose the defense counsel did beat the court-martial.

Mr. HILL of Maryland. I am not as familiar with that case as the gentleman from Texas; I do not know.

Mr. BLANTON. They did beat that case.

Mr. SIMMONS. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Nebraska moves to strike out the last word.

Mr. SIMMONS. Apropos to the discussion just had in regard to courts-martial, may I say that during the year 1918 I served for some months as the judge advocate of a military court-martial. I also acted as defense counsel before courts-martial. It is my observation that during the stress of the war period the average man was just about as well defended as he was prosecuted. It is true that there were miscarriages of justice.

The commanding officer of any organization has the right, and, so far as I know, they always deem it their duty, to assign to the defense of a man an officer qualified, and whenever a defendant asks for the assignment of a specific officer, that request, if possible, is granted. That caused some officers during the war to be dubbed "lawyers for the men in the guard-house," because they were picked for that purpose repeatedly by the defense. The fault in the present court-martial system is not the fault of officers who are appointed either to prosecute or to defend but rather it is a proposition for Congress to study and change by legislation the court's procedure and possibly arrange for civilian defense counsel at public expense.

I would suggest this, too, that under the Articles of War and the manual for courts-martial the judge advocate is charged with the responsibility of defending the prisoner, which is just as great as his responsibility for prosecuting a case. In other words, his responsibility is to present the facts in the trial by court-martial without regard to their being for or against the accused.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield there?

Mr. SIMMONS. Yes, sir.

Mr. LaGUARDIA. Was that duty fulfiled in a very celebrated recent court-martial held in Washington?

Mr. SIMMONS. So far as I know, without discussing the merits of the case, the defendant was given every opportunity to present his defense to the court.

Mr. LaGUARDIA. I know; but the gentleman was just pointing out the responsibility which rests on the judge advocate, and I agree with the gentleman; but was that attitude displayed by the judge advocates assigned to that particular case?

Mr. SIMMONS. I have not followed the facts in that case so much; but I do know this, that repeatedly officers assigned as judge advocates deem it their duty to present every fact to the court that the defendant has to present.

Mr. LaGUARDIA. The gentleman's experience and his description, of course, is according to the gentleman's experience during the war, when there were civilian officers. But we are talking about peace time and Regular Army posts.

Mr. SIMMONS. I think a Regular Army officer is at least as loyal to his duty as was the emergency officer during the war.

Mr. LaGUARDIA. But they have a different viewpoint.

Mr. SIMMONS. They may have a different viewpoint from those of us who were in the service temporarily.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. SIMMONS. Yes.

Mr. HILL of Maryland. The gentleman will recollect that in all cases at Regular Army posts, where a man is accused, the man's company commander personally sees to it that that man's interests before any court-martial are adequately protected.

Mr. SIMMONS. That is his duty; yes.

Mr. HILL of Maryland. That is the duty of the man's company commander, and anybody who served at a Regular Army post knows that is done.

Mr. SIMMONS. Not only that, but before charges are made it is the duty of the man who prefers the charges to point out the basis on which they are made, and before a general court they are presented before the trial is ordered.

Mr. McLAUGHLIN of Michigan. What does the gentleman think of the manner in which a jury is selected? Is there proper attention paid to selecting those who are unbiased or unprejudiced, those who have formed and expressed no opinion and have no preconceived ideas, and so forth? Is there any attention paid to that?

Mr. HILL of Maryland. May I say, if the gentleman wants an answer——

Mr. McLAUGHLIN of Michigan. I asked that of the gentleman from Nebraska.

Mr. SIMMONS. I will say this to the gentleman from Michigan, that the manner of selecting a court for a court-martial trial probably does not give to the defendant an unbiased jury such as we have in ordinary criminal trials, but it does give to the defendant a trial board made up of men of considerably higher average intelligence than the average civilian jury.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. JOHNSON of Texas. Mr. Chairman, I rise to ask the chairman in charge of the bill a question. I notice that the amount appropriated under this item is $70,000. I simply want to inquire the amount carried in the last appropriation bill under this item.

Mr. ANTHONY. It carried just the same amount for the current year but undoubtedly more money will be used for the current year on account of the $35,000 cost of this big court-martial case. However, as all of these pay items are carried as one fund they will no doubt be able to recoup the amount from some other item.

Mr. JOHNSON of Texas. Will any of this money be used to pay the $35,000 expense incurred in the Mitchell court-martial case?

Mr. ANTHONY. All of that money will come out of the current year's appropriation.

Mr. JOHNSON of Texas. That is, last year's appropriation?

Mr. ANTHONY. The present year.

Mr. JOHNSON of Texas. Then there will be a deficiency created in last year's appropriation?

Mr. ANTHONY. As I say, all of these pay items are carried as one fund, so that they will be able to make up that deficiency out of the surplus from some of these other items.

Mr. RANKIN. Mr. Chairman, I move to strike out the enacting clause. That is the latest fad in getting recognition, so I resort to it.

I was very much interested in the statement of the gentleman from Ohio [Mr. CHALMERS]. And while the war has been over several years, I believe some method ought to be worked out whereby every individual case of court-martial during the war should be carefully reviewed. I know and other men know that invariably the punishment inflicted was all out of all proportion to the offense charged. I want to call your attention to this one case which came under my observation.

Mr. SIMMONS. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. SIMMONS. The statement that the punishment inflicted was out of all proportion to the offense is on a comparative basis with the average peace-time punishment for a similar offense.

Mr. RANKIN. I do not think so.

Mr. SIMMONS. What is the comparison?

Mr. RANKIN. I do not think it compares with peace-time punishments, when men are convicted in the civil courts.

Mr. SIMMONS. What the gentleman means is that the war punishment was more severe than it is in criminal trials in peace time?

Mr. RANKIN. Yes; infinitely more severe in some instances.

Mr. BARBOUR. I have been told by the Judge Advocate General's department that they do, as a matter of course, review these cases. Of course, what kind of a review they resort to I do not know; but they do, as a matter of fact, review every case. However, I will say that I have seen one

or two cases of review that I did not think amounted to very much.

Mr. RANKIN. I understand that. But they do not review a case if the man has served his term or been discharged. I do not mean all these punishments ought to be reduced. Some of them ought not to be reduced, but a great many of them ought to be reduced. A great many men ought to be exonerated; and if we go along here and neglect this matter from year to year and from time to time, the Congress in the years to come will have the same burden we have to-day with reference to the old soldiers of the Civil War, in digging out obsolete records, going out and searching for testimony that has gone to the grave, to try to redeem the reputation and the honor of some worthy soldier, and to relieve his name of some stigma that ought not to be attached to it.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. WAINWRIGHT. I would like to say to the gentleman and to the committee right along this line—and I speak from some little knowledge of the matter—I believe there is not a case of a sentence by a court-martial of any prisoner in this country, including confinement by reason of the sentence of such a court, whose sentence has not been reviewed and reviewed, not only on a determination of the validity of the proceedings or the advisability or the severity of the sentence, but also on application for clemency.

Mr. RANKIN. The gentleman's statement does not square with the statement of the gentleman from Ohio [Mr. CHALMERS].

Mr. WAINWRIGHT. It absolutely does square with the statement of the gentleman from Ohio, because the gentleman from Ohio has informed us that from his standpoint these victims of proceedings of courts-martial are now restored to civil life and pursuing their course as citizens.

Mr. RANKIN. Being pardoned for a crime which you did not commit is altogether different from having your name cleared of the stain that such a conviction brings. Besides, as I said, the War Department will not review the case of a man who has served out his sentence or been discharged.

Mr. SIMMONS. I do not understand the gentleman from Ohio claims these men were pardoned.

Mr. RANKIN. Pardoning a man for an offense he did not commit is altogether different from clearing his name.

Let me tell you of a case that came under my observation, and I will give you all the information I have on it. I have often said that if the statements made to me were true, one of the most patriotic men I saw during the war was on his way to the penitentiary for desertion. Here is what happened. I was on the train between Memphis and Little Rock, or Camp Pike, and there was a sergeant guarding a splendid-looking young man, and I inquired where he was carrying him. A soldier boy said, "That boy has been convicted and sentenced to the penitentiary for seven years." He was a first lieutenant, I believe this boy said, in the Infantry. He got it into his head he wanted to get to the front. They kept holding him back and he seemed to have an insane desire to go to France and to get to the battle front. He deserted his command and joined the Marine Corps and was ready to embark before they found him. He was convicted and sentenced to seven years in the penitentiary. Now, that man's case ought to be reviewed. If that man went to the penitentiary for seven years under those circumstances his case ought to be carefully reviewed in order that he may have justice.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. RANKIN. I will ask for five minutes more, Mr. Chairman, because I have been interrupted so much.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WAINWRIGHT. Will the gentleman now yield for a question?

Mr. RANKIN. Yes.

Mr. WAINWRIGHT. Has the gentleman taken any steps himself to see that that case is reviewed?

Mr. RANKIN. No; I do not know the names in the case, and, as I stated, I am just giving you the facts as I have them. I am sorry I do not know the young man's name. I would like to have his case investigated.

The gentleman from Ohio stated the War Department has refused at first to take any steps to have those cases reviewed.

Mr. BULWINKLE. Will the gentleman yield?

Mr. RANKIN. If that is the case, we ought not to have to appeal to the Secretary of War, who refuses to open this case, but we ought to pass some kind of measure here to have every one of these cases reviewed. I now yield to the gentleman.

Mr. BULWINKLE. Does the gentleman know what that man was tried for?

Mr. RANKIN. No; as I have said, I do not know anything about the facts in the case; but I know that I did hear, time and time again during my short service, men complain that some of them were unjustly convicted in court-martial trials, and that they were given sentences all out of proportion to the offenses charged; and I think we ought to have these cases investigated—every single one of them—and if any men were wrongfully convicted or if they were given excessive sentences, they ought to be given justice even at this late date.

Mr. JONES. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. JONES. Does the gentleman think these war cases ought to be reviewed by the military authorities or by some civilian authorities?

Mr. RANKIN. No; I do not think they ought to be reviewed by the military authorities. I think there ought to be some representatives of the civil courts authorized to go over these cases and see that these men get justice.

Why, 25 or 30 years from now the Congress will be literally flooded with bills to remove these stains. You will keep the gentleman from Ohio over there [Mr. BEGG] busy all the time objecting, if he is here at that time. But he will possibly be in the Senate by that time.

Mr. BEGG. Will the gentleman yield?

Mr. RANKIN. But even if he is in the Senate, they will keep him busy there objecting to bills brought in to clear the names of these unfortunate men. If any of them deserve to have such stains removed from their names, they deserve to have it done now, and I for one, regardless of what the rest of you think, believe that every one of these cases ought to be reviewed.

Mr. BEGG. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. BEGG. I just wanted to advise the gentleman that if the gentleman from Ohio had objected, like the gentleman himself did, the gentleman could not be speaking during these additional five minutes, because under the rules you can only speak five minutes pro and con on a motion to strike out the enacting clause.

Mr. RANKIN. I know that, but I yielded half of my time for interruptions.

Mr. CHALMERS. Mr. Chairman, I did not expect to say anything on this subject to-day, and I have not any charge to bring against the courts-martial of the War Department or the department itself. I am strong for the War Department and I believe in their great service. I did mention this miscarriage of justice and I do know that when I first came here in the Sixty-seventh Congress a woman attorney from Washington came to my office and asked me to go into this case. I said, "I am a freshman—I am learning the ropes; go to a lawyer or some other Member of the State represented in this matter." But she bothered me week after week and finally left a brief or a review of the court-martial, the testimony, which I promised some day I would go into. I did not go into it until the senior Senator from my State said, "If you will look into it and say that it is a just case, I will help you." Well, I did go into it, and made up my mind that this was a miscarriage of justice. On application to the Secretary of War we were turned down, and when we pressed the matter we did get a rehearing, and it was easily shown that there was a frame-up in the court-martial. A boy 19 years old from Toledo was under a life sentence at Fort Leavenworth, and on that rehearing they exonerated him and ordered him reinstated and gave him an honorable discharge and travel pay back home.

That is the history of a single case. I do not think that the whole system ought to be indicted by one case.

Mr. RANKIN. I am not indicting the system, but does not the gentleman think that these poor fellows who have no political friend at court ought to have their cases reviewed? It would not cost very much.

Mr. WAINWRIGHT. Mr. Chairman, I want to reassert that every one of these cases in some way has been reviewed, not only by military people but by the Secretary of War or the Assistant Secretary of War. In other words, these persons do have an opportunity to have their cases reviewed from a civilian standpoint by either the Secretary or the Assistant Secretary of War. I can state to the committee that this is the policy, or was when I was there. They granted an open ear in cases of this kind, and it is always possible to get a hearing.

Mr. BLANTON. Mr. Chairman, I presume the motion of the gentleman from Mississippi was a pro forma motion, and

I move to strike out the paragraph. The gentleman from Michigan asked whether or not they had a right to pass on the jury and strike off those who might be prejudiced?

Mr. McLAUGHLIN of Michigan. I was referring to the manner in which the jury was selected.

Mr. BLANTON. The gentleman asked if they had not the right to object to those who had formed an opinion. The only court-martial wherein that was done, of which I have any knowledge, was the recent one wherein Colonel Mitchell was tried. There the presiding officer of the court was challenged and stricken off the board because he had formed an opinion and had expressed an adverse opinion, criticizing the defendant. Another member of the board likewise was stricken off upon challenge.

Any lawyer who attended that court-martial, for which we are paying $35,000 of the people's hard-earned tax money, would say it was a farcical and ridiculous proceeding. Every time that court met you would find a bunch of photographers there with their moving-picture machines taking pictures of the court and of the audience.

A MEMBER. Was the gentleman from Texas there?

Mr. BLANTON. I was there, but they did not get my picture. I was in the room when the judges marched in, major generals and brigadier generals, and the audience was commanded to stand up, as if it were the Supreme Court of the United States, yet only one of them was a lawyer. Everybody in the room had to stand up.

Mr. HILL of Maryland. Did the gentleman from Texas stand up?

Mr. BLANTON. Yes; certainly I did. I always obey the rules, whether right or not. A person who will not be governed by rules is the wrong kind of a person. But all that was monkey business. Then in that court room, where the faithful Army officer of long service was being tried for more than his life, because a man's honor is more than his life, there was utilized only a small space for the audience, because about one-half of the whole room was taken up with special desks for individual reporters for individual newspapers.

Mr. HILL of Maryland. Does the gentleman think that the defendant minded that?

Mr. BLANTON. Oh, it was farcical to an extreme, and when the major generals and the brigadier generals came marching in, being high society cockolorums down at the Army and Navy Club, you would see them outdo Colonel HILL of Maryland in bowing to the ladies here and there back in the audience. [Laughter.] All of that procedure had to be gone through with each morning before a witness could be sworn. It was monkey business, and it is that kind of a farce for which the taxpayers of America are now called upon to pay $35,000 for trial expenses.

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. CONNALLY of Texas. I have a resolution pending now for the appointment of a committee, consisting of two members from the Committee on Military Affairs, two from the Committee on Naval Affairs, and two from the Committee on the Judiciary, to investigate whether or not the whole Articles of War and court-martial procedure ought not to be modernized.

Mr. BLANTON. If gentlemen will read Blackstone, they will see that all of this peacetime court-martial business has grown up since the days of Blackstone.

Mr. HILL of Maryland. So has prohibition [Laughter.]

Mr. BLANTON. Mr. Chairman, the rider of the great white charger in Baltimore is trying to ride roughshod over the rules of the House.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. And I shall not ask for further time, because it is about time for the committee to rise.

Mr. McKEOWN. Mr. Chairman, I was in the War Department the other day. I am not one of those who would say that the men whose duty it is to defend this country have not any sense or judgment at all, because I do not believe any such thing. I went to the department with a case in which a man was given a blue discharge. They looked into the matter and told me that they could not do anything at all, that the whole matter was a closed incident. There ought to be some legislation permitting the War Department to look into these cases and give men a rehearing. The war is now over. We sent boys from this country from dry States over to France. On leave they visited the places where they were tempted with the liquors of France and with the evils of France, and because they fell and made mistakes we ought not now to exact the same harsh rule in respect to them that we would in time of war. This man I have in mind has a fine record. He went through the war. He was in the most severe engagements, but he can not draw any bonus and he is not entitled to any insurance. The time will soon close. If we are going to do anything about it, we ought to do it before the time closes for these men to make their application for this insurance.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. WAINWRIGHT. The gentleman, of course, is aware that in a case like that there is no power, even in the President himself, to make any modification of the discharge. That is a closed issue.

Mr. McKEOWN. I understand, and that is the reason that I am urging now that some legislation ought to be had because the department itself says that it is not within its power to do anything.

Mr. CONNALLY of Texas. Is it not true that both departments take the position that after a man has been discharged they lose all jurisdiction over him?

Mr. McKEOWN. Yes.

Mr. CONNALLY of Texas. It is a matter for legislation, and the Committee on Military Affairs ought to bring in some.

Mr. McKEOWN. In order to save bringing individual bills for individual cases some board ought to be created by Congress that would give these men a rehearing. This man's comrades who fought with him through the worst battles in the great World War to a man say he ought not to have suffered the penalty of this discharge. Of course, sometimes we do not get the facts. The boys paint to us a situation that the record probably does not bear out. The sentence may have been justified, but it is up to us now that we have gotten away from the war by seven years to see to it that if any injustice has been done that it shall be wiped out.

Mr. ANTHONY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. SNELL having assumed the chair as Speaker pro tempore, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8917, the War Department appropriation bill, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. BOX (at the request of Mr. RAYBURN) for yesterday, to-day, and the remainder of this week, on account of sickness.

ADJOURNMENT

Mr. ANTHONY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until to-morrow, Friday, February 12, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 12, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON FOREIGN AFFAIRS

(10.15 a. m.)

To provide for the expenditure of certain funds received from the Persian Government for the education in the United States of Persian students (H. J. Res. 111).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

Department of national defense.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

348. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of South San Francisco Harbor, Calif., and entrance thereto (H. Doc. No. 251); to the Committee on Rivers and Harbors and ordered to be printed.

349. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Great Kills, Staten Island, N. Y. (H. Doc. No. 252); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

350. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Youghiogheny River, Pa., up to

Fifteenth Street, McKeesport (H. Doc. No. 253); to the Committee on Rivers and Harbors and ordered to be printed.

351. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the United States Veterans' Bureau for the fiscal year ending June 30, 1927, and prior years, amounting to $28,000,000 (H. Doc. No. 254); to the Committee on Appropriations and ordered to be printed.

352. A letter from the Secretary of the Navy, transmitting a proposed draft of a bill "To grant to the city of Key West, Fla., a tract of land belonging to the United States naval hospital at that place"; to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BURTNESS: Committee on Interstate and Foreign Commerce. H. R. 8040. A bill granting the consent of Congress to the reconstruction, maintenance, and operation of an existing bridge across the Missouri River at or near Fort Benton, Mont.; without amendment (Rept. No. 237). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 8136. A bill granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Ouachita River at or near Harrisonburg, La.; without amendment (Rept. No. 238). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 8137. A bill granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Black River at or near Jonesville, La.; without amendment (Rept. No. 239). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 8463. A bill to authorize the construction of a highway bridge across the Red River at or near Moncla, La.; with amendments (Rept. No. 240). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 8598. A bill granting the consent of Congress to the police jury of Morehouse Parish, La., or the State Highway Commission of Louisiana, to construct a bridge across the Bayou Bartholomew at or near Point Pleasant, in Morehouse Parish; without amendment (Rept. No. 241). Referred to the House Calendar.

Mr. BARKLEY: Committee on Interstate and Foreign Commerce. H. R. 5043. A bill granting the consent of Congress to the Midland & Atlantic Bridge Corporation, a corporation to construct, maintain, and operate a bridge across the Big Sandy River between the city of Catlettsburg, Ky., and a point opposite in the city of Kenova, in the State of West Virginia; with amendments (Rept. No. 242). Referred to the House Calendar.

Mr. WYANT: Committee on Interstate and Foreign Commerce. H. R. 8513. A bill granting the consent of Congress to extend the time for one year to construct a bridge across the Monongahela River between the boroughs of Clairton and Glassport in the county of Allegheny, Pa.; with amendments (Rept. No. 243). Referred to the House Calendar.

Mr. WYANT: Committee on Interstate and Foreign Commerce. H. R. 8908. A bill granting the consent of Congress to George Washington-Wakefield Memorial Bridge, a corporation, to construct a bridge across the Potomac River; without amendment (Rept. No. 244). Referred to the House Calendar.

Mr. FREDERICKS: Committee on Interstate and Foreign Commerce. H. R. 8190. A bill authorizing the construction of a bridge across the Colorado River near Blythe, Calif.; with amendments (Rept. No. 245). Referred to the House Calendar.

Mr. LEA of California: Committee on Interstate and Foreign Commerce. H. R. 5810. A bill granting a certain right of way, with authority to improve the same by the construction, maintenance, and operation of a toll bridge and approaches thereto across Lake Washington from a point on the west shore in the city of Seattle, county of King, State of Washington, easterly to a point on the west shore of Mercer Island in the same county and State; with amendments (Rept. No. 246). Referred to the House Calendar.

Mr. PARKS: Committee on Interstate and Foreign Commerce. H. R. 6710. A bill granting the consent of Congress to the State of Georgia and the counties of Long and Wayne, in said State, to construct a bridge across the Altamaha River, in the State of Georgia, at a point near Ludowici, Ga.; without amendment (Rept. No. 247). Referred to the House Calendar.

Mr. PARKS: Committee on Interstate and Foreign Commerce. H. R. 7188. A bill granting the consent of Congress to the J. R. Buckwalter Lumber Co. to construct a bridge across Pearl River in the State of Mississippi; without amendment (Rept. No. 248). Referred to the House Calendar.

Mr. PARKS: Committee on Interstate and Foreign Commerce. H. R. 7904. A bill granting the consent of Congress to Harry E. Bovay, of Stuttgart, Ark., to construct, maintain, and operate a bridge across the White River, at or near the city of Des Arc, in the county of Prairie, in the State of Arkansas; with an amendment (Rept. No. 249). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 7741. A bill to construct a bridge across the Choctawhatchee River, near Geneva, Geneva County, Ala., on State Road No. 20; with amendments (Rept. No. 250). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8316. A bill granting the consent of Congress to the State highway commission of the State of Alabama to construct a bridge across the Coosa River near Wetumpka, Elmore County, Ala.; without amendment (Rept. No. 251). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8382. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across the Tombigbee River near Aliceville on the Gainesville-Aliceville road in Pickens County, Ala.; without amendment (Rept. No. 252). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8386. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across Elk River on the Athens-Florence road between Lauderdale and Limestone Counties, Ala.; without amendment (Rept. No. 253). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8388. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across the Tennessee River near Scottsboro, on the Scottsboro-Fort Payne road in Jackson County, Ala.; without amendment (Rept. No. 254). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8389. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across the Tennessee River near Whitesburg Ferry on Huntsville-Lacey Springs road between Madison and Morgan Counties, Ala.; without amendment (Rept. No. 255). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8390. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across the Tombigbee River near Jackson, on the Jackson-Mobile road between Washington and Clarke Counties, Ala.; without amendment (Rept. No. 256). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8391. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across the Tombigbee River on the Butler-Linden road between the counties of Choctaw and Marengo, Ala.; without amendment (Rept. No. 257). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8511. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across the Tombigbee River near Gainesville on the Gainesville-Eutaw road between Sumter and Green Counties, Ala.; without amendment (Rept. No. 258). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8521. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across the Coosa River near Childersburg on the Childersburg-Birmingham road between Shelby and Talladega Counties, Ala.; without amendment (Rept. No. 259). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8522. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across the Coosa River near Fayetteville, on the Columbia-Sylacauga road, between Shelby and Talladega Counties, Ala.; with amendments (Rept. No. 260). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8524. A bill granting the consent of Con-

gress to the highway department of the State of Alabama to reconstruct a bridge across Pea River near Samson on the Opp-Samson road in Geneva County, Ala.; with an amendment (Rept. No. 261). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8525. A bill granting the consent of Congress to the highway department of the State of Alabama to reconstruct a bridge across Pea River near Geneva on the Geneva-Florida road in Geneva County, Ala.; without amendment (Rept. No. 262). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8526. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across the Choctawhatchee River on the Wicksburg-Daleville road between Dale and Houston Counties, Ala.; without amendment (Rept. No. 263). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8527. A bill granting the consent of Congress to the highway department of the State of Alabama to reconstruct a bridge across Pea River at Elba, Coffee County, Ala.; with an amendment (Rept. No. 264). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8528. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across the Coosa River on the Clanton-Rockford road between Chilton and Coosa Counties, Ala.; without amendment (Rept. No. 265). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8536. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across Tennessee River near Guntersville on the Guntersville-Huntsville road in Marshall County, Ala.; without amendment (Rept. No. 266). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 8537. A bill granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across the Coosa River near Pell City on the Pell City-Anniston road between St. Clair and Calhoun Counties, Ala.; without amendment (Rept. No. 267). Referred to the House Calendar.

Mr. HAWES: Committee on Interstate and Foreign Commerce. H. R. 7823. A bill to authorize the building of a bridge and approaches thereto across the Potomac River between Montgomery County in the State of Maryland and Fairfax County in the State of Virginia; with an amendment (Rept. No. 268). Referred to the House Calendar.

Mr. HAWES: Committee on Interstate and Foreign Commerce. H. R. 8514. A bill granting the consent of Congress to Missouri State Highway Commission to construct a bridge across Black River; with amendments (Rept. No. 269). Referred to the House Calendar.

Mr. DENISON: Committee on Interstate and Foreign Commerce. S. 1305. An act granting the consent of Congress to the highway commissioner of the town of Elgin, Kane County, Ill., to construct, maintain, and operate a bridge across the Fox River; without amendment (Rept. No. 270). Referred to the House Calendar.

Mr. HILL of Washington: Committee on Indian Affairs. H. R. 60. A bill for the purpose of reclaiming certain lands in Indian and private ownership within and immediately adjacent to the Lummi Indian Reservation, in the State of Washington, and for other purposes; without amendment (Rept. No. 271). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Washington: Committee on Indian Affairs. H. R. 61. A bill to authorize an appropriation for the construction of a road on the Lummi Indian Reservation, Wash.; with an amendment (Rept. No. 272). Referred to the Committee of the Whole House on the state of the Union.

Mr. HUDSON: Committee on the Civil Service. H. R. 3821. A bill to place under the civil service act the personnel of the Treasury Department authorized by section 38 of the national prohibition act; without amendment (Rept. No. 273). Referred to the Committee of the Whole House on the state of the Union.

Mr. ARENTZ: Committee on the Public Lands. H. R. 3953. A bill to authorize a departure from the rectangular system of surveys of homestead claims in Alaska, and for other purposes; with amendments (Rept. No. 274). Referred to the Committee of the Whole House on the state of the Union.

Mr. MORROW: Committee on the Public Lands. H. R. 5210. A bill extending the provisions of an act for the relief of settlers and entrymen on Baca Float No. 3, in the State of Arizona; without amendment (Rept. No. 275). Referred to the Committee of the Whole House on the state of the Union.

Mr. SPROUL of Kansas: Committee on Indian Affairs. H. R. 8186. A bill to authorize the Secretary of the Interior to purchase certain lands in California to be added to the Santa Ysabel Indian Reservation, and authorizing an appropriation of funds therefor; with an amendment (Rept. No. 276). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. COLTON: Committee on the Public Lands. H. R. 1952. A bill for the relief of T. Arthur Moore; without amendment (Rept. No. 277). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of Rule XIII,

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 2793. A bill to pay the claim of the estate of B. L. Fairbanks, deceased, against the Chippewa Indians of Minnesota: adverse (Rept. No. 278). Laid on the table.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 4823) granting an increase of pension to James M. Warner; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 5614) granting a pension to Anna Kelley; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 6489) granting a pension to George W. King; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 9144) granting an increase of pension to Mary J. Stull; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. APPLEBY: A bill (H. R. 9203) to provide for a channel 15 feet deep and of varying width in the Shrewsbury River at Highlands, N. J.; to the Committee on Rivers and Harbors.

By Mr. CARTER of Oklahoma: A bill (H. R. 9204) for the purchase of a site and the erection thereon of a public building at Poteau, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. DRANE: A bill (H. R. 9205) to grant to the city of Key West, Fla., a tract of land belonging to the United States naval hospital at that place; to the Committee on Naval Affairs.

By Mr. FULMER: A bill (H. R. 9206) to amend and reenact section 105, chapter 5, of the Judicial Code, and for other purposes; to the Committee on the Judiciary.

By Mr. HAYDEN: A bill (H. R. 9207) to purchase lands for addition to the Papago Reservation, Ariz.; to the Committee on Indian Affairs.

By Mr. JONES: A bill (H. R. 9208) to provide for the redistribution after a specified period of time of books, pamphlets, and other publications allotted to the Members of Congress for distribution through the House folding room; to the Committee on Printing.

By Mr. SPROUL of Kansas: A bill (H. R. 9209) authorizing the erection of a public building at Neodesha, in the State of Kansas; to the Committee on Public Buildings and Grounds.

By Mr. SUTHERLAND: A bill (H. R. 9210) to amend section 1 of the act of Congress of June 6, 1924, entitled "An act for the protection of the fisheries of Alaska, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. WHITE of Maine (by request): A bill (H. R. 9211) to prescribe certain of the qualifications of voters in the Territory of Alaska, and for other purposes; to the Committee on the Territories.

By Mr. CONNALLY of Texas: A bill (H. R. 9212) authorizing and directing the Secretary of the Treasury to pay to McLennan County, in the State of Texas, the sum of $20,020.60

compensation for the appropriation and destruction of an improved public road passing through the military camp at Waco, Tex., in said county, by the Government of the United States; to the Committee on Military Affairs.

By Mr. WILSON of Louisiana: A bill (H. R. 9213) making an appropriation for experiments for the control of insects affecting southern field crops; to the Committee on Appropriations.

By Mr. COLLINS: A bill (H. R. 9214) for the erection of a public building at Newton, Newton County, Miss.; to the Committee on Public Buildings and Grounds.

By Mr. DENISON: A bill (H. R. 9215) to enforce the liability of common carriers for loss of or damage to grain shipped in bulk; to the Committee on Interstate and Foreign Commerce.

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 9216) to establish a balanced production of the basic commodities of agriculture and to provide an economic disposition of any surplus; to the Committee on Agriculture.

By Mr. McDUFFIE (by request): A bill (H. R. 9217) amending the statutes of the United States as to procedure in the Patent Office and in the courts with regard to the granting of letters patent for inventions and with regard to interfering patents; to the Committee on Patents.

By Mr. MORIN: A bill (H. R. 9218) to authorize the Secretary of War to exchange deteriorated and unserviceable ammunition and components, and for other purposes; to the Committee on Military Affairs.

By Mr. JOHNSON of Washington: A bill (H. R. 9219) to provide for the construction of a road to connect Fort Canby, North Head, and Iiwaco, Wash.; to the Committee on Roads.

By Mr. MORIN: A bill (H. R. 9220) to increase the efficiency of the Air Service of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. BLANTON: A bill (H. R. 9221) to amend the act known as the "District of Columbia traffic act, 1925," approved March 3, 1925, being Public, No. 561, Sixty-eighth Congress, and for other purposes; to the Committee on the District of Columbia.

By Mr. TREADWAY: A bill (H. R. 9222) for the creation of a bureau of coal economics, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FISH: A bill (H. R. 9223) for the creation of a bureau of coal economics, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. APPLEBY: Joint resolution (H. J. Res. 160) to retain naval air station at Lakehurst, N. J.; to the Committee on Naval Affairs.

By Mr. UNDERHILL: Joint resolution (H. J. Res. 161) to provide for the printing of the Commerce Yearbook; to the Committee on Printing.

By Mr. HUDDLESTON: Joint resolution (H. J. Res. 162) authorizing the Secretary of War to lend 3,000 cots, 3,000 bed sacks, and 6,000 blankets for the use of the encampment of the United Confederate Veterans to be held at Birmingham, Ala., in May, 1926; to the Committee on Military Affairs.

By Mr. SMITH: Joint resolution (H. J. Res. 163) authorizing the appropriation of $865,000 for the construction of the Hill Crest extension of the Boise irrigation project in Idaho; to the Committee on Irrigation and Reclamation.

By Mr. WHITE of Kansas: Joint resolution (H. J. Res. 164) proposing an amendment to the Constitution of the United States; to the Committee on Election of President, Vice President and Representatives in Congress.

By Mr. KELLY: Joint resolution (H. J. Res. 165) authorizing appointment of the anthracite coal commission to meet present national emergency in anthracite coal industry; to the Committee on Interstate and Foreign Commerce.

By Mr. MORIN: Concurrent resolution (H. Con. Res. 10) providing for the printing of 1,000 additional copies of the hearings held before the select committee of inquiry into operations of the United States Air Service; to the Committee on Printing.

By Mr. LaGUARDIA: Resolution (H. Res. 133) requesting the Attorney General to furnish to the House of Representatives certain information regarding combinations in the mills and baking industries in restraint of trade; to the Committee on the Judiciary.

MEMORIAL

Under clause 3 of Rule XXII,

Mr. PATTERSON introduced a memorial of the Senate and General Assembly of the State of New Jersey, memorializing Congress to retain the naval air station at Lakehurst, N. J., which was referred to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 9224) granting an increase of pension to David M. Morse; to the Committee on Pensions.

By Mr. BERGER: A bill (H. R. 9225) for the relief of the Milwaukee Tanning & Clothing Co., a corporation; to the Committee on Claims.

By Mr. BURDICK: A bill (H. R. 9226) to reimburse Dr. Philip Suriani; to the Committee on War Claims.

By Mr. DEAL: A bill (H. R. 9227) for the relief of estate of Sarah Harrison; to the Committee on Claims.

By Mr. EDWARDS: A bill (H. R. 9228) for survey to determine cause of erosions at Tybee Island, Ga., and cost to prevent the same; to the Committee on Rivers and Harbors.

By Mr. ESTERLY: A bill (H. R. 9229) for the relief of Robert H. Maxwell; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 9230) granting a pension to Rebecca H. Speiger; to the Committee on Invalid Pensions.

By Mr. FAUST: A bill (H. R. 9231) granting an increase of pension to Harriet J. Sargent; to the Committee on Invalid Pensions.

By Mr. GARDNER of Indiana: A bill (H. R. 9232) for the relief of Isaac A. Chandler; to the Committee on Military Affairs.

Also, a bill (H. R. 9233) granting a pension to Bruce Miller; to the Committee on Invalid Pensions.

By Mr. HAWES: A bill (H. R. 9234) to change the military record of Thomas Dowling, alias James Murphy; to the Committee on Military Affairs.

By Mr. JOHNSON of Illinois: A bill (H. R. 9235) granting a pension to Sophia M. Morris; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 9236) for the relief of John E. Morgan; to the Committee on Naval Affairs.

By Mr. LINTHICUM: A bill (H. R. 9237) to reopen, allow, and credit $1,545 in the account of Maj. Harry L. Pettus, Quartermaster Corps (now deceased), for memorial tablet in the Army War College, as authorized by the act of March 4, 1923, and certify the same to Congress, and to reimburse the United States Fidelity & Guaranty Co. the amount paid by that surety company to the Government to settle said accounts; to the Committee on Claims.

Also, a bill (H. R. 9238) granting an increase of pension to Effie F. Myers; to the Committee on Invalid Pensions.

By Mr. MAJOR: A bill (H. R. 9239) granting a pension to Mary J. Allen; to the Committee on Invalid Pensions.

By Mr. MARTIN of Massachusetts: A bill (H. R. 9240) granting an increase of pension to Margaret Colby; to the Committee on Invalid Pensions.

By Mr. MENGES: A bill (H. R. 9241) granting a pension to Jessie L. Kugler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9242) granting an increase of pension to Catherine Hikes; to the Committee on Invalid Pensions.

By Mr. MILLIGAN: A bill (H. R. 9243) granting a pension to William H. Brown; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 9244) granting an increase of pension to Mary F. McGrath; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9245) granting an increase of pension to Louise Blanchard; to the Committee on Invalid Pensions.

By Mr. PATTERSON: A bill (H. R. 9246) granting an increase of pension to Emma Pernier; to the Committee on Invalid Pensions.

By Mr. RAGON: A bill (H. R. 9247) to correct the military record of John J. Owen; to the Committee on Military Affairs.

Also, a bill (H. R. 9248) for the relief of Margaret Richards; to the Committee on Claims.

By Mr. SCHAFER: A bill (H. R. 9249) for the relief of Hugh Edward Carney; to the Committee on Naval Affairs.

By Mr. SPROUL of Kansas: A bill (H. R. 9250) granting an increase of pension to Hannah E. Toombs; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Colorado: A bill (H. R. 9251) for the relief of J. O. Winnett; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 9252) for the relief of Thomas W. Thompson; to the Committee on Claims.

Also, a bill (H. R. 9253) for the relief of Arthur Allen; to the Committee on Claims.

By Mr. THAYER: A bill (H. R. 9254) granting an increase of pension to Lydia K. Lane; to the Committee on Invalid Pensions.

By Mr. TOLLEY: A bill (H. R. 9255) to correct the naval record of John Lewis Burns; to the Committee on Naval Affairs.

By Mr. TYDINGS: A bill (H. R. 9256) granting a pension to Eli Null; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 9257) granting an increase of pension to Elizabeth J. Kirk; to the Committee on Invalid Pensions.

By Mr. WHITE of Maine: A bill (H. R. 9258) granting an increase of pension to Dora A. Murphy; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 9259) granting a pension to Lizzie Aarons; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 9260) to authorize the appointment of Trumpeter Sol Black, retired, to the grade of first sergeant, retired, in the United States Army; to the Committee on Military Affairs.

By Mr. WYANT (by request): A bill (H. R. 9261) for the relief of Sheindel, Morris, Zechari, and Frieda Clateman; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 9262) granting an increase of pension to Lida Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9263) granting a pension to Christopher H. Williamson; to the Committee on Pensions.

By Mr. ZIHLMAN: A bill (H. R. 9264) granting an increase of pension to Mary Catherine Reid; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

652. Petition of the board of aldermen of the city of New York, memorializing the Congress to pass House bill 5, a bill to amend the immigration act of 1924, known as the quota law, etc.; to the Committee on Immigration and Naturalization.

653. By Mr. GARNER of Texas: Petition of druggists of Fort Worth, Tex., favoring legislation for standardization and stabilization of price of drugs, etc.; to the Committee on Interstate and Foreign Commerce.

654. By Mr. GRIFFIN: Petition of the board of aldermen of the city of New York, urging Congress to pass House bill 5, amending the immigration act of 1924, known as the quota law, etc.; to the Committee on Immigration and Naturalization.

655. By Mr. KINDRED: Resolutions adopted by the Chamber of Commerce of the Borough of Queens, disapproving of the expenditure of public funds for the construction of a canal to connect the Great Lakes with the sea outside the boundaries of the United States; to the Committee on Rivers and Harbors.

656. Also, resolutions adopted by the board of aldermen of the city of New York, memorializing the Congress to pass House bill 5, a bill to amend the immigration act of 1924, known as the quota law, etc.; to the Committee on Immigration and Naturalization.

657. By Mr. LEAVITT: Resolution of the Woman's Club of Thompson Falls, Mont., favoring continuance of the provisions of the Sheppard-Towner maternity act; to the Committee on Interstate and Foreign Commerce.

658. By Mr. LITTLE: Petition of citizens of Kansas, Oklahoma, and Missouri petitioning Congress to grant an increase of pension to veterans of Indian wars and their widows, holding that the present rate of $20 per month to the aged veterans and $12 per month to the widows to be wholly inadequate; to the Committee on Pensions.

659. By Mr. O'CONNELL of New York: Petition of the Louis Halphen Post, No. 379, American Legion, of Legion, Tex., favoring the passage of House bill 4474; to the Committee on World War Veterans' Legislation.

660. Also, petition of the Board of Aldermen of the City of New York, favoring the passage of House bill 5, a bill to amend the immigration act of 1924, known as the quota law, etc.; to the Committee on Immigration and Naturalization.

661. By Mr. O'CONNOR of New York: Petition of the board of aldermen of the city of New York, memorializing the Congress to pass House bill 5, to amend the immigration act of 1924; to the Committee on Immigration and Naturalisation.

662. By Mr. WATSON: Resolutions passed by the National Guard Association of Pennsylvania, urging the prompt enactment of legislation for the retirement of disabled emergency Army officers; to the Committee on Military Affairs.

SENATE

FRIDAY, *February 12, 1926*

(Legislative day of Monday, February 1, 1926)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I think we ought to have a quorum with which to begin the day. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	La Follette	Sackett
Bayard	Fess	Lenroot	Sheppard
Blease	Fletcher	McKellar	Shipstead
Borah	Frazier	McLean	Shortridge
Bratton	George	McMaster	Simmons
Brookhart	Gerry	McNary	Smith
Broussard	Gillett	Metcalf	Smoot
Butler	Glass	Moses	Stephens
Cameron	Goff	Neely	Swanson
Capper	Gooding	Norbeck	Trammell
Copeland	Hale	Norris	Tyson
Couzens	Harreld	Nye	Underwood
Cummins	Harris	Oddie	Walsh
Curtis	Harrison	Overman	Warren
Dale	Heflin	Pepper	Watson
Deneen	Howell	Phipps	Weller
Dill	Jones, Wash.	Pine	Wheeler
Edge	Kendrick	Ransdell	Willis
Edwards	Keyes	Reed, Pa.	
Fernald	King	Robinson, Ind.	

Mr. SHEPPARD. The junior Senator from Texas [Mr. MAYFIELD] is absent on account of illness. This announcement may stand for the day.

Mr. SMOOT. I was requested to announce that the Senator from Oregon [Mr. STANFIELD] is engaged in the Committee on Public Lands and Surveys.

Mr. NORRIS. I wish to announce that the Senator from California [Mr. JOHNSON] is absent, due to illness. He has a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I will let this announcement stand for the day.

The PRESIDING OFFICER (Mr. WILLIS in the chair). Seventy-eight Senators having answered to their names, a quorum is present.

ANNIVERSARY OF LINCOLN'S BIRTH

Mr. WILLIS (Mr. BUTLER in the chair). Mr. President, inasmuch as this is the anniversary of the birth of a great American, it seems to me not inappropriate that we should pause for a moment to give thought to Abraham Lincoln and his great life. I therefore shall read a very brief editorial which appeared in the Washington Post of this morning, a beautiful tribute to a beautiful character. The title of the editorial is "Abraham Lincoln," and it is as follows:

Every American—yea, every lover of liberty, under whatever flag—should give thanks to-day to Divine Providence for the gift of Abraham Lincoln to the world. He was born the poorest of the poor. His life was a struggle with the odds always apparently against him, and his mortal end was martyrdom. But his soul was a light that could not be quenched by hardship, misfortune, or death. It burns brightly now and will burn while men love liberty.

Here, where Lincoln wrestled with Time and Fate, where he carried the Nation on his shoulders, where he struck off the shackles of a race and cemented the Union with his blood—here in Washington his spirit broods. Look upon the lowly place of his death, gaze upon his memorial, contemplate his works, and remember that it is because of him that government of the people, by the people, for the people has not perished from the earth.

Mr. BAYARD. Mr. President, following the editorial just read by the Senator from Ohio, it would seem to be very much in keeping if I should be allowed a moment to read a sonnet published in the Christian Century of date February 11, 1926, by Thomas Curtis Clark, entitled

LINCOLN AT GETTYSBURG

The whole world came to hear him speak that day
And all the ages sent their scribes to see
And hear what word the new land had to say
Of God and man and truth and liberty.
Homer was there and Socrates and Paul,
Shakespeare and Luther, Pitt, Cavour, and Bright,
With Washington—stanch friends of freedom all;
Nor did he fail: he lifted there a light
For all the earth to see, from fires of truth
That surged within his breast. Yet that crude throng
Of men knew not that through this man uncouth
God spake as through old prophets, stern and strong.
They turned away, these men, but angels bent
From heaven to hear those flaming words, God-sent.

PETITIONS AND MEMORIALS

Mr. EDWARDS. I send to the desk a joint resolution adopted by the Legislature of the State of New Jersey relative to the naval air station at Lakehurst, N. J., which I desire to have printed in the RECORD and referred to the Naval Affairs Committee.

The PRESIDING OFFICER (Mr. WILLIS in the chair). It will be printed in the RECORD under the rule, and referred to the Committee on Naval Affairs.

The joint resolution is as follows:

Joint resolution memorializing the Congress of the United States to retain the naval air station at Lakehurst, N. J.

Whereas the United States Government has at a great expense constructed and maintained a naval air station at Lakehurst, N. J.; and

Whereas attempts are being made to remove the said station from the State of New Jersey, to the loss and detriment of the State: Therefore, be it

Resolved by the Senate and General Assembly of the State of New Jersey:

1. That the Congress of the United States be and the same is hereby requested to maintain the present naval air station at Lakehurst, N. J., and further, to provide for the adequate maintenance thereof.

2. That copies of this joint resolution, duly authenticated, be sent to the Vice President of the United States, the Speaker of the House of Representatives, and to the Senators and Representatives in the Congress of the United States from the State of New Jersey.

3. That the Senators from this State and the Representatives from this State in the Congress of the United States be requested to use every effort to effectuate this resolution.

4. This joint resolution shall take effect immediately.

Approved February 9, 1926.

STATE OF NEW JERSEY,
DEPARTMENT OF STATE.

I, Thomas F. Martin, secretary of state of the State of New Jersey, do hereby certify that the foregoing is a true copy of an act passed by the legislature of this State and approved by the governor the 9th day of February, A. D. 1926, as taken from and compared with the original now on file in my office.

In testimony whereof I have hereunto set my hand and affixed my official seal at Trenton this 10th day of February, 1926.

[SEAL.] THOMAS F. MARTIN,
Secretary of State.

Mr. EDGE subsequently presented a joint resolution adopted by the Legislature of the State of New Jersey, memorializing the Congress to maintain the present naval air station at Lakehurst, N. J., and to provide for the adequate maintenance thereof, which was referred to the Committee on Naval Affairs. (See joint resolution printed in full in to-day's proceedings.)

A resolution similar to that presented by Mr. EDWARDS and Mr. EDGE was subsequently presented by the Vice President and referred to the Committee on Naval Affairs.

Mr. WILLIS presented a petition of sundry members of the Izaak Walton League of America, Chapter No. 96, of Zoar, Ohio, praying for the passage of legislation to regulate the interstate shipment of black bass, etc., which was referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEES

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (S. 2178) for the relief of Harry P. Creekmore, reported it without amendment and submitted a report (Rept. 168) thereon.

Mr. PEPPER, from the Committee on Naval Affairs, to which was referred the bill (H. R. 7348) for the relief of Joseph F. Becker, reported it without amendment and submitted a report (S. 169) thereon.

A bill (H. R. 7348) for the relief of Joseph F. Becker (Rept. No. 169).

Mr. HARRELD, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 850) for the relief of Robert A. Pickett (Rept. No. 170);

A bill (S. 2334) authorizing the sale and conveyance of certain lands on the Kaw Reservation in Oklahoma (Rept. No. 171);

A bill (H. R. 97) authorizing an appropriation of $50,000 from the tribal funds of the Indians of the Quinaielt Reservation, Wash., for the completion of the road from Taholah to Moclips on said reservation (Rept. No. 172);

A bill (H. R. 5850) authorizing an appropriation for the payment of certain claims due certain members of the Sioux Nation of Indians for damages occasioned by the destruction of their horses (Rept. No. 173); and

A bill (H. R. 6727) to authorize the Secretary of the Interior to issue certificates of competency removing the restrictions against alienation on the inherited lands of the Kansas or Kaw Indians in Oklahoma (Rept. No. 174).

Mr. HARRELD also, from the Committee on Indian Affairs, to which was referred the bill (S. 1550) to appropriate certain tribal funds for the benefit of the Indians of the Fort Peck and Blackfeet Reservations, reported it with an amendment and submitted a report (No. 175) thereon.

He also, from the same committee, to which was referred the bill (S. 1834) providing for remodeling, repairing, and improving the Pawnee Indian school plant, Pawnee, Okla., and providing an appropriation therefor, reported it with amendments and submitted a report (No. 176) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHEELER:

A bill (S. 3107) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Flathead Tribe or Nation of Indians of Montana may have against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. NORRIS:

A bill (S. 3108) to amend section 2 of the act of June 7, 1924 (43 Stat. L. p. 653), as amended by the act of March 3, 1925 (43 Stat. L. p. 1127), entitled "An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on lands chiefly suitable therefor"; to the Committee on Agriculture and Forestry.

By Mr. COPELAND:

A bill (S. 3109) granting an increase of pension to Joseph P. Carey; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 3110) to authorize certain officers of the United States Navy to accept from the Republic of Haiti the medal of honor and merit; to the Committee on Naval Affairs.

By Mr. FERNALD:

A bill (S. 3111) granting an increase of pension to Emma C. Fuller (with accompanying papers); to the Committee on Pensions.

By Mr. HARRELD:

A bill (S. 3112) for the relief of the estate of Charles Le Roy, deceased; to the Committee on Post Offices and Post Roads.

By Mr. SHEPPARD:

A bill (S. 3113) for the relief of Myron J. Conway, Frank W. Halsey, et al. (with accompanying papers); and

A bill (S. 3114) for the relief of Harry E. Menezes (with accompanying papers); to the Committee on Military Affairs.

By Mr. JONES of Washington:

A joint resolution (S. J. Res. 54) to provide for the printing of the Commerce Yearbook (with an accompanying memorandum); to the Committee on Commerce.

CHANGE OF REFERENCE

On motion of Mr. FERRIS, the Committee on the Judiciary was discharged from the further consideration of the bill (S. 2885) to establish a laboratory for the study of the abnormal classes, and it was referred to the Committee on Education and Labor.

AMENDMENT TO AGRICULTURAL APPROPRIATION BILL

Mr. PHIPPS submitted an amendment proposing to increase the appropriation for soil-fertility investigations into organic causes of infertility and remedial measures, maintenance of productivity, properties, and composition of soil humus, and the transformation and formation of soil humus by soil organisms, from $52,000 to $72,000, intended to be proposed by him to House bill 8264, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

PRESIDENTIAL APPROVAL

A message from the President of the United States by Mr. Latta, one of his secretaries, announced that on the 12th instant the President had approved and signed the act (S. 1423) to relinquish the title of the United States to the land in the donation claim of the heirs of J. B. Baudreau, situate in the county of Jackson, State of Mississippi.

A CENTURY OF TRANSPORTATION PROBLEMS (S. DOC. NO. 62)

Mr. OVERMAN. Mr. President, out of order I ask unanimous consent to have printed as a Senate document an address by Clyde B. Aitchison, of the Interstate Commerce Commission, on A Century of Transportation Problems.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Is there objection? The Chair hears none, and it is so ordered.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. BORAH. Mr. President, I have a telegram to which I desire to direct the attention of the Senators who are in charge of the pending bill. I have not myself examined the matter and perhaps would have some difficulty in ascertaining the facts with reference to it. The telegram, however, states that House tax bill, section 208 (c), page 11, has a provision "which will exempt from taxation dividend that was paid on electric bond and share stock early in 1925, and also many other similar dividends." I ask the Senator from Utah in charge of the bill, and those who are particularly familiar with it, to take into consideration this matter, as I shall call it up later.

Mr. SMOOT. Will the Senator from Idaho hand me the telegram?

Mr. BORAH. Certainly.

Mr. NORRIS. Mr. President, I send to the Secretary's desk an amendment, which I offer, and I ask that it may be read.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The amendment proposed by the Senator from Nebraska will be stated.

The CHIEF CLERK. On page 43, after line 13, it is proposed to insert the following proviso:

Provided, That the excess value above $5,000 of any gift, bequest, devise, or inheritance shall be considered and accounted for as gross income: *Provided further*, That any gift, bequest, devise, or inheritance from a husband to his wife or from parent to son or daughter shall not be considered as gross income except as to the excess of such gift, bequest, devise, or inheritance above $50,000.

Mr. SMOOT. Mr. President——

Mr. NORRIS. I yield to the Senator from Utah.

Mr. SMOOT. I have not a copy of that amendment on my files.

Mr. NORRIS. I will give the Senator a copy of the amendment.

Now, Mr. President, I should like to have the attention of the Senate for a few minutes in order that I may explain what this amendment is. The pending bill, commencing on page 41, under that part of the bill relating to personal income taxes, defines gross income and tells, first, what shall be included in gross income, and then gives a list of the items that shall not be included in gross income. One of those lists is numbered (3), on page 43, which as proposed to be amended by the Senate committee reads as follows:

(3) The value of property acquired by gift, bequest, devise, or inheritance (but the income from such property shall be included in gross income).

On that page is an enumeration of the items that shall not be included in gross income. It will be noticed that any gift, devise, or inheritance, however large or from whatever source, is exempt from personal income tax. It is very appropriate that there should be such an exemption in the law when gifts, inheritances, or bequests or whole estates are taxed at some other place in the law, and, I take it, the main reason why this exemption is put in—that is, why such items are not to be included in personal income-tax returns—is because in another place in the present law they are separately taxed, as the law now on the books taxes estates.

That part of the law having been repealed, there being no tax now, so far as the pending bill is concerned, upon gifts, bequests, devises, or inheritances, it seems to me that the reason for this exception absolutely fails. Unless some amendment similar to the one which I have offered is included in the bill, although the estate tax is repealed, income coming to individuals either by gift or by operation of law will go untaxed.

Mr. SIMMONS. I wish to understand the Senator's proposition. Does the Senator mean to say that if there shall be no inheritance tax, then the heir or devisee under a will shall be required to return as earnings the entire amount he shall receive?

Mr. NORRIS. The entire amount that he receives.

Mr. SIMMONS. And pay an income tax upon that as gain?

Mr. NORRIS. Pay an income tax upon that.

Mr. SIMMONS. Is he to pay an income tax on it as a gain?

Mr. NORRIS. He pays on it as income.

Mr. SIMMONS. He will pay an income tax on it as so much earned or so much profit arising from his operations?

Mr. NORRIS. He will pay it just the same as he pays on any other item of income; it is income.

Mr. SIMMONS. I merely wish to understand the Senator's proposal.

Mr. NORRIS. Of course it is not earned, and he pays on it as income.

Mr. FLETCHER. Mr. President, do I understand the Senator's amendment to mean that he is substituting a succession tax really in place of an estate tax?

Mr. NORRIS. It has that effect. It would in effect be an inheritance tax instead of an estate tax. It would not go up nearly so high as the present estate tax does. It would be accounted for as gross income; it would be subject to all the exemptions that the gross income is subject to, and then it would be taxed like any other income subject also to the exemptions provided in the amendment in addition to the exemptions that are provided by law on personal incomes. Do I make it plain now?

Mr. SIMMONS. Does the Senator also mean that if a person is the recipient of a gift not dependent upon the death of anybody he shall be required to return that as so much income on his part and pay a tax on it?

Mr. NORRIS. Yes, sir; that is just what it means, subject, of course, to the exemptions provided by law. There are exemptions that apply to income in the income tax law. This would be subject to all of them, because the amount received would be a part of the gross income, and it would be subject, in addition to those exemptions, to the exemptions provided in the amendment itself.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. NORRIS. I yield to the Senator.

Mr. WALSH. The Senator from New Mexico [Mr. JONES] has proposed an amendment which was to take the place of the estate tax, entitled an inheritance tax, which imposes upon inheritances practically the same rates of tax which are imposed by the bill upon incomes generally, and graduated in the same way. I take it that the amendment now offered by the Senator from Nebraska will accomplish practically the same result as would the Jones amendment.

Mr. NORRIS. Yes, sir.

Mr. SMOOT. No; I do not think it would.

Mr. KING. I do not think so.

Mr. NORRIS. Oh, there will be some difference between the two, but if the Jones amendment were agreed to and should become a part of the bill I would not offer my amendment.

Mr. SIMMONS. The principle is the same.

Mr. NORRIS. Yes.

Mr. SIMMONS. But the tax under the amendment of the Senator from Nebraska is higher.

Mr. NORRIS. The tax is higher under the Jones amendment.

Mr. SIMMONS. That is not my impression.

Mr. NORRIS. My amendment provides the same rates as on the income up to the last bracket, so that the rate may reach 20 per cent.

Mr. SIMMONS. If the Senator will pardon me——

Mr. NORRIS. By turning to the bill I can tell the Senator exactly what it would be.

Mr. SIMMONS. I have not read the Jones amendment recently. The Senator from New Mexico introduced it on the 24th of January, I think, but I have forgotten it. I am sure, however, the Jones amendment, like all amendments of that character, began by levying a very low tax upon small estates, and rather a heavy tax upon the larger estates.

Mr. NORRIS. That is what this does.

Mr. SIMMONS. I do not think that the maximum in the Jones amendment went very high, but I do not recall the exact rates.

Mr. NORRIS. I will ask the Senator from Montana to tell us. I think he has the Jones amendment before him.

Mr. WALSH. I have the Jones amendment before me, and the rate is 21 per cent upon inheritances above $5,000,000 and it is 11 per cent on inheritances between $1,000,000 and $2,000,000. It begins at 1 per cent at $50,000.

Mr. SIMMONS. Senators will readily see that under the Jones amendment on inheritances between a million and two

million the recipient would pay 11 per cent, while under the revenue law imposing taxes upon individuals if inheritances were returned as income they would pay at that point, I suppose, a rate of 30-odd per cent.

Mr. NORRIS. What?

Mr. SIMMONS. Thirty-odd per cent.

Mr. NORRIS. No; it never goes above 20 per cent.

Mr. SIMMONS. I mean under the act of 1924, the present law.

Mr. NORRIS. I am not speaking about the present law.

Mr. SIMMONS. Under the pending bill there would be a flat tax of 20 per cent, of course.

Mr. NORRIS. Yes; and it would never go above that.

Mr. SIMMONS. That would be 20 per cent against 11 per cent.

Mr. NORRIS. Yes.

Mr. SIMMONS. Then what I said is true; the rates under the amendment of the Senator from Nebraska are higher.

Mr. NORRIS. All right; I am glad of it. Anybody receiving a million dollars from a bequest will not be called upon to pay an unreasonable tax if he pays on the excess of $100,000 20 per cent. A bequest, gift, or devise, with very few exceptions, comes without any effort on the part of the recipient. That is especially true of the large gifts. The large inheritances come without any effort. They come without even the crooking of a finger. If somebody should die and leave me $1,000,000, under the bill as it now stands that would be absolutely tax free. If my amendment were agreed to, the tax on it would go up gradually, and the excess above $100,000 would pay a tax of 20 per cent. Would that be a hardship on anybody who gets something for nothing? Is it right for those who have to toil and work and then pay an income tax on their savings that the man who neither toils nor spins should go tax free if somebody gives him something.

Let us take two men and start them out together. One of them works. He may be a lawyer; he may be a doctor; he may be a farmer; he may be a business man; but he toils night and day, saves his money, and at the end of the year, let us say, he has a net income of $12,000. He is taxed on it. He has to pay a tax on it.

Now, take the other man, who does nothing. He may be a loafer. He may be a perfectly respectable man, but he does nothing in the way of producing anything for himself or anybody else. He does not make a cent. He does not do a particle of work during the year, either with his hands or with his brain; but some rich man leaves him $12,000 as a pure gift. That is tax free under this bill. He gets it without the payment of a penny. Why should not that be part of his income? Why should he not pay a tax on it the same as the man who makes a like amount of money by his toil and his labor?

Let us say that a man who is operating a mercantile establishment, running a store in the city of Washington, makes out of his business $12,000 in a year. He is taxed for it. I am not complaining about it; but that is the law. I think he ought to be taxed. That is the law. He must pay a tax on his own energy, on his own efforts. He pays that out of his net income. Is it right or is it fair to that man that some other fellow who does not do anything, who lives perhaps on the income of a parent who is supporting him, and the parent dies during the year and gives to this son of his $12,000, gets it tax free? Can any man defend that? Is there any place in the world where that kind of a law can be defended? Is there any justice in that kind of a law?

Do you say it is a hardship for him to pay the tax? What about a man who works and makes the money? Is it a hardship on him? If $12,000 came to a man out of thin air, would it not be a little easier for him to pay a couple of hundred dollars tax on that $12,000 than for the man who had to earn it? Would it not be fair that he should, especially as against the millions of men who are paying similar taxes on what they earn and what they make by their toil?

Suppose the amount is larger. Suppose he gets out of thin air a million dollars. Is it any hardship to him to pay 20 per cent on the excess of that million dollars above $100,000, and a smaller rate running down?

Now, let us take up the man who is pleading for the widow that we have heard of several times in the debate, whose heart bleeds for the poor orphan and for the widow. Where will this amendment leave them?

Suppose the widow gets $100,000. That is counted as gross income. In the first place, she has all the exemptions allowed by law. In the next place, she has an exemption, free of tax, of $50,000, and a very light tax on what is left, because it only goes to $100,000. It would not be as much as $50,000, because other exemptions would come in. There would be, perhaps, $45,000 that would be taxed at a very low rate, the lowest bracket in the income tax; and if Senators think that exemption is not enough, I have not any objection to making it $100,000. I do not want to impose any hardship on the widow. If she ought to have $100,000 tax free, let us give it to her; but you do not give it to her tax free if her husband made that money by his work and his labor. He pays the income tax even though he dies before it is actually paid. In that event it is taken out of his estate before the widow gets it, and it is taken out at the same rate at which this amendment provides that it shall be taken out.

Mr. DILL. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Washington.

Mr. DILL. I desire to suggest that this amendment has the added value of taking out the estate or inheritance tax of a State before any Federal burden is placed upon the amount received. In other words, a State that has a large estate tax would take its tax out of the amount received by the widow or by the devisee or by the person to whom it went before it would be considered as income at all.

Mr. NORRIS. Yes.

Mr. DILL. And to that extent the burden of the Federal tax would be lessened and it would be equalized.

Mr. NORRIS. It would; and, Senators, remember that this tax would be less than an estate tax, even if the rates were absolutely the same. This does not tax the whole estate. It is possible under this amendment for a man with a million-dollar estate to escape taxation entirely if it is divided up into small enough amounts to come within the exemption.

The point made by the Senator from Washington ought to receive consideration here. And right along that line I want to call your attention to the fact that if we had a 20 per cent estate tax that applied to all the estate, and we repealed it and provided, as this amendment does, in a case where a man, let us say, had $100,000, and he divided it up among four children and gave them $25,000 each, they would all be free from tax. If we had an estate tax it would tax the estate, and because of its size it would get up into the larger brackets; but in the case I have put, where an estate of $100,000 is divided into four equal parts, each of those parts would be entirely tax free.

Suppose a man dies with an estate of $150,000, and he has five children and a wife, and suppose he gives to the wife $50,000 and he divides the $100,000 up among the five children. That would give each one of them $20,000. How would that work out? They would all be free from tax, because the exemption provided in this amendment is not only $50,000 to the wife but $50,000 to every child.

Let us take a larger estate. Suppose the man died leaving $200,000, and suppose he gave his wife $50,000. That would leave $150,000. Let us suppose that he had three children, and he gave each one of them $50,000. They would not pay a cent tax—not one penny—under this amendment. It would all be exempt.

Personally, I do not think those exemptions ought to be so liberal, because I think the money ought to be accounted for as income and ought to take the same exemptions that everybody else has to take in his income tax. But if it is liberality you want, and if there is not enough liberality here, and there is any objection to an exemption of $50,000 to the widow on the ground that it is too small, let us exempt her to the amount of $100,000. I think that meets the widow and the orphan argument.

When we get up into the big estates, $10,000,000 or $40,000,000, if we had an estate tax it would be levied on the entire amount; but in this case if the man had seven or eight children with a $1,000,000 estate he would divide it up into amounts that would be somewhere near $100,000 apiece, perhaps.

If the bequests were to his children in each case, $50,000 would be exempt, and only $50,000 would pay an income tax at the very lowest rate in the lowest bracket; and if each one of these heirs that got $100,000 had five children they would be entitled to the exemption for every child. If each one had a wife, they would be entitled to the exemption for the wife. They would be entitled to the flat exemption provided for in this bill.

I should like to have Senators, I should like to have anybody, point out the injustice of this. I should like to have somebody rise here and tell where this would be a hardship upon anybody. I should like to have anybody, if there is an argument against it, tell why the man who makes an income by his labor and his toil should be taxed, while the man who gets it for nothing should go scot-free, without any taxation.

But that is not all. This amendment would raise a good deal of revenue. I can not say how much it would raise. I have made no computation. It has been difficult to say, because I presume the experience of the estate tax law that we have

had would not be much of a guide here, because this would be much less. The rate would be much less, because it is figured on amounts that are always smaller; but it would raise a large amount of revenue.

Mr. SMOOT. A quarter of a million dollars

Mr. NORRIS. A quarter of a million dollars in a year?

Mr. SMOOT. Not more than that.

Mr. NORRIS. The Senator from Utah says it would raise a quarter of a million dollars. I think it would raise several million dollars, but I am going to take his figure now. Suppose it raised only a quarter of a million dollars. With very few exceptions it comes from people who are getting something for nothing. Why should they not pay? Why, that is a bagatelle. My own idea is that it would raise several million dollars. It would help to relieve some of the taxes that have been excluded from this bill. Secretary Mellon, I understand, says that we have reduced so many taxes that there will be a deficit next year, or words to that effect. This will help to relieve it, and it will come from a source where there will never be any agony, where there will never be any effort, where there will never be any hardship, in the payment of the light tax that this amendment imposes.

Mr. President, I am not going to take up the time of the Senate unless some one can produce here something in the way of an objection to this kind of a tax. I have not heard any. I do not believe that any can be produced. For the present I yield the floor, in the hope that if there is any valid and good objection to this amendment, somebody will state it.

Mr. SMOOT. Mr. President, just a word.

The Senator from Nebraska says this is no hardship; that these amounts will escape taxation unless we adopt this amendment. Why, Mr. President, if this amendment is adopted we will be imposing triple taxation. The man who made the money, as long as he was alive, was taxed on all of his income. The money that he gets is taxed under the law to-day.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

Mr. SMOOT. Yes.

Mr. NORRIS. Suppose he made his money by the investment of his estate in tax-exempt securities?

Mr. SMOOT. Well, that may be one case where he would not be taxed.

Mr. NORRIS. All right. There has been a good deal said by those who are opposing high income taxes to the effect that they drive money into tax-free securities and it thus escapes taxation. That would not apply here. Then, another thing, if the Senator will permit me: He says this is not only double but triple taxation.

Mr. SMOOT. Yes.

Mr. NORRIS. The same thing that the Senator has said about the inheritance tax or estate tax will apply to every inheritance tax and every estate tax that we have ever had.

Mr. SMOOT. It goes further in this respect. The gift tax was never thought of or imposed at a time when there was an estate tax. The gift tax was put into the law for the purpose of preventing the evasion of estate taxes by giving the money away. That is the object of a gift tax. If we have no estate tax, there is no reason why the gift tax should be on the statute books. All we have to do is to disagree to the estate tax. Then the House provision will be passed, and that is provided for in the House text in these words:

> Where within two years prior to his death and without such a consideration the decedent has made a transfer or transfers by trust or otherwise, of any of his property, or an interest therein, not admitted or shown to have been made in contemplation of or intended to take effect in possession or enjoyment at or after his death, and the value or aggregate value, at the time of such death, of the property or interest so transferred to any one person is in excess of $5,000, then, to the extent of such excess, such transfer or transfers shall be deemed and held to have been made in contemplation of death within the meaning of this title.

Mr. NORRIS. May I interrupt the Senator again?

Mr. SMOOT. Certainly.

Mr. NORRIS. Does the Senator think that is an argument against this amendment? Nobody expects that when the bill goes to conference this amendment and the House provision taxing inheritances will both remain in the bill. As I said frankly, if we had an estate tax, taxing this money otherwise, or an inheritance tax, taxing it otherwise, I would not offer the amendment.

Mr. SMOOT. If we do not have an estate tax, then there is no necessity for the gift tax.

Mr. NORRIS. Yes; there is just as much reason. Parties can avoid this tax by a gift, if it is not included, just the same as in the case of an estate tax. The point I want to make is this, if the Senator will permit me, that he has called attention to what is in the bill as it passed the House. We do not expect both these provisions to remain in the bill.

Mr. SMOOT. I called it to the attention of the Senate because of the fact that if there is no estate tax there is no reason for a gift tax.

Mr. NORRIS. There is a reason for a gift tax if there is an estate or an inheritance tax. This provision is in the nature of an inheritance tax, and therefore a gift tax is just as necessary as though it were an estate tax. Besides——

Mr. SMOOT. I will ask the Senator to wait until I answer his question.

Mr. NORRIS. I beg the Senator's pardon; I do not want to intrude on his time.

Mr. SMOOT. The Senator knows very well that I have no objection to his interrupting me.

The Senate of the United States, through its action, has decided that there should be no estate tax, and in that action it has stricken from the bill as it passed the House the provision I have just read. When it goes into conference it will be a part of the bill.

Mr. DILL. Mr. President, is the Senator arguing against the amendment offered by the Senator from Nebraska on the theory that the conference is going to adopt the House provision?

Mr. SMOOT. No. If the Senator will permit, I want to answer the question of the Senator from Nebraska. I say this is triple taxation, and I want to show that it is.

Mr. DILL. The Senator was stating, as a reason for not adopting the amendment, the fact that the House provision might be adopted in conference. Is the Senator now saying that the Senate conferees will accept the House provision?

Mr. SMOOT. I did not say any such thing.

Mr. DILL. Then why present it as an argument?

Mr. SMOOT. I said that if they did, the House provision would take care of gifts, but if they did not accept it, there was no need of the gift tax.

Mr. NORRIS. Will not the Senator concede that there is necessity for a gift tax if we have an inheritance tax?

Mr. SMOOT. No; I do not think there is the least reason for it.

Mr. NORRIS. Then the Senator would permit anyone to evade the payment of an inheritance tax entirely by simply making gifts.

Mr. SMOOT. If there were no inheritance tax, there would be no need of it.

Mr. NORRIS. I admit that; if there is neither an estate tax nor an inheritance tax, then we do not want any gift tax. I concede that.

Mr. SMOOT. That is just my position.

Mr. NORRIS. But if this amendment goes into the bill, we will have something in the nature of an inheritance tax, and the gift tax must remain in the bill to make it effective.

Mr. SMOOT. If the Senate provision shall be disagreed to in conference, as I said before, then, of course, the House provision taking care of this tax will be in the law.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit a suggestion?

Mr. SMOOT. Certainly.

Mr. REED of Pennsylvania. I think both the Senators are forgetting that gifts which are made to defeat the inheritance tax are perfectly well dealt with without any gift tax. That provision is very liberal in the inheritance tax law that is now in effect. A gift made to defeat the inheritance tax is clearly caught by that. We do not need a gift tax to accomplish it.

Mr. KING. Mr. President, will my colleague yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to his colleague?

Mr. SMOOT. I yield.

Mr. KING. To see if I understand the Senator from Nebraska, permit me to ask this question: If we eliminate from the bill all estate taxes and all inheritance taxes, so that if a man should die the next day after the passage of the bill his estate would pay no tax on his estate, and there would be no inheritance tax. I do not quite follow the Senator in saying that the bill takes care of gifts in futuro.

Mr. REED of Pennsylvania. I did not mean to say that. What I mean to say is that the present inheritance tax law, which is in effect at this minute, is so reenforced by the provision relating to gifts made in contemplation of death that the gift tax is really unnecessary, even under the present law.

If the Senate has to recede on its repeal of the estate tax—and I do not for one minute admit that I think that is probable——

Mr. KING. I hope the Senate conferees will be compelled to recede.

Mr. REED of Pennsylvania. The Senator is welcome to his hopes, and he knows mine are directly contrary to his. I hope the conferees of the Senate will stand adamant against any yielding on that point. But if they have to yield, then gifts in contemplation of death are adequately dealt with in the text of the House.

Mr. SMOOT. That is exactly what I stated.

Mr. KING. May I ask my colleague a question, and it is really a reply to the Senator from Pennsylvania? Assume that we agree to the amendment offered by the Senator from Nebraska, and in conference the conferees have before them, first, the disagreeing vote of the Senate on the House provision, and have also the amendment offered by the Senator from Nebraska, the whole subject will be there before the conferees; and if the conferees recommend a recession from the action of the Senate and the acceptance of the House provision, necessarily the amendment offered by the Senator from Nebraska would also go out, and we would revert to the House provision; whereas if we accepted the action of the Finance Committee in rejecting the House provision, we might fall back upon, and the House might accept, the amendment offered by the Senator from Nebraska.

Mr. SMOOT. But the Senator from Nebraska himself admits that there is no necessity of it in that case, and why undertake to put in the bill something which we know is going to do no good?

Mr. KING. I do not quite follow the Senator from Nebraska in making that broad admission.

Mr. SMOOT. I think the Senator from Nebraska is absolutely correct.

Mr. LENROOT. The Senator from Nebraska includes inheritances in his amendment?

Mr. NORRIS. Yes; of course I do.

Mr. SMOOT. I understood the Senator from Nebraska to say that if there were no estate tax there would be no necessity for a gift tax.

Mr. NORRIS. If there is no estate tax and no inheritance tax.

Mr. SMOOT. It is the same thing.

Mr. NORRIS. In other words, if the provision of the House is wiped out in conference, as we wiped it out in the Senate, and this amendment is defeated here, then there will be in the bill neither inheritance tax nor estate tax, and there will be no need for a gift tax.

Mr. SMOOT. There is no need of a gift tax.

Mr. NORRIS. But there is just as much reason for a gift tax with this provision in as there would be for a gift tax with the House provision in.

Mr. SMOOT. I said that this amendment is triple taxation, and I want to explain it.

Mr. HOWELL. Mr. President, will the Senator yield?

Mr. SMOOT. Just wait until I explain that, and then I will yield.

First, the man who makes the money, while he is making it, pays a tax upon every penny of his income. If that money comes to an individual through a bequest or by inheritance, then the one who receives the money is taxed by the State. There are only three States in the Union which are not in a position to impose such a tax.

Mr. NORRIS. This amendment does not tax the man who made the money.

Mr. SMOOT. But he has already been taxed upon the money which he gives away.

Mr. NORRIS. No.

Mr. SMOOT. On every dollar he makes.

Mr. NORRIS. He pays a tax just as anybody else does.

Mr. SMOOT. Certainly; he is taxed.

Mr. NORRIS. We are proposing to tax the man who gets it, and gets it for nothing.

Mr. SMOOT. But the State does that. The State taxes him.

Mr. DILL. Not all the States.

Mr. SMOOT. With the exception of three.

Mr. DILL. Well, there are those three.

Mr. SMOOT. We are not legislating for three States. That is a matter for the States to decide. But practically all the States are taxing estates. Under the amendment, if it is agreed to, we have the third tax to be imposed, and I do not think that is justified.

Mr. DILL. The Senator will agree that that is not in addition to what the inheritance tax would be. The Senator's argument applies to the Federal inheritance tax in the same way.

Mr. HOWELL. Mr. President, I want to ask the Senator a question. How long ago did the majority of the States adopt the inheritance tax?

Mr. SMOOT. I do not know which State has most recently passed such a tax law.

Mr. HOWELL. I mean the earliest State.

Mr. REED of Pennsylvania. Pennsylvania adopted one in 1834.

Mr. HOWELL. Has it been in constant effect since that time?

Mr. REED of Pennsylvania. Yes.

Mr. DILL. I may say to the Senator that the Federal Government had an inheritance tax in 1797.

Mr. HOWELL. But that was repealed subsequently.

Mr. SMOOT. Of course, it was a war measure, and during every war we have had from that time down to this date we have always had an estate or inheritance tax, and I say to the Senator that we always will have one whenever we are in war.

Mr. DILL. We ought to have one until the war debt is paid.

Mr. HOWELL. I want to call the attention of the Senator from Utah to the fact that there are thousands of estates in this country to-day that were not earned by the present beneficiaries.

Mr. SMOOT. But those estates have been paying right along on the income from the estates.

Mr. HOWELL. True, but I am talking about the principal. The principal was inherited before we proceeded to levy an income tax and an inheritance tax. Therefore, there are thousands of estates in the country which would not suffer triple taxation if a provision such as the amendment presented by my colleague were adopted.

Mr. SMOOT. The third step in taxation is when the estate is transferred to the party receiving it. There is no doubt about that at all.

Mr. HOWELL. But the Senator is stressing the idea that because of national estate taxes, income taxes, and so on, there would be triple taxation.

Mr. SMOOT. Outside of the income tax. I am speaking only of the tax first paid by the man himself, or the woman, or whoever it may be; then, when the estate is settled, the State in which the decedent lives imposes a tax. That is the second tax. Now, if this amendment shall be adopted, there will be a third tax.

Mr. HOWELL. I know that in the State of Nebraska inheritance taxes have only recently been imposed, and I think that is true of a majority of the States of the Union. There are thousands of estates in this country in the hands of individuals who have not increased the estates, who have even decreased them, and yet they will be passed on, and those who receive the estates will not pay a dollar into the United States Treasury.

Mr. NORRIS. Will the Senator yield to me for a suggestion?

Mr. HOWELL. Certainly.

Mr. NORRIS. The only argument on this proposition which the Senator from Utah has made is against any inheritance or estate taxes, either by a State or by the Federal Government.

Mr. SMOOT. I did not refer to such a tax imposed by a State at all.

Mr. NORRIS. I know the Senator did not, but his argument will apply to every estate tax and every inheritance tax levied by any State in the Union.

Mr. SMOOT. It does not apply at all, because that is not a tax in the third degree.

Mr. NORRIS. After all, those people who are now flooding the country with propaganda against a Federal inheritance tax law, and using the argument that the States want to use that kind of a law to raise revenue, are in reality behind a proposition, whether they know it or not, to eliminate all taxes of that kind, either State or Federal.

Mr. HOWELL. I think there is no question about that.

Mr. LENROOT. Mr. President, I rise for information. I have never been quite able to understand the theory upon which a gift, wholly apart from the question of estate or inheritance tax, should not be taxed. To illustrate: A man may sell to another a piece of property to-day for $1,000. The next day the vendee may sell that property for $101,000, and he will have to account for $100,000 and pay a tax of $12,500. But if the vendor, instead of selling it for $1,000, should give it to the

other man and the other man should sell it for $101,000, he would pay not one penny of tax.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield?

Mr. LENROOT. Certainly.

Mr. REED of Pennsylvania. The tax law at present provides very clearly in the capital account provision that the donee pays the same tax as if the donor sold at his price. In other words, he is charged with the gain between the cost to the donor and the selling price of the donee.

Mr. LENROOT. Do they value then every piece of property when sold and ascertain the gain only between the value of the property and the selling price, and not upon the basis of cost?

Mr. REED of Pennsylvania. No; perhaps the Senator did not understand me. Where the property is sold by a donee he must pay a tax on the capital gain, which is calculated as the difference between his sale price and his donor's cost price or the March 1, 1913, value.

Mr. LENROOT. We will take this case then: Suppose a donor has inherited?

Mr. REED of Pennsylvania. Then the value at the instant of the inheritance fixes the cost to the donor. That is his capital allowance.

Mr. LENROOT. I was not clear upon that point, and that is what I wished to ascertain.

Mr. KING. Mr. President, may I inquire of the Senator from Pennsylvania if the principle for which he is contending will continue under the present law?

Mr. REED of Pennsylvania. It is not a principle for which I am contending. It is a clause in the income tax law, which is in the present law and is continued by the House, and we have concurred in it. It will continue in effect.

Mr. KING. Suppose the property has been acquired since 1913. Suppose it was acquired yesterday. For instance, suppose I acquired a piece of property yesterday by gift and I give it to-day to the Senator from Pennsylvania. What tax do I pay and what tax does the Senator pay?

Mr. REED of Pennsylvania. The Senator from Utah would pay no tax at all unless under the gift-tax provision.

Mr. KING. I am assuming that that is eliminated.

Mr. REED of Pennsylvania. If I were to sell it I would relate back my cost value to the Senator's donor's original cost. A series of gifts does not change it. It goes back to the first cost, to the man who first gave value for it.

Mr. KING. With a multiplicity of transactions, the numerous transfers of personal and real estate, particularly in cities such as New York, where transfers of the same piece of property are two or three in the course of a week, does not the Senator see that when three or four or five or six years have gone by we lose track of the original cost price, and it is absolutely impossible, unless we have proofs upon every person and a personnel far in excess of any that we now have, to go back to the original transferor and the original transferee?

Mr. REED of Pennsylvania. The transfers that take place so often are not gifts. Those are sales in the market, and every one of them establishes a new cost basis for the purpose of calculating capital gain. Property is not given two or three times in a week, although real-estate speculators frequently sell it that often. As a matter of practice—and the eating of the pudding after all is the test—the Bureau of Internal Revenue does not have any trouble in enforcing the provision.

Mr. KING. I can not conceive of its being so easily enforced. My opinion is—and that opinion was confirmed by the rather superficial view which we were able to give to real-estate transactions in the Couzens committee—that the provision had lost money to the Government through such real-estate transactions, whether we denominate them gifts in some instances or sales in other instances.

Mr. REED of Pennsylvania. The greatest loss comes from the division of property between husband and wife. I believe we would increase the yield from the income tax 10 per cent if we would put through such a provision as the House adopted in 1921, requiring all husbands and all wives to consolidate their returns. That is the source of the greatest evasion of the income tax to-day. It is infinitely worse than the evasion through tax-exempt securities. Regardless of the local law, whether it is a community State like Louisiana or an old common-law State like Florida, where everything the wife has belongs to the husband, if I were writing the law freely, I would require every husband and wife to consolidate their returns.

Mr. DILL. Mr. President, I was very much interested in the objection which the Senator from Utah [Mr. SMOOT] raised to the amendment proposed by the Senator from Nebraska [Mr. NORRIS], because it showed what was in his mind, as well as in the mind of the Senator from Pennsylvania [Mr. REED]. They immediately opposed it on the ground that the House provision for an inheritance tax would make this an additional kind of tax.

Mr. SMOOT. Estate tax, not inheritance tax.

Mr. DILL. All of which indicates that they have now in mind that they will have to accede to the inheritance-tax provision of the House. In other words, they are thinking now in terms of what the condition of the bill will be when it comes back from conference, and I can not help remarking about it, because it shows that the fear of not having enough revenue is not well grounded. In other words, the fear that is expressed that there will not be enough revenue out of the bill because of cutting off the automobile tax and the admissions tax is not a serious question. The Senators realize that the House is going to insist upon the inheritance-tax provision, and they are thinking in their own minds that they will probably be compelled to accept it. Of course, the Senator from Pennsylvania said he wanted the Senate conferees to stand adamant, but he knows that time is the essence of the situation, and that rather than stand out too long they will accept the provision.

Mr. REED of Pennsylvania. The House is just as anxious to have a tax bill as is the Senate.

Mr. DILL. And the House is much more anxious to have an inheritance tax than the Senate is opposed to having it.

Mr. REED of Pennsylvania. And the Senate is just as able to stand pat as is the House.

Mr. DILL. I do not think, with due deference to the adamant attitude of the conferees on the part of the Senate, that they will stand out very long against the House.

Mr. SMOOT. That is merely the Senator's opinion.

Mr. DILL. Yes; it is the Senator's opinion, and I think it will be borne out when the conference report comes back.

I want to say a word about the justice of the amendment proposed by the Senator from Nebraska. I recognize, as I think everyone must recognize, that a straight inheritance tax is hardly justice to some States that have a very high State inheritance tax. For instance, my own State has a very high inheritance tax on inheritances over $500,000. To leave the same estate or inheritance tax upon the estates in my State as compared with a State like Florida, which has none at all, does seem a heavy burden to place upon my State. The amendment offered by the Senator from Nebraska would seem to meet that situation. According to the amendment proposed by the Senator from Nebraska, the recipient of an inheritance will not be required to turn in as income the inheritance or estate tax that has been taken out by the State authorities, and thus there will be equalized the taxes that are to be paid by the recipients of the inheritance under this kind of an amendment, a condition that would not exist under the ordinary inheritance-tax provision.

The Senator from Utah [Mr. SMOOT], who is extremely clever in creating arguments in defense of his bill, said this would be triple taxation, and then he proceeded to add up different kinds of taxes. While he did that I was thinking of the multiple taxation that we are paying in the country, not in the form of estate taxes, either. I was thinking of the multiple taxation that I paid, for instance, on the suit of clothes that I wear, the multiple taxation that is pyramided in the form of tariff taxes in the country, not only upon all goods that are imported but all of the tariff-protected articles made by domestic concerns. We not only pay the tariff tax, but to every hand through which it passes we pay an additional tax in the form of a profit made by the man who handles it.

The Senator is greatly concerned about what he calls a triple tax on the great estates that run into the millions, but he has no interest in the multiple taxation that falls upon the great mass of the people of the country by virtue of an unjust tariff tax.

The opposition to the amendment of the Senator from Nebraska simply shows that those in charge of the bill are determined, if they can, to prevent great wealth bearing any additional tax at all. That is all it shows. They are opposed to any kind of a tax that would reach those who receive the great inheritances. There is no tax less burdensome than the tax upon the money that goes to a man by descent or by will or by gift. He does absolutely nothing for it except to await the operation of law. When he lives under a government, when he lives in a country in which society is so organized that by the mere operation of law literally thousands and millions of dollars can come to him without effort, in the face of the great war debt upon us and the necessity for raising the billions of dollars that must be raised, I can not understand the spirit of justice that dominates a man's mind who

would continue to tax the small income, continue to tax the things that are needed in every-day life, and take the tax off of the very large fortunes.

Mr. President, I have no doubt but that the amendment of the Senator from Nebraska will be voted down. There is no desire here to discuss this form of taxation. There is only a purpose here to relieve the great estates and the great incomes of the country.

The Senator from Utah said that we had an inheritance tax in time of war. Does he not realize that to-day we are paying $1,250,000,000 in interest on the war debt alone? The Senator from Utah shakes his head.

Mr. SMOOT. Yes; I shake my head because we are not paying that much. The Senator said we are paying $1,250,000,000. We are paying $820,000,000.

Mr. DILL. I am glad it has been cut down so much. That is as much as we were spending to run the whole Government before the war.

Mr. SMOOT. Certainly, and the Senator is no more anxious to get the debt paid than I am.

Mr. DILL. No; but I am more anxious that it shall be paid by great wealth, by the men who have accumulated millions, than I am that the millions of people shall pay it in small amounts.

Mr. SMOOT. There are only four million-odd people who have any tax to pay at all.

Mr. DILL. That is true, and those 4,500,000 have such a large part of the money of the country that they ought to pay even a greater percentage than they do.

Mr. McLEAN. Mr. President, will the Senator permit an interruption?

Mr. DILL. Certainly.

Mr. McLEAN. I have had prepared a statement by the experts of the Treasury Department indicating the total income for 1926 and what proportion goes to those who pay a very large percentage of the tax, and I should like to quote from just one paragraph.

The total individual income of all the people—those making returns and those not—will be for 1926 about $50,000,000,000. That received by those whose net incomes are in excess of $10,000 will be about $5,600,000,000.

Mr. DILL. I did not catch the last statement of the Senator from Connecticut.

Mr. McLEAN. The statement is that the proportion of the incomes received by those whose incomes are in excess of $10,000 will be about $5,400,000,000; that is, about 99¾ per cent of the entire population of the United States, with about 88 per cent of the entire net income, pays less than 10 per cent of the entire income tax, and about one-quarter of 1 per cent of the population, with about 12 per cent of the net income, pays over 90 per cent of the tax.

In other words, Mr. President——

Mr. DILL. Will the Senator give us the number of those who get more than $10,000 a year and how many people actually pay taxes on incomes in excess of that amount?

Mr. McLEAN. I do not remember the exact number; perhaps 300,000.

Mr. REED of Pennsylvania. To what tax does the Senator from Connecticut refer—the surtax?

Mr. McLEAN. The entire income tax.

Mr. DILL. The Senator is giving the percentages, and I want to understand his figures.

Mr. SIMMONS. Under the present law, I want to say to the Senator, about 7,000,000 people file returns.

Mr. McLEAN. I am referring now to those who have incomes in excess of $10,000.

Mr. SIMMONS. Under this bill the number will be about three million and a half less, because of the reduction in the taxes.

Mr. McLEAN. I will complete now the percentages which I am stating, if the Senator will permit me to conclude.

Mr. KING. May I suggest that the Senator shall not overlook the fact that 2 per cent or actually less of the people own more than 50 per cent of the wealth.

Mr. McLEAN. That is not the point I am discussing. I think the Senator's statement is incorrect. I am talking now about the number of people who receive the national income and the percentage that goes to those whose income is less than $10,000. We have fifty billions of income in 1926. How much of it is received by people whose incomes are less than $10,000?

Mr. DILL. And how many pay taxes on incomes in excess of $10,000?

Mr. REED of Pennsylvania. I will give the exact figures. In 1923 the number was 228,267.

Mr. NORRIS. The Senator from Connecticut refers to those receiving that income. Does he mean those who pay the tax?

Mr. McLEAN. I refer to those who pay the tax.

Mr. REED of Pennsylvania. The number of all the income-tax payers is 7,698,321.

Mr. DILL. That is the number of returns?

Mr. REED of Pennsylvania. That is the number of returns filed.

Mr. DILL. And there are about 5,000,000 taxpayers.

Mr. McLEAN. If I may complete this statement I do not care further to interrupt the Senator from Washington. Of $50,000,000,000 total income $44,600,000,000 is received by those whose incomes are less than $10,000, and $5,400,000,000 is received by those whose incomes are in excess of $10,000.

It does not seem to me that that is such an unfair distribution of the national income as the Senator would imply.

Mr. DILL. The Senator from Connecticut quotes figures to show that about 200,000 of 115,000,000 people are paying taxes on five billions of income, as I get his figures. My complaint is that those 200,000 people have such a disproportionate part of the country's wealth and have such a tremendous power over the other 114,800,000 people because of that wealth that they can better afford to pay a larger percentage of the $5,000,000,000, which they have obtained largely by exploitation of the other 114,800,000, than can the common people pay on the incomes they receive.

There is no question but that a few men are collecting enormous incomes. It is true that they are paying the taxes on them; but all I am asking and all that others who agree with me are asking is that these immense fortunes—many of them obtained by unfair practices, many of them built up by special privileges under the law—shall be used in part when those who own them are done with them to pay off the enormous debt that was heaped on us during the World War.

Mr. McLEAN. Will the Senator permit another interruption?

Mr. DILL. Yes.

Mr. McLEAN. Two hundred and thirty thousand people pay 90 per cent of the total income tax.

Mr. DILL. Yes.

Mr. NORRIS. Will the Senator give those figures again where he referred to 12 per cent?

Mr. McLEAN. About one-fourth of 1 per cent of the population, with about 12 per cent of the net income, pays 90 per cent of the tax. I think we are taxing them pretty well under existing circumstances.

Mr. DILL. The Senator is quoting the figures of the inheritance taxes we have had and of the high brackets of the income taxes we have had; but this bill proposes to remove those taxes.

Mr. SMOOT. This bill proposes just the other way, to relieve 2,350,000 people from all taxes.

Mr. DILL. Who only pay $20,000,000.

Mr. SMOOT. Then the percentage will be changed that much.

Mr. McLEAN. The estimates I have given are based on the income taxes imposed in the pending bill.

Mr. DILL. I understood the Senator to be referring to what had been the case.

Mr. McLEAN. I am talking about what will happen if this bill shall pass; and I should like to repeat, if the Senator will permit me, that out of $50,000,000,000 income received by the American people $44,600,000,000 of it goes to people who receive less than $10,000 a year.

Mr. NORRIS. I should like to understand that.

Mr. McLEAN. That much of the total national income is paid to those who receive less than $10,000.

Mr. NORRIS. The Senator does not mean to say that the men who have big incomes pay their incomes to those who have little incomes; does he? I want to get the idea of the Senator.

Mr. McLEAN. I will try to make it plain.

Mr. NORRIS. I hope so.

Mr. McLEAN. Because I think these figures are rather interesting.

Mr. NORRIS. Yes; they are. And I am going to analyze them when I get the floor again.

Mr. McLEAN. I assume they are fairly correct, because they were given to me by the gentlemen who make it a business to make these estimates, and they may be considered as fairly accurate.

The total income of the American people in 1926 will be $50,000,000,000, and of that sum $44,600,000,000 will be received by people whose incomes are less than $10,000. The remainder, $5,400,000,000, will be received by those whose incomes are in

excess of $10,000. That leaves about one-quarter of 1 per cent of the population, who get about 12 per cent of the income, and they pay 90 per cent of the income tax.

Mr. DILL. One-fourth of 1 per cent of the population receive 12 per cent of the income?

Mr. McLEAN. They receive 12 per cent of the net income, and they pay 90 per cent of the income tax.

Mr. NORRIS. Mr. President, may I interrupt the Senator from Washington?

Mr. DILL. Yes, sir.

Mr. NORRIS. I want to ask the Senator from Washington if he does not think that the figures just given practically demonstrate that we are already coming to the point where the wealth of the country is being concentrated in a few hands?

Mr. DILL. If I had searched for an argument in behalf of taxing great concentrated wealth, I could not have found any better one than the Senator from Connecticut has furnished to me. When we have reached the stage in this country of concentrated capital to the extent that such a few men have such a tremendous income, while all the rest of the 114,000,000 have the remainder——

Mr. SMOOT. Do babies have incomes?

Mr. DILL. Babies are a heavy expense on the men who receive the incomes.

Mr. SMOOT. That is not what the Senator said.

Mr. DILL. I am thinking of the babies of the poor people whose incomes are under $1,500 and $2,000 a year. I am thinking of the burden that is laid on the families who can not take proper care of their babies; and I want, so far as I can, to have legislation enacted that will burden the men with the millions rather than burden the millions who have no money at all.

Mr. NORRIS. What right has the Senator to think of those people? He ought to think of those who have incomes of over $100,000, who are especially favored by this bill.

Mr. DILL. I recognize that to speak of this is lese majeste, so far as those who wrote this bill are concerned; but I dare to think of them, and I dare to talk for them, because they do not get enough attention in this Chamber.

Mr. HOWELL. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. DILL. I yield.

Mr. HOWELL. I think in connection with the figures which have been given that this fact should be kept in mind, namely, that 5,694 taxpayers, according to the 1925 returns, enjoyed incomes of $100,000 or more; that this class receive a reduction of income taxes of $120,500,000; and that all the remainder of the people of the United States receive a reduction in income taxes of but $98,500,000.

Furthermore, the estates of those who belonged to this class in life will be relieved of $90,000,000 this year out of a reduction of $150,000,000; in other words, 5,694 taxpayers, or the class to which they belonged, will enjoy a reduction of estate taxes to the extent of $90,000,000, while all the remainder of the people enjoy a reduction to the extent of $60,000,000.

Mr. SIMMONS. What is the Senator talking about? Is he talking about the income-tax reductions?

Mr. HOWELL. No; I am talking now about estate taxes. Furthermore, under this bill rebates go to those who have paid estate taxes or who owe deferred payments to the extent of $100,000,000, and $60,000,000 of that amount goes to those who belonged to this 5,694 class in life.

Then, as to the gift taxes, about four and one-half million dollars were paid by that class; but those taxes are to be repealed, so that to this class of 5,694 the total reduction under this bill amounts to $275,000,000, while to all the remainder of the people of the United States but $201,500,000.

Mr. SIMMONS. Mr. President, the Senator is talking about the taxpayers under the income tax and applying the number of income taxpayers to the inheritance taxpayers.

Mr. HOWELL. Mr. President, I went into the statistics of the inheritance taxes, and I found the percentage that had been paid by estates, the owners of which in life were in that 5,694 class. That is upon what my estimates are based. I stated the other day that this was a millionaire tax bill; it is a multimillionaire tax bill, and it will go down in history as such, at least as it passes the Senate.

Mr. McLEAN. It is, in the sense that they pay the greater percentage of the income tax.

Mr. SIMMONS. Mr. President, the Senator's figures are right as to the number of taxpayers if he is talking about the income-tax. If he is talking about the estate tax, his figures are altogether wrong. In 1924 the total number of people in this country who paid an estate tax was 13,709, and 6,452 of those people paid an inheritance tax on estates under $50,000—half of them.

Mr. HOWELL. Mr. President, the Senator did not understand my statement.

Mr. SIMMONS. I was reading from the record.

Mr. HOWELL. Certain of these estate taxes were paid by those who in life had $100,000 or more income.

Mr. SMOOT. They are alive yet.

Mr. HOWELL. I am talking about those who paid estate taxes in the past. I am speaking of this class that had an income during life in excess of $100,000. I am taking that class and I am applying these calculations. The statement made by the Senator from North Carolina shows a misunderstanding of my argument.

Mr. SIMMONS. I now see the point the Senator was making. I did not understand him before.

Mr. DILL. Mr. President, I want to say one other thing about the taxing of those with great wealth and the taxing of great estates. My attitude in regard to levying higher taxes on great wealth is not prompted by any enmity to those who have great wealth. I am glad that they have the ability to make large sums of money honestly in this country, and I do not desire to punish men who make large sums of money honestly; but I think there is another angle to the justice of what men do for their country, both in times of war and in times of peace.

There is a great wave of sentiment going over this country and over the world against war, and my greatest ground for hope that war will be deferred, for a while at least, is that the great financial interests of this country do not want war. There are two reasons why they do not want war. One is that they are making so much money out of peace, and the other is that they recognize that another World War might bring about the overturning of the organized governments of other countries and bring about such a condition as we find in Russia; and so long as the great financial interests are against war you need not fear that the people will get us into war.

Mr. REED of Pennsylvania. Mr. President, does the Senator think that any sane man in the United States wanted war in 1914?

Mr. DILL. I do not think any sane man in the United States wanted war in 1914, but I think a lot of sane men were willing to put their money into the war, and when it was necessary to have war to protect their money they would rather have war than to lose their money. I think that; and I want to say to the Senator from Pennsylvania that I believe if we had prohibited American citizens from loaning money to any European belligerent in the early days of the war we could have stayed out of that war. I think it was money that caused us to have interests over there first, and then we were led into it by the force of circumstances that developed later.

Mr. REED of Pennsylvania. The Senator thinks it is a matter of indifference that Germany murdered a large number of our women and children on the *Lusitania*, does he?

Mr. DILL. I notice that it was a matter of such indifference that we did not go to war about it.

Mr. REED of Pennsylvania. I notice that some of us did not.

Mr. DILL. We did not go to war until they threatened to sink certain ships, and said that we had to paint them in a certain way.

Mr. SMOOT. Not until after the election.

Mr. DILL. The Senator can not tell me very much about the history of how the war started. I was in the House of Representatives, and I voted against it, and I know something about it. I want to say to you that the worst humbug that was put over about the war was that we went to war because of the invasion of Belgium or the sinking of the *Lusitania*. We did not go to war over that. The American people voted for and reelected President Wilson because he did not go to war over it, and every man in this Chamber knows it. We went to war because our commerce was interfered with, and the President and a majority of the Congress thought that was sufficient reason to go in. If Germany had not issued her ultimatum regarding ships sailing to England, I doubt whether we would have gone in for many months, if at all. It was a commercial thing that brought about our action, and not the murdering of the women and children on the *Lusitania*. We did not go to war over that. Instead, that enabled Mr. Wilson to be reelected President as the man who kept us out of war.

Mr. REED of Pennsylvania. Does not the Senator think we should have gone to war when the *Lusitania* was sunk?

Mr. DILL. I want to say to the Senator, that if we had any cause at all that was the cause, and then was when we should have gone in.

Mr. REED of Pennsylvania. Does not the Senator think that was sufficient cause?

Mr. DILL. I do not know that I care to go into a discussion of that, but I will say that I think we ought to have kept the women and children off of the *Lusitania*, so that that situation never could have arisen. I do not believe it was right to allow a belligerent to put women and children on a ship to insure the gunpowder and the ammunition on that ship.

Mr. REED of Pennsylvania. Once they were on, does the Senator think we should permit them to be murdered without actively resenting it?

Mr. DILL. The American people thought it was all right not to go to war when they reelected Mr. Wilson for not going to war.

Mr. REED of Pennsylvania. The Senator knows that that was only one of the reasons why Mr. Wilson was reelected.

Mr. DILL. I know that that was the argument that carried the West, and it was the West that reelected Mr. Wilson.

Mr. REED of Pennsylvania. Then, does the Senator mean that Mr. Wilson broke faith with the West?

Mr. DILL. I am not going to discuss that phase of it. Mr. Wilson had his reasons and the Congress had its reasons, and they were new reasons that developed after the election.

Mr. REED of Pennsylvania. They developed between the election and the inauguration, did they?

Mr. DILL. I think so.

Mr. KING. Mr. President, will the Senator yield?

Mr. DILL. Yes.

Mr. KING. I am inclined to think that the questions of the Senator from Pennsylvania do not comprehend the entire field or envisage the entire situation. I think that a majority of the American people were not ready, were not willing to support a declaration of war until a resolution of that kind finally was offered; and I notice that there was not a single Republican—I do not want to make this a partisan discussion, but if Senators want to we will make it such—who offered a resolution either in the House or in the Senate in favor of a declaration of war. They saw the *Lusitania* sunk; they saw other ships sunk and Americans murdered upon the high seas, and not a single Republican offered a resolution in favor of a declaration of war; and I am finding no fault. Do not misunderstand me.

Mr. REED of Pennsylvania. I think I remember a Republican named Roosevelt who had something to say at the time.

Mr. KING. The Senator now is distorting what I said, or misinterpreting it. I said there was not a single Republican in the House or in the Senate who offered a resolution in favor of a declaration of war. The Senator knows, because he is a great lawyer—one of the greatest and one of the ablest men, I think, in the United States—that the President of the United States can not declare war.

Mr. REED of Pennsylvania. I surrender, Mr. President. [Laughter.]

Mr. KING. I am glad that I have one hostage and one captive.

Mr. DILL. Mr. President——

Mr. KING. Let me complete my sentence. The Senator knows, as a great lawyer, that the power does not rest in the Executive to declare war. It rests in the Congress of the United States; and I repeat that in my judgment the American people were not willing to have a declaration of war at an earlier period than that when it was declared by the Congress of the United States. President Wilson followed public sentiment, I think with a desire to know what the public desired, and yet at the same time to follow his own conscience; and I think that if he had sought to project our country into war at an earlier period there would not have been that unanimity which existed when finally he sent his message to Congress, and the resolution declaring war was adopted.

I thank the Senator from Washington for yielding to me.

Mr. WATSON. Mr. President, does the Senator from Utah agree with the Senator from Washington that in going to war we were actuated wholly by commercial motives?

Mr. DILL. I did not so state.

Mr. KING. I did not interpret the remarks of the Senator to mean that at all.

Mr. DILL. I did not so state.

Mr. KING. I am sure the Senator did not mean that.

Mr. WATSON. I understood his remarks to mean just that.

Mr. DILL. I said that the act which took us into war was that Germany threatened to blow up our ships on the high seas, and wanted us to stop carrying commerce to one set of belligerents.

Mr. WATSON. And it was commercial?

Mr. DILL. It was commercial.

Mr. WATSON. Yes; there you are.

Mr. DILL. That was the commercial reason.

Mr. KING. Mr. President, I do not think the Senator there is fair, if he will pardon me.

Mr. SWANSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Virginia?

Mr. DILL. Mr. President, I had the floor on this matter, and I am not going to have my words distorted here. I am willing to take the responsibility for anything I say on the floor, as I took the responsibility for my vote against the war at the time it came, and then supported the war when we got into it. I said that the immediate cause of the rupture of relations with Germany was the ukase of the German Government that we could not send our ships to sea without painting them like barber poles.

Mr. WATSON. And did not the Senator further say that if we had not lent money to Europe we never would have gone into the war?

Mr. DILL. I said that if we had not lent our money to Europe in the beginning we never would have gotten into the condition that would have brought about this situation.

Mr. REED of Pennsylvania. Can the Senator tell us how much we loaned to belligerents?

Mr. DILL. No; I do not know the amount.

Mr. REED of Pennsylvania. It was less than $2,000,000,000; was it not?

Mr. DILL. I do not know the amount.

Mr. REED of Pennsylvania. And does the Senator think we went into a war that cost us over $50,000,000,000 in order to save $2,000,000,000?

Mr. DILL. No; we did not; but I said if we had not started that way we would not have gotten into it. After you get a ball rolling, it gains momentum.

Mr. SWANSON. Mr. President, will the Senator yield to me?

Mr. DILL. Yes.

Mr. SWANSON. I want to resent the imputation that comes from the other side that President Wilson changed his policy after the election from what it was before the election. There is not a word of truth in it. It is a slander on a patriotic man.

President Wilson in his notes gave notice to the German Government as to what the result would be if they resumed unrestricted submarine warfare. The Lansing note, the Bryan note, and the others indicated that if Germany resumed unrestricted submarine warfare the United States would not submit to it. On the 1st of February after his election Germany resumed unrestricted submarine warfare. She marked out a war zone 600 miles west of Ireland to the Arctic Circle and including the entire Mediterranean Sea and served notice that any ship that was found in that war zone for any purpose would be sunk, regardless of its purpose or its flag. Three hundred and six American sailors and citizens were destroyed after that; ships were sunk; and President Wilson called Congress in extra session to defend American honor, the American flag, American integrity, and the freedom of the seas, and Congress responded.

As has been well said by the Senator from Utah, a declaration of war is made by Congress. What Republican in the Senate or the House offered a resolution for a declaration of war? Name him. Mr. Roosevelt could not declare war. No man except a Member of Congress could offer the resolution in Congress; and if war ought to have been declared earlier, why was it that the Republican Party was recreant to its desires in not offering such a resolution in Congress.

Mr. DILL. Mr. President, I want to say to the Senator from Virginia that I did not say that President Wilson changed his policy.

Mr. SWANSON. The Senator did not, but the Senator from Pennsylvania implied that he did. I noticed what the Senator said.

Mr. WATSON. Mr. President——

Mr. SWANSON. The Senator from Indiana——

Mr. WATSON. Oh, no; the Senator from Indiana said nothing about it at all.

Mr. SWANSON. Well, that was the implication——

Mr. WATSON. No; not the implication.

Mr. SWANSON. That it was entirely for commercial purposes.

Mr. WATSON. I was repeating what the Senator from Washington said.

Mr. DILL. I did not say it was entirely for commercial purposes, but that the immediate cause of the declaration of war was the threat against our ships of commerce.

Mr. WATSON. The Senator from Washington and the Senator from Virginia have had a delightful joint debate on this subject, and have not agreed at all on the subject matter. That is to say, my friend from Washington insists that if we had not lent money to Europe we would not have gone into the war, and the Senator from Virginia now insists that we went into the war for the purpose for which I say we went into the war, and in that I agree with him—to protect American rights.

Mr. SWANSON. To protect American rights commercially, and because in the war zone marked out on the seas by Germany more than three-fourths of the commerce of the world passes.

Mr. WATSON. I understand that entirely.

Mr. SWANSON. That was to stop, under that decree. President Wilson would have been recreant to the notes he gave to Germany and recreant to his duty as President of the United States, when Germany resumed unrestricted submarine warfare, if he had not asked for the declaration of war from Congress.

He took account of the commercial situation; he defended the flag from a sense of honor. Three-fourths of the commerce of the world and the freedom of the seas were ordered by Germany to be interfered with while she conducted her warfare for supremacy in Europe.

Mr. WATSON. Mr. President, I am in entire harmony with the thought announced by the Senator from Virginia, and I find myself in entire disagreement with the ideas expressed by my friend from Washington. But the Senator from Washington, who stated, in substance, that the late war was a commercial war and that if we had not loaned the money to Europeans, we would not have gone in——

Mr. DILL. I said that if we had not loaned money to Europe the agitation that was started by that would not have occurred, and I do not think we would have gotten into the war. I do not say it was in consequence of that alone, but I say that was the beginning, and I remember that at that time speeches were made in the Senate protesting against permitting American citizens to lend money to European countries, at the beginning of the war; and I think that if that had been done the history of that period might have been different.

Mr. WATSON. Will the Senator yield to me for one further observation?

Mr. DILL. Yes.

Mr. WATSON. Inasmuch as the Senator from Virginia has mentioned the fact of the President changing his mind, with which I find no fault, conditions having changed so as to cause him to change his mind, I remember very well when the President came before the Senate and stated that he had sent an identic note to each of the nations at war, asking the nations if they would kindly inform him what the war was about, and that afterwards he came back and said each nation had answered, and that after he had received those answers he did not know what the war was about; and within 30 days from that time he called Congress together to declare war, because it was a war to make the world safe for democracy. If it was a war to make the world safe for democracy when he called Congress into special session to declare war, it was at all times a war to make the world safe for democracy.

Mr. SWANSON. Mr. President, will the Senator yield to me again?

Mr. DILL. I am not going to yield very much longer. I did not intend to stir up the war spirit.

Mr. SWANSON. The Senator from Indiana has now disclosed what I knew was in his mind, though he did not express it so fully before. He tried to imply that Wilson changed his mind in regard to the war. I take the position that Wilson was consistent from the beginning. He insisted in the notes sent by Lansing and Bryan that if Germany resumed unrestricted submarine warfare and sunk American ships bent on honorable purposes, sailing from one neutral port to another, Germany might expect the United States to resent it. The 1st of February, when Germany resumed unrestricted submarine warfare, though there was an intimation that she would do it, Wilson insisted on carrying out what was included in all his notes given to the German Government.

As I asked before, would any Senator here have submitted to that resumption of unrestricted submarine warfare which began on the 1st of February? Three-fourths of the commerce of the world passed through certain lanes on the ocean. Germany assumed control of those lanes of commerce and said that American commerce should be driven off them, and 306 Americans had been killed and ships to the extent of 300,000 tons had been sunk. I say there was no change of policy; and if Republicans had been anxious to go into the war prior to that time, why did they not offer a resolution?

Mr. SWANSON subsequently said: Mr. President, I have here the address of President Wilson of February 3 to the Congress, together with his address of April 2, and I ask unanimous consent that they be printed in the RECORD following my remarks.

Mr. MOSES. I think the Senator ought also to have printed the speech delivered by the President in Philadelphia immediately after the sinking of the *Lusitania*.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia?

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS OF THE PRESIDENT OF THE UNITED STATES DELIVERED AT A JOINT SESSION OF THE TWO HOUSES OF CONGRESS FEBRUARY 3, 1917

Gentlemen of the Congress, the Imperial German Government on the 31st of January announced to this Government and to the governments of the other neutral nations that on and after the 1st day of February, the present month, it would adopt a policy with regard to the use of submarines against all shipping seeking to pass through certain designated areas of the high seas to which it is clearly my duty to call your attention.

Let me remind the Congress that on the 18th of April last, in view of the sinking on the 24th of March of the cross-channel passenger steamer *Sussex* by a German submarine, without summons or warning, and the consequent loss of the lives of several citizens of the United States who were passengers aboard her, this Government addressed a note to the Imperial German Government, in which it made the following declaration:

"If it is still the purpose of the Imperial Government to prosecute relentless and indiscriminate warfare against vessels of commerce by the use of submarines without regard to what the Government of the United States must consider the sacred and indisputable rules of international law and the universally recognized dictates of humanity, the Government of the United States is at last forced to the conclusion that there is but one course it can pursue. Unless the Imperial Government should now immediately declare and effect an abandonment of its present methods of submarine warfare against passenger and freight carrying vessels, the Government of the United States can have no choice but to sever diplomatic relations with the German Empire altogether."

In reply to this declaration the Imperial German Government gave this Government the following assurance:

"The German Government is prepared to do its utmost to confine the operations of war for the rest of its duration to the fighting forces of the belligerents, thereby also insuring the freedom of the seas, a principle upon which the German Government believes, now as before, to be in agreement with the Government of the United States.

"The German Government, guided by this idea, notifies the Government of the United States that the German naval forces have received the following orders: In accordance with the general principles of visit and search and destruction of merchant vessels recognized by international law, such vessels, both within and without the area declared as naval war zone, shall not be sunk without warning and without saving human lives, unless these ships attempt to escape or offer resistance.

"But," it added, "neutrals can not expect that Germany, forced to fight for her existence, shall, for the sake of neutral interest, restrict the use of an effective weapon if her enemy is permitted to continue to apply at will methods of warfare violating the rules of international law. Such a demand would be incompatible with the character of neutrality, and the German Government is convinced that the Government of the United States does not think of making such a demand, knowing that the Government of the United States has repeatedly declared that it is determined to restore the principle of the freedom of the seas, from whatever quarter it has been violated."

To this the Government of the United States replied on the 8th of May, accepting, of course, the assurances given, but adding:

"The Government of the United States feels it necessary to state that it takes it for granted that the Imperial German Government does not intend to imply that the maintenance of its newly announced policy is in any way contingent upon the course or result of diplomatic negotiations between the Government of the United States and any other belligerent government, notwithstanding the fact that certain passages in the Imperial Government's note of the 4th instant might appear to be susceptible of that construction. In order, however, to avoid any possible misunderstanding, the Government of the United States notifies the Imperial Government that it can not for a

moment entertain, much less discuss, a suggestion that respect by German naval authorities for the rights of citizens of the United States upon the high seas should in any way or in the slightest degree be made contingent upon the conduct of any other government affecting the rights of neutrals and noncombatants. Responsibility in such matters is single, not joint; absolute, not relative."

To this note of the 8th of May the Imperial German Government made no reply.

On the 31st of January, the Wednesday of the present week, the German ambassador handed to the Secretary of State, along with a formal note, a memorandum which contains the following statement:

"The Imperial Government, therefore, does not doubt that the Government of the United States will understand the situation thus forced upon Germany by the Entente Allies' brutal methods of war and by their determination to destroy the Central Powers, and that the Government of the United States will further realize that the now openly disclosed intentions of the Entente Allies give back to Germany the freedom of action which she reserved in her note addressed to the Government of the United States on May 4, 1916.

"Under these circumstances Germany will meet the illegal measures of her enemies by forcibly preventing after February 1, 1917, in a zone around Great Britain, France, Italy, and in the eastern Mediterranean all navigation, that of neutrals included, from and to England and from and to France, etc., etc. All ships met within the zone will be sunk."

I think that you will agree with me that, in view of this declaration, which suddenly and without prior intimation of any kind deliberately withdraws the solemn assurance given in the Imperial Government's note of the 4th of May, 1916, this Government has no alternative consistent with the dignity and honor of the United States but to take the course which, in its note of the 18th of April, 1916, it announced that it would take in the event that the German Government did not declare and effect an abandonment of the methods of submarine warfare which it was then employing and to which it now purposes again to resort.

I have, therefore, directed the Secretary of State to announce to his excellency the German ambassador that all diplomatic relations between the United States and the German Empire are severed, and that the American ambassador at Berlin will immediately be withdrawn; and, in accordance with this decision, to hand to his excellency his passports.

Notwithstanding this unexpected action of the German Government, this sudden and deeply deplorable renunciation of its assurances, given this Government at one of the most critical moments of tension in the relations of the two governments, I refuse to believe that it is the intention of the German authorities to do in fact what they have warned us they will feel at liberty to do. I can not bring myself to believe that they will indeed pay no regard to the ancient friendship between their people and our own or to the solemn obligations which have been exchanged between them and destroy American ships and take the lives of American citizens in the wilful prosecution of the ruthless naval program they have announced their intention to adopt. Only actual overt acts on their part can make me believe it even now.

If this inveterate confidence on my part in the sobriety and prudent foresight of their purpose should unhappily prove unfounded; if American ships and American lives should in fact be sacrificed by their naval commanders in heedless contravention of the just and reasonable understandings of international law and the obvious dictates of humanity, I shall take the liberty of coming again before the Congress to ask that authority be given me to use any means that may be necessary for the protection of our seamen and our people in the prosecution of their peaceful and legitimate errands on the high seas. I can do nothing less. I take it for granted that all neutral governments will take the same course.

We do not desire any hostile conflict with the Imperial German Government. We are the sincere friends of the German people and earnestly desire to remain at peace with the Government which speaks for them. We shall not believe that they are hostile to us unless and until we are obliged to believe it; and we purpose nothing more than the reasonable defense of the undoubted rights of our people. We wish to serve no selfish ends. We seek merely to stand true alike in thought and in action to the immemorial principles of our people which I sought to express in my address to the Senate only two weeks ago—seek merely to vindicate our right to liberty and justice and an unmolested life. These are the bases of peace, not war. God grant we may not be challenged to defend them by acts of wilful injustice on the part of the Government of Germany!

ADDRESS OF THE PRESIDENT OF THE UNITED STATES DELIVERED AT A JOINT SESSION OF THE TWO HOUSES OF CONGRESS APRIL 2, 1917

Gentlemen of the Congress, I have called the Congress into extraordinary session because there are serious, very serious, choices of policy to be made, and made immediately, which it was neither right nor constitutionally permissible that I should assume the responsibility of making.

On the 3d of February last I officially laid before you the extraordinary announcement of the Imperial German Government that on and after the 1st day of February it was its purpose to put aside all restraints of law or of humanity and use its submarines to sink every vessel that sought to approach either the ports of Great Britain and Ireland or the western coasts of Europe or any of the ports controlled by the enemies of Germany within the Mediterranean. That had seemed to be the object of the German submarine warfare earlier in the war, but since April of last year the Imperial Government had somewhat restrained the commanders of its undersea craft in conformity with its promise then given to us that passenger boats should not be sunk and that due warning would be given to all other vessels which its submarines might seek to destroy, when no resistance was offered or escape attempted, and care taken that their crews were given at least a fair chance to save their lives in their open boats. The precautions taken were meager and haphazard enough, as was proved in distressing instance after instance in the progress of the cruel and unmanly business, but a certain degree of restraint was observed. The new policy has swept every restriction aside. Vessels of every kind, whatever their flag, their character, their cargo, their destination, their errand, have been ruthlessly sent to the bottom without warning and without thought of help or mercy for those on board, the vessels of friendly neutrals along with those of belligerents. Even hospital ships and ships carrying relief to the sorely bereaved and stricken people of Belgium, though the latter were provided with safe conduct through the proscribed areas by the German Government itself and were distinguished by unmistakable marks of identity, have been sunk with the same reckless lack of compassion or of principle.

I was for a little while unable to believe that such things would in fact be done by any government that had hitherto subscribed to the humane practices of civilized nations. International law had its origin in the attempt to set up some law which would be respected and observed upon the seas, where no nation had right of dominion and where lay the free highways of the world. By painful stage after stage has that law been built up, with meager enough results, indeed, after all was accomplished that could be accomplished, but always with a clear view, at least, of what the heart and conscience of mankind demanded. This minimum of right the German Government has swept aside under the plea of retaliation and necessity and because it had no weapons which it could use at sea except these which it is impossible to employ as it is employing them without throwing to the winds all scruples of humanity or of respect for the understandings that were supposed to underlie the intercourse of the world. I am not now thinking of the loss of property involved, immense and serious as that is, but only of the wanton and wholesale destruction of the lives of noncombatants, men, women, and children, engaged in pursuits which have always, even in the darkest periods of modern history, been deemed innocent and legitimate. Property can be paid for; the lives of peaceful and innocent people can not be. The present German submarine warfare against commerce is a warfare against mankind.

It is a war against all nations. American ships have been sunk, American lives taken, in ways which it has stirred us very deeply to learn of, but the ships and people of other neutral and friendly nations have been sunk and overwhelmed in the waters in the same way. There has been no discrimination. The challenge is to all mankind. Each nation must decide for itself how it will meet it. The choice we make for ourselves must be made with a moderation of counsel and a temperateness of judgment befitting our character and our motives as a Nation. We must put excited feeling away. Our motive will not be revenge or the victorious assertion of the physical might of the Nation, but only the vindication of right, of human right, of which we are only a single champion.

When I addressed the Congress on the 26th of February last I thought that it would suffice to assert our neutral rights with arms, our right to use the seas against unlawful interference, our right to keep our people safe against unlawful violence. But armed neutrality, it now appears, is impracticable. Because submarines are in effect outlaws when used as the German submarines have been used against merchant shipping, it is impossible to defend ships against their attacks as the law of nations has assumed that merchantmen would defend themselves against privateers or cruisers, visible craft giving chase upon the open sea. It is common prudence in such circumstances, grim necessity, indeed, to endeavor to destroy them before they have shown their own intention. They must be dealt with upon sight, if dealt with at all. The German Government denies the right of neutrals to use arms at all within the areas of the sea which it has proscribed, even in the defense of rights which no modern publicist has ever before questioned their right to defend. The intimation is conveyed that the armed guards which we have placed on our merchant ships will be treated as beyond the pale of law and subject to be dealt with as pirates would be. Armed neutrality is ineffectual enough at best; in such circumstances and in the face of such pretensions it is worse than ineffectual; it is likely only to produce what it was meant to prevent; it is practically certain to draw us into the war without either the rights or the effectiveness of belligerents. There is one choice we can not make, we are incapable of making: We will not

choose the path of submission and suffer the most sacred rights of our Nation and our people to be ignored or violated. The wrongs against which we now array ourselves are no common wrongs; they cut to the very roots of human life.

With a profound sense of the solemn and even tragical character of the step I am taking and of the grave responsibilities which it involves, but in unhesitating obedience to what I deem my constitutional duty, I advise that the Congress declare the recent course of the Imperial German Government to be in fact nothing less than war against the Government and people of the United States; that it formally accept the status of belligerent which has thus been thrust upon it; and that it take immediate steps not only to put the country in a more thorough state of defense but also to exert all its power and employ all its resources to bring the Government of the German Empire to terms and end the war.

What this will involve is clear. It will involve the utmost practicable cooperation in counsel and action with the governments now at war with Germany, and, as incident to that, the extension to those governments of the most liberal financial credits, in order that our resources may so far as possible be added to theirs. It will involve the organization and mobilization of all the material resources of the country to supply the materials of war and serve the incidental needs of the Nation in the most abundant and yet the most economical and efficient way possible. It will involve the immediate full equipment of the Navy in all respects, but particularly in supplying it with the best means of dealing with the enemy's submarines. It will involve the immediate addition to the armed forces of the United States already provided for by law in case of war at least 500,000 men, who should, in my opinion, be chosen upon the principle of universal liability to service, and also the authorization of subsequent additional increments of equal force so soon as they may be needed and can be handled in training. It will involve also, of course, the granting of adequate credits to the Government, sustained, I hope, so far as they can equitably be sustained by the present generation, by well-conceived taxation.

I say sustained so far as may be equitable by taxation, because it seems to me that it would be most unwise to base the credits which will now be necessary entirely on money borrowed. It is our duty, I most respectfully urge, to protect our people so far as we may against the very serious hardships and evils which would be likely to arise out of the inflation which would be produced by vast loans.

In carrying out the measures by which these things are to be accomplished we should keep constantly in mind the wisdom of interfering as little as possible in our own preparation and in the equipment of our own military forces with the duty—for it will be a very practical duty—of supplying the nations already at war with Germany with the materials which they can obtain only from us or by our assistance. They are in the field and we should help them in every way to be effective there.

I shall take the liberty of suggesting, through the several executive departments of the Government, for the consideration of your committees, measures for the accomplishment of the several objects I have mentioned. I hope that it will be your pleasure to deal with them as having been framed after very careful thought by the branch of the Government upon which the responsibility of conducting the war and safeguarding the Nation will most directly fall.

While we do these things, these deeply momentous things, let us be very clear, and make very clear to all the world what our motives and our objects are. My own thought has not been driven from its habitual and normal course by the unhappy events of the last two months, and I do not believe that the thought of the Nation has been altered or clouded by them. I have exactly the same things in mind now that I had in mind when I addressed the Senate on the 22d of January last; the same that I had in mind when I addressed the Congress on the 3d of February and on the 26th of February. Our object now, as then, is to vindicate the principles of peace and justice in the life of the world as against selfish and autocratic power and to set up amongst the really free and self-governed peoples of the world such a concert of purpose and of action as will henceforth insure the observance of those principles. Neutrality is no longer feasible or desirable where the peace of the world is involved and the freedom of its peoples, and the menace to that peace and freedom lies in the existence of autocratic governments backed by organized force which is controlled wholly by their will, not by the will of their people. We have seen the last of neutrality in such circumstances. We are at the beginning of an age in which it will be insisted that the same standards of conduct and of responsibility for wrong done shall be observed among nations and their governments that are observed among the individual citizens of civilized states.

We have no quarrel with the German people. We have no feeling toward them but one of sympathy and friendship. It was not upon their impulse that their Government acted in entering this war. It was not with their previous knowledge or approval. It was a war determined upon as wars used to be determined upon in the old, unhappy days when peoples were nowhere consulted by their rulers and wars were provoked and waged in the interest of dynasties or of little groups of ambitious men who were accustomed to use their fellow men as pawns and tools. Self-governed nations do not fill their neighbor states with spies or set the course of intrigue to bring about some critical posture of affairs which will give them an opportunity to strike and make conquest. Such designs can be successfully worked out only under cover and where no one has the right to ask questions. Cunningly contrived plans of deception or aggression, carried, it may be, from generation to generation, can be worked out and kept from the light only within the privacy of courts or behind the carefully guarded confidences of a narrow and privileged class. They are happily impossible where public opinion commands and insists upon full information concerning all the nation's affairs.

A steadfast concert for peace can never be maintained except by a partnership of democratic nations. No autocratic government could be trusted to keep faith within it or observe its covenants. It must be a league of honor, a partnership of opinion. Intrigue would eat its vitals away; the plottings of inner circles who could plan what they would and render account to no one would be a corruption seated at its very heart. Only free peoples can hold their purpose and their honor steady to a common end and prefer the interests of mankind to any narrow interest of their own.

Does not every American feel that assurance has been added to our hope for the future peace of the world by the wonderful and heartening things that have been happening within the last few weeks in Russia? Russia was known by those who knew it best to have been always in fact democratic at heart, in all the vital habits of her thought, in all the intimate relationships of her people that spoke their natural instinct, their habitual attitude toward life. The autocracy that crowned the summit of her political structure, long as it had stood and terrible as was the reality of its power, was not in fact Russian in origin, character, or purpose; and now it has been shaken off and the great, generous Russian people have been added in all their naïve majesty and might to the forces that are fighting for freedom in the world, for justice, and for peace. Here is a fit partner for a league of honor.

One of the things that has served to convince us that the Prussian autocracy was not and could never be our friend is that from the very outset of the present war it has filled our unsuspecting communities and even our offices of government with spies and set criminal intrigues everywhere afoot against our national unity of counsel, our peace within and without, our industries, and our commerce. Indeed, it is now evident that its spies were here even before the war began; and it is unhappily not a matter of conjecture but a fact proved in our courts of justice that the intrigues which have more than once come perilously near to disturbing the peace and dislocating the industries of the country have been carried on at the instigation, with the support, and even under the personal direction of official agents of the Imperial Government accredited to the Government of the United States. Even in checking these things and trying to extirpate them we have sought to put the most generous interpretation possible upon them because we knew that their source lay, not in any hostile feeling or purpose of the German people toward us (who were, no doubt, as ignorant of them as we ourselves were), but only in the selfish designs of a Government that did what it pleased and told its people nothing. But they have played their part in serving to convince us at last that that Government entertains no real friendship for us and means to act against our peace and security at its convenience. That it means to stir up enemies against us at our very doors the intercepted note to the German minister at Mexico City is eloquent evidence.

We are accepting this challenge of hostile purpose because we know that in such a government, following such methods, we can never have a friend; and that in the presence of its organized power, always lying in wait to accomplish we know not what purpose, there can be no assured security for the democratic governments of the world. We are now about to accept gauge of battle with this natural foe to liberty and shall, if necessary, spend the whole force of the Nation to check and nullify its pretensions and its power. We are glad, now that we see the facts with no veil of false pretense about them, to fight thus for the ultimate peace of the world and for the liberation of its peoples, the German peoples included; for the rights of nations great and small and the privilege of men everywhere to choose their way of life and of obedience. The world must be made safe for democracy. Its peace must be planted upon the tested foundations of political liberty. We have no selfish ends to serve. We desire no conquest, no dominion. We seek no indemnities for ourselves, no material compensation for the sacrifices we shall freely make. We are but one of the champions of the rights of mankind. We shall be satisfied when those rights have been made as secure as the faith and the freedom of nations can make them.

Just because we fight without rancor and without selfish object, seeking nothing for ourselves but what we shall wish to share with all free peoples, we shall, I feel confident, conduct our operations as belligerents without passion and ourselves observe with proud punctilio the principles of right and of fair play we profess to be fighting for.

I have said nothing of the Governments allied with the Imperial Government of Germany because they have not made war upon us or

challenged us to defend our right and our honor. The Austro-Hungarian Government has, indeed, avowed its unqualified indorsement and acceptance of the reckless and lawless submarine warfare adopted now without disguise by the Imperial German Government, and it has therefore not been possible for this Government to receive Count Tarnowski, the ambassador recently accredited to this Government by the Imperial and Royal Government of Austria-Hungary; but that Government has not actually engaged in warfare against citizens of the United States on the seas, and I take the liberty, for the present at least, of postponing a discussion of our relations with the authorities at Vienna. We enter this war only where we are clearly forced into it because there are no other means of defending our rights.

It will be all the easier for us to conduct ourselves as belligerents in a high spirit of right and fairness because we act without animus, not in enmity toward a people or with the desire to bring any injury or disadvantage upon them, but only in armed opposition to an irresponsible Government which has thrown aside all considerations of humanity and of right and is running amuck. We are, let me say again, the sincere friends of the German people, and shall desire nothing so much as the early reestablishment of intimate relations of mutual advantage between us—however hard it may be for them, for the time being, to believe that this is spoken from our hearts. We have borne with their present Government through all these bitter months because of that friendship, exercising a patience and forbearance which would otherwise have been impossible. We shall, happily, still have an opportunity to prove that friendship in our daily attitude and actions toward the millions of men and women of German birth and native sympathy who live amongst us and share our life, and we shall be proud to prove it toward all who are in fact loyal to their neighbors and to the Government in the hour of test. They are, most of them, as true and loyal Americans as if they had never known any other fealty or allegiance. They will be prompt to stand with us in rebuking and restraining the few who may be of a different mind and purpose. If there should be disloyalty, it will be dealt with with a firm hand of stern repression; but if it lifts its head at all it will lift it only here and there and without countenance except from a lawless and malignant few.

It is a distressing and oppressive duty, gentlemen of the Congress, which I have performed in thus addressing you. There are, it may be, many months of fiery trial and sacrifice ahead of us. It is a fearful thing to lead this great peaceful people into war, into the most terrible and disastrous of all wars, civilization itself seeming to be in the balance. But the right is more precious than peace, and we shall fight for the things which we have always carried nearest our hearts—for democracy, for the right of those who submit to authority to have a voice in their own governments, for the rights and liberties of small nations, for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free. To such a task we can dedicate our lives and our fortunes, everything that we are and everything that we have, with the pride of those who know that the day has come when America is privileged to spend her blood and her might for the principles that gave her birth and happiness and the peace which she has treasured. God helping her, she can do no other.

Mr. FESS. Will the Senator from Washington yield to me for a moment?

Mr. DILL. I do not want to be discourteous, but I can not let this war debate go on much longer if I am to have the floor at all.

Mr. SMOOT. We would like to get back to the bill.

Mr. DILL. I would like to do so, too; but I yield to the Senator from Ohio.

Mr. FESS. Mr. President, I would not have anything to say at all were it not for the suggestion that certain things ought to have been done, or might have been done, by the minority party. The Senator from Washington and I served in the House together during that hectic time. I am of the opinion that the statement of the Senator from Virginia is a correct statement with reference to the change of mind of the President. Therefore I have not anything to say about that at all.

When the State Department fell into possession of the Zimmerman note, which indicated that the resumption of unrestricted submarine warfare would be undertaken on the 31st of January, that was a pretty serious bit of information, especially when it came officially, and suggested that there might be an alliance between Mexico and Japan. That was the straw which broke the back of patience here, and when it was made public the President came before the House and Senate on the 2d of February and said that we would have to break off diplomatic relations; and I was in entire sympathy with what he said.

Mr. DILL. I want to remind the Senator that had Germany withdrawn her orders regarding submarine warfare the President would not have asked for a declaration of war.

Mr. FESS. That I do not know.

Mr. DILL. I take it from the fact that he had not previously asked for such action.

Mr. FESS. I want to thank the Senator for yielding to me, because the thing I wanted to say was this: That the minority Members of the House, who then were the Republicans, had a conference and agreed that while every individual Member was free to resist any particular measure that might come up never would the President's recommendations on war matters be resisted by the minority party. I think that ought to be said, because that was done, and we certainly did not in any way interfere with the President's policies, and especially by introducing any measure to declare war. There were a great many militant utterances from Members like the distinguished Gus Gardner, which a good many people thought were too militant; but no resolution for a declaration of war was ever introduced, and no such resolution was introduced, because the minority did not want to interfere with the administration when a threat of war was on.

Mr. WHEELER. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Montana?

Mr. DILL. I yield.

Mr. WHEELER. I was going to say that I am very sorry we got into a discussion of the war while this tax measure is under discussion. I object to this peaceful coalition between the Democrats and the Republicans being broken up by a discussion of the war, because I am afraid that if the discussion continues they will get so wide apart that the multimillionaires will not have their taxes reduced in time.

Mr. DILL. Mr. President, I can not yield any further. I merely want to say that I had no intention of bringing up any such discussion at all, and if the Senator from Pennsylvania had not interjected the war discussion and tried to tie me up to condoning the sinking of the *Lusitania*, and trying to carry out the old misrepresentation, that that was what we went to war about, I would not have gotten into this discussion. I certainly did not mean to interject it into the debate as it has been interjected.

What I started to say when I began to discuss the subject of war and peace was this: In time of war all that any man can do for his country is to offer his services and his life, and the workingman, the farmer, and the most common, humble citizen can give as much in time of war, so far as his services at the front are concerned, as the richest and most powerful man with all his wealth. In other words, so far as service in the Army or in war in any capacity is concerned, the rich and the poor are practically on an equal basis. Neither can give more than his life.

When the war is over and the burdens of war are on the people, and a great war debt is still a burden on the people of the country, then it seems to me only just and right that those who have such a tremendous advantage in life as to have accumulated millions, as they have been collected in the hands of a few, those who have such a tremendous amount of the world's goods, as the Senator from Connecticut has shown, should give a larger proportion of their wealth to the maintenance of the Government and to the bearing of this burden than is given by the common and humble citizens of the land.

For that reason I say it is no injustice, it is not unreasonable, to demand that when any citizen is left an annual income of $100,000 net, we take more than 20 per cent of all over that, and when any citizen has coming to him an estate of more than $50,000, without effort on his part, but simply by operation of law, it is not unreasonable and it is not unjust to ask that he shall give a percentage of all over $50,000 to pay these debts and carry these burdens, instead of taking the money out of the pockets of the great mass of our people.

I regret that my references to war and the expression of my desire for its abolition caused the war discussion; yet perhaps it was a good diversion, and we will get down to the bill more definitely than if we had not had the discussion.

Mr. REED of Pennsylvania. Mr. President, I want to state the effect that would follow the adoption of the pending amendment offered by the Senator from Nebraska. I ask Senators to consider, not the estate of a millionaire, but of a man who leaves $150,000 to his widow. Under the provision in the bill as it came from the House that estate of $150,000 would pay a tax of $1,500. The first $50,000 is exempt, the second $50,000 pays 1 per cent, the third $50,000 pays 2 per cent, and the tax is $1,500. Under the amendment offered by the Senator from Nebraska, with precisely the same estate, passing to a man's widow, she would have to pay a tax of $16,058. That is exactly what the working out of the amendment offered by the Senator from Nebraska would mean. It would increase the tax on a bequest to a widow of $150,000 from $1,500, as it would be

under the bill as it passed the House, to $16,058. That is the amendment we are asked to accept.

Mr. SIMMONS. Mr. President, I think this is the most far-reaching amendment that has ever been offered to a tax bill since I have been laboring in connection with these measures. I do not think the Senator from Nebraska quite realizes what the amendment would mean in its effect upon the tax system of the United States.

If this amendment shall be agreed to it will impose a tax upon estates four, five, yea, six times that provided in the bill as it passed the House.

If the amendment of the Senator means anything, it means that the amendment is to take the place of the estate tax proposed in the House bill. It means that the devises, the inheritances, the legacies, all gifts, shall hereafter be treated as income under our tax laws and the taxpayer shall pay at the income rate provided in the bill as long as it is in operation as a law. As imposed by the House the estate tax is a tax upon property. It is now proposed to inject into the revenue bill a provision that will tax not only living men's profits, that will impose a tax upon not only living men's net earnings, but will impose an income tax upon the capital and all the assets of a man who happens to die and who dies possessed of an estate that would pay an inheritance tax or an income tax. If the amendment is agreed to, the tax which we would impose upon estates would be so enormous that every State in the Union would be compelled to repeal its inheritance tax law. But even if that should not happen we would have this anomaly: We would have the States of the Union imposing an estate tax or an inheritance tax upon dead men's estates and we would have the Federal Government imposing an income tax upon the flat estate of all decedents, two utterly inconsistent theories of taxation. That is illogical, it is unscientific, and it violates all the principles of taxation.

But that is not the purpose for which I rose. I rose for the purpose of showing by an analysis of our income-tax system and our estate-tax system that the amendment which the Senator from Nebraska now presents, instead of imposing a moderate inheritance tax, instead of reducing the high inheritance tax imposed in the 1924 law as the House has done, would impose upon estates or inheritances, under the guise of an income tax, a tax which would be at least twice as high as the income tax under the provisions of the 1924 act and four or five times as high as the income tax under the provisions of the House bill as it is now before us.

Let us examine the facts. Let us take an estate of $100,000. Under the provisions of the House bill such an estate is subject to a tax of 3 per cent. I mean the estate is required to pay a tax of 3 per cent upon the estate. If the whole estate is to be treated as income, which is the proposition of the Senator from Nebraska, when he comes to impose this tax he does not regard it as the inheritance-tax provision does, as a flat estate, as representing the assets of the decedent. He proposes to treat every dollar's worth of that estate as income and to tax it as income.

Taxed as income the rate upon $100,000, including both surtax and normal tax, is 16.0359 per cent. Instead of paying an inheritance tax of 3 per cent upon the $100,000 estate, if the amendment of the Senator from Nebraska shall be adopted, that estate would pay a little over 16 per cent upon the $100,000, or a tax five times as great as it would pay under the inheritance-tax provision of the House bill.

But the Senator said that he thought this would properly take the place of the inheritance tax proposed by the House. I do not suppose the Senator means that he wants the inheritance tax continued and then in addition to that he wants the estate to be given in as income and pay an income tax. The Senator's proposition, if it is to be considered at all, must be taken to mean that he wants the inheritance tax displaced by his amendment, so that instead of the $100,000 paying a 3 per cent tax as imposed by the House bill, he would have it pay a tax of 16 per cent as imposed on incomes.

Mr. NORRIS. The Senator does not think that is fair, does he? I have offered the amendment on the theory——

Mr. SIMMONS. The difference will be greater.

Mr. NORRIS. The difference will be less, and I will show it, too.

Mr. SIMMONS. Does the Senator mean to say that 3 per cent flat tax upon an estate is greater than treating the whole estate as income and imposing a tax of 16 per cent on it?

Mr. NORRIS. No; and I do not propose either one. The Senator is not stating it as I intended.

Mr. SIMMONS. Then the Senator will have to modify his amendment, as I understand it.

Let us go a little further. The Senator speaks about the millionaire. Under the House estate tax the tax upon an estate of $1,000,000 is 8 per cent. That is all that would have to be paid. It treats the estate as capital. It imposes a capital tax. But the Senator said that this capital should suddenly, by some legerdemain of legislation, be converted into income, and that he wants this million-dollar estate, for the purposes of inheritance taxation, to be treated as solid net income, to be returned as other earnings and profits of a living man are to be determined and to pay the rate of the House bill or the Senate bill, as the case may be.

I have not the figures for the tax under the Senate committee provision, but I have them under the terms of the House bill which has the estate-tax provision in it, and the Senator's amendment is a substitute for it. If we treat the million dollars as income and tax it as income, under the House bill the surtax plus the normal tax would amount to 24-plus per cent. That is the effect of the Senator's amendment.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from North Carolina yield to the Senator from Nebraska?

Mr. SIMMONS. I yield.

Mr. NORRIS. I want to interrupt the Senator again, if he will permit me. The Senator is making all of these comparisons with the House bill. We have amended the House bill.

Mr. SIMMONS. I understand that.

Mr. NORRIS. I do not think it is fair to use figures in the House bill.

Mr. SIMMONS. Whether the House bill is enforced or not, is not the Senator proposing his amendment as a substitute for an estate tax?

Mr. NORRIS. Yes.

Mr. SIMMONS. Exactly.

Mr. NORRIS. But the rates of income are fixed by the Senate amendment in the bill and not by the text of the House bill.

Mr. SIMMONS. Then the Senator said that the Senate had abolished inheritance taxes. He does not know whether that will hold in conference or not. There is no inheritance tax now under the provisions of the Senate amendment. If there were an inheritance tax, it would be 3 per cent. The tax the Senator fought for yesterday has been displaced and is gone. When he fought for the House bill, he was fighting for a tax of 3 per cent upon $100,000. That is gone, and now that it is gone he says that the tax should be changed from a 3 per cent tax, as I said a little while ago, to a tax of 16 per cent. It does not make any difference whether he treats it as applying to the House bill or the Senate bill. In either case the Senator is proposing to substitute his amendment for an estate tax, and the Senator's tax he thinks is just and fair, but what he was standing for yesterday was the House estate tax.

Mr. NORRIS. Mr. President, will the Senator yield again?

Mr. SIMMONS. Certainly.

Mr. NORRIS. That is very true, as far as the committee amendment was concerned. I was standing for the House estate-tax provision, but the Senator continues to figure the tax by using the House rate when he knows we have stricken that rate out. It is true also that I do not know what will happen in conference, but the rates I propose will be in conference just the same as the House rates.

Mr. SIMMONS. The Senator knows that when we get up to a million dollars under the Senate income-tax rate the million dollars would pay a surtax of 20 per cent.

Mr. NORRIS. Exactly.

Mr. SIMMONS. Plus a normal tax of 5 per cent, which would be 25 per cent. That is worse.

Mr. NORRIS. But it would not figure on the million dollars even. Nobody must pay a tax of 20 per cent and will not under this provision, if the Senator will take the exemptions and the lower rates.

Mr. SIMMONS. The Senator is entirely wrong about that. A man who pays on an income of $100,000 does not pay at the flat 20 per cent rate. He pays only 11 per cent. The man whose income is $1,000,000 will get the benefit of the same reductions upon the first $100,000, and he pays 11 per cent on that $100,000; but as to the next $900,000 of his $1,000,000 he has to pay a flat tax, practically, of 20 per cent; it is reduced down to a little more than 19 per cent by reason of the reduction that he got upon his first $100,000. To that 19 per cent is to be added the normal tax. When that is done, there is a tax of about 25 per cent as against 8 per cent upon an estate of $1,000,000, as provided in the House bill.

Mr. President, it may be all right if this Government wants to impose a flat tax upon capital; if the Government wants to make a physical examination of all the property in the United States, and then say, "We will by a flat tax upon it or an ad valorem tax upon it raise enough money to pay the

expenses of the Government." If the Government desires to do that, it can be done by apportionment; it can not be done constitutionally in any other way; but it is all right to do that constitutionally. However, would anyone propose a flat tax in order to raise money to support the Government? Would he propose a flat tax of from 16 to 24 per cent upon all the property in the United States for that purpose?

If it is not proposed to impose such tax upon the property of a living man, why impose it upon the property which the dead man has left and which goes to his children and to his kin? During his lifetime the living man paid a tax upon all the profits of his estate. After he dies and the property goes to his heirs, those heirs continue to use that property as he did and to pay the income tax upon it. The Government has lost nothing by his death; the Government's revenue is the same, or at least it is upon the same basis. It is a mere transfer, just as in the case of a deed transferring property from one man to another. The grantor in that case paid the tax upon the income, and the grantee who succeeds him pays the tax upon the income which the property earns. The dead man passes away. His son—we will say he has one—takes his place; he inherits the property, and he continues to pay the income tax upon it, just as the father paid that tax.

Mr. KING. Mr. President, will the Senator from North Carolina permit an inquiry for information?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. Yes.

Mr. KING. I am not sure that I understand the Senator, and I do not quite follow his argument. As I understand the Senator, his position is that a tax of the character proposed by the Senator from Nebraska [Mr. NORRIS] would be unconstitutional, because it lacks apportionment.

Mr. SIMMONS. No. I have not said that. What I said was that a flat tax imposed by the Government upon all physical property of the United States would be unconstitutional unless it were apportioned. I have not attacked the constitutionality of the pending proposal.

Mr. KING. The Senator does not, then, place the tax now proposed in the same category?

Mr. SIMMONS. No; I do not. I was not placing it in that category with reference to its constitutionality. I said that the Senator brought about a metamorphosis, a very remarkable change. In an instant he converted property from capital into income, and proposed that an inheritance should be taxed as income to the full amount; and, therefore, it becomes necessary to compare the rates and see what tax it would pay as property and what tax it would pay as income.

Mr. KING. If the same rates were imposed.

Mr. SIMMONS. If the tax were proposed upon the earnings of the estate, it would be a different thing, but the Senator from Nebraska proposes to treat the entire estate as income, and to impose the income-tax rates provided for in this bill.

I said, and I repeat, that the tax proposed by the Senator from Nebraska will be four times higher than the estate tax as provided in the bill as it came from the House. It will be two and one-half if not three times higher than the present 40 per cent tax upon estates which was imposed by the act of 1924.

Mr. KING. If, however, the Senator from Nebraska provided the same rates in his amendment as are provided in the bill as it came from the House as to estates or inheritances, it would be no different in its effect.

Mr. SIMMONS. Oh, yes.

Mr. KING. The only difference would be that one would be called income and the other inheritance.

Mr. SIMMONS. That would be true if the rates were the same, but the rates are totally different.

Mr. KING. I comprehend the Senator's argument.

Mr. SIMMONS. The rates are totally different because one provision treats it as capital and the other treats it as income.

Mr. REED of Pennsylvania. Will the Senator from North Carolina pardon an interjection?

Mr. SIMMONS. Yes.

Mr. REED of Pennsylvania. I think the Senator from North Carolina has calculated the present estate-tax rate on $1,000,000 a little too high, so that the contrast is even more marked.

Mr. SIMMONS. Probably I did so. It is 7 per cent, is it not, in the House bill?

Mr. REED of Pennsylvania. Under the House bill the tax on $1,000,000 would be $45,000, or 4½ per cent, so that really the Senator from Nebraska is proposing to multiply the tax by 6.

Mr. SIMMONS. Yes. It is even worse than I thought.

Mr. KING. Is the rate mentioned by the Senator from Pennsylvania on the inheritance or on the income?

Mr. REED of Pennsylvania. That is on the inheritance. The Senator is proposing to multiply the tax on $1,000,000 by 6.

Mr. SIMMONS. Mr. President, I want to make a further statement. I shall make it advisedly. I think the question now pending should be discussed from the standpoint of what is proper and wise and legitimate legislation in the premises. I do not think it ought to be discussed from the standpoint of political capital. I am going to make this statement as the result of inquiries which I have made, rather hurriedly, it is true, but which are entirely satisfactory to me. I am going to make the statement that if the amendment of the Senator from Nebraska shall be adopted there will be raised through its operation nearly twice as much revenue as the Government will realize from the entire individual income-tax schedules as now written by the Senate. If this amendment shall be adopted we can repeal our income-tax legislation; we can repeal all of the nuisance taxes; we can repeal all of the excise taxes; we can repeal all of the taxes, except the corporation taxes, and we will then have more revenue than we will get under the House bill or under the Senate bill.

What does this proposition mean? It is well known that in one generation the entire wealth of the country passes by inheritance; that is a fundamental proposition in taxation. All of the immense wealth of the United States of every kind and character, real estate, personal estate, choses in action, bonds and securities, all pass in one generation into new hands as a result of death. That is what the Great Reaper does for the human race. Property passes into new hands; and under this amendment, if it shall be adopted, the entire wealth of the United States would be taxed once in every generation at the income-tax rates prevailing during that period.

What would be the result? Mr. President, I have made an investigation to find out what the result would be, and I think if Senators will follow the figures which I give they will see what the result would be. The highest rate in the estate tax provision now is 20 per cent upon $10,000,000. The 10 per cent rate is reached at $2,500,000 under the House bill. Under this amendment an inheritance of $2,000,000 will pay at a rate of about 24 per cent, or a little over that—probably 25 per cent. The tax is advanced from 10 per cent, as it is written in the House bill, to 24 per cent, and that goes all down the line; it starts at the bottom and it goes to the top. Under the rates of taxation which would apply to estates if this amendment were to be adopted, it would be all the way from 3 to 6 or 7 times the rates imposed by any inheritance tax provision being considered by either the House or the Senate and any inheritance tax provision which will go before the Committee of Conference.

What is the result? I have these figures from the actuary of the Treasury, who has examined the matter carefully and has advised me.

The wealth of the United States in tangible property in 1922 was $300,000,000,000. About $9,000,000,000 of that is transferred by death each year. At an average tax rate of 5 per cent, which is the flat normal rate on incomes, in just one year the tax would be $450,000,000. Remember, that is at the 5 per cent normal tax rate on incomes.

The average surtax will run it up to 10 or 12 per cent, and the actuary advises me that the average, taking in the whole tax, would certainly be 10 per cent. With an average rate of 10 per cent the amount of revenue which the Government would realize from this amendment, if adopted, would be $900,000,000 a year, or just about twice the amount that we are now receiving from the income tax upon the income of individuals.

Mr. REED of Pennsylvania. And nine times the amount that we are getting from the present inheritance tax?

Mr. SIMMONS. Yes; nine times the amount that we are getting from the present inheritance tax.

Mr. KING. I think the Senator, though, should take into account, as probably he has, the exemption of $50,000, and that most of the estates in the United States are under $50,000, and those are not taxed at all.

Mr. SIMMONS. That would make no difference, because there is no $50,000 exemption in the matter of the income tax. There is a $50,000 exemption under the present tax on estates, and the rate is 3 or 4 per cent upon $100,000 and 10 per cent upon $2,000,000. Under the present law the exemption of $50,000 on estates reduces the tax; but when you convert an estate into income and put it in the income column of our revenue laws, then there is no $50,000 exemption. An estate of that size would have only $2,500 exemption if it is the estate of a married man, and only $1,000 exemption for a

single man. That makes the comparison all the more disadvantageous to the proposition of the Senator from Nebraska.

Mr. KING. Mr. President, I think, if I may be pardoned, the Senator has not caught my point.

Mr. SIMMONS. No; probably I have not.

Mr. KING. My understanding is that the amendment of the Senator from Nebraska—and I only heard it read hurriedly—provided that this tax should not begin to apply unless there was an estate of more than $50,000, so that all the estates under $50,000 which went to men or women or children would not be subject at all to the gross income tax.

Mr. REED of Pennsylvania. That exemption of $50,000 applies, under the Senator's amendment, only to bequests to the wife or to a son or daughter.

Mr. KING. Of course, to that extent there would be a diminution from the nine billions which the Senator has declared is the estate which is transmitted annually.

Mr. SIMMONS. Oh, yes; if that provision went in, there might be that exemption in that particular instance, but that would not change the relative situation at all. That exemption would have to be uniform to put the case on an absolute parity, and when you put him upon an absolute parity the difference is between 3 per cent on $100,000 and 16 per cent on $100,000, 10 per cent on $2,000,000 and 25 or 26 per cent when figured as income.

Mr. President, I do not suppose that the Senate, if it understands this proposition, will think for a moment of indorsing it. If we are going to have a substitute for the inheritance tax, let us have a substitute that is reasonable.

Mr. NORRIS. Mr. President, before we vote on the amendment I have a few words to say. I am very sorry, indeed, that there are not more Senators here to hear it, but I suppose this coalition will not lose their grip on this amendment; so that the most I care for is to get a record vote, and to have the Senate called just before we take the vote, in order that they may hear the modifications that I propose to make in the amendment.

Here is a remarkable condition. The Senator from Utah [Mr. SMOOT] and the Senator from North Carolina [Mr. SIMMONS], who jointly have this bill in hand, and who are running along together as smoothly and as nicely as two Siamese twins, one as a pilot and another as an engineer of the steam-roller, both make speeches against this amendment. These two great statesemen, who see at a glance just what is going to happen to the country if this amendment is agreed to, tell the Senate what is going to happen. The burden of the song of the Senator from Utah is that it will raise only $250,000 in revenue, just a bagatelle. When he said that I thought he was going to say: "Well, we will just accept it. It does not hurt anything, because it will not tax anybody. It will raise only $250,000 in revenue." Of course, you know, an expert is a fellow who gives a direct, positive opinion about something that nobody else knows anything about, and the result is that they take his word for it, because there is not anybody who knows enough about it to contradict him.

Now, we come to the next expert, the assistant engineer on this machine; and the burden of his song is that this amendment, if enacted into law, will tax the very life and existence out of all the widows and orphans in our country. Take your choice, Mr. President.

The great Senator from Pennsylvania [Mr. REED] thinks that he has dealt the amendment a death blow when he makes a computation to show how much a widow with $150,000 coming to her by bequest would have to pay in the way of taxes. He, too, seems to be imbued with the idea that the tax is so great that nobody can stand it.

So the expert on the other side, if he has not been contradicted by his chief lieutenant or his general or his captain, as the case may be, here, I suppose would stand uncontradicted, and everybody would have to say: "Yes; this tax is too heavy." When they read what the Senator from Utah says, or if they listened to it, they would say: "Why, it is not worth voting for, because it does not tax anybody; it does not bring in anything." Then they would hear the Senator from Pennsylvania, another official on this steam-roller machine, and he says that in order for a widow to get $150,000 for nothing she must pay $16,580, or something of that kind. Personally, I do not think that is an exorbitant tax when you are getting that much money for nothing. Another Senator makes a computation with figures to show that a few men of great wealth in this country are paying the bulk of the taxes. That shows the viewpoints of people.

I thought that was one of the best arguments in favor of this amendment that has been made. I would not have dared make it, Mr. President. I would have been called a bolshevist. They would have said: "Here he is trying to gouge the millionaires; he is trying to put one class of people up against another and get them to fighting." But when men are behind this bill they endeavor to show by figures that a few men pay the most of the taxes and thereby demonstrate just what I want to prevent—that we are fast drifting to a point where the wealth of this country will be owned by a few people. I would not have said that if the Senator from Connecticut [Mr. MCLEAN] had not brought it out so forcefully, because I would have lacked the courage to say it. It would have brought down on my poor, weak, unhappy head a great many condemnations from men who would say that I was bolshevistic in my tendencies; but nobody would charge the Senator from Connecticut with being a bolshevist, and I hope I can adopt his argument without myself being shoved over even into the socialistic class.

Did it ever occur to you, Mr. President, following out that line—that is my text right now—that 2 per cent of the people of this country own more than 50 per cent of the wealth, and they ought to pay the taxes? In fact, they will have to if they are paid. You can not get blood out of a turnip; and with the enormous taxes that we have to raise, we must go where the money is to get it. I want to go where it will be gotten easily, without any burden, and that is what this amendment seeks to do.

The Senator from North Carolina [Mr. SIMMONS], it seems to me very unfairly, in giving figures as to what must be paid under this amendment, always computed the figures of the income tax as shown in the House bill. He had a perfect right to do that, but that is not the way to consider this amendment. This amendment is offered on the theory of the action of the Senate in striking out the income-tax figures of the House and cutting them down; so that, figuring it under the bill as it now stands—and I think that is a fair way to do it, and the only fair way—the various sums that he has given would always be very materially reduced.

Another thing the Senator does that I do not think is fair is this: In computing the amount that is to be paid by any given estate he always takes the estate as a whole. There is not one time in a thousand when that kind of an illustration would apply. The estate tax applies to the estate as a whole, but this amendment does not apply to the estate as a whole. This amendment applies to the various inheritances and bequests and devises; and, as I said, there will not be one case in a thousand where this amendment, if it should become a law, will ever be applied to an estate as a whole. That will happen only where the estate is not divided at all; and if it is not divided, it ought to apply. That is where the danger to our civilization lies—in not dividing up these great estates. Again, before somebody unduly criticizes me, let me say that I can back that up by the argument of the Senator from Connecticut [Mr. MCLEAN], who has told us how wealth is bearing all the burdens now.

In other words, if a man has an estate of $1,000,000, and he leaves children and divides it among them, or divides it among his friends, or, like the great Mr. Duke, for instance, divides it up into various parcels, the percentages in this amendment will apply to each one of the parcels. It will, therefore, not go up as high as it would if it were applied to the estate as a whole. That is the difference between an estate tax and an inheritance tax. Under the estate tax that we have now, or any other estate tax, the computations are based on the estate taken as an entity, taken as a whole. An inheritance tax reckons its percentages upon the various inheritances; and, as I said before, the amendment as it now stands could be completely avoided as far as taxation is concerned by any man if he would divide his property up into enough parcels, no matter how big it is. It would be possible, if this amendment should become a law, that any man in the United States subject to this law could avoid it entirely, and do it with perfect legality, if he divided his estate up into small enough parcels.

Mr. SIMMONS. That is, the Senator would make the tax very high because he is satisfied that it would be avoided?

Mr. NORRIS. No; I say he could avoid it. Under the illustrations that are continually given by the Senator from North Carolina, he takes the estate as a whole and figures on that, which, of course, never would be done in practice. It would not be the law, and I submit it is not at all fair to do that in the way of giving illustrations.

Mr. SIMMONS. I want to say to the Senator, if he will pardon me——

Mr. NORRIS. Certainly.

Mr. SIMMONS. In giving the basis of my final conclusion, the figures which I gave, $9,000,000,000, which would be subject to income tax under the Senator's amendment, represented, I find, only tangible property. They did not take in, as I thought they did at the time I was speaking, bonds and other

intangibles. If we should take in money and bonds and stocks, it would probably amount to twice that.

Mr. NORRIS. Is that the income that would come from it?

Mr. SIMMONS. Nine billion dollars, I said, was the amount of income tax that would have to be paid under the amendment of the Senator, representing the value of the tangible property, but if we include——

Mr. NORRIS. Let me get the Senator's idea. Does the Senator mean to say that if this amendment should become a law in one year there would be collected under it $9,000,000,000?

Mr. SIMMONS. I did not say that. I said that at once, according to the estimates—and, of course, these things all have to be estimated—the tangible property changing hands annually by death, which would be subject to income tax, would amount to $9,000,000,000.

Mr. NORRIS. In one year?

Mr. SIMMONS. Yes. The Senator complained that I did not give the benefit of the deductions and the benefits to the estate. He is talking now about an inheritance tax.

Mr. NORRIS. Yes.

Mr. SIMMONS. And not an estate tax. I am saying to the Senator that if I had added all the intangible property, changing hands each year by death, to this $9,000,000,000 of tangible property, it probably would have amounted to fifteen or sixteen or eighteen billion dollars of property that would annually be converted to capital subject to income tax.

Mr. NORRIS. The Senator gives me an idea that I had entirely overlooked. He suggested to me an argument in favor of this amendment that I had not thought of, and he has given me some figures to back it up. Outside of the intangible property, there would be about $9,000,000,000 that would become subject to the tax, he says. If we include the intangible property there would be about how much—$16,000,000,000?

Mr. SIMMONS. I have no figures on that.

Mr. NORRIS. What was the estimate?

Mr. SIMMONS. It was estimated that it would be probably very much larger, probably sixteen billion.

Mr. NORRIS. All right. Nine from sixteen leaves seven. Seven billion dollars of property, intangible, which to a great extent goes now absolutely untaxed, this amendment would get. That ought to be a sufficient reason for voting for the amendment.

One of the difficult things in the administration of our tax laws is the ability to tax intangible property. It can not be reached, and it is not reached, or a very small proportion of it is reached.

Mr. SIMMONS. Does the Senator mean——

Mr. NORRIS. According to the Senator's figures, not mine—I am not an expert—according to the Senator's figures, there is to be brought to the surface for taxation by this amendment $7,000,000,000 worth of intangible property which now, to a very great extent, escapes taxation, and which everybody admits ought to be taxed.

Mr. SIMMONS. Owners often escape taxation under the laws we have made levying taxes upon incomes, do they not?

Mr. NORRIS. All kinds of laws. We have never passed a law which covers it all.

Mr. SIMMONS. If they escape it now under the law, they will escape it under the new law.

Mr. NORRIS. The Senator is complaining that under this amendment it will not escape, and everybody knows that under an inheritance or estate tax it does not escape. That is one of the things which an estate tax or an inheritance tax reaches which no other law ever devised by the brain of man has succeeded in reaching in full.

Mr. SIMMONS. The point I made was this, that if these intangible properties are escaping taxes under the present income tax law, if we require that they be given in as part of a dead man's estate as income, the beneficiaries can evade that income tax, just as people are evading the present income tax.

Mr. NORRIS. No, Mr. President——

Mr. SIMMONS. But, as a matter of fact, the Senator knows——

Mr. NORRIS. I hope the Senator will permit me to go on. I will let the Senator interrupt me, but not to make a speech.

Mr. SIMMONS. The Senator has been criticizing me personally and otherwise in all the arguments he makes. His principal argument, and seemingly the one he most relishes, is an attack upon me. A little while ago he talked about my coalition with the other side. When we got to the automobile tax he was very glad to have me cooperate with him, and I did. When we got to the admissions tax he was very glad to have me cooperate with him, and I did.

Mr. NORRIS. I take off my hat to the Senator. I am glad the Senator did cooperate with me. I was tickled to death to have him do it.

Mr. SIMMONS. That showed the Senator that his statement about my alliance with these people, except in matters in which I agreed with them, just as I agreed with the Senator in the matters in which I voted with him, was unwarranted. The Senator then confessed that those arguments and those slurs he has been casting upon me were unwarranted and untrue.

Mr. NORRIS. No, Mr. President. In the first place, I did not cast any slurs. In the next place, I very, very gladly confess, I very gladly concede, that the Senator believes in everything he has ever professed, and that he went with the Senator from Utah. I never doubted that. I have said a good many times that as between the Democratic machine and the Republican machine it was just a choice between tweedledee and tweedledum. They do believe alike, I concede, perfectly honestly.

The Senator has made an estimate—and I take his figures—of $7,000,000,000 worth of intangible property. Everybody knows it escapes taxation almost entirely now. The Senator says it will escape it under this amendment. But no economist has ever asserted——

Mr. SIMMONS. No; I did not say it would escape it under this amendment. I said by the same method that it escapes it now, as the Senator says it does, if it does, it will do so under this amendment also.

Mr. NORRIS. All right——

Mr. SIMMONS. But the Senator and everybody knows——

Mr. NORRIS. The Senator has made his statement. I will accept it.

Mr. SIMMONS. The Senator made another statement that I want to answer.

Mr. NORRIS. I will let the Senator go on, certainly.

Mr. SIMMONS. The Senator said that under the present law all these bonds and securities and stocks and intangible stuff of that sort escape any tax at all, and he says everybody knows that is so. Everybody knows that the Senator is mistaken about it, and that they are now paying in the way of income taxes very considerable amounts. That tax constitutes a very large part of the taxes realized by this Government under the income tax law.

Mr. NORRIS. I think the Senator ought to modify his statement just a little. The RECORD will show that I said that intangible property to a great extent escapes taxation; that everybody admits it; and that everybody knows it. If I am wrong about it, and it does not escape taxation, then the Senator is right. But I make the statement—I made it a while ago, when the Senator interrupted me before—that under this amendment, under every inheritance tax law, under every estate tax law, intangible property does not escape taxation; that is, when a man is dead and when the administrator gathers together and itemizes all of his property. That is once when it does not escape taxation, if there is a law that taxes it. If there is no estate tax, if there is no inheritance tax, it escapes again and goes free of taxation to the men and the women and the corporations to whomever it is given, and who have never done anything to accumulate it or bring it together.

Mr. SIMMONS. Mr. President, will the Senator permit an interruption?

Mr. NORRIS. Yes.

Mr. SIMMONS. In the hands of a living man these bonds and stocks and securities pay an income tax upon their earnings under the present law, and it is a very difficult matter I should think for them to escape.

Mr. NORRIS. There is a great deal of tax paid under it, there is no question about that. Not all intangible property escapes taxation.

Mr. SIMMONS. But the Senator says that when a man dies he wants to treat these notes, these bonds, these choses in action, these securities, as representing income to his heirs, his legatees, or his devisees, and tax the whole volume of the estate, both personal and real, tangible and intangible, as 100 per cent income.

Mr. NORRIS. Is that the question of the Senator? He has not even an interrogation point after it this time. What does the Senator want me to do?

Mr. SIMMONS. That is all I want to say.

Mr. NORRIS. All right. Again, these estates, under this amendment, are not taxed as a whole. This particular amendment would not be any better than any other estate tax or inheritance tax, as far as gathering intangible property of a dead man together is concerned, but unless the property is shown up somewhere nobody gets it.

When a man dies, the administrator or the executor gathers all his property, and everybody who is interested in his property is anxious to see gathered together just as much as possible, and none escapes. This would tax it as income to those who get it. It does not tax the man who owned it. It does not levy any tax on the estate. There is nothing to that. The computations which have been made here by the dozen, figured on the estate, have no application whatever to this amendment.

Mr. SIMMONS. Mr. President, the computation I made was based upon a flat tax of 5 per cent. The Senator knows that under the income tax law it goes up to as high as 24 per cent. We put it at 5 per cent, then estimated that it would not probably exceed 10 per cent. It might reach 10 per cent, but even with a rate of 5 per cent we would get from this tax $450,000,000.

Mr. NORRIS. Four hundred and fifty million! Here are the two experts, the Senator from Utah and the Senator from North Carolina; one says $450,000,000, and the other says $250,000.

Mr. SIMMONS. No, Mr. President; I did not say that. I said the Actuary of the Treasury, Mr. McCoy, had made the calculation——

Mr. NORRIS. The Senator did not say that before, but——

Mr. SIMMONS. I did say that in my speech.

Mr. NORRIS. The Senator did not say it just now.

Mr. SIMMONS. No; what was the use of repeating it?

Mr. NORRIS. I will let the Senator put it in his own words. I hope he will be patient.

Mr. SIMMONS. I am not impatient.

Mr. NORRIS. No; I know the Senator is not, but I was in hopes he would be.

Mr. SIMMONS. I thought the Senator had in mind trying to make me impatient, but I am not going to let him succeed.

Mr. NORRIS. I am not succeeding at all, if that is my object. Everybody can see that. The Senator is very calm. I congratulate him.

Let us come again to these two leaders here—and I hope nobody will be offended when I call them the two leaders. The Senator from Utah says this tax will raise $250,000, and the Senator from North Carolina says it will raise $450,000,000. They are just a little bit apart in their estimates for two men who are handling this tax bill. If the rest of us wander around and stagger and tumble and fall when our leaders are as far apart as that, I do not think there ought to be any criticism. There is a difference of a little over $449,000,000 between these men as to the income this will produce.

Mr. SMOOT. It is useless to interrupt the Senator, but I said that under the gift tax there would be not to exceed $250,000. That is exactly what I said.

Mr. NORRIS. Do not try to get out of it like that. I will accept the Senator's word, if he says he said that.

Mr. SMOOT. That is exactly what I said.

Mr. NORRIS. Did the Senator write it down on the paper he has before him?

Mr. SMOOT. No; I have it here, though.

Mr. NORRIS. I see the Senator has it in typewriting.

Mr. SMOOT. No; that is the Senator's own proposed amendment.

Mr. NORRIS. That is my amendment, and that is what the Senator said would raise $250,000.

Mr. SMOOT. No; that is not the figure. That is $2,000,000 that I had reference to.

Mr. NORRIS. I do not mean those figures. I am referring to the amendment. The Senator said right at the beginning of this debate, said it right out in the open, and I have no doubt but that the reporter has it in the RECORD——

Mr. SMOOT. If it is, it will be there to-morrow.

Mr. NORRIS. I hope so.

Mr. SMOOT. There is no doubt about it.

Mr. NORRIS. I hope so. It is quite immaterial whether it is there or not. I only meant that those figures show, after all, that all great men are human, and here are two great men, one or the other of whom, if not both of them, must be mistaken. I am inclined to think we will find out, if this amendment shall be put in and allowed to run a year and tried out, that neither one has come within a few dollars, at least, of being correct.

Mr. SMOOT. I was discussing the gift tax. For the first six months of 1925 we collected $138,619.84, and twice that amount would be a little over $250,000, just as I said. I do not know anything about what basis the Senator from North Carolina used.

Mr. SIMMONS. I told the Senator I was giving the estimate of the Actuary of the Treasury.

Mr. SMOOT. The Senator asserted I was not referring to the gift tax at all.

Mr. SIMMONS. No. I was referring to the income tax.

Mr. NORRIS. The Senators were both referring to my amendment.

Mr. SMOOT. I was referring to the gift tax.

Mr. NORRIS. But I was discussing the amendment. The Senator from Utah interrupted when somebody asked the question and said it would bring in $250,000.

Mr. SMOOT. The Senator is mistaken, because I stated——

Mr. NORRIS. All right; suppose I am mistaken?

Mr. SMOOT. Let me complete my statement.

Mr. NORRIS. It is nothing but an estimate in either case. It is not any great sin. I only want to call attention to how far two men differ, but I do not think either one is right or that the expert in the Treasury is exactly right, and I do not care very much. It is not material so far as the amendment is concerned. I just mention it in passing.

Mr. SMOOT. I simply say that when I was discussing the question I stated that if we did not have an inheritance tax there was no good in having the gift tax, and the Senator agreed to it.

Mr. NORRIS. Yes; I said the same thing.

Mr. SMOOT. Then when the question arose as to what the gift tax would bring in, I said the gift tax now would bring in about $250,000 a year. That is all there was to it.

Mr. NORRIS. Now the Senator has had his say and I have just as much respect for his judgment as I have for my own, and that is saying a good deal. But I want to give my version of it. The Senator is talking of a time that is entirely different from the time I am speaking of. It was not when the Senator said if there was no inheritance tax a gift tax would not be necessary that he said that the gift tax was bringing in $250,000. That is not the time I referred to at all.

Mr. SMOOT. It was the time I referred to, though.

Mr. NORRIS. The Senator will certainly permit me to have my opinion as to what he said. The Senator will do that, will he not?

Mr. SMOOT. Is not that when I interrupted the Senator?

Mr. NORRIS. I am just about to tell. When I was discussing it some one, I do not know who it was, asked the question, "How much will it raise?" and the Senator, without getting out of his seat—it was not when he was debating it, but when he was seated in his place—said $250,000. Of course, I may be entirely wrong and the Senator from Utah may be entirely right. Ordinarily I would say that I was wrong and the Senator was right, but so often in the few years I have been here I have found that even the Senator from Utah is sometimes mistaken that I am inclined to think perhaps he may be mistaken now.

Let us remember the fundamental difference between an inheritance tax and an estate tax. The estate tax uses as the basis the entire estate. For instance, let us say we have an estate of $5,000,000 and there is a flat estate tax of 1 per cent. We would reckon 1 per cent on $5,000,000. Then let us say it goes as high as 10 per cent when it gets to $10,000,000. With an estate of $12,000,000 we would have $2,000,000 above the $10,000,000, and that would be figured at 10 per cent. Now let us take that same estate of $10,000,000 and apply the inheritance tax to it. Suppose the owner of that estate had five children and gave each one of them one-fifth of his estate. Each one would get $2,000,000. We would start to compute the rates and would stop at $2,000,000 in each case, so we would never reach the high brackets. That is the difference. So when the Senators take up my amendment and take an estate named at a specific figure, and calculate the tax it will pay, they have not made a fair application of the proposition because, while I concede that there might be an estate not divided at all, that very seldom happens.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. Certainly.

Mr. KING. What would be the tax upon an estate of $10,000,000 undivided?

Mr. NORRIS. I have not figured it, but I will say to the Senator that when we get above $100,000, taking the bill as amended by the Senate, it would be 20 per cent on all above $100,000, and under $100,000 it would take the rates running down to the deductions of income brackets.

Mr. KING. It would be less than 20 per cent approximately?

Mr. NORRIS. Oh, yes.

Mr. KING. Between 15 and 18 per cent?

Mr. NORRIS. Yes; but the Senator well knows that an estate of $10,000,000 does not usually pass in one estate. It is

not once in a thousand times that one person gets the estate either by act of law or by the will of the testator. I suppose it is fair to say that five or six divisions would be the average. Take a $10,000,000 estate and divide it up into enough portions, and they would not reach up to the high brackets like they would if it was all counted as one bulk, like the estate tax would do. That is the point I want to make.

To my way of thinking no one has offered a valid objection to my amendment.

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. NORRIS. Yes.

Mr. KING. I was wondering whether the Senator had any information as to the number of estates under $50,000? The Senator from North Carolina stated, if I understood him correctly, that, accepting the general view, the estates of all decedents in a year would amount to about $9,000,000,000.

Mr. SIMMONS. Of tangible property.

Mr. KING. Just tangible?

Mr. SIMMONS. Just tangible property.

Mr. KING. Not intangible?

Mr. SIMMONS. I was making my statement based upon tangible property only. It does not include bonds, it does not include stocks, and it does not include securities of any kind.

Mr. KING. I was wondering if the Senator from Nebraska had any figures as to the proportion of estates in value, if not in numbers, during the year?

Mr. SIMMONS. Does the Senator mean under the inheritance tax?

Mr. KING. Yes.

Mr. SIMMONS. I can give the Senator the figures if the Senator from Nebraska will permit me to do so.

Mr. NORRIS. Oh, yes; I yield.

Mr. SIMMONS. The returns of net estates subject to inheritance tax in 1924, the last year of which they have a record, were 13,759 in number. The table shows that estates under $50,000 subject to tax—the $50,000 exemption had not been taken out—were 6,452, nearly one-half of the total. The table further shows that the number of returns of estates between $50,000 and $150,000 was 2,391; estates between $150,000 and $250,000, number of returns, 742; between $250,000 and $450,000, number of returns, 566; between $450,000 and $750,000, number of returns, 266; between $750,000 and $1,000,000, number of returns, 94; between $1,000,000 and $1,500,000, number of returns, 86; between $1,500,000 and $2,000,000, number of returns, 36; between $2,000,000 and $3,000,000, number of returns, 23; between $3,000,000 and $4,000,000, number of returns, 9; between $4,000,000 and $5,000,000, number of returns, 1; between $5,000,000 and $6,000,000, number of returns, 4; between $6,000,000 and $7,000,000, no returns; between $7,000,000 and $8,000,000, number of returns, 2; between $9,000,000 and $10,000,000, number of returns, 4; over $10,000,000, number of returns, 5. Those figures are taken from the statistics of incomes for 1924.

Mr. KING. I want to call the attention of the Senator from Nebraska to the fact—and the figures which the Senator from North Carolina has given corroborate me in the view which I had, and as I had remembered the figures—that the great majority of the estates were under $50,000. As I understand the Senator's amendment, it would tax gifts, but anything below $50,000 would not be subject to tax, which his amendment contemplates. Therefore the great majority of the property of decedents would not be subject to the tax proposed by the Senator's amendment. When the Senator contemplated such an enormous amount of revenue based upon the presumption of $8,000,000,000 or $9,000,000,000 or $10,000,000,000 transmitted by death—that is, that there was that amount of property devolved by death upon others—he failed to take into account, or at least it was not stated, that the greater part of this property would probably be held by estates under $50,000 and not subject to taxation.

Mr. NORRIS. I think the Senator from Utah has made the point very clear, and it is a complete answer to 90 per cent of what the Senator from North Carolina has said in his argument.

The amendment will get taxes from securities that are now tax free. It will get intangible property that to a great extent is tax free now. It does not tax the man who owns the property, something that is not true of every other tax. It only taxes the person who gets the property for nothing, so that it can be no hardship and no burden. It will bring in quite a large amount of revenue.

I want to return again to the illustration I made when I began and to conclude with it. Here are two people, one of whom works and labors and accumulates an estate of $10,000, let us say. He may have done it on the farm. He may have done it in the chair. He may have done it in the counting-house. He may have done it in the pulpit, although I doubt that very much. He may have done it in the Senate, even. He has a net estate of $10,000. He has earned every dollar of it. He has toiled for it. He has given the sinews of his life for it. It may be that it cost him many a drop of sweat and many a day of weary labor and toil and some suffering. To save the money he may have sacrificed all the luxuries of life and many of the necessities. He is laying by something for his children and for his wife, perhaps, if he should be called away by death. He makes $10,000 in that way, and the heavy hand of the Government reaches out and taxes him. I do not complain. That is all right. It is the law, and ought to be the law. We must pay taxes. But at least we ought to remember that that man has earned every penny by his own efforts.

Here is another man who is a vagabond, who never earned a penny in his life, who has never done anything in the world but to pull civilization just a little bit lower down, he spends the money given to him by lavish parents for luxuries, in high living, perhaps in debauchery; his life is doing no good; he is not helping the country; he is not helping to advance civilization, but in the same year that this other man is earning $10,000 this vagabond's parent dies and leaves him $10,000. He gets every cent of it tax free under the law. Is that right? Has anybody in this debate yet defended that or shown a reason why it should be? All the sympathy which has been extended to the overtaxed rich man can not apply to an inheritance like this. The man who gets it gets it for nothing, and Senators who oppose this tax do not want him to pay anything for it.

I said at the beginning, Mr. President, that if there were any disposition to think that I have not given a sufficient amount of exemption in my amendment I would be willing to raise it, and I am going to do it now. I am going to modify my amendment so that it would give exemption from taxation in every case used as an illustration by any opponent of the amendment when it comes to the widow or the children. I do not think the exemptions ought to be so great as I am going to make them, but I am going to meet the arguments of Senators who oppose the amendment by liberalizing it and entirely eliminating from taxation every case used as an illustration by any Senator in opposition to the amendment, so that what taxes will be left will come from those who are so wealthy that even if they were levied and were to be taken from their property they would not find it out unless they saw it done, and those who get the property would never feel the difference.

Some Senators have even spoken in favor of an inheritance tax when we had the estate tax before us for consideration. I have been told that one of the members of the Finance Committee made a plea here for an inheritance tax as compared to an estate tax. Now is the opportunity to get it; but will we get the votes of those Senators?

The argument that has been made here, in the main, so far as it has been, in my judgment, a logical argument, is one that applies to every estate or inheritance tax, whether it be State or national. Do not forget, Senators, that this propaganda that has originated in New York and spread over the country in favor of a repeal of the Federal estate tax is a part of the propaganda to wipe every inheritance and estate tax from the statute books in every State in the Union. Do not worry about it; it will come. Eliminate the Federal estate tax and put the States in competition with each other, and they will invite wealthy men to come within their borders by freeing them from the payment of inheritance and estate taxes. Advertisements are now being published in the newspapers all over the country that Florida is a place where the rich man will escape taxation. Senators themselves may read those advertisements. The States adjoining will have to give up their inheritance taxes. Those who are crying aloud now that they want to repeal the Federal estate tax because they want the States to use it may be in perfect earnestness, may be perfectly determined, perfectly honest in motive, for there are some people undoubtedly who believe that, but the great momentum behind this propaganda, and the great movement which has originated in Wall Street to cause us to obey our master's voice at the other end of the Avenue to repeal the inheritance tax is born of the desire to get rid of all inheritance taxes.

I wish to say that everyone knows, if he will think about it, that it will be an impossibility to get a uniform inheritance tax or an estate tax adopted by the States. Everybody knows it and nobody knows it better than do those who are behind this propaganda. It can not be done and it will not be done. What we will be doing by the repeal of estate and inheritance taxes will be the establishment of refuges for millionaires in the different States of the Union. A State in its own defense will have to repeal its inheritance tax, or property will move out of

its borders to States in which taxation is less. The result will be that the inheritance taxes in a few years will be an unknown quantity.

Now, Mr. President, I modify my amendment by changing the exemption of $5,000 in the value of every gift bequest or devise to $25,000, and by changing the exemption in the case of a widow or children from $50,000 to $200,000.

Remember, this amendment is proposed to come in on page 43, where the exemptions from gross income are itemized. Paragraph (3) provides for one of the exemptions. As the bill now reads, it provides:

The value of property acquired by gift, bequest, devise, or inheritance—

That means that is to be exempted and not accounted as a part of the gross income.

(but the income from such property shall be included in gross income.)

My amendment is added to that language.

First, before I read the amendment as I propose to modify it, let me say that providing in the proposed law that bequests and inheritances coming to persons shall not be included in making out their income-tax returns is based on theory that such inheritances and devises and estates have been otherwise taxed. Now, in this bill we have repealed the estate tax, so that there is no reason why these objects should be free, and they should accordingly be included in gross income.

In addition to those exemptions which I have provided in the amendment, inheritances will be subject to all the other exemptions of the income-tax provisions, so that the amendment does not embrace all of the exemptions. As proposed to be modified, my amendment reads as follows:

The value of property acquired by gift, bequest, devise, or inheritance (but the income from such property shall be included in gross income): *Provided*, That the excess in value above $25,000 of any gift, bequest, devise, or inheritance shall be considered and accounted for as gross income: *Provided further*, That any gift, bequest, devise, or inheritance from a husband to his wife or from parent to son or daughter shall not be considered as gross income, except as to the excess of such gift, bequest, devise, or inheritance above $200,000.

If the amendment be adopted in that form, every illustration that has been given here will be tax free, so far as the amendment is concerned.

Mr. KING. The Senator diminishes the first exemption from $50,000 to $25,000 and increases the last exemption from $50,000 to $200,000?

Mr. NORRIS. I propose to increase the $5,000 exemption to $25,000, and the other from $50,000 to $200,000. If no other Senator now desires to speak, I ask for the yeas and nays on the amendment.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska [Mr. NORRIS].

Mr. COUZENS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. SIMMONS. Mr. President, I was on my feet seeking recognition, and I hope the Senator from Nebraska will permit me to proceed. I desire to detain the Senate merely for a minute or two.

The VICE PRESIDENT. The Senator from North Carolina will proceed.

Mr. SIMMONS. Mr. President, my connection with the tax measures of the Nation as a member of the Finance Committee began 15 years ago, and by reason of the fact that I have been long engaged in the framing of such bills, and in an earnest and honest effort to try to equalize taxation in the United States, I think that I am under a peculiar obligation, although I am not a member of the majority party, to the Senate and to the country as well to scrutinize and try to understand the effect of the different provisions of the pending bill and of the various amendments which have been offered to it, and at least to give, for what they may be worth, the benefit of my judgment and my information.

The Senator from Nebraska [Mr. NORRIS] refused to give any consideration in his argument to the facts and figures which I furnished the Senate, showing the difference in the amount of tax that the dead man's estate would have to pay if the whole estate be treated as income and what the heirs would have to pay if it be treated as capital. The Senator is perfectly confident that whatever he proposes here is correct and sound and just, but I have not that confidence in his judgment about these matters. I am sure that in presenting this amendment he has given the matter no adequate investigation and that he does not understand the effect of the taxes that will have to be paid under his amendment as compared to those which would be paid under the inheritance tax.

The fundamental defect of his amendment is that he proposes to impose the rates of the present income tax law upon the entire estate when it comes into the hands of the devisee or the heir of the dead man. I have shown by comparing the rates imposed in the estate-tax provisions of the House bill with the rates imposed on income in that bill that the tax under his amendment would amount to a tax, in some instances, as high as from five to six times as much as would be paid under the estate-tax provisions of the House bill, and two or three times as much as would be paid under the estate tax provided for in the act of 1924, which prescribed a rate of 40 per cent.

The Senator from Nebraska has stated that his amendment is in the nature of a substitute for the estate tax. If it is to take the place of the estate tax, it is, therefore, legitimate that I should compare, as I have done, the tax that would be paid under the estate-tax provisions in the House bill and the tax that would be paid upon the same estate if it be treated as income and transferred to the income column of the House bill.

Without meeting the facts that I have given, without attempting to analyze them with reference to the relative rates, without denying even the rates that I have read to the Senate, the Senator seeks to parry the effect of this statement of fact taken from the record by saying that he proposes to substitute in part an inheritance tax for an estate tax; that under an estate tax the estate of the dead man worth a million dollars would be divided among his kinsfolk and would not have to pay, therefore, the high rates under the higher brackets.

All of that I had discounted in my figures. The estimate which I gave of $450,000,000 a year as the revenue that this country might expect to realize from the bill if the amendment of the Senator were adopted was based upon the amount of tangible property that would be transmitted. Everybody knows that the tangible property of the United States is not much more than one-half of the property of the United States. Intangible property was not included in my figure of $9,000,000,000. Mortgages and notes, bonds and stocks, securities of all kinds, were not included. They are not included, and they ought not to be included for the purpose of the argument that I made. But, Mr. President, the amount of bonds and stocks that were not included would more than compensate for this distribution of which the Senator speaks, would more than compensate for these reductions he claims. Even if the distribution should result in reducing the amount of property to be given in his income one-half—and it would not—then my figures would hold, because my figures apply only to about one-half of the property of the United States; and what I said—and the Senator has not answered that—was this:

Take this one-half of the property of the United States, represented by its tangible property. It is valued at $330,000,000,000. It is estimated—and the figures of the past experience of the department confirms the estimate—that about $9,000,000,000 of this tangible property passes every year by reason of the death of its owner. Seven or eight billions, probably, of intangible property passes during that time. I have not included the intangibles, because I supposed that if we went upon the inheritance plan there would be a distribution instead of a flat levy, and I therefore left a margin of probably seven or eight or probably as much as nine billions of dollars to cover that loss by reason of subdividing and distributing these estates before applying the tax rate instead of taxing them in a lump.

But, Mr. President, I went further than that. The figures of $450,000,000 which I gave were based upon the theory that these estates would not have to pay as income tax more than 5 per cent, and I stated that 5 per cent would cover only the normal tax; but for the purpose of demonstrating the enormous tax that it was proposed to have paid, for the purpose of showing the enormous revenue that the Government would obtain, instead of applying the average tax in the income schedules, which would probably be 10 or 12 per cent, I took only the normal rate of 5 per cent and applied it. Applying this low normal rate of 5 per cent to this nine billions of property representing probably only one-half of the estates of men who die, we get an income of $450,000,000 from this tax, whereas under the present estate tax we get only about $105,000,000 or $110,000,000 a year.

But, Mr. President, I think the Senator and all Senators see that my estimate was entirely too low. I stated then, and I say now, that the Actuary of the Treasury, looking at this with his great experience, having to make as he does the estimates upon which all of our tax levies are based, looking at all of those elements of this problem, advised me that he

thought that probably, instead of $450,000,000 being realized by the Government from this source of taxation, it would be nearer $900,000,000 if this amendment should be agreed to. Of course, the Senator from Nebraska will reduce that a little by the reductions that he proposes to make, but I am confident that all the reductions that he proposes in his modification, which he was driven to propose to the Senate because the outrageous character of his amendment had been exposed by myself who just preceded him, would not reduce below $600,000,000 the amount to be derived from these death taxes, taxes which he proposes shall be imposed by the Government upon the estates of dead men, men who died during the current year; and that amount of $600,000,000 is more than we are now realizing from all the income taxes that we impose upon the incomes of living men.

In other words, there are 13,000 dead men, we will say, according to the figures I have given, whose estates must pay, by converting what is capital into income, $600,000,000 to the Government every year, while the 7,000,000 income-tax payers, including these hated millionaires, mention of whose name is like a red flag flaunted in the face of the Senator from Nebraska, would pay $150,000,000 a year less than that amount.

But, Mr. President, the oppressiveness of this proposition is not fully stated by the figures I have given. It is worse even than that.

Shortly after we imposed the moderate inheritance tax of 25 per cent upon estates representing one-fourth of a dead man's estate it was discovered by the Treasury Department that if all of that money had to be paid at once it would amount in many cases to absolute confiscation, making it necessary to throw the property of the estate upon the market and sell it at sacrifice prices. In many instances it would have amounted to confiscation. When those facts were brought to the attention of the Finance Committee we at once proceeded to insert in the tax bill a provision, which was absolutely fair and just, to the effect that on account of the enormous imposition growing out of a flat tax of 25 per cent upon all the accumulations of the lifetime of a dead man, his estate should be given several years in which to pay that tax. We first gave them two or three years, and then finally we were driven to the necessity of giving them six years in which to pay the tax; and in connection with this very bill, Mr. President, the Actuary of the Treasury has presented figures showing that the inheritance taxes imposed under the act of 1924 for the last year, amounting to $415,000,000, will not be paid until the end of the year 1932. In other words, they have six years in which to pay these taxes. The proposition of the Senator now is to take all of the property of these 13,000 inheritance-tax payers and convert it into income, and require them to give in that income for the year 1926, payable when? Every dollar of it payable during the year 1926.

A man might without embarrassment pay the taxes upon the income realized from a very large estate within one year, but when he is required to treat all of his estate as income in one year and pay the tax on it in that year, you can see what the difference is.

You can see what a burden it is. Instead of paying the tax upon $60,000, probably a high estimate of the income in 1926, he would have to pay a tax upon an income of $1,000,000—not the actual income, but the income tax upon $1,000,000 of net income.

Mr. President, I wish we could discuss these bills always from the standpoint of fairness and justice as between taxpayers. From such a viewpoint, I think we would see that the proposition of the Senator from Nebraska in this case is one of the most oppressive, one of the most unjust, one of the most unreasonable propositions ever presented to the American Senate and the American Congress. Instead of that, however, we are led off into all sort of tangents when we go to discuss it; and we had this morning an hour's speech from the Senator from Nebraska, not five minutes of which was devoted to an attempt to answer the figures that were presented, but the whole of which, with the exception of a few minutes, was devoted to general discussion of the question of whether a rich man ought to be "soaked" more than a poor man, or whether a poor man ought to be left free of all taxation and all the burden of taxation placed upon the rich.

The VICE PRESIDENT. The question is upon the amendment proposed by the Senator from Nebraska, as modified.

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. REED of Missouri. Mr. President, let the amendment be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The CHIEF CLERK. On page 43, after line 13, it is proposed to insert the following:

Provided, That the excess value above $25,000 of any gift, bequest, devise, or inheritance shall be considered and accounted for as gross income: *Provided further*, That any gift, bequest, devise, or inheritance from a husband to his wife or from parent to son or daughter, shall not be considered as gross income except as to the excess of such gift, bequest, devise, or inheritance above $200,000.

The VICE PRESIDENT. The roll will be called on agreeing to the amendment.

The Chief Clerk proceeded to call the roll.

Mr. FERNALD (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. JONES]. I transfer that pair to the senior Senator from Vermont [Mr. GREENE], and vote "nay."

Mr. FLETCHER (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. DU PONT]. I understand that if present he would vote as I would vote on this question. I therefore vote "nay."

Mr. HOWELL (when his name was called). I have a pair with the senior Senator from Kentucky [Mr. ERNST]. In his absence I withhold my vote. If I were permitted to vote, I would vote "yea."

Mr. KING (when his name was called). I have a pair with the junior Senator from Minnesota [Mr. SCHALL]. In his absence I withhold my vote.

Mr. McLEAN (when his name was called). I have a pair with the junior Senator from Virginia [Mr. GLASS]. In his absence, I withhold my vote. If I were at liberty to vote, I would vote "nay."

The roll call was concluded.

Mr. McNARY (after having voted in the affirmative). When my name was called, I responded and voted. I am reminded that I have a pair this day with the Senator from Maryland [Mr. BRUCE]. In his absence, I withdraw my vote.

Mr. NEELY. I have a general pair with the senior Senator from New York [Mr. WADSWORTH], but I am informed that if he were present he would vote as I intend to vote. I vote "nay."

Mr. BLEASE. I have a pair with the junior Senator from Missouri [Mr. WILLIAMS], who is absent. If he were present he would vote "nay," and I would vote "yea."

Mr. NORRIS. I desire to announce that the junior Senator from Iowa [Mr. BROOKHART] is unavoidably detained from the Senate. He is paired with the Senator from Arkansas [Mr. CARAWAY]. If the junior Senator from Iowa were present, he would vote "yea."

I also announce that the senior Senator from California [Mr. JOHNSON], who is unavoidably absent from the Chamber, is paired with the senior Senator from Arkansas [Mr. ROBINSON]. If the senior Senator from California were present, he would vote "yea."

Mr. JONES of Washington. I desire to announce the following general pairs:

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD];

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from Illinois [Mr. McKINLEY] with the Senator from Virginia [Mr. SWANSON].

Mr. McLEAN. My colleague [Mr. BINGHAM] is unavoidably detained from the Chamber.

Mr. SIMMONS. The senior Senator from Arkansas [Mr. ROBINSON] has not instructed me in regard to this vote, but from what I know of his general views of the matter, I am sure that if present he would vote "nay."

Mr. REED of Pennsylvania. The senior Senator from New York [Mr. WADSWORTH] is unavoidably absent. If present, he would vote "nay."

Mr. GLASS. I vote "nay."

The result was announced—yeas 13, nays 57—as follows:

YEAS—13

Borah	Frazier	Norris	Wheeler
Couzens	La Follette	Nye	
Dill	McMaster	Shipstead	
Ferris	Norbeck	Walsh	

NAYS—57

Ashurst	Edge	Harreld	Oddie
Bayard	Edwards	Harris	Overman
Bratton	Fernald	Harrison	Pepper
Broussard	Fess	Heflin	Phipps
Butler	Fletcher	Jones, Wash.	Pine
Cameron	George	Kendrick	Ransdell
Capper	Gerry	Keyes	Reed, Mo.
Copeland	Gillett	McKellar	Reed, Pa.
Curtis	Glass	Metcalf	Robinson, Ind.
Dale	Goff	Moses	Sackett
Deneen	Hale	Neely	Sheppard

Shortridge	Stanfield	Underwood	Willis
Simmons	Stephens	Warren	
Smith	Trammell	Watson	
Smoot	Tyson	Weller	

NOT VOTING—26

Bingham	Ernst	Lenroot	Robinson, Ark.
Blease	Gooding	McKinley	Schall
Brookhart	Greene	McLean	Swanson
Bruce	Howell	McNary	Wadsworth
Caraway	Johnson	Mayfield	Williams
Cummins	Jones, N. Mex.	Means	
du Pont	King	Pittman	

So Mr. NORRIS's amendment was rejected.

Mr. REED of Pennsylvania. I send to the desk the following amendment.

The VICE PRESIDENT. The Clerk will state the amendment.

The CHIEF CLERK. On page 23, line 16, after the word "value," insert the words "or to paragraph (2) of subdivision (c) of section 204."

Mr. REED of Pennsylvania. This is a mere clerical correction. We made the correction in the provision regarding net gains, but it has been omitted in the provision about net losses. I took the liberty of offering the amendment. I did not see the Senator from Utah in the Chamber at the moment. I know we have discussed it before.

Mr. KING. That meets the approval of the Treasury experts?

Mr. REED of Pennsylvania. I think it meets everybody's approval.

Mr. SIMMONS. Is that one of the amendments submitted to the Senator from Pennsylvania and the Senator from Utah to be adjusted?

Mr. REED of Pennsylvania. It is one of the technical amendments of the class submitted to us.

The amendment was agreed to.

Mr. REED of Pennsylvania. There is another correction I want to have made on page 299, in line 19. I ask to have the vote by which the committee amendment was agreed to reconsidered, and then I shall move to insert after the word "who" the words "knowingly and." This is suggested by the Senator from Virginia [Mr. SWANSON]. It seems to me that the word "wilfully" includes the idea of "knowingly," but in order that there may be no doubt about it, we have consented to make the correction.

The VICE PRESIDENT. Without objection, the vote by which the committee amendment on page 299, beginning with line 19, was agreed to, will be reconsidered, and the question is on agreeing to the amendment offered by the Senator from Pennsylvania to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. MOSES. I send to the desk the following amendment.

The VICE PRESIDENT. The clerk will read the amendment.

The CHIEF CLERK. On page 263, at the end of line 8, insert a new sentence, to read:

Despite the foregoing provisions of this subdivision, such credit or refund may be allowed or made in respect of any taxable year if a deficiency is asserted by the commissioner in respect of any of the seven succeeding taxable years; but no such credit or refund shall be allowed or made unless it appears that the taxpayer has overpaid the tax for the taxable year to which the claim for credit or refund relates, even though the assessment of a deficiency for such taxable year is barred by an applicable statute of limitations.

Mr. MOSES. This is the amendment which I offered during the session last night and to which exception was taken by some of the experts advising the committee. I now find some literary vindication in the language of the amendment, the experts having discovered that it is not a unilateral provision, but that it affects the Government as well as the taxpayer.

I hope the committee may see fit to accept this amendment and permit the matter to go to conference, because it is a question which, in my opinion, affects a great number of smaller taxpayers of the country, who, having made out their tax returns in previous years, discover now, when they are being checked up on later years by the authorities from the Internal Revenue Bureau, that they have overpaid in years past, and now a deficiency is claimed against them, but they can get no credit for the overpayments.

As I said last night frankly, this is an amendment to extend the statute of limitations; but it seems to me that it is entirely a justifiable extension, and particularly so because it applies to the Government as well as to the taxpayer.

Mr. KING. Mr. President, may I ask the Senator a question?

Mr. MOSES. Certainly.

Mr. KING. I have not seen the amendment until just now, but would it not permit a taxpayer to revive his accounts and, if he discovered some additional depreciation or amortization for 1917 or 1918, to tender that as an offset against any valid claim which the Government had against him for failing to pay his entire tax?

Mr. MOSES. That is not my opinion under the amendment as drawn. I will say to the Senator from Utah that the amendment was finally put into form in the legislative drafting bureau and was for the purpose simply of permitting any excess of payment which was discovered in the original return within the seven years' limit to be permitted to be applied to the deficiency now claimed; that it was not a reopening of the return at all, but it was simply an application of the rules, which the auditor of the bureau employs in checking up the current accounts, to the entire series of returns made by the taxpayer. I have had a great many letters of complaint, particularly from the smaller business men in northern New England, who this winter have found themselves confronted with the situation, where the traveling auditor from the internal revenue office, checking up an account within the statute of limitations, discovers that while the series of returns has been made in exactly the same manner throughout the years by the taxpayer, nevertheless he had overpaid in years previous and had no redress, while a deficiency is now claimed against him.

Mr. KING. But it would mean, as an illustration, if A overpaid $100 as the rules and regulations or as the law may now be interpreted, and the auditors in checking up his accounts find he is owing for 1923, $100, then he is permitted, notwithstanding the running of the statute of limitations which would bar his recovery from the Government, to offset the $100 which he claims now to have overpaid in 1917.

Mr. MOSES. Not which he claims to have overpaid, but which is shown to have been overpaid.

Mr. KING. Under the new regulations, or under the modern interpretations, he is permitted to revive the statute of limitations or, rather, to disregard it, and to offset against the $100 which he actually owes the $100 which has been barred by the statute of limitations.

Mr. MOSES. I think I must have been rather clumsy in my use of language if I did not make that clear in my original statement. That is exactly the purpose of the amendment.

Mr. KING. It is to set aside the running of the statute of limitations.

Mr. MOSES. To the extent of seven years, and I have no desire to make it appear anything else.

Mr. KING. It seems to me that is a very dangerous amendment.

Mr. MOSES. It is a very just one, I will say to the Senator from Utah.

Mr. KING. There may be differences of opinion, if my good friend will permit me to differ from him. I feel sure it will open the way to permitting some of these claims for amortization or depreciation, so many of which have not been based upon justice—indeed, some of them are fraudulent—to be reopened. The bar of the statute of limitations will be removed, and they can come back under modern rulings or modified rules and set up money which they claim to have overpaid under the more recent rulings against legitimate taxes which they are owing. I think the amendment is too dangerous to be adopted by the Senate, and I hope it will be voted down.

Mr. MOSES. I still maintain that it is just.

Mr. COUZENS. Mr. President, may I ask the Senator if he realizes that the opening of the statute of limitations permits the very thing that the solicitor told me happened the other day? They found a deficiency tax. They assessed the deficiency tax, and the taxpayer discovered or thought he discovered a way of increasing his depreciation or amortization, and to offset the deficiency tax he then magnified or increased his depreciation amount in his return of his amortization allowance to offset the deficiency.

Mr. MOSES. In a current return?

Mr. COUZENS. No; in an early return. If the accountants or the auditor of the bureau should audit the accounts of the Senator from New Hampshire, for instance, for any particular year and find a deficiency tax, and the so-called A-2 letter were substituted, it would open up the statute of limitations, and he could increase his request for an additional allowance for amortization, depreciation, or something else. That opens up the whole field for offsetting every deficiency tax that is presented by the bureau after the audit.

Mr. MOSES. Within the period named?

Mr. COUZENS. Yes; but the Senator is proposing to increase the period.

Mr. MOSES. I am lengthening the period within which the statute runs. I still maintain that the instances of injustice

to the taxpayer are so numerous and so onerous in many cases as to warrant the adoption of the amendment. Not even the efficient logic of the Senator from Michigan or the volubility of the distinguished junior Senator from Utah can convince me to the contrary.

Mr. COUZENS. The Senator might just as well ask in a year or some other time to extend it to nine years. If we are going to extend the statute of limitations, these matters, to my mind, will never be settled by the bureau.

Mr. MOSES. That is quite true. The Senator might just as well do it, but he has no intention of doing it. The Senator means some other Senator might try it?

Mr. COUZENS. Anybody might try to open it up on the complaint of some taxpayer, and so keep the statute of limitations perpetually opened.

Mr. MOSES. Oh, there is always a possibility of it, but that does not prevent me from undertaking to remedy what I believe to be a grave injustice to many small taxpayers.

Mr. COUZENS. I am not finding fault with the Senator for trying it.

Mr. SMOOT. I said last night what I wanted to say with reference to this matter. I think it is a very dangerous and unwise amendment, but if the Senator wants a record vote I am perfectly willing he should have it.

Mr. MOSES. We spent four hours or more on a single amendment. I understand the pressure under which the Senator from Utah is laboring with reference to the measure. I have not any intention of endeavoring to take the time of the Senate with a record vote. I am entirely willing to settle the matter by a viva voce vote.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Hampshire.

The amendment was rejected.

Mr. KING. The Senator sees there is some volubility on the other side of the question now.

Mr. MOSES. Or volume.

Mr. GLASS. Mr. President, in behalf of the junior Senator from Arkansas [Mr. CARAWAY], and at his request, I send to the desk a proposed amendment to the bill.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 334, following the amendments heretofore agreed to, insert a new section, as follows:

SEC. —. If any information, relating to the liability of any taxpayer for any internal-revenue tax, is obtained or received from any person other than the taxpayer and is considered by any officer, employee, or agent of the Treasury Department, or of any bureau or division thereof, in determining such liability, then the taxpayer shall, after due notice giving the nature of the information and the name and address of the person from whom such information was obtained or received, be afforded a reasonable opportunity to be heard in respect thereof.

Mr. SMOOT. Mr. President, I hope the amendment will be agreed to.

Mr. GLASS. In a word, the practice has heretofore obtained at the bureau of making charges of constructive fraud against individuals and concerns without any specification whatsoever. This is merely to correct that situation and require the bureau to give such notice.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted on behalf of the Senator from Arkansas.

The amendment was agreed to.

Mr. WALSH. Mr. President, I send to the desk an amendment which I offer.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 83, line 4, after the word "associations" insert the words "and mutual dairy loan associations," so as to read:

(4) Domestic building and loan associations and mutual dairy loan associations substantially all the business of which is confined to making loans to members; and cooperative banks without capital stock organized and operated for mutual purposes and without profit.

Mr. SMOOT. I have no objection to the amendment.

Mr. WALSH. I desire to say just a word for the RECORD. These mutual dairy loan associations are organized on exactly the same principle as building and loan associations, but the department does not recognize them as falling within the designation of a building and loan association. This amendment will correct that situation.

Mr. SMOOT. The same restrictions apply to the mutual dairy loan associations as to the building associations?

Mr. WALSH. Yes.

The VICE PRESIDENT. Without objection the amendment is agreed to.

Mr. SMITH. Mr. President, on yesterday I had an amendment printed and asked that it lie on the table. I now offer it.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 134, after line 23, insert the following new paragraph:

(1) The amount of income taxes imposed by this act shall be assessed within two years after the return was filed, and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period.

On page 135, line 3, strike out the words "and by this act."

Mr. SMITH. Mr. President, the amendment, which I have had worked out by the draftsmen of the legislative bureau, is simply to limit the time of reassessment to two years on the taxes imposed by the pending bill. It is not retroactive. It is to take effect when the incomes under this bill shall be assessed and the tax paid, and does not affect the four-year limitation that applies under the 1924–25 act. It is sufficient for me just to call the attention of Senators to the fact that we have had so much trouble and confusion by reason of the long period we have given within which refunds and reassessments may be made that I think in justice to the taxpayer we should limit the time to two years.

Mr. ASHURST. Mr. President, I have consumed no time on the tax bill, and I shall take but a moment now. Some remedial legislation of this sort is required to give repose to our citizens and such relief is almost as essential as is the bill itself. We are committed to a national policy with reference to the income tax. It will go forward as a part of our national policy. To make an income tax popular it must be just. It is a foul injustice to the citizens of the country to require them to pay their taxes and then for years thereafter require them to be uncertain as to whether they reached a finality with their Government. The citizens of the country when they pay are entitled to a statute of repose beyond which even the governmental hand can not reach to disturb them.

I conclude with the same sentence with which I began, that a statute that will give repose to our citizens after they have paid their taxes is as essential as is the bill itself. I hope the amendment will be adopted.

Mr. McKELLAR. Mr. President, I had offered a similar amendment. I very sincerely hope the amendment of the Senator from South Carolina will be adopted. Two years is certainly long enough with the system that is now in good working order. There are no complications about the war. The provision applies only to the future. It does seem to me two years afford sufficient time. I hope the Senator from Utah will accept the amendment and let it apply to the future, as it should, in my judgment.

Mr. SMOOT. Mr. President, I wish the Senate to know that if this amendment shall be adopted such a short time will be allowed that it will be an absolute impossibility to examine all of the cases. Mind you, Senators, over 90 per cent of all the requests during the four-year period are from the taxpayers themselves, and not from the Government. So if this proposition be agreed to we are going to reduce the period so far as the taxpayers are concerned from four years to two years, and it is the taxpayers who are going to suffer.

Mr. GLASS. Mr. President, as will readily be recalled, I opposed the proposition which the Senator from South Carolina [Mr. SMITH] presented here last evening, because it was my conviction that it could not be administered; in my view, it was totally impracticable; but I have stood on this floor now for several years and protested that unless some such limitation as that now proposed by the Senator from South Carolina were embodied in the statute the bitterness of the American taxpayer against the Internal Revenue Bureau would be greatly intensified.

As I understand the proposed amendment, it does not relate to taxes which have heretofore been levied and returns which have heretofore been made, but to future returns.

Mr. ASHURST. The amendment of the Senator from South Carolina is purely prospective and not retroactive.

Mr. GLASS. I recall very distinctly that two years ago when the Secretary of the Treasury and the Commissioner of Internal Revenue appeared before the Appropriations Committee of the Senate, both of them expressed the confident hope and expectation that the tax-return cases would be current before the end of that tax year. I have no doubt both of those gentlemen felt justified in the confidence they expressed, and because they did express the belief that that would be the situation at the termination of the current tax year, I refrained from offering any amendment or suggestion with respect to this problem.

I realize, just as the Senator from Pennsylvania [Mr. REED] so clearly pointed out the other day, that in the meanwhile

many thousands of claims were presented to the Internal Revenue Bureau, and, notwithstanding increased appropriations and increased force, it was physically impossible to clear the decks and to get current; but it seems to me that it is practicable and it is right that the limitation should be changed; and it seems to me further that two years will afford ample time for the bureau to determine these matters. Therefore I hope that the amendment of the Senator from South Carolina will be adopted.

Mr. FESS. Mr. President, will the Senator from Virginia yield to me?

Mr. GLASS. I yield to the Senator.

Mr. FESS. Does the amendment contemplate a complete auditing of the tax returns within two years?

Mr. GLASS. Where there is a contest in the tax return, of course, it involves a complete auditing.

Mr. FESS. Is not that a physical impossibility?

Mr. SMOOT. Let me suggest to the Senator from South Carolina that he make it three years instead of two years.

Mr. SMITH. The amendment does not propose to change the language of the bill except to make the period two years.

Mr. SMOOT. I suggest to the Senator from South Carolina that he make it three years instead of two years, although I have no objection at all to making it two years if it can be carried out.

Mr. SMITH. It has been stated here on the floor of the Senate that we have eliminated more than 2,000,000 taxpayers from the payment of taxes; that we have also simplified and restricted the law in other respects; and as we now have a four-year period, it seems to me that the department ought to collaborate in making the returns current and not having them drag along for four or five or six years.

Mr. SMOOT. If the Senator from South Carolina thinks this work can be done in two years, so far as I am concerned, I am perfectly willing to accept the amendment and let it go to conference.

SEVERAL SENATORS. Vote!

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from South Carolina [Mr. SMITH].

The amendment was agreed to.

Mr. REED of Missouri. Mr. President, since the amendment of the Senator from South Carolina has been adopted it forces a change in section 278.

Mr. SMITH. I have an amendment which covers that, as I think the Senator will agree if he will examine it. It has reference to refunds and makes the language correspond.

Mr. REED of Missouri. I have not time to examine that in a moment, but I think the suggestion which I have to make will be acceptable.

Mr. SMITH. Very well.

Mr. REED of Missouri. The amendment just adopted inserts a new clause which reads:

(1) The amount of income taxes imposed by this act shall be assessed within two years after the return was filed, and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period.

I think from a very hasty examination that that is defective, although we have just accepted it, because it relates alone to proceedings in court. I think the Senator from South Carolina meant to give an absolute statute of repose. While this stops proceedings in court, it does not stop distraint; I am afraid he does not, but I do not want to say that absolutely.

Mr. SMITH. My attention was called by the tax experts to the language of the amendment:

The amount of income taxes imposed by this act shall be assessed within two years after the return was filed, and no proceeding in court without assessment—

If there is an assessment, of course, there may be a proceeding, and there may be none without; but I do not know as to distraint.

Mr. REED of Missouri. That is the trouble. The bill provides for distraint without any proceeding in court, and provides an entire system of procedure by which taxes may be assessed and distraint ordered without a proceeding in court.

Mr. REED of Pennsylvania. Of course; but there can not be a distraint without there first having been an assessment, and where there is a limitation on the assessment that necessarily is a limitation on the distraint.

Mr. SMITH. That is right.

Mr. REED of Missouri. Probably that is correct; I am not certain of that; but I call attention to section 278 (a) which provides:

SEC. 278. (a) In the case of a false or fraudulent return with intent to evade tax or of a failure to file a return the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

That is all right, but it is apparently in conflict with the clause just adopted. It is a part of the old law being reenacted, and I suggest, in order to make it clear, the insertion of the words "notwithstanding any other provisions of this act," so that it will read:

Notwithstanding any other provisions of this act in the case of a false or fraudulent return—

And so forth.

Mr. REED of Pennsylvania. I do not see any objection to that.

Mr. REED of Missouri. That will make it clear. I move that amendment, Mr. President.

The VICE PRESIDENT. If the Senator from Missouri will suspend for a moment, the Chair will state in connection with the amendment of the Senator from South Carolina that additional action should be taken in order to complete it.

Mr. SMITH. I suggest that the necessary amendment be made to conform the text to the amendment adopted.

The VICE PRESIDENT. The question is on the amendment of the Senator from South Carolina, on page 135, line 3, to strike out, after the numerals "1924," the words "and by this act." Without objection, the amendment is agreed to.

Mr. REED of Missouri. Mr. President, I move to amend section 278, on page 137 of the printed text, by inserting in paragraph (a) after the letter "(a)" the following words:

Notwithstanding any other provisions of this act—

So that it will read:

Notwithstanding any other provisions of this act in the case of a false or fraudulent return—

And so forth.

The amendment simply makes the language plainer.

The VICE PRESIDENT. Is there objection? Without objection, the amendment is agreed to.

Mr. McLEAN. Mr. President, I desire to offer an amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 67, line 22, after the word "bonus" and the comma, it is proposed to insert the word "pension," so as to read:

(f) A trust created by an employer as a part of a stock bonus, pension, or profit-sharing plan—

And so forth.

Mr. McLEAN. Mr. President, it has been called to my attention that the funds which are created for the purpose of providing pensions for employees are precisely on the same basis as those which provide stock bonuses or profit-sharing plans. That is all there is to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Connecticut.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I ask the attention of the Senator from Massachusetts [Mr. BUTLER] and the Senator from Minnesota [Mr. SHIPSTEAD] to a question I am about to ask the Senator in charge of the bill. Last night, as the Senate will remember, we had a discussion about the taxation of municipal employees. The Senator from Utah called our attention to a decision of the Supreme Court rendered on the 11th of January, 1926. I wish to call the attention of the Senator to that decision.

It relates to a claim made by two engineers. These engineers, Metcalf and Eddy, somewhere in Massachusetts, engaged in the business of giving advice to municipalities and other clients about installing water plants. They contended that the pay they received from various municipalities should be exempt on the ground that they were municipal employees.

The case went to the Supreme Court, where it was brought out that all of the payments involved were received by these taxpayers as compensation for their services as consulting engineers. They were not employees of the various cities; they were under contract with the State and municipalities, and in each case the service was rendered in connection with a particular project—a part-time project, perhaps, so far as their employment was concerned. In no sense were they employees of the municipality. The court said:

We think it clear that neither of the plaintiffs in error occupied any official position in any of the undertakings to which their writ of error in No. 183 relates. They took no oath of office; they were free to accept any other concurrent employment; none of their en-

gagements was for work of a permanent or continuous character; some were of brief duration and some from year to year; others for the duration of the particular work undertaken. Their duties were prescribed by their contracts and it does not appear to what extent, if at all, they were defined or prescribed by statute. We therefore conclude that plaintiffs in error have failed to sustain the burden cast upon them of establishing that they were officers of a State or a subdivision of a State within the exception of section 201 (a).

I point out to the Senators in charge of the bill that this decision does not relate to employees of cities who have charge of water plants or electric-light plants that are municipally owned—employees who do take an oath of office, who are employed at full time, who are paid exactly as other employees of municipalities are paid, who are upon the pension list, and who are in every sense municipal employees. It is very clear, indeed, Mr. President, that this decision does not give a defense to the exclusion of municipal employees of public utilities regularly employed, and who are in every sense municipal employees within the meaning of the law, as it has been applied heretofore.

I think, with this explanation, that the amendment which was presented last night by the Senator from Minnesota [Mr. SHIPSTEAD] is one which the Senate should adopt. It is not right that these employees who are on exactly the same plane as municipal employees generally, should be excepted from the beneficent operations of the law. I ask that the Senator from Minnesota [Mr. SHIPSTEAD] present his amendment, in order that we may have it before us definitely for consideration and action.

Mr. SHIPSTEAD. Mr. President, I am glad the Senator from New York brought up this question. I think that if the amendment I send to the desk is not adopted we will be establishing a precedent which will permit the Federal Government to go into a State and tax a subdivision of a State government, and I think it is a step that we should not take at all; but, if we do take it, I do not think we should take it on the ground that was advanced by the Senator from Utah last evening when he quoted a Supreme Court decision, claiming that the Supreme Court decision held that the employees involved were not in fact city employees.

I have here the Supreme Court decision, and I want to read a paragraph that I believe the Senator from New York did not read, so that we may know just what the Supreme Court said. I am quoting from the decision:

> An office is a public station conferred by the appointment of government. The term embraces the idea of tenure, duration, emolument, and duties fixed by law. Where an office is created the law usually fixes its incidents, including its term, its duties, and its compensation. * * * But there was no office of sewage or water-supply expert or sanitary engineer to which either of the plaintiffs was appointed. The contracts with them, although entered into by authority of law and prescribing their duties, could not operate to create an office or give to plaintiffs the status of officers. * * *
>
> Nor do the facts stated in the bill of exceptions establish that the plaintiffs were "employees" within the meaning of the statute. So far as appears they were in the position of independent contractors. The record does not reveal to what extent, if at all, their services were subject to the direction or control of the public boards or officers engaging them. * * *
>
> It is on this principle that, as we have seen, any taxation by one government of the salary of an officer of the other, or the public securities of the other, or an agency created and controlled by the other, exclusively to enable it to perform a governmental function * * * is prohibited. But here the tax is imposed on the income of one who is neither an officer nor an employee of government, and whose only relation to it is that of contract, under which there is an obligation to furnish service, for practical purposes not unlike a contract to sell and deliver a commodity. * * *
>
> But we do decide that one who is not an officer or employee of a State does not establish exemption from Federal income tax merely by showing that his income was received as compensation for service rendered under a contract with the State.

That is the decision of the court.

I send to the desk the amendment which was presented last night.

The VICE PRESIDENT. The amendment will be stated.

Mr. SHIPSTEAD. I ask unanimous consent, in view of the information we now have, that it be accepted and read and acted upon at the present time.

Mr. SHIPSTEAD's amendment was, on page 47, line 21, to strike out the period and insert a semicolon, and, after line 21, to insert a new paragraph to read as follows:

> (14) Any taxes imposed by the revenue act of 1924 or prior revenue acts upon any individual in respect of amounts received by him as compensation for personal services as an officer or employee of any State or political subdivision thereof (except to the extent that such compensation is paid by the United States Government directly or indirectly) shall, subject to the statutory period of limitations properly applicable thereto, be abated, credited, or refunded.

Mr. SMOOT. Mr. President, the statement I made last night was made upon information that I received from one of the department experts. I have before me now the decision of the Supreme Court. I think perhaps we had better adopt the amendment which was offered. I know that a similar amendment was offered by the Senator from Massachusetts [Mr. BUTLER], and I think this is on all fours with that amendment.

Do I understand that the Senator from Minnesota offers the amendment now?

Mr. SHIPSTEAD. Yes.

Mr. SMOOT. That is the one the Senator offered last night? I think the Senate had better adopt the amendment. I really do not know what amount it involves, but it may not be very much. Let it go in and we will examine it in conference.

Mr. COPELAND. Mr. President, will the Senator yield for a moment?

Mr. SMOOT. Yes.

Mr. COPELAND. I am not sure, but I think we ought to hear the amendment offered by the Senator from Massachusetts.

Mr. SMOOT. I have just asked the question as to whether the amendment was offered by him or by the Senator from Minnesota.

Mr. BUTLER. Mr. President, I have prepared an amendment covering this subject which perhaps is a little more comprehensive than the amendment which has been sent to the desk by the Senator from Minnesota. This amendment is in two paragraphs. The first paragraph applies to taxes imposed upon amounts heretofore received by such officers, to take care of that phase of the subject. The second paragraph provides for refunds of taxes already paid by such officers. I think in that form the amendment takes care of all the questions completely, so as to absolve officers who have already paid their taxes under the regulations of the Internal Revenue Bureau, and also relieves those who have not paid their taxes from hereafter paying taxes on amounts heretofore received.

Mr. REED of Pennsylvania. For how many years does the Senator's refund amendment go back?

Mr. BUTLER. It goes back, I presume, to 1917 and 1918.

Mr. REED of Pennsylvania. It would go back to 1913, would it not?

Mr. BUTLER. Probably—back to the beginning of our income-tax system.

Mr. REED of Pennsylvania. Does not the Senator think it would be fair to subject the amendment to the ordinary statute of limitations?

Mr. BUTLER. I want to call attention to another phase of this matter which perhaps has not been brought out clearly and which is embraced in a suggestion which I have received from an association which is devoted to the interests of employees of waterworks, and I think it is a very fair statement. The first item is:

> State and municipal employees assigned to waterworks and other alleged nongovernmental activities have almost universally not filed Federal income-tax returns from 1918 to date, not due to neglect, but because they were informed by the collectors of the Internal Revenue Bureau and by the Federal income-tax blanks that their salaries were exempt. The wording of the yearly income-tax blanks under "General instructions" is—

This is the important item in the whole matter, and it seems to me a consideration which indicates to us the justice of an amendment of this character. This blank reads as follows:

> Items exempt from tax: The following items are exempt from Federal income tax and should not be reported:
>
> * * * (h) Compensation paid by a State or political subdivision thereof to its officers or employees.

Under that declaration these employees, employed by cities and towns and States, have not filed income-tax returns and have not paid taxes in a great many instances; and where they have been demanded they have paid them, I think, unjustly.

I offer the amendment at this time, and I hope it will prevail.

Mr. REED of Pennsylvania. Mr. President, upon examining the Senator's amendment I think it does provide that it is subject to the statutory period of limitations.

Mr. SMOOT. And it also applies to all employees.

The VICE PRESIDENT. Does the Senator from Minnesota insist upon his amendment being submitted to a vote?

Mr. SHIPSTEAD. I will accept the amendment of the Senator from Massachusetts as a substitute.

The VICE PRESIDENT. The Senator from Minnesota withdraws his amendment. The question is on the amendment offered by the Senator from Massachusetts, which will be stated.

The CHIEF CLERK. The Senator from Massachusetts [Mr. BUTLER] offers the following amendment: On page 48 it is proposed to insert in the proper place the following:

(15) No tax shall be imposed upon amounts heretofore received by officers or employees of any State or political subdivision thereof as compensation for personal services in such office or employment, except to the extent that such compensation is paid by the United States Government directly or indirectly.

Any taxes imposed by the revenue act of 1924 or prior revenue acts upon any individual in respect of amounts received by him as compensation for personal services as an officer or employee of any State or political subdivision thereof (except to the extent that such compensation is paid by the United States Government directly or indirectly) shall, subject to the statutory period of limitations properly applicable thereto, be abated, credited, or refunded.

Mr. HOWELL. Mr. President, in speaking to the amendment I am at a disadvantage, as I have been an employee of a political subdivision of the State of Nebraska operating public utilities. I know of my own knowledge that no attempt was made, nor was there any suggestion made, that employees of municipally owned public utilities should be treated otherwise than as employees of the city who were conducting other activities of the municipality. As a consequence I myself never made a return, was not asked to make a return, and on three occasions my accounts have been gone over by Treasury officials, checked up, and finally closed.

In the cases of a number of other employees who were my subordinates, they made no returns, were called upon to make no returns, and always believed and understood they were in the same class with other municipal employees. As a consequence they made nor have since made no provision for income taxes. Their salaries were not large, the expense of living high. They, of course, were employed by the public, and we all know that the public pays relatively small salaries.

It was not until after I had left the employ of the utilities district of which I was general manager that I learned that there was anything of this nature in the minds of officials of the Treasury Department; but I have heard on several occasions since, and my attention has been otherwise called to the fact, that some court had handed down a decision suggesting that the salaries of such employees were taxable. No attempt, however, has been made in my district to collect these taxes, and, as I understand, no attempt has been made to do so generally throughout the United States.

It would be a tremendous hardship upon a great many of these employees to pay back taxes accrued, and therefore it seems to me that as their real status differs in no wise from such employments as school-teacher, policeman, or that of the operator of the boilers provided for heating in a city hall, no distinction should be made. Certainly, so far as this amendment is concerned, it should be adopted.

However, because of my personal interest I can not vote therefor, and shall not. But these are the facts, and naturally old employees have appealed to me. Knowing their situation, I realize that if the Government should go back and collect these taxes it would mean a tremendous hardship.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. BUTLER].

The amendment was agreed to.

Mr. SMOOT. In order that this matter may be settled finally, I ask that we return to page 44, after line 24, where the amendment to the committee amendment offered by the Senator from New York [Mr. COPELAND] was inserted. That only relieved these employees of the penalties. I ask that the action by which that amendment was agreed to be reconsidered.

The VICE PRESIDENT. Without objection, the vote by which the amendment offered by the Senator from New York to the committee amendment was agreed to is reconsidered.

Mr. COPELAND. Mr. President, is the Senator from Utah quite certain that this action and what we have already done with reference to the other amendments will release these employees from the penalties?

Mr. SMOOT. There is no doubt of it. The amendment offered by the Senator from Massachusetts and agreed to covered all the Senator's amendment covered and even went further.

Mr. COPELAND. I assumed that that would be the case, but I am very glad to be reassured by the Senator from Utah.

Mr. SMOOT. I assure the Senator that that is the fact.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York to the committee amendment.

The amendment to the amendment was rejected.

The amendment was agreed to.

Mr. REED of Missouri. In line with the amendment offered by the Senator from South Carolina [Mr. SMITH] designed to stop the reopening of tax cases after two years, which was agreed to, I desire to offer an amendment to section 1105, on page 289. That section, as it now reads, is as follows:

No taxpayer shall be subjected to unnecessary examinations or investigations, and only one inspection of a taxpayer's books of account shall be made for each taxable year.

Notice this:

Unless the taxpayer requests otherwise or unless the commissioner after investigation, notifies the taxpayer in writing that additional inspection is necessary.

So we start out by providing that the taxpayer shall not be subjected to unnecessary examinations and that there shall be only one in each year. We provide that the taxpayer can have more, and then we provide that the commissioner can have more. In other words, we wind up by having done nothing except require the commissioner to give a notice in writing.

As the statute has been construed, the commissioner sends his men around to make an examination, the books and papers and documents are disclosed, and the examiner goes away. Then, a little while afterwards, somebody else comes around and does the same thing again, and it sometimes happens a half a dozen times. We are trying to get through legislation relieving the taxpayers of these onerous burdens. I offer this amendment.

Mr. SMOOT. Mr. President, I may have misunderstood the Senator; but as I construe the last part of the provision with reference to the commissioner, it provides that he must notify the taxpayer in writing if an additional inspection is necessary. That ought to be in the law, I think, because of the fact that some years ago the department would send a man to the Senator's office, we will say, who would say to the Senator, "I want an investigation of this matter now." No notice would be given, and the Senator would not have time to prepare for the examination. This provision has been inserted so as to give the taxpayer notice before anyone comes to make an investigation. It is ever so much better than the law has been, and does not the Senator think that would be sufficient?

Mr. REED of Missouri. No; because it operates in this way: The examiner sends a man around to the taxpayer's office, and he makes an examination. Any time he wants to make another examination he simply writes a letter and says the examiner deems it necessary to make another examination, and he makes it; he writes another letter, and the process is repeated. We are trying to get a condition of repose. We have adopted the provision that there shall be no reopening of these cases after two years.

Mr. McLEAN. The Senator is familiar with the next section, which provides that the taxpayer may request a discharge from the Secretary of the Treasury after an inspection had been accorded, and that is final.

Mr. REED of Missouri. I do not catch the Senator's point.

Mr. McLEAN. The next section, section 1106, provides that—

If after a determination and assessment in any case the taxpayer has paid in whole any tax or penalty, or accepted any abatement, credit, or refund based on such determination and assessment, and an agreement is made in writing between the taxpayer and the commissioner, with the approval of the Secretary, that such determination and assessment shall be final.

Mr. REED of Missouri. Yes; if an agreement is made in writing.

Mr. McLEAN. That is all that has to be done. Any taxpayer who wishes a final adjustment of his taxes may request an audit, or if an audit is made by the auditor without any request on the part of the taxpayer, if the taxpayer says he wants a discharge, he can get it by applying to the Secretary of the Treasury.

Mr. REED of Missouri. It may be, if they agree on something, he could get his discharge; but nobody can compel an agreement.

Mr. McLEAN. Of course, if they do not agree, there is no settlement of the case.

Mr. REED of Missouri. There should not be a settlement of the case. We are not talking about a settlement of the case. We are talking of the right to come in and examine a man's books five or six times.

Mr. SMOOT. Last evening we adopted an amendment—subdivision (a) of section 1106, following section 1105—to which the Senator is now referring. It reads as follows:

> The bar of the statute of limitations against the United States and against the taxpayer in respect of any internal-revenue tax will not only operate to bar the remedy but shall extinguish the liability.

That is a provision which has never been in any other act, and this runs for four years. Under the amendment proposed by the Senator from South Carolina there can be only two years possibly.

Mr. REED of Missouri. That is true.

Mr. SMOOT. So I think it is pretty well taken care of by this amendment.

Mr. REED of Missouri. I still think that if the proposition which I have tried to state, and which I have not been able to state yet, is accepted, it will reach the condition that has not been referred to by the Senator from Connecticut or by the Senator from Utah.

The amendment offered by the Senator from South Carolina, which was agreed to, provides, in substance, that no action can be brought on taxes that were not assessed within two years. So far, so good. The amendment just read by the Senator from Utah, which is not part of the text of the bill, except by amendment, reaches the question of the extinguishment of the indebtedness after a fixed period. Both of those propositions relate to the tax after it is paid. The Senator from Connecticut also calls attention to section 1106, which provides that—

> If after a determination and assessment in any case the taxpayer has paid in whole any tax or penalty, or accepted any abatement, credit, or refund based on such determination and assessment, and an agreement is made in writing between the taxpayer and the commissioner, with the approval of the Secretary, that such determination and assessment shall be final.

That reaches the case only where the taxes have been paid in whole or in part, plus an agreement between the Treasury Department and the taxpayer, and, of course, it could be defeated easily enough by the Government simply refusing to agree.

I am not seeking to deal with either of those propositions. I am seeking to direct attention to the hardship of a taxpayer being required repeatedly to submit to examinations. Of course, after the two-year statute has run, he might refuse an examination, unless the Government claims fraud, in which case there is no statute of limitations whatever. By merely claiming fraud the Government at any time can make examination after examination, subject only to one limitation, that it must give notice that it is going to make the examination. That, in ordinary course, is done by the mere writing of a letter.

So, as it stands, an agent of the Government may come into my office, examine my books and papers, have everything submitted to him, and go away. The next week he may write me a letter that another examination is regarded as necessary, and he may come back and go through my books and papers again, and that process may be repeated indefinitely. There is no limitation whatever. I think one examination is all the Government ought to ask.

We have been speaking here about the feeling that is aroused by unnecessary burdens and hardships and harassments being put upon the taxpayer.

It creates a great deal of feeling. I have heard more complaint by business men about their books being hauled down and pawed over five or six times as I think I have heard about the amount of tax they have had to pay. I would like to get this provision out of the bill if possible. I think the amendment which I suggest will accomplish it; that section 1105 be stricken out and a new section be inserted in lieu thereof to read as follows, and this is the shortest way I can state it:

> No taxpayer shall be subjected to more than one inspection of his books of account each taxable year unless the taxpayer requests an additional examination.

That stops the matter with one examination. If we do not adopt such an amendment, then we are leaving it open for any number of examinations, which would be a hardship.

Mr. REED of Pennsylvania. May I make a suggestion to the Senator? I was thinking of it while the Senator from South Carolina was urging his amendment. I think we are doing great things for the taxpayer when we shorten up the period of limitation, but when we do as the Senator is now suggesting and reduce the number of examinations, it is a poor service we are doing them, because the bureau will play safe. They are apt to make a lot of unjust assessments in their anxiety to protect the Government on accounts which they have not been able to audit. If we limit the time within which they can audit or limit the number of times they can look at the books, they are going to give the Government the benefit of every doubt, and we will have more appeals that the taxpayer will have to take. I think it is worth while considering whether all that we are doing is so much in the interest of the taxpayer after all.

Mr. REED of Missouri. I will modify my proposed amendment by making it read "more than two inspections."

Mr. REED of Pennsylvania. That is only half as bad as it was before.

Mr. REED of Missouri. No; two inspections ought to satisfy anybody. That makes allowance for the greenhorn who is sent out by the bureau and for the man who is sent out to check him up. There ought to be an end to it.

The Senator generally argues questions very fairly, and I will not say he has not argued this one fairly, but I do say it is a very poor argument to say that we should impose burdens and hardships upon taxpayers because the officers of the Government may act unjustly unless we allow them to go over their work four or five times. I am afraid we have such employees in the Government, but we ought not to have them. I submit the amendment as it is now modified, so there can be two examinations, and that shall end it.

Mr. REED of Pennsylvania. What the Senator said is eminently just when we think of the individual taxpayer who has a comparatively simple set of books. I dare say the books of any one of us in this Chamber could be audited easily on one visit or one inspection. Certainly none of them would require more than two audits. But when we say "taxpayer" in this section we mean such concerns as the United States Steel Corporation as well as the private individual. The bureau is still auditing that corporation's returns for 1918. If we had not had the power to reaudit them again and again, the Government would lose the $27,000,000 of amortization to which the Senator from Michigan has called attention. This thing cuts both ways.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Missouri yield to the Senator from Michigan?

Mr. REED of Missouri. I yield.

Mr. COUZENS. It seems to me that the amendment proposed by the Senator from Missouri would put the bureau on notice. I suggested to the Senator that one examination was not enough. The bureau might send a new employee or an incompetent employee who would not get sufficient information, but when he makes his report back to his chief to see whether he has the proper information and has made the proper audit, the chief ought to be able to determine what next he needs and get it at least the second time. That would not, of course, interfere with the continuous audits.

Mr. REED of Pennsylvania. Take the case of the Electric Bond & Share Co. and all of the involved consolidated returns that have been necessary for that company to file. Does not the Senator think that the Government ought to have the right to go back to them half a dozen times, if necessary?

Mr. COUZENS. I think the amendment puts the bureau on notice to get what they want, and they ought to know what they want in two investigations.

Mr. SMOOT. Another thought occurs to me in connection with the amendment. If a man wants to evade paying his taxes, it is an invitation to him not to report all of his property on the theory that, perhaps, the auditors will not get it in one examination or two examinations. He might be tempted to take a chance on it.

Mr. COUZENS. As long as the bureau is on notice by the amendment, it seems to me it ought to use diligence in prosecuting its investigations thoroughly in the first and second instances.

Mr. SMOOT. As to the great bulk of taxpayers one examination would be all that is necessary. There are a smaller number where two examinations would be sufficient. Perhaps 99 or even 99.99 per cent of the cases would be covered by two examinations. But the man who is taking a chance, making insufficient returns, and not reporting all of his income, will take the chance of not being caught when he knows the Government is limited in the number of investigations or examinations it can make.

Mr. COUZENS. No one is more anxious to protect the Government's interests than I am, but there is no restriction now as to the length of time any investigation may take. A continuous investigation may last over a very great length of time.

Mr. SMOOT. But the amendment of the Senator from South Carolina restricts it to two years.

Mr. COUZENS. I am talking about the amendment of the Senator from Missouri which limits the number, but the bureau could make it a continuous investigation.

Mr. SMOOT. But there would have to be two examinations within two years, then.

Mr. COUZENS. This is where I think the amendment of the Senator from South Carolina is not so good. When the two years are about to expire, if the bureau is not through with its examination, they can make a jeopardy assessment and get either a waiver or stand for the jeopardy assessment.

Mr. REED of Pennsylvania. They can send out a 60-day letter and that would hold the statute.

The PRESIDING OFFICER. The clerk will report the amendment offered by the Senator from Missouri as modified.

The CHIEF CLERK. The senior Senator from Missouri proposes to strike out on page 289, after the numerals "1105," all of the paragraph down to and including line 17, and to insert:

No taxpayer shall be subjected to more than two inspections of his books of account each taxable year unless the taxpayer requests an additional examination.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri.

The amendment was agreed to.

Mr. REED of Missouri. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Bayard	Frazier	McLean	Sheppard
Blease	George	McMaster	Shipstead
Borah	Gerry	McNary	Shortridge
Broussard	Gillett	Metcalf	Simmons
Butler	Glass	Moses	Smith
Cameron	Goff	Neely	Smoot
Capper	Hale	Norbeck	Stanfield
Copeland	Harreld	Norris	Swanson
Couzens	Harris	Nye	Trammell
Cummins	Harrison	Oddie	Tyson
Curtis	Heflin	Overman	Walsh
Dale	Howell	Pepper	Warren
Deneen	Jones, Wash.	Phipps	Watson
Dill	Kendrick	Pine	Weller
Edge	Keyes	Ransdell	Wheeler
Edwards	King	Reed, Mo.	Willis
Ferris	La Follette	Reed, Pa.	
Fess	Lenroot	Robinson, Ind.	
Fletcher	McKellar	Sackett	

The PRESIDING OFFICER. Seventy-three Senators having answered to their names, a quorum is present.

Mr. REED of Missouri. On page 33, line 12, in the provision applying to earned income I move to strike out the figures "$20,000" and to insert in lieu thereof "$50,000." I want to appeal to the sense of fairness of the Senate on the amendment and to call attention to the situation. This applies strictly to incomes that are earned for personal services and does not exempt them, but allows them a diminution of 25 per cent of the tax assessed.

It is proposed to place it at $20,000, and I ask to have that raised to $50,000. I want to present the question to the Senate as a matter of fairness and equity. We allow the man who has his money invested in business a 6 per cent return upon his capital before we begin to tax him. We allow the man who has invested in an oil well 30 per cent on account of the depletion or exhaustion of his well. I think I am correct in that statement.

Mr. REED of Pennsylvania. The Senator is mistaken about allowing the man 6 per cent on his capital invested in business. We tax all of the 6 per cent.

Mr. REED of Missouri. We tax on the net?

Mr. REED of Pennsylvania. Yes; we tax him on his net income, just as we tax every other taxpayer.

Mr. REED of Missouri. Who is it gets the 6 per cent exemption; the corporation?

Mr. REED of Pennsylvania. That was under the old excess-profits tax, which has been repealed.

Mr. REED of Missouri. Then, the law has been changed and I will amend my remarks accordingly. We do allow the oil-well owner and the mine owner a rebate on account of the depreciation or the exhaustion of his capital. We do allow every institution, first or last, an exemption on account of the depreciation or diminution of its capital. It is taken out in the way of losses in business. The professional man is exhausting his capital every year that he lives, and generally the larger returns upon the efforts that a man makes come in the late years of his life when his capital is pretty well exhausted. So much for that phase of it, and I only want to state it.

There is another phase of it. A lawyer or other professional man may work upon a case for four or five years, receiving practically no compensation, and then get his fee in a lump sum. Then he must pay the entire tax within that year. It is a tax upon brain and upon production; it is not a tax that is levied upon invested capital; it is a tax that is levied directly upon the energies of the individual; and, for the reasons I have called attention to, seems to me to be a most unjust and burdensome tax. I know of cases where professional men—engineers and others who are engaged in carrying on enterprise and who largely get their fees when the work is completed—receive a large fee in one year and work other years for very small compensation. When, however, the fee comes in one year, then it meets with these heavy surtaxes. That is particularly true of lawyers. It is also true of professional men; and by "professional men" I include engineers and all men of that class.

I understand that exceptions are made in nearly every country in the world of that class of earnings which comes directly from the efforts of the individual. I do not mean such earnings are entirely exempt, but such men have particular advantages over the taxpayer who makes his money out of some investment where he is not working and exerting himself, but where his money is working for him. I think there ought to be a distinction, and I think, put at $50,000, it is a moderate distinction.

Mr. BORAH. Mr. President, how does the Senator from Missouri designate the particular income which he proposes to exempt to the amount of $50,000?

Mr. REED of Missouri. If the Senator please, it comes under the heading of "Earned income."

Mr. REED of Pennsylvania. It is defined on page 32 of the bill.

Mr. BORAH. I know; but what is "earned income"?

Mr. SMOOT. Up to a certain amount the bill considers income as earned. The bill provides that—

in no case shall the earned net income be considered to be more than $20,000.

But above that the bill provides:

The term "earned net income" means the excess of the amount of the earned income over the sum of the earned-income deductions.

Mr. REED of Pennsylvania. The sum of $5,000 is presumed to be earned; whether the additional $15,000 shall be considered as earned depends upon the facts; and the bill provides a definition which includes wages, salaries, and professional fees. The language of the bill follows almost exactly the British definition. They have never had any trouble with it, and we have not had any trouble with it for the last couple of years.

Mr. REED of Missouri. Under the subtitle "Earned income," on page 32, section 209, the bill reads:

SEC. 209. (a) For the purpose of this section—

(1) The term "earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered, but does not include that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered.

Then, there are some more qualifications which I think are not material. Coming to paragraph (3), on page 33, is this language:

(3) The term "earned net income" means the excess of the amount of the earned income over the sum of the earned income deductions. If the taxpayer's net income is not more than $5,000, his entire net income shall be considered to be earned net income, and if his net income is more than $5,000, his earned net income shall not be considered to be less than $5,000.

Then follows this language:

In no case shall the earned net income be considered to be more than $20,000.

I propose to change those figures from $20,000 to $50,000 so that it will read:

In no case shall the earned net income be considered to be more than $50,000.

In other words, before the taxpayer can be credited with this earned income he must show that it is actually earned income for personal service, and, no matter how much the income may be, the credit never can exceed $50,000. I submit that is a fair proposition.

Mr. SMOOT. Mr. President, I think the Senate ought to know what this amendment means in dollars and cents. If the amendment shall be adopted it will cost the Government in revenue $28,000,000. I asked Mr. McCoy to give me an estimate on the amendment; and on the normal tax the loss will be from $7,000,000 to $9,000,000, and on account of the surtax it will be $17,000,000 to $19,000,000, so that the loss, if the

amendment shall be agreed to, will be $28,000,000. That is readily understandable when we consider that the credit will apply clear through all the brackets of the bill. I have no doubt that the estimate is low enough, as the amendment would affect nearly every income.

I have had no letters or requests from a single individual asking that the allowance for earned income shall be increased beyond the $20,000 provided by the bill. That is an increase of 100 per cent over the existing law. I think it would be very unwise for the Senate to adopt the amendment.

The Senator from Missouri refers to oil-well depletion. Of course, Mr. President, a man does not wear out entirely in three years.

Mr. REED of Missouri. Neither does an oil well.

Mr. SMOOT. The owner of the oil well can not get anything on the average after three and a third years on account of depletion allowance.

Mr. COUZENS. He can get it for the life of the well. If the well should last 30 years, he can get it for 30 years.

Mr. SMOOT. But three years and a third is the average life of a well. Of course we know that they are very short lived. I thought that a 25 per cent allowance for depletion was sufficient——

Mr. REED of Missouri. The wells are short lived?

Mr. SMOOT. Yes.

Mr. REED of Missouri. They are pumping oil in Pennsylvania out of wells which have been pumped for 30 years.

Mr. REED of Pennsylvania. We have wells up there that are still yielding which were drilled 60 years ago.

Mr. COUZENS. And every year they will get 30 per cent of their gross income for 60 years.

Mr. REED of Missouri. It just depends on whether we think a man who is exhausting his energy ought to be treated with as much consideration as an oil well.

Mr. SMOOT. No; I do not think so.

Mr. President, as I have said, the amendment would involve a further loss of revenue of $28,000,000, and the Treasury can not stand it.

Mr. REED of Pennsylvania. Mr. President, two years ago, when the 1924 tax bill was under consideration, I think I made a nuisance of myself by urging that a distinction should be made between earned income of any amount and income that came from investment, and I tried to point out that there was a depletion of capital going on in the case of the professional man or the business man who rendered personal service.

Mr. HARRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Georgia?

Mr. REED of Pennsylvania. I yield.

Mr. HARRIS. I wish to remind the Senator that in 1921 I offered an amendment, which every Senator on the other side except the Senator from Idaho [Mr. BORAH] voted against and every Senator on this side voted for, providing for an earned income exemption.

Mr. REED of Pennsylvania. I am interested to know that, and yet I am willing to say, without hazard of contradiction, that I am sure the Senator did not talk as much as I did two years ago or make as much of a nuisance of himself as I did, because I feel very sincerely that the income tax law is a cruel discrimination against the workers of the Nation, and particularly where it is coupled with a graded surtax that penalizes a man for working long hours, not only by letting his tax go up with his increase in income, but by actually raising the rate on him because he works overtime. It is utterly indefensible; but, Mr. President, the Senate has in the last 48 hours made this proposed change impossible. We have taken off the tax on prize fights; we have taken off the tax on tickets to the Ziegfeld Follies, if you please; we have taken the tax off of motor cars which are bought as luxuries and nothing else; we have taken off the tax on the great trucks that ruin our roads in carrying the products of oil companies and coal companies around the country. We have taken off the tax on this and that and the next thing, until, as the bill now stands, it indicates a deficit of $125,000,000.

Mr. BORAH. Mr. President, we can vote on those matters again in the Senate; can we not?

Mr. REED of Pennsylvania. I hope we will vote on them again in the Senate. Because, however, we have been so generous to the prize fights and to Mr. Ziegfeld and to the automobile owners and to the truck owners and to the people who belong to a lot of clubs and have taken the tax off all of them—because we have been so generous, we can not now afford to be just to the man who works for his living.

Mr. WALSH. Mr. President, the Senator has omitted from his category those people who have incomes of more than $100,000.

Mr. REED of Pennsylvania. Why, yes, Mr. President. Let me tell you how that works out.

The architect of what to my mind is the most beautiful structure in the Western Hemisphere, the Woolworth Building, got his whole fee in one lump. He had rendered a service to his country by building a thing of great beauty. He worked for years on it. It took years to build the building; but his whole fee came in in one lump, and the United States of America showed its appreciation of his talent and of his years of work by taxing him up to 73 per cent of what he worked for, and at the same time let the capitalist, the man who was living on other men's labor, put his money into tax-free bonds, divide his property with his wife, and beat the surtaxes in that way.

As I said this morning—I think the Senator was not here then—the biggest evasion there is in all the income-tax system is this business of allowing a man and his wife to divide their income so that they both escape the higher surtaxes; and yet what chance would an amendment have here that required them to file a consolidated return? But a man who works for his living, as does the Senator who last spoke, can not divide with his wife the professional fees that he earns. He can not escape by working in any way that is free of tax. There is not any tax-free way of practicing law or working with a hammer and a saw; but there are a thousand and one ways of escaping income tax if you have money to invest.

That is another reason why the amendment of the Senator from Missouri appeals to me, because these people whom he would protect have no escape. The law gets them every time, but the man who gets an equal income from investments has a dozen loopholes through which he can get away from the taxes. But I come back to my original proposition, Mr. President. We have made it impossible to be just because we have been generous.

Mr. SMOOT. Mr. President, at this point I wish to say that this afternoon our actuary handed me a statement of the estimated revenue for the calendar year 1926. That statement shows that up to this moment the amount of the reductions provided for in the bill is $456,261,000. This is $28,000,000 more.

Mr. BORAH. Mr. President, there seems to be a concession upon the part of all that the amendment which the Senator from Missouri has offered is an amendment which in the interest of fairness and justice ought to be adopted. The only argument against it, as I understand, is that it takes out $28,000,000, and that we can not afford to take out $28,000,000 in view of the fact that we have cut out a number of other taxes which should have remained in the bill.

We have an opportunity to rectify those mistakes, if they have been mistakes, and I think they have. I voted against cutting out those taxes; that is, the admissions taxes. I was not present when the others were voted on. We can adopt the amendment of the Senator from Missouri and vote upon all these matters in the Senate, and perhaps we can correct whatever mistakes were made. We ought to make an effort to do what is conceded to be a fair thing.

Mr. SMOOT. The amendment can be offered in the Senate.

Mr. BORAH. But if we adopt it now, it will be a stronger argument to correct the two propositions against which the Senator from Pennsylvania inveighs, and I think properly. It seems to me that if we put them all in the Senate, we may be able to rectify what seems to be very generally conceded to be a mistake.

Mr. WALSH. Mr. President, I am not particularly concerned about the pending amendment so far as it affects lawyers. They frequently have opportunities to accumulate quite a substantial competence, particularly in these days and in the metropolitan centers. I was, however, very deeply impressed by what was said to me by an eminent physician of this city only a few months ago.

He said that a physician ordinarily does not commence the practice of his profession, after going through with his training, until he reaches the age of about 27 years. It takes him at least 15 years thereafter to attain anything like a reputation that enables him to begin to accumulate anything over and above what is absolutely necessary for the support of his family. He is then approaching 42 or 45 years of age, and he has about 15 years of experience before him during which he may be expected to accumulate a little more than enough to support his family.

The ordinary physician—and that is the physician who practices in a city like this—does not have the opportunities that come to lawyers or to engineers or to other professional men. I feel that we ought to make some concession to these men who fill professional positions.

Take the teachers in universities, who get possibly $10,000. Take those who reach a little higher than that and get $25,000 or $30,000. They are protected, of course, up to $20,000; that is to say, they get a concession to the extent of 25 per cent of their taxes. But there is a large class of professional men who earn below $50,000, who, as it seems to me, are as much entitled to this concession as those whose salaries run from $5,000 to $20,000; and I hope in their interest, at least, that this amendment will be adopted.

Mr. GEORGE. Mr. President, if this amendment is adopted it will be found that a great number of the people who have earned incomes are the people who are officers of corporations, and who absorb the incomes of the corporations in salaries and professional service.

Mr. WALSH. Mr. President, let me remind the Senator that that is taken care of very carefully in the bill, because it is expressly provided that the earned income shall not include salaries from corporations over and above fair returns for the services rendered.

Mr. GEORGE. I know, Mr. President; but who is going to determine the fair return for the services rendered? So far as taking care of earned income—that is, earned as the result of the activity of the man, the professional man, the artist, the man or woman of any class—no one can think of the amendment offered by the Senator from Missouri without sympathy. But the provision of this bill is to allow the 25 per cent reduction upon the earned incomes up to $20,000. That is to say, any man who has a net income which is earned not in excess of $20,000 is entitled to the 25 per cent reduction. That is to say, from his earnings he can take all of the deductions allowed by this law, he can take all of his exemptions, and if his net earnings do not exceed $20,000 he may have the 25 per cent reduction on his net income allowed by this law.

If you write this amendment into the law, you will allow corporations to absorb all of their incomes in salaries paid to stockholders in those corporations, and you will allow the rich man in every one of your advanced or higher brackets to present to the Treasury Department a showing of an earned income of $50,000, though he fills the important position of director, and perhaps has not inspected the physical properties of the concern which he himself owns, or largely owns. If you can confine it and if the Senator from Missouri will confine it to an income earned by men who really labor with hands or head, men who really labor and from their labor earn an income of $50,000 over and above all deductions and exemptions, then the amendment may be just.

Mr. BORAH. Mr. President——

Mr. GEORGE. I yield to the Senator.

Mr. BORAH. If there is nothing that prevents doing justice in this matter except a correct employment of language, it does seem to me that we ought to be able to do that. I think there is a great deal in what the Senator is saying; but can it not be properly protected or guarded by efficient and sufficient language?

Mr. WALSH. Mr. President, let me read the language of the bill:

> The term "earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered, but does not include that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered.

How could language more explicit be adopted?

Mr. GEORGE. Mr. President, it may be as explicit as language can be; but I called on one of the employees of the Treasury Department, and he said that the rich man always has the maximum earned-income credit, and it always will be; and Senators may make language as explicit as they wish, the effect of the amendment is to exempt those very rich men who can absorb the incomes from their properties and corporate businesses by virtue of salaries paid to themselves.

Mr. BORAH. They would have to be crooks in order to do it.

Mr. GEORGE. I do not know whether they would have to be crooks in order to do it or not.

Mr. BORAH. Why, certainly they would be. There would have to be deception, and there would have to be connivance in the deception upon the part of the department.

Mr. REED of Missouri. There would have to be a false affidavit. The man would have to commit perjury.

Mr. GEORGE. Who is to determine the worth of the man to his own corporation? Who is to determine the worth of the man who directs the great enterprise, and how are you to determine it—according to petty technical rules? How can it be done with legal nicety? How can it be said that a man who is a director in a great corporation, with several millions of dollars invested, may not be worth $50,000 to that corporation? The larger the investment, the more likely it is that he will be worth the salary that is paid him. But the point I am making is that, as high as the earned-income provision is made in this act, that high, at least, will go the salaries of men who are furnishing the capital to operate those enterprises; and we might as well write off, so far as the large taxpayers are concerned, 25 per cent on all incomes of $50,000 or less, because that will be the effect; and, candidly, I think the slightest inquiry at the Treasury Department will convince anyone that that will be the effect of this provision in the law.

Mr. TRAMMELL. Mr. President——

The VICE PRESIDENT. Does the Senator yield to the Senator from Florida?

Mr. GEORGE. I yield.

Mr. TRAMMELL. The Senator will recall that we had before us the question of the profits being made by oil companies last year. A record was presented to the Senate showing the salaries paid to the directors of the different units of the Standard Oil Co., and it was shown that those directors drew from $40,000 to $125,000 per annum. Millions of dollars are expended in that way by the Standard Oil Co.

The language of the section of the bill to which the Senator from Montana called attention I do not think removes the objection raised by the Senator from Georgia. It provides that distribution shall not be included, but merely reasonable compensation for the services being rendered by the director or the officer of the company. As the Senator has said, that would still leave it an open question as to what reasonable compensation was for the services.

Mr. GEORGE. Mr. President, I have no doubt that the figures cited by the Senator from Florida showing the amounts paid to the directors of the Standard Oil Co. are correct, and I am not concerned about how the language of this act is framed. I recognize that many men may be worth much more than $50,000 to their business and to their corporations. I do not say that they are crooks, but I do say that if the amendment is written into the law as now suggested the incomes of corporations owned by men of large wealth will be absorbed, because it will be manifestly impossible by mere language to prevent it, and not only impossible, but it will probably be actually unjust, to say that a man who is a director in, who is responsible for the management of, and who shares the responsibility of the management of, a large business enterprise may not actually earn and may not actually earn in the open market an income of $50,000, or even an income greatly in excess of that amount.

It undoubtedly must be true that the average net income of the professional man or woman in America, less all deductions allowable, does not exceed $20,000; indeed, the average income of the professional man does not approximate the $20,000 mark.

Mr. KING. Mr. President, will the Senator yield?

Mr. GEORGE. I yield the floor.

Mr. KING. Mr. President, if the Senator will permit, under the bill, with the deductions to which the Senator has alluded, the man with an income of $20,000 would pay a tax of only $118.75. The man with an income of $24,000—and he need have no children—would pay a tax of $1,038 per annum; that is, counting the normal and surtaxes. The man with an income of $30,000 would pay a tax of only $1,700. The man with an income of $38,000 would pay an income tax of $2,898. The man with an income of $50,000 would pay a tax of $4,858. It does seem to me that we are manifesting too much solicitude for the persons to whom the Senator from Missouri has referred.

Mr. REED of Missouri. Mr. President, just a word. I do not think this question ought to be settled on the basis of an appeal against corporations or corporation directors. The number of persons receiving incomes between $30,000 and $50,000 derived from corporations for personal services can not be very large. The prejudice against corporations ought to have nothing to do with the equities and justice of this case. This applies to all individuals of the United States. It has a special application to professional men and other classes of men who earn their money by their brains, who generally never earn these sums of money until they are well advanced in years, and who frequently in one year get money which they have been earning for five or six years, and then have to pay heavy taxes.

I need not go over the arguments which have been made, but it is conceded that this is a just measure. There have been just two arguments made against it, both of them conceding its justice. One is that certain employees of great corpora-

tions, or directors of great corporations, will withdraw part of the profits of the corporations in the shape of salaries. That is met by the language of the bill itself, and if the language is not sufficiently specific, then let the Senator from Georgia or some other Senator make the langunge strong enough to suit him. The bill provides:

The term "earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered, but does not include that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered.

It is said there would be difficulty in enforcing that provision. There is difficulty in enforcing every provision of a tax law, but I undertake to say that a director of a corporation who simply occasionally attends a directors' meeting, and who draws $50,000 a year for that, could be readily handled by the tax department.

It is also admitted that the exemption should go to $20,000. When it is said it should go to $20,000, there is admitted in a lesser degree, but there is nevertheless admitted, the defect to which attention is called by the Senator from Georgia. It is only a question of whether it is raised from $20,000 to $50,000.

The other objection is that we can not afford to lose this tax. Singularly enough, that argument comes from gentlemen who voted to make the surtax on incomes which may run to $100,000,000 a year only 20 per cent, and the money we lose by the reduction of that surtax several times over makes up the reduction caused by this. That is according to the figures that were given the other day.

If we have taken the tax off prize fights, and should not have; if we have taken the tax off—what is that show the Senator from Pennsylvania goes to up in New York? I have forgotten the name—the Follies. [Laughter.]

Mr. REED of Pennsylvania. The Senator is wrong. It was my namesake, I think.

Mr. REED of Missouri. No; I could not think of the name. I do not even know where the place is, but we all go when we get there. We get a guide. If we have taken the tax off of automobiles, which the Senator describes as purely pleasure vehicles, and should not have; that is no reason why we should leave an unjust tax where it should not be; and the Senator concedes it is an unjust tax.

This bill has not yet passed the Senate, and if we have made some mistakes, they can be rectified. I am not willing to see an injustice done to thousands of people in this country because we have made a mistake which we are still in a position to rectify. I say this is a fair and just exemption.

Mr. COPELAND. Mr. President, I have been absent from the Chamber a few minutes, and I am not sure just where the debate has gone. I wonder if Senators have given consideration to the men in the medical profession. Take a man like Will Mayo, or Charles Mayo. I suppose because the earnings of either one of these men are now very large each year, it may seem that no special consideration should be given them.

I see a smile on the face of the senior Senator from Utah. I do not believe he likes doctors, anyway.

It takes a long time for a man to fit himself in medicine to the point where he gets a large income. He has his premedical years, his college years, his medical training, his interne service, and then he has many years when he is on the verge of starvation.

I think I will confess, Mr. President, that I can remember years long ago when my budget permitted me 10 cents each day for breakfast and 25 cents on Sunday.

Mr. SMOOT. The Senator was extravagant.

Mr. COPELAND. I was extravagant, I venture to say. I suppose the Senator from Utah got along on 8 cents a day.

Mr. SMOOT. It did not average that much.

Mr. COPELAND. The doctor spends years and years before he fits himself to render the sort of service that commands high fees, and then that service is limited to a very few years. The man who has reached the age of 45 or 50 years before he is capable of earning large fees must make his money during a period of about 10 years, because when he gets to be 60 his eyesight is no longer good and his hand is trembling. He is not able to do the work which must be done carefully and cautiously and skillfully in order to be well done. It is true Doctor Osler said that at 60 a man should be chloroformed. He was joking, of course, but he had in mind the doctor who, when he gets to be 60, is past surgical usefulness in the community.

I confess that I have a lot of sympathy for what the Senator from Missouri is proposing to do. Personally, since I am more or less now out of surgical practice, I think I may vote for the Senator's amendment without being accused of seeking to improve my own condition.

Mr. TRAMMELL. Mr. President, will the Senator permit a question?

Mr. COPELAND. Certainly.

Mr. TRAMMELL. Does not the Senator think there will be a thousand directors and officers of corporations to get the benefit of the amendment where one physician would get the benefit of it?

Mr. COPELAND. I assume from what the Senator from Florida has said that he would be willing to give the doctors the benefit of it, but he worries about its misuse. However, the wording stated by the Senator from Montana and the Senator from Missouri would indicate to me that that particular possibility has been considered and is impossible of accomplishment.

Mr. REED of Pennsylvania. Mr. President, I have been told that the tenor of what I said about the amendment was not clear. I meant to say distinctly that I am going to vote against the amendment, although I believe ardently in the principle of it. I am going to vote against it for the sole and only reason that the rather precipitate action of the Senate day before yesterday has made it impossible for us now, in my opinion, to do the act of simple justice that the amendment of the Senator from Missouri contemplates.

Mr. HEFLIN. Mr. President, I can not permit the argument of the Senator from New York [Mr. COPELAND] to pass unnoticed. He said, in effect, that a man ought to be chloroformed when he is 60. I would hate to think that my good friend from New York is so rapidly approaching the chloroform age.

Mr. President, Alabama had in this body for more than 30 years one Senator who was 82 years old when he died, still a Member of the Senate. Almost to the day of his death his intellect was as clear and his service was as useful as at any time during his career. I refer to Senator John T. Morgan. Of course he was feeble physically, but his mind was clear and strong. His colleague here at that time, Gen. Edmund W. Pettus, was 86 years of age when he died. He was first elected to the Senate when he was 75 years old. I was a member of the Legislature of Alabama and helped to elect him. Legislatures elected United States Senators at that time. His mind up to a short time before his death was as clear and vigorous as that of any man in this body. To-day we have a Member of the Senate who is 83 years old, and he is one of the most useful and active Members in this body.

I do not feel that we ought to permit the kind of argument the Senator from New York made to pass without comment, because some of "us boys" hope to be here until after we are 60. [Laughter.]

Mr. McMASTER. Mr. President, I have been very much entertained by the statements of those who are interested in the incomes of the professional men who receive from $20,000 to $50,000 a year. I feel sorry for them. I really think that something ought to be done for that class of people.

However, while the discussion was going on I had in mind four millions of people in the country who are the heads of families, who are not only laboring men but are business men. Statistics show that those 4,000,000 men receive an annual net income of about $212 each. They are the 4,000,000 farmers who live in the great Northwest. I wish to say that so far as I am concerned, if the superlawyers in the Senate will help by some measure later on to raise the income of those 4,000,000 heads of families above the $212 mark, I shall be glad to support those who want something done for the men whose incomes are between $20,000 and $50,000.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri, which will be stated.

The CHIEF CLERK. On page 33, line 12, the Senator from Missouri proposes to strike out "$20,000" and insert "$50,000," so as to make the paragraph read:

(3) The term "earned net income" means the excess of the amount of the earned income over the sum of the earned income deductions. If the taxpayer's net income is not more than $5,000, his entire net income shall be considered to be earned net income, and if his net income is more than $5,000, his earned net income shall not be considered to be less than $5,000. In no case shall the earned net income be considered to be more than $50,000.

Mr. SMOOT. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. JONES of Washington (when the name of Mr. CURTIS was called). The senior Senator from Kansas [Mr. CURTIS] is necessarily absent on account of illness. He is paired with the Senator from Michigan [Mr. FERRIS]. If the Senator from Kansas were present, he would vote "nay."

Mr. FERRIS (when his name was called). I have a pair with the senior Senator from Kansas [Mr. CURTIS]. I am informed that if he were present he would vote as I intend to vote, and I am therefore at liberty to vote. I vote "nay."

Mr. FLETCHER (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. DU PONT]. I am informed that he would vote as I am about to vote, and so I am free to vote. I vote "nay."

The roll call was concluded.

Mr. NORRIS. I desire to announce that the junior Senator from Iowa [Mr. BROOKHART] is unavoidably absent. He is paired with the junior Senator from Arkansas [Mr. CARAWAY]. If the junior Senator from Iowa were present, he would vote "nay."

I also desire to announce that the senior Senator from California [Mr. JOHNSON] is likewise unavoidably absent because of illness. He is paired with the senior Senator from Arkansas [Mr. ROBINSON]. If the senior Senator from California were present, he would vote "nay."

Mr. PEPPER (after having voted in the negative). I am recorded as voting "nay." I have, however, a pair with the junior Senator from New Mexico [Mr. BRATTON]. Not knowing how he would vote on this question, I must withdraw my vote.

Mr. COPELAND. On this matter I have a pair with my colleague, the senior Senator from New York [Mr. WADSWORTH]. Not knowing how he would vote, I withhold my vote.

Mr. BLEASE. I have a general pair with the junior Senator from Missouri [Mr. WILLIAMS]. In his absence I withhold my vote.

Mr. JONES of Washington. I was requested to announce that the junior Senator from Minnesota [Mr. SCHALL] is unavoidably detained from the Senate.

I desire to announce the following general pairs:

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD];

The Senator from Nebraska [Mr. HOWELL] with the Senator from Kentucky [Mr. ERNST];

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Virginia [Mr. SWANSON].

The result was announced—yeas 6, nays 57, as follows:

YEAS—6

Borah	Reed, Mo.	Smith	Walsh
Couzens	Sheppard		

NAYS—57

Bayard	Glass	McNary	Shipstead
Broussard	Hale	Metcalf	Shortridge
Butler	Harreld	Moses	Simmons
Cameron	Harris	Neely	Smoot
Capper	Harrison	Norbeck	Stanfield
Dale	Heflin	Norris	Trammell
Deneen	Jones, Wash.	Nye	Tyson
Edge	Kendrick	Oddie	Warren
Edwards	Keyes	Overman	Watson
Ferris	King	Phipps	Weller
Fletcher	La Follette	Pine	Wheeler
Frazier	Lenroot	Ransdell	Willis
George	McKellar	Reed, Pa.	
Gerry	McLean	Robinson, Ind.	
Gillett	McMaster	Sackett	

NOT VOTING—33

Ashurst	Curtis	Howell	Schall
Bingham	Dill	Johnson	Stephens
Blease	du Pont	Jones, N. Mex.	Swanson
Bratton	Ernst	McKinley	Underwood
Brookhart	Fernald	Mayfield	Wadsworth
Bruce	Fess	Means	Williams
Caraway	Goff	Pepper	
Copeland	Gooding	Pittman	
Cummins	Greene	Robinson, Ark.	

So the amendment of Mr. REED of Missouri was rejected.

Mr. McKELLAR. Mr. President, I ask unanimous consent to turn to page 170, the estate tax title, and ask that the vote by which the amendment at that point was agreed to may be reconsidered, for the purpose of offering an amendment.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. Just one moment, Mr. President.

Mr. McKELLAR. I refer to page 170, the estate tax amendment, which was agreed to yesterday or the day before.

Mr. SMOOT. I understand that the Senator from Tennessee desires to offer an inheritance tax as a substitute for the estate tax?

Mr. McKELLAR. No; I wish to offer an estate tax amendment. It may be offered in the Senate, but I am asking unanimous consent to do it as in Committee of the Whole.

Mr. SMOOT. I ask unanimous consent that the Senator from Tennessee be granted that privilege, and that the vote by which the amendment was agreed to may be reconsidered.

Mr. McKELLAR. For the purpose of offering an amendment.

Mr. SMOOT. That is all. I should not want to open this matter up again now while the bill is before the Senate as in Committee of the Whole and have the same question again brought up in the Senate.

Mr. McKELLAR. I only desire to offer an amendment.

Mr. SMOOT. I have no objection, with the understanding stated by the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I have changed the amendment slightly, and I will send it to the desk in just a moment.

I desire to explain to the Senate just what the amendment means. I have taken the House provision and have changed the figures so as to begin at incomes of $500,000.

One per cent of the amount by which the net estate exceeds $500,000 and does not exceed $1,000,000;

Two per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $1,500,000;

Three per cent of the amount by which the net estate exceeds $1,500,000 and does not exceed $2,000,000;

Four per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $2,500,000;

Five per cent of the amount by which the net estate exceeds $2,500,000 and does not exceed $3,000,000;

Six per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $3,500,000;

Seven per cent of the amount by which the net estate exceeds $3,500,000 and does not exceed $4,000,000;

Eight per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

Nine per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $6,000,000;

Ten per cent of the amount by which the net estate exceeds $6,000,000 and does not exceed $7,000,000;

Eleven per cent of the amount by which the net estate exceeds $7,000,000 and does not exceed $8,000,000;

Twelve per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $9,000,000;

Thirteen per cent of the amount by which the net estate exceeds $9,000,000 and does not exceed $10,000,000; and

Fourteen per cent of the amount by which the net estate exceeds $10,000,000.

Mr. President, I have also stricken out of the House provision that portion which proposes to refund to the States 80 per cent of the tax collected. I have submitted these figures to the actuary, Mr. McCoy, and he tells me that these rates, should the amendment be agreed to, will bring to the Government $43,000,000, all of which will go to the Government; none of it will go to the States. That provision of the bill is stricken out. It will begin at estates of $500,000, according to the figures which I have read, and even on the estates of $10,000,000 and over the percentage will only be 14 per cent. It is, comparatively speaking, a small tax upon the wealth of the country.

Mr. NORRIS. Mr. President——

Mr. McKELLAR. I yield to the Senator from Nebraska.

Mr. NORRIS. How does the amendment which the Senator proposes compare with the rates which he proposes to strike out in the House bill?

Mr. McKELLAR. The difference is this: The House rates begin at $50,000 and go up by several gradations to 20 per cent, but the House rates will produce, as I recall the figures, $100,000,000, of which the Federal Government would get $20,000,000 and $80,000,000 would be distributed among the States. If we have eliminated too many taxes from the bill, here is the place to get them back from people who, it seems to me, ought to bear them.

Mr. NORRIS. May I again interrupt the Senator?

Mr. McKELLAR. Indeed, the Senator may.

Mr. NORRIS. I am only asking the Senator a question for information, because I am not familiar with the amendment which the Senator has offered.

Mr. McKELLAR. It was left on the desks of Senators this morning.

Mr. NORRIS. The amendment has not been discussed?

Mr. McKELLAR. No; it has not been.

Mr. NORRIS. The Senator's amendment, if adopted, would not raise as much revenue as the House bill would raise, but all

the revenue which it would raise would go to the National Government.

Mr. McKELLAR. It would go to the National Government.

Mr. NORRIS. How much less revenue would the Senator's amendment, if adopted, raise than the House provision?

Mr. McKELLAR. It would raise more than double the amount; it would raise $43,000,000, whereas the House provision if adopted would raise for the National Government only $20,000,000.

Mr. NORRIS. I understand; but I am including that which is paid to the States.

Mr. McKELLAR. Including that which is given to the States, the House provision would raise $100,000,000.

Mr. NORRIS. That was my understanding.

Mr. McKELLAR. This amendment, if adopted, would raise $43,000,000.

Mr. NORRIS. So that, so far as the total revenue raised by each is concerned, the Senator's amendment would raise $43,000,000 and the House provision would raise $100,000,000.

Mr. McKELLAR. One would raise $43,000,000 and the other $100,000,000.

Mr. NORRIS. The reason why the Government would get more under the Senator's amendment is that under the House provision 80 per cent is given to the States.

Mr. McKELLAR. Yes.

Mr. NORRIS. How high do the rates go under the Senator's amendment?

Mr. McKELLAR. The highest rate is 14 per cent.

Mr. NORRIS. On estates of what size?

Mr. McKELLAR. On estates of $10,000,000 and over.

Mr. NORRIS. The rates under the House provision go up to 20 per cent.

Mr. McKELLAR. They reach 20 per cent on estates of $10,000,000 and over. That is the difference between the two amendments.

Mr. NORRIS. Are the administrative features the same?

Mr. McKELLAR. The administrative features are exactly the same. I have also included in my amendment, though it was not necessary to do so, that provision of the Senate committee amendment which was adopted a day or two ago providing for a reduction in the tax on estates under the revenue act of 1924.

Mr. NORRIS. Then, the Senator has that same retroactive feature in his amendment?

Mr. McKELLAR. Yes. It is already in the Senate committee amendment.

Mr. NORRIS. I wonder why the Senator copied that provision in his amendment. It seems to me it can not be defended by anybody.

Mr. McKELLAR. It has already been adopted by the Senate, and I thought perhaps it would facilitate the adoption of my amendment.

Mr. NORRIS. It was adopted by the Senate because the Senate was in the mood of repealing the estate tax entirely, and that was part of the motion.

Mr. McKELLAR. Yes; that is entirely true, but I think the two might well go together.

Mr. SIMMONS. I inquire if the amendment has been printed.

Mr. McKELLAR. It has been printed, but I want to say I have changed the figures from those contained in the printed copy in view of what the Actuary of the Treasury told me. I will give the Senator a copy of the amendment.

Mr. SIMMONS. Does the amendment provide for what is called an inheritance tax?

Mr. McKELLAR. No; it provides for an estate tax.

Mr. SIMMONS. It is similar to the estate tax which the present law provides.

Mr. McKELLAR. It is precisely the same as the provision of the House bill, with the exception of changes in the rates and with the elimination of the provision in the House text whereby the Government would act as tax collector for the States, and the States would be given 80 per cent of the tax collected.

Mr. SIMMONS. I was under the impression that the Senator was submitting an amendment substantially the same as the amendment of the Senator from New Mexico [Mr. JONES] providing for an inheritance tax.

Mr. McKELLAR. No; the amendment of the Senator from New Mexico provides for an inheritance tax, while my amendment provides for an estate tax. It seems to me it should receive the approval of the Senate if we desire to have any estate tax enacted at all. The amendment that I have offered is certainly very reasonable and fair. It does not apply until an estate reaches the enormous proportions of $500,000, and then the tax is only 1 per cent. There are several gradations, and the tax ends at only 14 per cent. It is a most moderate provision, and is one which, it seems to me, should commend itself to the Senate.

Mr. President, I wish to say that a day or two ago I listened with a great deal of care to the senior Senator from Nebraska [Mr. NORRIS], and the illustrations which he gave of enormously wealthy men receiving as gifts from their parents great sums of money without paying any tax at all made a great impression on me, and while I voted for the Senate committee amendment the other day, largely because of the provision in the House text which called upon the Government to collect taxes for the States, I feel that I made a mistake, and I want to correct that mistake to the best of my ability. So I am offering this amendment in that view in part.

Mr. SIMMONS. I am glad the Senator confesses that he made a mistake.

Mr. McKELLAR. Oh, yes; I think I did.

Mr. SIMMONS. I myself think the Senator did.

Mr. McKELLAR. I think I made a mistake in voting to do away with the tax entirely, but I did not make a mistake in voting against the provision which contemplated collecting $100,000,000 and turning back to the States $80,000,000 of it. I do not think the Federal Government ought to act as a tax collector for the various States. With that provision out of it I would probably have voted for the House provision.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Montana?

Mr. McKELLAR. I yield.

Mr. WALSH. The statement just made by the Senator from Tennessee leads me to remark that he has an entirely different idea of the provision of the House bill from what I have. I do not understand that the Government of the United States was to collect anything and turn it over to the States.

Mr. McKELLAR. That was the substance of the provision.

Mr. WALSH. The taxpayer would never pay it to the Government at all. He would pay his estate tax, and in the computation of the tax which he pays to the Government he gets a credit for 80 per cent of what he pays to the State.

Mr. McKELLAR. That as it seems to me is a distinction without a difference. What is done is that 80 per cent of the tax is paid back to the States or to the taxpayers of the States by virtue of the House provision. Further, it is true that the National Government only would get 20 per cent of the tax. It would impose a tax of 100 per cent and get only 20 per cent of it back.

Mr. SMOOT. Mr. President, I ask for the yeas and nays on the amendment of the Senator from Tennessee.

The VICE PRESIDENT. The question is on the amendment of the Senator from Tennessee.

The amendment proposed by Mr. McKELLAR is as follows:

Strike out all after line 2, on page 208, down to and including line 3, on page 212, as amended, and insert in lieu thereof the following:

TITLE III.—ESTATE TAX

SEC. 300. When used in this title—

The term "executor" means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent;

The term "net estate" means the net estate as determined under the provisions of section 303;

The term "month" means calendar month; and

The term "collector" means the collector of internal revenue of the district in which was the domicile of the decedent at the time of his death, or, if there was no such domicile in the United States, then the collector of the district in which is situated the part of the gross estate of the decendent in the United States, or, if such part of the gross estate is situated in more than one district, then the collector of internal revenue of such district as may be designated by the commissioner.

SEC. 301. (a) In lieu of the tax imposed by Title III of the revenue act of 1924, a tax equal to the sum of the following percentages of the value of the net estate (determined as provided in section 303) is hereby imposed upon the transfer of the net estate of every decedent dying after the enactment of this act, whether a resident or nonresident of the United States:

One per cent of the amount by which the net estate exceeds $500,000 and does not exceed $1,000,000;

Two per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $1,500,000;

Three per cent of the amount by which the net estate exceeds $1,500,000 and does not exceed $2,000,000;

Four per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $2,500,000;

Five per cent of the amount by which the net estate exceeds $2,500,000 and does not exceed $3,000,000;

Six per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $3,500,000;

Seven per cent of the amount by which the net estate exceeds $3,500,000 and does not exceed $4,000,000;

Eight per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

Nine per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $6,000,000;

Ten per cent of the amount by which the net estate exceeds $6,000,000 and does not exceed $7,000,000;

Eleven per cent of the amount by which the net estate exceeds $7,000,000 and does not exceed $8,000,000;

Twelve per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $9,000,000;

Thirteen per cen of the amount by which the net estate exceeds $9,000,000 and does not exceed $10,000,000;

Fourteen per cent of the amount by which the net estate exceeds $10,000,000.

SEC. 302. The value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated—

(a) To the extent of the interest therein of the decedent at the time of his death;

(b) To the extent of any interest therein of the surviving spouse, existing at the time of the decedent's death as dower, curtesy, or by virtue of a statute creating an estate in lieu of dower or curtesy;

(c) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, in contemplation of or intended to take effect in possession or enjoyment at or after his death, except in case of a bona fide sale for a fair consideration in money or money's worth. Where within two years prior to his death and without such a consideration the decedent has made a transfer or transfers, by trust or otherwise, of any of his property, or an interest therein, not admitted or shown to have been made in contemplation of or intended to take effect in possession or enjoyment at or after his death, and the value or aggregate value, at the time of such death, of the property or interest so transferred to any one person is in excess of $5,000, then to the extent of such excess, such transfer or transfers shall be deemed and held to have been made in contemplation of death within the meaning of this title;

(d) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, where the enjoyment thereof was subject at the date of his death to any change through the exercise of a power, either by the decedent alone or in conjunction with any person, to alter, amend, or revoke, or where the decedent relinquished any such power in contemplation of his death, except in case of a bona fide sale for a fair consideration in money or money's worth. The relinquishment of any such power, not admitted or shown to have been in contemplation of the decedent's death, made within two years prior to his death without such a consideration and affecting the interest or interests (whether arising from one or more transfers or the creation of one or more trusts) of any one beneficiary of a value or aggregate value, at the time of such death, in excess of $5,000, then, to the extent of such excess, such relinquishment or relinquishments shall be deemed and held to have been made in contemplation of death within the meaning of this title;

(e) To the extent of the interest therein held as joint tenants by the decedent and any other person, or as tenants by the entirety by the decedent and spouse, or deposited, with any person carrying on the banking business, in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have been received or acquired by the latter from the decedent for less than a fair consideration in money or money's worth: *Provided*, That where such property or any part thereof, or part of the consideration with which such property was acquired, is shown to have been at any time acquired by such other person from the decedent for less than a fair consideration in money or money's worth, there shall be excepted only such part of the value of such property as is proportionate to the consideration furnished by such other person: *Provided further*, That where any property has been acquired by gift, bequest, devise, or inheritance, as a tenancy by the entirety by the decedent and spouse, then to the extent of one-half of the value thereof, or, where so acquired by the decedent and any other person as joint tenants and their interests are not otherwise specified or fixed by law, then to the extent of the value of a fractional part to be determined by dividing the value of the property by the number of joint tenants;

(f) To the extent of any property passing under a general power of appointment exercised by the decedent (1) by will, or (2) by deed executed in contemplation of, or intended to take effect in possession or enjoyment at or after, his death, except in case of a bona fide sale for a fair consideration in money or money's worth; and

(g) To the extent of the amount receivable by the executor as insurance under policies taken out by the decedent upon his own life; and to the extent of the excess over $40,000 of the amount receivable by all other beneficiaries as insurance under policies taken out by the decedent upon his own life.

(h) Subdivisions (b), (c), (d), (e), (f), and (g) of this section shall apply to the transfers, trusts, estates, interests, rights, powers, and relinquishment of powers, as severally enumerated and described therein, whether made, created, arising, existing, exercised, or relinquished before or after the enactment of this act, except that the second sentence of subdivision (c) and the second sentence of subdivision (d) shall apply only to transfers and relinquishments made after the enactment of this act.

SEC. 303. For the purpose of the tax the value of the net estate shall be determined—

(a) In the case of a resident, by deducting from the value of the gross estate—

(1) Such amounts for funeral expenses, administration expenses, claims against the estate, unpaid mortgages upon, or any indebtedness in respect to, property (except, in the case of a resident decedent, where such property is not situated in the United States), to the extent that such claims, mortgages, or indebtedness were incurred or contracted bona fide and for a fair consideration in money or money's worth, losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, or from theft, when such losses are not compensated for by insurance or otherwise, and such amounts reasonably required and actually expended for the support during the settlement of the estate of those dependent upon the decedent, as are allowed by the laws of the jurisdiction, whether within or without the United States, under which the estate is being administered, but not including any income taxes upon income received after the death of the decedent, or any estate, succession, legacy, or inheritance taxes;

(2) An amount equal to the value of any property (A) forming a part of the gross estate situated in the United States of any person who died within five years prior to the death of the decedent, or (B) transferred to the decedent by gift within five years prior to his death, where such property can be identified as having been received by the decedent from such donor by gift or from such prior decedent by gift, bequest, devise, or inheritance, or which can be identified as having been acquired in exchange for property so received. This deduction shall be allowed only where a gift tax imposed under the revenue act of 1924, or an estate tax imposed under this or any prior act of Congress was paid by or on behalf of the donor or the estate of such prior decedent as the case may be, and only in the amount of the value placed by the commissioner on such property in determining the value of the gift or the gross estate of such prior decedent, and only to the extent that the value of such property is included in the decedent's gross estate and not deducted under paragraph (1) or (3) of this subdivision;

(3) The amount of all bequests, legacies, devises, or transfers, except bona fide sales for a fair consideration in money or money's worth, in contemplation of or intended to take effect in possession or enjoyment at or after the decedent's death, to or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes, or to or for the use of any corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to a trustee or trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. If the tax imposed by section 301, or any estate, succession, legacy, or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes; and

(4) An exemption of $50,000.

(b) In the case of a nonresident, by deducting from the value of that part of his gross estate which at the time of his death is situated in the United States:

(1) That proportion of the deductions specified in paragraph (1) of subdivision (a) of this section which the value of such part bears to the value of this entire gross estate, wherever situated, but in no case shall the amount so deducted exceed 10 per cent of the value of that

part of his gross estate which at the time of his death is situated in the United States;

(2) An amount equal to the value of any property (A) forming a part of the gross estate situated in the United States of any person who died within five years prior to the death of the decedent, or (B) transferred to the decedent by gift within five years prior to his death, where such property can be identified as having been received by the decedent from such donor by gift or from such prior decedent by gift, bequest, devise, or inheritance, or which can be identified as having been acquired in exchange for property so received. This deduction shall be allowed only where a gift tax imposed under the revenue act of 1924, or an estate tax imposed under this or any prior act of Congress was paid by or on behalf of the donor or the estate of such prior decedent as the case may be, and only in the amount of the value placed by the commissioner on such property in determining the value of the gift or the gross estate of such prior decedent, and only to the extent that the value of such property is included in that part of the decedent's gross estate which at the time of his death is situated in the United States and not deducted under paragraph (1) or (3) of this subdivision; and

(3) The amount of all bequests, legacies, devises, or transfers, except bona fide sales for a fair consideration, in money or money's worth, in contemplation of or intended to take effect in possession or enjoyment at or after the decedent's death, to or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes, or to or for the use of any domestic corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to a trustee or trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used within the United States by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. If the tax imposed by section 301, or any estate, succession, legacy or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes.

(c) No deduction shall be allowed in the case of a nonresident unless the executor includes in the return required to be filed under section 304 the value at the time of his death of that part of the gross estate of the nonresident not situated in the United States.

(d) For the purpose of this title, stock in a domestic corporation owned and held by a nonresident decedent shall be deemed property within the United States, and any property of which the decedent has made a transfer, by trust or otherwise, within the meaning of subdivision (c) or (d) of section 302, shall be deemed to be situated in the United States, if so situated either at the time of the transfer, or at the time of the decedent's death.

(e) The amount receivable as insurance upon the life of a nonresident decedent, and any moneys deposited with any person carrying on the banking business, by or for a nonresident decedent who was not engaged in business in the United States at the time of his death, shall not, for the purpose of this title, be deemed property within the United States.

(f) Missionaries duly commissioned and serving under boards of foreign missions of the various religious denominations in the United States, dying while in the foreign missionary service of such boards, shall not by reason merely of their intention to permanently remain in such foreign service be deemed nonresidents of the United States, but shall be presumed to be residents of the State, the District of Columbia, or the Territories of Alaska or Hawaii wherein they respectively resided at the time of their commission and their departure for such foreign service.

SEC. 304. (a) The executor, within two months after the decedent's death, or within a like period after qualifying as such, shall give written notice thereof to the collector. The executor shall also, at such times and in such manner as may be required by regulations made pursuant to law, file with the collector a return under oath in duplicate, setting forth (1) the value of the gross estate of the decedent at the time of his death, or, in case of a nonresident, of that part of his gross estate situated in the United States; (2) the deductions allowed under section 303; (3) the value of the net estate of the decedent as defined in section 303; and (4) the tax paid or payable thereon; or such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct tax.

(b) Return shall be made in all cases where the gross estate at the death of the decedent exceeds $50,000, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate.

SEC. 305. (a) The tax imposed by this title shall be due and payable one year after the decedent's death and shall be paid by the executor to the collector.

(b) Where the commissioner finds that the payment on the due date of any part of the amount determined by the executor as the tax would impose undue hardship upon the estate, the commissioner may extend the time for payment of any such part not to exceed five years from the due date. In such case the amount in respect of which the extension is granted shall be paid on or before the date of the expiration of the period of the extension.

(c) If the time for the payment is thus extended there shall be collected, as a part of such amount, interest thereon at the rate of 6 per cent per annum from the expiration of six months after the due date of the tax to the expiration of the period of the extension.

(d) The time for which the commissioner may extend the time for payment of the estate tax imposed by Title IV of the revenue act of 1921 is hereby increased from three years to five years.

SEC. 306. As soon as practicable after the return is filed the commissioner shall examine it and shall determine the correct amount of the tax.

SEC. 307. As used in this title in respect of a tax imposed by this title the term "deficiency" means—

(1) The amount by which the tax imposed by this title exceeds the amount shown as the tax by the executor upon his return; but the amount so shown on the return shall first be increased by the amounts previously assessed (or collected without assessment) as a deficiency, and decreased by the amounts previously abated, refunded, or otherwise repaid in respect of such tax; or

(2) If no amount is shown as the tax by the executor upon his return, or if no return is made by the executor, then the amount by which the tax exceeds the amounts previously assessed (or collected without assessment) as a deficiency; but such amounts previously assessed, or collected without assessment, shall first be decreased by the amounts previously abated, refunded, or otherwise repaid in respect of such tax.

SEC. 308. (a) If the commissioner determines that there is a deficiency in respect of the tax imposed by this title, the executor, except as provided in subdivision (d) or (f), shall be notified of such deficiency by registered mail. Within 60 days after such notice is mailed, the executor may file a petition with the Board of Tax Appeals for a redetermination of the deficiency. Except as provided in subdivision (d) or (f) of this section or in section 279 or in section 912 of the revenue act of 1924 as amended, no assessment of a deficiency in respect of the tax imposed by this title and no distraint or proceeding in court for its collection shall be made, begun, or prosecuted until the taxpayer has been notified of such deficiency as above provided, nor until the expiration of such 60-day period, nor, if a petition has been filed with the board, until the decision of the board has become final. The executor, notwithstanding the provisions of section 3224 of the Revised Statutes, may enjoin by a proceeding in the proper court the making of such assessment or the beginning of such proceeding or distraint during the time such prohibition is in force.

(b) If the executor files a petition with the board, the entire amount redetermined as the deficiency by the decision of the board which has become final shall be assessed and shall be paid upon notice and demand from the collector. No part of the amount determined as a deficiency by the commissioner but disallowed as such by the decision of the board which has become final shall be assessed or be collected by distraint or by proceeding in court with or without assessment.

(c) If the executor does not file a petition with the board within the time prescribed in subdivision (a) of this section, the deficiency of which the executor has been notified shall be assessed, and shall be paid upon notice and demand from the collector.

(d) If the commissioner believes that the assessment or collection of a deficiency will be jeopardized by delay, such deficiency shall be assessed immediately and notice and demand shall be made by the collector for the payment thereof. In such case the jeopardy assessment may be made (1) without giving the notice provided in subdivision (a) of this section, or (2) before the expiration of the 60-day period provided in subdivision (a) of this section even though such notice has been given, or (3) at any time prior to the decision of the board upon such deficiency even though the executor has filed a petition with the board, or (4) in the case of any part of the deficiency allowed by the board, at any time before the expiration of 90 days after the decision of the board was rendered, but not after the executor has filed a review bond under section 912 of the revenue act of 1924 as amended. Upon the making of the jeopardy assessment the jurisdiction of the board and the right of the executor to appeal from the board shall cease. If the executor does not file a claim in abatement with bond as provided in section 312, the deficiency so

assessed (or, if the claim so filed covers only a part of the deficiency, then the amount not covered by the claim) shall be paid upon notice and demand from the collector.

(e) The board shall have jurisdiction to redetermine the correct amount of the deficiency even if the amount so redetermined is greater than the amount of the deficiency of which the executor was notified, whether or not claim therefor is asserted by the commissioner at or before the hearing; but the board shall by rules prescribe under what conditions and at what times the commissioner may assert before the board that the deficiency is greater than the amount of which the executor was notified.

(f) If after the enactment of this act the commissioner has notified the executor of a deficiency as provided in subdivision (a), he shall have no right to determine any additional deficiency, except in the case of fraud, and except as provided in subdivision (e). If the executor is notified that on account of a mathematical error appearing upon the face of the return an amount of tax in excess of that shown upon the return is due, and that an assessment of the tax has been or will be made on the basis of what would have been the correct amount of tax but for the mathematical error, such notification shall not be considered for the purposes of this subdivision or of subdivision (a) of this section or of section 317 as a notification of a deficiency, and the executor shall have no right to file a petition with the Board of Tax Appeals based on such notification, nor shall such assessment be prohibited by the provisions of subdivision (a) of this section.

(g) For the purposes of this title the time at which a decision of the board becomes final shall be determined according to the provisions of section 916 of the revenue act of 1924, as amended.

(h) Interest upon the amount determined as a deficiency shall be assessed at the same time as the deficiency, shall be paid upon notice and demand from the collector, and shall be collected as a part of the tax, at the rate of 6 per cent per annum from the due date of the tax to the date the deficiency is assessed.

(i) Where it is shown to the satisfaction of the commissioner that the payment of a deficiency upon the date prescribed for the payment thereof will result in undue hardship to the estate, the commissioner, with the approval of the Secretary (except where the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax), may grant an extension for the payment of such deficiency or any part thereof for a period not in excess of two years. If an extension is granted, the commissioner may require the executor to furnish a bond in such amount, not exceeding double the amount of the deficiency, and with such sureties as the commissioner deems necessary, conditioned upon the payment of the deficiency in accordance with the terms of the extension. In such case there shall be collected, as a part of the tax, interest on the part of the deficiency the time for payment of which is so extended, at the rate of 6 per cent per annum for the period of the extension, and no other interest shall be collected on such part of the deficiency for such period. If the part of the deficiency the time for payment of which is so extended is not paid in accordance with the terms of the extension, there shall be collected, as a part of the tax, interest on such unpaid amount at the rate of 1 per cent a month for the period from the time fixed by the terms of the extension for its payment until it is paid, and no other interest shall be collected on such unpaid amount for such period.

(j) The 50 per cent addition to the tax provided by section 3176 of the Revised Statutes, as amended, shall, when assessed after the enactment of this act in connection with an estate tax, be assessed, collected, and paid in the same manner as if it were a deficiency, except that the provisions of subdivision (h) of this section shall not be applicable.

SEC. 309. (a) (1) Where the amount determined by the executor as the tax imposed by this title, or any part of such amount, is not paid on the due date of the tax, there shall be collected as a part of the tax, interest upon such unpaid amount at the rate of 1 per cent a month from the due date until it is paid.

(2) Where an extension of time for payment of the amount so determined as the tax by the executor has been granted, and the amount the time for payment of which has been extended, and the interest thereon determined under subdivision (c) of section 305, is not paid in full prior to the expiration of the period of the extension, then, in lieu of the interest provided for in paragraph (1) of this subdivision, interest at the rate of 1 per cent a month shall be collected on such unpaid amount from the date of the expiration of the period of the extension until it is paid.

(b) Where a deficiency, or any interest assessed in connection therewith under subdivision (h) of section 308, or any addition to the tax provided for in section 3176 of the Revised Statutes, as amended, is not paid in full within 30 days from the date of notice and demand from the collector, there shall be collected as part of the tax, interest upon the unpaid amount at the rate of 1 per cent a month from the date of such notice and demand until it is paid.

(c) If a claim in abatement is filed, as provided in section 312, the provisions of subdivision (b) of this section shall not apply to the amount covered by the claim in abatement.

SEC. 310. (a) Except as provided in section 311, the amount of the estate taxes imposed by this title shall be assessed within four years after the return was filed, and no proceeding in court for the collection of such taxes shall be begun after the expiration of five years after the return was filed.

(b) The running of the statute of limitations on the making of assessments and the beginning of distraint or a proceeding in court for collection, in respect of any deficiency, shall be suspended for the period during which, under the provisions of this title, the commissioner is prohibited from making the assessment or beginning distraint or a proceeding in court.

SEC. 311. (a) In the case of a false or fraudulent return with intent to evade tax or of a failure to file a return the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

(b) Where the assessment of the tax is made within the period prescribed in section 310 or in this section, such tax may be collected by distraint or by a proceeding in court, begun within (1) six years after the assessment of the tax, or (2) at any time prior to the expiration of any period for collection agreed upon in writing by the commissioner and the executor.

(c) This section shall not affect any assessment made, or distraint or proceeding in court begun, before the enactment of this act, nor shall it authorize the assessment of a tax or the collection thereof by distraint or by a proceeding in court (1) if at the time of the enactment of this act such assessment, distraint, or proceeding was barred by the period of limitation then in existence, or (2) contrary to the provisions of subdivision (a) of section 308.

SEC. 312. (a) If a deficiency has been assessed under subdivision (d) of section 308, the executor, within 30 days after notice and demand from the collector for the payment thereof, may file with the collector a claim for the abatement of such deficiency, or any part thereof, or of any interest or additional amounts assessed in connection therewith, or of any part of any such interest or additional amounts. If such claim is accompanied by a bond, in such amount not exceeding double the amount of the claim, and with such sureties, as the collector deems necessary, conditioned upon the payment of so much of the amount of the claim as is not abated, together with interest thereon as provided in subdivision (c) of this section, then upon the filing of such claim and bond, the collection of so much of the amount assessed as is covered by such claim and bond shall be stayed pending the final disposition of the claim.

(b) When a claim is filed and accepted by the collector he shall transmit the claim immediately to the commissioner, who shall by registered mail notify the executor of his decision on the claim. The executor may, within 60 days after such notice is mailed, file a petition with the Board of Tax Appeals. In cases where collection has been stayed by the filing of a bond, then if the claim is denied in whole or in part by the commissioner (or, if a petition has been filed with the board, if such claim is denied in whole or in part by a decision of the board which has become final), the amount, the claim for which is denied, shall be collected as part of the tax upon notice and demand from the collector, and the amount, the claim for which is allowed, shall be abated. In cases where collection has not been stayed by the filing of a bond, then if the claim is allowed in whole or in part by the commissioner (or, if a petition has been filed with the board, if such claim is allowed in whole or in part by a decision of the board which has become final), the amount so allowed shall be credited or refunded as provided in section 281, or, if collection has not been made, shall be abated.

(c) In cases where collection has been stayed by the filing of a bond, then if the claim in abatement is denied in whole or in part, there shall be collected, at the same time as the part of the claim denied, and as a part of the tax, interest at the rate of 6 per cent per annum upon the amount of the claim denied, from the date of notice and demand from the collector under subdivision (d) of section 308 to the date of the notice and demand under subdivision (b) of this section. If the amount included in the notice and demand from the collector under subdivision (b) of this section is not paid in full within 30 days after such notice and demand, then there shall be collected, as part of the tax, interest upon the unpaid amount at the rate of 1 per cent a month from the date of such notice and demand until it is paid.

(d) Except as provided in this section, no claim in abatement shall be filed in respect of any assessment made after the enactment of this act in respect of any estate tax.

SEC. 313. (a) The collector shall grant to the person paying the tax duplicate receipts, either of which shall be sufficient evidence of such payment and shall entitle the executor to be credited and allowed the amount thereof by any court having jurisdiction to audit or settle his accounts.

(b) If the executor makes written application to the commissioner for determination of the amount of the tax and discharge from personal liability therefor, the commissioner (as soon as possible, and in any event within one year after the making of such application, or, if the application is made before the return is filed, then within one

year after the return is filed, but not after the expiration of the period prescribed for the assessment of the tax in section 310) shall notify the executor of the amount of the tax. The executor, upon payment of the amount of which he is notified, shall be discharged from personal liability for any deficiency in tax thereafter found to be due and shall be entitled to a receipt or writing showing such discharge.

(c) The provisions of subdivision (b) shall not operate as a release of any part of the gross estate from the lien for any deficiency that may thereafter be determined to be due, unless the title to such part of the gross estate has passed to a bona fide purchaser for value, in which case such part shall not be subject to a lien or to any claim or demand for any such deficiency, but the lien shall attach to the consideration received from such purchaser by the heirs, legatees, devisees, or distributees.

SEC. 314. (a) If the tax herein imposed is not paid on or before the due date thereof, the collector shall, upon instruction from the commissioner, proceed to collect the tax under the provisions of general law or commence appropriate proceedings in any court of the United States having jurisdiction, in the name of the United States, to subject the property of the decedent to be sold under the judgment or decree of the court. From the proceeds of such sale the amount of the tax, together with the costs and expenses of every description to be allowed by the court, shall be first paid, and the balance shall be deposited according to the order of the court, to be paid under its direction to the person entitled thereto. This subdivision, in so far as it applies to the collection of a deficiency, shall be subject to the provisions of section 308.

(b) If the tax or any part thereof is paid by, or collected out of that part of the estate passing to or in the possession of, any person other than the executor in his capacity as such, such person shall be entitled to reimbursement out of any part of the estate still undistributed or by a just and equitable contribution by the persons whose interest in the estate of the decedent would have been reduced if the tax had been paid before the distribution of the estate or whose interest is subject to equal or prior liability for the payment of taxes, debts, or other charges against the estate, it being the purpose and intent of this title that so far as is practicable and unless otherwise directed by the will of the decedent the tax shall be paid out of the estate before its distribution. If any part of the gross estate consists of proceeds of policies of insurance upon the life of the decedent receivable by a beneficiary other than the executor, the executor shall be entitled to recover from such beneficiary such portion of the total tax paid as the proceeds, in excess of $40,000, of such policies bear to the net estate. If there is more than one such beneficiary the executor shall be entitled to recover from such beneficiaries in the same ratio.

SEC. 315. (a) Unless the tax is sooner paid in full, it shall be a lien for 10 years upon the gross estate of the decedent, except that such part of the gross estate as is used for the payment of charges against the estate and expenses of its administration, allowed by any court having jurisdiction thereof, shall be divested of such lien. If the commissioner is satisfied that the tax liability of an estate has been fully discharged or provided for, he may, under regulations prescribed by him with the approval of the secretary, issue his certificate releasing any or all property of such estate from the lien herein imposed.

(b) If (1) the decedent makes a transfer, by trust or otherwise, of any property in contemplation of or intended to take effect in possession or enjoyment at or after his death (except in the case of a bona fide sale for a fair consideration in money or money's worth), or (2) if insurance passes under a contract executed by the decedent in favor of a specific beneficiary, and if in either case the tax in respect thereto is not paid when due, then the transferee, trustee, or beneficiary shall be personally liable for such tax, and such property, to the extent of the decedent's interest therein at the time of such transfer, or to the extent of such beneficiary's interest under such contract of insurance, shall be subject to a like lien equal to the amount of such tax. Any part of such property sold by such transferee or trustee to a bona fide purchaser for a fair consideration in money or money's worth shall be divested of the lien and a like lien shall then attach to all the property of such transferee or trustee, except any part sold to a bona fide purchaser for a fair consideration in money or money's worth.

SEC. 316. (a) If after the enactment of this act the commissioner determines that any assessment should be made in respect of any estate tax imposed by the revenue act of 1917, the revenue act of 1918, the revenue act of 1921, or the revenue act of 1924, or by any such act as amended, the commissioner shall notify the person liable for such tax by registered mail of the amount proposed to be assessed, which notification shall, for the purposes of this act, be considered a notification under subdivision (a) of section 308 of this act. In such cases the amount which should be assessed (whether as deficiency or additional tax or as interest, penalty, or other addition to the tax) shall be computed as if this act had not been enacted, but the amount so computed shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations (including the provisions in case of delinquency in payment after notice and demand and the provisions prohibiting claims and suits for refund) as in the case of the tax imposed by this title, except that the period of limitation prescribed in section 1109 of this act shall be applied in lieu of the period prescribed in subdivision (a) of section 310.

(b) If before the enactment of this act any person has appealed to the Board of Tax Appeals under subdivision (a) of section 308 of the revenue act of 1924 (if such appeal relates to a tax imposed by Title III of such act or to so much of an estate tax imposed by prior act as was not assessed before June 3, 1924), and the decision of the board was not made before the enactment of this act, the board shall have jurisdiction of the appeal. In all such cases the powers, duties, rights, and privileges of the commissioner and of the person who has brought the appeal, and the jurisdiction of the board and of the courts, shall be determined, and the computation of the tax shall be made, in the same manner as provided in subdivision (a) of this section, except that the person liable for the tax shall not be subject to the provisions of subdivision (a) of section 317.

(c) If before the enactment of this act the commissioner has mailed to any person a notice under subdivision (a) of section 308 of the revenue act of 1924 (whether in respect of a tax imposed by Title III of such act or in respect of so much of an estate tax imposed by prior act as was not assessed before June 3, 1924), and if the 60-day period referred to in such subdivision has not expired before the enactment of this act, such person may file a petition with the board in the same manner as if a notice of deficiency had been mailed after the enactment of this act in respect of a deficiency in a tax imposed by this title. In such cases the 60-day period referred to in subdivision (a) of section 308 of this act shall begin on the date of the enactment of this act, and the powers, duties, rights, and privileges of the commissioner and of the person who has filed the petition, and the jurisdiction of the board and of the courts, shall, whether or not the petition is filed, be determined, and the computation of the tax shall be made, in the same manner as provided in subdivision (a) of this section.

(d) If any estate tax imposed by the revenue act of 1917, the revenue act of 1918, or the revenue act of 1921, or by any such act as amended, was assessed before June 3, 1924, but was not paid in full before the date of the enactment of this act, and if the commissioner, after the enactment of this act, finally determines the amount of the deficiency, he shall notify the person liable for such tax by registered mail of the amount proposed to be collected, which notification shall, for the purposes of this act, be considered a notification under subdivision (a) of section 308 of this act. In such case the amount to be collected (whether as deficiency or additional tax or as interest, penalty, or other additions to the tax) shall be computed as if this act had not been enacted, but the amount so computed shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations (including the provisions in cases of delinquency in payment after notice and demand, and the provisions relating to claims and suits for refund) as in the case of the tax imposed by this title, except as otherwise provided in subdivision (g) of this section, and except that the period of limitation prescribed in section 1109 of this act shall be applied in lieu of the period prescribed in subdivision (a) of section 310.

(e) If any estate tax imposed by the revenue act of 1917, the revenue act of 1918, or the revenue act of 1921, or by any such act as amended, was assessed before June 3, 1924, but was not paid in full before that date, and if the commissioner after June 2, 1924, but before the enactment of this act, finally determined the amount of the deficiency, and if the person liable for such tax appealed before the enactment of this act to the Board of Tax Appeals and the decision of the board was not made before the enactment of this act, the board shall have jurisdiction of the appeal. In all such cases the powers, duties, rights, and privileges of the commissioner and of the person who has brought the appeal, and the jurisdiction of the board and of the courts, shall be determined, and the computation of the tax shall be made, in the same manner as provided in subdivision (d) of this section, except that the person liable for the tax shall not be subject to the provisions of subdivision (a) of section 317.

(f) If any estate tax imposed by the revenue act of 1917, the revenue act of 1918, or the revenue act of 1921, or by any such act as amended, was assessed before June 3, 1924, but was not paid in full before the date of the enactment of this act, and if the commissioner after June 2, 1924, finally determined the amount of the deficiency, and notified the person liable for such tax to that effect less than 60 days prior to the enactment of this act, the person so notified may file a petition with the board in the same manner as if a notice of deficiency had been mailed after the enactment of this act in respect of a deficiency in a tax imposed by this title. In such cases the 60-day period referred to in subdivision (a) of section 308 of this act shall begin on the date of the enactment of this act, and, whether or not the petition is filed, the powers, duties, rights, and privileges of the commissioner and of the person who is so notified, and the jurisdiction

of the board and of the courts, shall be determined, and the computation of the tax be made, in the same manner as provided in subdivision (d) of this section.

(g) In cases within the scope of subdivision (d), (e), or (f), if the commissioner believes that the collection of the deficiency will be jeopardized by delay, he may, despite the provisions of subdivision (a) of section 308 of this act, instruct the collector to proceed to enforce the payment of the deficiency. Such action by the collector and the commissioner may be taken at any time prior to the decision of the board upon such deficiency even though the person liable for the tax has filed a petition with the board, or, in the case of any part of the deficiency allowed by the board, at any time before the expiration of 90 days after the decision of the board was rendered, but not after the person liable for the tax has filed a review bond under section 912 of the revenue act of 1924 as amended, and thereupon the jurisdiction of the board and the right of the taxpayer to appeal from the board shall cease. Upon payment of the deficiency in such case the person liable for the tax shall not be subject to the provisions of subdivision (a) of section 317.

SEC. 317. (a) If the commissioner has notified the executor of a deficiency or has made an assessment under subdivision (d) of section 308, the right of the executor to file a petition with the Board of Tax Appeals and to appeal from the decision of the board to the courts shall constitute his sole right to contest the amount of the tax, and, whether or not he files a petition with the board, no credit or refund in respect of such tax shall be made and no suit for the recovery of any part of such tax shall be maintained in any court, except as provided in subdivision (b) of this section or in subdivision (b) of section 312 or in subdivision (b), (e), or (g) of section 316 of this act or in section 912 of the revenue act of 1924 as amended This subdivision shall not apply in any case where the executor proves to the satisfaction of the commissioner or the court, as the case may be, that the notice under subdivision (a) of section 308 or subdivision (b) of section 312 was not received by him before the expiration of 45 days from the time such notice was mailed.

(b) If the Board of Tax Appeals finds that there is no deficiency and further finds that the executor has made an overpayment of tax, the board shall have jurisdiction to determine the amount of such overpayment, and such amount shall, when the decision of the board has become final, be credited or refunded to the executor as provided in section 3220 of the Revised Statutes, as amended Such refund or credit shall be made either (1) if claim therefor was filed within the period of limitation provided for in section 3228 of the Revised Statutes, as amended, or (2) if the petition was filed with the board within four years after the tax was paid.

SEC. 318. (a) Whoever knowingly makes any false statement in any notice or return required to be filed under this title shall be liable to a penalty of not exceeding $5,000 or imprisonment not exceeding one year, or both.

(b) Whoever fails to comply with any duty imposed upon him by section 304, or, having in his possession or control any record, file, or paper, containing or supposed to contain any information concerning the estate of the decedent, or, having in his possession or control any property comprised in the gross estate of the decedent, fails to exhibit the same upon request to the commissioner or any collector or law officer of the United States or his duly authorized deputy or agent, who desires to examine the same in the performance of his duties under this title, shall be liable to a penalty of not exceeding $500, to be recovered, with costs of suit, in a civil action in the name of the United States.

SEC. 319. (a) The terms "resident" as used in this title includes a citizen of the United States with respect to whose property any probate or administration proceedings are had in the United States Court for China. Where no part of the gross estate of such decedent is situated in the United States at the time of his death, the total amount of tax due under this title shall be paid to or collected by the clerk of such court, but where any part of the gross estate of such decedent is situated in the United States at the time of his death, the tax due under this title shall be paid to or collected by the collector of the district in which is situated the part of the gross estate in the United States, or, if such part is situated in more than one district, then the collector of such district as may be designated by the commissioner.

(b) For the purpose of this section the clerk of the United States Court for China shall be a collector for the territorial jurisdiction of such court, and taxes shall be collected by and paid to him in the same manner and subject to the same provisions of law, including penalties, as the taxes collected by and paid to a collector in the United States.

SEC. 300 (a) Section 301 of the revenue act of 1924 is amended to read as follows:

"SEC. 301. (a) In lieu of the tax imposed by Title IV of the revenue act of 1921, a tax equal to the sum of the following percentages of the value of the net estate (determined as provided in sec. 303) is hereby imposed upon the transfer of the net estate of every decedent dying after the enactment of this act, whether a resident or nonresident of the United States:

"One per cent of the amount of the net estate not in excess of $50,000;

"Two per cent of the amount by which the net estate exceeds $50,000 and does not exceed $150,000;

"Three per cent of the amount by which the net estate exceeds $150,000 and does not exceed $250,000;

"Four per cent of the amount by which the net estate exceeds $250,000 and does not exceed $450,000;

"Six per cent of the amount by which the net estate exceeds $450,000 and does not exceed $750,000;

"Eight per cent of the amount by which the net estate exceeds $750,000 and does not exceed $1,000,000;

"Ten per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $1,500,000;

"Twelve per cent of the amount by which the net estate exceeds $1,500,000 and does not exceed $2,000,000;

"Fourteen per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $3,000,000;

"Sixteen per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $4,000,000;

"Eighteen per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

"Twenty per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $8,000,000;

"Twenty-two per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $10,000,000; and

"Twenty-five per cent of the amount by which the net estate exceeds $10,000,000."

(b) Subdivision (a) of this section shall take effect as of June 2, 1924.

SEC. 301. (a) So much of paragraph (3) of subdivision (a) and of paragraph (3) of subdivision (b) of section 303 of the revenue act of 1924 as reads as follows: "If the tax imposed by section 301, or any estate, succession, legacy, or inheritance taxes, are either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes" is repealed.

(b) Subdivision (a) of this section shall take effect as of June 2, 1924.

SEC. 302. (a) Section 319 of the revenue act of 1924 is amended to read as follows:

"SEC. 319. For the calendar year 1924 and each calendar year thereafter a tax equal to the sum of the following is hereby imposed upon the transfer by a resident by gift during such calendar year of any property wherever situated, whether made directly or indirectly, and upon the transfer by a nonresident by gift during such calendar year of any property situated within the United States, whether made directly or indirectly:

"One per cent of the amount of the taxable gifts not in excess of $50,000;

"Two per cent of the amount by which taxable gifts exceeds $50,000 and do not exceed $150,000;

"Three per cent of the amount by which the taxable gifts exceed $150,000 and do not exceed $250,000;

"Four per cent of the amount by which the taxable gifts exceed $250,000 and do not exceed $450,000;

"Six per cent of the amount by which the taxable gifts exceed $450,000 and do not exceed $750,000;

"Eight per cent of the amount by which the taxable gifts exceed $750,000 and do not exceed $1,000,000;

"Ten per cent of the amount by which the taxable gifts exceed $1,000,000 and do not exceed $1,500,000;

"Twelve per cent of the amount by which the taxable gifts exceed $1,500,000 and do not exceed $2,000,000;

"Fourteen per cent of the amount by which the taxable gifts exceed $2,000,000 and do not exceed $3,000,000;

"Sixteen per cent of the amount by which the taxable gifts exceed $3,000,000 and do not exceed $4,000,000;

"Eighteen per cent of the amount by which the taxable gifts exceed $4,000,000 and do not exceed $5,000,000;

"Twenty per cent of the amount by which the taxable gifts exceed $5,000,000 and do not exceed $8,000,000;

"Twenty-two per cent of the amount by which the taxable gifts exceed $8,000,000 and do not exceed $10,000,000; and

"Twenty-five per cent of the amount by which the taxable gifts exceed $10,000,000."

(b) Subdivision (a) of this section shall take effect as of June 2, 1924.

SEC. 303. Any tax that has been paid under the provisions of Title III of the revenue act of 1924 prior to the enactment of this act in excess of the tax imposed by such title as amended by this act shall be regarded as an internal-revenue tax illegally assessed or collected.

The VICE PRESIDENT. On the question of agreeing to the amendment of the Senator from Tennessee the yeas and nays are demanded.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FERRIS (when his name was called). I have a pair with the Senator from Kansas [Mr. CURTIS]. I therefore withhold my vote.

Mr. FLETCHER (when his name was called). Making the same announcement as before as to my pair, I vote "nay."

Mr. HOWELL (when his name was called). I have a pair with the senior Senator from Kentucky [Mr. ERNST], and therefore withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. McNARY (when his name was called). I have a pair with the Senator from Maryland [Mr. BRUCE], and therefore can not vote. If at liberty to vote I should vote "yea," and if the Senator from Maryland were present he would vote "nay."

Mr. NEELY (when his name was called). On this question I am paired with the senior Senator from New York [Mr. WADSWORTH]. I am informed that if he were present he would vote "nay." If I were at liberty to vote, I should vote "yea."

Mr. PEPPER (when his name was called). I have a pair with the junior Senator from New Mexico [Mr. BRATTON]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. REED of Pennsylvania (when his name was called). Has the senior Senator from Delaware [Mr. BAYARD] voted?

The VICE PRESIDENT. He has not.

Mr. REED of Pennsylvania. I am informed that that Senator, with whom I am paired, would, if present, vote the same way that I am going to vote. Therefore I vote "nay."

The roll call was concluded.

Mr. BLEASE. I have a pair with the Senator from Missouri [Mr. WILLIAMS], and withhold my vote.

Mr. SACKETT. I desire to announce that my colleague, the senior Senator from Kentucky [Mr. ERNST] is unavoidably absent. If he were present, he would vote "nay."

Mr. NORRIS. I desire to announce the unavoidable absence of the Senator from Iowa [Mr. BROOKHART], who is paired with the junior Senator from Arkansas [Mr. CARAWAY].

I desire also to announce the unavoidable absence of the Senator from California [Mr. JOHNSON], who is paired with the senior Senator from Arkansas [Mr. ROBINSON].

Mr. JONES of Washington. I desire to announce the following general pairs:

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Nevada [Mr. PITTMAN];

The Senator from Illinois [Mr. McKINLEY] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD].

I also desire to announce the unavoidable absence of the Senator from Minnesota [Mr. SCHALL].

I also desire to announce the unavoidable absence of the Senator from Kansas [Mr. CURTIS], on account of illness. He is paired with the Senator from Michigan [Mr. FERRIS].

The result was announced—yeas 13, nays 47, as follows:

YEAS—13

Ashurst	King	Reed, Mo.	Wheeler
Dill	Lenroot	Sheppard	
Harris	McKellar	Shipstead	
Jones, Wash.	McMaster	Tyson	

NAYS—47

Broussard	George	Moses	Shortridge
Butler	Gillett	Norbeck	Simmons
Cameron	Glass	Norris	Smith
Capper	Goff	Nye	Smoot
Copeland	Hale	Oddie	Stanfield
Cummins	Harreld	Overman	Trammell
Deneen	Harrison	Phipps	Walsh
Edge	Heflin	Pine	Warren
Edwards	Kendrick	Ransdell	Watson
Fess	La Follette	Reed, Pa.	Weller
Fletcher	McLean	Robinson, Ind.	Willis
Frazier	Metcalf	Sackett	

NOT VOTING—36

Bayard	Curtis	Howell	Pepper
Bingham	Dale	Johnson	Pittman
Blease	du Pont	Jones, N. Mex.	Robinson, Ark.
Borah	Ernst	Keyes	Schall
Bratton	Fernald	McKinley	Stephens
Brookhart	Ferris	McNary	Swanson
Bruce	Gerry	Mayfield	Underwood
Caraway	Gooding	Means	Wadsworth
Cousens	Greene	Neely	Williams

So Mr. McKELLAR's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment of the committee was agreed to.

Mr. SMITH. Mr. President, I send to the desk two amendments that are necessary, in view of the amendment that I offered and that was adopted, making the limitation on the Government two years. These amendments are necessary to make the refund for two years, so as to correspond with the other.

Mr. REED of Pennsylvania. Mr. President, I hope these amendments will be adopted. They are merely companion amendments to the one on which the Senate voted on the motion of the Senator from South Carolina. They simply make the two limitations the same.

Mr. SMOOT. They are necessary to make it complete.

The VICE PRESIDENT. The amendments will be stated.

The CHIEF CLERK. On page 163, it is proposed to strike out lines 8 to 17, both inclusive, and to insert:

Except as provided in subdivisions (c), (d), (e), and (g) of this section—

(1) No such credit or refund shall be allowed or made after two years from the time the tax was paid in the case of a tax imposed by this act, nor after four years from the time the tax was paid in the case of a tax imposed by any prior act, unless before the expiration of such period a claim therefor is filed by the taxpayer; and

(2) The amount of the credit or refund shall not exceed the portion of the tax paid during the two or four years, respectively, immediately preceding the filing of the claim, or if no claim was filed, then during the two or four years, respectively, immediately preceding the allowance of the credit or refund.

And on page 165, line 22, it is proposed to strike out "paid" and to insert in lieu thereof:

paid, or, in the case of a tax imposed by this act, within two years after the tax was paid.

The amendments were agreed to.

Mr. REED of Pennsylvania. Mr. President, I send to the desk a formal amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 325, line 3, after the word "annum," it is proposed to insert a comma and the following:

payable out of any appropriation available for the payment of expenses of assessing and collecting the internal-revenue taxes.

Mr. REED of Pennsylvania. Mr. President, the necessity for this amendment arises out of the decision of the Comptroller General, who has notified us that as the bill now stands there is no appropriation from which the salary of the general counsel can be paid. He suggests this amendment in order to make it clear that this is to be paid out of the appropriation for collecting the internal revenue.

The amendment was agreed to.

Mr. HARRISON. Mr. President, I offer an amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. Under the subhead "Schedule A.—Stamp taxes," on page 253, beginning with line 22, it is proposed to strike out through line 10 on page 254, in the following words:

2. Capital stock, issue: On each original issue, whether on organization or reorganization, of certificates of stock, or of profits, or of interest in property or accumulations, by any corporation, on each $100 of face value or fraction thereof, 5 cents: *Provided*, That where a certificate is issued without face value, the tax shall be 5 cents per share, unless the actual value is in excess of $100 per share, in which case the tax shall be 5 cents on each $100 of actual value or fraction thereof, or unless the actual value is less than $100 per share, in which case the tax shall be 1 cent on each $20 of actual value, or fraction thereof.

The stamps representing the tax imposed by this subdivision shall be attached to the stock books and not to the certificates issued.

Mr. HARRISON. Mr. President, some days ago we increased the corporation tax from 12½ per cent to 13½ per cent, thereby, upon the estimate of the Actuary of the Treasury, making it possible to derive something under $200,000,000 more next year than we have been receiving from the corporation tax.

This amendment proposes to strike out the stamp tax on capital-stock issues. We get about $10,000,000 a year from that item. This is only on the original capital-stock issue. I have not offered any amendment that will apply to transfers of stocks generally, but have confined the proposition to taking off the stamp tax on the original capital-stock issue. It seems

to me it is a nuisance tax; it ought to be repealed, and I hope the amendment will be adopted.

Mr. SMOOT. Mr. President, there are a number of these taxes that I should like to see repealed, but I do ask the Senate to make no more reductions. We can not stand taking $10,000,000 off these capital-stock issues. The tax is on the original issue, as the Senator says. On the transfers there are taxes of some twelve or fourteen million dollars more, but the Senator's amendment does not cover that. It is just the original issue; but we will lose at least $10,000,000, and I do not see how we can possibly spare it.

Mr. MOSES. Mr. President, may I say to the Senator from Utah that with the total revenue running to more than two billions of dollars, $10,000,000 is not a great proportion. May I ask him about the history of taxes of this kind? They have always been imposed in time of war and always have been taken off when peace returned; have they not?

Mr. SMOOT. Mr. President, I was rather struck with the statement made here to-day that the war is over. As far as finances go, the effects of the war are almost as bad as the war. We do not want now to begin to pay out more for the expense of maintaining the Government than we are collecting; and the war debt ought to be paid.

Mr. MOSES. The Senator entirely misinterpreted the debate this morning. It was not with reference to the finances of the war; it was with reference to the politics of the war; and the fact that the Senator from Washington [Mr. DILL] and the Senator from Virginia [Mr. SWANSON] differed as to the politics of the war has nothing to do with the financing of the war.

Mr. SMOOT. I hope the amendment will be rejected.

Mr. WILLIS. Mr. President, I desire to ask a question of the Senator from Utah. I understood the Senator from Mississippi a few moments ago to state that because of the change already made in the law touching the taxation of corporations, there had been an increase in the burden on corporations of $200,000,000 a year. Is that the fact?

Mr. SMOOT. Oh, no!

Mr. WILLIS. I so understood the Senator from Mississippi.

Mr. SMOOT. No; the Senator from Mississippi did not make that statement.

Mr. WILLIS. Perhaps I misunderstood the Senator. I understood him a moment ago to state that as a result of the abolishment of the capital-stock tax and the increase in the income tax of corporations, the burden on corporations had been increased $200,000,000.

Mr. HARRISON. The estimate of the Actuary of the Treasury, as I recall—I have not the figures here—was that as a result of the prosperity of corporations generally there would be derived from this source, upon a 12½ per cent tax, during the coming year, $120,000,000 more than was derived last year.

Mr. WILLIS. I understood the Senator to say $200,000,000.

Mr. HARRISON. One hundred and twenty million dollars more; and then the 1 per cent increase from 12½ per cent to 13½ per cent, of course, produces around $83,000,000.

Mr. SMOOT. Mr. President, I think the Senator got those figures somewhat mixed. It is not only the income of corporations, but the income from the bill itself, from personal incomes, all sorts of incomes of individuals and corporations, in which the actuary estimates that there is an increase of $118,000,000. We have that to take care of, and it is taken care of in the estimates already given.

Mr. HARRISON. May I ask the Senator from Utah how much the Government received last year from the corporation tax?

Mr. WILLIS. While the Senator from Utah is looking for that, I understood the Senator from Pennsylvania to make a statement that as a result of this bill the burdens of the corporations would be decreased $8,000,000. Did he or did he not make that statement?

Mr. REED of Pennsylvania. That is right. The repeal of the capital-stock tax will save the corporation about $8,000,000 more than the 1 per cent increase in their income taxes will cost them.

Mr. WILLIS. That is exactly what I understood the Senator to say.

Mr. SMOOT. The corporations get an advantage by this bill over what they have under existing law of only $8,000,000.

Mr. HARRISON. With the 1 per cent increase?

Mr. SMOOT. Yes.

Mr. HARRISON. The figures of the actuaries do not show that.

Mr. SMOOT. The 1 per cent increase less the capital-stock tax. This shows an advantage to the corporations of the country of only $8,000,000.

Mr. HARRISON. I will look back at the speech made by the Senator the other day and have some questions to ask, as soon as I can put my hand on it. It shows quite a different state of affairs from that.

Mr. SMOOT. I do not think there is any question about it at all. The Senator may have misunderstood me.

Mr. SMITH. I think I asked a question along that line the other day, and my understanding was that the difference between what the corporations would have to pay with the capital-stock tax removed and what they would have to pay with the increase of 1 per cent would be in favor of the corporations in the sum of $8,000,000.

Mr. SMOOT. Eight million dollars.

Mr. SMITH. I think that was a statement made to me the other day.

Mr. SMOOT. In other words, $86,000,000 and $94,000,000, the difference being $8,000,000, representing the advantage the corporations have under this bill if it is enacted into law.

Mr. KING. Mr. President, will my colleague yield?

Mr. SMOOT. I yield.

Mr. KING. I think the Senators who have been speaking on this matter have failed to take into account what I conceive to be an important factor in the equation, namely, if we are to judge from the newspapers, and from the enormous profits which are daily being reported by corporations, the 13½ per cent, or 12½ per cent, will yield a very large amount in excess of that which was collected for the preceding years. No one can deny the prosperity of the corporations. No one can deny the fact that their earnings for the next fiscal year, or for the present calendar year, will be greatly in excess of their earnings for the past calendar year or for the past fiscal year.

Mr. REED of Pennsylvania. Mr. President, nobody knows what they will be for the present calendar year. We started in the year 1907 with business looking just as it does now, and by the end of 1907 a lot of the corporations went into bankruptcy.

Mr. KING. I am assuming a continuance of present conditions, and if we are permitted to have any judgment with respect to industrial and economic conditions based upon past experience, and based upon present conditions, and based upon the determination—I do not say it by way of criticism—of the Republican Party to maintain these conditions in the face of an approaching election, not only for political purposes, but for economic reasons, I submit that no one can challenge successfully the statement that the earnings of the corporations for this fiscal year and this calendar year will be in excess of the earnings for the past fiscal year and the past calendar year.

Mr. MOSES. Mr. President, will the Senator permit me to interject?

Mr. KING. I always know when the Senator from New Hampshire wants to project something that a deadly missile is to be thrown; so I am ready to receive it.

Mr. MOSES. Not at all; but I want to congratulate the Senator for not criticizing the Republican Party for desiring to continue prosperity in the country.

Mr. KING. We will discuss that a little later, at an appropriate time, when we can analyze all the factors that are to be considered in connection with the question.

It does seem to me that the position of the Senator from Mississippi is correct, and that we may anticipate a revenue greater than that which my colleague has indicated, and greater than that which has been indicated by the Secretary of the Treasury in his annual report, and in the statement which he made before the Ways and Means Committee, which was a very clear statement, may I say.

Then there is another thing which I submit should be taken into consideration when we are talking about balancing the Budget. I submit that the Budget which has been presented to us by the President of the United States contains recommendations for appropriations in excess of the valid and legitimate needs of the Government, and if Congress shall pare them down as it should, and shall project a proper policy of economy, we can save from a hundred to two hundred million dollars, and reduce the expenses below those which have been estimated by the Budget.

So we can safely reduce the pending bill by $400,000,000 without at all impairing the credit of the country or impinging upon the proposition that the Budget must be balanced. It will be balanced with a diminution in the revenue of $400,000,000 below that which was derived by the Government during the past fiscal year.

Mr. SIMMONS. Mr. President, may I ask the Senator from Utah a question? In the statement he made a little while ago of the revenue derived from corporations was he referring to the revenue derived upon the basis of the 1924 report?

Mr. SMOOT. Actual receipts for 1925.

Mr. SIMMONS. The actual receipts for 1925?

Mr. SMOOT. Yes. I will give the figures to the Senator as I gave them the other day. The actual receipts from individuals and corporations for 1925 are $1,761,659,049.51. The estimates for 1926 under the existing law are $1,880,000,000. That shows a difference of $118,340,951. That applies to the present law. The estimate of receipts under the bill as it passed the House was $1,685,425,000. That shows a loss of $76,234,000, according to an estimate of the receipts under the bill as it passed the House as compared with the actual receipts for 1925.

Mr. SIMMONS. What is the estimate of the receipts under the Senate committee bill as to the corporations?

Mr. SMOOT. A difference of just $8,000,000.

Mr. HARRISON. Let me see if I understand the Senator. What was the amount we received in 1925 from the corporation taxes?

Mr. SMOOT. The estimate of the income from corporations for 1925 is $860,000,000.

Mr. HARRISON. What is the estimate for 1926?

Mr. SMOOT. That is for the business year of 1926. I have the income generally for individuals and corporations for 1925.

Mr. HARRISON. I want the figures on corporations. I can understand it better when I get just those figures. I refer now to a colloquy which ensued when this matter was up before. I said:

> There is a difference between $916,000,000 and $1,040,000,000 this year of $124,000,000. In other words, if we eliminate the capital-stock tax and keep 12½ per cent corporation tax as it is to-day, we eliminate the increased profits tax on corporations in the country during the last year, and we will still have $124,000,000 excess, or approximately that.

Those were the figures. Following that the Senator took issue with me in some respects, and this is what transpired:

> Mr. HARRISON. I can say to the Senator from Minnesota that in my opinion Mr. McCoy is about the most efficient man in the whole Government service.
>
> Mr. McCoy said further that while we will have $124,000,000 eliminated by the proposition which the Senator from Utah wants to bring in, yet, if we increase the corporation tax from 12½ per cent to 13½ per cent, we will have $85,000,000 more.
>
> Mr. SMOOT. It would be $86,000,000 instead of $85,000,000.
>
> Mr. HARRISON. In other words, we will have $124,000,000 and $86,000,000, or $210,000,000 increase by this corporation tax, and we are eliminating $93,000,000 of capital-stock tax.
>
> Mr. SMOOT. And we are reducing altogether by $350,000,000.

In other words, what I stated there was accepted as true, and the Senator then asserted the other.

Mr. SMOOT. If the Senator will go further, he will find that I called attention to the figures which I have just quoted. The estimate under this bill is $1,685,425,000 for all incomes. The estimate under the present law was $1,880,000,000.

Mr. HARRISON. The Senator is talking about personal incomes and every other kind of income, and I am trying to keep the discussion on corporations.

Mr. SMOOT. It is $8,000,000; that is all.

Mr. HARRISON. So the Senator contends that notwithstanding the apparent prosperity among the corporations, say, after the elimination of the capital-stock tax and the increase of the corporation tax from 12½ to 13½ per cent, we will receive only $8,000,000 more the coming year than we received last year?

Mr. SMOOT. That is my opinion, and I do not think that is apparent prosperity either.

Mr. HARRISON. Is that based on the figures of Mr. McCoy?

Mr. SMOOT. Yes; the figures of Mr. McCoy. I have no doubt about it, and if Mr. McCoy is here the Senator can go and ask him about it.

Mr. HARRISON. By the elimination of the capital-stock tax——

Mr. SMOOT. Did I say $8,000,000 more?

Mr. HARRISON. Yes; $8,000,000 more.

Mr. SMOOT. There will be a saving to the corporations of $8,000,000, taking the $1 a thousand off and then adding the 1 per cent on the profits. In the transfer there is an advantage to the corporations of $8,000,000.

Mr. SHEPPARD. And a corresponding loss to the Government.

Mr. SMOOT. Taking off the $1 a thousand on the capital stock of corporations, leaves $93,000,000, or in round figures $94,000,000, and in round figures the 1 per cent increase on $840,000,000, as the Senator can see, is $84,000,000. That is to be increased to $86,000,000; and taking that from the $94,00,000, makes the $8,000,000 difference.

Mr. HARRISON. The Senator is evidently taking into consideration what has transpired in the past, without respect to the present condition among corporations.

Mr. SMOOT. No; I am taking into consideration the estimate for 1926 given to us by Mr. McCoy.

Mr. HARRISON. I submit that this stamp tax, which is a war tax, as stated by the distinguished Senator from New Hampshire, should be repealed. It amounts to something between $8,000,000 and $10,000,000, and I have made it apply to the original issues and not to promiscuous issues.

Mr. CAMERON. Mr. President, I do not think the amendment of the Senator from Mississippi goes far enough. I think it should go far enough to include the smaller mining companies, and I shall offer an amendment to effect that.

Mr. SIMMONS. Mr. President, I want to say just a word. I agree with the Senator from Mississippi that the income we will get from corporations, based on this year's earnings, will be from 15 to 20 per cent more than we received last year. That will amount to a very considerable increase in the revenues of the Government. We ought to take that into consideration in connection with any proposition to reduce the tax on corporations.

In the revenue bill now pending and in every revenue bill that we have passed since the war corporations have had a raw deal. The tax which we imposed upon them during the war was an exceedingly high tax. It was a tax that nobody had ever conceived of before that emergency arose. It was 12½ per cent plus a tax upon their capital stock, which made it a tax of over 13 per cent upon the corporate earnings. Besides that, of course, at one time they had the excess-profits tax; but we repealed that as to corporations and we repealed it also as to individuals. That is the only relief the corporations have ever had, but the individuals participated in the same relief.

When we come to the era of reductions it was supposed that in those reductions every class of taxpayers would be given some consideration; that we would not reduce the taxes upon one class and fail to reduce them upon another class. But so far as corporations are concerned, we have never given them any consideration at all. The only two things in the whole scheme of revenue taxation that we have not given relief are the corporations and the tobacco people. Those taxes remain practically as they were when we began the general scheme of tax reduction.

In view of the fact that corporation earnings this year are likely to be 15 or 20 per cent more than they were in 1925, in view of the fact that we have not given them any reduction in the bill, or, if any, only $8,000,000, according to the Senator from Utah [Mr. SMOOT], it seems to me that we might, as an act of charity or mercy, if nothing else, relieve them of this little $10,000,000 of tax upon their capital issue.

Mr. SMOOT. I desire to say that the actuary has taken all of those things into consideration with reference to the increase in business, and it is just simply questioning the wisdom of the actuary to do otherwise.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question as a matter of information?

Mr. SMOOT. Certainly.

Mr. TRAMMELL. Does the bill remove the revenue-stamp provision, which requires stamps to be placed upon deeds and documents of that character?

Mr. SMOOT. I think that provision went out. It was taken out in the House.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Mississippi [Mr. HARRISON].

Mr. HARRISON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FERRIS (when his name was called). Making the same announcement as before, I withhold my vote.

Mr. FLETCHER (when his name was called). Making the same announcement as on the previous roll call, I withhold my vote.

Mr. HOWELL (when his name was called). I have a pair on this question with the senior Senator from Kentucky [Mr. ERNST]. That Senator is absent, and I therefore withhold my vote.

Mr. McNARY (when his name was called). Announcing my pair as before, I withhold my vote.

Mr. NEELY (when his name was called). On this question, I am paired with the senior Senator from New York [Mr. WADSWORTH]. If he were present, I understand he would vote "nay." If I were at liberty to vote, I would vote "yea."

Mr. REED of Pennsylvania (when his name was called). I have a general pair with the senior Senator from Delaware

[Mr. DU PONT]. I transfer that pair to the junior Senator from Idaho [Mr. GOODING] and vote "nay."

The roll call was concluded.

Mr. PEPPER. On this question I have a pair with the junior Senator from New Mexico [Mr. BRATTON]. I transfer that pair to the junior Senator from Minnesota [Mr. SCHALL] and vote "nay."

Mr. BLEASE. I transfer my pair with the junior Senator from Missouri [Mr. WILLIAMS] to the junior Senator from Mississippi [Mr. STEPHENS] and vote "yea."

Mr. NORRIS. I desire to announce that both the Senator from Iowa [Mr. BROOKHART] and the Senator from California [Mr. JOHNSON] are unavoidably absent. The Senator from Iowa [Mr. BROOKHART] is paired with the junior Senator from Arkansas [Mr. CARAWAY]. The Senator from California [Mr. [JOHNSON] is paired with the senior Senator from Arkansas [Mr. ROBINSON].

Mr. JONES of Washington. I wish to announce that the senior Senator from Kansas [Mr. CURTIS] is necessarily absent on account of illness. He is paired with the junior Senator from Michigan [Mr. FERRIS].

I also wish to announce that the junior Senator from Minnesota [Mr. SCHALL] is absent on account of illness.

I desire to announce the following general pairs:

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD];

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Virginia [Mr. SWANSON].

The result was announced—yeas 31, nays 32, as follows:

YEAS—31

Ashurst	George	McKellar	Ransdell
Blease	Gerry	McMaster	Shipstead
Broussard	Harris	Moses	Simmons
Cameron	Harrison	Norbeck	Smith
Copeland	Heflin	Norris	Tyson
Dill	King	Nye	Walsh
Edwards	La Follette	Oddie	Wheeler
Frazier	Lenroot	Overman	

NAYS—32

Butler	Glass	Metcalf	Sheppard
Capper	Goff	Pepper	Shortridge
Couzens	Hale	Phipps	Smoot
Cummins	Harreld	Pine	Trammell
Deneen	Jones, Wash.	Reed, Mo.	Warren
Edge	Kendrick	Reed, Pa	Watson
Fess	Keyes	Robinson, Ind.	Weller
Gillett	McLean	Sackett	Willis

NOT VOTING—33

Bayard	du Pont	Jones, N. Mex.	Stanfield
Bingham	Ernst	McKinley	Stephens
Borah	Fernald	McNary	Swanson
Bratton	Ferris	Mayfield	Underwood
Brookhart	Fletcher	Means	Wadsworth
Bruce	Gooding	Neely	Williams
Caraway	Greene	Pittman	
Curtis	Howell	Robinson, Ark.	
Dale	Johnson	Schall	

So Mr. HARRISON'S amendment was rejected.

Mr. SHIPSTEAD. I send to the desk an amendment which I ask may be read.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. Insert at the proper place in the bill the following:

Provided, however, That the homestead of an individual shall be exempt from distraint and sale for internal-revenue taxes heretofore or hereafter assessed to the same extent that such homestead is exempt under the laws of the State where the same is situated.

SEC. 2. That the personal property of an individual exempt from sale under execution under a State law shall also be exempt from distraint and sale for internal-revenue taxes heretofore or hereafter assessed; the place of residence of the taxpayer at the time of assessment shall determine the State law under which such exemption may be claimed.

On page 272, line 16, strike out the words, "without change."

Mr. SMOOT. Is the Senator going to explain the amendment?

Mr. SHIPSTEAD. Yes. I send to the desk a letter which I ask to have read, and which I think will explain the amendment satisfactorily to the Senate.

The VICE PRESIDENT. The Secretary will read as requested.

The Chief Clerk read as follows:

DULUTH, MINN., *December 27, 1923.*

Hon. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.

MY DEAR MR. SHIPSTEAD: The Income Tax Department has ruled that the rights of a delinquent taxpayer in homestead property are subject to distraint and sale to satisfy Federal income taxes. You will find this ruling on page 172 of the Internal Revenue Bulletin II-1.

It is certainly unjust to the small-tax payer, who ca.. not afford to fight through the Federal courts to test the above rule, to lose his homestead because he made a mistake in an income-tax return and has not sufficient money to make good.

I have such a case before me, and my client is in danger of losing his homestead because in his 1918 return he made an error and has since lost his money, so that he can not pay the additional tax found to be due. You doubtless see the injustice of such a ruling.

I have written similar letters to Senator JOHNSON and Congressman LARSEN.

With kindest regards, I remain,
Very truly, yours,

J. J. ROBINSON.

Mr. SHIPSTEAD. Mr. President, the Senator from North Carolina [Mr. SIMMONS], before we voted on the last amendment, made a plea for mercy to the corporations. This is an attempt to take care of an individual or individuals who have no income at all. It is to protect a man's homestead from being confiscated for a debt to the Government. The amendment provides that the Federal Government shall exempt his homestead from debt in the same amount that the State law, wherever the individual may reside, exempts his home from being confiscated for debt.

Mr. KING. Mr. President, will the Senator from Minnesota permit an inquiry?

Mr SHIPSTEAD. Yes.

Mr. KING. Does the State law of Minnesota exempt the homestead of any person from levies to pay the taxes imposed by the State of Minnesota? Is not the homestead liable for sale to pay taxes against it?

Mr. SHIPSTEAD. Yes; for a direct tax against the property; but the State of Minnesota does not permit the levying of an attachment upon a homestead for any other kind of a debt.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota.

Mr. SHIPSTEAD. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FERRIS (when his name was called). I have a pair with the Senator from Kansas [Mr. CURTIS] and therefore withhold my vote.

Mr. FLETCHER (when his name was called). Making the same announcement as to my pair as before, I withhold my vote.

Mr. HOWELL (when his name was called). I have a pair with the senior Senator from Kentucky [Mr. ERNST] and therefore withhold my vote. If I were allowed to vote, I should vote "yea."

Mr. MCLEAN (when his name was called). I have a pair with the junior Senator from Virginia [Mr. GLASS]. In his absence, I withhold my vote.

While on my feet, I desire to announce that my colleague, the junior Senator from Connecticut [Mr. BINGHAM], is unavoidably detained from the Chamber. I desire that this announcement shall stand for the day.

Mr. PEPPER (when his name was called). Making the same announcement as before with respect to my pair and its transfer, I vote "nay."

Mr. REED of Pennsylvania (when his name was called). Making the same announcement as before relative to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. JONES of Washington. I desire to announce the following pairs:

The junior Senator from Iowa [Mr. BROOKHART] with the junior Senator from Arkansas [Mr. CARAWAY];

The senior Senator from California [Mr. JOHNSON] with the senior Senator from Arkansas [Mr. ROBINSON];

The senior Senator from New York [Mr. WADSWORTH] with the Senator from West Virginia [Mr. NEELY];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD];

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Virginia [Mr. SWANSON].

I also desire to announce that the senior Senator from Kansas [Mr. CURTIS] and the junior Senator from Minnesota [Mr. SCHALL] are detained from the Senate on account of illness.

Mr. SIMMONS (after having voted in the negative). I have a general pair with the Senator from Oklahoma [Mr. HARREL], who is absent. I transfer that pair to the Senator from Alabama [Mr. UNDERWOOD], and will let my vote stand.

Mr. BLEASE. I have a general pair with the Senator from Missouri [Mr. WILLIAMS]. I understand that if present he would vote the same as I intend to vote on this question, and so I am at liberty to vote. I vote "yea."

The result was announced—yeas 24, nays 28, as follows:

YEAS—24

Ashurst	Couzens	La Follette	Overman
Blease	Edwards	McKellar	Sheppard
Broussard	Frazier	McMaster	Shipstead
Cameron	Gerry	Norbeck	Walsh
Capper	Harris	Norris	Weller
Copeland	Jones, Wash.	Nye	Wheeler

NAYS—28

Butler	Keyes	Pine	Smith
Deneen	King	Ransdell	Smoot
Edge	Metcalf	Reed, Pa.	Trammell
Fess	Moses	Robinson, Ind.	Tyson
Gillett	Oddie	Sackett	Warren
Goff	Pepper	Shortridge	Watson
Hale	Phipps	Simmons	Willis

NOT VOTING—44

Bayard	du Pont	Heflin	Neely
Bingham	Ernst	Howell	Pittman
Borah	Fernald	Johnson	Reed, Mo.
Bratton	Ferris	Jones, N. Mex.	Robinson, Ark.
Brookhart	Fletcher	Kendrick	Schall
Bruce	George	Lenroot	Stanfield
Caraway	Glass	McKinley	Stephens
Cummins	Gooding	McLean	Swanson
Curtis	Greene	McNary	Underwood
Dale	Harreld	Mayfield	Wadsworth
Dill	Harrison	Means	Williams

So Mr. SHIPSTEAD'S amendment was rejected.

Mr. NORRIS. Mr. President, the other day in discussing a motion which was then pending before the Senate, I read several extracts from an affidavit by Mr. Hickey, an attorney here in Washington. In the affidavit was a statement in regard to Mr. Meekins being an attorney for the Alien Property Custodian and at the same time an attorney for a chemical company. In the letter which I am going to ask the Secretary to read the statement is made that I made the statement. Of course, I claim no knowledge of it. I read from the affidavit. I have a letter from Judge Meekins which is self-explanatory, and which, in fairness to him, I desire to have read at the desk.

The VICE PRESIDENT. The Secretary will read as requested.

The Chief Clerk read as follows:

WASHINGTON, D. C., *February 12, 1926.*

Hon. GEORGE W. NORRIS,
United States Senate, Washington, D. C.

MY DEAR SENATOR NORRIS: I am passing through Washington on my way home from New York, where I have been holding the Federal court there. My attention has been called to your speech in the Senate on Monday, February 8, 1926, in which you were under the impression—and so stated on the floor of the Senate—that while I was general counsel of the Alien Property Custodian I accepted employment from clients who had tax matters pending before the Bureau of Internal Revenue, and that therefore I was practicing before the departments while an officer of the Government. This is in substance your remarks on the occasion mentioned.

I can not fail to believe that you are fair and would not wish to intentionally do anyone an injustice. Your remarks on the occasion mentioned have formed the basis of a very scathing editorial in one of the North Carolina papers concerning me, and, being United States judge of the eastern district of North Carolina, it does not appear to me to be seemly to engage in a newspaper controversy, and I therefore appeal to you with the request that you read this letter into the RECORD of the Senate.

I was not general counsel of the Alien Property Custodian at the time I represented the taxpayer before the Bureau of Internal Revenue. I qualified as general counsel of the Alien Property Custodian in April, 1921, and resigned my position on December 31, 1921—and my resignation is on file at the department—serving some eight or nine months. After I resigned I went to New York, and some time after I had been in New York I was employed by the firm of Gifford, Hobbs & Beard, attorneys at law, 60 Broadway, and Lawrence A. Baker, attorney at law, Washington, D. C., to appear with them in the Roessler & Hasslacher Chemical Co. (New York) tax matter of a consolidated return filed by that company with the Bureau of Internal Revenue.

You will see, therefore, that the statement that I was general counsel of the Alien Property Custodian at the time I had the private employment is a mistake.

I shall very greatly appreciate it if you will read this letter into the RECORD.

With high consideration and best wishes, I am,

Sincerely yours,

I. M. MEEKINS,
United States District Judge,
Eastern District of North Carolina.

Mr. NORRIS obtained the floor.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from North Carolina?

Mr. NORRIS. I do.

Mr. SIMMONS. I was not in the Chamber last Monday when the Senator from Nebraska read the article referred to in Judge Meekins's letter. I differ in politics from Judge Meekins, but he has been a prominent man both in his profession and as a political leader in my State for many years. He is an able and gifted man. In 1924 he was the candidate of the Republican Party for Governor of North Carolina. He made an extensive campaign throughout the State. I have never heard, in connection with his political career or his professional career, anything that was derogatory to his character. He has always maintained in North Carolina a very high character. When his nomination was presented to the Senate I heartily acquiesced in his confirmation. Since he has been upon the United States district bench in North Carolina my information, gathered from various members of the bar with whom I have talked, not only those of his own party but also those of the opposing political party, is that Judge Meekins has given very great satisfaction as a judge.

I desired at this time to say this in his behalf.

Mr. OVERMAN subsequently said: Mr. President, for fear that my silence might be misunderstood, I desire to say that I indorse in the main what my colleague [Mr. SIMMONS] said in regard to Judge Meekins. I desire to say that Judge Meekins's name was before the Committee on the Judiciary, of which I am a member, and rarely have there been more and better indorsements made of any man, both by Republicans and Democrats, and especially by the lawyers of North Carolina. The committee reported favorably on his nomination, and I voted cheerfully for his confirmation. There was no objection and no protest at all filed against him. I am glad to say this in his behalf.

Mr. NORRIS. Mr. President, I was very glad to yield to the Senator from North Carolina [Mr. SIMMONS] for the purpose of making this statement. As I stated before, I had no personal knowledge of the matter, but read the affidavit of a former employee of the bureau. I judge from Judge Meekins's letter that Mr. Hickey, who made the affidavit, was mistaken as to the dates, and it perhaps resulted in an injustice to Judge Meekins. I assure the Senate that if an injustice has been done I am very glad, indeed, to rectify it by giving as full publicity as I can to the letter.

Now, Mr. President, I send to the desk an amendment, which I ask to have read. I desire briefly to explain it, and then I shall be ready to have a vote taken.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 302, line 24, after the word "return," it is proposed to strike out the semicolon and to add: except in protesting to Congress against violations of law or established departmental procedure.

Mr. NORRIS. Mr. President, if Senators will give me their attention, I can very easily explain the real purpose of this amendment.

It amends the bill where it makes it unlawful for anyone connected with the department to give out any information with regard to these returns. It therefore amends the law providing for secrecy, and makes an exception, as the amendment just read clearly shows, and gives to any employee of the bureau the right to make a protest to Members of Congress. That is the substance of it.

Personally, I have, as all Senators know, favored full publicity of income-tax returns; and we debated that matter for several days. The amendment I offered was defeated, and secrecy remains, and the law provides a penalty for any employee who gives out information. He is not allowed even to give information to Members of Congress, or to make a protest if he thinks a protest ought to be made.

I wish to say to the Senate that this amendment was not prepared by me. It was prepared by employees of the Internal Revenue Bureau, and was sent to me with a request that I offer it as an amendment. Men employed there have become so much interested in the matter, and have been so

much attracted by the debate that is going on here, that they felt it their duty to send up this memorandum and see whether Congress would not approve it, thus giving them the right to speak.

Their lips at present are closed. No one realizes that more fully than I have when I have been trying to talk with them and get evidence. I have talked with some of them, but with the exception of one I have not been able to find anyone who is willing that his name should be used; and I did not want to use information that did not come from a source where I could use the name. With the exception of the affidavit of Mr. Hickey, I have not used names; but I have been told various things, sometimes directly and sometimes by word that has been sent to me, of secret transactions that are going on, the nature of which is something like what has been disclosed by the so-called Couzens committee in their investigations.

I know one man, for instance, who is now out of the service and is practicing before the Internal Revenue Bureau, who has made definite statements of his own experience, and who probably would tell anyone confidentially now what he thinks. He is out of the service, and left principally for the reason that he could not stand being there and keeping his mouth closed as to what was going on around him; but he is practicing before that department. He would be unwilling to testify, and was unwilling that I should use his name, or quote any statement that he had made.

Mr. President, even though the Senate has decided by quite a large majority that we are going to maintain secrecy there, I can not see why we should carry it so far that employees of that bureau, even though they should see all kinds of irregularities going on, can not even come and tell a Member of the Senate of the United States without subjecting themselves to criminal prosecution.

It seems to me that this amendment ought to be agreed to.

Mr. REED of Pennsylvania. Mr. President, I simply desire to call the attention of the Senate to the fact that the joint congressional committee which has already been authorized by the action of the Senate in approving the provisions on page 330 has power to investigate any and every return, to go into every audit and paper in the bureau, to question any employee, to get any information it pleases; and that joint congressional committee is required to be constituted of Senators and Representatives of different parties. It will have all the power that the so-called Couzens committee had, and if it does not do its duty the Senate or the House of Representatives can call it to account; and, if it does do its duty, there is no necessity for the amendment now proposed.

Mr. COUZENS. Mr. President, I should like to ask the Senator, before he takes his seat, if he construes section 1203 as giving authority to any employee to report to members of that committee these cases to which the Senator from Nebraska refers?

Mr. REED of Pennsylvania. I should suppose there was no doubt but that any employee could go to any member of that committee and say, "There is an irregularity in such a case for such a year." That committee would promptly send for the whole record, or, better than that, send its own officers and inspectors into the bureau.

Mr. COUZENS. Would the Senator be willing to amend section 1203 so as to give the employees permission to report to this committee?

Mr. REED of Pennsylvania. I do not think it is necessary.

Mr. COUZENS. I thought perhaps that would satisfy the Senator from Nebraska and obviate the necessity of offering the amendment to which he refers.

Mr. REED of Pennsylvania. What we want to get away from, of course, is the idea that all the employees of the bureau can come up here in secrecy and tell tales to us, any committee of us, and work out their spite against their superiors. We all know how much danger there is of that. We all know how employees from every department of the Government try to get even by running up here to the Senate. A lot of the cards that come in to us from the lobby come from just such people, and we are on our guard against them. Somehow the case seems worse when a fraud on the Government is hinted at, and we go after it with redoubled fervor.

We do not want to start a system of talebearing that will merely work out private grudges. We have given the committee ample power. It is clearly within any employee's right to say, "There is an irregularity in such and such a case." It ought not to be within his right to come up here and pour out all the secrets of his bureau merely because the man to whom he is talking is a member of the committee.

Mr. COUZENS. Mr. President, if section 1203 permitted these employees to report these cases to the committee—I do not care whether it is reduced to writing or not; I think perhaps that is better—that would cover the matter. One of the difficulties we experienced was that the employees, under the penalties referred to by the Senator from Nebraska, were afraid; and it would have been a very much easier matter for us to have proceeded, we could have saved many thousands of dollars, and we would have made better progress and would have done a better job if the employees had felt free to report these cases to us. Our experience was that some of them did, and some of them were punished by being discharged; others gave us anonymous notes; others stopped our employees in the hall and whispered in their ears; others dropped notes on the desks of our staff which enabled us to have a clue as to where to go for our information.

I do not like that sort of thing. It seems to me that a provision could be written into section 1203 to cover the very point the Senator from Nebraska makes, that any employee within the department has a right in writing to serve notice on this committee of what constitutes or what he thinks to be an irregularity. It seems to me that would simplify the matter, and it would stop all that the Senator from Pennsylvania is talking about, with which I am in entire sympathy, and yet would not block the committee in getting things that it really ought to have.

Mr. NORRIS. Mr. President, the Senator from Pennsylvania says that the committee provided for in the bill now pending before us, the joint committee of Senators and Representatives, will be sufficient to correct any evils of this kind that may have existed in the past. Of course, all of the evils that I am trying to correct are the evils of secrecy, the evils of secret government. No matter what may be going on it is the duty of every employee to keep still, and he violates the law and becomes a criminal when he tells about it.

It is true that in this bill provision is made for a standing committee. As a matter of fact it will be composed of men who are, I think, entirely without exception opposed to publicity of any of the doings down there in the bureau. This bill provides that where they get any information of any kind, or consider anything, it must be considered in executive session. In other words, the committee itself is shrouded with a cloak of secrecy as to all the investigations it may make, and will not be allowed to disclose what it finds, no matter what it may be. So the secrecy is still there; and, knowing that the members of the committee are opposed to publicity of anything that is going on down there in the bureau, I doubt very much whether an employee would feel inclined to go to that kind of a committee and open his heart and tell it something that he claims to be wrong, irregular, or even criminal. He would rather go to his Senator or his Representative, with whom he was perhaps personally acquainted, or with whom he could talk confidentially without being frightened and without any fear of losing his position if this amendment should be agreed to. He would not be in that situation if it should not be agreed to.

I sympathize with what the Senator from Pennsylvania has said, that we would open ourselves to being discommoded sometimes by some one having a personal grudge to injure somebody else—his superior, the Senator says. That is true of every other department, every other bureau of the Government now, and often that occurs. A Senator soon finds out, when he has had any experience, when he is dealing with that kind of a case. Before he talks five minutes, before he talks two minutes with some one coming and making a complaint, he has a pretty good idea, practically at once, whether the person is moved by some motive of spite or grudge, or whether he has a real complaint.

That does annoy us sometimes, and yet are we willing to clothe the balance of the Government in secrecy, in order to prevent Senators from occasionally being annoyed by some one who has a personal grudge? I do not know how to let the real, patriotic employee, who desires to disclose something wrong in a bureau to a Member of the legislative body, do it, unless we may permit also the man who may have a grudge. It is an annoyance that comes to us from our office. If we think it is too great, there will be no difficulty, if we resign and go home, in finding somebody willing to take our places and bear that burden. It is an inconvenience sometimes, but I do not know of any way to avoid it, and why should we make an exception? Why should we say that shall apply to the War Department, to the Post Office Department, to all other bureaus, but shall not apply to the Bureau of Internal Revenue? It will not be any worse in one place than in another, and if we are going to keep such things secret in the Bureau of Internal Revenue, and make it criminal for anyone to come to a Member of the Senate and tell him of something wrong there, then, if we are consistent, we will extend that cloak of

secrecy to take in the entire Government service, so that any employee, when he sees a Senator, will have to get on the other side of the street for fear it might be said he was trying to tell the Senator something wrong, and therefore lay himself open, not only to punishment for committing a criminal act, but run a chance of losing his position.

I am just as anxious as everybody to hurry this along, and I shall not call for a yea-and-nay vote, but I want a division. If Senators are ready, I am willing, if nobody else cares to have a yea-and-nay vote, to have a division on this.

Mr. SIMMONS. Mr. President, does the Senator think his exception here would permit a man to have interviews with Members of Congress, or does he think it would be confined to petitions to Congress? It reads, "Except in protesting to Congress against violations of law." Would that apply when a man files a petition in the nature of a protest, or would it mean that he might go and single out a Congressman and tell him about the violation in private?

Mr. NORRIS. The suggestion is just made to me that probably it ought to be amended so that it would read like this:

Except in protesting to Members of Congress.

While I did not draw this, I have talked with those who did.

The PRESIDENT pro tempore. Is the Senator seeking to modify his amendment?

Mr. NORRIS. In just a moment. My idea in using the word "protest" was to get away from the very idea which the Senator from Pennsylvania has proposed. I will modify it so that it will read "protesting to Congress or Members of Congress."

Mr. EDGE. Let the amendment be stated as modified.

The PRESIDENT pro tempore. The amendment will be reported by the clerk for the information of the Senate.

The CHIEF CLERK. On page 302, line 24, after the word "return," insert "except protesting to Congress or to Members of Congress against violations of law or established departmental procedure."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from Nebraska as modified, and on this question a division has been asked.

On a division, the amendment was rejected.

Mr. CAMERON. Mr. President, I offer the following amendment.

The PRESIDENT pro tempore. The clerk will report the amendment.

The CHIEF CLERK. On page 254, beginning with line 11, to strike out down through line 8, on page 256; in other words, on page 254, under the subtitle "capital stock," strike out lines 11 to 25, both inclusive, all of page 255, and down to and including line 8 on page 256.

Mr. CAMERON. Mr. President, small mine operators in the western metal-mining States have found the stamp tax to be unjust and oppressive, particularly in the case of small companies organized for the purpose of securing capital for pioneer development and the creation of new enterprises out of promising prospects. As the result of the discussions concerning this matter at the twenty-seventh annual convention of the American Mining Congress, held at Sacramento, Calif., September 29 to October 4, 1924, the following resolution, urging repeal of this tax, was approved by the fourth annual conference on mine taxation and unanimously adopted by the delegates assembled in the convention:

Whereas the stamp tax on stock of any par value is now computed on such par value, and is therefore the same on the speculative shares of a development company as on the shares of the richest corporation whose surplus may be several times its capital, while as to no par value shares the stamp tax is computed on the actual value, but is so adjusted as to be grossly unfair and oppressive on no par value shares of small actual value which in some cases are thus taxed one hundred times as much for transfer as par value shares worth many times their par value; and

Whereas the stamp tax is a special tribute exacted from stockholders of corporations, justified only by the existence at the time of similar taxes, which were repealed at the last session of Congress, and the stamp tax should also be repealed: It is therefore

Resolved, That the law fixing a stamp tax on stock certificates should be immediately repealed.

The foregoing resolution clearly defines the issue. It is becoming more and more difficult for the small prospector and mine owner to obtain capital with which to carry on the exploration and development work that in the past has been responsible for the growth and maintenance of the several branches of the American mining industry. The opportunities for obtaining capital with which to pioneer in an undeveloped or unproven area through the usual methods and channels of finance are necessarily limited, and only by securing needed capital in small amounts from persons who were willing to speculate has it been possible for the pioneers of the mining industry to create independent enterprises and avoid bowing to monopoly.

The manner in which small mining enterprises are in effect penalized by the stamp tax is ably illustrated in the following statement of Mr. M. D. Leehey, of Seattle, Wash., made at the twenty-seventh annual convention of the American Mining Congress. He said:

The stamp tax on stock certificates is still in force, although it has been repealed as to bank drafts, notes, telegrams, beverages, etc. And that stamp tax is just the same on the speculative par value shares of the small mining company as on shares of the richest bank in America. I now refer to shares having par value, but the stamp tax is still more oppressive on no-par value shares under the ruling of the Internal Revenue Bureau. That ruling makes the issuance tax on no-par value shares of the actual value of $1 just twenty times as much, and the transfer tax just one hundred times as much as on the par value shares of the Ford Motor Co. or the United States Steel Corporation. For instance, the stamp tax on an issue of 100,000 shares of the par value of $100,000 is $50, regardless of the actual value which may be a million, while that tax on an issue of 100,000 no-par value shares of the actual value of $100,000 is $1,000. The stamp tax on the transfer of that same $100,000 par-value shares is $20, and on 100,000 no-par value shares of the actual value of $1 each, as represented by the selling price, it is $2,000, or one hundred times larger.

We all know that a development company must issue small shares, because it must attract capital on the hope of an increased value in its shares after a few years, rather than the promise of prompt dividends. It is grossly unjust, therefore, to compel a mine development company to pay the same stamp tax on its small shares of speculative value as paid by the richest corporation in the United States, whose surplus is many times its capital.

I hope this amendment will be agreed to.

Mr. REED of Pennsylvania. Mr. President, the amendment which the Senator has proposed would cut out the transfer tax on shares of stock. The letter he has just read seems to relate to the 5 cents a hundred tax on the original issue of stock, which is a totally different tax from that to which his amendment is directed. The letter refers to the tax which the Senator from Mississippi [Mr. HARRISON] tried to have stricken out of the bill.

Mr. CAMERON. I think the Senator is mistaken. My amendment refers to the second paragraph on the page.

Mr. REED of Pennsylvania. I ask to have the amendment stated.

The PRESIDENT pro tempore. The amendment will be reported for the information of the Senate.

The CHIEF CLERK. The amendment proposes to strike out on page 254, lines 11 to 25, both inclusive, all of page 255, and lines 1 to 8, both inclusive, on page 256.

Mr. REED of Pennsylvania. As I understood the letter, it related to the original issue of stock, on which the tax is 5 cents per hundred, and that the Senator will find provided for on page 253, in line 22.

Mr. CAMERON. That is the provision to which the amendment offered by the Senator from Mississippi [Mr. HARRISON] related.

Mr. REED of Pennsylvania. Exactly.

Mr. CAMERON. This refers to a different matter.

Mr. REED of Pennsylvania. If the Senator is right, and if his amendment is as he wishes it to be, it means a loss to the United States of $12,800,000 a year; and in the list by States showing the collections of that tax, the report of the Commissioner of Internal Revenue shows nothing whatever coming from the State of Arizona. I do not believe that can be the tax about which the Senator is talking.

Mr. CAMERON. The Senator is evidently looking in the wrong column in the report of the Commissioner of Internal Revenue, which he holds in his hand. It is true that Arizona, Arkansas, and other States and districts do not show any returns in the column at which the Senator is looking. The reason for that is that the column relates wholly to transfers on stock exchanges or similar places and there are no such exchanges in Arizona and other States and districts showing blank in that column. In Arizona and other States and districts, which show blank in the column I refer to, capital stock transfers of domestic corporations are reflected in the two columns just preceding the one at which the Senator is looking. I do not blame the Senator for being mistaken, as the heading of the column at which he is looking is misleading.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was rejected.

Mr. JONES of Washington. I simply desire to give notice that when the bill gets into the Senate I shall ask for a separate vote on an amendment which I understand appears after line 10 on page 334 of the bill. The amendment reads as follows:

SEC. —. The computation of invested capital for any taxable year under the revenue act of 1917, the revenue act of 1918, and the revenue act of 1921, in the case of a taxpayer whose books of account were kept on the accrual basis, shall be considered as having been correctly made, so far as relating to the inclusion in invested capital for such year of income, war-profits, or excess-profits taxes for the preceding year, if made in accordance with the regulations in force in respect of such taxable year applicable to the relationship between invested capital of one year and taxes for the preceding year.

I shall ask for a separate vote on the amendment and shall offer a substitute in the nature of a general provision.

Mr. WILLIS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The PRINCIPAL CLERK. On page 69, after line 2, insert the following as an additional subsection to section 219:

(i) In determining the individual income-tax liability of the donor or donors of a revocable trust there shall be permitted as a deduction for the years 1919 to 1923, inclusive, losses affecting the corpus of the trust, to the extent that such losses for such years exceed gains and other income taxable to the trust as a separate entity, and any taxes assessed against such donor or donors by reason of the exclusion of such losses as a deduction, shall be abated, credited, or refunded, subject to the statutory period of limitations applicable thereto.

Such losses and gains shall be computed and determined as though the property deposited in trust had been at all times theretofore owned by the donor or donors.

The benefits of this section shall be extended only to such donors who affirmatively agree to permit assessment of tax against them individually upon income from the excess of capital gains over capital losses of such trusts, similarly computed, for all such years 1919 to 1923, inclusive, regardless of the period of limitations otherwise provided by law for the assessment and collection of taxes.

Mr. SMOOT. Mr. President, I see no reason why the amendment should not be agreed to.

Mr. WILLIS. I am perfectly agreeable if the Senator is willing to accept it. This is an amendment I have discussed with the Senator from Utah and with members of the committee, as well as with several other members of the Senate.

Mr. COUZENS. I would be glad if the Senator would briefly explain his amendment.

Mr. WILLIS. I think I can explain it very briefly. The Senator understands and of course every Senator understands what is a trust, and what is a revocable trust, and consequently what a living revocable trust would be. It is a trust that can be revoked at any time. The profits of it come back to the donor.

These so-called living trusts are little more than agencies, entirely revocable in whole or in part, and primarily suited for the convenience of the taxpayer in handling property deposited with a so-called trustee during his lifetime. The trustee is usually a bank or a trust company. Up until April of 1923 the department had always ruled and held that the income of a revocable trust should be included in the gross income of the grantor and that such a trust, being revocable, should be disregarded for income-tax purposes. It was recognized that such was a fair way of handling the situation, and taxpayers returned all income, gains, and losses from or relating to property so deposited as though no trust existed. In the years 1919 to 1923, inclusive, losses were usually more prevalent than gains, and losses were sustained from the sale of securities so deposited. Those losses were included and deducted in the individual tax returns of the taxpayers who created these trusts.

In 1923 the department ruled that revocable trusts were to be taxed the same as irrevocable trusts and accordingly held that the trustee should be considered as a separate taxable person. The result was that, when net capital losses (i. e., in cases where the capital losses exceeded the gains) were sustained upon the disposition of securities held in trust, these losses were not permitted as deductions in the individual returns of the taxpayers who created these trusts. At the same time the taxpayers were required to include ordinary trust income in their returns, such as dividends, rents, and interest that was otherwise distributable from the trust, without any deduction whatever for the capital losses.

This of itself is an injustice, but the full effect of the hardship can best be understood when it is considered that, had not the taxpayers relied upon the ruling of the department, they could quite easily have revoked these securities, which they desired to sell, and could have taken the losses themselves without question. However, relying upon the rulings of the department, as they had a right to do, they did not take such action, and they have been subjected to the injustice occasioned by the retroactive application of the rule adopted by the department in the year 1923.

It was the policy of the department, as it is now the law, that a revocable trust should be treated for income-tax purposes just as if no trust existed; that is to say, the person who made the trust should account for the income in his income-tax return. That was the ruling of the department for a number of years, and it is now a provision of the law. However, in 1923 the Bureau of Internal Revenue reversed its ruling and provided in an order then issued that this was to be treated as an irrevocable trust.

The result is that in cases where a net capital loss is sustained, namely, where losses from sales of property exceed the gains, the trustee, considered as a separate taxable person, has a loss which no one can deduct. On the other hand, the creator must pay income taxes on the ordinary distributable income of the trust, such as dividends and interest, without any deduction whatever for the capital losses of the so-called trust estate.

The hardship occasioned by this ruling will be apparent from the following example:

Suppose that A deposited, in the year 1916, $100,000 of securities, the income from which was to be paid to him, and the securities deposited being subject to his right of revocation in whole or in part. Assume that during the year 1920 the income from dividends and interest amount to $6,000. We will assume also that during the year 1920 A, the creator, ordered the trustee to sell $20,000 of securities deposited, which represented a capital loss of $10,000. We will assume also that $5,000 of capital gains were realized from sales.

Under the early rulings issued by the department all of these transactions would be reflected in A's individual tax return, as follows:

Income from dividends and interest		$6,000
Gains from sale of securities	$5,000	
Losses from sale of securities	10,000	
Net loss from sale of securities		5,000
A's net income from trust		1,000

Under the subsequent ruling of the department, issued in 1923, two returns would have been required, one by the trustee and one by A, the individual. The trustee's return would show the following:

Capital gains	$5,000
Capital losses	10,000
Net capital loss	5,000

Which no one can deduct.

The other income of the trust, from dividends and interest, amounting to $6,000, would be considered as taxable to A individually, and has nothing whatever to do with the income-tax liability of the trustee as a separate person. Accordingly A's income-tax liability would be computed as follows:

Income from dividends and interest	$6,000
Capital deductions	None.

The net result is that the so-called trust estate has a capital loss which, in a sense, hangs in mid-air, and which no one can deduct.

On the other hand, A, who created the trust, notwithstanding his interest in the property, pays an income tax upon the entire distributive income of the trust, namely, $6,000, without any credit whatever for his capital loss.

Had not the prior rulings of the department been relied upon, this injustice could easily have been avoided. It would only have been necessary for A to have revoked the securities before sale, and upon completion of the sale the loss could have been included in his individual return.

The peculiar injustice is that the creator of the trust is penalized for relying upon the rulings of the department.

The result of that retroactive act was that under the old ruling capital losses, as the Senator will see, could be deducted from the gains; but with the new ruling here was a loss which, so to speak, was suspended in the air. It could be assessed only to the trustee, who was simply "a wooden man" and had nothing at all, since all of the profits went to the grantor or the donor of the trust.

What I am seeking to do is to make what is now the law and what is provided for in the bill on the preceding page the law applicable to these trusts. I have discussed it with several

members of the committee and numerous Members of the Senate. So far as I know, there is no objection to it.

Mr. FLETCHER. How does it affect the Treasury?

Mr. SMOOT. There is no amount of any consequence involved.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on agreeing to the amendment offered by the Senator from Ohio.

Mr. JONES of Washington. Mr. President, may I inquire of the Senator from Utah if instead of having these special regulations relating to special matters it would not be much better to have a general provision covering them all?

Mr. SMOOT. We have now accepted three amendments of this kind. This is the last one; so let us accept it and let it go to conference; and if the conferees want to put them all together in one provision, they can do it.

Mr. JONES of Washington. How does the Senator know it is the last one?

Mr. SMOOT. Because I have all the amendments here, and I do not know of any other of this character.

Mr. JONES of Washington. But I have just read one, the provisions of which have gone into the bill, and I understand it is estimated that it will cost the Government $75,000,000.

Mr. WILLIS. I hope the Senator will not object to the amendment I have offered. It is not going to cost any such amount as that.

Mr. JONES of Washington. Why not adopt a general provision covering these matters? Here is a provision that we put in the bill the other day, which it was stated would probably cost as much as we are to collect under it. I have no doubt that the statement was made in perfect good faith. Yet now I see it stated in the press that it will probably involve $75,000,000.

Mr. SMOOT. The press is wrong.

Mr. JONES of Washington. I have heard it also very definitely stated that it has been admitted that it will cost at any rate $25,000,000. I do not know what it will cost. Why not cover these special exceptions by a general provision?

Mr. SMOOT. They are all in different sections of the bill. I think they ought to stand on their own footing. The House conferees may agree to this one and may disagree to the others. I think they ought to be inserted in their proper places in the bill and let them go through in that way.

Mr. JONES of Washington. Is the Senator opposed to a general provision that will take care of instances where persons have acted in perfect good faith in compliance with the regulations of the department and with what they thought was the law?

Mr. SMOOT. If we incorporate a general provision of the law in that way, we do not know how it will be construed. No one could tell. The Senator does not know who else will try to get in under its provisions. These are special cases. This statement of the Senator is the first I have ever heard that it would cost $25,000,000 or $75,000,000.

Mr. JONES of Washington. A very reliable writer, David Lawrence, in an article just day before yesterday stated that it had been admitted that it would cost about $75,000,000. I have not any doubt that Mr. Lawrence had some pretty reliable information before he made his statement.

Mr. SMOOT. I am told by one of the experts from the department that there will be no such cost.

Mr. COUZENS. I believe there will be a loss, but I think this provision does just what the Senator from Washington said. It confirms the practice of the bureau in all cases and makes the law what the people thought was the law.

Mr. JONES of Washington. Not in all cases. Why could we not have a general provision that would confirm the action of the department in all cases where they have acted for a considerable length of time and people in perfect good faith have acted under those regulations. This only applies to particular cases. I have no objection to taking care of those things. It seems to me that we ought to do it. What I object to is the picking out of particular instances, particular kinds of tax, and settling those and leaving the others unsettled. That is why I asked the Senator from Utah if he would have any objection to a general provision reading practically as this does and have it instead of the several particular items.

Mr. SMOOT. The amendment does not take a cent out of the Treasury of the United States.

Mr. JONES of Washington. But the Senator from Pennsylvania [Mr. REED], who presented it, said that it would.

Mr. SMOOT. It will stop perhaps some revenue from coming in during the future, but it will not take anything out, because it is applicable only to the future.

Mr. COUZENS. It also validates the practice of the bureau up to date.

Mr. JONES of Washington. Yes.

Mr. SMOOT. As I said, there is nothing to come out of the Treasury. It validates what has already been done.

Mr. JONES of Washington. It expressly prevents anything coming into the Treasury under these particular cases.

Mr. SMOOT. Yes.

Mr. JONES of Washington. That is what I said. Why not in all cases cover actions that have been had in accordance with the regulations of the bureau?

Mr. SMOOT. I do not know where such a provision should go.

Mr. COUZENS. I do not know where the failure is. If the Senator will tell us where anything has been omitted, I should be in accord with his views, but I think everything has been presented up to date so far as I know.

Mr. JONES of Washington. I am satisfied that we will find many instances. I am satisfied that hereafter there will be propositions made asking that the rulings of the department and the regulations of the department shall be adhered to.

Mr. SMOOT. I would rather have Congress act upon each individual case. I would not like to have a general law and have it construed by some one down in the department. In these particular cases we have acted, but this is the last one I know of, and I do not see why it should not go in the same as the others. I am told by one of the officials of the department that there is very little loss in the matter.

Mr. JONES of Washington. I am not objecting to the Senator's proposition. What I am objecting to is the policy of the committee in picking out particular propositions and taking care of those and leaving other propositions uncared for.

Mr. SMOOT. The committee did not pick them out. They have been presented here, and the committee has accepted them.

Mr. JONES of Washington. The committee did not pick them out, of course, but the committee is not very particular about accepting certain propositions.

Mr. SMOOT. That is true.

Mr. JONES of Washington. It seems to me it would be far better to accept a general proposition under which all of these cases could be settled without apparently exercising favoritism.

Mr. FESS. I think if the Senator would go into this particular amendment——

Mr. JONES of Washington. I am not objecting to this particular amendment. I have said that two or three times. As I understand it, the Senator from Utah would be opposed to a general provision?

Mr. SMOOT. Yes; I do not think a general provision can cover all of the cases, because each case may be different.

Mr. JONES of Washington. Oh, no.

Mr. SMOOT. The amendment now offered does not cover a case that has been covered by any other amendment that we have had.

Mr. COUZENS. What would the Senator from Washington propose to have done?

Mr. SMOOT. I do not see how it could be done by a general provision.

Mr. JONES of Washington. I will read to the Senator a provision that I should like to see in the bill and that I expect to offer as a substitute for the provision here.

Mr. WILLIS. Will not the Senator from Washington permit us to vote on the amendment?

Mr. JONES of Washington. I will do so in a moment. I intend to propose the following amendment as a substitute for an amendment already adopted:

> On page 291, after line 13, insert the following as a new subdivision:
> "(c) The liability of any taxpayer under any internal revenue law shall be determined (unless such taxpayer otherwise consents or requests) in accordance with the Treasury decisions, opinions of the Attorney General, and regulations made by the commissioner or the Secretary, or by the commissioner with the approval of the Secretary, in force at the time his return was made, whether such return was made before or after the enactment of this act. As used in this subdivision, the term "return" means, in the case of a return which has been amended, the return as finally amended."

Mr. SMOOT. That would not cover this case.

Mr. JONES of Washington. In other words, where a taxpayer has acted in perfect good faith under the regulations issued by the Secretary or an opinion of the Attorney General, his action then, if in accordance with those regulations and the opinion of the Attorney General as a point of law should be conclusive.

Mr. COUZENS. Supposing the Supreme Court upsets one of those rulings?

Mr. JONES of Washington. Then it ought to be validated just the same. That is exactly what has happened.

Mr. COUZENS. That is the reason why I think that we can not deal with it in a general way because there are perhaps thirteen or fourteen thousand of these cases. As to many of them, no one knows what will become of them; in fact only 15 per cent of them anyone knows anything about. Any one of them may be changed at any time, but under this provision it could not be done.

Mr. SMOOT. Are there not about 60,000 of them?

Mr. JONES of Washington. It could be changed, but the change would not affect the rights of those who had made their returns and acted under the regulations as they were at the time they took action; in other words, it seems to me unjust and unfair to the citizens of this country, by regulation or otherwise, to make retroactive law. That is what this amounts to, and that is what was done in the case that we have taken care of by this provision.

Mr. COUZENS. If the Senator knows of any other cases that we have not taken care of, I am in sympathy with his viewpoint, but I do not believe we can cover them en bloc.

Mr. JONES of Washington. I do not see why we could not declare a general principle that will apply. That is what we have general laws for.

Mr. COUZENS. I want to say that if we had passed a provision like that in the act of 1924, all of the work that the investigating committee has done would have practically been null and void, because the result of the committee's work has been to open up many cases that were closed irregularly and without published rulings, or with several rulings on the same subject. We can not cover all of the rulings dealing with the same subject where the rulings were different in identical cases.

Mr. SMOOT. And the different cases in the meantime under a decision of the Supreme Court might be validated immediately, and not only that——

Mr. JONES of Washington. Why should they not be? Where the department has made regulations requiring the returns in a certain form, and citizens have made such returns, have relied upon them and acted upon them, and they have been approved by the department, if, then, by reason of a subsequent decision or by reason of an opinion of the department the regulations are changed, the changed regulations ought not to relate back and to require something that the citizen did not have any idea or knowledge of at the time the return was made.

Mr. WILLIS. That is precisely what happened in the case we are seeking now to remedy.

Mr. JONES of Washington. That is what I want to see corrected. It ought to be corrected in a general way instead of picking out particular cases. I have not any objection to the Senator's amendment, but I do think that we ought to adopt a general provision without picking out particular cases and showing favoritism, as it appears—not intentionally; I do not say that—but it looks as though by legislative act we are picking out here and there particular classes to favor them, as in this case here. I feel pretty certain that under that provision there will be millions of dollars that will be lost to the Government. I do not say that it ought not to be done; but we ought not to pick it out in that particular case.

Mr. WILLIS. The Senator from Washington does not mean to say that as to the pending amendment?

Mr. JONES of Washington. I mean the provision in the bill. I gave notice a while ago that I expected to offer the amendment to which I referred. I shall not take the time of the Senate further now, but I wanted to call attention to these specific acts of acceptance.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Ohio [Mr. WILLIS].

The amendment was agreed to.

Mr. SHORTRIDGE and Mr. COUZENS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mr. SHORTRIDGE. Mr. President, I offer the amendment, which I send to the desk. I advise the Senate that its purpose is to equalize and harmonize the law, in view of the fact that both Houses have agreed to a reduction in the tax on absolute or pure alcohol. This amendment, though somewhat elaborate in words, is designed to equalize the matter in respect to wine for medicinal, scientific, and sacramental purposes.

Mr. COUZENS. Let us have the amendment read, Mr. President.

The PRESIDING OFFICER. The amendment proposed by the Senator from California will be stated.

The PRINCIPAL CLERK. On page 264, after line 21, it is proposed to insert the following new section:

TAX ON WINES AND BRANDY USED IN FORTIFICATION

SEC. 905. Sections 611 and 612 of the revenue act of 1918, as amended, are amended to read as follows:

"SEC. 611. That upon all still wines, including vermuth, and all artificial or imitation wines or compounds sold as still wine, which are hereafter produced in or imported into the United States, or which on the day after the enactment of the revenue act of 1926 are on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes now imposed thereon by law, taxes at rates as follows, when sold, or removed for consumption or sale.

"Until January 1, 1927, on wines containing not more than 14 per cent of absolute alcohol, 16 cents per wine gallon, the per cent of alcohol taxable under this section to be reckoned by volume and not by weight; on and after January 1, 1927, and until January 1, 1928, 12 cents per wine gallon; and on and after January 1, 1928, 8 cents per wine gallon.

"Until January 1, 1927, on wines containing more than 14 per cent and not exceeding 21 per cent of absolute alcohol, 40 cents per wine gallon; on and after January 1, 1927, and until January 1, 1928, 30 cents per wine gallon; and on and after January 1, 1928, 20 cents per wine gallon.

"Until January 1, 1927, on wines containing more than 21 per cent and not exceeding 24 per cent of absolute alcohol, $1 per wine gallon; on and after January 1, 1927, and until January 1, 1928, 75 cents per wine gallon; and on and after January 1, 1928, 50 cents per wine gallon.

"All such wines containing more than 24 per cent of absolute alcohol by volume shall be classed as distilled spirits and shall pay tax accordingly.

"SEC. 612. That under such regulation and official supervision and upon the giving of such notices, entries, bonds, and other security as the commissioner, with the approval of the Secretary, may prescribe, any producer of wines defined under the provisions of this title may withdraw from any fruit distillery or special bonded warehouse grape brandy, or wine spirits, for the fortification of such wines on the premises where actually made: *Provided*, That there shall be levied and assessed against the producer of such wines a tax (in lieu of the internal-revenue tax now imposed thereon by law) until January 1, 1927, of 60 cents per proof gallon of grape brandy or wine spirits whenever withdrawn and hereafter during the year 1926 so used by him in the fortification of such wines during the preceding month, which assessment shall be paid by him within 10 months from the date of notice thereof: *And provided further*, That nothing contained in this section shall be construed as exempting any wines, cordials, liquors, or similar compounds from the payment of any tax provided for in this title. On January 1, 1927, and until January 1, 1928, this fortifying tax on such brandy or grape spirits shall be 45 cents per proof gallon, and after January 1, 1928, 30 cents per gallon.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from California.

Mr. COUZENS. I should like to have the Senator explain the effect of the amendment.

Mr. SHORTRIDGE. Mr. President, I do not think it is necessary to multiply words; but, in response to the suggestion of the Senator from Michigan, I invite attention to the fact that the House reduced very materially the tax on alcohol. The bill came to the Senate and went before the Finance Committee. That committee disagreed with the action of the House; but thereafter in this Chamber, the matter being very fully considered, the Senate receded or refused to agree with the recommendation of the committee. In other words, the Senate agreed to the House provision; so that there is a material reduction in the tax on pure alcohol.

The amendment which I have submitted at the request of the grape growers and wine makers, not only in my State but in other States, proposes, it will be observed, to reduce the tax 25 per cent, which is less, indeed, than the reduction in the bill applying to alcohol as it came from the House and as it is now agreed to by both Houses.

Mr. COUZENS. By how much will it reduce the revenue?

Mr. SHORTRIDGE. If the amendment shall be agreed to in the form in which it is drafted, the reduction will amount to approximately a half million dollars, measured by the past returns. I do not think that any serious or valid objection can be made to the amendment. I have heard of none from any quarter.

Mr. SMOOT. The House reduced the tax on alcohol, but the House did not reduce the tax on wine.

Mr. SHORTRIDGE. That is true.

Mr. SMOOT. Why should we reduce the tax on wine? There is no special relation whatever between alcohol and wine.

Mr. SHORTRIDGE. Both Houses have voted to reduce the tax on alcohol, for good and sufficient reasons, as we must assume.

Mr. SMOOT. But the same body did not reduce the tax on wine.

Mr. SHORTRIDGE. I grant that it did not, but I am very sure that when the amendment goes to conference the House conferees will agree to the amendment. I am not aware that it was presented in the other body.

Moreover, let me state, in perfect candor to Senators, that I am advised by the president of the association that this reduction would not have been asked for if the reduction in alcohol had not been made. There was no disposition to urge this amendment, but, inasmuch as the tax has been or, I assume, will be reduced on pure alcohol it is here proposed to be reduced on wine containing a certain percentage of alcohol.

Mr. SMOOT. Let me ask the Senator a question. Does the amendment apply only to still or sparkling wines and cordials and grape brandy for fortifying sweet wines?

Mr. SHORTRIDGE. Yes. I think that would cover it.

Mr. SMOOT. I will try to figure out just what we are going to lose by way of revenue. I did not follow the amendment. So I asked the Senator if it only refers to still or sparkling wines, cordials, and so forth, at 16 cents to $1, and grape brandy for the fortifying of sweet wines at 60 cents per gallon. Are those the items that are covered by the Senator's amendment?

Mr. SHORTRIDGE. According to the figures submitted to me by the department, the reduction will not amount to more than half a million dollars, if that much.

Mr. SMOOT. I think, figuring it up roughly here, that that is right as to the amount involved. Perhaps we had better let it go into the bill and let it go to conference, Mr. President, and then we will thrash it out there.

Mr. SHORTRIDGE. Very well.

Mr. HARRISON. Mr. President, may I inquire how much this amendment seeks to reduce the taxes?

Mr. SMOOT. Approximately $500,000.

Mr. SHORTRIDGE. Somewhat less than half a million dollars.

Mr. SMOOT. We will let it go to conference.

Mr. HARRISON. And the committee accepts it?

Mr. SMOOT. I say, we will let it go to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California. [Putting the question.] By the sound the "noes" seem to have it.

Mr. SHORTRIDGE. Mr. President, I will call for a quorum here in a moment.

Mr. SMOOT. Let us have a division.

On a division, the amendment was agreed to.

Mr. HARRISON. What was the vote, Mr. President?

The PRESIDING OFFICER. The amendment was agreed to.

Mr. FRAZIER. Mr. President, I appeal from the decision of the Chair.

Mr. KING. I raise the point of order that the appeal is entirely too late. I call for the regular order.

Mr. COUZENS. Mr. President, I send to the desk an amendment to be inserted on page 22, line 16, of the bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 22, line 16, after the word "paragraph," it is proposed to insert a new subsection, as follows:

(3) Such intangible values as may be due to the taxpayer's possession of capital, manufacturing ability, operating ability, selling ability, good will, or organization shall not be included in values to be depleted.

Mr. COUZENS. Mr. President, that is to take care of the provision beginning on line 12, of page 21, which says:

The basis upon which depletion, exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the same as is provided in subdivision (a) or (b) for the purpose of determining the gain or loss upon the sale or other disposition of such property, except that—

(1) In the case of mines discovered by the taxpayer after February 28, 1913, the basis for depletion shall be the fair market value of the property at the date of discovery—

And so forth. I shall not read the whole clause; but the amendment is proposed to exclude from the computation any intangible value such as provided in the amendment.

Mr. SMOOT. Mr. President, I desire to read the statement of the department in opposition to the amendment, and then I will let the Senate decide the matter:

The law does not permit depletion of the "taxpayer's business as a going concern," but only the "mine, oil or gas well, other natural deposits, and timber." It states that "a reasonable allowance for depletion" shall be made "in the case of mines, oil or gas wells, other natural deposits, and timber." (Sec. 214(a) 9 and sec. 234(a) 8—in 1924 revenue law—same in proposed 1926 revenue law—see H. R. 1, p. 51 and p. 91.) It is, therefore, the mines, oil or gas wells, or natural deposits that are being "depleted" and for which the allowance is given.

By no possible construction of the text of the law can this allowance be "claimed to include any other value, tangible or intangible," than that of the natural resource itself. It is the tangible deposit of mineral, oil, or gas, that is being exhausted and forms the depletion base. There is no ambiguity in the existing or the proposed statute on this subject.

Mr. COUZENS. Mr. President, then, if that is true, there is no objection to putting this amendment in the law, because this just carries out the practices as claimed by the bureau, which we contend, however, have not been indulged in.

Mr. SMOOT. Of course, the department takes the position that if that be the case there is no necessity of it.

Mr. COUZENS. If the practice of the bureau is as the Senator has stated, then there can be no objection to this amendment, because this amendment only provides for what the bureau say they are already doing.

Mr. KING. Mr. President, will the Senator from Michigan yield?

Mr. COUZENS. Yes.

Mr. KING. I have not in my mind very distinctly the testimony taken by the Couzens committee upon which an amendment of this kind might be predicated; but, as I recall, there was some testimony which tended to show that selling ability, and particularly good will, were treated as an intangible property, and subject to such advantages or disadvantages, depending upon the point of view, as might result therefrom; and my recollection is that it was the consensus of opinion when that matter was under consideration, and there was no objection to it by any of the Senators, that perhaps it ought to be met by an amendment. I will ask the Senator if his memory is refreshed so that he can enlighten us as to what the testimony showed upon that matter?

Mr. COUZENS. The testimony showed in a number of cases, which if it is necessary to read I will read, that other elements than the value of the resources in the ground have been included in computing the value.

Mr. SMOOT. There were five cases, were there not, in the investigation?

Mr. COUZENS. I do not remember the number of cases, but if it is not the practice there certainly can be no objection to putting it in the law. I do not get the discussion of the Senator from Utah, because he says the practice of the bureau is to do the very thing that the amendment provides for.

Mr. SMOOT. I say that that is what the department itself claims.

Mr. COUZENS. Then there can be no objection to the amendment.

Mr. SMOOT. If that is the case, allow the amendment to be agreed to, and then I will ask for a further statement from the department. I have no objection to the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the vote whereby the committee amendment to which this is proposed as an amendment was agreed to will be reconsidered. The question is upon the amendment of the Senator from Michigan to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. COUZENS. Mr. President, I send to the desk another amendment, to be inserted on page 100, line 9. I spoke to the chairman of the committee about it, and he saw no objection to it. I believe it will have to take the same parliamentary course.

Mr. SMOOT. No; it will not be necessary to reconsider that. This is not an amendment to an amendment. It is a straight amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 100, line 9, it is proposed to strike out the word "voting," and on line 11 it is proposed to strike out the word "voting."

Mr. COUZENS. That is to provide for corporations that have a large amount of nonvoting stock.

Mr. SMOOT. There is no objection at all to that, Mr. President. That ought to be done.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KING. That will be treated as one amendment?

The PRESIDING OFFICER. It will.

Mr. COUZENS. Mr. President, I send to the desk another amendment providing for an addition to section 1101, on page 286.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 286, it is proposed to strike out lines 2, 3, and 4 and to insert:

SEC. 1101. The commissioner, with the approval of the Secretary, shall prescribe and publish all needful regulations for the enforcement of this act, and the commissioner shall promulgate and publish all rules, practices, principles, and formulas applied or followed in the interpretation and application of any revenue act and/or the regulations to the determination of tax subject to the provisions of section 3167 of the Revised Statutes.

Mr. SMOOT. I see no objection to that amendment, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. COUZENS. Mr. President, the senior Senator from Idaho [Mr. BORAH] this morning had read into the RECORD a telegram which said this:

Italics in House tax bill—

and I think the telegram is intended to mean "Senate tax bill"—

Section 203 (c), page 11, have alleged joker which will exempt from taxation dividend that was paid in Electric Bond and Share stock early in 1925, also many other similar dividends.

The Senator from Idaho asked me about the matter and asked me if I would explain it to the Senate; and I do it for the RECORD and in response to the request of the Senator from Idaho.

This provision, which I have looked into, simply means substantially a stock dividend. In other words, in the particular case referred to in the telegram the General Electric Co. disposed of its shares in the Electric Bond & Share Co. to its own stockholders, so as to avoid what was perhaps thought to be a combination in restraint of trade. So they disposed of the shares that they owned in the Electric Bond & Share Co. to their stockholders in proportion to their holdings. In other words, it was substantially a stock dividend, and therefore was not taxable; and there is therefore no exception to be taken to the section, as I see it.

Mr. SMOOT. Mr. President, I want to say further that the subject matter of the telegram is covered by existing law in these words:

If there is distributed, in pursuance of a plan of reorganization—

Mr. COUZENS. But this was not a plan of reorganization.

Mr. SMOOT. Oh, yes; that was a reorganization.

Mr. COUZENS. Oh, no; not in the distribution of the shares referred to in the telegram. That was not a reorganization. It was a disposition of the assets of the General Electric Co. to its stockholders, and was substantially giving them stock that they already owned, but no cash. Of course, when the stock is sold by the stockholders, it then will be taxable.

Mr. SMOOT. Mr. President, if the Senator will read what the term "reorganization" means in existing law, I think he will agree with me.

Mr. COUZENS. There is no discussion, anyway? There is no argument?

Mr. SMOOT. No; there is no argument. I want to say that the sender of the telegram was simply mistaken; that is all.

Mr. HARRIS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 56, after line 16, it is proposed to insert:

All persons whose net incomes do not exceed their personal exemption, plus credit for dependents, by more than $500, are hereby exempted from the payment of the normal tax.

Mr. HARRIS. Mr. President, the credit allowed by law to each individual in computing his or her income tax, known as the personal exemption, is now for a single person $1,000 and for a head of a family or married person living with husband or wife $2,500. Under the revenue bill as it passed the House and was reported to the Senate from the Finance Committee the personal exemption will be raised to $1,500 for a single person and $3,500 for a head of a family or married person.

It is estimated by the committee that 2,350,000 persons who now pay income tax will be entirely relieved from payment of such tax by this increase of the personal exemption.

The reduction in revenue receipts resulting from this increase of the personal exemption will amount to $42,000,000, according to the House committee report of the bill.

The 2,350,000 persons who will no longer be required to pay income tax are those whose incomes range between $1,000 and $1,500 for single persons and $2,500 and $3,500 for heads of families and married persons. They belong to that class of hard-working good citizens whose incomes are entirely absorbed in payment of necessary living expenses of themselves and their families. They are the people most in need of relief, and I heartily approve the action of the House and our Finance Committee in affording them complete exemption.

I regret that the Finance Committee has not found it advisable to recommend a further increase of the personal exemption to $2,500 for single persons and $5,000 for heads of families and married persons. Men and women, particularly heads of families, with small or moderate incomes, are taxed indirectly all they can bear through the Republican high protective tariff, which greatly increases the prices of practically all the necessities of life; and we should not place upon them the additional burden of income tax.

I have always contended that a married person whose income does not exceed $5,000 should be relieved from payment of any income tax whatever, and I hope the day is not far distant when this can or will be done.

Apparently the Finance Committee feared that the reduction in revenue receipts would be too great to justify an increase of the personal exemption beyond $1,500 for single persons and $3,500 for heads of families and married persons. As previously stated, the reduction in revenue receipts that will result from this increase of the personal exemption amounts to $42,000,000. It is well to note, however, that less than half of this amount would have been paid by the 2,350,000 taxpayers relieved from payment of tax by the increase of the personal exemption.

All taxpayers profit by any raise in the personal exemption, but not to the same extent. The actual reduction of income tax resulting from such raise is about four and one-half times as great for a person with large income as for one with a small income. For instance, raising the personal exemption $1,000, as is provided in the revenue bill, for heads of families and married persons, reduces the income tax by $50 for one whose net income exceeds $20,000 and only $11.25 for one whose income is $7,500 or less. This is due to the fact that the tax rate for the larger income is, under this bill, 5 per cent, and for the smaller 1½ per cent, less 25 per cent reduction for earned incomes.

I have no objection to scaling down the tax of the wealthy man or woman just as much as the needs of the Government will permit. On the contrary, I shall always urge that this be done, but to my mind it is more important to remove entirely the burden of income tax from married persons with incomes of $5,000 and less than to make such great reduction in the taxes of those with larger incomes.

In the face of the strong opposition of the majority members of the Finance Committee to any further reduction of the revenue receipts it may not be possible at this session to raise the personal exemption, from which all taxpayers profit, more than is provided in the bill as reported by the committee; that is, to $1,500 for single persons and $3,500 for heads of families and married persons, though I, myself, agree with the minority members that it would be perfectly safe to make still greater cuts in many of the taxes, particularly in the so-called nuisance taxes. I hope, however, the Senate will adopt my amendment exempting all persons whose net incomes do not exceed their personal exemptions by more than $500.

My amendment will have the same effect as raising the personal exemption for those with incomes between $1,500 and $2,000, in the case of the single persons, and $3,500 and $4,000 in the case of heads of families and married persons, since it will relieve them from payment of any income tax. My amendment will not reduce or in any way affect the taxes of those whose incomes exceed these amounts, and the loss in revenue receipts will be small in comparison with the loss that would result from a corresponding increase of the personal exemption for all taxpayers. I shall later show that even this small re-

duction in the revenue receipts will be largely, if not wholly, offset by saving in operating expenses of the Internal Revenue Bureau.

As has been stated, those profiting by my amendment are single persons with incomes between $1,500 and $2,000 and heads of families and married persons with incomes between $3,500 and $4,000, of whom there are about 850,000, and this number will be wholly exempt from income tax, in addition to the 2,350,000 exempted by the increase of the personal exemption as provided in the revenue bill.

The revenue bill, with my amendment, will in effect raise the personal exemption to $2,000 for single persons and $4,000 for married persons, and will relieve 3,200,000 from income tax who would have to pay under the old law.

The income tax that would be paid by the 850,000 men and women exempted by my amendment would range from a few cents for those whose net incomes only slightly exceed their personal exemptions to $5.63 for those whose net incomes exceed their personal exemptions by $500. The average tax that would be paid by them is $2.81¼. The total tax they would be required to pay is thus $2,390,625 (850,000×$2.8125); and, since no other taxpayers are affected by my amendment, this sum represents the total gross reduction of revenue receipts that would result from its adoption.

In a speech before the Senate at the last session of Congress I showed that the average cost of collecting income tax was about $6 for each taxpayer, large and small. My calculation was based upon information furnished me by the acting collector of internal revenue, in a letter dated April 28, 1924, from which it appeared that the Government was spending in the vicinity of $25,000,000 to collect the Federal income taxes. At that time the total number of taxpayers was estimated by the Secretary of the Treasury to be 4,361,357. The average cost of collecting the tax (about $6) was determined by dividing the total annual cost ($25,000,000) by the number of taxpayers.

More recent statistics have not materially changed the average cost per taxpayer of collecting the income tax, though some contend that it exceeds my conservative estimate of $6.

This average cost of collecting income tax exceeds the greatest amount ($5.83) that would be paid by any one of the 850,000 taxpayers relieved by my amendment. As has been stated, the average tax of this group is only $2.81¼.

The cost of collecting the tax from these small taxpayers would not be as much as the average for all taxpayers ($6), but it would approximate $2.81, the average tax the former class would pay.

It is thus evident that the total cost of collecting the income tax from the 850,000 men and women exempted by my amendment approximates, if it does not actually exceed, the $2,390,625 they would be required to pay under the revenue bill now before the Senate.

The Washington papers publishing the income taxes of residents of the District of Columbia and vicinity contained page after page of names of men and women that paid less than one dollar each.

Is there anyone that honestly believes it does not cost the Government a dollar to examine, brief, or make notation on and file an income-tax return, make record of payments, reexamine return for final settlement, and do many other things incident to the collection of income taxes? The cost of floor space alone for the filing cases containing 850,000 returns and the correspondence relating thereto, is no small item, and it continues from year to year.

Of the 850,000 taxpayers relieved by my amendment fully 200,000 would pay less than a dollar each, and 500,000 would pay less than $2.81, the average tax for the entire 850,000.

There is not the slightest doubt in my mind that it would cost a great deal more to collect the taxes from the 500,000 men and women that pay from a few cents to $2.81 each than the Government will receive from them in income tax. If the Government actually loses money by taxing these people with small incomes, and it certainly does, why should we continue to force them to go to the trouble and expense of making out income-tax returns and paying the taxes? They need this money to make ends meet, and we should not take it from them simply to furnish employment to a lot of clerks, messengers, and inspectors in the Internal Revenue Bureau.

It is possible that the total taxes of the remaining 350,000 relieved by my amendment may slightly exceed the cost of collection, but I am confident that the small loss the Government would sustain through the exemption of these 350,000 men and women, whose income taxes range between $2.81 and $5.63, would be made up in the gain from the exemption of the 500,000 that pay less than $2.81 each.

The Government can, therefore, exempt the entire 850,000 beneficiaries of my amendment without appreciable, if any, net loss of revenue.

The Internal Revenue Bureau will, of course, oppose my amendment, as they have opposed every move to reduce the number of income taxpayers, for its adoption would force the discharge of possibly fifteen hundred or more of their employees, but I am not one of those who feel that taxes should be collected simply to provide jobs for clerks, however faithful and efficient they may be.

The honorable Secretary of the Treasury, Mr. Mellon, is of the opinion that paying income tax makes a man take deeper interest in the Government, its policies and activities, and that it is, therefore, unfortunate to reduce the number of taxpayers. I was rather shocked to hear the distinguished chairman of the Finance Committee voice similar sentiments on the floor of the Senate a few days ago.

I do not believe, however, there are many in this Chamber who feel that a man will become more patriotic by being deprived unnecessarily of money he sorely needs to support himself and his family; and it certainly is unnecessary, to say the least, to make such a man pay income tax when it costs the Government more to collect it than the tax amounts to.

It will be remembered that Secretary Mellon opposed the amendment I introduced in October, 1921, providing for a 50 per cent reduction of the normal tax on earned incomes, because he then thought the plan to make a distinction between earned and unearned incomes was not workable. On the strength of his report my amendment was defeated by a strict party vote.

Two years later Secretary Mellon adopted my plan bodily, except as to the per cent of reduction, and incorporated it in the bill or plan that bore his name.

The earned income provision was passed by the last Congress without a dissenting vote in either House, and it is now regarded as a permanent feature of our income-tax system.

When the Secretary of the Treasury finds time to study my present plan to extend complete exemption to 850,000 small taxpayers, I feel sure he will again change his mind.

In conclusion, I desire to repeat that my amendment in effect raises the personal exemption to $2,000 for single persons and $4,000 for heads of families and married persons whose net incomes do not exceed these amounts, without reducing or in any way changing the amounts to be paid by other taxpayers.

It will wholly relieve about 850,000 men and women from income tax who would have to pay under the revenue bill as reported by the committee.

The incomes of the beneficiaries of my amendment range between $1,500 and $2,000 for single persons and $3,500 and $4,000 for heads of families and married persons. The taxes they would pay vary from a few cents to $5.63, the average being $2.81.

The gross reduction in revenue receipts that would result from the adoption of my amendment amounts to only $2,390,625, and this will be largely, if not wholly, offset by saving in operating expenses of the Internal Revenue Bureau.

My amendment will also put an end to the uneconomical, if not absurd, practice of requiring men and women with small incomes to pay taxes when the cost of collection equals or exceeds the amount they pay.

My amendment does not in any way conflict with the recommendations of our Finance Committee; on the contrary, it supplements the efforts of the committee to exempt as large a number of persons as possible from payment of any tax whatever.

Anyone who read in the newspapers the income-tax assessments noticed page after page in the Washington papers showing amount of tax paid by persons from 1⅛ cents up to $5.62. It would lose in revenue to the Government only two million and a half dollars and it would save these 850,000 worthy people from a few cents to a few dollars. The Government will not lose anything, because it costs the Government to make out these 850,000 tax returns more than the Government could collect from the taxpayers.

The Treasury Department made a statement that it cost about $6 to audit these income-tax returns, and this would average only $2.84 between the difference between 1⅛ cents and $5.62.

I hope this amendment will be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. HARRIS].

The amendment was rejected.

Mr. McKELLAR. I offer an amendment, which I send to the desk.

The PRESIDENT pro tempore. The clerk will report the amendment.

The READING CLERK. On page 264, after line 21, to insert the following:

DISTRICT COURTS

Exclusive jurisdiction is hereby conferred upon the district courts of the United States to hear and determine, according to the rules of equity, as in other cases where the sum involved exceeds $3,000, first, all claims of taxpayers hereafter arising for refunds; second, all claims of taxpayers hereafter arising for depletions and abatements; third, all claims for additional taxes claimed by the Government against any taxpayer, whatever the nature of the claim, when the amount is in excess of $3,000.

No action shall be maintained under this section unless brought within the statute of limitations two years from the date of payment of the tax, or if brought by the Government two years from the date the tax became due: *Provided*, That in all cases of fraud the action may be brought at any time within six years. Service of process upon the district attorney of the district in which the taxpayer resides, or his assistant, shall be binding upon the United States, and the district attorney shall defend all tax suits brought under this paragraph. All suits brought on behalf of the Government under this paragraph shall be brought by the district attorney of the district in which the taxpayer resides. The records of the Internal Revenue Bureau respecting such claims of taxes shall be sent to the district attorney in the event of a suit brought under this section and shall be available to the inspection of the taxpayer or his attorney. Appeals from the decision of the district judge are to be granted in accordance with the rules of practice in other equity cases arising in such courts.

Mr. SMOOT. I do not know just what effect this would have, as to whether it would crowd the district courts or not. I think we had better accept the amendment and let it go to conference, and in the meantime find out what its effect would be.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is still in Committee of the Whole and open to amendment. If there are no further amendments to be proposed——

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Frazier	Metcalf	Shipstead
Bayard	Gerry	Moses	Shortridge
Blease	Goff	Neely	Simmons
Broussard	Hale	Norbeck	Smith
Butler	Harreld	Norris	Smoot
Cameron	Harris	Nye	Stanfield
Capper	Harrison	Oddie	Trammell
Copeland	Heflin	Overman	Tyson
Couzens	Jones, Wash.	Pepper	Walsh
Deneen	Kendrick	Phipps	Warren
Dill	Keyes	Pine	Watson
Edge	King	Ransdell	Weller
Edwards	La Follette	Reed, Mo.	Wheeler
Fernald	McKellar	Reed, Pa.	Willis
Ferris	McLean	Robinson, Ind.	
Fess	McMaster	Sackett	
Fletcher	McNary	Sheppard	

The VICE PRESIDENT. Sixty-five Senators having answered to their names, there is a quorum present. The bill is still in Committee of the Whole, and open to amendment.

Mr. KING. Mr. President, I invite attention to page 265, line 19. I move to strike out the figures "$10,000," and to insert in lieu thereof "$7,500," so that it will read:

Each member shall receive salary at the rate of $7,500 per annum.

The reference is to members of the Board of Tax Appeals. I want to say just a few words in support of this amendment.

The members of the Board of Tax Appeals now receive, and have received since the organization of the board, $7,500 per annum. Most of the members of the board are young men who were in the solicitor's office receiving $3,000 or $3,500 or perhaps as high as $4,500. Four or five of them were ex-employees of the department who had gone out for the purpose of practicing before the department and engaging in tax collections. They have been brought back into the department. They were former employees of the department who never received to exceed $5,000 per annum. We gave them the same compensation that is paid to district judges of the United States in the most important districts and States of the Union, $7,500 per annum. Now we have lifted these young boys out of their jobs at $3,500 to $4,500 a year and made them members of the Board of Tax Appeals and it is proposed now to increase their salaries to $10,000 per annum.

I think it is unfair. It may not be defended it seems to me by any Senator. I am willing that they shall receive the same compensation that is now received by the district judges of the United States, to wit, $7,500 per annum. This salary is more than is received by the judges of the supreme court of a majority of the States of the Union. Why these young boys, many of whom went into the bureaus as young boys 22 or 23 years of age and have been there only a few years, should be transplanted to these positions and then receive more than the Federal judges of the United States, many of whom are lawyers of distinction and character and ability and who have been practicing their profession for 20 or 30 years, surpasses my comprehension. I repeat that I do not think it can be defended, and it seems to me the Senate should unanimously reject the amendment tendered to the law and limit these men to the compensation which they are now receiving, $7,500 per annum.

The VICE PRESIDENT. The question is on the amendment offered by the junior Senator from Utah.

Mr. SMOOT. Let us have the yeas and nays.

The yeas and nays were ordered.

Mr. ASHURST. I would like to have the question stated.

The VICE PRESIDENT. The question is upon the amendment of the junior Senator from Utah relating to the compensation of members of the Board of Tax Appeals, striking out $10,000 and inserting $7,500. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. COPELAND (when his name was called). On this matter I have a pair with my colleague, the senior Senator from New York [Mr. WADSWORTH]. If he were here he would vote "nay" and as I intend to vote that way, I am at liberty to vote. I vote "nay."

Mr. FERRIS (when his name was called). I have a pair with the senior Senator from Kansas [Mr. CURTIS]. In his absence I withhold my vote.

Mr. FLETCHER (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. DU PONT]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. McLEAN (when his name was called). I have a pair with the Senator from Virginia [Mr. GLASS]. In his absence I withhold my vote.

Mr. PEPPER (when his name was called). I transfer my pair with the junior Senator from New Mexico [Mr. BRATTON] to the junior Senator from Minnesota [Mr. SCHALL] and vote "nay."

The roll call was concluded.

Mr. BLEASE. Making the same announcement as to my pair with the junior Senator from Missouri [Mr. WILLIAMS], I withhold my vote.

Mr. McLEAN. I transfer my pair with the Senator from Virginia [Mr. GLASS] to the Senator from Vermont [Mr. GREENE] and vote "nay."

Mr. McNARY. I again announce my pair with the Senator from Maryland [Mr. BRUCE]. I am advised that if he were present he would vote as I intend to vote. I vote "nay."

Mr. JONES of Washington. The senior Senator from Kansas [Mr. CURTIS] is detained from the Senate on account of illness. He is paired with the junior Senator from Michigan [Mr. FERRIS].

I desire to announce the following general pairs:

The Senator from Iowa [Mr. BROOKHART] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Nevada [Mr. PITTMAN];

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD]; and

The Senator from Illinois [Mr. McKINLEY] with the Senator from Virginia [Mr. SWANSON].

The result was announced—yeas 19, nays 41, as follows:

YEAS—19

Couzens	Kendrick	Nye	Trammell
Dill	King	Overman	Tyson
Frazier	McKellar	Reed, Mo.	Walsh
Harreld	Neely	Sheppard	Wheeler
Harris	Norris	Shipstead	

NAYS—41

Ashurst	Deneen	Heflin	Metcalf
Bayard	Edge	Jones, Wash.	Moses
Broussard	Edwards	Keyes	Norbeck
Butler	Fess	La Follette	Oddie
Cameron	Gerry	McLean	Pepper
Capper	Goff	McMaster	Phipps
Copeland	Hale	McNary	Pine

Ransdell	Shortridge	Stanfield	Willis
Reed, Pa.	Simmons	Warren	
Robinson, Ind.	Smith	Watson	
Sackett	Smoot	Weller	

NOT VOTING—36

Bingham	Dale	Gooding	Means
Blease	du Pont	Greene	Pittman
Borah	Ernst	Harrison	Robinson, Ark.
Bratton	Fernald	Howell	Schall
Brookhart	Ferris	Johnson	Stephens
Bruce	Fletcher	Jones, N. Mex.	Swanson
Caraway	George	Lenroot	Underwood
Cummins	Gillett	McKinley	Wadsworth
Curtis	Glass	Mayfield	Williams

So Mr. KING's amendment was rejected.

Mr. KING. Mr. President, I submit the amendment which I send to the desk and ask for its adoption.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 93, after line 8, insert the following:

Deductions for the amortization of facilities constructed, erected, installed, or acquired on or after April 6, 1917, for the production of articles contributing to the prosecution of the war against the German Government shall not be allowed in cases where the facility acquired was an operating plant when acquired by the taxpayer, in cases where the construction, erection, installation, or acquisition of the facility was contracted for prior to April 6, 1917, nor in cases in which such amortization was not claimed at the time of filing the return of the taxpayer for the years 1918, 1919, 1920, or 1921.

No deduction for the amortization of facilities retained in postwar use by the taxpayer in excess of the difference between the cost of such facility and the cost of replacing such facility on March 3, 1924, shall be allowed unless such facility consists of a single indivisible unit, the size of which exceeds the taxpayer's postwar requirements, when future requirements are duly considered. In case the facility upon which amortization is claimed is a single indivisible unit, the size of which exceeds the taxpayer's postwar requirements, when future requirements are duly considered, the amortization allowable shall be the difference between the cost thereof and the March 3, 1924, cost of acquiring a facility of size adequate to meet the taxpayer's postwar requirements.

All allowances of deductions from the income of 1918, 1919, 1920, and/or 1921 for the amortization of war facilities heretofore made in cases in which a final determination of tax has not been made upon the approval of this act and in cases pending before the Board of Tax Appeals shall be redetermined in accordance with the provisions of this section.

Mr. KING. Mr. President, the purpose of the amendment which I have offered is to make certain the deductions for amortization of war facilities, as authorized by the revenue act of 1918, as amended by the revenue act of 1921, and to rectify the abuses which have been manifested in the administration of amortization allowances by the Bureau of Internal Revenue. The original act provided that in the case of buildings, machinery, equipment, or other facilities constructed, erected, installed, or acquired on or after April 6, 1917, for the production of articles contributing to the prosecution of the war against the German Government, a reasonable deduction for the amortization of such part of the costs of such facilities as had been borne by the taxpayer should be made, but not including any amount otherwise allowed by a previous act of Congress as a deduction in computing net income.

For the years 1918, 1919, 1920, and 1921 the statute authorized corporations whose war activities had come within its provisions to file claims for reasonable allowances for the amortization of the cost of war facilities. The revenue act of 1921, however, amended the provisions of the law governing amortization deductions and provided that deductions for amortization of war facilities should be allowed against the gross income for any taxable year ending before March 3, 1924, if claim for amortization had been made at the time of the filing of corporation returns for any of the taxable years 1918, 1919, 1920, or 1921. The act of 1921 further authorized the commissioner at any time prior to March 3, 1924, at the request of the taxpayer, to reexamine the return, and if he found as a result of an appraisal or from other evidence, that the deduction originally allowed was incorrect, the income, war-profits, and excess-profits taxes for the year or years affected shall be redetermined and the amount of tax due upon such redetermination, if any, should be paid upon notice and demand by the collector, or the amount of tax overpaid, if any, should be credited or refunded to the taxpayer in accordance with the provisions of section 252 of the revenue act.

The total amount of amortization which had been allowed by the amortization engineers up to April 25, 1925, was $596,934,813, and claims amounting to an additional amount of $75,171,169 were pending on that date.

The staff of the investigating committee has examined all allowances for amortization exceeding $500,000. The allowances exceeding $500,000 aggregated $425,921,945 on April 25, 1925. Of this amount the allowances in cases which are still open for reconsideration aggregate $253,120,717 and the balance can not be reconsidered because of statutory inhibition.

The committee staff found that in the case of allowances exceeding $500,000 allowances aggregating $210,665,360 were condemned by the rulings of the solicitor. Of this amount the recommendation of allowances aggregating $71,127,669 is barred by statute, but improper allowances aggregating $139,537,691 are involved in cases in which the tax has not been finally determined but in which the amortization claim has been passed upon by the engineers of the bureau. As the tax has not been determined, the tax on $139,537,691 on improper amortization allowances in cases involving more than $500,000 can still be saved in addition to the tax upon similar improper allowances in cases involving less than $500,000, the amount of which we do not know.

Under the amortization provisions as amended by the act of 1921, which vested in the commission discretionary power to reopen and reexamine returns to find if deductions theretofore made were incorrect, additional claims for amortization were filed by the group of corporations whose separate claims exceeded $500,000, which increased the amount claimed by this group from $331,527,046.18 to the amount of $635,934,923.16, or to nearly double the amount which had been originally claimed. I desire to bring to the attention of the Senate some instances of the manner in which these claims were increased when the act authorized the commissioner to reexamine the returns. The Air Reduction Co. increased its claim from $541,839.96 to $1,126,658.95. The Allen Wood, Iron, & Steel Co. increased its claim from $566,185.50 to $2,817,232.05. The Allegheny Steel Co. increased its claim from $201,375.94 to $718,701.10. The Allis Chalmers Manufacturing Co. increased its claim from $598,908.61 to $1,573,171.59. The Aluminum Co. of America increased its claim from $6,825,697.36 to $18,268,435.82. The Atlantic Refining Co. increased its claim from $3,498,676.88 to $9,293,733.28. The Colt Patent Firearms Co. increased its claim from $2,871,036.92 to $6,734,144.25. The E. I. du Pont de Nemours Co. put in a claim for $17,000,000. The Bethlehem Steel Co. put in a claim for $48,000,000. The United States Steel Co. put in a claim of $86,411,952.61. These figures indicate the amount of claims put in a few cases and illustrate the manner in which claims which had been filed in 1918, 1919, 1920, and 1921 were subsequently inflated under the provisions of the act of 1921 which allowed the commissioner to reexamine amortization returns and redetermine amortization deductions.

In a group of 24 corporations, amortization deductions were allowed in the sum of $30,520,823.23, which resulted in tax refunds in the sum of $5,417,886.88, credits against future taxes in the amount of $1,516,987.74, and tax abatements in the sum of $4,522,155.44, producing total refunds credits and abatements of taxes in the sum of $11,457,030.06 for this small group of corporations.

I ask that this table be inserted in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Details of the refunds and abatement of taxes for corporations in this group.

Name and address of taxpayer	Overassessments granted on account of amortization allowances				
	Amount of amortization	Refunds	Credits	Abatements	Total
Camden Forge Co., Camden, N. J.	$1,336,829.27	$432,307.25	$65,153.14	$82,369.23	$579,829.62
International Motor Truck Corporation, New York City [1]	559,841.60			515,203.03	515,203.03
Sharon Steel Hoop Co., Sharon, Pa.	582,571.67	268,943.76			268,943.76
Standard Shipbuilding Co., Shooters Island, N. Y.	1,218,871.67	58,024.02		111,184.43	169,208.45
Do.	912,043.09	113,860.08		161,425.09	275,285.17

[1] Also on account of increase in invested capital.

Details of the refunds and abatement of taxes for corporations in this group—Continued

Name and address of taxpayer	Overassessments granted on account of amortization allowances				
	Amount of amortization	Refunds	Credits	Abatements	Total
J. G. Brill Co., Sixty-second and Woodlawn, Philadelphia, Pa[1]	$552,513.66			$660,866.98	$660,866.98
Avery Co., Peoria, Ill.[1]	392,427.40	$287,359.25			287,359.25
Cleveland Worsted Mills Co., Cleveland, Ohio[1]	195,355.26			422,438.86	422,438.86
Pratt & Whitney Co., 111 Broadway, New York City	342,626.40	253,253.64			253,253.64
The Barrett Co. of New Jersey, New York City[1]	478,055.62	178,584.17		559,184.90	737,769.07
Morse Dry Dock & Repair Co., Brooklyn, N. Y	568,316.17	268,092.65			268,092.65
Federal Steamship Corporation, 78 Broad Street, New York City[2]	125,444.47	754,132.56			754,132.56
Dravo Contracting Co., Pittsburgh, Pa.[4]	138,869.66		$206,439.11	43,488.80	249,927.91
Weirton Steel Co., Weirton, W. Va	1,320,063.00	270,718.07	532,080.42		802,798.39
Alan Wood, Iron & Steel Co., Philadelphia, Pa	1,705,726.40	452,171.86	45,320.05	14,580.34	512,092.25
National Acme Co., Cleveland, Ohio	643,876.24	198,862.71	156,599.64		355,462.35
Aluminum Co. of America, Pittsburgh, Pa	10,378,773.56	298,570.21	510,044.21		808,614.42
Do	5,066,730.29	692,663.46			692,663.46
Rawling & Harnischfeger Co., Milwaukee, Wis.[5]	281,040.70			365,830.27	365,830.27
Stewart Warner Speedometer Corporation, Chicago, Ill.[6]	425,310.09			428,980.49	428,980.49
Great Lakes Engineering Works, Detroit, Mich	496,826.72			265,201.37	265,361.37
Andrews Steel Co., Newport, Ky	1,484,343.93	783,977.28			783,977.28
Peet Bros. Manufacturing Co., Kansas City, Kans.[5]	410,868.88	105,455.01	1,281.17	320,459.71	428,195.89
Munson Steamship Line, New York City	783,473.94			570,931.94	570,931.94
	30,520,823.23	5,417,886.88	1,516,987.74	4,522,155.44	11,457,029.06

[1] Also on account of increase in invested capital.
[2] Also on account of depreciation allowance of $229,807.92.
[3] Also on account of miscellaneous deduction allowed in the amount of $602,103.06
[4] Also on account of applying 1919 loss of $485,839.76 against 1917 income
[5] Also a deduction for error in computing inventories.
[6] Also increase in invested capital.

Mr. KING. The total amount of such refunds, credits, and abatements made under the discretionary power given the commissioner to reopen claims for amortization is not forthcoming, or, rather, has not been made public. If the time permitted, the commissioner should be requested to furnish this information to Congress, so that it could be considered in connection with the amendment I have proposed.

The most vicious thing in connection with this whole amortization question has been that the law was left wide open as to the discretion of the commissioner in allowing amortization deductions and redetermining and adjusting taxes for the years from 1918 to 1924. The actual administration of the law has been left to section chiefs and subordinates, each of whom seems to have pursued his own particular method of fixing up these claims. No such control was exercised by those in authority which would have brought uniformity or equality in the administration of the act. Cases were settled upon flagrantly inequitable bases by which the Government was defrauded of millions of dollars of taxes and the grossest kinds of inequities perpetrated as between corporate taxpayers.

The ingenuity of crafty accountants was enlisted to the limit to present inflated claims in the most plausible aspect, and the most skillful tax agents obtainable were permitted to haggle and negotiate for the settlement of these claims with the less expert or indifferent employees of the Government. Facilities having no relation to each other were lumped together in amortization claims which made it impossible to consider the claim of any particular facility or equipment for amortization as a war facility. It was not until August, 1923, that a ruling was handed down by the then Solicitor of Internal Revenue in the J. I. Case Threshing Machine Co. case, which held that a claimant corporation was not entitled to the amortization of so-called war facilities which had been continued in full use since the war, and which had, in fact, been added to and expanded to accommodate the postwar business of the company. Even this ruling was not published until November 3, 1924, which was nearly 15 months after the decision was made and eight months after the expiration of the period within which redetermination of amortization allowances could be made, which had been fixed by the act at March 3, 1924. The decision in this case, while wholesome in itself, was rendered nugatory as far as its application to other cases was concerned by the lassitude or willful negligence of officials in the bureau in failing to publish the decision and make it available for application in other cases pending in the bureau and for the information of the public. In cases involving allowances of over $500,000 made by the appraisal section up to April 30, 1925, amortization deductions in the sum of $425,921,945.92 had been allowed, of which more than $210,000,000 consist of allowances which can not be supported by the solicitor's opinion or justified upon sound engineering principles.

In the group of corporations which received amortization allowances of $500,000 or over there are $253,120,717.15 of these allowances involved in cases which are in such legal status that they may be reopened and the findings corrected. This should be done for the protection of the Government and to retrieve some of the taxes which have been lost or remitted because of the maladministration of the law.

The largest single claim for amortization was that filed by the United States Steel Co., in the sum of $86,411,952.61, of which the commissioner allowed $55,063,312.60. This case is not technically closed, and it is asserted that not more than $27,136,899.99 may properly be allowed. The allowance made is double that which should have been made, and the amount claimed is about treble that to which the Steel Corporation was entitled.

The Steel Corporation has been given allowances covering the amortization of the costs of facilities which were contracted for, and in some cases installed prior to, April 6, 1917, the date fixed by Congress for the initiation of amortization claims. The Steel Corporation was allowed amortization in the specific amount of $2,789,185.49 on account of common-carrier railroads, whose stock it owned, notwithstanding the fact that the law did not contemplate amortization of the cost of railroad construction or equipment, and notwithstanding the fact that the United States District Court for the Eastern District of Virginia had ruled in Hampton and Langley Field Railroad Co. *v.* Noel, collector (300 Fed. 438), that the claimant railroad company was not entitled to amortize the cost of its road between Hampton and Langley Field, Va. These United States Steel Co. railroads were allowed amortization merely because their stock was owned by the Steel Corporation and for no other reason.

A group of six other corporations owning the stock of common-carrier railroads were also improperly allowed amortization deductions in the sum of $1,557,036.30.

Another group of four corporations was allowed amortization deductions in the sum of $2,418,755.99 covering pipe lines, which was also a subject of amortization not included in the law.

Another group of eight corporations was allowed amortization deductions on dwelling houses in the sum of $4,426,821.67.

Another group of 11 corporations was allowed amortization deductions on tank, refrigerator, and gondola cars in the sum of $4,777,917.

Another group of 16 corporations was allowed amortization on the value of land in the sum of $2,664,007.71. It certainly was not intended by Congress that amortization covering the depreciation of land values should be deducted from gross income, thus avoiding the payment of taxes on the amount deducted. If this had been the intent of Congress, every farmer in the Middle West or in other parts of the country who purchased land at inflated values to produce crops for war uses, and who sustained losses by reason of the settling of these land values to more normal levels, could claim amortization deductions.

The foregoing examples of improper and, indeed, illegal allowances were discovered by the staff of the committee appointed by the Senate to investigate the Bureau of Internal Revenue. The specifications of these cases will be found in the printed report of the committee. They were found among

the cases in which allowances in excess of $500,000 had been made. There were only 168 corporations in this class. The total number of corporations filing claims was 3,334.

The manipulation of the accounts of the United States Steel Co. and the improper allowances made for the benefit of that corporation alone deprived the Government of over $21,000,000 in taxes.

The discovery and revelation of the facts as affecting the amortization allowances made to the United States Steel Corporation presented such a flagrant case of abuse of the law, that the present Solicitor of Internal Revenue in a well-reasoned opinion announced and published October 26, 1925, reopened the case involving the United States Steel Corporation's claims for amortization and announced more rational and sound principles for the determination of these claims in pursuance of which it is hoped that $27,000,000, or one-half of the amount heretofore allowed, will be vacated in the final award. But the redetermination of the case of the United States Steel Corporation does not mean that other cases will be reopened or that this opinion will be effective to correct and vacate the great volume of improper amortization allowances which are known to have been made or to retrieve for the Government tens of millions of taxes of which it has been deprived by an improper and, indeed, illegal application and administration of the law.

In the cases where corporations installed facilities or equipment for the production of war materials, and found upon the conclusion of the war that these facilities were not adapted to use in the regular peace business of the corporation, and the corporation has in fact discarded such facilities, there can be no question but that the corporation, under the law, was entitled to amortize the cost of such equipment, less its salvage value. And where this has been done and the allowance of a corresponding amortization deduction has been made from otherwise taxable income, no question has been raised as to the propriety of such deduction. The committee investigating the Bureau of Internal Revenue did not question any such deductions. But in cases where corporations have merely abandoned old, worn-out, and obsolete equipment, or have bought up the plants of competing corporations to put them out of business, and thus be rid of their competition, or have merged and consolidated existing plants and structures in one ownership, in none of which cases was the productive capacity of the country increased for the service of the war, it can not be said that amortization deductions are proper in these cases under the guise of amortizing the cost of increased war facilities. Some of these combinations of corporate properties were taken over at their values as going concerns, and these properties were then scrapped at their salvage values, and a claim put in for amortization of the difference in these values, although the action taken contributed in no wise to the prosecution of the war as such, and the expenditure or cost of the properties was in no wise the cost of new, additional, or increased war facilities.

Practically all of the corporations making claims for amortization allowances extended their regular plant and equipment during the war years. These expansions, however, were in the nature of extensions of the normal facilities and equipment of the corporation and resulted merely in an enlarged capacity for the production of commodities within the regular line of the corporate activities. In many of these cases the corporations concerned have not only continued in use in their regular postwar business the facilities and equipment the cost of which they have been allowed to amortize, but they have actually added new equipment and structures of the same character to accommodate their postwar business. The facts show that the production of many of the corporations involved in these amortization claims has been increased and is increasing. The United States Steel Corporation, for example, since the close of the war has made capital charges under the head of new plant expenditures which have exceeded its war expenditures under the same head. In many cases facilities claimed to be amortizable because of excess capacity have been duplicated by additions to plant made since the war.

The Atlas Crucible Steel Co., for example, was allowed amortization deductions based upon alleged surplus capacity resulting from war expansion, although this corporation had in fact increased its postwar capital expenditures for facilities of the same nature upon which amortization was claimed and allowed.

The Firestone Tire Co., for further example, claimed amortization because of an alleged surplus of capacity resulting from war expansion, notwithstanding the fact that this corporation had large postwar capital expenditures to increase plant capacity.

The Aluminum Co. of America had greater production in 1923 than it had in 1919, yet this company has been allowed amortization deductions from otherwise taxable income in the amount of $15,589,614.30, based upon a finding of 44 per cent surplus capacity.

I will not enter into a discussion of the technical rules and ratios of normal costs to war costs which have been applied by some bureau engineers in determining amortization claims submitted to them except to quote this observation from the report of the committee which investigated the bureau:

> Each individual engineer appears to have been permitted to follow his own whim as to whether a taxpayer should be allowed the loss due to reduced replacement costs in addition to the loss due to reduced value in use. Some engineers followed the consistent policy of allowing amortization upon both reduced value in use and reduced replacement costs. Some engineers allowed amortization for reduced value in use only when it exceeded the loss due to reduced replacement cost, and in such event applied the value-in-use percentage to the war cost. Other engineers appear to have flitted from one school of thought on this subject to the other. Thus the amortization determination in the Aluminum Co. of America case and in the United States Steel case was made by the same engineer, but in the steel case amortization was based on both loss of use and on reduced replacement cost, while in the Aluminum Co.'s case it was based upon loss of use only.

In many cases estimates of future production for a portion of the postwar period have been made and applied when the facts as to the actual production for the years involved in the estimates and showing present use of the alleged surplus facilities have been ignored by the engineers passing upon the claims for amortization allowances. Cases of this character are those of the Allis-Chalmers Manufacturing Co., Aluminum Co. of America, American Rolling Mills Co., Bartlett-Hayward Co., and Colorado Fuel & Iron Co.

In some cases normal postwar capacity requirements of corporations has been based upon the single year 1921, which is known to have been a poor year, and available facts as to increased production in 1922, 1923, and 1924 have been ignored. Cases of this kind are the Allen Wood Iron & Steel Co., the Alleghaney Steel Co., Atlas Crucible Steel Co., and Camden Forge Co.

The conclusion of the committee upon these matters was thus stated in their report:

> It is therefore our position that there is no legitimate basis for the amortization of anything, except the loss on discarded facilities and the excess war cost of facilities retained in use, unless the facility retained in use is a single unit of excess size, in which case the amortization should be the difference between the cost and the postwar cost of reproduction of a facility of size adequate to meet the peak demands of the business when reasonable future expansion is duly considered.

The report also contains this general conclusion:

> An examination of every large amortization allowance fails to show a single case where amortization was allowed for the loss of value in use because of an excess number of units in which the facilities, held to constitute a valueless surplus of capacity would not be sooner or later absorbed as replacements.

The amendment which I submit is intended to correct the maladministration of the amortization provisions of the law which have been found to exist by the investigation by the Senate committee charged with that duty.

The amendment provides that deductions for amortization shall not be allowed with respect to any facility not constructed or contracted for prior to April 6, 1917; to any facility which was an operating plant when acquired by the taxpayer; to cases in which amortization was not claimed in the return filed by the taxpayer for the years 1918, 1919, 1920, or 1921; to any facility retained in postwar use by the taxpayer, except as to the difference between the cost of such facility and the cost of replacement of same as of March 3, 1924; or to cases in which the facility consists of a single individual unit the size of which exceeds the taxpayer's postwar requirements, in which case the future capacity requirements are to be considered, and the amortization allowed shall be the difference between the cost of such facility and the cost as of March 3, 1924, of acquiring a facility of proper size to meet the taxpayer's postwar requirements.

The amendment further provides that all deductions from the gross income of corporations for the years 1918, 1919, 1920, or 1921 on account of the amortization of war facilities which have heretofore been allowed, but in which a final determination of the tax has not been made at the date when the pending bill becomes an act, or which are pending before

the Board of Tax Appeals on said date, shall be redetermined in accordance with the provisions of the amendment.

This amendment has been drawn advisedly and for the definite purpose of correcting abuses of the administration of amortization allowances, which have been actually found by the investigation of the Senate committee. The amendment is designed to protect the Government, to equalize amortization allowances between corporate taxpayers, and to retrieve for the Treasury many millions of revenues of which the Government has been illegally deprived. I commend the amendment earnestly to the Senate. No partisan considerations are involved. If the amendment be viewed wholly from the standpoint of equity and justice and a vindication of the rights of the Government, the reasons calling for its enactment are convincing and conclusive.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the junior Senator from Utah.

The amendment was rejected.

The VICE PRESIDENT. The bill is still in Committee of the Whole and open to amendment. If there are no further amendments to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate as amended.

The VICE PRESIDENT. Separate votes have been reserved on amendments relating, first, to the estate tax on page 170, by the Senator from New Mexico [Mr. BRATTON]; second, to the admission tax on page 224, by the Senator from Utah [Mr. SMOOT]; third, to the amendment after line 10, on page 334, by the Senator from Washington [Mr. JONES]. Is a separate vote desired by any other Senator on concurring in any other amendment made as in Committee of the Whole?

Mr. KING. If upon examining the RECORD it shall be discovered that there are other votes that were reserved, will our failure to so announce now preclude us from asking for a separate vote?

The VICE PRESIDENT. No. If no other separate vote is desired, the question will be taken upon concurring in the amendments made as in Committee of the Whole upon which no separate vote is reserved.

Mr. OVERMAN. I ask for a separate vote on the question of raising the taxes on corporations from 12½ per cent to 13½ per cent.

Mr. REED of Pennsylvania. In that case I ask for a separate vote on the repeal of section 700, the capital-stock tax provision.

Mr. NORRIS. I think we ought to have a separate vote on the committee amendment regarding the inheritance tax.

Mr. REED of Pennsylvania. That has been reserved by the Senator from New Mexico [Mr. BRATTON].

Mr. NORRIS. Very well.

The VICE PRESIDENT. If there is no objection, the question will be taken on concurring in the amendments upon which no separate vote has been asked. Hearing no objection, it is so ordered, and the amendments made as in Committee of the Whole upon which no separate vote has been reserved are concurred in. The question now is on concurring in the amendment to the estate-tax provision on page 170, a separate vote on which was reserved by the Senator from New Mexico [Mr. BRATTON].

Mr. ASHURST. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll and Mr. ASHURST answered in the affirmative.

Mr. DILL. Mr. President, will the Chair state the amendment so we may know what we are voting on?

The VICE PRESIDENT. The clerk will state the amendment.

Mr. SIMMONS. That would involve the reading of a very long amendment.

Mr. McKELLAR. May not the Vice President state the amendment?

Mr. HEFLIN. Some one can explain it briefly.

Mr. ASHURST. No one can explain it now, because I have responded to the roll call. The Chair can state the amendment, of course.

Mr. DILL. We have a right to know which way to vote.

Mr. REED of Missouri. I call for the reading of the amendment.

Mr. REED of Pennsylvania. A point of order. The roll call has commenced. It is not in order now to read the amendment.

Mr. SMOOT. Mr. President, a parliamentary inquiry. What is the question before the Senate?

The VICE PRESIDENT. The question is upon concurring in the amendment as in Committee of the Whole to strike out from page 170 to page 208, and insert in lieu thereof the committee amendment with reference to inheritance taxes on pages 208 to 212, as amended.

Mr. SMOOT. The question is as to whether we shall concur in the committee amendment or not.

The VICE PRESIDENT. Yes.

Mr. DILL. What I desire to know is if I vote "yea" do I vote to abolish the inheritance tax, or if I vote "nay" do I vote to abolish the inheritance tax?

Mr. REED of Pennsylvania. A vote "yea" is in favor of the repeal of the inheritance tax.

Mr. DILL. That is what I want to know.

The Chief Clerk proceeded to call the roll.

Mr. NORRIS (when Mr. BROOKHART's name was called). The junior Senator from Iowa [Mr. BROOKHART] is paired with the junior Senator from Arkansas [Mr. CARAWAY]. If the Senator from Iowa were present he would vote "nay."

Mr. JONES of Washington (when the name of Mr. CURTIS was called). The Senator from Kansas [Mr. CURTIS] is necessarily absent on account of the condition of his health. He is paired with the Senator from Michigan [Mr. FERRIS]. If he were present, the Senator from Kansas would vote "yea."

Mr. FERNALD (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. JONES]. I transfer that pair to the senior Senator from Vermont [Mr. GREENE] and vote "yea."

Mr. FERRIS (when his name was called). I have a pair with the Senator from Kansas [Mr. CURTIS]. If I were allowed to vote, I should vote "nay." I withhold my vote.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. As he would vote as I shall vote on this question, I am at liberty to vote. I vote "yea."

Mr. HOWELL (when his name was called). I have a pair with the senior Senator from Kentucky [Mr. ERNST] and therefore withhold my vote. If I were allowed to vote, I should vote "nay."

Mr. NORRIS (when Mr. JOHNSON's name was called). I desire to announce that the Senator from California [Mr. JOHNSON] is unavoidably absent. He is paired with the Senator from Arkansas [Mr. ROBINSON]. If the Senator from California were present, on this question he would vote "nay."

Mr. McNARY (when his name was called). I have a pair with the Senator from Maryland [Mr. BRUCE]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. PEPPER (when his name was called). On this question I have a pair with the junior Senator from New Mexico [Mr. BRATTON]. I am informed that if present he would vote as I intend to vote. Therefore I vote. I vote "yea."

The roll call was concluded.

Mr. JONES of Washington. I desire to announce the following pairs:

The Senator from Illinois [Mr. McKINLEY] with the Senator from Virginia [Mr. SWANSON];

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD]; and

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Nevada [Mr. PITTMAN].

Mr. SIMMONS. I have been requested by the Senator from Arkansas [Mr. ROBINSON] to announce that if he were present he would vote "yea."

Mr. NEELY. On this question I am paired with the senior Senator from New York [Mr. WADSWORTH]. If he were present, he would vote "yea," and if I were at liberty to vote I should vote "nay."

Mr. BLEASE. I am paired with the junior Senator from Missouri [Mr. WILLIAMS]. If he were present, he would vote "yea," and I should vote "nay."

Mr. JONES of Washington. The senior Senator from Wisconsin [Mr. LENROOT] is necessarily absent. If he were present and voting, he would vote "nay." The Senator from Vermont [Mr. DALE] is also necessarily absent. If he were present, he would vote "yea."

Mr. HEFLIN. My colleague, the senior Senator from Alabama [Mr. UNDERWOOD], is unavoidably absent. If he were present, he would vote "yea."

Mr. HOWELL. As I have stated, I have a pair with the senior Senator from Kentucky [Mr. ERNST]. I find I can transfer that pair to the Senator from Wisconsin [Mr. LENROOT]. I make that transfer and vote "nay."

The result was announced—yeas 40, nays 23, as follows:

YEAS—40

Bayard	Copeland	Fernald	Hale
Broussard	Deneen	Fletcher	Harrison
Butler	Edge	Gillett	Heflin
Cameron	Edwards	Goff	Kendrick

Keyes	Pepper	Sackett	Trammell
McLean	Phipps	Shortridge	Tyson
Metcalf	Pine	Simmons	Warren
Moses	Ransdell	Smith	Watson
Oddie	Reed, Pa.	Smoot	Weller
Overman	Robinson, Ind.	Stanfield	Willis

NAYS—23

Ashurst	Glass	La Follette	Reed, Mo.
Capper	Harreld	McKellar	Sheppard
Couzens	Harris	McMaster	Shipstead
Dill	Howell	Norbeck	Walsh
Fess	Jones, Wash.	Norris	Wheeler
Frazier	King	Nye	

NOT VOTING—33

Bingham	Dale	Jones, N. Mex.	Schall
Blease	du Pont	Lenroot	Stephens
Borah	Ernst	McKinley	Swanson
Bratton	Ferris	McNary	Underwood
Brookhart	George	Mayfield	Wadsworth
Bruce	Gerry	Means	Williams
Caraway	Gooding	Neely	
Cummins	Greene	Pittman	
Curtis	Johnson	Robinson, Ark.	

So the committee amendment was concurred in.

The VICE PRESIDENT. The question is on concurring in the committee amendment proposing to strike out Title V, on page 224, relative to the tax on admissions and dues.

Mr. REED of Pennsylvania. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. COPELAND (when his name was called). On this question I have a pair with my colleague the senior Senator from New York [Mr. WADSWORTH]. If he were here, he would vote "nay"; and if I were permitted to vote, I should vote "yea."

Mr. FERNALD (when his name was called). Making the same announcement as before relative to my pair and its transfer, I vote "nay."

Mr. FERRIS (when his name was called). Making the same explanation as before as to my pair, I withhold my vote.

Mr. FLETCHER (when his name was called). Announcing my pair with the Senator from Delaware [Mr. DU PONT], as on the previous vote, I desire to say that I am advised that if present the Senator from Delaware would vote on this vote as I intend to vote. Therefore I am at liberty to vote, and I vote "nay."

Mr. PEPPER (when his name was called). I am paired with the junior Senator from New Mexico [Mr. BRATTON]. Not knowing how he would vote on this question, I withhold my vote.

The roll call was concluded.

Mr. PEPPER. I find that I can transfer my pair to the junior Senator from Idaho [Mr. GOODING]. I am therefore at liberty to vote. I vote "nay."

Mr. COPELAND. I announced that I had a pair with my colleague [Mr. WADSWORTH]; but I find that I can transfer that pair to the senior Senator from Alabama [Mr. UNDERWOOD]. I do so and vote "yea."

Mr. BLEASE. I find that I can transfer my pair to the Senator from Mississippi [Mr. STEPHENS]. I do so and vote "yea."

Mr. FERRIS. I find that I can transfer my pair to the Senator from Nevada [Mr. PITTMAN]. I do so and vote "yea."

Mr. McNARY. Upon this amendment I feel that I can disregard my pair, and with that understanding I shall vote. I vote "yea."

Mr. HOWELL. I have a pair with the senior Senator from Kentucky [Mr. ERNST], and therefore withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. JONES of Washington. I desire to announce that the senior Senator from Kansas [Mr. CURTIS] is necessarily absent on account of ill health. He is paired with the Senator from Michigan [Mr. FERRIS]. If present and voting, the Senator from Kansas would vote "nay."

I also desire to announce that the Senator from Vermont [Mr. DALE] is necessarily absent. If present, he would vote "nay."

I also desire to announce that the Senator from California [Mr. JOHNSON] is necessarily absent. He is paired with the Senator from Arkansas [Mr. ROBINSON]. If present, the Senator from California would vote "yea."

Mr. SIMMONS. I desire to announce that the Senator from Georgia [Mr. GEORGE] is absent. If he were present, he would vote "yea." I also desire to announce that he would have voted "yea" upon the last amendment, with reference to the estate tax.

Mr. JONES of Washington. The junior Senator from Iowa [Mr. BROOKHART] is necessarily absent. He is paired with the junior Senator from Arkansas [Mr. CARAWAY]. If present, the Senator from Iowa would vote "yea."

Mr. SHEPPARD. If my colleague, the junior Senator from Texas [Mr. MAYFIELD], who is absent on account of illness, were present, he would vote "yea."

Mr. JONES of Washington. I desire to announce the following general pairs:

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD].

The result was announced—yeas 40, nays 27, as follows:

YEAS—40

Ashurst	Ferris	McKellar	Sheppard
Bayard	Frazier	McMaster	Shipstead
Blease	Gerry	McNary	Simmons
Broussard	Harreld	Neely	Smith
Capper	Harris	Norbeck	Stanfield
Copeland	Harrison	Norris	Trammell
Couzens	Heflin	Nye	Tyson
Dill	Kendrick	Overman	Walsh
Edge	King	Phipps	Weller
Edwards	La Follette	Ransdell	Wheeler

NAYS—27

Butler	Glass	Moses	Sackett
Cameron	Goff	Oddie	Shortridge
Deneen	Hale	Pepper	Smoot
Fernald	Jones, Wash.	Pine	Warren
Fess	Keyes	Reed, Mo.	Watson
Fletcher	McLean	Reed, Pa.	Willis
Gillett	Metcalf	Robinson, Ind.	

NOT VOTING—29

Bingham	Dale	Jones, N. Mex.	Stephens
Borah	du Pont	Lenroot	Swanson
Bratton	Ernst	McKinley	Underwood
Brookhart	George	Mayfield	Wadsworth
Bruce	Gooding	Means	Williams
Caraway	Greene	Pittman	
Cummins	Howell	Robinson, Ark.	
Curtis	Johnson	Schall	

So the amendment made as in Committee of the Whole was concurred in.

The VICE PRESIDENT. The Chair understands that the Senator from Washington [Mr. JONES] withdraws his request for a separate vote upon the next amendment.

Mr. JONES of Washington. I do.

The VICE PRESIDENT. The bill is in the Senate and open to amendment.

Mr. NORRIS obtained the floor.

Mr. SMOOT. Mr. President, was that amendment agreed to?

The VICE PRESIDENT. It was agreed to as in Committee of the Whole.

Mr. SMOOT. Did the Chair announce that the amendment was concurred in?

The VICE PRESIDENT. Without objection, the amendments made as in Committee of the Whole will be concurred in.

Mr. REED of Pennsylvania. Mr. President, in order that there may be no misunderstanding, I think the RECORD ought to show that the Senator from North Carolina [Mr. OVERMAN] withdraws his request for a separate vote on the corporation income tax and that I withdraw my request for a separate vote on the capital-stock tax; and I ask unanimous consent that the votes whereby those amendments were agreed to as in Committee of the Whole may be considered as concurred in.

Mr. REED of Missouri. Mr. President, there is some confusion here. I am not sure that I understood the Senator.

Mr. REED of Pennsylvania. The Senator from North Carolina reserved a separate vote on the corporation income tax.

Mr. HEFLIN. Mr. President, the Senator is now asking that these amendments which were agreed to as in Committee of the Whole be concurred in?

Mr. REED of Pennsylvania. Just that the action of the Committee of the Whole be concurred in.

The VICE PRESIDENT. Is there objection?

Mr. REED of Missouri. Is this another coalition?

Mr. REED of Pennsylvania. No.

Mr. FESS. The same thing should be done with the amendment offered by the Senator from Washington.

Mr. REED of Pennsylvania. That has been done.

The VICE PRESIDENT. That has already been concurred in, without objection.

Mr. FESS. He withdrew the request for a separate vote, but there has been no action upon it.

The VICE PRESIDENT. It was done by unanimous consent. The amendment by the Senator from Washington was concurred in, without objection. Without objection, the amendments upon which separate votes were asked and the requests withdrawn will be concurred in.

Mr. COPELAND. Mr. President, what became of the amendments to section 600, the excise taxes? Were they concurred in?

The VICE PRESIDENT. They were concurred in.

Mr. NORRIS. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 39 it is proposed to strike out lines 10 to 12, inclusive, and to insert:

Eleven thousand six hundred and sixty dollars upon net incomes of $100,000; and upon net incomes in excess of $100,000 and not in excess of $200,000, 20 per cent in addition of such excess.

Thirty-one thousand six hundred and sixty dollars upon net incomes of $200,000; and upon net incomes in excess of $200,000 and not in excess of $400,000, 21 per cent in addition of such excess.

Seventy-three thousand six hundred and sixty dollars upon net incomes of $400,000; and upon net incomes in excess of $400,000 and not in excess of $600,000, 22 per cent in addition of such excess.

One hundred and seventeen thousand six hundred and sixty dollars upon net incomes of $600,000; and upon net incomes in excess of $600,000 and not in excess of $800,000, 23 per cent in addition of such excess.

One hundred and sixty-three thousand six hundred and sixty dollars upon net incomes of $800,000; and upon net incomes in excess of $800,000 and not in excess of $1,000,000, 24 per cent in addition of such excess.

Two hundred and eleven thousand six hundred and sixty dollars upon net incomes of $1,000,000; and upon net incomes in excess of $1,000,000, in addition 25 per cent of such excess.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska.

Mr. NORRIS. Mr. President, this amendment has not heretofore been offered or voted on in the debate in the Committee of the Whole. The bill as amended in Committee of the Whole provides for progressive taxes up to incomes of $100,000. It then provides that all incomes in excess of that shall be taxed 20 per cent. This amendment commences with incomes of $100,000, and goes on in progressive steps from incomes of $100,000 to incomes of $1,000,000, ending with 25 per cent on all net incomes above $1,000,000.

We voted in the Committee of the Whole on a similar amendment that started at the same place and ended at the same place, but with a progressive rate ending with 30 per cent. This amendment has a maximum of 25 per cent. The 25 per cent applies only to net incomes in excess of $1,000,000.

I am not going at length over the discussion of the question of the wisdom of stopping at $100,000; but I never could understand, and I do not believe anybody else understands, if we are going to have a progressive income tax at all, why we should stop with incomes of $100,000 when there are so many incomes that exceed $100,000. There was given the other day by the Senator from Michigan [Mr. COUZENS], I believe, the number of incomes in excess of $100,000. I have forgotten the number. Does the Senator remember?

Mr. COUZENS. There were at least 4,063.

Mr. NORRIS. The result of the committee bill, as we have it now, is that all persons receiving an income of a million dollars have their income tax reduced 44 per cent. The very place where an income tax can be paid without a burden, where it can be paid easily, where it can be paid without any hardship, is the place where we relieve them to the greatest extent from taxation.

The income of a man of $50,000, as I remember—perhaps it was $46,000—is reduced by this bill 27 per cent, or something of that kind. At least, the great reduction comes to the man with the million-dollar income. If we are going to levy a tax on the theory that we will levy it where it will be the least burdensome, I can see no reason why we should stop with $100,000.

Now, I would like to say just a word to Senators on the other side of the aisle. We have heard over and over again the story which brought about this coalition between the Democrats and Republicans on the Finance Committee. It has been told over and over again, until we are familiar with it, and we all know that the first proposition which the Democratic minority on that committee had, when they went to the majority, was that they were going to stand for a maximum rate of 25 per cent.

Mr. SIMMONS. No; 25 per cent unless the majority agreed to a reduction.

Mr. NORRIS. Very well, put it that way; 25 per cent unless the majority agreed to the reduction on the men who are getting small incomes, namely, incomes between $26,000 and $100,000.

Mr. SIMMONS. $24,000 and $100,000.

Mr. NORRIS. But the maximum which the Democrats had in mind was 25 per cent. We must not believe for a moment that they did not honestly think that 25 per cent was a good maximum to fix upon and was a fair rate to settle upon as a maximum.

Mr. SIMMONS. Mr. President, the Senator does not wish to misrepresent the minority.

Mr. NORRIS. Oh, certainly not.

Mr. SIMMONS. Certainly not. I stated the other day that there were seven members of the minority; that when we met to consider this matter four of them were opposed to raising the maximum above 20 per cent, three wanted to go to 25 per cent; and that we compromised among ourselves by the agreement that we would stand for 20 per cent provided the majority accepted our proposition. That was the concession which they made to me.

Mr. NORRIS. And if they did not accept it, then the minority were going to stand for 25 per cent.

Mr. SIMMONS. If they did not accept it, we were going to stand for 25 per cent. We compromised the matter, and we agreed to stand for the 20 per cent.

Mr. NORRIS. If the majority did not accept their proposition, then they were going to stand for a maximum of 25 per cent. Of course nobody for a moment would accuse those minority Members of standing for something which they did not believe to be right and fair. Now is their chance to get it—right now. With the Democratic Party over there united for a 25 per cent maximum on incomes in excess of $1,000,000, I guarantee them enough votes over here to put it over right now, on this coming roll call.

The Senator from North Carolina had quite a difficult job on his hands to keep all of the Democrats over there from voting for 25 per cent, and even 30 per cent. I think there would have been enough votes if it had not been for the wonderfully eloquent plea which the Senator from North Carolina made to his Democratic brethren.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from North Carolina?

Mr. NORRIS. I yield.

Mr. SIMMONS. I want to say to the Senator what I said the other day, and then I shall not interrupt him any more upon this point.

I was impelled to yield my views about that matter, because I became satisfied, from the statements made to me by the leader of the Democratic Party on this side of the Chamber, and by other Members, before the minority Members met, that a large percentage of Democratic Senators were in favor of not going above 20 per cent.

Mr. NORRIS. I am not contradicting that at all, but the Senator's restatement of it makes it necessary for me to make a restatement, and I say that, after all, when all is said and done, the Democratic minority came to the Republican majority and said, "Unless you agree to what we want on these reductions, we will stand for a maximum of 25 per cent." I am going on the theory that they would not stand for anything they thought was wrong, or which they thought would do an injury to the country, or to any of the people in it.

I repeat, it took all the eloquence of the Senator from North Carolina, assisted by the eloquent Senator from Mississippi, to keep the Democrats from voting for our amendment over here, in which we presented a maximum even of 30 per cent. But when the Senator from North Carolina plead with the minority in his plaintive tones and with his great eloquence, in a sort of "Help me Cassius or I sink" attitude, his brethren, of course, came to his succor and to his relief.

If Democratic Senators still believe that 25 per cent is all right on an income of a million dollars, I repeat, now is the time to get it. We have the votes to deliver to have that adopted.

Mr. President, I am informed that this amendment will produce about $10,000,000 of additional revenue. Who can go before this country and defend his attitude here, admitting that we sought to give the man who had an income of a million dollars the same rate given to the man with an income of $100,000? There is no justice in it, there is no fairness in it. It can not be defended logically anywhere at any time.

Without going over it at any length, I submit the amendment now to the Senate, to see whether the Senate is going to let the man with a million-dollar income have imposed on him the same rate of taxation placed upon the man with an income of only $100,000.

Mr. SIMMONS. Mr. President, this is an amendment to raise the surtaxes on incomes above $100,000. I want to state to the Senate a fact which has not been stated heretofore, that the surtaxes are not the only taxes which have been reduced in this bill. We have discussed the surtaxes, but we have not discussed the normal taxes at all. The

House dealt with the normal taxes and we accepted the House action with respect to the normal taxes.

Under the normal tax rate prescribed in the bill as it passed the House there will be a reduction in normal taxes of $93,450,000. Of that reduction $90,000,000 will go to benefit taxpayers whose incomes are less than $100,000, and only $3,400,000 of that reduction of $93,000,000 will go to the benefit of taxpayers whose income exceed $100,000.

The result of the House action reducing normal taxes to the extent of $93,000,000 is that the taxpayers with incomes under $100,000 will get the benefit of a reduction of $90,000,000, while those whose surtaxes are now sought to be increased get the benefit of only $3,000,000.

Mr. HEFLIN. Mr. President, this bill ought to pass to-night. The Senate ought to remain in session until it is passed. Unless it is passed by to-morrow night, it is very doubtful whether it will go into effect in time to affect the income-tax returns which must be filed by March 15.

If this bill is not now passed, it will be due to a filibuster, which may be conducted in order to bring about that situation. That should not occur. We have gone over these provisions time and time again. Speeches that have been made to-night in substance have been made before a dozen times and more. We ought to get action to-night.

I do not complain if the Senator from Nebraska, or any other Senator, wants to have a record vote upon any amendment he desires to offer. If they want the RECORD to show that this proposition or that was offered, or that the Senate took this position or that, no one can object.

I am not objecting to fair and legitimate debate. I do not want to cut off any Senator who has something to say upon a subject that is new, something that has not been thrashed out time and time again. That is all right. But the Senator from Nebraska, nearly every time he takes the floor, challenges the Senator from North Carolina to explain again some sort of a proposition, an agreement that was entered into, in order to get the tax off the smaller taxpayers.

The Senator from Nebraska has long posed here as the friend of the common man, as the friend of the plain people in the common walks of life, and the whole burden of his speeches has been against the Senator from North Carolina for entering into an agreement by which we took off the smaller taxpayers more than $20,000,000 in taxes, and wiped off the tax books entirely two and a half million people who were paying Federal taxes, who, under this bill, will go scot free and pay no more Federal taxes until some time in the future, maybe when some emergency may arise which will bring their names back upon the list of taxpayers.

I have not heard the Senator from Nebraska congratulate the minority Members, on the Democratic side, for achieving this wonderful and remarkable thing of reducing the taxes of those who still remain upon the tax rolls by millions, and taking off the lists two and a half million people who will pay no more taxes. But the Senator continues to harp upon an agreement by which some big taxpayers were in a measure relieved.

I want to remind the Senator from Nebraska that the Scripture tells us that the Master himself said that it were better for 99 guilty persons to go free than for 1 innocent man to suffer.

So, if we have taken the taxes off 2,500,000 who ought not to pay taxes at all, I submit to the eloquent Senator from Nebraska that it were better that a few rich men should get away with a little of their taxes taken off than for the poor taxpayer to pay burdensome taxes. I simply throw out this suggestion to-night in order to expedite the business of the Senate. The country is waiting for action upon this very important tax bill. The country has a right to ask that action be had at an early date. I hope that the Senate will remain in session to-night until we pass the bill. I want to repeat before I sit down that if any Senator has a new proposition that he wants to submit and has a new argument that he wants to make, I would be glad to stay here until daylight to hear it and to stay here to vote on all amendments, one after another. But I should dislike and I should exceedingly regret to see an effort made now to hold up the Senate.

I want to repeat that, as has already been said by those who know how soon the bill must be enacted in order to get it into effect by the 15th of March, that if we do not pass the bill to-night or to-morrow it has been suggested that we will be compelled to stay here Saturday night and Sunday and, it may be, Sunday night. I am not going to be a party to any filibuster that will bring about anything like that. I hope to see the bill passed to-night.

Mr. BLEASE. Mr. President, I would like to ask the Senator from Alabama a question. I would like to know how much this bill saves the Duke estate and the members of the Duke family

Mr. HEFLIN. I do not know, but I know that Mr. Duke has done a great deal of good with some of the fortune that he accumulated by providing for the education of the boys and girls of North Carolina.

Mr. BLEASE. I think that the man who takes care of the boys and girls of any one State to the detriment of the Nation does not deserve very much praise.

Mr. HEFLIN. The education of the boys and girls in any State is a contribution to the educational interests of all the States. An educated man in any State is of value to all the States. An educated girl in any State is of value to all the States. I do not propose to go into a discussion of that question. Mr. Duke has gone to his reward, and I simply reply to the Senator from South Carolina by saying that he has done a great deal of good with a great deal of the wealth that he accumulated.

Mr. BLEASE. I hope I am mistaken in what Mr. Duke's reward is. [Laughter.]

Mr. REED of Missouri. Mr. President, I know of no filibuster on the bill that has been attempted. I know of none that is going to be attempted. When it comes to the matter of the consumption of time I think the Senator from Alabama is always close enough to me to get my dust. When it comes to the question of saying new things and never saying any old things over again, I think that some of us will recall the same speech that was made on the Federal reserve bank for about 99 days in succession, in eloquent periods all the same, until when the Senator from Alabama rose in his place we all knew that the Federal reserve banks were going to be discussed, every bank president put on his overcoat and ear mufflers and prepared to shiver, and the stumps in the Potomac River bobbed up and down in unison with his periods.

Notwithstanding the warning that has been issued, I am going to take a few minutes to discuss the bill. I do not expect to enlighten the Senator from Alabama. Perhaps I will not enlighten anybody, but what I have to say I am going to say with the kind indulgence of the Senate.

Mr. President, figures have been given here that widely vary. I accuse nobody of having intended to give any false or misleading figures. A difference in figures frequently results from the different angles from which the proposition is submitted. The junior Senator from Nebraska [Mr. HOWELL] is an engineer and an expert accountant. With all respect in the world for the experts of the Treasury, who have worked assiduously here and who are all good men, I am inclined to take the figures of the Senator from Nebraska as accurate.

Here is a brief analysis of the results of the bill: There are 5,694 persons reporting taxes on incomes in excess of $100,000. Those 5,694 persons obtained a reduction by the pending bill in personal taxes of $120,500,000. The estate tax reduction figured by the Senator from Nebraska will amount to $90,000,000, not in any one year. I am talking about the aggregate result which comes. The retroactive sections of the bill he estimates at $60,000,000, the gift taxes at $4,500,000. This is a grand total of $725,000,000 to be saved to 5,694 persons, or an average of about $48,000 each.

Mr. SIMMONS. Mr. President, may I interrupt the Senator?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. REED of Missouri. Certainly.

Mr. SIMMONS. I think the Senator will have to add to that $93,000,000 reduction in normal taxes. One hundred and twenty-six million dollars is the reduction in surtaxes and $93,000,000 in normal taxes.

Mr. REED of Missouri. Yes.

Mr. SIMMONS. The Senator did not have that in his enumeration, and I thought possibly he would like to have the figures.

Mr. REED of Missouri. Approximately 4,085,000 taxpayers pay taxes on incomes under $100,000. They obtain a reduction of $201,500,000, or about $49 each.

Mr. President, I realize that we have come to the point of tax reduction, which is a blessing everyone devoutly welcomes. The question is where and how the tax reduction should be made. I now call to mind the fact that three years ago the Secretary of the Treasury made his recommendation for tax reduction. I am not going to burden the Senate with the figures, for I expect to be brief. Speaking broadly, his recommendation at that time was for tax reductions, and his special recommendation was for a reduction upon the surtaxes on incomes in excess of $68,000.

Upon that proposition we took issue. The Secretary of the Treasury argued that we must reduce the surtaxes upon the large incomes for various reasons, among others that they

were investing their earnings in tax-exempt securities; that they were failing to make true returns; that they were placing their property by various devices in a position to escape taxes; and that we would get more taxes from them if we reduced the rate of taxation.

The Democrats took issue with the Secretary of the Treasury. We said there should be tax reductions. We were willing to concede some reduction on the great incomes, but we were not willing to let the bill pass in the form that Mr. Mellon recommended, insisting that the larger percentage of reductions should be made upon moderate incomes and small incomes. Upon that issue we fought it out on the floor of the Senate.

The Democrats substantially as a unit stood by the doctrine that the large incomes should bear a lessened burden, but still a much greater burden than the Secretary of the Treasury wanted to impose, and that the benefit of the reductions should chiefly go to those of smaller incomes. There were eloquent speeches made in defense of this position taken by the Democrats. No man more valiantly defended that position than did the distinguished ranking minority member of the Finance Committee, the senior Senator from North Carolina [Mr. SIMMONS], and the distinguished orator on the Democratic side, the Senator from Mississippi [Mr. HARRISON], and the Senator, equally distinguished, from New Mexico [Mr. JONES]. I quote from a speech of the Senator from North Carolina [Mr. SIMMONS] made on September 30, 1921:

I shall attempt to show that the revision proposed in the pending bill is a reduction in the interest of the corporations of the country and in the interest of the big rich, or, to express it in common parlance, in the interest of the millionaire class. I shall attempt to show that it will lift more than half a billion dollars in taxes off the shoulders of corporations and the millionaires and shift that sum to the shoulders of less fortunate taxpayers.

As I have said, the recommendations of Mr. Mellon with reference to repeals were adopted by the House and concurred in by the Senate Finance Committee. The result of adopting this scheme, slightly supplemented by certain taxes that fit in with the scheme and are calculated to accomplish the purposes of the scheme, will be to reduce by between $500,000,000 and $600,000,000 the taxes which otherwise corporations and individuals whose income exceeds $66,000 would have to pay.

Mr. President, that $66,000 income is the dead line of the bill. On one side of that line are formed in serried columns the forces of the millionaire classes of the country. On one side—the upper side—of the line are arrayed 13,000 taxpayers. I say they are the millionaire class, because it will take a million dollars earning 6½ per cent to produce an annual income of $66,000, so that, tested by the basis of reasonable interest-bearing investments, the men who stand on the upper side of that line are millionaires. There are 13,000 of them in the United States, as the tax returns will show. On the other side, the lower side of that dead line, there are grouped 600,000 American taxpayers.

Surtaxes have been reduced from 65 per cent to 32 per cent. They have come down to the dead line in that way, and what is the result? Let the estimate of the Treasury experts state the result. The result, Mr. President, is that these 13,000 taxpayers on the upper side of that line, reveling already in their accumulations and their wealth and their power to control finance and government, by this reduction in the surtaxes are to get a further reduction in their taxes, a little stipend from the people of the United States of $90,000,000 a year, while those 600,000 taxpayers earning between $5,000 and $66,000 a year by toil, investment, and all the efforts which characterize the miscellaneous population of the country get a reduction of only $18,000,000 on account of the surtax.

Is not that a monstrous result? Oh, but it is worse than that. Consider now the rich. Every single, solitary man who stands on the upper side of that line—this mobilized army of millionaires that has just finished its successful drive against Congress and the National Treasury—has got his surtax rate cut. How much has it been cut? Mr. President, the figure is startling. It has been cut more than one-half; it has been reduced to 32 per cent from 65 per cent. Every one of them, every mother's son of them, gets his surtax cut more than one-half. That is the millionaire class, who, when the members of it want their taxes cut down, becomes a beggar class, begging alms of the Government and of the hundred million of people of this country. They get their surtax cut in half—from 65 per cent to 32 per cent.

Mr. LA FOLLETTE. Mr. President, will the Senator from Missouri yield there?

Mr. REED of Missouri. Yes.

Mr. LA FOLLETTE. From whose speech has the Senator from Missouri been reading?

Mr. REED of Missouri. I have just read from the speech of the Senator from North Carolina [Mr. SIMMONS].

I shall now read from a speech by the Senator from Mississippi [Mr. HARRISON]. I quote him, not to single him out, neither am I trying to single out my friend from North Carolina; but I am speaking of these distinguished and leading Democrats in order to show the position of the Democratic Party at that time. The Senator from Mississippi said:

The Mellon plan takes it off of the rich and puts it upon the poor. The so-called Garner plan takes the taxes off to a greater extent from 6,670,000 income-tax payers, while the Mellon plan takes it off of only 12,000. Whom did the President have in mind when he said:

"They bear most heavily upon the poor."

* * * * * * *

Let me, in passing, just make this suggestion: If this administration is sincere, if Secretary of the Treasury Mellon wants to give some relief to the taxpayers of the country, and if you want to make a record to go before the people in the coming campaign, do not seek to reduce the high surtaxes from 50 per cent to 25 per cent, but get busy and try to take off some of those iniquitous tariff rates on sugar and meat and flour and the other necessaries of life. That would insure a reduction not only in taxes but in the cost of living.

* * * * * * *

The Mellon plan gives a reduction of taxes all down the line, but the Democratic plan gives a greater reduction of taxes all down the line except on the 12,000 big fellows who pay the high surtaxes, and on those it seeks to give a very fair and equitable reduction.

The Senator from New Mexico [Mr. JONES] said:

* * * I call attention further to the fact that the only point which really brought out the fire and the enthusiasm of the distinguished Senator from Utah is the same point which has been dwelt upon with such vigor and such insistence by the Secretary of the Treasury. The Senator from Utah did not in anywise attempt to put his real force and power into the delivery of his prepared speech until he reached the point where he insisted that the high surtaxes should be cut in half. Likewise the head of the Treasury in every interview, in every prepared statement, in his testimony as a witness before the Finance Committee, has dwelt upon that point as the one panacea for all the ills which afflict this country.

* * * Mr. President, the underlying view of the leaders of the Republican majority in the Senate and the underlying view of this administration, as suggested by the Secretary of the Treasury, have been precisely the same from the time this administration came into power in 1921. Soon after the Congress met in 1921 the Finance Committee of the Senate, controlled by the same majority which yet controls this body, undertook a revision of the revenue law. At that time the high surtaxes amounted to 65 per cent. We were just emerging from the Great War. At that time the Secretary of the Treasury recommended that the high surtaxes be reduced by more than 50 per cent.

Finally the House of Representatives, complying with that wish of the Secretary, reduced the surtaxes to 32 per cent, or a little more than one-half. The bill came over to the Senate, and the Finance Committee through its majority reported to the Senate a reduction of those surtaxes from 65 to 32 per cent.

It is true the bill then came into the Senate, and on the floor of the Senate the recommendations of the Treasury Department were repudiated, and the House of Representatives subsequently receded from its action and adopted the view of the Senate, and the maximum surtaxes were placed at 50 per cent. Now we have the same story again. The Secretary of the Treasury is demanding, and a majority of the Finance Committee is demanding, that these high maximum surtaxes be reduced again by 50 per cent.

* * * Yet, Mr. President, under these circumstances the distinguished chairman of the Finance Committee says that the people of small incomes are not paying enough. He is pleading for those with incomes above $100,000. There are only 2,532 of them, but they are rich beyond the dreams of any honest son of toil who ever looked forward with an ambitious eye to the accumulation of wealth in the future, and he comes here and pleads for them who have profited out of this other great class of small taxpayers.

As I said in the beginning, the things contended for in this bill are typical of the contentions of the principal leaders of the great Republican Party. They come to us upon the suggestion of the Secretary of the Treasury, and then the President of the United States puts upon it specifically his stamp of approval. The House of Representatives, the Members of which must go before their constituencies this fall, repudiates it. There were only a few even of the Republicans who were willing to accept it as a basis of Federal taxation. But when it comes over to this Chamber, where only one-third of the Members go before their constituents next fall, we find the Senator from Utah, this great Gibraltar, standing in full height and full strength, advocating just exactly what the reactionary leaders of the Republican Party want.

I wonder if the people of this country can be given to understand between now and November just what this iniquity does mean, just what these Republican leaders stand for, backed up by the present President of the United States. I ask the Senate to consider and think well of these things before this bill is ever enacted into law. But I predict that it will not be enacted. I can not conceive that there is a majority in this body so hardened in soul, so inconsiderate of those less able to support the burdens of the Government that they will vote to enact it into law. * * *

So spoke the Senator from New Mexico.

Mr. President, I could fill the time between now and to-morrow morning in reading similar utterances by these and other distinguished Democrats. The Democratic Party in its platform took the position that the Democrats took upon this floor. The Democratic Party, I understand, in its last platform, adopted at New York, took that position. How was it that we defeated these alleged evil purposes of the Republican side of this Chamber; and how was it that the Democratic Party was able to go into the campaign and to make the issue, as we did make it on every platform in this country, that we had destroyed the Mellon plan, which was to reduce the surtaxes upon the incomes of millionaires to as low as 25 or 30 per cent, and that we were justified in resisting that demand and insisting that the reduction upon the great incomes should be moderate and that the greatest reduction in percentages should go for the benefit of the great mass of taxpayers? How did we justify ourselves? We did it by the arguments that were made here upon this floor. We did it by sound logic and by sound reasons that I shall not take the time here to-night to repeat.

How did we succeed in preventing the consummation of the plan of the Secretary of the Treasury? We did it, sir, with the almost solid, if not the solid, vote of the Democratic side of this Chamber, aided by the vote of those who are generally called "insurgents" upon the other side. Robert M. La Follette, sr., was here then and the tremendous power of his intellect and his force and his logic were loaned to the fight. The other "insurgents" stood with us, and the Democrats, sir, wrote that tax bill and wrote the next tax bill and laid down the Democratic policies which we asserted were sound.

Now we come to the time when we can make further tax reductions. I am talking to Democrats. If our previous action was sound, an action that was ratified in our convention, an action that we proclaimed upon every platform, that we thundered from every stump, that we advocated in every party newspaper—if it was sound then and we had approximately arrived at a scale of taxation which was just as between the different classes of taxpayers, having now reached a time when we can generally reduce taxes because of the decreased burdens of government, then saving, of course, the right to make minor changes, the changes should have been made proportionately down the line, and in accordance with the principles we had heretofore laid down.

We, sirs, are not doing that. We are giving Mr. Mellon his way. We are giving Mr. Mellon all he has ever demanded on the surtaxes, and that is all Mr. Mellon has ever cared for. We are surrendering the citadel, and the excuse for it is that a compromise was effected in the Finance Committee.

Mr. President, what were the conditions obtaining when that compromise was made? It has been alleged here that the Republicans wanted to make slight or no reductions upon the small incomes, and wanted to make great reductions upon the great incomes; but is there anybody here who will say that any Republican ever proposed to put the surtax upon these great incomes at a lower point than it was put by the compromise? Did not the compromise give to Mr. Mellon exactly what Mr. Mellon demanded and 5 per cent better? So we yielded everything upon that point. We became the bond servants of Mr. Mellon. Mr. Mellon won his case; and we did not go down fighting, but we went down by surrender!

But, sir, suppose the Republicans had come in here with the ridiculous proposition—and I am not prepared to think for a minute they would have done it—that we should reduce the surtaxes to 20 per cent, and then they would not reduce the taxes upon smaller incomes. Why, there is not a Republican upon the other side of the Chamber or out in the country who ever would have made that kind of a proposition. They may have demanded the reduction upon the great incomes, and they did—undoubtedly they did—for, as the ass knows its owner and the ox its master's crib, they knew then, always, where to head in when it came to a reduction on taxes. At the same time, however, no figures could have been produced that would have justified them in not making some reductions upon the moderate incomes, and they undoubtedly would have come forward with them; for, whatever else I may say or others may say of my Republican friends on the other side of this Chamber, we will all have to admit that they are not political fools; and after they have served their masters they always are willing to placate the people.

So what did we get in this trade? I am assuming, now, that we were forced to a trade. What did we get in it? They got all they demanded, and they gave us nothing they would not have been obliged to concede in substance and effect. But was there any necessity for this trade? Twice we have stood here in serried columns like a phalanx; twice the insurgents upon the other side of the Chamber have formed on our flank and fought with us, and there were enough of us to overwhelm the other side of the Chamber. All we had to do was to bring it to a vote. The insurgents have not quit us. They have not pulled down their flag. Their little bark was dancing on the waves as gallantly as it had been in 1921 and 1923 and 1924. They were stripped for action. There were no cowards among them. They were ready to go forward when the great battleship of Democracy pulled its flag to half-mast and surrendered!

That is the cold, unvarnished, unmitigated truth. We could have stood here together and written this bill this time as we wrote it twice before; and at whose dictation, pray, are we taking this action?

The statutes of the United States provide that no man shall be Secretary of the Treasury who is engaged in trade. The law is musty with age and is sanctified by precedent. It was written for a good purpose. It was known that any man engaged in great financial transactions ought not to be the man who dictated or advised the tax policies of the Government which would directly affect him; and once, when a President was about to appoint a great merchant to this position and the attention of the President was called to the law, he promptly halted and appointed another man. Here, however, we have the example of a man who, when he became the Secretary of the Treasury, was a director in 68 great banks, trust companies, and industrials. The aggregate capital of those companies and of their allies and subordinates probably mounts into the billions of money.

They reach into every avenue of trade and commerce, from the manufacture of whisky to the manufacture of aluminum. They permeate every avenue of finance. Their powerful influences extend into the railroad systems of our land, into the trust companies, into the mortgage houses, into the boat lines, into the oils, into the refineries of oil. Everywhere they are spread out; and this man is the king-pin in the Aluminum Trust, a combination of combinations that controls substantially all of the valuable natural deposits out of which aluminum can be made. It is, sir, a monopoly more valuable, in my opinion, than any other monopoly that ever has been conceived. Aluminum is being employed in every kind of industry, in every avenue of life. The woman uses it in her kitchen. It forms the bodies of automobiles. It goes into the structure of flying machines. It is employed universally where strength and lightness are demanded. Its uses are increasing; and, in my opinion, a monopoly of the production of aluminum is more valuable than would be a title deed to all the rivers and lakes and oceans of oil that God placed beneath the surface of this earth; for the use of aluminum will become universal, and every man will pay tribute to the master of that monopoly.

Mr. President, it was estimated when this debate was on before that the change of taxes recommended by the Secretary of the Treasury would have saved him personally in one year $9,000,000. A man with such a stake as that sitting to write or dictate the policies of a nation is a man sitting to pass on his own case and pass upon the case of his associates and his confederates. That is the man who has won his fight to-day. Silently, shrewdly, without intermission of effort, pressing on and on by insidious processes, he seems to have undermined the conscience of the Democracy, and he always did own the conscience of the Republicans.

Why, sirs, you talk about corporate influence, as we have always talked and asserted that corporations had too much influence with the Republicans when they were in power, and with the Republican Party when it was out of power. Of the influence we have talked; but this is not a case of the corporations influencing the Government. This is a case where the corporations moved in and took possession of the Government, through Mr. Mellon. So every policy relating to the finances of this country is being shaped by him; and I want to pause here, although it is an aside, to inquire why we are not refunding our national debt, why we are not getting a reduced interest, why the effort is not being made upon tax-exempt Government bonds to fund them at lower rates of interest. I think the answer is easy: They are nearly all owned by the great financial institutions and the great financiers of the country.

So, Mr. President, we come here, we Democrats, and the poor old Democratic mule is being led in by the ear, and Mr. Mellon's hand holds the ear!

Mr. BLEASE. Mr. President, will the Senator permit an interruption?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from South Carolina?

Mr. REED of Missouri. I do.

Mr. BLEASE. Will the Senator please tell me what a Democrat is—a Democrat of to-day?

Mr. REED of Missouri. I do not know.

Mr. BLEASE. I do not, either.

Mr. REED of Missouri. I know what he is out in the country—the same old stalwart citizen he has always been. When I see the Democratic Party following the Republican Party and Calvin Coolidge across the Atlantic Ocean and going into a World Court at his dictation, even while he had to drive with party lash a good many of his own Senators, and had a small rebellion over there; and then when I see the Democratic Party not taking Mr. Mellon by the hand, but Mr. Mellon taking the Democratic Party in hand, and the principle we fought for all of these years surrendered when there was no reason for surrender, when all we needed to do was to stand here together, when we could have made every reduction that has been made in this bill, and—do not forget that proposition—with the votes of Democrats and the votes of insurgents every one could have been made, and the votes on the floor of the Senate that have just been cast demonstrate it—when we could have made further reductions upon moderate incomes and taken the difference, and justly taken it, out of the great incomes—when that was the situation, we find that we abandoned everything we have stood for; and I can gather up the campaign speeches that were made by every orator upon this side—and we are "long" on orators—and show you where they repeated, over and over again, that Mellon proposed to take $90,000,000 off of 12,000 millionaires, and that we prevented it.

Mr. President, that is not all. If we had been mistaken, if we had found out we were wrong, if arguments had been adduced to show the fallacy of our former views, then it would have been different. Like honest men, we ought to have changed our views. What argument has been adduced to change the principle underlying our past actions? What argument has been adduced to convince us that we were then wrong? What Columbus of the intellectual seas has sailed into view with a new message to us? Not one. It is simply the old Mellon argument, "Take it off; it is too high."

I say the surtaxes imposed in this bill on the great fortunes are unjustly low. First, the people with the great fortunes are those most able to pay, and it is a principle always recognized in levying taxes that the higher taxes should be levied on those best able to pay. Second, as these fortunes grow enormous, the value of the personal service of the individual who owns the fortune depreciates comparatively almost to nothing, and the possessor of the fortune obtains the protection of the smaller taxpayer and of all he does to maintain a government.

Let me illustrate that for just a moment, and I shall not longer detain the Senate. Let us assume that Jones and Smith are born on the same day. Jones, we will say, works hard during his life and has nothing when he is 21 or 22 years of age, or 25, except a few household goods. He gets the protection only on his individual life and liberty. But Smith, who was born the same day, inherits, let us say, $100,000,000. He gets all that Jones gets—protection upon his life and his liberty—but, in addition to that, he gets protection upon $100,000,000 scattered, perhaps, in every State of the Union. The courts, the constabulary, the processes of the law, all go for the protection of his property.

Let us look at the individual services to be rendered. Jones must serve upon juries, must serve upon the posse comitatus, must perform all the offices of a citizen, and if war be declared must jeopardize his life upon the field of battle. Not so with Smith. To be sure, if he be a patriotic man he may perform his military service; I will not insinuate that the rich men did not go to the front to do their duty during the war. But the personal service to be rendered by each of these men is now out of all proportion to their wealth. One of them renders a personal service and gets no protection except upon life and liberty and a few dollars' worth of property. The other gets the same protection of life and liberty and, in addition to that, gets all the power of this mighty Government, backed by all of its men and all of its women, to protect that vast fortune.

So it is just and right, when fortunes exist almost separate from the human being, because the personal element in the equation is so small, the fortune should bear a larger burden. So I say that taxes upon enormous fortunes are justified, justified not only as simple taxes, but surtaxes are justified for the considerations I have named.

Now, we propose to say that the man with a thousand million dollars, capable of rendering no service in proportion to that vast fortune, shall be allowed to escape with the tax reduced to this figure. If this figure is right to-day, considering its proportion and relation to the other taxes which we proposed to levy and did levy in the past two bills, then, those other bills were wrong, and we ought to have made the reductions then in the same proportion in which we are making them now.

I am not speaking here to-night with a desire to harrow up the feelings of my friends, but I want to know what I am going to say to the people, and what others are going to say, when we go to them again. When we went to them before we went denouncing the very method of taxation which we are to-day accepting.

It is said there were let out of taxes altogether a large number of the smaller taxpayers. That would have inevitably happened, and if it had not happened in the committee, it would have happened on this floor, if the Democrats had demanded it, and the insurgents had stood by them. The insurgents were in the forefront of that battle, every man of them with his toe to the mark, and stripped to the waist for action, every one of them. So there was no excuse. I find no excuse. I have simply to go back and say to my people "Mellon won the fight. This is not a case where we cut the melon; it is a case where the Mellon cuts us."

Mr. SIMMONS. Mr. President, I have no disposition to enter into a lengthy discussion of this matter. If the Senator from Missouri had been present at the time this discussion was first had, he would have learned some facts with reference to the situation which he does not seem to possess. The Senator was absent. The Senator lost many opportunities of getting the facts, and that accounts for his lack of information, as disclosed in the speech he has just made.

The Senator has seen fit to read from remarks which I submitted to the Senate when the bill of 1924, as prepared by the Finance Committee, was under consideration. I criticized that measure in unmeasured terms. I gave heartfelt utterance, in the speech which the Senator has just read, of my condemnation and disapproval. The bill which was then presented to us was, according to my conception of it, a monstrosity, and if it had been enacted, it would have resulted in a great wrong to the American people.

I denounced it upon the floor of the Senate, and I proposed a schedule of rates which I declared would correct the proposed abuses and these outrages.

After a very hot fight in the Senate, my rates were adopted. They provided for reasonable parity to the man of low income and the man of high income.

As a result of those reductions, the man with an income of $100,000 paid a tax of 17 per cent, and the man with an income of over a million dollars paid a tax of over 34 per cent, the rates on the high incomes being twice those on the low.

That, I thought, was a reasonable adjustment. After long debate the committee decided that my proposal was a reasonable and fair adjustment. The conference committee, against its will, so far as the will of the majority representatives from the Senate on that conference was concerned, yielded with ill grace, but they did yield to it, and the rates I proposed were written into the act of 1924.

Those rates established a fair parity between the low and the high taxpayer. Those wrongs were adjusted. Now we come to another reduction, and our margin of reduction, based upon the surplus revenue of the Government, is just about the same now as it was then.

The bill as it passed the House, in my judgment, was not an equitable adjustment. I said so. I insisted upon it. The question was, Could that bill be amended so as to make an equitable adjustment, an adjustment in the same proportion as had been made in the act of 1924? The House had taken all taxes off two and a half million people with low incomes. The House had reduced the taxes of those with incomes above $100,000, but it had retained a part of those taxes, the taxes covered by the brackets between $20,000 and $64,000, out of proportion to the reductions given to the other taxpayers of the country.

The House had done another very fine thing. The House had reduced the normal taxes, and in reducing the normal taxes to the extent of $93,000,000 had given $90,000,000 of that reduction to men whose incomes were less than $100,000.

I considered the matter very thoroughly. I studied the bill night after night and day after day, with a view of bringing

about the same parity that the act of 1924 brought about as between these two classes of taxpayers. I took into consideration the reductions the House had made upon the surtaxes and upon the normal taxes, and I prepared a schedule for additional reductions upon the incomes below $100,000, and then I worked out the problem to see whether if those reductions were accepted, either in the committee or in the Senate, the parity which I had described in the act of 1924 would be maintained.

After I had studied it thoroughly, as I explained to the Senate when this matter was before us, and while the Senator from Missouri was away from the Senate, under the act of 1924 the taxpayers with incomes up to $100,000 paid surtaxes at the rate of 17 per cent, while those with incomes above that paid at the rate of 34 per cent, or twice as much.

I proved that if the reductions which I proposed were made, the taxpayers would pay a surtax upon incomes of less than $100,000 at the rate of 10 per cent or a little below, while the taxpayers with incomes of a million dollars and over would pay a little under 20 per cent, or just about 2 to 1 as provided in the act of 1924. That was all I was seeking to do. That accomplished, I was satisfied, because that proved mathematically that in this reduction I and my associates of the minority were contending for the same proportionate reduction between those two classes as my 1924 rates carried. I had to surrender in the compromise a small part of that, and it threw the reduction just slightly out of balance. They raised the rate on incomes of $100,000 to 11 per cent as against approximately 19½ per cent upon incomes of $1,000,000 and over; that is to say, within a fraction of twice as much. I have not departed from the principle of the 1924 law, the surtax rates of which I wrote. I have not insisted upon less here than I did before. If the Senator from Missouri will get the figures and examine them he will see that there has been no surrender. I said if these reductions were accepted, then I would be satisfied with the result, because if they were accepted 20 per cent maximum was justified just as much and to the same extent as the maximum made in the 1924 act was justified.

But the Senator said if we had held off we could have had 25 per cent. That is, of course, easy to assert. Besides, 25 per cent with those reductions would be a larger proportion of tax retained upon the big man as compared with the little man than in the 1924 act. The Senator said we could have had our way about the matter and raised the surtax to as high a maximum as we desired. The Senator knows nothing about what was the situation in the Senate on this side of the Chamber at the time the bill was in the committee. He does not know the fact that there were from 12 to 15 Senators upon this side of the Chamber who said they were not willing to go and would not go beyond the maximum of 20 per cent. I could not force them. If the reductions were accepted I did not desire to force them.

The bill is just as good a Democratic bill as the other measure was. The bill is just as full of justice for the little taxpayer as the 1924 act was. This bill gives the little taxpayer a greater reduction than the other measure did.

This bill carries the largest reductions in income taxes of any bill that has ever been enacted into law by the Senate. It carries reductions in income taxes to the extent of $212,000,000. It relieves more small taxpayers than any bill we have ever passed. I am not dissatisfied with it. I stand by it. I am as good a Democrat as the Senator from Missouri, and I would not be exactly fearful of the results of a comparison of my record with his in the matter of constructive work and party service. I am no more given to surrender than he is. I have the courage to fight to the last ditch whether I win or whether I lose. I have no apologies to make. The country asks no apologies of me. The country understands, the country knows, that 2,500,000 of small taxpayers have been relieved of taxes. The country knows that those who pay taxes on incomes below $100,000 pay at the rate of 11 per cent under the provisions of this bill as against 17 per cent under the 1924 act.

The Senator from Missouri thinks that we should have continued what he called our coalition with the insurgents on the other side of the Chamber and the insurgents on this side of the Chamber. Mr. President, we have not continued that coalition. I have no apologies to make for that either.

The Senator said we wrote the bill in 1924. We did write the bill, so far as surtaxes were concerned, but we did not write it in any other respect. It was our bill that far and no further. The present bill is a more distinctively Democratic bill than the other was. The minority Members on this side of the Chamber have succeeded in incorporating into the bill everything that we asked and no more.

What did we demand in our original proposal, read to the Senate and made a public document the day before the committee began action upon the bill, as the Democratic minority demands? We demanded these reductions in the surtaxes. We have practically gotten them. We demanded the repeal of the capital-stock tax. We have secured its repeal. We demanded the repeal of the admissions and dues taxes. We have secured their repeal so far as Senate action can do it. Those were our three great demands. We have accomplished them all, but we do not stop there. The Democratic Party, in the committee and upon the floor of the Senate, has stood for the abolition of the tax upon trucks, imposed in the committee by the majority vote, and we have secured the removal of that tax. The Democratic Party, through its representatives upon the Committee on Finance, demanded a repeal of the tax imposed in the House bill upon automobiles, and we have secured it. Does any Senator on this side of the Chamber know of anything that the Democratic members of the committee stood for that we have not written into the bill? We stood solid, with one exception, for a repeal of the inheritance tax, and we have repealed it.

Who has written this bill? The Democratic Party wrote one section of the bill in 1924, but the Democratic Party has written practically the whole of this bill in its major particulars. We have not been beaten upon any position we have taken with reference to the major propositions in the bill, except our fight against the increase in the tax on corporations and our fight made here to-night to secure a repeal of the stamp tax on corporate issues of stock. We lost both of those propositions by a bare majority, in one case by 1 vote and in the other case by 3 votes. One of those propositions involved an increase in taxes. The Republican Party placed an increase upon a form of business that has had no consideration in all of the reductions that have been made. The Republicans defeated us with reference to our proposition to keep the corporation tax at 12½ per cent. They are responsible for the increase, and I am willing for them to take the responsibility for that action.

Never in my legislative career have I, as the representative of the minority in tax matters, had such a victory and my party had such a victory as we have achieved in connection with this bill. I am satisfied with it. I am delighted with the results we have accomplished. I am satisfied that the country will give us full credit for it. I am not alarmed. These sharp attacks, these venomous attacks upon me personally and upon the Democratic Party, do not alarm me. I am not terrified in the least. I have some knowledge of public sentiment in the United States. I have abundant and convincing evidence that the public sentiment of America to-day stands behind the action of the Democratic Party in connection with the bill and realizes what a great victory we have won.

Mr. MOSES. Mr. President, without wishing at all to detract from the rhapsody of the Senator from North Carolina, may I be permitted to observe that when the bill finally becomes a law and goes to the country, the credit will be given to Calvin Coolidge and Andrew W. Mellon?

Mr. SIMMONS. The Republican Party may steal the credit for this reduction, as they stole the credit for the 1924 reduction. [Laughter.]

Mr. GLASS. Mr. President, I feel a degree of culpability in delaying, for a little while, the vote on the bill at this time; but I believe the Senate will realize that I have consumed comparatively few moments in the discussion of the provisions of the tax bill.

In the brief remarks that I shall make I have no inclination whatsoever to be drawn into a partisan, political discussion of the bill; but in view of some things that were said this evening it seems desirable to call attention to a few facts which some Senators seem to have forgotten.

The theory of a fair and moderate maximum surtax is not a theory peculiar to Secretary Mellon of the Treasury Department. It is one with which all economists are familiar and as to the effectiveness of which nearly all of them are agreed. It is one on which the last three Democratic Secretaries of the Treasury were agreed, each one of whom at different times recommended to the Congress of the United States that the theory be put into effect; and, in consonance with it, the Democratic platform in 1920 declared that a system of tax reform should be adopted that would again turn the surplus wealth of the country into productive commercial and industrial activities. The last Democratic President of the United States held to that theory of taxation and so declared himself upon it.

Unhappily, as I shall always think, after framing the tax bill in 1924 containing such outstanding merits and excellencies, we on this side utterly rejected that theory; and, despite the merits of that tax bill, to which the Democratic side very

largely contributed, the result of that rejection was that the country got the idea that the Democratic Party was for high taxes and not for low taxes, and their ascription and praise went to Secretary Mellon and not to the Democratic Party for its share in framing the tax bill of 1924. When the election came on the intelligent and patriotic efforts of Democratic Senators and Representatives in the Congress of the United States went for naught, and on election day we were subjected to the most humiliating defeat that had ever up to that time overtaken any party in the history of the Republic.

Let us see if the Democrats of the Congress have been led by the Secretary of the Treasury, for whom I have the highest personal regard and in whose ability I have the utmost confidence, without discussing the proprieties involved in his holding the position of Secretary of the Treasury in the circumstances. When Mr. Mellon appeared before the Ways and Means Committee of the House of Representatives he advocated a maximum reduction of $140,000,000 in the personal income taxes. Were the overwhelming majority of the Democrats of the House of Representatives led by the ear? Did they accept the advice of the Secretary of the Treasury on that particular point? They reduced the aggregate amount of the personal income taxes by $193,000,000 and thereby save the taxpayers of the country, if the bill shall become a law, $53,000,000, a reduction of more than 33⅓ per cent below the figure fixed by the Secretary of the Treasury.

Did the Secretary of the Treasury advocate further personal exemptions from payment of the income tax? He did not.

Mr. SIMMONS. Mr. President, if the Senator will permit me to interrupt him, when we made these reductions, after we had made the compromise, the newspapers announced that the Secretary of the Treasury was very much displeased and did not know whether or not the department could accept them.

Mr. GLASS. Nobody will deny that it was the thought of the Secretary of the Treasury, as it was of many wise men in this country, that there should be no such exemption from the personal income-tax levy as was made in the House of Representatives, freeing nearly 2,000,000 taxpayers from liability which the Secretary of the Treasury would, in his judgment, have imposed upon them and which many patriotic men think it is their duty to meet. Were the Democrats of the House or of the Senate Finance Committee led by the nose in this respect? Did they surrender their convictions to the judgment of the Secretary of the Treasury? They did not.

What happened after the measure came here? We have heard, in terms of derision, a great deal about "trading" and "coalitions;" but, Mr. President, in the 24 years that I have been in the Congress of the United States I have never known a comprehensive tax bill or any other great fiscal measure to be adopted except by mutual concessions of those who disagreed in their judgment upon the items and provisions of the bill.

Gentlemen object to "coalitions," but merely when they are not made with them. There were many Democrats in the Senate who would have refused to tolerate certain coalitions that some other Democrats would like to have made, and there would not have been "a solid phalanx" on this side of the Chamber had anything of that kind had been attempted. We are invited to renew the coalition of 1924 with the insurgents who "insurge" here, but on election day obediently return to the fold, every one of them. Oh, their "bark was on the sea," yes; and it sailed right into the Mellon and Republican port on election day and contributed very materially to the 7,000,000 plurality rolled up against the Democratic Party! Not a single one of them gave John Davis a solitary electoral vote. Those who did not vote for La Follette voted for Calvin Coolidge. Yet we are invited to renew that sort of coalition, to which I never belonged, I want to say, personally for myself.

I think the Democratic members of the Senate Finance Committee should be commended and congratulated for the work they have done; and likewise I think the Republican members of that committee have performed a patriotic service.

The Senator from North Carolina, by reason of his insistence and persistence, secured a concession of $26,000,000 for those taxpayers in the intermediate brackets. It is said that we might have obtained this concession without any yielding. Who knows that? It does not follow as a matter of course merely because at this late day there is a development here which might signify a result of that sort? But if to renew the coalition of 1924 was essential to get that concession, I repeat, there are Senators on this side of the aisle who would have rejected the concession. If I am to form a coalition, I claim my personal privilege to determine what character of coalition it is and with whom I shall form it.

See then: Instead of being "the bond-slaves" of the Secretary of the Treasury, the Democrats are responsible, leaving out all other items, for a reduction of $80,000,000 in the personal income taxes levied upon the people of this country—$80,000,000 in the face of the declaration of the Secretary of the Treasury that we could not afford to make that reduction in the revenues.

Oh, yes; we have gone far beyond that, and I am not going to felicitate myself or my party associates upon that fact—not yet. If we keep on reducing taxes and depriving the Treasury of its required revenues, we may soon have a deficit to make up, and if I may incidentally refer to politics again, let me say to my colleagues on this side of the Chamber, if there be any basis for your hope and expectation of a Democratic Congress next time, and we so far reduce taxes as that the Democratic Congress would be compelled to raise taxes, you had as well present your adversaries with the next Presidency without going through the formality of holding an election. Prosperity does not always persist. An acute business depression might leave us high and dry.

I do not think we are "cowards." I do not think we have "surrendered." I believe Senators on both sides of the Chamber are men capable of forming convictions and with courage enough to assert their convictions; and not with obstinacy enough to refuse, in any event, to yield to one another when there is a difference of judgment.

I apologize to the Senate for taking any of its time at this late hour.

The VICE PRESIDENT. The question is upon agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS].

Mr. SIMMONS. On that I call for the yeas and nays.

The yeas and nays were ordered.

Mr. HOWELL. Mr. President, during the years 1922, 1923, 1924, and 1925 the Government expended on account of war liabilities, consisting only of sinking fund, interest on the national debt, veteran relief, and adjusted compensation, an average of $1,682,000,000. This is more than twice the cost of the Government in 1914, excluding the receipts of the Post Office Department, and nearly $15 annually for every man, woman, and child in the United States. For the last of these four years—that is, for 1925—these expenditures were $1,678,000,000, or but $4,000,000 less than the four-year average. Therefore, so far as the payment of debts and other war liabilities is concerned, it is evident that the Great War is not over—in fact, we are just in the midst of it, and the end is far off.

Yet, Mr. President, notwithstanding these facts, that class of taxpayers enjoying incomes of $100,000 or more, numbering, according to the 1925 income-tax returns, 5,694, are to be relieved this coming year of $275,000,000 of taxes through a permanent reduction in personal income taxes, the repeal of estate and gift taxes, and because of rebates on account of estates taxes previously assessed, while the reduction to all other taxpayers is but $201,500,000, as hereafter indicated.

In this connection, Mr. President, I ask unanimous consent to insert a statement in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none; and it is so ordered

The matter referred to is as follows:

SOME PROPOSED TAX REDUCTIONS AND CANCELLATIONS

(1) The 1926 tax bill, passed by the House of Representatives, is now before the Senate as amended by the Senate Finance Committee.

(2) In considering this measure it should be remembered that about 7,300,000 individuals made income-tax returns in 1925, of which number 5,694 ("the 5,694 class") reported incomes of $100,000 or more.

(3) This tax bill as amended provides for a total reduction in personal income taxes of $219,000,000.

(4) It also provides for the repeal of the estates tax, on account of which, during the first five months of the present fiscal year, there was assessed and charged on the books of the Treasury against estates of decedents approximately $61,000,000, suggesting a total for the year of about $150,000,000.

(5) The gift-tax provision of the 1924 law, adopted to discourage evasion of estate taxes, is also repealed. Collections on account of this tax last year amounted to about $7,500,000.

(6) In addition, this tax bill provides that the amount of estate taxes assessed under the provisions of the 1924 law, now in effect, shall be reduced and refunds made so as to accord with the provisions of the 1921 law. This will result in abatements and refunds of back taxes amounting to approximately $100,000,000.

(7) The following tabulation indicates the proportion of these tax reductions and refunds that will go to the 5,694 class and the estates of those who in life belonged to the 5,694 class; also the proportion that will go to all the remaining taxpayers of the United States.

(8) Of course, abatements and refunds provided for in this bill will accrue but once to beneficiaries, but other reductions in taxes will be enjoyed so long as the measure remains in effect should it be finally enacted.

Mr. HOWELL. Mr. President, not only are we required to expend annually about $1,678,000,000 to take care of our direct war liabilities, but in addition thereto, as a consequence of the refunding of 11 of our foreign debts, we are confronted with the fact that provision has been made for the cancellation of every one of them, and that, in addition thereto, we must pay deficits in interest in each case totaling about $105,000,000 per annum.

Items	The 5,694 class	All other taxpayers of United States
Personal income-tax reductions	$120,500,000	$98,500,000
Estate-tax reductions	90,000,000	60,000,000
Rebates of estate-taxes levied under 1924 law	60,000,000	40,000,000
Reductions on account of gift-tax repeal	4,500,000	3,000,000
	275,000,000	201,500,000

In this connection I request unanimous consent to insert another statement in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered. The matter referred to is as follows:

DISPOSITION OF FOREIGN DEBTS THUS FAR REFUNDED BY THE UNITED STATES FOREIGN DEBT COMMISSION

(1) In connection with an interest-bearing debt it is a well-recognized rule of partial payments that any payment by the debtor is first applicable to the payment of accrued interest and the remainder, if any, to the reduction of the debt.

(2) The foreign debts of the United States were all liquidated accounts, represented by definite notes and obligations, upon which the agreed rate of interest was 5 per cent.

(3) Eleven of these debts have been refunded by the United States Debt Commission, the debtor nations in each case agreeing to pay certain specified sums of money annually over a period of 62 years, and no more.

(4) The total payments of every kind and nature thus agreed upon in each case falls short from 27 to 79 per cent of enough to pay 5 per cent interest upon these debts. Therefore on this basis there is nothing to be paid upon principal, and hence the principal in each case is canceled.

(5) The rate of interest paid by the United States upon its interest-bearing debt has averaged for the past four years about 4.4 per cent. Assuming, however, that the American people would be willing to reduce the rate of interest upon these foreign debts to 4¼ per cent, or the rate that the Government is now paying upon some $13,500,000,000 Liberty and other bonds outstanding, from the proceeds of which these loans were made, we find that upon this 4¼ per cent basis, the total payments of every kind and nature in each case falls short from 18 to 73 per cent of enough to pay 4¼ per cent interest upon these debts. Therefore, upon a 4¼ per cent basis there is nothing to be paid upon principal and hence it is evident that the principal of each debt is canceled.

(6) Reducing (upon a basis of 4¼ per cent interest) all payments in each case to equivalent, equal, annual installments, payable for a period of 62 years, we have the results set forth in the accompanying table. It might here be stated that such reduction is necessary for the purpose of analysis, as a dollar of a total payment on any one of these debts is worth more if paid at an early than at a late date, and in some of these cases the agreed payments vary greatly. Thus Italy's first five annual installments are $5,000,000 each, the thirty-first payment $35,332,500, and the last, $80,988,000.

(7) In column B is enumerated the amount of each debt as of the date of refunding, including unpaid interest to the nearest thousand dollars, as per statements afforded by the Treasury Department.

(8) In column C is the calculated uniform rate of interest in each case that the debtor nation will pay on its debt for 62 years, provided that its total payments of every kind and nature are applied on account of interest only.

(9) The amounts set forth in column D represent the additional sum that the Government must pay annually in each case to make up the difference between the rate of interest set forth in column C and the 4¼ per cent interest that must be paid upon outstanding Liberty and other bonds issued to make these loans.

A Country	B Debts refunded	C Interest rate on debts	D Amount of debts canceled [1]	E Annual deficit in interest that must be paid by United States
Great Britain	$4,718,311,000	3.7	----------	$25,747,000
Esthonia	14,143,000	3.7	----------	77,000
Finland	9,191,000	3.7	----------	49,000
Hungary	1,985,000	3.7	----------	11,000
Latvia	5,894,000	3.7	----------	31,000
Lithuania	6,217,000	3.7	----------	36,000
Poland	182,325,000	3.7	----------	994,000
Rumania	46,945,000	3.4	----------	377,000
Czechoslovakia	123,855,000	3.4	----------	1,034,000
Belgium	483,426,000	2.1	----------	10,194,000
Italy	2,150,151,000	1.1	----------	67,067,000
Total	7,739,443,000	2.9	$7,739,443,000	105,617,000

[1] All canceled.

(10) The deficit in interest payments for the 62 years totals, without interest, $6,548,254,000. This total deficit added to the canceled debts, renders apparent the loss to the American people on account of these transactions as $14,287,697,000. Adding interest at 3½ per cent compounded annually the loss becomes $30,188,536,000.

(11) Should the Government not only pay the deficit in interest, but in addition enough more each year to amortize these debts, in 43 years the loss without interest would be reduced by a little more than half, while the loss with 3½ per cent interet would be $14,269,298,000, neglecting interest after the forty-third year.

(12) The above-noted losses resulting from the inclusion of 3½ per cent compounded interest is not merely of academic interest. Many life-insurance companies throughout the country, some with assets increasing above $200,000,000 per annum, write insurance and annuity contracts guaranteeing results based upon their ability to earn upon their funds continuously 3½ per cent compound interest.

(13) The total payments of every kind and nature to be made by Great Britain during the 62 years, if divided by 62, equals $179,195,000, or 3.8 per cent upon her debt. Thus merely upon the basis of this simple, unweighted computation it is evident that for 62 years Great Britain will pay not more than 3.8 per cent upon her debt and no principal, hence the debt will be canceled.

(14) A like simple, unweighted computation applied to the 11 refunded debts indicates that, together, the 11 debtor nations will pay of 3.2 per cent for 62 years, no principal, the debts being canceled.

Mr. HOWELL. Mr. President, in view of our tremendous war liabilities, and these huge cancellations, the relieving of large incomes and great estates from paying not the taxes they paid during the Great War, while actual hostilities were in progress, nor the taxes that were paid following the enactment of the tax bill in 1921, but merely the taxes that were paid last year is unjustifiable.

Much has been recently said respecting the conscription of wealth in connection with the next war. The President has publicly approved the idea. Why, then, should we relieve great wealth now, inasmuch as the Great War, so far as its cost is concerned, is not over? If we relieve the large incomes and great estates as proposed, it does not mean that the canceled and rebated taxes will be not ultimately collected, of course, not from the large incomes and great estates, but ultimately from the masses of the people in the form of indirect taxes. This is evidently the policy in mind. I can not approve such a policy; and, though I realize that my vote will have little effect respecting the future of this bill, and though I approve of a number of tax reductions provided for therein, as a matter of protest respecting the policy it implies, I shall vote "No" upon its passage.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nebraska [Mr. NORRIS], on which the yeas and nays have been demanded and ordered. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. NORRIS (when Mr. BROOKHART's name was called). I desire to announce that the Senator from Iowa [Mr. BROOKHART] is absent. He is paired with the Senator from Arkansas [Mr. CARAWAY]. If the Senator from Iowa were present, he would vote "yea."

Mr. COPELAND (when his name was called). On this matter I have a pair with my colleague [Mr. WADSWORTH], and on that account I withhold my vote.

Mr. JONES of Washington (when Mr. CURTIS's name was called). I desire to say that the Senator from Kansas [Mr. CURTIS] is necessarily absent on account of ill health. He is

paired with the Senator from Michigan [Mr. FERRIS]. If the Senator from Kansas were present and at liberty to vote, he would vote "nay."

Mr. FERNALD (when his name was called). Making the same announcement as before, I vote "nay."

Mr. FERRIS (when his name was called). Making the same announcement that I made before, I withhold my vote.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. I understand that he would vote as I expect to vote on this question. I vote "nay."

Mr. JONES of Washington (when Mr. GOODING's name was called). The Senator from Idaho [Mr. GOODING] is necessarily absent on account of ill health. I understand that if present he would vote "nay."

Mr. HOWELL (when his name was called). I have a pair with the senior Senator from Kentucky [Mr. ERNST], and necessarily withhold my vote.

Mr. SACKETT. The senior Senator from Kentucky [Mr. ERNST] is necessarily absent from the Chamber. If present, he would vote "nay."

Mr. NORRIS (when Mr. JOHNSON's name was called). I desire to announce that the Senator from California [Mr. JOHNSON] is necessarily absent. He is paired with the senior Senator from Arkansas [Mr. ROBINSON]. If the Senator from California were present, he would vote "yea."

Mr. McNARY (when his name was called). I have a pair with the Senator from Maryland [Mr. BRUCE]. If I were at liberty to vote, I should vote "yea"; and if the Senator from Maryland were present, he would vote "nay."

Mr. SHEPPARD (when Mr. MAYFIELD's name was called). The junior Senator from Texas [Mr. MAYFIELD] is absent on account of illness. If he were present, he would vote "yea."

Mr. NEELY (when his name was called). On this question I am paired with the senior Senator from New York [Mr. WADSWORTH]. I transfer that pair to the junior Senator from New York [Mr. COPELAND], who is present, and vote "yea."

Mr. PEPPER (when his name was called). I have a pair with the junior Senator from New Mexico [Mr. BRATTON]. I transfer that pair to the junior Senator from Idaho [Mr. GOODING], and vote "nay."

Mr. SIMMONS (when the name of Mr. ROBINSON of Arkansas was called). I desire to announce that the Senator from Arkansas [Mr. ROBINSON], who is absent, would, if present, vote "nay" on this amendment.

Mr. HEFLIN (when Mr. UNDERWOOD's name was called). My colleague [Mr. UNDERWOOD] is absent on account of illness. If he were present, he would vote "nay."

Mr. REED of Pennsylvania (when Mr. WADSWORTH's name wa scalled). The senior Senator from New York [Mr. WADSWORTH] is necessarily absent. He is paired with his colleague, the junior Senator from New York [Mr. COPELAND]. If present, the senior Senator from New York would vote "nay."

The roll call was concluded.

Mr. ASHURST (after having voted in the affirmative). When I voted, I forgot for the moment that I was paired on this question with the junior Senator from Connecticut [Mr. BINGHAM]. Therefore I withdraw my vote.

Mr. COPELAND. There seems to be some complication about my pair with my colleague. I understand, from the announcement made, that I am at liberty to vote. I vote "nay."

Mr. NEELY. In view of that action on the part of the junior Senator from New York, I withdraw the announcement I made before, and state that if the senior Senator from New York [Mr. WADSWORTH] were present he would vote "nay"; and if I were at liberty to vote, I would vote "yea." My pair with him shall stand, in view of the fact that the junior Senator from New York has now voted.

Mr. JONES of Washington. I desire to announce that the Senator from Iowa [Mr. CUMMINS] is necessarily absent on account of ill health.

Mr. BLEASE. I do not know how the Senator from Missouri [Mr. WILLIAMS] would vote on this question, and I therefore withhold my vote; but if I were at liberty to vote, I would vote "yea."

Mr. JONES of Washington. I desire to announce the following general pairs:

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Nevada [Mr. PITTMAN].

I also desire to announce the unavoidable absence of the Senator from Minnesota [Mr. SCHALL].

Mr. GERRY. I desire to announce that the senior Senator from Arkansas [Mr. ROBINSON], the junior Senator from Arkansas [Mr. CARAWAY], the junior Senator from Mississippi [Mr. STEPHENS], and the senior Senator from Nevada [Mr. PITTMAN] would, if present, vote "nay" on this amendment.

The result was announced—yeas 21, nays 44, as follows:

YEAS—21

Capper	King	Norris	Tyson
Couzens	La Follette	Nye	Walsh
Dill	Lenroot	Reed, Mo.	Wheeler
Frazier	McKellar	Sheppard	
Harris	McMaster	Shipstead	
Jones, Wash.	Norbeck	Trammell	

NAYS—44

Bayard	Fletcher	Keyes	Robinson, Ind.
Broussard	George	McLean	Sackett
Butler	Gerry	Metcalf	Shortridge
Cameron	Gillett	Moses	Simmons
Copeland	Glass	Oddie	Smith
Dale	Goff	Overman	Smoot
Deneen	Hale	Pepper	Stanfield
Edge	Harreld	Phipps	Warren
Edwards	Harrison	Pine	Watson
Fernald	Heflin	Ransdell	Weller
Fess	Kendrick	Reed, Pa.	Willis

NOT VOTING—31

Ashurst	Cummins	Johnson	Robinson, Ark.
Bingham	Curtis	Jones, N. Mex.	Schall
Blease	du Pont	McKinley	Stephens
Borah	Ernst	McNary	Swanson
Bratton	Ferris	Mayfield	Underwood
Brookhart	Gooding	Means	Wadsworth
Bruce	Greene	Neely	Williams
Caraway	Howell	Pittman	

So Mr. NORRIS's amendment was rejected.

Mr. JONES of Washington. I offer an amendment, which I understand the Senator in charge of the bill is willing to send to conference for consideration by the conferees.

Mr. SMOOT. With that statement, I have no objection to the insertion of the amendment in the bill.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 334, after line 10, after the amendments heretofore agreed to, insert:

RETROACTIVE REGULATIONS

SEC. 1213. The liability of any taxpayer under any internal revenue law shall be determined (unless such taxpayer otherwise consents or requests) in accordance with the Treasury decisions, opinions of the Attorney General, and regulations made by the commissioner or the Secretary, or by the commissioner with the approval of the Secretary, in force at the time his return was made, whether such return was made before or after the enactment of this act. As used in this subdivision, the term "return" means, in the case of a return which has been amended, the return as finally amended.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BLEASE. Mr. President, I propose a short amendment, which I send to the desk, to come in after the last section of the bill.

The VICE PRESIDENT. The clerk will read the amendment.

The CHIEF CLERK. Add after the last section of the bill the following:

Resolved, That in view of the Democratic minority being in favor of the Mellon tax plan, the Senate apologizes to Denby, Daugherty, Fall, and Doheny for the part they played in the corruption of the last administration, and regret their indictment.

Mr. SIMMONS. Who offers that amendment?

The VICE PRESIDENT. The junior Senator from South Carolina.

Mr. BLEASE. I ask for the adoption of the amendment.

Mr. SIMMONS. I think it is really too stupid for us to bother with.

Mr. BLEASE. I ask for the adoption of the amendment.

Mr. HEFLIN. The amendment is out of order.

The VICE PRESIDENT. It is in the nature of a resolution and not an amendment and is not in order at this time.

The bill is still in the Senate and open to amendment. If there be no further amendment, the question is, Shall the amendments be engrossed and the bill read a third time?

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The bill having been read three times, the question is, Shall the bill pass?

Mr. NORRIS. Mr. President, this bill is a millionaires' tax reduction bill.

It reduces the personal income tax of 5,694 persons reporting incomes of $100,000 and more by $120,500,000.

It reduces the estate tax of all persons with $100,000 of net income while they were alive by $90,000,000.

It reduces the estate tax of 1924 for the same class of persons who had incomes of $100,000 or more while alive by $60,000,000. This is a retroactive gift to millionaires' estates and, in effect, is the same as though we took the money out of the Treasury by direct appropriation.

It reduces the gift tax for all persons with incomes of $100,000 or more by $4,500,000.

It wipes out the estate tax for all future time, and this tax would be paid to the greatest extent by the same class of taxpayers, and incidentally reduces the income of the Government by more than $100,000,000 a year from estate-tax repeal.

The total tax reduction, then, for these 5,694 persons with incomes of $100,000 or more is $275,000,000.

There were approximately 4,085,000 taxpayers with incomes of less than $100,000. For this class of taxpayers the reductions amount to $201,500,000.

The average tax reduction given by this bill to persons with incomes of $100,000 and more is $48,000 each.

The average reduction for persons with incomes of less than $100,000 is $49 each.

The bill continues the secrecy provisions of the income tax law, under which all these frauds against the Government discovered by the select committee of the Senate were committed. It continues the secrecy clause to protect any future and comparable frauds which might develop and secrecy is always an inducement to fraud of one character or another.

The bill gives a subsidy to the oil industry, which is estimated as high as $40,000,000 a year. The oil industry, criticized by the consumers for the high prices charged for gasoline and crude oil, is now told by this bill to deduct 50 per cent of its net income before it pays any tax at all. According to estimates given by the counsel for the select committee of the Senate, this bill tells the oil industry that 50 per cent of the net income is tax exempt. There is no comparable exemption for the farmer, the business man, the professional man, and the individual, other than the exemption allowed an individual on earned income.

Mr. SIMMONS. Mr. President, contrary to the figures given by the Senator from Nebraska, the reductions given on incomes of $100,000 in surtaxes amount to $46,000,000 in the normal tax $90,000,000, making a total of $136,000,000.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. REED of Pennsylvania. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FERRIS (when his name was called). I have a pair with the senior Senator from Kansas [Mr. CURTIS]. I am informed that if he were present he would vote "yea." I therefore am at liberty to vote, and I vote "yea."

Mr. FLETCHER (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HOWELL (when his name was called). I have a pair with the senior Senator from Kentucky [Mr. ERNST]. I therefore withhold my vote. If I were permitted to vote, I should vote "nay."

Mr. McNARY (when his name was called). Upon this vote I have a pair with the Senator from Maryland [Mr. BRUCE]. I am advised that if present he would vote as I am about to vote. I vote "yea."

Mr. SHEPPARD (when Mr. MAYFIELD'S name was called). The junior Senator from Texas [Mr. MAYFIELD] is detained on account of illness. If present he would vote "yea."

Mr. NEELY (when his name was called). On this question I have a pair with the senior Senator from New York [Mr. WADSWORTH]. I am informed that if he were present he would vote as I would, and I therefore vote "yea."

Mr. PEPPER (when his name was called). On this question I am paired with the junior Senator from New Mexico [Mr. BRATTON]. I am advised that if he were present he would vote as I intend to vote. I vote "yea."

Mr. FESS (when Mr. SCHALL'S name was called). I wish to make the announcement that the junior Senator from Minnesota [Mr. SCHALL] is absent on account of illness. Were he present, he would vote "yea."

Mr. HEFLIN (when Mr. UNDERWOOD'S name was called). Making the same announcement as before with reference to the absence of my colleague [Mr. UNDERWOOD], I wish to state that if he were present, he would vote "yea."

Mr. REED of Pennsylvania (when Mr. WADSWORTH'S name was called). The senior Senator from New York [Mr. WADSWORTH] is necessarily absent. If he were present, he would vote "yea."

Mr. WARREN (when his name was called). I inquire if the junior Senator from North Carolina [Mr. OVERMAN] has voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. WARREN. I have a standing pair with the junior Senator from North Carolina, but I am assured that he would vote as I expect to vote. I therefore vote. I vote "yea."

The roll call was concluded.

Mr. BLEASE. I am paired with the junior Senator from Missouri [Mr. WILLIAMS]. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay."

Mr. JONES of Washington. I wish to announce that the senior Senator from Iowa [Mr. CUMMINS], the junior Senator from Connecticut [Mr. BINGHAM], the junior Senator from Idaho [Mr. GOODING], the junior Senator from Minnesota [Mr. SCHALL], and the senior Senator from Vermont [Mr. GREENE] are all absent on account of ill health. I understand they would all vote "yea" on the passage of the bill.

I wish to announce that the Senator from Kansas [Mr. CURTIS] is absent on account of illness. If present he would have voted "yea" on the passage of the bill.

Mr. SACKETT. The pair of my colleague [Mr. ERNST] with the Senator from Nebraska [Mr. HOWELL] has been announced. I wish to state that if my colleague were present, he would vote "yea."

Mr. NORRIS. I desire to announce that the senior Senator from California [Mr. JOHNSON] is paired with the senior Senator from Arkansas [Mr. ROBINSON]. If the senior Senator from California were present, he would vote "nay."

I desire also to announce that the junior Senator from Iowa [Mr. BROOKHART] is necessarily absent. He is paired with the junior Senator from Arkansas [Mr. CARAWAY]. If the junior Senator from Iowa were present, he would vote "nay."

Mr. GERRY. I desire to announce that the senior Senator from Arkansas [Mr. ROBINSON], if present, would vote "yea," as would the junior Senator from Arkansas [Mr. CARAWAY], the junior Senator from Mississippi [Mr. STEPHENS], the Senator from Nevada [Mr. PITTMAN], the Senator from New Mexico [Mr. JONES], and the Senator from Virginia [Mr. SWANSON].

Mr. HARRISON. And the Senator from Alabama [Mr. UNDERWOOD].

The result was announced—yeas 58, nays 9, as follows:

YEAS—58

Ashurst	Fess	King	Sackett
Bayard	Fletcher	Lenroot	Sheppard
Broussard	George	McKellar	Shortridge
Butler	Gerry	McLean	Simmons
Cameron	Gillett	McNary	Smith
Capper	Glass	Metcalf	Smoot
Copeland	Goff	Moses	Stanfield
Couzens	Hale	Neely	Trammell
Dale	Harreld	Oddie	Tyson
Deneen	Harris	Pepper	Warren
Dill	Harrison	Phipps	Watson
Edge	Heflin	Pine	Weller
Edwards	Jones, Wash.	Ransdell	Willis
Fernald	Kendrick	Reed, Pa.	
Ferris	Keyes	Robinson, Ind.	

NAYS—9

Frazier	Norbeck	Nye	Shipstead
La Follette	Norris	Reed, Mo.	Wheeler
McMaster			

NOT VOTING—29

Bingham	Curtis	McKinley	Swanson
Blease	du Pont	Mayfield	Underwood
Borah	Ernst	Means	Wadsworth
Bratton	Gooding	Overman	Walsh
Brookhart	Greene	Pittman	Williams
Bruce	Howell	Robinson, Ark.	
Caraway	Johnson	Schall	
Cummins	Jones, N. Mex.	Stephens	

So the bill was passed.

Mr. SMOOT. Mr. President, I ask unanimous consent that there may be printed, with the Senate amendments numbered, 1,000 copies of the bill as it passed the Senate.

The VICE PRESIDENT. Without objection it is so ordered.

Mr. SMOOT. I move that the Senate insist upon its amendments and ask for a conference with the House, and that the Chair appoint the conferees.

The motion was agreed to.

Mr. SMOOT. Ordinarily the conferees on the part of the majority would be the Senator from Utah [Mr. SMOOT], the Senator from Connecticut [Mr. MCLEAN], and the Senator from Kansas [Mr. CURTIS]. The Senator from Kansas, as we all know, is ill and does not feel that he is strong enough to undertake the work and asks that he be excused. The

Senator from Indiana [Mr. WATSON] is engaged almost daily and hourly with his labors on the Interstate Commerce Committee, and therefore asks that he be excused for that reason.

Also, in behalf of the minority, and at the request of the Senator from North Carolina [Mr. SIMMONS], I wish to state that on account of the illness of the Senator from New Mexico [Mr. JONES] it is impossible for him to serve, and that the Senator from Rhode Island [Mr. GERRY] will be asked, in connection with the Senator from North Carolina [Mr. SIMMONS], to be a member of the conference committee. I now ask that the Chair appoint the conferees.

The VICE PRESIDENT. The Chair appoints as conferees on the part of the Senate the Senator from Utah [Mr. SMOOT], the Senator from Connecticut [Mr. MCLEAN], the Senator from Pennsylvania [Mr. REED], the Senator from North Carolina [Mr. SIMMONS], and the Senator from Rhode Island [Mr. GERRY].

Mr. KING. Mr. President, I voted for the bill which has just passed the Senate. I did so with the greatest reluctance. It does not meet my views in many particulars. It gives a bounty or gratuity to the oil industry amounting to approximately $50,000,000 per annum. There is no justification for this provision of the bill. It can not be defended upon the ground that gratuities and special favors are necessary for the purpose of developing the oil industry in the United States.

We know that the Standard Oil Co. and other large concerns practically control the oil fields and the oil industry and that their profits are stupendous. To thus single out an industry and augment their annual earnings of those engaged therein and relieve them from the payment of taxes to the Government can not, in my judgment, be defended.

The bill also is indefensible in that it remits taxes due from the estates of rich decedents and strikes down the entire estate-tax system as it has been adopted by the Federal Government. There are many other features which are obnoxious. However, it does relieve millions of people of some tax burden and contains some features which constitute a marked improvement over the existing law. I hope that the bill as it emerges from the conference will be an improvement over its present form. One of the reasons inducing me to support it is founded upon the hope and the expectation that the conferees named by the House will insist upon eliminating many of the obnoxious features which are found in the bill as we have just passed it.

TREASURY AND POST OFFICE APPROPRIATIONS

Mr. WARREN. Mr. President, I move that the Senate proceed to the consideration of House bill 5959, making appropriations for the Treasury and Post Office Departments.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

ADJOURNMENT TO MONDAY

Mr. SMOOT. I move that the Senate adjourn until Monday next.

The motion was agreed to; and the Senate (at 11 o'clock and 10 minutes p. m.) adjourned until Monday, February 15, 1926, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, *February 12, 1926*

The House met at 12 o'clock noon.

Right Rev. Mgr. P. C. Gavan, pastor Sacred Heart Church, Washington, D. C., offered the following prayer:

Almighty and everlasting God, who through Jesus Christ has revealed the wonders of Thy glory and power to all nations, but in a most exceptional and preeminent degree, far beyond all others, to this our own beloved country, look graciously down upon these Thy servants gathered together in this memorable hall of legislation. Enlighten their understanding with the rays of Thy wisdom, inflame their hearts with an abiding love of their fellow men, strengthen their wills to hold steadfastly, under all circumstances, to what is right and true and just, so that in their deliberations here and in all their activities elsewhere they may keep ever in view this threefold objective—the preservation of peace, the promotion of national happiness, the reign and supremacy of law and order in our divinely favored Republic.

We pray Thee, likewise, help us to take to heart and make effective in our life the sublime lessons of exalted patriotism and noble living taught us so strikingly and heroically by that immortal martyred President of beloved and sacred memory, the anniversary of whose birth we commemorate to-day.

We ask these favors of Thee, O God, through Jesus Christ, Thy Son, our Lord and Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE HOUSE

Mr. RUBEY. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Missouri arise?

Mr. RUBEY. Mr. Speaker, this is Lincoln's birthday, and we are to have his Gettysburg address read. I think the Members of the House ought to have an opportunity to hear it, and therefore I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. TILSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their name:

[Roll No. 33]

Aldrich	Fenn	Lanham	Robsion, Ky.
Andrew	Flaherty	Lee, Ga.	Rogers
Bacharach	Fort	Lindsay	Rouse
Beedy	Fredericks	Lineberger	Rowbottom
Berger	Free	Luce	Sanders, N. Y.
Black, N. Y.	Fuller	McFadden	Sears, Fla.
Bulwinkle	Funk	McSwain	Smithwick
Butler	Gallivan	Madden	Sosnowski
Carter, Calif.	Gambrill	Magee, Pa.	Stobbs
Chindblom	Gibson	Mead	Sullivan
Collins	Gilbert	Mills	Sumners, Tex.
Corning	Golder	Montague	Swartz
Cox	Graham	Morin	Swing
Cramton	Greenwood	Nelson, Me.	Swoope
Curry	Griffin	O'Connell, N. Y.	Thompson
Davenport	Hawes	O'Connor, N. Y.	Tincher
Davey	Hudson	Oliver, N. Y.	Upshaw
Dempsey	Hull, Tenn.	Peavey	Vare
Dickinson, Iowa	Hull, William E.	Perlman	Voigt
Dickstein	James	Phillips	Weller
Dominick	Johnson, Wash.	Quayle	Welsh
Drane	Kelly	Ransley	White, Kans.
Drewry	Kendall	Rathbone	Wood
Dyer	Kindred	Reed, Ark.	Yates
Esterly	Knutson	Reed, N. Y.	Zihlman

The SPEAKER. Three hundred and twenty-nine Members have answered to their names, a quorum is present.

Mr. TILSON. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

TERMINATION OF COAL STRIKE

The SPEAKER. The Chair desires to make an announcement, which he knows will be of great interest to the House. The Chair was informed a short time ago officially by the Secretary of Labor that the coal strike is finally settled. [Applause.] And that the parties have entered into a five-year contract. [Applause.]

LINCOLN'S GETTYSBURG ADDRESS

The SPEAKER. Under order of the House, Lincoln's Gettysburg Address will be read by the gentleman from Colorado [Mr. TIMBERLAKE], and the Chair will ask the gentleman to take his place at the Clerk's desk. [Applause.]

Mr. TIMBERLAKE (reading)—

Fourscore and seven years ago our fathers brought forth on this continent a new Nation, conceived in liberty and dedicated to the proposition that all men are created equal.

Now we are engaged in a great civil war, testing whether that Nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battle field of that war. We have come to dedicate a portion of that field as a final resting place for those who here gave their lives that that Nation might live. It is altogether fitting and proper that we should do this.

But, in a larger sense, we can not dedicate—we can not consecrate—we can not hallow—this ground. The brave men, living and dead, who struggled here have consecrated it far above our poor power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here. It is for us, the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, for the people, shall not perish from the earth.

[Applause.]

PENSIONS

Mr. KOPP. Mr. Speaker, in the absence of the chairman of the Pensions Committee, and at his request, I call up the bill (H. R. 7906) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and so forth, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 7906) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and so forth, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. KOPP. Certainly.

Mr. BLANTON. The gentleman's committee, I understand, authorized him to call up this bill?

Mr. KOPP. I understand so.

Mr. BLANTON. Mr. Speaker, I think it ought to be definitely stated as a fact. No member of a committee but the chairman is authorized to call up a bill unless specially designated by the committee.

The SPEAKER. The Chair understands the gentleman has been designated.

Mr. KOPP. That is my understanding, and I was so informed by the chairman.

Mr. BLANTON. If that is the case——

Mr. KOPP. Mr. Chairman, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole House.

The SPEAKER. Is there objection?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I want to ask the gentleman if he has consulted any of the minority members of the committee in reference to this procedure?

Mr. KOPP. I have not. I might say this to the gentleman from Mississippi, that this bill does not include any cases except cases passed during the last session of Congress—that is passed by the House but not passed by the Senate. There are no new cases in this bill.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. KOPP. Certainly.

Mr. GARRETT of Tennessee. What about reporting the bill as it stands now from the committee? Is it a unanimous report?

Mr. KOPP. It is, so far as I know. There is no minority report. It was unanimous in the committee. It relates only to bills that passed this House in the previous session and did not pass the Senate.

Mr. RANKIN. Does the gentleman know that all these bills have been passed upon by the committee?

Mr. KOPP. I do.

Mr. RANKIN. They have all been passed upon by the committee and not simply by the chairman?

Mr. KOPP. Absolutely; they have been passed upon by the committee.

Mr. HASTINGS. Will the gentleman let me make an inquiry? Are all bills that passed the House and failed to pass the Senate embodied in this bill?

Mr. KOPP. Every bill that passed the House at the last session and failed to pass the Senate is embodied in this bill, except those taken out by reason of death or by request or not reintroduced. Some may not have been reintroduced. If not reintroduced, of course, we could not recommend their passage at this session.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws—

The name of Edward P. Coan, late of Companies G, H, and I, Twelfth Regiment United States Infantry, Indian wars, and pay him a pension at the rate of $20 per month.

The name of Loreziar Walton, widow of Charles Allen, alias Percy Walton, late of Company C, Eleventh Regiment United States Infantry, Indian wars, and pay her a pension at the rate of $12 per month.

The name of Reuben Waller, late of Company H, Tenth Regiment United States Cavalry, Regular Establishment, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Clarence E. West, alias Earl West, late of Company M, Forty-ninth Regiment Iowa Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Clarence L. Wimer, late of Company A, Signal Corps, United States Army, Regular Establishment, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Walter S. Reynolds, late of Company I, Nineteenth Regiment Kansas Cavalry, Indian wars, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Frederick L. Eagle, late of Company B, Tenth Regiment United States Infantry, war with Spain, and pay him a pension at the rate of $12 per month.

The name of Margaret C. Cooper, widow of Raymond S. Cooper, late of the United States Navy, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving, and $2 per month additional on account of each minor child of the sailor until they reach the age of 16 years.

The name of Josephine M. Hayes, widow of Avery W. Hayes, late bandmaster, United States Navy, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Sarah A. Evans, widow of Thomas C. Evans, late of the Marine Corps, United States Navy, Mexican War, and pay her a pension at the rate of $45 per month in lieu of that she is now receiving.

The name of Jennie E. Buckley, widow of Daniel J. Buckley, late first-class fireman, United States Navy, Regular Establishment, and pay her a pension at the rate of $12 per month.

The name of Cornelia H. Clopton, widow of Thomas Clopton, late of Capt. John Field's company, Virginia Militia, War of 1812, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of James Burke, late of Battery A, First Regiment Maine Heavy Artillery, war with Spain, and pay him a pension at the rate of $18 per month.

The name of John G. DeCamp, late of Company E, First Regiment Ohio Infantry, war with Spain, and pay him a pension at the rate of $12 per month.

The name of James H. Jevens, late of Company K, Second Regiment Georgia Infantry, war with Spain, and pay him a pension at the rate of $12 per month.

The name of Henry Juvenile, late of Troop M, Third and Troop D, Sixth Regiments United States Cavalry, Regular Establishments, and pay him a pension at the rate of $12 per month.

The name of John M. Stephens, late of Company D, First Regiment Ohio Infantry, war with Spain, and pay him a pension at the rate of $12 per month.

The name of Carrie Miller, widow of John Miller, late of Company A, Battalion Eighteenth Kansas Cavalry, Indian wars, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Mary A. Donaghy, widow of Thomas Donaghy, late of Company F, Seventh Regiment United States Infantry, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Martin Fluegel, late of band, Fifth Regiment United States Cavalry, Indian wars, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of William Lanier, late of Company F, Sixteenth Regiment, and Company D, Second Regiment, United States Infantry, Regular Establishment, and pay him a pension at the rate of $12 per month.

The name of John Dudley, late of Company L, Eighteenth Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Helena Bunt, dependent mother of Joseph W. Bunt, late of Troop B, Thirteenth Regiment United States Cavalry, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of John E. Hanson, late of Company B, Twentieth Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The name of Paulinus G. Huhn, late of Company M, Thirteenth Regiment Minnesota Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Earnest J. Logan, late of Company D, Third Regiment Georgia Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Annie Donaldson, dependent mother of Robert E. Donaldson, late of the U. S. S. *Mayflower*, United States Navy, and pay her a pension at the rate of $12 per month.

The name of Leonard Merical, late of Company F, Twelfth Regiment United States Infantry, war with Spain, and pay him a pension at the rate of $12 per month.

The name of James M. Burns, late of Company L, First Regiment United States Volunteer Engineers, war with Spain, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of Mortimer H. Cadwell, late of Company M, Forty-sixth Regiment United States Volunteer Infantry, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Sanford S. See, late of Company B, One hundred and fifty-eighth Indiana Infantry, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Elizabeth F. Hampton, dependent mother of Otto L. Hampton, late of Fourth Company, United States Coast Artillery, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Henry L. Wiessner, late of Company H, Sixteenth Regiment United States Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Kate McGhehey, dependent mother of Warren C. McGhehey, late of the United States Navy, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Silas Rogers, late of Company M, One hundred and fifty-eighth Regiment Indiana Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Frederick Sholes, late of Troop E, Sixth Regiment United States Cavalry, Indian wars, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Lester Swanberg, late of Machine Gun Troop, First Regiment Illinois Cavalry, border defense, and pay him a pension at the rate of $12 per month.

The name of Clara R. Wilson, widow of James Wilson, late of Company G, Nineteenth Regiment United States Infantry. Indian wars, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Jesse T. Talmadge, late of Troop K, Third Regiment United States Cavalry, Indian wars, and pay him a pension at the rate of $20 per month.

The name of Charles L. Berkheimer, late of Battery L, Third Regiment United States Artillery, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Charles M. McDonald, late of Company H, Thirtieth Regiment United States Volunteer Infantry, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of John R. Sharp, late of Company K, Fifth Regiment Missouri Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Samuel Andrew, late of Company K, Second Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $17 per month.

The name of Susan A. Bankston, widow of Jackson W. Bankston, late of Company E, Fifth Regiment United States Volunteer Infantry, Indian wars, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

The name of William Thomas Bond, late of Company B, Fourth Regiment Missouri Infantry, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Caroline de Witt Flagler, widow of Clement A. F. Flagler, late major general United States Army, and pay her a pension at the rate of $50 per month in lieu of any other pension or compensation to which she may be entitled.

The name of John G. Schempp, late of Company I, Twenty-third Regiment United States Infantry, Indian wars, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Henry B. Schenck, late of the Hospital Corps, United States Army, war with Spain, and pay him a pension at the rate of $12 per month.

The name of Egidius J. Fehr, late of Company M, Thirteenth Regiment Minnesota Infantry, war with Spain, and pay him a pension at the rate of $72 per month in lieu of that he is now receiving.

The name of Archie McDonald, late of Company H, Seventh Regiment United States Cavalry, Regular Establishment, and pay him a pension at the rate of $6 per month.

The name of Albert S. Riddle, late of Troop I, Fourth Regiment United States Cavalry, Regular Establishment, and pay him a pension at the rate of $12 per month.

The name of Mary A. Wray, widow of Seaburn D. Wray, late of Troop M, Fourth Regiment United States Cavalry, Regular Establishment, and pay her a pension at the rate of $20 per month.

The name of Joe H. Ross, late of Company B, Fifth Regiment United States Infantry, and Company A, Twenty-ninth Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $17 per month.

The name of James M. Cawood, late of the Hospital Corps, United States Army, Regular Establishment, and pay him a pension at the rate of $6 per month.

The name of Bige Hubbard, late of Company K, Thirteenth Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $12 per month.

The name of Isaac Townsend, late of the Fourteenth Company United States Coast Artillery, Regular Establishment, and pay him a pension at the rate of $12 per month.

The name of Esther Meece, late of Company H, Third Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $12 per month.

The name of Laura Hendrickson, widow of George D. Hendrickson, late of Company K, Signal Corps, United States Army, Regular Establishment, and pay her a pension at the rate of $12 per month and $2 per month additional on account of each of the minor children of said George D. Hendrickson until they reach the age of 16 years.

The name of Edward Hail, late of Company M, Nineteenth Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $12 per month.

The name of Benjamin F. Johnson, late of Company G, Signal Corps, United States Army, Regular Establishment, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of Granville Burns, late of the Thirteenth Battery, United States Field Artillery, Regular Establishment, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

The name of Robert L. McFarland, late of Company M, Seventh Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Emma J. Mason, widow of Nathaniel H. Mason, alias Dennis Carroll, late of Company H, Sixth Regiment United States Infantry, Regular Establishment, and pay her a pension at the rate of $12 per month.

The name of Benjamin F. Doxtater, late of Company H, First Regiment United States Infantry, war with Spain, and pay him a pension at the rate of $12 per month.

The name of Laura G. Weisenburger, widow of John J. Weisenburger, late major First Regiment Washington Volunteer Infantry, war with Spain, and pay her a pension at the rate of $35 per month in lieu of that she is now receiving.

The name of James A. J. Yokum, late of Capt. Ed. Sheffield's Company (A), Second Regiment Oregon Mounted Volunteers, Indian wars, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Katharina Sparks, widow of Wesley R. Sparks, late of Company A, Ninth Regiment United States Infantry, Regular Establishment, and pay her a pension at the rate of $12 per month.

The name of Hattie A. Cruson, widow of George W. Cruson, late of Company G, Thirteenth Regiment United States Infantry, Indian wars, and pay her a pension at the rate of $12 per month.

The name of Hezekiah C. Cotner, late of Company D, Second Regiment Oregon Infantry, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Sarah E. Smith, widow of William I. Smith, late of Company G, Tenth Regiment United States Infantry, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Seth S. Crosby, late of Troop G, Fourth Regiment United States Cavalry, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of George W. Pinion, late of Company L, Third Regiment Tennessee Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Allen F. McAfee, late of Battery C, Pennsylvania Light Artillery, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Mary K. Stegle, widow of Gebbard Stegle, late of Troop H, Fourth Regiment United States Cavalry, Indian wars, and pay her a pension at the rate of $12 per month.

The name of Mary Elizabeth Carson, widow of Robert Carson, late of Captain Conner's Company, Texas Mounted Volunteers, Indian wars, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Roy Elrod, late of Company C, Twenty-ninth Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

The name of Noah H. Stout, late of Company D, Third Regiment Tennessee Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Calvin R. White, late scout and guide in Indian wars, and pay him a pension at the rate of $30 per month.

The name of Susie Elgretta Henderson, helpless and dependent daughter of John B. Henderson, late of Troop F, Third Regiment United States Cavalry, Regular Establishment, and pay her a pension at the rate of $12 per month.

The name of Percy H. Allen, late of Company F, Second Battalion United States Engineers, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Robert L. Chick, late of Company G, Forty-first Regiment United States Volunteer Infantry, Philippine insurrection, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of William B. Walker, late of Batteries H and O, Third Regiment United States Artillery, war with Spain, and pay him a pension at the rate of $18 per month.

The name of Mary E. Gilland, former widow of John Gilland, late of the Hospital Corps, United States Army, war with Spain, and pay her a pension at the rate of $20 per month.

The name of Edward McCloskey, late of Company G, Third Regiment United States Cavalry, Indian wars, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Thomas H. Stubbs, late of Company D, Ninth Regiment Illinois Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Ralph Lotz, late of the U. S. S. *Maryland* and *Colorado*, United States Navy, Regular Establishment, and pay him a pension at the rate of $24 per month.

The name of Willard L. Anthony, late of Company M, Fourth Regiment United States Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Albert M. Vance, late of Company G, Third Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $6 per month.

The name of William C. Donlevy, late of Company L, Second Regiment Illinois Infantry, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Leo Byrd, dependent father of Clarence Byrd, late of Troop B, Ninth Regiment United States Cavalry, Regular Establishment, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The name of Edith L. Quick, widow of John Henry Quick, late sergeant major, United States Marine Corps, and pay her a pension at the rate of $50 per month in lieu of the compensation she is now receiving.

The name of Charles N. Cannon, late of Company E, Third Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

The name of Nancy A. Sumner, widow of James Sumner, late of Company A, Fourth Regiment United States Infantry, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Mary C. Allen, widow of Joseph W. Allen, late of Company F, Twenty-fifth Regiment United States Infantry, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Bert Myers, late of Company I, Twenty-second Regiment Kansas Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Louisa W. Henderson, widow of John Henderson, late of Company K, First Regiment Alabama Infantry, Mexican War, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of James B. Bently, late of Company G, Tenth Regiment United States Cavalry, Regular Establishment, and pay him a pension at the rate of $6 per month.

The name of Leo Pope Ott, late of the United States Navy, Regular Establishment, and pay him a pension at the rate of $30 per month.

The name of William H. Cole, late of Battery H, Third Regiment United States Artillery, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Eugene A. Rentz, late of Company K, Second Squadron, Cavalry, Georgia National Guard, border defense, and pay him a pension at the rate of $12 per month.

The name of Asa C. Pieratt, late of Troop I, Fourth Regiment United States Cavalry, war with Spain, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Frank M. Griffin, late of Company B, Fourth Regiment Kentucky Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Abijah Eversole, late of Company A, First Regiment Kentucky Cavalry, war with Spain, and pay him a pension at the rate of $6 per month.

The name of Antonio Alberto Madero, late of the United States Navy, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Rufus W. Jones, late of Company L, First Regiment Alabama Infantry, war with Spain, and pay him a pension at the rate of $72 per month in lieu of that he is now receiving.

The name of Conrad Nagel, late of Company A, First Regiment Nebraska Infantry, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Arria S. Sargent, dependent mother of Harry L. Sargent, late of Battery A, First Regiment Maine Heavy Artillery, war with Spain, and pay her a pension at the rate of $12 per month.

The name of Ella M. Shaffer, widow of Edward Shaffer, late of Troop C, First Regiment United States Cavalry, Indian wars, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Hester P. Hart, remarried widow of William Stafford, late of Company H, First Regiment Michigan Volunteer Infantry, Mexican War, and pay her a pension at the rate of $30 per month.

The name of Liuna L. White, widow of Cassius G. White, late musician, United States Navy, Regular Establishment, and pay her a pension at the rate of $12 per month.

The name of Crawford Blair, late of Company F, Twentieth Regiment Kansas Infantry, war with Spain, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Emma Meckel, widow of Charles C. Meckel, late of Troop I, Fifth Regiment United States Cavalry, Indian wars, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Minnie Wolfe, widow of Charles H. Wolfe, late of Company C, Eleventh Regiment United States Cavalry, Philippine insurrection, and pay her a pension at the rate of $20 per month and $4 per month additional for each of the soldier's minor children until they shall attain the age of 16 years.

The name of Bridget M. McCarty, widow of Eugene McCarty, late of Company H, Second Regiment United States Infantry, Regular Establishment, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Edward J. McCauley, late of Company E, Fourteenth Regiment New York Infantry, war with Spain, and pay him a pension at the rate of $18 per month in lieu of that he is now receiving.

The name of Thomas E. Whalen, late of the Hospital Corps, United States Army, Philippine insurrection, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of William T. Hedges, late of Company H, Sixth Regiment United States Infantry, Regular Establishment, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of John Shannon, late of Troop B, Eighth Regiment United States Cavalry, Regular Establishment, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of William S. McGaha, late of Company F, First Regiment Arkansas Infantry, war with Spain, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of I. J. Howard, late of Battery A, Second Regiment United States Field Artillery, Regular Establishment, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

The name of Mary P. McIntire, former widow of William B. Skinner, late of Company I, First Regiment Illinois Volunteer Infantry, Mexican War, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving.

The name of Jane C. Stinnett, widow of George I. Stinnett, late of Company G, First Regiment Arkansas Volunteers, Mexican War, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Bartlett Sharp, late of Company G, First Regiment Ohio Infantry, war with Spain, and pay him a pension at the rate of $15 per month in lieu of that he is now receiving.

The name of Laura Smith, widow of William Smith, late of Company A, Nineteenth Regiment United States Infantry, Regular Establishment, and pay her a pension at the rate of $12 per month.

The foregoing bill is a substitute for the following House bills referred to the Committee on Pensions:

H. R. 501. Edward P. Coan.
H. R. 536. Lorezlar Walton.
H. R. 540. Reuben Waller.
H. R. 541. Clarence E. West.
H. R. 543. Clarence L. Wimer.
H. R. 583. Walter S. Reynolds.
H. R. 598. Frederick L. Eagle.
H. R. 618. Margaret C. Cooper.
H. R. 619. Josephine M. Hayes.
H. R. 649. Sarah A. Evans.
H. R. 681. Jennie E. Buckley.
H. R. 687. Cornelia H. Clopton.
H. R. 732. James Burke.
H. R. 735. John G. DeCamp.
H. R. 744. James H. Jevens.
H. R. 746. Henry Juvenlie.
H. R. 760. John M. Stephens.
H. R. 809. Carrie Miller.
H. R. 833. Mary A. Donaghy.
H. R. 904. Martin Fluegel.
H. R. 943. William Lanier.
H. R. 972. John Dudley.
H. R. 1049. Helena Bunt.
H. R. 1050. John E. Hanson.
H. R. 1051. Paulinus G. Huhn.
H. R. 1070. Earnest L. Logan.
H. R. 1121. Annie Donaldson.
H. R. 1144. Leonard Merical.
H. R. 1180. James M. Burns.
H. R. 1181. Mortimer H. Cadwell.
H. R. 1222. Sanford S. See.
H. R. 1301. Elisabeth F. Hampton.
H. R. 1311. Henry L. Wiessner.
H. R. 1312. Kate McGhehey.

H. R. 1335. Silas Rogers.
H. R. 1428. Frederick Sholes.
H. R. 1461. Lester Swanberg.
H. R. 1484. Clara R. Wilson.
H. R. 1646. Jesse T. Talmadge.
H. R. 1655. Charles L. Berkheimer.
H. R. 1702. Charles M. McDonald.
H. R. 1739. John R. Sharp.
H. R. 1781. Samuel Andrew.
H. R. 1783. Susan A. Bankston.
H. R. 1784. William Thomas Bond.
H. R. 1789. Caroline de Witt Flagler.
H. R. 1836. John G. Schempp.
H. R. 1910. Henry B. Schenck.
H. R. 1911. Egidius J. Fehr.
H. R. 1974. Archie McDonald.
H. R. 1978. Albert S. Riddle.
H. R. 2059. Mary A. Wray.
H. R. 2060. Joe H. Ross.
H. R. 2061. James M. Cawood.
H. R. 2062. Bige Hubbard.
H. R. 2063. Isaac Townsend.
H. R. 2064. Esther Meece.
H. R. 2065. Laura Hendrickson.
H. R. 2066. Edward Hail.
H. R. 2075. Benjamin F. Johnson.
H. R. 2077. Granville Burns.
H. R. 2078. Robert L. McFarland.
H. R. 2244. Emma J. Mason.
H. R. 2246. Benjamin F. Dextater.
H. R. 2274. Laura G. Weisenburger.
H. R. 2292. James A. J. Yokum.
H. R. 2293. Katharina Sparks.
H. R. 2296. Hattie A. Cruson.
H. R. 2298. Hezekiah C. Cotner.
H. R. 2321. Sarah E. Smith.
H. R. 2353. Seth S. Crosby.
H. R. 2392. George W. Pinion.
H. R. 2552. Allen F. McAfee.
H. R. 2569. Mary K. Stegle.
H. R. 2577. Mary Elizabeth Carson.
H. R. 2743. Roy Elrod.
H. R. 2747. Noah H. Stout.
H. R. 2772. Calvin R. White.
H. R. 2817. Susie Elgretta Henderson.
H. R. 2863. Percy H. Allen.
H. R. 2864. Robert L. Chick.
H. R. 2913. William B. Walker.
H. R. 2914. Mary E. Gilland.
H. R. 2929. Edward McCloskey.
H. R. 2967. Thomas H. Stubbs.
H. R. 3072. Ralph Lotz.
H. R. 3077. Willard L. Anthony.
H. R. 3208. Albert M. Vance.
H. R. 3276. William C. Donlevy.
H. R. 3297. Lee Byrd.
H. R. 3343. Edith L. Quick.
H. R. 3391. Charles N. Cannon.
H. R. 3404. Nancy A. Sumner.
H. R. 3429. Mary C. Allen.
H. R. 3441. Bert Myers.
H. R. 3534. Louisa W. Henderson.
H. R. 3541. James B. Bently.
H. R. 3599. Leo Pope Ott.
H. R. 3630. William H. Cole.
H. R. 3631. Eugene A. Rentz.
H. R. 3634. Asa C. Pieratt.
H. R. 3635. Frank M. Griffin.
H. R. 3644. Abijah Eversole.
H. R. 4161. Antonio Alberto Madero.
H. R. 4353. Rufus W. Jones.
H. R. 4354. Conrad Nagel.
H. R. 4408. Arria S. Sargent.
H. R. 4421. Ella M. Shaffer.
H. R. 4613. Hester P. Hart.
H. R. 4854. Linna L. White.
H. R. 4886. Crawford Blair.
H. R. 5136. Emma Meckel.
H. R. 5807. Minnie Wolfe.
H. R. 6432. Bridget M. McCarty.
H. R. 5452. Edward J. McCauley.
H. R. 5656. Thomas E. Whalen.
H. R. 5668. William T. Hedges.
H. R. 5736. John Shannon.
H. R. 5889. William S. McGaha.
H. R. 5890. I. J. Howard.
H. R. 5891. Mary P. McIntire.
H. R. 5894. Jane C. Stinnett.
H. R. 6845. Bartlett Sharp.
H. R. 7646. Laura Smith.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. KOPP, a motion to reconsider the vote whereby the bill was passed was laid on the table.

WAR DEPARTMENT APPROPRIATION BILL

Mr. ANTHONY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8917, the War Department appropriation bill.

The motion was agreed to.

The SPEAKER. The gentleman from Connecticut [Mr. TILSON] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8917, the War Department appropriation bill, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8917, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 8917) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes.

Mr. KVALE. Mr. Chairman, I ask unanimous consent to address the committee for five minutes out of order.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to proceed for five minutes out of order. Is there objection?

There was no objection.

Mr. KVALE. Mr. Chairman, I have permission to proceed out of order. But in reality my remarks are quite in order during a discussion on the bill making appropriations for the activities of the War Department.

Day before yesterday the gentleman from Georgia [Mr. BRAND] in the course of his remarks read to you Colonel McCrae's wonderfully beautiful poem, In Flanders fields. He also, and very properly, read another beautiful poem by one of his constituents, Miss Moina Michael, written in answer to McCrae's poem, after which he said:

There may be in other portions of the United States or of the world some person who may have answered that immortal poem of Colonel McCrae, but I have failed to see it.

I will say to the gentleman that there have been numerous poems—poems almost without number—written in answer to Colonel McCrae's poem. I have four of them here. I may not have the time to read them all, but will insert them in the RECORD. I will read two of them. I think the fathers and mothers of boys who went to France and never came back may derive a little comfort from them. All these poems breathe the spirit of sacrifice and the determination to carry on the struggle for freedom and democracy, not with guns and bayonets but with the sword of the Prince of Peace, the message of love and the brotherhood of man.

IN FLANDERS FIELDS

(By Lieut. Col. John D. McCrae, first published in London Punch)

In Flanders fields the poppies blow
Between the crosses, row on row,
That mark our place; and in the sky
The larks, still bravely singing, fly,
Scarce heard amid the guns below.
We are the dead. Short days ago
We lived, felt dawn, saw sunset glow,
Loved and were loved; and now we lie
In Flanders fields.

Take up our quarrel with the foe!
To you, from failing hands, we throw
The torch. Be yours to hold it high!
If ye break faith with us who die,
We shall not sleep, though poppies grow
In Flanders fields.

A FLANDERS GRAVE

(By Nathaniel Nathanson, teacher, student, writer, of Philadelphia. Published in the Philadelphia Inquirer)

In Flanders fields peace reigns to-night.
Quiet are they who led the fight—
And bravely fought, but had to die,
That freedom's banner still should fly
And justice triumph over might.
Upon one grave by moon made bright
God looks down, from an unknown height,
Where one now sleeps who wished to lie
In Flanders fields.

Where poppies bloomed, there now is white—
For snow adds glory to the site
Of his grave who, in days flown by
Had loved those fields where skylarks fly.
He sleeps now, in the calm moonlight
In Flanders fields.

O, LET ME SLEEP IN FLANDERS FIELDS

(By Henry Polk Lowenstein, lawyer, Kansas City, Mo. Published in Kansas City Star)

In Flanders fields, O, let me sleep,
And wake me not, and never weep
For me. I rest in perfect peace;
And till all earthly strife shall cease,
I shall in silent slumber sleep.
You do me wrong to stir and sweep
Away my fondest hopes, and keep
Me from my rest and just release
In Flanders fields.

Disturb me not, but let me sleep
Right where I am, and never weep
Again, for I shall never cease
To live and make my light increase,
As time rolls on in silence deep,
In Flanders fields.

RESPONSE TO COLONEL M'CRAE'S IN FLANDERS FIELDS

(By Mrs. E. W. Crosby, in volume entitled "Thought." Copyright, 1919)

In Flanders fields, where poppies grow,
We see the crosses row on row;
They mark the place where brave lads fell,
That peace on earth might always dwell.
For old men's wars Youth paid the price,
Climbed Calvary's hill of sacrifice;
Was it in vain their blood was spilled
In Flanders fields?

God calls! Life's war will not be won
Till love abides with every one.
To you who gave your all, we cry,
We'll keep the faith, though we may die
Like you who fell where poppies grow,
In Flanders fields.

AMERICA'S ANSWER

(By R. W. Lillard; written after Colonel McCrae's death in battle, and printed in the New York Evening Post)

Rest ye in peace, ye Flanders dead.
The fight that ye so bravely led
We've taken up. And we will keep
True faith with you who lie asleep
With each a cross to mark his bed,
And poppies blowing overhead,
Where once his own life blood ran red.
So let your rest be sweet and deep
In Flanders fields.

Fear not that ye have died for naught.
The torch ye threw to us we caught.
Ten million hands will hold it high,
And freedom's light shall never die!
We've learned the lesson that ye taught
In Flanders fields.

[Applause.]

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

APPREHENSION OF DESERTERS, ETC.

For the apprehension, securing, and delivering of soldiers absent without leave and of deserters, including escaped military prisoners, and the expenses incident to their pursuit; and no greater sum than $50 for each deserter or escaped military prisoner shall, in the discretion of the Secretary of War, be paid to any civil officer or citizen for such services and expenses; for a donation of $10 to each prisoner discharged otherwise than honorably upon his release from confinement under court-martial sentence involving dishonorable discharge, $166,000.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out on page 14, line 9, the words "civil officer or."

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 14, line 9, strike out the words "civil officer or."

Mr. LAGUARDIA. Mr. Chairman, the purpose of my amendment is to eliminate rewards paid to civil officers for the return of a deserter. In many jurisdictions, like New York, for instance, a police officer is not permitted to take a reward of this kind. In other places we find it has been the practice in the past to entice these men and take them to places where they are A. W. O. L. There has been such practice in the past, where officers in collusion with others entice these men and then bring them back in order to claim the reward. In many places officers are not permitted to accept the reward; for instance, New York policemen can not accept a reward of that kind.

I see no reason why this reward should be paid to a civil officer, and I believe that by eliminating this reward we shall have fewer desertions and that there will be less of this enticing going on in order to recover the reward.

Mr. BLANTON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BLANTON. I quite agree with the gentleman. Does not the gentleman believe that many desertions on the part of young and unsophisticated boys are caused by the fact that such boys are absent without leave for a few hours and then they get scared and run off?

Mr. LAGUARDIA. Yes; and then they bring them in.

Mr. BLANTON. If steps could be taken by those in authority to inform them that when they are absent because of some good reason they should not run off but should come back and there will be no serious punishment, I believe there would be lots of boys who would not desert.

Mr. LAGUARDIA. I think this $50 reward is really a temptation and is wrong in principle.

Mr. ANTHONY. Mr. Chairman, I think the gentleman from New York ought to understand that the entire amount of $50 does not go to the police officer or other official who apprehends a deserter. The entire amount of $50 covers the apprehension and delivery of the deserter, together with all expenses in connection therewith. That means his maintenance while he is in custody and his railroad transportation back to the post from which he deserted, so that the amount the officer who apprehends him receives is nothing like $50.

Mr. LAGUARDIA. If the gentleman will permit, that is not the practice. When an officer has apprehended a deserter he informs the nearest military post, and they send a guard to take custody of the soldier and bring him back.

Mr. ANTHONY. Let me read the gentleman the regulations under which this matter is administered. The regulations very plainly say:

The reward will be paid by the Finance Department, and will be in full satisfaction of all expenses for arresting, keeping, and delivering the deserter or escaped military prisoner.

Mr. LAGUARDIA. I say that no civil officer ought to have the right to take this man and keep him. That is certainly contrary to our whole system of policing.

Mr. ANTHONY. He is probably kept by the local police.

Mr. LAGUARDIA. If he is taken by the local police and lodged in the jail, the police officer does not pay for his board.

Mr. ANTHONY. But the municipality does.

Mr. LAGUARDIA. Exactly.

Mr. ANTHONY. But here is the idea: If the gentleman wants to put the Government to the expense of sending a military detail after these deserters, it would mean the payment of the railroad fare of that military detail and amount to a great deal more money than by simply paying the fare of the officer and the deserter himself.

Mr. LAGUARDIA. I will say to the gentleman that that is exactly the practice. We do send a military guard.

Mr. ANTHONY. I think the gentleman's amendment would more than double the cost of apprehending deserters.

Mr. LAGUARDIA. This is the practice: The civil authorities inform the military authorities that they have a deserter, and then the military authorities send a corporal and two men to get him.

Mr. ANTHONY. I will say that is not the general custom. The general custom is for the civilian officer to deliver the deserter to the post.

Mr. LAGUARDIA. In order to obtain his reward.

Mr. ANTHONY. Surely; and get the expenses.

Mr. LAGUARDIA. And it is a bad practice.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The amendment was rejected.

The Clerk read down to line 17, page 17.

Mr. SCHAFER. Mr. Chairman, I move to strike out the word "duty," in line 23, page 16, and ask unanimous consent to speak out of order for five minutes.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER: Page 16, line 23, strike out the word "duty."

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for five minutes out of order. Is there objection?

There was no objection.

Mr. SCHAFER. Mr. Chairman, I will only take but a few moments of the committee's time. I simply want to announce that I am introducing a resolution asking for a sweeping investigation of the activities of the Custodian of Alien Property. I assure this House that I have evidence in my possession which I will present to the House in the course of a few days which will show conclusively that either the officials intrusted by the Government with the custody of this property are manifestly negligent, incompetent, and inefficient or that they have been in collusion and have connived in a systematic organized looting of this property.

When I present to you in a few days evidence which I have in my possession you will realize that a complete and thorough investigation must be made of the custodianship of all alien property which has been seized by the United States Government. Competent, honest administration by those in charge of this seized alien property is highly essential. This question is greater than that of a domestic question. It reaches the bounds of an international proposition. I will not take up further time of the House but will in the few minutes remaining to me read the resolution:

Resolved, That the Committee on Expenditures in the War Department is hereby authorized and directed to investigate the acts of the Alien Property Custodian, as well as the administration of the Alien Property Custodian's office, and particularly to investigate the following matters: (a) The seizure and appraisal of property; (b) the sale and conversion of property by the Alien Property Custodian, whether or not authorized by law; (c) whether or not such sales or conversions have been by public sale or through private negotiations; (d) whether or not such conversions and sales were adequate and represent the real value of the property converted or sold; (e) whether or not sales have been made to agents, officials, attorneys, or other persons having fiduciary relations to such property, and whether or

not any Government official has, directly or indirectly, financially profited from any such transactions; (f) whether or not the purchasers were bona fide and responsible corporations or persons; (g) whether or not there has been collusion between any Government officials and the aliens or the aliens' agents in arranging and completing sales or conveyances of property; (h) the sale of patents, trade-marks, and trade names to the so-called Chemical Foundation, a corporation of Delaware, or to any other persons or corporations, and the sale of properties of the Bosch Magneto Co.; (i) the sale of properties located in Milwaukee, Wis., to the Allied Corporation, of Boston; (j) the sale and conversions of property to Joseph Lautenberg, of Brooklyn, N. Y.; (k) the release of certain property in the care of the custodian to the American Metal Co.; (l) to investigate the relations of the Department of Justice, especially Harry M. Daugherty, former Attorney General, to the business and affairs of the Alien Property Custodian; (m) whether there has been any undue influence or pressure exerted by any Government official or officials or other persons to prevent criminal or civil proceedings in relation to any transactions; and generally to investigate all matters in any manner touching the legality, good faith, and necessity of all transactions, sales, and conversions affecting all property held in trust by the Alien Property Custodian.

The committee is authorized to send for persons and papers, to administer oaths, to sit during the session or during any recess of the House and at such places as the committee may deem advisable. Any duly authorized subcommittee thereto shall have the same powers as are conferred upon the Committee on Expenditures in the War Department by this resolution.

The expenses of said committee shall be paid out of the contingent fund of the House upon vouchers approved by the chairman of the committee, and be immediately available.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from Wisconsin will be withdrawn.

There was no objection.

The Clerk read as follows:

Regular supplies of the Army: Regular supplies of the Quartermaster Corps, including their care and protection; construction and repair of military-reservation fences; stoves and heating apparatus required for the use of the Army for heating offices, hospitals, barracks and quarters, and recruiting stations, and United States disciplinary barracks; also ranges, stoves, coffee roasters, and appliances for cooking and serving food at posts in the field and when traveling, and repair and maintenance of such heating and cooking appliances; authorized issues of candles and matches; for furnishing heat and light for the authorized allowance of quarters for officers, enlisted men, warrant officers, and field clerks, including retired enlisted men when ordered to active duty, contract surgeons when stationed at and occupying public quarters at military posts, officers of the National Guard attending service and garrison schools, and for recruits, guards, hospitals, storehouses, offices, the buildings erected at private cost, in the operation of the act approved May 31, 1902, and buildings for a similar purpose on military reservations authorized by War Department regulations; for sale to officers, and including also fuel and engine supplies required in the operation of modern batteries at established posts; for post bakeries, including bake ovens and apparatus pertaining thereto and the repair thereof; for ice machines and their maintenance where required for the health and comfort of the troops and for ice for issue to organizations of enlisted men and offices at such places as the Secretary of War may determine, and for preservation of stores; for cold storage; for the construction and maintenance of laundries at military posts in the United States and its island possessions; authorized issues of soap, toilet paper, and towels; for the necessary furniture, textbooks, paper, and equipment for the post schools and libraries, and for schools for noncommissioned officers; for the purchase and issue of instruments, office furniture, stationery, and other authorized articles for the use of officers' schools at the several military posts; for purchase of commercial newspapers, market reports, and so forth; for the tableware and mess furniture for kitchens and mess halls, each and all for the enlisted men, including recruits; for forage, salt, and vinegar for the horses, mules, oxen, and other draft and riding animals of the Quartermaster Corps at the several posts and stations and with the armies in the field, for the horses of the several regiments of Cavalry and batteries of Artillery and such companies of Infantry and Scouts as may be mounted, and for remounts and for the authorized number of officers' horses, including bedding for the animals; for seeds and implements required for the raising of forage at remount depots and on military reservations in the Hawaiian, Philippine, and Panama Canal Departments, and for labor and expenses incident thereto, including, when specifically authorized by the Secretary of War, the cost of irrigation; for the purchase of implements and hire of labor for harvesting hay on military reservations; for straw for soldiers' bedding, stationery, typewriters and exchange of same, including blank books and blank forms for the Army, certificates for discharged soldiers, and for printing department orders and reports, $11,684,391, of which amount not exceeding $3,500,000 shall be immediately available for the procurement of fuel for the service of the fiscal year 1927.

Mr. HILL of Maryland. Mr. Chairman, I move to strike out the last word.

In reference to this appropriation for Cavalry horses, Mr. Chairman, there has been a good deal of talk about the use of Cavalry, in view of the development of the Air Service. I would like unanimous consent to put in the RECORD at this point a very brief but very excellent statement made by the Chief of Cavalry to the Subcommittee on Appropriations in the hearing.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to insert in the RECORD certain documents. Is there objection?

Mr. HILL of Alabama. Mr. Chairman, reserving the right to object, what is the statement about?

Mr. HILL of Maryland. It is about the importance of Cavalry in modern warfare. It is just a brief statement made before the Subcommittee on Appropriations by the Chief of Cavalry, and it is very interesting in connection with this proposed appropriation.

Mr. CONNALLY of Texas. Mr. Chairman, further reserving the right to object, what is it all about, will the gentleman from Maryland state?

Mr. HILL of Maryland. It is about the use of Cavalry in warfare.

Mr. CONNALLY of Texas. How much of it is there?

Mr. HILL of Maryland. It is only two pages of the hearings.

Mr. CONNALLY of Texas. Has it not already been printed at Government expense? Why is it necessary to print it again?

Mr. HILL of Maryland. I think it ought to be where the Members can see it conveniently. The supply of copies of the hearings is exhausted. It is a very short statement of only two pages.

Mr. ALLGOOD. For whose benefit is this?

Mr. HILL of Maryland. It is for the benefit of some gentlemen who said the other day that horses were no longer needed in the Army.

Mr. ALLGOOD. Some of the gentlemen on the committee?

Mr. HILL of Maryland. No; some of the gentlemen who spoke the other day when the appropriation for the books on diseases of the horse and cattle was under consideration.

The CHAIRMAN. Is there objection?

There was no objection.

The matter referred to, the statement of Maj. Gen. Malin Craig, Chief of Cavalry, is as follows:

IMPORTANCE OF CAVALRY IN MODERN WARFARE

Mr. ANTHONY. General, there is some controversy every year about how necessary is the maintenance of a large Cavalry branch. What are your views on that this year? Have they changed any from those previously expressed, as to the necessity of Cavalry in modern warfare?

General CRAIG. Yes, sir; if you will give me about three minutes, I will go into that. I can not tell you anything that I happen to know that you do not know, but I can put it in better form.

Mr. ANTHONY. Before you tell us that, I would be glad to know your ideas about this: It has been brought to the attention of the committee that some of the foreign countries have taken steps to either abolish or to cut down the Cavalry arm.

General CRAIG. Yes, sir.

Mr. ANTHONY. Particularly Belgium has abolished its Cavalry, and the French Government is considering severely curtailing its Cavalry arm.

General CRAIG. Yes, sir.

Mr. ANTHONY. All right, you may proceed.

General CRAIG. I will take that part up first.

The Belgium Cavalry, like the French Cavalry, is not what we understand cavalry to be at all. They are simply mounted men, armed with a weapon that we do not countenance at all; that is the lance. Their problem in Belgium, of course, and even in France or any of these continental countries, is not our problem. That is, we can not conceive of fortified lines without flanks. An analysis of the World War will tell us that this actually ran true to form there, because the allied front, which extended from the North Sea on east, did have a flank, and that flank had a material effect on the close of war, not only in Palestine, but in Syria, Mesopotamia, and Egypt.

Now, to go to the other part of your question, our Cavalry is not, in the European sense of the word, cavalry. Our Cavalry is a very highly specialized mounted infantry. Our men are as heavily armed as in any other body of men, and they are armed with the same proportion of supporting weapons, such as artillery, aircraft, machine guns, etc. They are very heavily armed, and it is not generally understood, unless you stop and think about it, that one of our important weapons is the horse himself, and it is a mighty serious weapon, under the proper conditions.

It has been claimed, or there has been a controversy to the effect that the cavalry was not used during the war. You gentlemen know, because it is your business to know, that the cavalry was used continually during the World War and used effectively and decisively. It was used decisively during the five-year period. I might mention the masterly handling of the British Cavalry on the retreat from Mons, which saved the British Army and a part of the French Army, and the Germans lost the campaign because they did not have sufficient cavalry. The cavalry which the British held at a tremendous expense during the war was of supreme importance and effectiveness in the final retreat of Germany eastward from Amiens, in the capture of material and personnel, and the demoralization of the German communications was worth all that it ever cost.

The same is also true of the cavalry of the French, although they, like the Belgians, are not armed as are ours. It was considered improper for a French cavalryman to ever get off his horse. In the battle of Vitorio Venito, in Italy, the cavalry caused the annihilation or surrender of the Austrian-German Army.

Mr. ANTHONY. Did the Italians use cavalry in that battle?

General CRAIG. Vitorio Venito is the name of the cavalry offensive which resulted in the destruction and capture of the Austrian Army. They handled it in columns and went around behind them and brought them all in. Von Mackensen's campaign in Rumania was opened and closed by a cavalry screen. Then, there were many smaller happening all along.

Based on those things, the men whom we recognize as the masters of their trade to-day, beginning with Hindenburg and Ludendorff on the German side, and going right through the Allies, Foch, Wegand, Haig, Pershing, and the Italian Diaz—all of those men are on record in their formal reports, as to the greater value of cavalry than ever before, due to development of aircraft, perhaps, which we recognize, too.

I know that you know those things. Now, a part of the argument which I can not but help think is perhaps propaganda, is that aircraft takes over the duties of cavalry. The aircraft people themselves in all countries, including our own, teach just the contrary. They can lighten the duties of the cavalry in certain instances.

The cavalry has about 14 major duties. One of those duties is reconnaissance, and the aircraft can unquestionably, under many conditions, relieve the cavalry of what we call strategical or long-distance reconnaissance. The delineating of a hostile contour and reporting on it, the capture of prisoners, the screening of troops under movement, the turning in of negative information, which is just as important to a commander as positive information, are a few of the things that the aircraft people, the experts, teach that they can not do. They do not go into any but intermittent observation, and it is the business of the cavalry to attend to it. They do not go into night business; they do not go into wooded or heavy country, or into fogs and storms, and all that sort of thing. So if any agent can take over this duty of reconnaissance, which is an important one, the cavalry says, "Do it, because it increases our efficiency."

I think the greatest duty that the cavalry commander has to perform is to have his unit in hand for the supreme effort in combat; he must have his full force to strike with, and that is his supreme duty to hit with all he has during the relatively fleeting opportunities that he has.

Another little item which is of interest——

Mr. ANTHONY (interposing). So your argument is that the use of the airplane for reconnaissance really increases the efficiency of the Cavalry?

General CRAIG. Yes, sir. You understand that we teach our people that with the Air Service it is, as with any other branch, teamwork that counts. They may supplement our work. There are times when they can not do it, and there are times when they can not do it accurately. You have to have some forces in the field which pin the hostile forces where the Infantry can hit them. You can not do that in the air. That is merely one instance. You can not do it alone with the artillery or with anything else, unless you have something else that goes around fast, and which is temporarily self-sustaining.

Mr. ANTHONY. What is the proportion of cavalry in the Mexican Army?

General CRAIG. I can not tell you that now, sir, but I can find it out. The mounted men are two and a half to one of other branches.

Mr. ANTHONY. In the Mexican service?

General CRAIG. Yes, sir. In fact, they are all mounted, practically.

Mr. ANTHONY. They have to be to get over those vast areas.

General CRAIG. Yes, sir; it is just the genius of those people.

Another little item of interest on this same subject is that during the second year of the war you will remember that the Central Powers made a pass at the Suez Canal, and it is a fact that they went across Arabia with a large force, something like 30,000, both Turkish and Germans. The British knew that they were coming, and they had airplanes, but they never discovered them until they were within rifle shot of the Suez Canal. In other words, camouflage is also an important defense, because, although you can get a photograph, the photograph is not available in time to use it.

It is a matter of interest to-day that if you were to press a button in the War Department here, you could turn out a completely equipped Cavalry division, ready to take the field and stay there and handle itself, and I think that is the only force in the United States to-day that is so set up.

Mr. ANTHONY. Does it still continue to be used to-day in pursuing military operations in what are known as the wide open spaces of our West and Southwest; is the Cavalry still as necessary as it was?

General CRAIG. I honestly think so, and I base that on the opinion of men who have had even more study than I have had.

Mr. ANTHONY. I think that is all, General.

Mr. HILL of Maryland. This statement of General Craig shows that to-day cavalry is even more important than before the development of the Air Service.

Mr. BLANTON. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, the gentleman in charge of the bill has stated he would not mind my having 10 minutes. I did not take any time in general debate on the bill. I ask unanimous consent, therefore, to speak out of order for the 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, scattered throughout our 435 districts in the United States there are over 30,000 intensely interested, thinking Americans—Republicans and Democrats—who daily read each issue of the CONGRESSIONAL RECORD. To them I now speak. From them I always get a square deal. They estimate our characters, purposes, and positions not from a misleading press, and not from what appears in but one issue of the RECORD, but they size us up from what they gather from all issues of the RECORD—in Congress after Congress.

And through the past decade they have learned that I am actuated by but one purpose, and that is a real, earnest, conscientious desire to be of service to my country, and to help eliminate all waste, extravagance, and graft from Government business.

From time to time an attack is made upon me. It merely calls attention to and emphasizes the work I am doing for the people. It hurts not me but merely the one who attacks.

Last Monday we debated the Zihlman bill which appropriated $345,000 to build two bathing pools here, one for the white and the other for the colored people of Washington. I fought to prevent this $345,000 from coming out of the Public Treasury, but sought to have it come out of District revenues, as Washington people should pay for their own bathing pools. And I did not want it spent by a department which in past years has wasted hundreds of thousands of dollars. I had specially prepared a speech on the subject. I had control of 1 hour and 30 minutes general debate, in half of which time I could have read my speech. But other colleagues wanted me to yield them time on other subjects. So I got permission to extend my remarks, and printed my speech, which covered my investigation of this particular department as to wanton waste of $200,000 on another bathing pool and maladministration of its business in many particulars. And then I yielded time to my colleagues, Mr. BEGG, of Ohio; Mrs. NORTON, of New Jersey; Mr. O'CONNOR, of New York; Mr. BOYLAN, of New York; Mr. MILLS, of New York; Mr. LAGUARDIA, of New York; Mr. MOORE, of Virginia; Mr. HOUSTON, of Delaware; Mr. HAMMER, of North Carolina; Mr. JACOBSTEIN, of New York; and Mr. UNDERHILL, of Massachusetts.

Monday's CONGRESSIONAL RECORD was printed that night and appeared early Tuesday morning. The House was regularly in session Tuesday, yet not one complaint from any Member was made about my printed remarks.

But when the House met on Wednesday, February 10, 1926, the gentleman from New York [Mr. SNELL] complained that I had printed "private letters and various exhibits of various kinds," and he caused nearly two pages of the RECORD to be taken up with his attack. I want every one of the readers of the CONGRESSIONAL RECORD to turn to page 3551 of the CONGRESSIONAL RECORD for Monday, February 8, 1926, and read all of my extension, and then decide whether I deserved criticism. Cite me one paragraph that was not pertinent and material. Instead of junketing to Europe, or Japan, or Alaska, or otherwise enjoying myself, I worked during my entire vacation from March 4, 1925, to December 7, 1925 (with the exception of one week in Texas), working from 10 to 12 hours each day throughout the entire summer, checking up various governmental business here in Washington, and such extension covered my investigation of this one wasteful department, embracing facts which every Congressman here should know. He complained that I put in more remarks than do others. Can he name any other Congressman who worked here during the entire vacation? Then if I made more investiga-

tions and secured more information, pertinent to legislation, than others did, why should I be criticized for making it public?

You will note in the RECORD when he criticized me Wednesday I asked the gentleman from New York [Mr. SNELL] "why he picked me out," when it was a common practice of his Republican colleagues to make such extensions. Why did he not criticize them? Look on page 3639 of the RECORD for last Tuesday, February 9, 1926, and you will see that the chairman merely yielded momentarily to a gentleman from New York, and without the RECORD showing that he secured permission, although he advises me that he did do so, which is unquestioned, he extended his remarks by printing a long interview from Maj. Gen. Leonard Wood, copied out of the Chicago Daily News.

And you will please note in the RECORD for Wednesday, February 10, 1926 (the same day Mr. SNELL criticized me), on page 3733, the chairman yielded three minutes to one of Mr. SNELL's Republican colleagues, and then without getting any permission, such colleague extended his remarks, covering pages 3733, 3734, 3735, 3736, 3737, 3738, and 3739 of the RECORD, and not one word of criticism has Mr. SNELL lodged against either of said Republican colleagues. Now, I will show "why he picked me out."

You will note in Wednesday's RECORD that the gentleman from Iowa [Mr. DOWELL] also had to take his slam at me. If you will look on page 3628 of the RECORD for Tuesday, February 9, 1926, you will see that as soon as the House met, immediately after the Journal was read, Mr. DOWELL made a point of no quorum, which wasted 25 minutes of time, and that I then notified him that he could not resort to that action to keep me from getting a record vote on my motion, as I would be able to get enough Members to demand the yeas and nays anyway. But he forced a useless roll call, and I did thereafter get enough Members to stand up to order the yeas and nays, and my motion was to make this $345,000 for Washington bathing pools come out of District revenues, but it was defeated. But I put both Mr. SNELL and Mr. DOWELL on record to show who was responsible, and naturally the press of Washington rejoiced, for they hate to pay for their own bathing pools. I will quote just a few short excerpts from the Washton headlines to show you how they feel about it. The Washington Star of Monday evening says:

House approves building of two bathing beaches.
Votes $345,000 for fund for swimming pools for District.
Efforts of BLANTON to make District of Columbia pay fail.
Amendment to require city to bear all expense defeated, 43 to 37.

* * * * * * *

Representative BLANTON argued that in the removal of the bathing beach from the tidal basin last year Lieut. Col. Clarence O. Sherrill, then officer in charge of public buildings and parks, "wasted $200,000."

I do put remarks in the RECORD; but if you will look at them, you will see that every time it is in an earnest desire to accomplish something for the taxpayers of this Nation. It is based upon hard work. It is based upon work night and day, and I collaborate and cooperate with the chairman of your Committee on Appropriations all the time to try to cut out waste. I cooperate with our distinguished Speaker in every way I can to prevent waste. I cooperate with all your committees and with your Republican steering committee in every way I can to cut out waste and prevent extravagance in the Government. I fight with you sometimes for or against certain legislation when I think you are right, when I receive criticism from some Members on my own side of the House. I did this all during the Democratic administration, when in some of my attacks upon the waste and improper action of certain Democratic administrative officers I received the criticism of some of my own colleagues. It was in an earnest desire to be of service to my country that I placed said facts before you, and I do not think any such criticism as my friend from New York [Mr. SNELL], because he is my friend, or my friend from Iowa, because Mr. DOWELL is my friend, was deserved.

This was work I did last summer in vacation that I was trying to get before you, my colleagues.

Look at my extension about the Carlo Tresca case in the RECORD of January 4, 1926. Was not that worthy of being placed in the RECORD? Read the bushel basketful of letters I have in my office from your constituents, Republican business men of this country, who say, "Mr. BLANTON, it is worthy, and we indorse your efforts."

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. I thank the committee, and I thank the chairman [Mr. ANTHONY] for this time.

The Clerk read as follows:

Army transportation: For transportation of the Army and its supplies, including retired enlisted men when ordered to active duty; of authorized baggage, including that of retired officers, warrant officers, and enlisted men when ordered to active duty and upon relief therefrom, and including packing and crating; of recruits and recruiting parties; of applicants for enlistment between recruiting stations and recruiting depots; of necessary agents and other employees, including per diem allowances in lieu of subsistence, not exceeding $4 for those authorized to receive the per diem allowances; of dependents of officers and enlisted men as provided by law; of discharged prisoners, and persons discharged from St. Elizabeths Hospital after transfer thereto from the military service, to their homes (or elsewhere as they may elect): *Provided*, That the cost in each case shall not be greater than to the place of last enlistment; of horse equipment; and of funds for the Army; for the operation and repair of boats and other vessels; for wharfage, tolls, and ferriages; for drayage and cartage; for the purchase, manufacture (including both material and labor), maintenance, hire, and repair of pack saddles and harness; for the purchase, hire, operation, maintenance, and repair of wagons, carts, drays, other vehicles, and horse-drawn and motor-propelled passenger-carrying vehicles required for the transportation of troops and supplies and for official military and garrison purposes; for purchase and hire of draft and pack animals, including replacement of unserviceable animals; for travel allowances to officers and enlisted men on discharge; to officers of National Guard on discharge from Federal service, as prescribed in the act of March 2, 1901; to enlisted men of National Guard on discharge from Federal service, as prescribed in amendatory act of September 22, 1922; and to members of the National Guard who have been mustered into Federal service and discharged on account of physical disability; in all, $14,467,580, of which amount not exceeding $2,000,000 shall be immediately available for the procurement and transportation of fuel for the service of the fiscal year 1927.

Mr. CONNALLY of Texas. Mr. Chairman, I move to strike out the paragraph.

I would like to ask the gentleman from Kansas [Mr. ANTHONY] what the tables of organization of the War Department and the regulations provide about furnishing automobiles and chauffeurs for the private use of Army officers. Is it not true that each brigadier general and those of higher rank located here in the city is furnished an automobile and a driver out of these funds at Government expense?

Mr. ANTHONY. No; I do not think that is the case. I think if a brigadier general was stationed at a post in active command, he would be furnished with an automobile with a man assigned to drive it, but not in the city of Washington.

Mr. CONNALLY of Texas. What about major generals?

Mr. ANTHONY. Unless the officer exercises some command here in Washington, he would not be allowed the automobile.

Mr. CONNALLY of Texas. I thought every major general was supposed to command somebody.

Mr. ANTHONY. Some of them are on duty which does not contemplate the exercise of command.

Mr. CONNALLY of Texas. Will the gentleman do this for me? Will the gentleman agree to get a statement from the Secretary of War with reference to the regulations of the department about furnishing officers here in the city with automobiles for their own private social use, and also the rank and grade and under what conditions such cars are assigned to these officers?

Mr. ANTHONY. I think we could get that for the gentleman in a few moments. I want to say that within the last few years the promiscuous and indiscriminate use of automobiles for Army officers has largely disappeared, and the only officers that have the use of automobiles are those high in rank where their use is necessitated by public business.

Mr. CONNALLY of Texas. That may be, but Members see with their own eyes many cases of enlisted men acting as chauffeurs, and in other cases civilians acting as chauffeurs in automobiles branded with the Government sign "for official use only"; and these cars are standing at apartment houses, driven over the streets with ladies in them and no generals about. It is for the Government to say if it wants to adopt that kind of policy, but I think the Congress ought to know when it is making these appropriations for transportation what the War Department is doing and what it proposes to do. I do not pretend to know what the regulations are, and that is the reason I am asking the gentleman from Kansas, who has the ear of the department and to whose ear the department has access because of his position and his fine personal qualities, and I should like for him to get the information and put it in the RECORD.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. WAINWRIGHT. Is the gentleman sure that he is right when he says that he has seen cars with ladies in them and no officers? There may be one or two cases in the case of officers of very high rank. My understanding is that there are no major generals of the War Department, none of those serving on the General Staff, except in the case of the highest officers, who have any automobiles assigned for personal use. There is a general pool of automobiles for use of all those officers in the higher departments, and when they want a car they have to draw on that pool and have a car assigned for their special use for some purpose in connection with their duties.

Mr. CONNALLY of Texas. The gentleman's distinction is a very keen one, but makes very little difference. I can understand how it might be more advantageous for a general to have access to a whole flock of automobiles than to have only one assigned for his use, because I have found that individual cars go wrong and break down, and if they have a right to call on the motor corps to send them a car at all times, that may be an advantage. I can readily understand how that would be much more desirable than to have an individual car. I formerly lived at the Wardman Park Hotel and I have seen any number of Army cars, Navy cars, marine cars at one time and another. I understand that a number of cars have been assigned for social use of the Army to take Army officers and their wives to parties and social gatherings. I do not know, but I want to know.

Mr. WAINWRIGHT. I am taking issue with the gentleman that any such practice prevails in Washington. If that is done it is contrary to the policy and regulations of the War Department—that these cars marked official are being used for social purposes for ladies except two or three at the top, for that is contrary to the regulations which prevail.

Mr. CONNALLY of Texas. I do not say it does. I have had that information, but I do not know except in a few cases; if I had known I should not have asked the question of the gentleman from Kansas. Gentlemen around me say that they have seen Army cars carrying generals and other officers across the country to football games at Baltimore. That is hardly official business. I want the gentleman from Kansas to get a statement from the Secretary of War and put it in the RECORD. Let that statement show the number of Army passenger cars there are in Washington and what use is made of them. The gentleman from New York talks about regulations of the department. Of course, they have a sign up "for official use only," but that does not always mean for official use.

Mr. WAINWRIGHT. My point is that those regulations are enforced more than the gentleman is giving credit for.

Mr. CONNALLY of Texas. Writing under the picture of a cow "this is a horse" does not make it a horse.

The pro forma amendment was withdrawn.

The Clerk, proceeding with the reading of the bill, read to line 7 on page 26.

The Clerk read as follows:

MILITARY POSTS

For the construction and enlargement at military posts of such buildings as in the judgment of the Secretary of War may be necessary, including all appurtenances thereto, $100.

Mr. McKEOWN. Mr. Chairman, I move to strike out the last word in order to ask the chairman of the committee if any provision has been made for garrisons in the Hawaiian Islands. At Schofield Barracks there are some temporary buildings which have been occupied for 15 years, and they are nearly rotten. The hospital is in a deplorable condition as far as the building is concerned. Did this situation come to the attention of the committee?

Mr. ANTHONY. Under the head of "Barracks and quarters" the committee has increased the Budget recommendation by $450,000 so as to allow more money to be used in repairing existing barracks and quarters. There is no money carried in this bill to construct any new quarters, it being the plan to wait until the Congress approves the general construction program, and then the committee will undoubtedly be called upon to appropriate money for new buildings.

Mr. McKEOWN. Those buildings where these soldiers are confined are miserable shacks. It is a disgrace to the country to keep soldiers in them. The soldiers, of course, keep them as clean as is possible under the circumstances.

Mr. ANTHONY. The gentleman is referring to the barracks in the Hawaiian Islands?

Mr. McKEOWN. Yes; at Schofield.

Mr. ANTHONY. The situation there is this, in brief: The War Department is carrying there about 14,000 men. They have modern buildings there to accommodate about 10,000 or 12,000.

Mr. McKEOWN. That is true.

Mr. ANTHONY. If the War Department was not pursuing this policy of sending more men to Hawaii than they should send there, in the opinion of some of the members of this committee, there would be no trouble about ample barrack accommodations, but if they follow this policy of continually sending a larger garrison than necessary, of course, they will not have proper buildings in which to house the men.

Mr. McKEOWN. I understand that the policy of sending soldiers to Hawaii is due to the fact that there is an insufficient number of men there in the event of any emergency on the islands.

Mr. ANTHONY. I think that is a debatable question.

Mr. McKEOWN. The hospital is the most dangerous. It would be a crime for the soldiers to be burned up in that ramshackle hospital.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. BARBOUR. Some of the barracks at Schofield are very good buildings.

Mr. McKEOWN. I know that is true.

Mr. BARBOUR. The concrete building was in good condition, and there is no objection to that.

Mr. GARRETT of Texas. Mr. Chairman, I rise in opposition to the pro forma amendment. What provision is made in this bill to take care of the hospital buildings at Honolulu, in the Hawaiian Islands?

Mr. ANTHONY. No provision is made in the bill other than an item under which reasonable repairs can be made. The situation at the hospital in the Hawaiian Islands is that the War Department has not asked at any time that we can remember for any funds with which to complete that partially constructed hospital building. If they had given this committee the information which we have only received this year, and then only received by reason of one of the members of the subcommittee, Mr. BARBOUR, having visited the Hawaiian Islands, we would have undoubtedly provided for the completion of the building.

Mr. GARRETT of Texas. And there is no provision made to complete that building?

Mr. ANTHONY. No; but we understand that the War Department in a short time proposes to come before this Congress with an estimate for needed new construction, which will cover that hospital.

Mr. GARRETT of Texas. When I visited this hospital last summer the officers in charge were very urgent in their demand for additional appropriations to finish the part of the unit they have there now, which, according to their statement, they can not use because they can not get all of the patients in, and they have several thousand dollars in the building standing there now with nobody in it, a brand-new building, and they have sick soldiers housed in a miserably unfitted hospital about half a mile farther down the highway. The officers said that during the rainy season they could not keep the roof patched sufficiently to keep the men in the dilapidated hospital in dry places, and they were compelled to push the sick men from one side of the barracks to the other while it was raining, and they showed us the many holes in the roof. We wanted to know why they did not put some of these men in the new barracks and they said it was because they could not put them all in there, and because they could not put them all they would not put any in. That is the kind of management we found. I join with the gentleman from Oklahoma [Mr. McKEOWN] in saying that it is shameful that they have the kind of hospital they are using. I inquired why it was that they built such comfortable structures, which are a credit to the Nation, for the officers and left the sick men to be cared for last. They said that was all done before they went there. They agreed with the proposition that it was wrong, but nobody seemed to know. That is the condition there now. Absolutely, if a fire ever breaks out, if it is ever dry enough there to have a fire, that hospital will burn up in two minutes just like a sedge field.

Mr. ANTHONY. The only reason I know why that hospital has never been completed is that the War Department has failed to ask Congress for a single dollar for that purpose.

Mr. GARRETT of Texas. When the gentleman gets to the pay of the officers I wish the gentleman from Kansas would have a limitation put on such as I will propose. Knowing the sentiment of the gentleman from Kansas [Mr. ANTHONY], having served with him for many years on the Committee on Military Affairs, I think he will appreciate what I say when I tell him the condition that I saw there. I hope nobody will make a point of order when I offer this limitation. I inspected this hospital, and there was at the time several convalescent soldiers

in it who could hardly stand up. The aid in front of the general entered the door and shouted attention and required those poor, sick soldiers to stand at attention while the general went through this hospital ward. I would like to have some limitation put in the bill that would prevent an officer who would permit such a thing to be done from receiving any pay. The idea of a man compelling a lot of sick men to stand at attention while the general walks through a hospital is so repulsive to me that I want to have something go into the RECORD here about it so that people may know, and I wish the gentleman from Kansas would put a limitation on the pay of such an officer when we get to it. [Applause.]

Mr. WINGO. Mr. Chairman, I offer the pro forma amendment, if necessary. Mr. Chairman, I am surprised to know the Army, in view of the criticisms of Congress which have been made by these officers, has not asked anything. I know I remember very distinctly stating to those officers out there when they jumped on Congress I said that the trouble is with the War Department and the Director of the Budget. You get by the Director of the Budget and there will be no trouble in having hospitalization for soldiers taken care of by Congress, because they have never failed to take care of the necessary hospital charges which are properly presented to the Congress.

Mr. BARBOUR. Will the gentleman yield?

Mr. WINGO. I will.

Mr. BARBOUR. As I understand, it does not rest with the Budget, because I understand the War Department has never included that hospital in its estimate.

Mr. WINGO. That is something I can not understand. They ought to be criticized for that They have magnificent barracks. They have as handsome a club for officers as you will find in any resort in Florida or anywhere else. They have a wonderful place, and it made my blood boil to see the shacks in which they placed those sick boys. My friend from Texas [Mr. GARRETT] knows I flew the coop and got so mad that one of the officers, in trying to see if he could pacify me, wanted to take me out and show me his guinea pigs. I said, "No; I have seen enough." I felt like they ought to take these men out of these miserable shacks, which they could not keep dry when it rained. Why, gentlemen, I would not keep a prize hog of mine in the hospital quarters where they were keeping those sick boys in out there. I had a feeling of resentment that those out there in charge have not raised hell with the department. It is said that the department has not asked for anything. They say they can not use it because it is not completed; that you do not give money to get the equipment; and they put up a lot of concrete walls out there. Why, all the hosts that shook down the walls of Jericho could not make an impression on those concrete buildings. Why, if I had authority I would have a complete hospital if I had to rob their club house to do it——

Mr. HUDSPETH. Will the gentleman yield?

Mr. WINGO. I will.

Mr. HUDSPETH. Do you suppose they will complete it with the $100 authorized to be appropriated here?

Mr. WINGO. No. Here is what makes me indignant. When the boys go back to the States they sing a song, the officers sing that old song that "Stingy Congress will not give proper quarters in which to put sick soldiers." They first started when I was there to sing this song. I said, "Congress never fails to provide hospital facilities, and if they err it is on the side of extravagance." I said, "Here is this hospital in a miserable condition, and you do not even ask Congress to appropriate the money." I felt absolutely sick and outraged at it. When I went there and saw Schofield Barracks I felt like getting into a personal controversy, because I felt so outraged at officers who would permit soldier boys who were sick to be placed in such miserable shacks as those I saw.

I would take my tents out and put these sick boys in tents. They would be better off then than they are in these old worn-out wooden shacks. If a fire ever sweeps those quarters, it will burn up half of those boys before they can get them out. The War Department should at least use their tents out there to take care of these boys.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. ALLGOOD. Does the gentleman think that the officers there criticize Congress instead of criticizing the War Department, refraining from criticizing the War Department for fear they might be court-martialed?

Mr. WINGO. I do not know as to that, but that may be true. I do not want to be unnecessarily severe on those officers criticizing Congress. That is a habit everybody has gotten into. The thing that I criticize them for is they do not take their tents or find some other way to take care of these poor bedridden, sick boys that they are keeping in those shacks. I would forfeit my commission in the Army, if I were an officer, before I would permit the conditions to continue that exist there. I would raise hell about it. They have this big building there, with concrete walls 3 feet thick at the base. I would take the equipment out of that officers' club, if necessary, and take these boys from those shacks.

Mr. GARRETT of Texas. Mr. Chairman, will the gentleman yield there?

Mr. WINGO. Yes.

Mr. GARRETT of Texas. There must be something wrong about that, because the officers who showed us this deplorable condition mentioned the amount of money they would ask Congress to appropriate, and when they distributed those statements to us on the boat they said they would call it to the attention of Congress when it convened in December.

Mr. WINGO. Yes. They started out to mob us at first, as if we had not given them all the money that was needed.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. DENISON. I sympathize with the gentleman from Arkansas in his feelings, and I think he is right about this; but does he not think he is using a little too strong language in several instances in the remarks he has made? It is hardly appropriate to make such remarks and have them appear in the CONGRESSIONAL RECORD, with people in the galleries who may get a wrong impression of Congress from the remarks of the gentleman that are couched in rather sulphurous language. I hope the gentleman, when he comes to revise his remarks, will cut those expressions out of the RECORD.

Mr. WINGO. I have difficulty in using parliamentary language in describing the condition that existed at Schofield Barracks. A little righteous indignation and a few strong words are not going to hurt the reputation of this Congress, and I shall leave what I said in the RECORD. If this Congress would get up and raise a little hell about some things that are going on, the country would have greater respect for Congress. The way we get down on our bellies and kotow to the bureaucrats is demoralizing and unedifying. Here is a little paltry $100 to repair the barracks at Camp Schofield.

Mr. HARRISON. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. HARRISON. I would call the attention of the gentleman to the fact that the Secretary of War has said that $10,000,000 could be added to the appropriation in this bill and that it would be economy on the part of the Government; and not only that, but in the long run it means an additional burden on the taxpayers of the country; and, furthermore, that the condition of the barracks and the general establishments in this country is a national scandal.

Mr. WINGO. That is true. Why did he not ask for an appropriation? It is the same old cry of economy for economy's sake. I am in favor of economy, but we are not practicing it. We are letting contracts by piecemeal. The gentleman saw one example in the harbor at Hilo. There you could have let the contract originally for one-half of what you have paid out. But the cry is "economy." I am against that economy that will take our boys into the Tropics and put them in miserable, indecent shacks, such as I saw at Schofield Barracks. Let us take what money is needed and give these boys at least decent quarters. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. BANKHEAD. Mr. Chairman, it seems to me this is a very serious matter that has been presented here with reference to the inadequacy of the hospital facilities for our disabled soldiers over in that section. In view of the personal knowledge that is had on the part of Members of the House of an urgent need of an appropriation to remedy the situation which has been described, I wonder why, despite the alleged inactivity of the War Department and the Budget Bureau, the Committee on Appropriations has not made some provision in this bill to take care of the situation?

Mr. BARBOUR. I will say to the gentleman that I saw those barracks, and they are in bad condition. They also have a magnificent concrete building standing there that is not yet connected up with plumbing. It is not completed, and for that reason they say they can not use it.

Mr. WAINWRIGHT. One is a hospital building?

Mr. BARBOUR. Yes. One unit of a hospital building, but it is not connected up, and for that reason they say they can not use it.

Mr. BANKHEAD. Does the gentleman contend that adequate appropriations are now available for the purpose of providing proper hospital facilities at that place?

Mr. BARBOUR. No; I would not say that adequate appropriations are provided in this bill for the finishing of the building, but there is a bill pending here before the House which has passed the Senate, providing for the sale of some of the unnecessary Army sites and putting the money into a building program. Just as soon as that bill becomes a law it will not be necessary to wait until the money is realized, but immediately this building program will be launched, and No. 1, we are told, on the Hawaiian program is the completion of this hospital.

Now, gentlemen, I am in favor, just as much as anybody on this floor, of making the proper hospital provision at the earliest possible moment, and nobody who has seen that hospital would be otherwise than in favor of completing it at the earliest possible moment in order to get those men out of the buildings where they are now. The bill I refer to is now on the calendar. It was called up last Monday on the Unanimous Consent Calendar, but consideration was objected to.

Mr. BANKHEAD. That very remark, Mr. Chairman, impresses me with the seriousness of what seems to me, with all due respect, to be a dereliction upon the part of the Appropriations Committee, some members of which have personal knowledge of this deplorable situation. The gentleman from California says that if we wait and take the chance of some remedial legislation passing, as proposed in some other bill, which has already been objected to and which may be subjected hereafter to indefinite legislative delay, this deplorable condition will be corrected, and for that reason he thinks the Appropriations Committee ought not to have made a direct appropriation in this bill.

However, it seems to me that what the committee should have done, with a knowledge of the facts, was to have made an appropriation in this bill at the very first opportunity to remedy this situation, and I think that an amendment at this stage of the game, in view of what has been stated, ought to be offered, and it ought not to be objected to on a point of order. It seems to me that condition ought to be remedied at the first opportunity, and this is the first opportunity—the passage of this bill—to correct that situation.

Mr. WINGO. I will say to the gentleman from Alabama that I am going to offer such an amendment.

Mr. HILL of Alabama. Let me say to the gentleman from Alabama that the bill to which the gentleman from California refers, the surplus property bill, is not even on the calendar of this House now. By unanimous consent it has gone back to the Military Affairs Committee, and it is pending in that committee to-day. There is a question relative to the title of some of this property that is proposed to be sold, and there is some question as to some provisions in past laws, so it is a very indefinite proposition as to when that bill will pass, and even when that bill does finally become a law that property has got to be advertised for sale.

Mr. BARBOUR. Let me say to the gentleman that they do not have to wait for the sale of the property. They can start in at once on the work and go on with the construction program.

Mr. HILL of Alabama. But the money necessary to carry out the construction program must come from the sale of that property.

Mr. BARBOUR. No; they have the money on hand now, and they can go ahead with the construction program.

Mr. BANKHEAD. Then why has not the gentleman's committee provided for the commencement of this construction?

Mr. BARBOUR. Because they want the authorization contained in that bill.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BARBOUR. Mr. Chairman, I ask unanimous consent that the gentleman have five additional minutes.

The CHAIRMAN. The gentleman from California asks unanimous consent that the gentleman from Alabama be allowed to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Chairman, I have stated what just impulsively occurred to me here, after hearing a statement of the facts, as a remedy for this situation. I am not on the Military Affairs Committee; I am not on the Appropriations Committee, but as a member of the Committee of the Whole, and sharing with all Members of the House anxiety and solicitude for the comfort and welfare of our stricken soldiers, it just occurred to me that an opportunity was presented here, with a full knowledge of the facts—where there had been some disclaimer as to real responsibility—to remedy this situation. I submit the duty rests upon those in charge of this bill, after these facts have been presented and are undenied, to take steps here and now to correct that situation. I am glad to know that my friend from Arkansas [Mr. WINGO] proposes to offer an amendment to meet this situation, and I do trust that those in charge of this bill will not raise a point of order against it but give it their support, because it seems to me a very grievous situation has been presented which ought instantly to be corrected.

Mr. BARBOUR. Will the gentleman yield further?

Mr. BANKHEAD. Yes.

Mr. BARBOUR. I wish to say to the gentleman from Alabama that I know the conditions over there, and the gentleman is no more in favor of remedying those conditions than I am.

Mr. BANKHEAD. I am very glad of that.

Mr. BARBOUR. But I do not think the Appropriations Committee should be subjected to a lecture until the gentleman knows what we have done in the committee.

Mr. BANKHEAD. I hope my friend has not understood that I am undertaking to lecture his committee. I am only making a suggestion which, it seems to me, ought to be accepted. If my friend thinks what I have said is an impeachment of the good faith of the committee with reference to taking care of the soldiers, I certainly hope he will change his impression about that. I am only undertaking to make what I think is a practical legislative suggestion to meet a bad situation. [Applause.]

Mr. BARBOUR. If the gentleman will yield to me further, when the committee began its hearings this matter was brought to its attention. As I recall it was brought up when the Assistant Chief of Staff was testifying and it was brought up when the Secretary of War was before the committee. It certainly was gone into and discussed when the Surgeon General of the Army was before the committee.

Mr. BANKHEAD. I trust the gentleman will please hasten because he is taking my time.

Mr. BARBOUR. We will no doubt be able to get the gentleman more time. The condition of that hospital was thoroughly gone into. The building program bill that has been referred to and has now gone back to the committee had before this bill was reported passed the Senate and been reported out of the Committee on Military Affairs and was on the calendar, and so far as anyone knew was ready to pass.

The testimony before the committee was this: That just as soon as that bill became a law they were ready to go ahead with the building program, because they had the funds on hand and it was not necessary to wait until these various sites were sold. That being the case, it was our understanding that they could begin construction of this hospital building at an earlier date than if it was provided for in this bill, which was then only in a formative stage in the subcommittee.

We believed we could get quicker action by relying on the building bill going through first, and General Ireland, the Surgeon General of the Army, assured our committee that the Schofield hospital was No. 1 on the building program in the Hawaiian Islands, and just as soon as the bill was passed and they were authorized to proceed, they would proceed to complete the hospital.

Mr. BANKHEAD. Now, Mr. Chairman, if my friend will allow me, the very statements that the gentleman has just concluded are cumulative arguments in favor of the correctness of the position I have ventured to suggest with reference to this bill. The gentleman says they did not do this because of the pendency of another proposition seeking to cure it, and when these Army officers came before the Committee on Appropriations and laid the cards on the table and showed the urgency of the situation the present bill was merely in a formative state, but now I suggest to the gentleman that the bill is in a very concrete legislative situation, and the Members of this House, after hearing the facts and after knowing the necessity for this, can finally give us an opportunity to correct the situation in a way that will expedite a correction of the situation more than the method which the gentleman has proposed.

Mr. DENISON. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. DENISON. Can that be done under the rules of the House?

Mr. BANKHEAD. Oh, that is what I am appealing to the gentleman on the subcommittee not to invoke—the rules of the House—on an amendment of this sort.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. WINGO. Mr. Chairman, I offer an amendment, on page 26, line 14, after the word "buildings" insert "including completion of hospital" and, in line 16, change the amount from $100 to $500,000.

The CHAIRMAN. The gentleman from Arkansas offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WINGO: Page 26, line 14, after the word "buildings" insert "including completion of hospital," and in line 16, strike out "$100" and insert "$500,000."

Mr. ANTHONY. Mr. Chairman, I reserve a point of order.

Mr. WINGO. Mr. Chairman, I submit to the gentleman from Kansas that the amendment plainly is not subject to a point of order because this is a provision for construction and enlargement of such buildings as in the judgment of the Secretary may be necessary, and I simply specify in respect to the word "buildings," including the completion of a hospital. That is either "construction or enlargement."

Mr. ANTHONY. Mr. Speaker, I make the point of order for the reason that the gentleman is proposing by his amendment to complete a building that has never been authorized by law. As I explained to the House a few moments ago, the construction of this hospital was started out of a lump-sum appropriation, and at no time do I know that Congress was ever consulted in regard to the project. The cost of the building is clearly over the limit which is specified by the law under which you can construct a building without coming to Congress for special authority.

Mr. CONNALLY of Texas. Will the gentleman yield for a question?

Mr. ANTHONY. Yes.

Mr. CONNALLY of Texas. What about the rule with respect to continuing a project.

Mr. DENISON. It is not a project.

Mr. ANTHONY. It is not a project. It has never been authorized by law.

Mr. CONNALLY of Texas. A project is not a law; a project is something concrete.

Mr. WINGO. Mr. Chairman, if you will simply take the gentleman's logic I can prove by his own logic that the amendment is clearly in order. The gentleman says it was never authorized by law. Suppose it has not been authorized by law. What does this bill do? The gentleman has brought in an item here that is wide open and subject to a point of order, and under it the Secretary of War can construct any building he wants or he can enlarge any building now in existence at any military post in Hawaii, and I include in the word "buildings" one of the particular class that he would be authorized to construct or enlarge, simply for the purpose of emphasizing it. All on earth I do is to increase the amount. The gentleman certainly will not say that increasing the amount is not in order.

Mr. DENISON. Will the gentleman yield?

Mr. WINGO. Yes; I yield to my friend.

Mr. DENISON. Suppose the Secretary of War wanted to construct a post office at one of these places, would that be in order?

Mr. WINGO. No; because that is not the type of building provided by the law, and that would not be at a military post; and I believe the Secretary of War, if we will give him this money, will construct this building because it is admitted to be No. 1 on the list. The Secretary of War also says, if the gentleman has studied the hearings, it will take $5,000,000 more than is included in the bill they say is pending here; nobody seems to know exactly where.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. HILL of Maryland. I would like to explain to the gentleman the status of that bill. That bill is S. 1129. The bill has passed the Senate. It is a bill that is a successor of two bills introduced in the last Congress on which hearings were held.

Mr. WINGO. Where is it now—my time is running?

Mr. HILL of Maryland. I will ask for additional time, because I think the gentleman ought to know the situation.

Mr. WINGO. Of course, I will be glad to yield.

Mr. HILL of Maryland. The bill passed the Senate and was favorably reported by the Committee on Military Affairs. Then there were a number of small amendments to take care of local situations which are considered from time to time. The bill was recalled by the Committee on Military Affairs to perfect these amendments, and while the bill was pending there the Interior Department put in a claim for a large part of the lands in case they were given up by the War Department. Of course, the gentlemen on the Committee on Appropriations did not know that; it was an unexpected development, and at the present time the Secretary of the Interior and the Secretary of War are straightening out the question of what claims the Interior Department has to some of these lands if abandoned for military purposes; and I will say to the gentleman we hope to have that bill back in the House in a very short time. The bill provides the nucleus of a permanent fund, at appraised value of about $20,000,000, which would go into a permanent building fund for providing hospitals, Army post buildings, and things of that sort.

Mr. BARBOUR. Will the gentleman yield there for a suggestion?

Mr. BANKHEAD. I suggest, Mr. Chairman, that this discussion does not throw much light on the point of order.

The CHAIRMAN. The Chair was just going to remind the gentleman that a point of order has been made, and gentlemen will please address their remarks to the point of order.

Mr. WINGO. Will the Chair pass on the point of order?

The CHAIRMAN. Does the gentleman from Arkansas wish to be heard further on the point of order?

Mr. WINGO. I have stated to the Chair that it was very clear to me the bill appropriates $100 for the construction and enlargement at military posts and in the Hawaiian Islands of such buildings as in the judgment of the Secretary of War may be necessary, including all the appurtenances thereto that is subject to a point of order, which was not made. This building is actually there. It does not make any difference whether it was ever authorized or not. The Chair will take judicial notice of the fact that there is a public building there, and that is admitted by everybody. The Secretary of War under the language of the bill can construct any new building he wants to or enlarge any one of them that is there. Now, an amendment to specify that in the building he is going to spend this $100 for he shall include the completion, which is the enlargement, of a hospital building that stands there incomplete, certainly is germane to this provision of the bill and is not subject to a point of order. The least that could be said is that it is a specific germane limitation on the Secretary of War.

The CHAIRMAN. Does the gentleman from Kansas [Mr. ANTHONY] wish to be heard on the point of order?

Mr. ANTHONY. No.

The CHAIRMAN. If the construction of this building was authorized by law——

Mr. WINGO. If the Chair will permit me, it was authorized by the act of May 12, 1917.

The CHAIRMAN. Was there any limit of cost placed on it?

Mr. WINGO. There was appropriated $100,000 for the construction of a modern hospital at Schofield Barracks, so it is a project that is incomplete.

The CHAIRMAN. Has the gentleman from Kansas any law on this subject?

Mr. ANTHONY. I would like to have the gentleman from Arkansas read the law under which he says this specified building was authorized.

Mr. WINGO. I will read the statement made by Surgeon General Ireland:

The act of May 12, 1917 (40 Stat. 58), making appropriations for the support of the Army for the fiscal year 1918, under the title "Construction and repair of hospitals," appropriated $100,000 for the construction of a modern hospital at Schofield Barracks, Hawaii. The United States was at war with Germany at the time this act was passed. The War Department was making every effort to bring this war to a successful termination. The exigencies of the service were such and the need for all available funds for construction projects within the United States was so great that it was deemed inexpedient to attempt the construction of this hospital during the continuance of that war. The funds appropriated therefor were diverted to other hospital construction because their use was limited to that fiscal year.

During the fiscal year 1922 it was found that $100,000 could be made available for this purpose from the appropriation "Construction and repair of hospitals" for that year. Congress having previously approved the project, the commanding general Hawaiian Department was authorized to proceed with the erection of four of the essential buildings in the group. Contract was actually let and work began on this project June 29, 1922. Owing to the limitation of $30,000 upon the cost of any one building for hospital purposes imposed by the act of May 12, 1917 (40 Stat. 58), only the surgical building could be fully completed. The remaining buildings were completed in part only. Two of them were ward buildings and the third is intended to house the heaters for the hot-water supply of the hospital. The more expensive parts of the wards have been completed and include nurses' room, quiet room, storeroom, diet kitchen or serving room, toilets, and lavatories, leaving the extension of the less expensive ward space to be provided at a later date.

The project contemplates a modern hospital of 1,000 beds. It is estimated that the total cost of the entire project will approximate $1,000,000.

I suppose that covers what the gentleman from Kansas wants me to read, and that also gives the Chair the facts. That is a building in process of construction; but even if it was not, it is in order under the language of the bill.

Mr. ANTHONY. I want to say, Mr. Chairman, that there is an authorization that the gentleman from Arkansas speaks of, but the money appropriated for that purpose was apparently not used by the War Department, and it seems to me that it would require that before the money could be used for that purpose there should be a reappropriation.

Mr. BYRNS. If the gentleman will permit me, here is a so-called authorization is an appropriation act. From what I have heard the gentleman from Arkansas read, there was appropriated $100,000 to complete the hospital in Hawaii. I do not think that could be an authorization except for that particular year. At the end of the year the money was not used but was diverted during the year. It seems to me that is not an authorization in the sense that the rule calls for.

Mr. GARRETT of Texas. May I suggest that in pursuance of the authorization, the validity of which has been waived by the House in appropriating money, the building was started and only one unit completed. The War Department can not occupy the others, because they can not bring all the nurses and other parts there, so the building is standing there uncompleted.

The CHAIRMAN. There is only one doubt in the mind of the Chair in regard to this matter, and that is in case there is an authorization whether there is also a limitation of the cost of the proposed building. So far as any law has been cited, there has been no limitation fixed upon the cost of any of these buildings. This point being settled, it seems to the Chair that it makes no difference whether the proposed building has been authorized or not, so far as the ruling of the Chair is concerned. If it has been authorized the appropriation is, of course, in order. If it has not been authorized the whole paragraph was originally subject to a point of order, but the point of order not having been made at the proper time, the paragraph is left wide open for any amendment germane to the paragraph as it stands. The amendment offered by the gentleman from Arkansas seems to be clearly germane to the paragraph as it stands. Therefore the Chair overrules the point of order.

Mr. WINGO. Mr. Chairman, I do not care to be put in the attitude of criticizing my friends of the committee. I know they are able, honest, hardworking gentlemen, and the explanation of the gentleman from California explains why they waited for the other bill. Looking at this in a practical way, we have a quibble over the bill between the two departments. It is admitted, and General Ireland says, that this is No. 1 project if the general hospitalization bill passes. That is a fine bill, I will say to my friend from Maryland, but here we have a practical opportunity of completing this hospital in Hawaii. It is admitted that there is no controversy about the necessity for the building. If it is admitted that if we pass the general hospitalization bill, this will be the first thing done; in the name of high heaven why not give the money on this item, because this money will be available on July 1, regardless of the passage of the general bill. If the general bill passes it will not hurt them, because, as the Secretary of War says, $20,000,000 will fall $5,000,000 short of what they need for hospitals. Why quibble, when five distinguished Members of this House saw things at that Scofield Barracks that made our blood boil. It is admitted that this ought to be done, and why in the name of common sense wait until two Cabinet officers settle a row as to who owns the real estate?

Mr. ANTHONY. I think the committee is in entire accord with the gentleman, that we want to see this hospital speedily constructed, and it was from that very standpoint that we made no provision in this bill. We felt that the construction bill would become a law and the money would be available sooner than if we put it into this bill. The money in this bill will not become available until July 1, and we think the other bill will pass before July 1.

Mr. WINGO. Suppose it does, you have got to set the machinery in motion, you have got to authorize it, and then you have to make the appropriation. I do not want to criticize the committee. As the gentleman from California says, in making up the bill you might have thought that you would get the money sooner, but nobody knows where that general bill is—one Member says it is back in the committee and another says it is on the calendar

Mr. DENISON. If the gentleman will permit, it will be some time before this bill is considered in the Senate. Why not let it go, and if we do not pass the Senate bill, let the appropriation be put on in the Senate.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WINGO. Mr. Chairman, may I have five additional minutes?

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. WINGO. Let me answer the gentleman from Illinois [Mr. DENISON]. Wait until the Senate passes it.

Mr. DENISON. The Senate has already passed the bill to take care of this situation.

Mr. WINGO. The gentleman says that this bill is going to go to the Senate. I hope the gentleman will not remind me of that old procedure, because I am liable to use some of that sulphurous language the gentleman referred to a short time ago. I think we better take care of it in that body that I regard as the most efficient, constructive, and practical legislative body in this city. I am talking about the House, not the Senate. Suppose that bill does pass and it becomes a law, it will not hurt this provision, will it, if we do appropriate the money? It will not befuddle these bureaucrats, will it?

Mr. DENISON. Why make a duplicate arrangement for this thing?

Mr. WINGO. It will not be duplication, because that will be a general bill. It is admitted that if that bill is passed the Schofield Barracks Hospital will be No. 1, and they will simply mark it off that program if we pass it here, because they will say that it is already taken care of. Does the gentleman deny that the Secretary of War says that the bill does not carry enough? My information is that the Secretary says it is $5,000,000 short of the need. I yield to the gentleman from Virginia on that point.

Mr. HARRISON. The Secretary of War said that $10,000,000 was absolutely necessary to prevent the deterioration of our public buildings, and that if the House bill passed it would be about $5,000,000 short of taking care of the necessary work that should be done. He further stated that it was not only necessary but that the condition in which our buildings are now in in this country is almost a national scandal, and it would be in the long run a great saving to the taxpayers of the country.

Mr. SPEAKS. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. SPEAKS. Is the clubhouse, the officers' quarters, and the other buildings in a proper state of repair?

Mr. WINGO. Yes; but I do not want to be placed in a position of captiously criticizing the officers out there. It is all right for them to have an officers' clubhouse.

Mr. SPEAKS. Why not limit the appropriation to an amount sufficient to complete the hospital?

Mr. WINGO. Evidently there must be some other repairs on some other buildings in the fiscal year. I want to get results. I do not care what other buildings they build out there with that other hundred dollars, but I want that hospital completed and our boys taken out of those fire traps and pigpens that they are now in.

Mr. SPEAKS. Why not suggest that the item be sufficient to complete the hospital alone?

Mr. WINGO. I will give them enough money, and I think the Secretary of War will build that hospital if you give him the money.

Mr. ANTHONY. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. ANTHONY. Mr. Chairman, I suggest to the gentleman that the committee has every desire to meet the wishes of the gentlemen who want to see this hospital speedily completed, and if gentlemen think that they can get the money more quickly on the regular appropriation bill, we are entirely willing that it should go on. I make this suggestion, and I shall offer it in the nature of a substitute for the gentleman's amendment. The War Department has $6,000,000 in this surplus property fund that has not yet been turned over to the Treasury of the United States. They are holding it there so as to have it ready for new construction the minute that this measure passes. I am going to ask that the amount for this hospital be made $450,000, which is the exact amount of the estimate submitted by the Surgeon General, and that the money be appropriated from that money available now in the War Department.

Mr. WINGO. That is all right; I want to get results.

Mr. ANTHONY. Mr. Chairman, I offer the following amendment as a substitute for the amendment offered by the gentleman from Arkansas, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. ANTHONY as a substitute for the amendment offered by Mr. WINGO:

On page 26, line 16, insert the following:

"*Provided*, That not to exceed $450,000 may be used for completion of the hospital at Schofield Barracks, from the proceeds of the sales of surplus real estate not heretofore covered into the Treasury."

Mr. WINGO. Mr. Chairman, I ask unanimous consent to withdraw my amendment, because the gentleman's amendment meets the situation fully and better.

The CHAIRMAN. Without objection, the amendment will be withdrawn. The question is on the amendment offered by the gentleman from Kansas.

Mr. BLANTON. Mr. Chairman, I ask recognition upon the amendment. It is not usual that we see the gentleman from Arkansas [Mr. WINGO] entering into any surreptitious combination with the Committee on Appropriations, and it is hard for me to believe now that that is the case; but when the Appropriations Committee wants to build a $450,000 hospital and they know it would be subject to a point of order if they put it in their bill, they come in here with the decoy proposition to appropriate $100 for constructing buildings, knowing that such small amount will get by the point of order, and then make any kind of a legislative amendment in order, and then they get the help of the distinguished Senator from Arkansas [Mr. WINGO] and he shows them how to put it in. I do not think they are acting together by prearrangement, and I shall not oppose the amendment because it is with a meritorious proposition. It is helping out the men who need it. I do not think if the committee had come in in the first place and put this item in the bill as they so often do with matters of legislation that there would have been a point of order raised against it, because no one is going to oppose a meritorious proposition of this kind.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. WINGO. The gentleman is not accusing me of a felony but just a petty misdemeanor.

Mr. BLANTON. Having thus worked for the interests of the deserving soldier boys, I shall excuse the gentleman.

Mr. WINGO. Let me say to my friend that if he will follow me and some of these men on the Appropriations Committee and keep up with us, he will find that we are constantly conspiring to take care of proper situations.

Mr. BLANTON. Usually the Committee on Appropriations does not need the distinguished gentleman's help to bring in legislation.

Mr. CRISP. Mr. Chairman, I move to strike out the last word simply to add my indorsement to the advisability of this amendment. I had the pleasure of visiting this hospital, and the accommodations there are entirely inadequate to the needs of the American Army.

I think the Government should provide a place to take care of the sick soldiers, and I know this amendment is very meritorious.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. HILL of Alabama. Mr. Chairman, I ask unanimous consent to revise and extend my remarks on this amendment.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

BARRACKS AND QUARTERS, PHILIPPINE ISLANDS

Continuing the work of providing for the proper shelter and protection of officers and enlisted men of the Army of the United States lawfully on duty in the Philippine Islands, including repairs and payment of rents, the acquisition of title to building sites, and such additions to existing military reservations as may be necessary, and including also shelter for the animals and supplies and all other buildings necessary for post administration purposes, and for shelter and repair thereof, and rentals for United States troops in China, $220,000: *Provided*, That no part of the said sum shall be expended for the construction of quarters for officers of the Army except in case of emergency with the approval of the Secretary of War, in which case the total cost, including the heating and plumbing apparatus, wiring and fixtures, shall not exceed in the case of quarters of a general officer the sum of $8,000, of a colonel or officer above the rank of captain, $6,000, and an officer of and below the rank of captain, $4,000.

Mr. WAINWRIGHT. Mr. Chairman, I move to strike out the last word of the paragraph for the purpose of asking the chairman of the subcommittee how many troops we have in the Philippine Islands at the present time.

Mr. ANTHONY. I forget the exact number, but the last report was about 5,000. There are about 7,000 Philippine Scouts. There are 11,100, including the scouts. I would infer we had about 4,100 regular troops.

Mr. WAINWRIGHT. In other words, we have only 4,000 white troops in the Philippine Islands? Is the gentleman able to state whether there are any United States troops in any part of the Philippine Islands—that is, white troops—except in the vicinity of the city of Manila?

Mr. ANTHONY. I am not able to state accurately.

Mr. WAINWRIGHT. Is the gentleman able to state how many white troops are at Fortress Corregidor?

Mr. ANTHONY. I do not know the extent of the garrison; but I do know this: It has been the policy of the War Department lately to refuse garrisons in the Philippine Islands. As the gentleman knows, it is part of our military policy not to station large numbers of troops.

Mr. WAINWRIGHT. I am well aware of that, and my purpose of propounding the inquiry is to draw attention to the extremely precarious condition in the Philippine Islands as to white troops of the United States Army.

Mr. MOORE of Virginia. While the gentleman is on his feet, may I ask him a question?

Mr. WAINWRIGHT. I will be glad to try to answer it.

Mr. MOORE of Virginia. It is not pertinent to this particular item, but can the gentleman give any idea of when the committee of which he is a very distinguished member, the Committee on Military Affairs, will report out what is called the housing bill?

Mr. WAINWRIGHT. I will say for the information of the gentleman I happen to be on the subcommittee which has that bill under consideration. I do not think this issue between the Interior Department and the War Department with regard to some rather unimportant parts of property involved can take any length of time, and I would see no reason why we should not report that very promptly, either this week or at the end of next week.

Mr. MOORE of Virginia. My friend recognizes the very great and urgent importance of authorizing appropriations for the purpose contemplated by that bill.

Mr. WAINWRIGHT. I think the entire Military Affairs Committee realizes the importance. I speak for myself, but I believe I speak for all the members of the committee when I say we think it is possible at a very early date to secure a rule from the Committee on Rules to bring that measure before the membership of the House for prompt action.

Mr. HILL of Alabama. Will the gentleman yield for a question?

Mr. WAINWRIGHT. I doubt if I can furnish any information to the gentleman which as a member of the Military Affairs Committee himself he does not already possess.

Mr. HILL of Alabama. There seems to be a great deal of misunderstanding about that bill. After the bill becomes a law is it not a fact that the property has to be sold under that bill before getting any money?

Mr. WAINWRIGHT. I so understand. I know what the gentleman has in mind. It is apparently something I did not realize. There is a fund of some $6,000,000 already raised from previous sales of surplus real estate that will be available to start this program of construction for the Army immediately when there are appropriations thereof for specific purposes by Congress.

Mr. HILL of Alabama. Is it not a fact even when we have that fund Congress has to authorize how that money shall be expended?

Mr. WAINWRIGHT. Absolutely.

Mr. HILL of Alabama. And when we authorize it then we can come in and get the appropriation?

Mr. WAINWRIGHT. That is right.

The CHAIRMAN. Without objection the pro forma amendment is withdrawn.

There was no objection.

The Clerk read as follows:

ENGINEER SCHOOL

For equipment and maintenance of the Engineer School, including purchase and repair of instruments, machinery, implements, models, boats, and materials for the use of the school and to provide means for the theoretical and practical instruction of Engineer officers and troops in their special duties as sappers and miners; for land mining, pontoniering, and signaling; for purchase and binding of scientific

and professional works, papers, and periodicals treating on military engineering and scientific subjects; for textbooks, and books of reference for the library of the United States Engineer School; for incidental expenses of the school, including chemicals, stationery, hardware, machinery, and boats; for pay of civilian clerks, draftsmen, electricians, mechanics, and laborers; for compensation of civilian lecturers and for payment of tuition fees of not to exceed fifty student officers at civil technical institutions in addition to the 2 per cent of commissioned officers authorized to attend technical, professional, and other educational institutions as provided for in section 127a of the National Defense Act of June 3, 1916, as amended by the Act of June 4, 1920; for unforeseen expenses; and for travel expenses of officers on journeys approved by the Secretary of War and made for the purpose of instruction: *Provided*, That the traveling expenses herein provided for shall be in lieu of mileage and other allowances; and for other absolutely necessary expenses: *Provided further*, That section 3648, Revised Statutes, shall not apply to subscriptions for foreign and professional newspapers and periodicals to be paid for from this appropriation, $29,835.

Mr. BACON. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to extend my remarks on a section of this bill which has already been read.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. BACON. Mr. Chairman, unnoticed by many of the Members of the House, a provision of the appropriation bill was adopted yesterday in such a form that it would reduce the pay of the enlisted men of the Regular Army by $988,659. It is proposed to keep the same number of enlisted men that we now have in the current fiscal year, but there is to be this sweeping reduction in their pay.

In order to do this it will be necessary for the War Department to stop all promotions among the enlisted men of the Regular Army for a year or more. During this period no enlisted man in the Regular Army can hope for any advancement. It is unnecessary for me to enlarge upon the demoralizing effect that this will have on the morale of this class of men who carry on in time of peace in our national-defense system. If the enlisted men of the Regular Army were organized in some society which employed a high-salaried publicity man, the papers would be filled with the accounts of the outrages that are being perpetrated against the enlisted men of the American Army.

I am making a plea for justice to a voteless Regular Army. Aside from justice to the enlisted men of the Regular Army, the bill, in its present form, will deprive the National Guard, Organized Reserves and colleges with Reserve Officers Training Corps units of the services of an efficient corps of noncommissioned officers. Two years ago, after extensive hearings, the Senate and the House passed a bill increasing the percentage of noncommissioned officers in the Regular Army. This was for the purpose of furnishing additional noncommissioned officers for the training and instruction of the National Guard, Organized Reserves, and the Reserve Officers Training Corps.

Now, in the appropriation bill pending before the House, this bill is in effect repealed. The Army of the United States and especially its civilian components are to be gradually deprived of these noncommissioned officers. The noncommissioned officers have frequently been referred to as the "backbone" of the Army, and they are. Anyone who has served in the World War will testify to this. Now, it is proposed to weaken or break the backbone of the Army.

Under the national defense act this country is maintaining a small Regular Army. At present it is a very small Regular Army, indeed, when we take into consideration its functions. Being small, it should be of the highest character. We need a high type of noncommissioned officer and enlisted man in the training camps to instruct and associate with the young men who attend these camps in the summer. I think it is poor economy to reduce the pay of the enlisted man of the Regular Army and thus lower the standards of efficiency. Under our democratic training system we are making greater demands of the Regular Army than ever before in the history of the country. General Pershing has referred to the Regular Army as the faculty, the instructing corps of the Army of the United States. The last thing we should do is to lower the standard, especially of the noncommissioned officers and those men whom we will call upon to serve at colleges and training camps, and I appeal to the House to do justice to the enlisted men of the Regular Army and to keep up the standards of its enlisted personnel, so that it can function efficiently at the colleges and in the training camps.

In the hearings before the subcommittee of the House Committee on Appropriations this "saving," as stated by War Department officials, involves the reduction in grade of 1,471 noncommissioned officers, 1,496 privates first class, and 1,380 specialist ratings. In order to effect the reduction of these soldiers from the higher grades the plan of the War Department will be to stagnate promotion until these numbers are absorbed.

It is not a fact, as has been stated, that this is the desire of the War Department, and that they believe that the Regular Army is top-heavy in noncommissioned officers. On the contrary, if officers testifying had not been bound to the act of Congress prohibiting their asking for more money than allowed in the Budget as submitted to Congress, they could have explained wherein these extra noncommissioned officers are urgently needed. Secretary Davis did say the following:

> There has been and is continually increasing demand, particularly from the civilian components, for more officers and noncommissioned officers for their training. It will affect them and it will affect the Regular Army to a certain extent. But this—the recommendation of the War Department under the fixture of the specific sum for pay of the Army by the Director of the Budget—was done in order to keep within the figure of 118,750 men. It was a question of either reducing some of the higher-paid men or cutting down the number, and that was the reason for the reduction.

Two years ago Congress passed an amendment to the national defense act increasing the proportion of the higher-paid enlisted men, so that an increase of approximately 1,800 noncommissioned officers was made. At the time of the extensive hearings on the bill by the Committee on Military Affairs, the Regular Army had a strength of approximately 112,000 enlisted men, exclusive of Philippine Scouts; to-day the strength is about 118,000. The reasons for the passage by Congress of the increased number of noncommissioned officers exist to-day even more urgently than when the increase was made in 1924. The increase was made primarily to carry out instruction in the civilian components of the Army; that is, the National Guard, the Organized Reserve, and the Reserve Officers' Training Corps.

In the report of the bill increasing the noncommissioned officers in the Sixty-eighth Congress, Mr. WAINWRIGHT reported:

> A question of the greatest importance has to do particularly with the fulfillment of the obligation imposed upon the Regular Army in connection with the training of the civilian soldiery in the National Guard, the Organized Reserves, and in the Reserve Officers' Training Corps. A part of the noncommissioned officers herein provided for will be detailed as instructors of the National Guard in towns and cities where National Guard organizations have been formed, in educational institutions maintaining units of the Reserve Officers' Training Corps, and with the Organized Reserves.
>
> It is evident that the type of noncommissioned officers performing this duty—in daily contact with the youth of the Nation, molding his character to a large degree—should be of the very highest type. The War Department feels, and your committee concurs in the view, that this can not be successfully done unless the noncommissioned officer is given a grade and compensation sufficient not only to attract the right type of men but to enable them to live in civilian communities in a manner creditable to themselves and the work in which engaged.

In the matter of overhead of the Regular Army it is interesting to note what is being carried in the way of noncommissioned officers as instructors. These noncommissioned officers must be additional to those essential for Regular Army organizations and other overhead, such as for the recruiting service, and so forth. The authorized strength given below is being maintained practically as authorized:

With National Guard, noncommissioned officers of grade of sergeant or above; no lower grade of enlisted men	601
With Organized Reserve, noncommissioned officers of grade of staff sergeant or above; no lower grade of enlisted men	535
With Reserve Officers' Training Corps, noncommissioned officers of grade of sergeant or above; no corporals	537
Noncommissioned officers, all sergeants or higher grades	1,673
158 privates, first class; 346 privates.	

The replacement of 5 per cent of these high-caliber men, who by their pay are able to maintain themselves on the important duty as instructors, by privates will work a hardship on the civilian components that will be detrimental in no small degree to the entire national-defense project.

Noncommissioned officers are the backbone of the Army has often been said. To get good ones there must be incentives for reenlistment, as reenlisted men are the material for the noncommissioned officers. Men of high type will reenlist only if there are incentives, and under present conditions in the Army, with the poor living quarters, inadequate rations, and excessive labor, made necessary by scanty appropriation of funds, the problem of inducing good men to reenlist is almost insolvable. Now, add to this the stagnation of promotion and there will be fewer reenlistments and there will be more purchasing their

discharges. The caliber of the men will necessarily fall below the average now maintained.

Every component of the Army of the United States is going to feel this reduction. Numbers are oftentimes unimportant as compared to quality. Adequate number of men of high quality are necessary for the maintenance of our national-defense system.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

There was no objection.

The Clerk read as follows:

CHIEF OF INFANTRY

INFANTRY SCHOOL, FORT BENNING, GA.

For the purchase of textbooks, books of reference, scientific and professional papers; instruments and material for instruction, employment of temporary, technical, special, and clerical services, and for the necessary expenses of instruction at the Infantry School, Fort Benning, Ga., $33,858.

Mr. WAINWRIGHT. Mr. Chairman, I move to strike out the last word for the purpose of asking a question. In this item of $33,858, is that all for the instructional expense for the valuable school conducted at Fort Benning, Ga.?

Mr. ANTHONY. That is the cost of operating the school proper. Of course, in the work they carry on they get other funds from other items in the appropriation. But for the school proper, the instructional work, this amount covers it.

Mr. WAINWRIGHT. That is all?

Mr. ANTHONY. That is all.

Mr. WAINWRIGHT. Is the gentleman able to inform the committee how many officers pass through that school in a year, with its intensive training in all that pertains to the Infantry branch of the service, particularly actual combat and battle?

Mr. ANTHONY. The number under instruction is 245 regular Infantry officers. The number of National Guard officers is 110, and 5 reserve officers, and 2 foreign officers. That is about the average number that passes through the Infantry School each year.

Mr. WAINWRIGHT. Is the gentleman able to state how this number contrasts with the number of officers instructed at Fort Sill and Fort Riley, in the Artillery and Cavalry branches?

Mr. ANTHONY. That is a much larger number than will be found under instruction in schools of the other branches. This has the largest number of instructors and the largest force of students.

Mr. WAINWRIGHT. It, of course, applies to the most numerous branch of the service?

Mr. ANTHONY. Yes.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. HILL of Alabama. How much has the Government expended on this post at Benning—barracks, quarters, structures, and everything?

Mr. ANTHONY. The post was started during the war. We have not the figures showing the entire amount expended there, but we have recently finished the construction of a new hospital there, and also barracks to house a battalion of infantry.

Mr. HILL of Alabama. Will the gentleman put these figures in the RECORD?

Mr. ANTHONY. Yes. There have been specific authorizations of $2,235,000 for Benning since the beginning.

Mr. HILL of Alabama. That includes the purchase of land?

Mr. ANTHONY. Yes; for purchase of real estate, $515,000. It is also true that other large sums were taken from lump-sum appropriations made during the war, which would make the total amount over what I have stated.

Mr. HILL of Alabama. Will the gentleman put in the RECORD the whole amount expended on Fort Benning, including the amounts taken from other appropriations, and all, and what is authorized hereafter to be expended?

Mr. ANTHONY. Yes.

Mr. WAINWRIGHT. I suppose the gentleman from Alabama is endeavoring to put that in to show what an insignificant amount is to be expended on this tremendously important establishment.

Mr. ANTHONY. They have furnished us with this memorandum:

The acquisition of land and construction of buildings at Camp Benning were started during the war, with lump-sum appropriations applicable to these purposes. Specific authority for continuing this work has been given as follows, the expenditures being authorized from the unexpended balances of existing appropriations (act of February 28, 1920):

Purchase of real estate	$515,552
Construction and completion of construction of buildings and 60-centimeter railroad	320,000
Army appropriation act for fiscal year 1921 (funds to remain available until expended), for the construction of buildings for the Infantry School	1,000,000
Deficiency act of June 16, 1921 (funds to remain on the books of the Treasury until June 30, 1922), for completion of acquisition of land	400,000
Total specific authorizations	2,235,552

In the hearings on the 1921 Army estimates Gen. P. B. Malone stated that the construction project for Camp Benning contemplated an eventual total expenditure of $7,502,320.

Since then we have made appropriations for a new hospital, and also for barracks to house a battalion of Infantry, both of which are completed.

The CHAIRMAN. The time of the gentleman from New York has expired. Without objection, the pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

For purchase, manufacture, and test of submarine-mine material, and other accessories for submarine-mine practice, including the machinery necessary for their manufacture, $100.

Mr. FROTHINGHAM. Mr. Chairman, I move to strike out the last word, for the purpose of asking the gentleman from Kansas [Mr. ANTHONY], chairman of the Subcommittee on Appropriations, about the status of the coast defenses now and whether they are as necessary as they used to be, and what facts were brought before his committee, because we hear assertions every now and then that with the flying forces the coast defenses are made somewhat obsolete. I would like to have some information on that subject if it is possible to give it.

Mr. ANTHONY. The committee went very carefully into that question, and it was fortunate in securing the opinion of General Coe, the retiring Chief of the Coast Artillery, in a much clearer form than we have ever been able to get it before on that question. It was General Coe's opinion, as it was the opinion of the committee, that the importance of our big-gun coast defenses was becoming less and less each year with the development of other means of defense. That situation is reflected in the amount carried in this bill. They are becoming less and less each year for coast fortifications.

Mr. JAMES. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. JAMES. Did not General Coe also state that the real defense against aircraft was more aircraft?

Mr. ANTHONY. Yes. That is undoubtedly the situation. But General Coe did stress the importance of defending our large cities and most important centers with the big guns, because he said that as long as the battleship was in use it was necessary to defend our coasts with big guns to use against them. The War Department is largely abandoning those fortifications that are equipped with the smaller guns, and our most important points, like New York, the entrance to Chesapeake Bay, and the entrance to San Francisco Bay, are being defended by 16-inch guns. These guns came to the War Department from the Navy. They were built for naval purposes, but they are being mounted on land carriages and they will make up the principal big-gun defense of those important points.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. HILL of Alabama. General Coe did not imply that the battleships would pass out of use?

Mr. ANTHONY. He said as long as the battleships were in use it was necessary to use big guns against them.

Mr. HILL of Alabama. Did he make the deduction that battleships would pass out of use

Mr. ANTHONY. Evidently he was laboring under that impression.

Another thing—he said that the system of defense of our harbors was undergoing a change with respect to the use of submarine mines as a defense.

His argument seemed to be that if hostile battleships got close enough to any of our large cities, where it was impossible to use big guns or submarine mines as a defense against them, the jig was up and that we would now have to use means of defense that would keep a hostile battleship from getting anywhere within range. In other words, the inner

defenses of our big harbors have now reached a point where they are practically useless.

Mr. HILL of Alabama. Did the gentleman have before his committee any testimony as to the proposition of the defense of our seacoasts being left entirely to the Army and Army aircraft rather than to having the Navy operate from the land, too?

Mr. ANTHONY. No; we did not go into the details of that matter. But this committee, as the gentleman probably knows, did take the initiative two or three years ago in the matter of providing experiments as to the probable efficacy of a defense against battleships by the airplane.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ANTHONY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. ANTHONY. That action was taken upon the request of General Mitchell, who converted our committee to his belief that he could sink a battleship with an airplane. We provided the money with which the first experiments were held so as to demonstrate whether or not a bomb from an airplane could sink a battleship. This money was provided in spite of the fact that neither the War Department nor the Navy Department recommended it, asked it, or even approved of it. That money was put in our bill; the experiments were held and I think it has been clearly demonstrated that the airplane will prove to be a most efficient weapon of defense against battleships, so that undoubtedly in years to come the airplane will figure larger and larger as the means of coast defense instead of guns in fixed fortifications.

Mr. HILL of Alabama. And battleships were sunk just as General Mitchell said they would be.

Mr. ANTHONY. Unquestionably.

Mr. JAMES. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. JAMES. General Coe, on page 364 of your hearings, said:

> The airplane defense is, I think, the first line of defense, as far as the Army is concerned.

Mr. ANTHONY. Simply for the reason that the airplane can get a longer range from the coast than a gun in a fixed emplacement.

Mr. BROWNING. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. BROWNING. Did the general say anything about the two 14-inch guns on the Pacific side of the Panama Canal that could be increased in range several miles by a further elevation and by the carriages being changed?

Mr. ANTHONY. No; but General Williams did tell us in regard to the two railroad mounts that he intends to install in the Panama Canal. I think those are 14-inch guns on 12-inch carriages, and in this bill we provide the money for railroad trucks upon which those guns are to be mounted, and by means of an improvement in the projectile which will be fired from them a vastly increased range is secured, a range which is only a few thousand yards under that of the 16-inch guns we are now emplacing in Panama.

Mr. BROWNING. The officer in charge there explained last spring when we were there that these two 14-inch guns out on the island which protects the Pacific side of the canal were at a terrible disadvantage, because the carriages were out of date, in that they could not have an elevation of over 30 degrees, so that a battleship could stand just outside of their range and absolutely destroy the battery, whereas if the carriages were changed so as to get an elevation of 45 degrees they would have an equal range with any guns on battleships.

Mr. ANTHONY. This committee has gone into the question of the relative ranges and elevations of guns on ships and on shore, and has come to the conclusion that there is no question about the fact that a gun mounted on land not only has an increased range over a similar gun on a ship, but can be fired at a higher elevation. It is not practicable, in my judgment, at least, to fire extremely heavy guns from a ship's deck at a high elevation, and it is not the practice to so fire them.

Mr. BROWNING. The point I am making is that there should be some method by which the carriages of these two 14-inch guns could be rebuilt so as to allow a greater elevation than they now have. At present a battleship can carry guns which can destroy these two 14-inch guns unless those carriages are rebuilt so as to give greater elevation.

Mr. ANTHONY. The 14-inch guns which they are now putting on the Panama Canal will have a range of 38,800 yards, as against a range of 49,000 yards for the 16-inch gun, and I doubt whether there are very many battleships afloat that have a greater battle range than 38,000 yards.

Mr. BROWNING. Are they the two guns which have been there for several years?

Mr. ANTHONY. No; these are new guns; guns which have just been sent there.

Mr. BROWNING. What is the use of keeping these two guns there on carriages which do not have the proper elevation and when a battleship can destroy them, whereas the expenditure of a small amount of money will give them a greater elevation?

Mr. ANTHONY. I will say to the gentleman that we are installing 16-inch guns in Panama now that will defend the canal against a hostile battleship.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. ANTHONY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. ANTHONY. These 14-inch guns are on railroad mounts and are sent down there because of their mobility, and simply to supplement the guns of larger caliber, and not as the main defense.

Mr. BROWNING. I understand the 16-inch guns are being installed in addition to the two 14-inch rifles that have been there for some time.

Mr. ANTHONY. The gentleman means the old 14-inch rifles that have been installed there?

Mr. BROWNING. Yes; and I do not see why they are allowed to remain there with their present elevation when they would be useless against an attacking battleship.

Mr. ANTHONY. I think the old 14-inch guns that are there now will be so far outclassed by these new guns that are being emplaced that their relative importance in the defense of the canal will be negligible.

Mr. BROWNING. But they have the key position in reference to the defense of the Panama Canal.

Mr. ANTHONY. It is thought that the 16-inch guns that are now located and will be located on Bruja Point will be the principal defense of the Pacific side of the canal.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. WAINWRIGHT. Is not the fact of the matter that this bill demonstrates we are spending only a negligible amount upon our seacoast defenses?

Mr. ANTHONY. That is true.

Mr. WAINWRIGHT. And is it not further the fact that we are constructing no more of these big guns at the present time?

Mr. ANTHONY. Practically all the money appropriated in this bill for seacoast fortifications is simply for the maintenance of existing fortifications in this country. The only new project is the one in Panama at the Pacific entrance where we are completing work which we started a year ago.

Mr. WAINWRIGHT. Of course, we all know that the construction of any one of these big guns involves a very large sum of money, and what I am asking the gentleman is whether or not we have practically discontinued the manufacture of any more of these big guns at the arsenals?

Mr. ANTHONY. We have an abundant supply of 16-inch guns that came to us from the Navy that were built during the war, and we are utilizing those guns. It does cost a big sum of money to mount one of these guns. The carriage for the 16-inch gun costs $250,000. We are building one or two of these carriages a year.

Mr. WAINWRIGHT. But we are not building any more of the big guns?

Mr. ANTHONY. No.

Mr. BROWNING. Will the gentleman yield for one further question?

Mr. ANTHONY. Yes.

Mr. BROWNING. Has there been any proposition made, that your committee knows about, to place the flying field at Panama in the center of the Isthmus instead of on the coast?

Mr. ANTHONY. No; there has been no such proposition before our committee. Last year, as I remember, we made an appropriation for dredging and filling and improving the field as it then existed.

Mr. BROWNING. Does not the gentleman feel that the air field would be safer in the center of the Isthmus, where they could strike each way, rather than on the coast where the attacking fleet could tear up the ground, perhaps, so they could not rise with their planes?

Mr. ANTHONY. That is very probable, but I will say to the gentleman that I do not think the gentleman will ever live to see the day when a hostile ship will ever come within range of one of these 16-inch guns at Panama. After these guns are emplaced, it will be the business of a hostile ship to keep out of range of them. If the Panama Canal is ever menaced by an enemy, it will be, in my opinion, from a landing out of range of these guns, and a penetration of the canal from the interior.

Mr. ROY G. FITZGERALD. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. ROY G. FITZGERALD. I want to ask the chairman of the subcommittee if he has taken into consideration the experiments that have been made from time to time, and I refer, first, to the demonstration that was given at the close of the last Congress on March 6, 1925, at Fortress Monroe, to test the efficiency of antiaircraft defense, where the 50-caliber Browning and the 30-caliber Browning machine guns were used, as well as the light artillery with 3-inch shells; and at night a demonstration of value of the great Sperry searchlight; and if the committee has had a report on the result of that and other tests, showing that although the airplane sleeve which was the target was towed at a known altitude 1,000 yards behind the airplane, and at a known speed back and forward with and against the wind, that only one 30-caliber bullet hit this sleeve target; that no 50-caliber machine-gun bullet was able to reach it, and that no burst of any artillery fire endangered the target; that at night no airplane was picked up by any of this great bank of searchlights; and that every airplane won out and dropped its flare, having successfully passed the line which would constitute the defense.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROY G. FITZGERALD. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LONGWORTH. Where was this demonstration?

Mr. ROY G. FITZGERALD. At Fortress Monroe last spring, immediately after adjournment of Congress. The demonstration resulted in a conclusion that our aircraft guns—that is, neither the machine guns nor the artillery on which we depend—were of any real defensive value except in so far as they might be a deterrent against airplanes approaching close to the ground or target, and with all these wonderful—and I do not exaggerate when I say wonderful—high-powered searchlights, the greatest in the world, no airplane was picked up at night under very fair and reasonable conditions until it had passed the line and turned on its lights. Now, my question is whether this report has been submitted to the committee and whether they have all these things in mind?

Mr. BARBOUR. Will the gentleman yield?

Mr. ROY G. FITZGERALD. Yes.

Mr. BARBOUR. May I ask at what altitude the plane was flying?

Mr. ROY G. FITZGERALD. Not over 3,000 feet, and most of the time at less than that.

Mr. BARBOUR. I will say to the gentleman I saw a demonstration last summer in the Hawaiian Islands, where a battery of six searchlights picked up a plane flying at 3,000 to 3,500 feet within just a few minutes after it was heard, and they kept it lighted or kept it in the beams of the searchlights practically all the time it was maneuvering back and forth over the area covered. I thought that was a rather remarkable demonstration.

Mr. ROY G. FITZGERALD. I am very glad to get that information that once a searchlight did find a noisy plane, because I was present and observed this entire test last March and knew that of all the thousands and thousands of shots fired but one hit the target. Although this airplane was in plain view and its target in plain sight and its speed known both with and against the wind and its altitude known, no burst of any shell was able to get within range of the target and no bullet penetrated the sleeve except one 30-caliber bullet, and that at night no searchlight picked up any plane and the planes all won in the contest.

Mr. BARBOUR. The gentleman made one statement a moment ago which corresponds with the testimony before the committee as to the utility of antiaircraft guns. Antiaircraft guns are not intended so much to hit the attacking airplane as to keep it away and to keep it at such a distance it will not be effective. The attack on the plane would, of course, be made by other airplanes.

Mr. ROY G. FITZGERALD. I am asking this question to know whether or not the reports of these demonstrations and tests have reached the committee, and I presume that they have by the relative value which the chairman of the subcommittee seems to give to the various types of defenses. I thought the House ought to be informed as to what was going on in a practical way, and this is something which can be brought home to the Members of the House interested in our national defense with respect to the changing value placed upon these elements of our national defense.

Mr. ANTHONY. Will the gentleman yield?

Mr. ROY G. FITZGERALD. Certainly.

Mr. ANTHONY. In answer to the gentleman's question, he will find that the bill carries money for the construction of a certain number of new and improved searchlights to be used for the purpose of aiding the antiaircraft guns. We are not constructing a large number, but only sufficient to keep up with the great improvements being made in the new searchlights. The gentleman will also find that the antiaircraft 3 and 4 inch guns have been vastly improved. For instance, the range of each has been nearly doubled since the time of the war. General Williams tells us that by the invention of a new fuse on the projectile fired he has got an altitude of 34,000 feet for the 3-inch guns and about 38,000 feet for the 4-inch, which is as high an altitude as an airplane flies. As the gentleman from California, Mr. BARBOUR, explained a moment ago, it is the bombing planes that are dangerous to the protection by the antiaircraft gun. A bombing plane would be particularly susceptible to defense by the antiaircraft guns. They say they do not mind the smaller pursuit planes because it can do no damage to the ground beneath and the defense against them will be by other pursuit planes. But they feel that the antiaircraft guns can adequately defend against the bombing plane.

Mr. ROY G. FITZGERALD. May I ask the chairman whether he realizes that there have been great improvements in the bombing sights on bombing planes flying at an altitude of 10,000 feet and capable of bombing accurately from high altitudes, because of the great improvement in the bombing sight?

On March 27 I witnessed, after the demonstration at Fort Monroe on March 6, tests made at the Edgewood Arsenal of new artillery weapons, and the contact fuse was so rapid that the shell of the 1-pounder exploded instantly when it touched the cotton fabric of the target; so there is improvement, I know, since the war. An airplane may be punctured many times by bullets and shell fragments without putting it out of commission. Here the fuse of the 1-pounder shell was so rapid that the explosion occurred simultaneous with its touching the fabric, which, of course, would destroy a plane instantly.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HILL of Maryland. Mr. Chairman, I ask unanimous consent that the gentleman have five minutes more; I want to ask him a question.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent that the time of the gentleman from Ohio be extended five minutes. Is there objection?

There was no objection.

Mr. HILL of Maryland. The gentleman has given an interesting description of the recent tests of antiaircraft guns against airplanes. The gentleman during the last war probably saw every morning a practical demonstration of the use of the antiaircraft guns against airplanes, and I am quite sure the gentleman's experience has been that very few of the antiaircraft guns did anything more than to make a few puffs of smoke up in the air. I would like to ask the gentleman whether or not at the present time antiaircraft protection is not very much more highly developed and efficient than during the recent war.

Mr. ROY G. FITZGERALD. I can say from my own knowledge and my own judgment that antiaircraft guns seem to be perfected about as high and as much as they ever will be, and that now they are a negligible quantity in defense from aircraft.

Mr. HILL of Maryland. The gentleman's view is that although the antiaircraft protection is highly developed, more than during the recent war, it is not an adequate defense against attacks by airplanes?

Mr. ROY G. FITZGERALD. It is not.

Mr. HILL of Maryland. I am very glad to have the gentleman's view on that.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee a question. The gentleman from Kansas said they were taking 16-inch guns down to Panama. Can the gentleman give the extreme range in miles of these guns?

Mr. ANTHONY. Forty-nine thousand yards is the extreme range.

Mr. COOPER of Wisconsin. How many miles is that?

Mr. ANTHONY. Five thousand two hundred and eighty feet in a mile; it is about 27 miles.

Mr. COOPER of Wisconsin. A battleship 27 miles away from a 16-inch gun can not be seen from the gun.

Mr. ANTHONY. It can not.

Mr. COOPER of Wisconsin. I have understood that "hull down" is about 15 miles, and therefore, for a 16-inch gun to be of any avail against a ship 27 miles away there must be airplanes to fix the location of the ship.

Mr. ANTHONY. We do not rely entirely on airplanes. We have a system of fire control surrounding the installation on the big battleships. For instance, one or two of the islands at sea are fire-control stations.

Mr. COOPER of Wisconsin. What does the gentleman mean by a fire-control station?

Mr. ANTHONY. It is a concrete pit on top of the highest elevation of the small island, where, by means of telescopes and other instruments, they would be able to locate the ship and communicate the information back to the battery. We also have developed a system of subaqueous sound range which in time will be the means by which the commander of the battery on shore will be informed of the movements of the battleship 25 or 50 miles out at sea. He will be able with his mathematical instruments and plotting, through information conveyed through that subaqueous device, to accurately get the range of that ship simply through the disturbance in the water caused by the ship's propellers.

Mr. COOPER of Wisconsin. That has not yet been perfected?

Mr. ANTHONY. Partially perfected, and experimentally proved to be possible.

Mr. COOPER of Wisconsin. But suppose one of these battleships carrying guns should drop a shell on that. Then, of course, you would have to rely on your airplanes to get the location of the ship.

Mr. ANTHONY. It is pretty difficult for a ship to hit one of these little observation points.

Mr. COOPER of Wisconsin. It might not know that station was there, but it might drop a shell there.

Mr. ANTHONY. Accidentally it might put it out of business.

Mr. FROTHINGHAM. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. FROTHINGHAM. I understood the gentleman to say that they had other 16-inch guns that could be placed along the coasts in case of necessity?

Mr. ANTHONY. In case of necessity; but it is not the policy to attempt to defend every strip of coast that we have. That would require all of the big guns that could be manufactured in all time together. This idea of putting a protection in front of every little harbor in the country is out of date, because a hostile force is not going to seek to take the strongest point at which to land, it is going to seek out the weakest point on your shore line at which to land.

Mr. FROTHINGHAM. But those could be put up and placed very rapidly in case of necessity?

Mr. ANTHONY. They would never be needed, in my opinion, other than at these points which I have just described, two or three on either coast where we have vast interests to protect and must exercise every precaution.

Mr. FROTHINGHAM. And they, with the submarines, the battleships, and the airplanes, would be the defense?

Mr. ANTHONY. The submarines and the airplanes and the submarine mines and battleships would complete our defense.

Mr. FROTHINGHAM. And they all come in.

Mr. ANTHONY. Yes.

Mr. HILL of Maryland. Mr. Chairman, I think what the gentleman said about the defense of the Panama Canal by high-caliber naval guns is very interesting, and I am wondering if there has been any testimony before the committee as to what is the highest power naval gun that could be used as railway artillery. Can they use 16-inch guns.

Mr. ANTHONY. The largest size guns that we have ever mounted on a railway carriage is a 14-inch gun.

Mr. HILL of Maryland. They have never attempted to mount the 16-inch?

Mr. ANTHONY. No.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

UNITED STATES MILITARY ACADEMY

PAY OF MILITARY ACADEMY

Permanent Establishment: For seven professors, $26,500; chaplain, $3,557; constructing quartermaster, in addition to his regular pay, $1,000; additional pay of professors and officers for length of service, $10,804.16; subsistence allowance of professors and officers, $3,504; in all, $45,365.16.

Mr. HILL of Maryland. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HILL of Maryland: Page 63, line 19, after the word "chaplain," strike out the figures "$3,557" and insert in lieu thereof "$4,000."

Mr. HILL of Maryland. Mr. Chairman, the chaplain at West Point is not in the permanent military service. He has been rendering very efficient work at West Point, and it is felt that he should have a slight increase in pay. I hope the chairman will accept this amendment.

Mr. ANTHONY. Mr. Chairman, it is true that the superintendent at the academy has strongly recommended to the committee that an increase be made in the pay of the chaplain. The pay of the chaplain, as I understand, is the same now as it was when the corps of cadets was much smaller than it is.

Mr. HILL of Maryland. I understand that to be the case.

Mr. ANTHONY. Our information is that the chaplain now receives the amount specified in this item, $3,557 a year in salary, and also his quarters, lights, and fuel, which we estimate to be worth about $500 a year. In view of the recommendations which have been made by the authority at the academy, the committee does not feel like opposing an amendment.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. HILL of Alabama. Who fixes the salary of the chaplain?

Mr. HILL of Maryland. We fix it. He is a civilian. He is not an Army officer.

Mr. HILL of Alabama. The Congress fixes by law what his salary shall be?

Mr. HILL of Maryland. Yes.

Mr. HILL of Alabama. Does not the gentleman think that he ought to amend the present law and fix the salary at $4,000?

Mr. HILL of Maryland. The only place you can fix it is in the appropriation bill.

Mr. HILL of Alabama. Is there no law authorizing and stating what the salary of the chaplain shall be?

Mr. HILL of Maryland. No; because that is fixed from time to time by the House of Representatives itself.

Mr. HILL of Alabama. In the appropriation bill?

Mr. HILL of Maryland. Yes. With the allowances and other things that go with the chaplain's position this makes a total compensation of $4,500, and for the splendid work the chaplain is doing there that is rather meager compensation. He is the only chaplain at West Point.

Mr. BLANTON. What is the compensation of the ordinary chaplain in the Army?

Mr. HILL of Maryland. That is fixed by his rank.

Mr. BLANTON. And they rank how high?

Mr. HILL of Maryland. Lieutenant colonel, I think, is the highest.

Mr. BLANTON. And that pay is what, with emoluments?

Mr. HILL of Maryland. I suppose about $5,000 a year.

Mr. BLANTON. And they go down to how low?

Mr. HILL of Maryland. I think the lowest rank of the chaplain is first lieutenant; but I am not sure about that.

Mr. BLANTON. That pays what?

Mr. HILL of Maryland. About $2,600 or $2,700, I think.

Mr. BLANTON. Then the pay of the chaplain in our Army ranges from about $2,600 to $5,000?

Mr. HILL of Maryland. About that.

Mr. BLANTON. Is it based on length of service?

Mr. HILL of Maryland. Yes; on length of service.

Mr. BLANTON. Are they automatically promoted after so many years of service, or do they have to wait for deaths, removals, retirements, and so forth, for promotion?

Mr. HILL of Maryland. I will say to the gentleman I think they take their promotions in the ordinary course when vacancies occur.

Mr. BLANTON. Then they have to wait for vacancies?

Mr. HILL of Maryland. Yes.

Mr. BLANTON. Then there could be a case where a chaplain could be in the Army for a number of years while drawing the base pay of $2,600 with no increase because no vacancies had occurred?

Mr. HILL of Maryland. I will say to the gentleman that under the new pay bill the pay goes by service, as the gentleman remembers, and not by rank, so he could automatically by length of service increase his pay, whether he got an increase of rank or not?

Mr. BLANTON. The gentleman from Maryland stated very correctly that Congress fixes the salary of the chaplain at West Point. Who fixes from what religious belief they are chosen; who arranges that?

Mr. HILL of Maryland. I do not know that. I do not know the religion of this particular chaplain; I mean the denomination to which the chaplain belongs.

Mr. BLANTON. I am not one of those who is prejudiced about such things, but there are people in the United States who have prejudices along that line. There is a great deal of complaint through the country about that, that preferences are shown as to one religion over another in the Army. Has any such complaint come to the gentleman?

Mr. HILL of Maryland. Such complaint has not come to the Committee on Military Affairs.

Mr. BLANTON. Have such complaints come to the gentleman?

Mr. HILL of Maryland. No; I have not heard of any.

Mr. BLANTON. They do exist in the United States.

Mr. HILL of Maryland. I agree with the gentleman they should not.

Mr. BLANTON. The Army ought to be careful about that and not show any preference.

Mr. HILL of Maryland. I agree with the gentleman entirely. I will say to the gentleman I do recollect there was a complaint last year of a denomination that it did not have representation, but I think that matter was finally straightened out. I have a recollection of that now.

The CHAIRMAN. The time of the gentleman has expired. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. ROY G. FITZGERALD. Mr. Chairman, I move to strike out the last word. Mr. Chairman and gentleman, I desire to refer to an article published in this morning's Washington Post. It is as follows:

WEST POINTERS ARE BEST FED IN WORLD—ALLOWANCE OF 80 CENTS A DAY PROVIDES MOST ATTRACTIVE MEALS

NEW YORK, February 6.—West Point cadets, with an allowance of 80 cents a day each for food, are the best-fed body of men in the world, according to an essay on food issued by the military academy. The cadets eat meat twice a day, consume 1,200 quarts of milk a day, and eat 2,200 pieces of toast six mornings a week. The cook at West Point has an electric doughnut machine which will make 960 doughnuts an hour for the 1,100 cadets. Ice cream made by electricity is served twice a week. On Thanksgiving day, dinner at West Point cost $1,171.81, which was $400 more than the cost of all three meals on an ordinary day.

Mr. Chairman and gentlemen of the committee, I am not offering any amendment on this subject, being the last person to deprive any soldier or potential soldier of any food, but I want this House to take notice of this fact just now when we are considering this item of food for the West Point cadets in this bill because I do intend to offer an amendment later to raise the standard of the food in the hospitals of the soldiers' home to somewhat the quality kind of food that is being given to these splendid young men at West Point, whom I do not begrudge a mouthful. In a tuberculosis hospital at the soldiers' home which I visited and inspected sick men are fed at a cost of but 50 cents a day, compared with the 80 cents per day for the food of each cadet. Officers told me cream was provided, yet the sick veterans denied getting any, and when the governor of the home took me down to the kitchen to get me a cup of coffee the milk was too thin to even color it, and the boys had to get through assistance of friends, relatives, and charitable organizations additions of food such as cream and fruit. This House can best make some little discrimination in favor of these sick men. [Applause.]

Mr. SCHAFER. Will the gentleman yield?

Mr. ROY G. FITZGERALD. I will.

Mr. SCHAFER. When the World War Veterans' Committee of this House made a survey of the national homes and of the Veterans' Bureau hospitals they took testimony at the Northwestern Branch Home, at Milwaukee. The governor of said home testified the men were receiving fresh milk, butter, eggs, and cream. I notice here in the hearings on this appropriation bill, page 892, where the Board of Managers of the National Homes submit menus in the Central Branch. These menus state "sugar, sirup, bread, butterine, seasoning sauces, and coffee served at all meals." Clearly going on record as showing that butterine is served and not butter.

Mr. ROY G. FITZGERALD. I understood while the investigating committee was present at Dayton, Ohio, consisting of Mr. BULWINKLE and myself of this House, that butter was substituted for butterine during our visit.

The CHAIRMAN. The time of the gentleman has expired. The Clerk read as follows:

For pay of National Guard (armory drills), $10,147,866: *Provided*, That hereafter armory drill pay shall be computed upon a fiscal year basis instead of calendar year.

Mr. HILL of Maryland. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Maryland moves to strike out the last word.

Mr. HILL of Maryland. I should like to ask a question of the chairman of the subcommittee. On this total appropriation for the National Guard, I understand from the report of the committee that there has been an increase of $863,506 over the appropriation made last year. Is that correct?

Mr. ANTHONY. Those figures are correct, I will say to the gentleman. I would also inform the gentleman that the War Department is carrying over something like $700,000, I think, of unexpended funds from this year into the next which will also be available

Mr. HILL of Maryland. That will make a very large addition for National Guard purposes?

Mr. ANTHONY. Not so large an addition as the amount would indicate, because they carried over a large amount last year into this year. National Guard funds are available for 18 months, and they have a habit of carrying them over from one year to another.

Mr. HILL of Maryland. Mr. Chairman, I withdraw the pro forma amendment.

The CHAIRMAN. The pro forma amendment is withdrawn.

Mr. WAINWRIGHT. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from New York moves to strike out the last two words.

Mr. WAINWRIGHT I do so for the purpose of asking the gentleman from Kansas [Mr. ANTHONY] this question: I understand this appropriation is intended to support for the National Guard about 186,000 officers and men for the next year. I am attracted by the statement in the report of the committee in connection with the National Guard, where they say that the maintenance of the National Guard is becoming more expensive each year through exhaustion of surplus stock left over from the war. Then it is added:

It is the opinion of the committee that the department should make an effort to meet this mounting cost by the maintenance of a simpler form of organization. It is realized, of course, that the law states in general that the organization of the National Guard shall be patterned after that of the Regular Army, but at the same time the act gives the Secretary of War authority to make exceptions to this general rule in time of peace, and it is believed that this authority should be taken advantage of to provide less expensive units in the guard.

Then the committee suggests that there should be some exception in that regard in time of peace. I think the Committee of the Whole may be interested to know, and therefore I ask the gentleman what the committee had in mind when they so reported?

Mr. ANTHONY. I know that the gentleman from New York understands that the simplest form of training that can be given a soldier is Infantry training. He also knows that it costs less to keep an Infantry soldier one year than perhaps a soldier in any other branch of the service, because he represents the smallest cost in equipment and maintenance. Therefore it has always seemed to me, especially when we take into consideration the fact that the National Guard soldier is the backbone of any fighting army, that the most efficient program, both for training and for military value of any of our civilian components, is to maintain a preponderating number of infantrymen. We have that general idea, but we have not seen fit to try to suggest its execution by legislation or by limiting the amount of appropriations. Just how far the War Department should go toward, say, simplifying the National Guard organization I am not prepared to say; but we do know this, that the present form of organization of the National

Guard is modeled exactly after that of the Regular Army. We are trying to maintain in the National Guard all the different organizations represented in the Regular Army. For instance, the National Guard is called upon to maintain sanitary trains, wagon trains, service companies, and headquarters companies, and all those auxiliaries to an army which are really only necessary in time of war. Yet the War Department compels the National Guard to maintain all those auxiliaries in time of peace. I maintain and the committee maintains that if we were to cut out a lot of these auxiliary organizations we can largely reduce the cost of maintaining the National Guard and would not interfere with the efficiency of the organization in time of war, because most of this organization can be readily recruited, organized, and trained when an emergency comes. That is briefly what we had in mind.

Mr. WAINWRIGHT. So that by adopting to a certain extent at least the idea which the committee has on this subject an appropriation of this size would maintain a very much larger National Guard?

Mr. ANTHONY. Yes. I think we could maintain a National Guard of 225,000 on these same appropriations if the organization of the guard were simplified and this unnecessary load that I speak of were taken off. But that is a military matter of technical military administration, which probably this committee is not as familiar with or as high an authority upon as it should be.

A few years ago when we spoke of the economy of training a larger number of Infantry organizations the reply of the Army was that if an army were all Infantry it would not get very far. We have never contended for a moment that the National Guard or any other military organization in this country should be all Infantry. Of course, we wanted a corresponding and coordinating number in the other branches of the service, but for training purposes we insisted that the Infantry was the most efficient and most economical branch to maintain.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ANTHONY. Mr. Chairman, I ask unanimous consent that the gentleman from New York be given five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. WAINWRIGHT. I ask for recognition simply to ask the gentleman from Kansas a further question, and that is if he recalls what the number of the National Guard provided for by the national defense act was?

Mr. ANTHONY. It was about 435,000. As the gentleman from New York knows, the National Guard was growing very rapidly, and two years ago the War Department, of which the gentleman from New York was one of the administrative officers, was asked to form a board of officers consisting of Regular Army and National Guard officers to consider the advisability of placing a limiting number on the National Guard to which it should be allowed to grow. As I remember, that board made a report suggesting that 250,000 was about the maximum number at which the guard should be maintained, and since that time is has undoubtedly been the policy of the War Department to prevent the growth of the guard to anywhere near that number, and I believe, without absolutely knowing, that it will be the policy of the War Department to hold the guard at about 200,000.

Mr. WAINWRIGHT. I will simply say that, as far as I am concerned, I only took up the time of the committee for the purpose of having the committee receive the benefit of the gentleman's views on this subject.

Mr. SPEAKS. Will the gentleman from New York yield to me for a moment?

Mr. WAINWRIGHT. If I have the time I will.

Mr. SPEAKS. Will the gentleman from Kansas yield long enough to express an opinion as to whether or not all that he has suggested as desirable would not be accomplished by following the recommendation of the Chief of the Bureau of Militia Affairs that the National Guard be separate from the Army, but reporting direct to the Secretary of War, in accordance with the original plan when the Militia Bureau was organized?

Mr. ANTHONY. I think that method would undoubtedly put into effect the views of the National Guard itself.

Mr. SPEAKS. And tend to increase the efficiency of the National Guard as well?

Mr. ANTHONY. I think I understand what the gentleman is driving at. He wants to have the views of the guard expressed through the Chief of the Militia Bureau, as was intended by the law when we wrote it, without the interference of the General Staff or any intermediate body.

Mr. SPEAKS. But reporting direct to the Secretary of War?

Mr. ANTHONY. Undoubtedly it was the intention of Congress that the Chief of the Militia Bureau should report direct to the Secretary of War and should not be hampered by anybody in between.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. HILL of Alabama. Did the gentleman say the other day in his general remarks that there was some money left over from the appropriation made last year for the National Guard?

Mr. ANTHONY. Yes; there will be some money carried over from this fiscal year into the next fiscal year unexpended.

Mr. HILL of Alabama. What was the amount, approximately?

Mr. ANTHONY. About $700,000.

Mr. HILL of Alabama. Why was that money left over?

Mr. ANTHONY. It was due to the arbitrary action of the War Department in withholding the expenditure of a certain percentage of the money in order to set up a savings fund, as they call it. They set aside either 5 per cent or 10 per cent from a great many items in the bill at the beginning of the year to be held in what they call a savings fund and not to be expended unless absolutely necessary.

Mr. HILL of Alabama. Does the chairman think that action on the part of the War Department was justified?

Mr. ANTHONY. As the gentleman knows, this committee recommended a deficiency appropriation last year of about $1,300,000, so that the National Guard would be permitted to hold at least 50 drills during the year; but under the funds allotted by the War Department they would not have been able to hold that number of drills, and my understanding is that even after Congress appropriated that additional money it was some time before it was allotted to the use of the National Guard in the regular way and only after some pressure had been applied.

Mr. HILL of Alabama. Does not the law prescribe how the War Department shall allot this money and provide it shall allot the money?

Mr. ANTHONY. Undoubtedly the law so provides, and it was the intention of Congress that it should be expended; but under the economy method of the administration now in vogue there they hang onto a dollar until it is just dragged away from them. That is the situation.

Mr. BLANTON. Mr. Chairman, I move to strike out the last two words, just to give me an opportunity to ask some questions. The membership of the House is forced to depend upon the five gentlemen who compose this Subcommittee on Military Affairs, headed by a very great leader [Mr. ANTHONY]. The chairman very frankly says he disagrees with the War Department about many of its policies concerning the National Guard that there are organizations which the General Staff of the Army requires to be maintained in the National Guard which he deems superfluous, which he deems absolutely not needed and expensive and yet his committee permits them to exist. Why? Why does not the gentleman make the War Department come his way and do like his committee and Congress wants them to do?

Mr. ANTHONY. I will say to the gentleman that we must have a little regard for the opinion of some others.

Mr. BLANTON. Is it the opinion of Congress and the will of Congress that the gentleman and his committee want to carry out or is it the will and the opinion of the General Staff?

Mr. ANTHONY. I will be very frank with the gentleman. I think the National Guard itself would not be in favor of simplifying its organization as far as I would go, and due to that situation I have refrained from putting drastic limitations upon this bill. And I do not believe the House would go as far as I would go.

Mr. BLANTON. The gentleman says very frankly that he wants the National Guard to report through the Chief of the Militia Bureau directly to the Secretary of War. The General Staff of the War Department does not want that, but the National Guard would prefer it, and the gentleman's committee would prefer it, and Congress would prefer it. Then, if the gentleman wants to carry out the will of the National Guard and the idea of Congress as expressed according to his judgment, why does he not tell the War Department where to head in as to that proposition?

Mr. ANTHONY. Because the War Department would probably tell this committee where to head in.

Mr. BLANTON. If this Congress will back up his subcommittee, I think the will of Congress would prevail over that of the War Department.

Mr. ANTHONY. The War Department only pays serious attention to orders when they are enacted in the shape of legislation coming from Congress.

Mr. BLANTON. The point I am making is this: Does the "General Staff" of the War Department run the Congress or does the Congress run the War Department?

Mr. ANTHONY. Well, I think it is a case of horse and horse. [Laughter.]

Mr. BLANTON. I would like to ask about another proposition. The gentleman said the Congress appropriated a certain amount of money which he thought ought to be expended in the interest of the National Guard, and the gentleman says that against the will of Congress the "General Staff" of the War Department has set up what it calls its saving fund or economy program. I never heard of any economy program in the War Department.

Mr. ANTHONY. I spoke of a savings fund.

Mr. BLANTON. Yes; a savings fund which he designated as the economy program of the War Department. I never heard of any economy program in the War Department before, and as to this savings fund, if they are doing that against the will of the committee, and if it is not the will of Congress that they should hold out 5 per cent or 10 per cent of this money every year, why does not the committee tell them they must carry out the will of Congress?

Mr. ANTHONY. I will be perfectly fair to the War Department, I will say to the gentleman, and state that in my opinion the operation of this savings-fund system has a great deal of value to it, except in one or two instances where it does not happen to meet the approval of some committee or some of us Members of Congress; but in the great majority of cases where this fund is set up by saving 5 or 10 per cent at the beginning of the year it saves the Government money and makes the expending officers of the War Department more careful in the expenditures of these funds than they otherwise would be.

Mr. BLANTON. But the gentleman knows that whenever the War Department wants to switch a fund over to another purpose it does so, just like they did in 1917 with that $100,000 that we provided for the hospital under discussion to-day. They spent it somewhere else, and it was 1922 before they took the money out of some other fund and used it for starting the construction of that hospital.

Mr. ANTHONY. I will say to the gentleman that they can not do that under the terms of this bill.

Mr. BLANTON. And I will state to the gentleman that his colloquy with my colleagues on the floor here on this one item has convinced me of something I have thought for a long time, and that is that the War Department and the Navy Department together are running not only the Congress but the Government, and it ought to stop.

Mr. SPEAKS. Will the gentleman yield?

Mr. BLANTON. If I have any time left; yes.

Mr. SPEAKS. I simply want to ask the gentleman to retain his enthusiasm and interest in this particular question——

Mr. BLANTON. I have plenty of it to last a long time.

Mr. SPEAKS (continuing). For just a brief time, because we are going to present that matter to the House formally.

Mr. BLANTON. The distinguished general from Ohio [Mr. SPEAKS] may count on me as one willing to help "bust up" this trust in the War Department.

Mr. SPEAKS. Thank you.

Mr. BROWNING. Mr. Chairman, I would like to ask the chairman of the subcommittee a question for information. Does this appropriation raise the per diem pay of the members of the National Guard?

Mr. ANTHONY. It makes no change in the pay of the National Guard.

Mr. BROWNING. Does it increase the number of drill days?

Mr. ANTHONY. The amount we have appropriated here will pay for 50 drills during the year.

Mr. BROWNING. That is more than they had for the past year, is it not?

Mr. ANTHONY. No; that is just exactly the number they had after we had appropriated $1,300,000 additional in a deficiency bill to enable them to have that number of drills.

Mr. BROWNING. And they will get the same amount of money they got last year?

Mr. ANTHONY. They will get sufficient money in this bill to have a minimum of 50 drills.

Mr. BROWNING. What per diem do these men get for drilling?

Mr. ANTHONY. They get a day's pay of their grade for each drill.

The pro forma amendment was withdrawn.

The Clerk read as follows:

ORGANIZED RESERVES

Officers' Reserve Corps: For pay and allowances of members of the Officers' Reserve Corps on active duty for not exceeding 15 days' training, $2,293,500; for pay and allowances of members of the Officers' Reserve Corps on active duty for more than 15 days in accordance with law, $426,500; for mileage, reimbursement of actual traveling expenses, or per diem allowances in lieu thereof as authorized by law, $392,300: *Provided*, That the mileage allowance to members of the Officers' Reserve Corps when called into active service for training for 15 days or less shall not exceed 4 cents per mile: *Provided further*, That hereafter officers performing travel on Government-owned vessels for which no transportation fare is charged shall be entitled only to reimbursement of actual and necessary expenses incurred; in all, $3,112,300.

Mr. REECE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. REECE: Page 69, line 10, after the word "law," strike out the figures "$426,500" and insert "$502,100"; line 12, after the word "law," strike out "$392,300" and insert "$396,400"; line 19, after the word "all," strike out "$3,112,300" and insert "$3,192,000."

Mr. REECE. Mr. Chairman, I am offering this amendment at this place in view of the fact that the gentleman from Massachusetts [Mr. FROTHINGHAM] in a subsequent paragraph expects to offer an amendment authorizing the War Department to assign 14 additional reserve officers to duty with the Regular Army, one of whom is to be assigned to The Adjutant General's office, four in the offices of chiefs of branches, and one to each of the nine Army corps headquarters. The change in these items is made to pay the salary and allowances of the officers of the reserves to be assigned to the Regular Army.

There has been a contention among the reserve officers for some time that there should be established a special reserve bureau in the War Department to look after the interests of the Organized Reserves over the country, and that wish on the part of the reserve officers can be met, I think, by assigning these 14 reserve officers to duty with the Regular Army. They will be in a position to look after the interests of the reserves over the United States, and can do so at much less expense than a special reserve bureau could be conducted in the War Department. In view of the fact such an amendment is going to be offered, I hope these additional amounts will be approved.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. REECE. Yes.

Mr. WAINWRIGHT. I would like to have the gentleman's frank judgment whether, if we are going to do this for the reserve officers, we should not do it for the National Guard. If we are going to have a reserve officer in each of the branches of the War Department, in all the G branches as we say, and at each corps area headquarters, why would it not be equally advisable to have an officer of the National Guard there?

Mr. REECE. We have a Militia Bureau in the War Department, whose function it is to look after the interests of the National Guard. The expense entailed will be very small compared with maintaining an officers' reserve bureau in the department.

Mr. BECK. Will the gentleman yield?

Mr. REECE. Yes.

Mr. BECK. I understand all this requires is the transfer of some appropriation in the bill that provides to do that work without an additional appropriation. As I understand the gentleman's amendment, it calls for $75,000 additional?

Mr. REECE. It calls for $75,000 for pay and $4,100 for travel allowances and per diem allowance, making in all $79,100.

Mr. BECK. In addition to the appropriation?

Mr. REECE. Yes; in addition to what is appropriated.

Mr. WURZBACH. Will the gentleman yield?

Mr. REECE. Yes.

Mr. WURZBACH. Will the officers perform the same duty as are now performed by the Militia Bureau for the National Guard?

Mr. REECE. The same duty; but the gentleman should keep in mind that nine men will be assigned to corps headquarters. The chief functions of officers assigned will be to

keep in contact with the officers' reserve and promote the interest of the reserve.

Mr. WURZBACH. How will the expense compare with the expense of the Militia Bureau?

Mr. REECE. The total expense of the Militia Bureau, of course, is about $23,000,000.

Mr. WURZBACH. I mean that part performing the same function that will be performed by the reserve officers?

Mr. REECE. That information I do not have.

Mr. SCHAFER. Mr. Chairman, I move to strike out the last word. I would like to ask the distinguished gentleman who introduced this amendment if the slight increase for travel allowance will be sufficient to properly pay for the travel of the reserve officers? I ask the question for this reason: While in conference with representatives of the reserve officers they advised me that practically the only change they desired to cure the existing situation was for an increase of $25,000 for travel pay; I was further advised that some of these reserve officers were performing duties and paying a part of the traveling expenses out of their own personal funds. This amendment does not, as it is brought to my attention and to the attention of several other Members, meet with the request of the reserve officers. I am at a loss to understand why this amendment was offered when we were told the proposition was of a different nature entirely, that the whole trouble was lack of appropriation for travel allowances.

Mr. REECE. This takes care of the travel allowance of officers assigned for duty, but it does not relate to the travel allowance for the Regular Army officers who may be assigned to duty with the reserves, and that is what the gentleman means, I take it.

Mr. SCHAFER. The amount which the gentleman's amendment provides to take care of the traveling expenses of the reserve officers assigned to the Regular Army is the difference between $292,300 and $396,400, and the rest is merely for the salary of these officers.

Mr. REECE. That is right.

Mr. SCHAFER. I wish to state that I can not support the gentleman's amendment. The amendment is absolutely different from the proposition set forth to me by the representatives of the reserve officers.

Mr. REECE. I still think that the gentleman from Wisconsin has in mind a paragraph relating to travel allowances of the Regular Army officers, which is a separate paragraph from this. The bill carries no allowances for travel expenses of the Regular Army officers assigned to the National Guard except the ordinary allowance.

Mr. SCHAFER. The gentleman says there is a provision incorporated in the bill at some other place to provide for the traveling expenses of the Regular Army officers, apart from this item?

Mr. REECE. That is correct.

Mr. SCHAFER. On what page of the bill?

Mr. REECE. At the top of page 71 at the end of the paragraph.

Mr. SCHAFER. Will an amendment be offered to that paragraph?

Mr. REECE. I intend to offer an amendment.

Mr. SCHAFER. The gentleman's amendment now offered does not cover an adjustment for traveling expenses of the Regular Army officers assigned to check up reserve officers?

Mr. REECE. It does not.

Mr. SCHAFER. Well, then I will vote for the gentleman's other amendment.

Mr. HILL of Maryland. Mr. Chairman, I would like to inquire of the gentleman if he proposes to offer an amendment to the paragraph on top of page 71?

Mr. REECE. I do.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HILL of Maryland. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HILL of Maryland. Mr. Chairman, I would like to ask the gentleman from Tennessee [Mr. REECE] a question in the time of the gentleman from Wisconsin.

Mr. SCHAFER. I yield for that purpose.

Mr. HILL of Maryland. I understand that this amendment provides for a reserve officer at each corps headquarters?

Mr. REECE. That is correct.

Mr. HILL of Maryland. What would be the functions of that reserve officer?

Mr. REECE. His chief function would be to keep liaison with the reserve regiments which are located in that area and with the Regular Army officers on duty in the reserve regiments in the corps area, and to look after promoting the interests of the regiment. I think the report of the committee indicated that it thought there was a great deal of deadwood among the reserve officers—officers who were not keeping up interest in the work—and inferred that some of them might be done away with, and it might become the duty of the reserve officer who was on duty at corps headquarters to keep tab on reserve officers and see who should be dispensed with.

Mr. HILL of Maryland. Is not that the proper and the legitimate duty of the corps area commander and his staff?

Mr. REECE. This reserve officer would become a member of the staff of the corps area commander.

Mr. HILL of Maryland. I want to know why the existing corps area commander, through his ordinary colonels, his inspector, and various other officers connected with the reserves, can not perform that function perfectly well at the present time? I am very much interested in everything connected with the reserves, but I can not see the necessity for these officers.

Mr. REECE. The reserve officers and the organizations would like to have an officer of their own organization to whom they could report and whom they think would be thoroughly in sympathy with and appreciate the problems of the reserve, and that can be accomplished much better, I think, if they have one of their own officers on the staff of the corps area commander.

Mr. HILL of Maryland. May I ask the chairman of the committee a question in reference to that? Did the War Department ask for such an increase in the number of reserve officers on duty permanently?

Mr. ANTHONY. There never has been a recommendation from the War Department for this or for anything like it.

Mr. REECE. Did the primary estimate of the War Department to the Director of the Budget include an estimate for this purpose?

Mr. ANTHONY. The committee would have no means of telling whether it did or not. The only record is that the War Department asked for more money for reserves.

Mr. REECE. My information is that the War Department asked for more money and had in mind applying it to this specific purpose, and there is authority under the national defense act which permits the War Department to assign these reserve officers to these duties, but it is prohibited in this particular appropriation bill.

Mr. HILL of Maryland. There are in these corps areas two or three reserve Infantry divisions, and in six corps areas a reserve Cavalry division. There is a staff of Regular Army officers for each one of those divisions. They are the commanding officers of the regiment. I do not understand what the part of this one reserve officer at corps headquarters would be in relation to the three Infantry divisions and the one Cavalry division. Would he operate as a special reserve inspector?

Mr. REECE. He would not act altogether in the capacity of an inspector. In view of the relation of the corps headquarters with various reserve divisions there are a great many administrative matters that have to be handled, and those duties would doubtless devolve upon the reserve officer.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. SCHAFER. Mr. Chairman, I ask unanimous consent to proceed for two minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SCHAFER. Mr. Chairman, I ask for this additional time to advise the gentleman from Tennessee [Mr. REECE] that he has brought to my attention some very good arguments in favor of his amendment, points which had not been brought to my attention prior to his presentation. I am glad to be able to vote for his amendment, and not vote against it, as I had previously indicated.

Mr. REECE. Mr. Chairman, I am very glad the gentleman has seen fit to change his mind.

Mr. ANTHONY. Mr. Chairman, this amendment offered by the gentleman from Tennessee illustrates the dangers of trying either to legislate or appropriate as the result of propaganda which is directed to Congress. There has not been a word of recommendation received from the War Department by any committee of the House in favor of taking any such action as the gentleman indicates.

In fact, the gentleman from Tennessee is trying to do one thing, as he says—set up a bureau in the War Department by means of this amendment—and another gentleman who has spoken on the amendment thinks he is trying to do another. Now, as a matter of fact, all the amendment would do would be to create 14 soft jobs at $5,000 salary a year each, have 14

men to do practically nothing all the year around except make short trips at the expense of the Government.

Mr. REECE. If the gentleman will permit, I think the same theory of reasoning would take 14 Regular Army officers who may be assigned to this also for soft jobs.

Mr. ANTHONY. No; let us see right here. At each corps area there are a number of officers stationed to look after all military work of that corps area, whether it pertains to the Regular Army, the National Guard, or the Organized Reserve, and now there is a Regular Army officer in each corps area on just the class of work the gentleman has in mind. What he would do would be to set up a man in each corps area, create a $5,000 job in each one of 14 places for which there is apparently no need and the War Department does not want. The only people who want it, in my opinion, are the people who want this annual salary of $5,000. I think it is a most unwise thing of Congress to attempt by an amendment of this kind of legislation not only to appoint men to military rank, but even to attempt to tell the War Department how these men should be detailed and how employed. I hope the amendment will not be adopted.

Mr. FISH. Will the gentleman yield for a question?

Mr. ANTHONY. I will yield.

Mr. FISH. I want to digress for a minute. Is this also an appropriation for travel allowance?

Mr. ANTHONY. I think the first amendment would involve the pay.

Mr. FISH. Only the pay, not travel allowance.

Mr. ANTHONY. That will come out of the latter.

Mr. FISH. Can the gentleman explain the discrimination between the reserve officer, the Regular Army officer, and the members of the Civilian Military Training Camps in travel allowance? As I understand the situation, 4 cents per mile is allowed to the reserve officer, 5 cents to the members of the Civilian Military Training Camps, and 8 cents to the Regular Army officer. Why this discrimination of 4 cents, 5 cents, and 8 cents per mile between various units?

Mr. ANTHONY. My recollection is that the House originally fixed that mileage at 8 cents. It was the Senate amendment which reduced it to 4 cents. The argument for reducing it was that nearly all of these trips of officers to training camps were short trips and the only thing involved would be their Pullman and carfare, and that 4 cents a mile would cover that. But the Regular Army officer when he takes a long trip across the country on duty which involves several days or a week has not only to incur carfare, Pullman fare, but hotel fare. The Civilian Military Training Camp or reserve officer is not compelled to do that in the performance of his travel. That is the argument on which the Senate made the amendment.

Mr. FISH. Can the gentleman explain the difference between 4 cents to a reserve officer and 5 cents to the Civilian Military Training Camps?

Mr. ANTHONY. It is one of the things created in an appropriation——

Mr. FISH. Does not the gentleman think that some time in the future that ought to be taken up and have both placed at 5 cents or both at 8 cents? I am not very insistent; it is a small matter, but there should be an effort to harmonize the travel allowance at least between the reserve officer and the members of the Civilian Military Training Camps.

The CHAIRMAN. The time of the gentleman has expired. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was rejected.

Mr. ANTHONY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to; accordingly the committee rose, and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 8917, the War Department appropriation bill, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, Mr. HAWLEY was granted leave of absence for two days, on account of illness.

EMERGENCY FLEET CORPORATION AND THE SHIPPING BOARD

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill H. R. 8052, a bill which I introduced to amend and supplement the merchant marine act of 1920 and the shipping act of 1916.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. BACON. Mr. Speaker, the President, in his annual message, reaffirmed, as a matter of national policy, the declaration already made by Congress from which there has been no dissent, that the maintenance of a merchant marine is of the utmost importance for national defense and the service of our commerce. At the same time he directed attention to the difficulties we have experienced in the carrying out of that important policy—the confusion that has arisen in the operation and control of the Government-owned fleet.

The President pointed to the conclusions reached by investigators pursuing different lines of inquiry that the fleet should be under the control of a single executive and that the Shipping Board should be restricted to the exercise of judicial and regulatory functions in accordance with the original conception of that agency of the Government. He added, however, that he did not advocate the elimination of regional considerations, of which cognizance has been taken in the organization of the board as it is now constituted.

It may, I think, be safely assumed that it is not only the opinion of the President but the consensus of the majority of those who have given particular attention to the subject that in the administration of shipping affairs the following propositions are fundamental:

1. That as the merchant marine is intended to serve the interests of the entire country all regions should have a voice in the determination of the immediate policy in respect of the establishment and maintenance of trade routes and shipping services.

2. That in the interest of efficiency the control and operation of the Government-owned fleet should be centered in a single executive head.

3. That the commingling of executive, judicial, and regulatory functions in a single agency results in ineffectiveness and confusion.

These principles have been embodied in the bill, H. R. 8052, entitled "A bill to amend and supplement the merchant marine act, 1920, and the shipping act, 1916, and for other purposes," introduced by me a short time ago, and which is now before the Committee on the Merchant Marine and Fisheries for consideration. This measure would provide:

1. For the establishment of a Federal shipping council consisting of five members of the Cabinet, the president of the Fleet Corporation, and seven members each one of whom would represent a geographical division of the country. It would provide, in addition, for the creation of regional advisory shipping councils in each of the seven divisions to cooperate in an advisory capacity with the council in respect of shipping matters of interest to their divisions. Thus, greater and more comprehensive representation is given to the different sections of the country and also to the agricultural, commercial, industrial, and shipping interests of the country. The council can be likened to the usual board of directors in the commercial world. It would, therefore, only formulate questions of policy. It would have the power to determine what lines and services should be maintained, increased, established, decreased, or discontinued, and the frequency and regularity of their sailings, all with a view to furnishing adequate, regular, certain, and permanent service. It would also determine questions relating to the sale of Government-owned shipping lines and services.

2. For the transfer to the Fleet Corporation of the interest of the United States in all vessels, vessel equipment and supplies in order that responsibility for efficient operation of the fleet may be centered in a single executive to be chosen by the council as is customary in the commercial world where the executive is chosen by the board of directors. This single executive would have complete executive control of the management and operation of lines and services, and of all matters pertaining thereto, including maintenance and repair of all ships. He would be required to efficiently and economically carry out the policies laid down by the Federal shipping council.

3. For the creation, in lieu of the present Shipping Board, of a merchant marine commission of three members with only quasijudicial or regulatory functions. This commission can be likened to the Interstate Commerce Commission and under certain conditions would sit jointly with the Interstate Commerce Commission.

Although I am in no way authorized to speak for the administration, I think it is evident that the machinery which this measure would set up and the division of functions it would prescribe are in conformity with the views expressed by the President. They are also in conformity with the conclusions reached by independent investigators and the deliberate judgment of business, agricultural, and shipping interests as expressed in the recommendations of the National Merchant Marine Conference held under the auspices of the Chamber of Commerce of the United States.

This represents only a step in the solution of the merchant-marine problem, but it is a necessary step. A merchant marine can not be maintained and effectively operated in the face of the keen competition from foreign nations if there is to be superimposed upon it the burden of ineffective administration. Nor can we hope under such conditions eventually to transfer to private enterprise the accomplishment of the purpose upon which we have all agreed—to keep the markets of the world accessible to the American producer. Ships do not make a merchant marine. The situation with which we are confronted calls for unceasing concerted effort, skillful management, and effective and helpful supervision, and the most conspicuous service the Government can render is first to set its own house in order.

This is of great importance if we are to fulfill the purpose enunciated in the merchant marine act and reiterated by the President that the United States shall not be dependent solely upon the ships of foreign nations to carry its products overseas.

SESQUICENTENNIAL EXPOSITION

Mr. GARRETT of Tennessee. I would like to ask the gentleman from Connecticut a question. The statement was made that the bill touching the sesquicentennial would come up to-morrow.

Mr. TILSON. That has been changed at the request of a number of gentlemen who could not be here to-morrow. In deference to their wishes it was set positively for Tuesday.

EXTENSION OF REMARKS

Mr. HILL of Maryland. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill H. R. 8383 by printing a brief statement from the Bar Association of Baltimore City on the need of a new judge for the District of Maryland.

Mr. SNELL. Reserving the right to object, how long is that statement?

Mr. HILL of Maryland. It is not very long. It is a brief statement.

Mr. SNELL. I shall be constrained to object.

Mr. HILL of Maryland. I hope the gentleman will withdraw the objection.

Mr. SNELL. It has been definitely understood that we are going to keep matter of that sort out of the RECORD.

The SPEAKER. Objection is heard.

ADJOURNMENT

Mr. ANTHONY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 42 minutes p. m.), the House adjourned until to-morrow, Saturday, February 13, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 13, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.30 a. m.)

To abolish capital punishment in the District of Columbia (H. R. 349 and H. R. 4498). Subcommittee on the Judiciary.

COMMITTEE OF FOREIGN AFFAIRS

(10.15 a. m.)

For the acquisition or erection of American Government buildings and embassy, legation, and consular buildings, and for other purposes (H. R. 6771).

COMMITTEE ON INDIAN AFFAIRS

(10 a. m.)

A bill to extend the civil and criminal laws of the United States to Indians (H. R. 7826).

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

To amend an act entitled "An act to regulate foreign commerce by prohibiting the admission into the United States of certain adulterated grain and seeds unfit for seeding purposes," approved August 24, 1912, as amended, and for other purposes (H. R. 8118).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To provide naval aviation pilots (H. R. 8531).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. NEWTON of Minnesota: Committee on Interstate and Foreign Commerce. H. R. 7455. A bill to legalize the submarine cable laid in the St. Louis River at the Spirit Lake Transfer Railway drawbridge, between New Duluth, Minn., and Oliver, Wis., and used for the lighting of the village of Oliver, Wis.; without amendment (Rept. No. 279). Referred to the House Calendar.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7616. A bill to amend section 89 of chapter 5 of the Judicial Code of the United States; without amendment (Rept. No. 280). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. REECE: Committee on Military Affairs. H. R. 2744. A bill to correct the military record of Charles E. Lowe; without amendment (Rept. No. 281). Referred to the Committee of the Whole House.

Mr. SMITH: Committee on the Public Lands. H. R. 7921. A bill to authorize the Commissioner of the General Land Office to dispose by sale of certain public land in the State of Arkansas; without amendment (Rept. No. 282). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HALL of Indiana: A bill (H. R. 9265) to authorize the construction of three cottages and an annex to the hospital at the National Home for Disabled Volunteer Soldiers, at Marion, Ind.; to the Committee on Military Affairs.

By Mr. REID of Illinois: A bill (H. R. 9266) to provide for the purchase of a site and the erection thereon of a public building at the city of Wilmington, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. SPROUL of Illinois: A bill (H. R. 9267) to amend an act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes;" approved February 28, 1925; to the Committee on the Post Office and Post Roads.

By Mr. STEVENSON: A bill (H. R. 9268) to amend the agricultural credits act of 1923; to the Committee on Banking and Currency.

Also, a bill (H. R. 9269) to amend paragraph 2 of section 7 of the farm loan act; to the Committee on Banking and Currency.

By Mr. HILL of Washington: A bill (H. R. 9270) authorizing certain Indian tribes and bands, or any of them residing in the State of Washington to present their claims to the Court of Claims; to the Committee on Indian Affairs.

By Mr. KELLY: A bill (H. R. 9271) to classify certain positions in the Railway Mail Service and sea post service, and to provide for the promotion of the employees within the grades fixed by law; to the Committee on the Post Office and Post Roads.

By Mr. LINDSAY: A bill (H. R. 9272) to tender the thanks and appreciation of the Congress of the United States for heroic service rendered by the officers and crews of the steamships *President Roosevelt*, *President Harding*, *American Trader*, *Republic*, and *Cameronia;* to the Committee on the Merchant Marine and Fisheries.

By Mr. MEAD: A bill (H. R. 9273) to fix the hours of duty and time credits for the services of railway postal clerks assigned to duty in railway post-office cars, terminal railway post offices, and transfer offices, and to provide for payment for overtime for service in excess of the standards herein provided; to the Committee on the Post Office and Post Roads.

By Mr. DRIVER: A bill (H. R. 9274) to release and quitclaim title of certain lands to Holyman Battle and his successors in interest; to the Committee on the Public Lands.

By Mr. SHALLENBERGER (by request): A bill (H. R. 9275) to secure to the United States a monopoly of electrical means for the transmission of intelligence for hire, to provide for the acquisition by the Post Office Department of the telephone and telegraph network, and to license certain telephone lines, radio and telegraph agencies; to the Committee on Interstate and Foreign Commerce.

By Mr. FROTHINGHAM: A bill (H. R. 9276) to provide for the membership of the Board of Visitors, United States Military Academy, and for other purposes; to the Committee on Military Affairs.

By Mr. REID of Illinois: A bill (H. R. 9277) to change the procedure in the Patent Office with regard to the granting of letters patent for invention and designs; to the Committee on Patents.

By Mr. FOSS: A bill (H. R. 9278) to provide for weekly pay days for postal employees; to the Committee on the Post Office and Post Roads.

By Mr. STRONG of Kansas (by request): A bill (H. R. 9279) for the determination and payment of certain claims against the Choctaw Indians enrolled as Mississippi Choctaws; to the Committee on Indian Affairs.

By Mr. ZIHLMAN: Joint resolution (H. J. Res. 166) to create a joint committee to inquire into and report on fiscal matters between the United States and the District of Columbia, and for other purposes; to the Committee on Rules.

By Mr. SCHAFER: Resolution (H. Res. 134) authorizing an investigation of the acts of administration of the office of the Alien Property Custodian; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Senate and General Assembly of the State of New Jersey, memorializing Congress to retain the present naval air station at Lakehurst, N. J.; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 9280) granting a pension to Sarah J. Willoughby; to the Committee on Pensions.

By Mr. BACHARACH: A bill (H. R. 9281) granting a pension to Bernard Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9282) granting an increase of pension to Caroline A. Grosh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9283) granting an increase of pension to Mary E. Pedrick; to the Committee on Invalid Pensions.

By Mr. BYRNS: A bill (H. R. 9284) granting a pension to Tennie Smith; to the Committee on Pensions.

By Mr. DAVEY: A bill (H. R. 9285) granting a pension to Jennettie Rowland; to the Committee on Invalid Pensions.

By Mr. FLETCHER: A bill (H. R. 9286) granting an increase of pension to Henry Volk; to the Committee on Pensions.

By Mr. IRWIN: A bill (H. R. 9287) for the relief of Albert G. Tuxhorn; to the Committee on Claims.

By Mr. KEARNS: A bill (H. R. 9288) for the relief of S. O. Weaver; to the Committee on Claims.

By Mr. LYON: A bill (H. R. 9289) granting a pension to Mamie Thompson Phelps; to the Committee on Pensions.

By Mr. McCLINTIC: A bill (H. R. 9290) granting an increase of pension to Sarah J. Mull; to the Committee on Invalid Pensions.

By Mr. MENGES: A bill (H. R. 9291) granting an increase of pension to Amanda E. King; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9292) granting an increase of pension to Louisa A. Gemmill; to the Committee on Invalid Pensions.

By Mr. MERRITT: A bill (H. R. 9293) granting an increase of pension to Sarah E. Vining; to the Committee on Invalid Pensions.

By Mrs. NORTON: A bill (H. R. 9294) for the relief of Clotilda Freund; to the Committee on Claims.

By Mr. PARKER: A bill (H. R. 9295) granting an increase of pension to Mary R. Sheffer; to the Committee on Invalid Pensions.

By Mr. SEARS of Nebraska: A bill (H. R. 9296) for the relief of John O'Hara; to the Committee on Claims.

Also, a bill (H. R. 9297) for the relief of John Christians; to the Committee on War Claims.

By Mr. SNELL: A bill (H. R. 9298) granting a pension to Ettie Sinclair; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 9299) granting a pension to H. B. Jones; to the Committee on Invalid Pensions.

By Mr. TILLMAN: A bill (H. R. 9300) granting a pension to the heirs of George L. Davis, deceased; to the Committee on Invalid Pensions.

By Mr. TOLLEY: A bill (H. R. 9301) granting a pension to Anna M. Hewitt; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 9302) granting a pension to Ida E. Hawthorne; to the Committee on Invalid Pensions.

By Mr. WOODRUM: A bill (H. R. 9303) for the relief of the heirs of Elias Hackley; to the Committee on Claims.

By Mr. WURZBACH: A bill (H. R. 9304) for the relief of John T. Wilson; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

663. By Mr. BLOOM: Resolution of the New York Press Association concerning the printing by the Government of the United States of special return cards on Government stamped envelopes; to the Committee on the Post Office and Post Roads.

664. Also, resolution of the Board of Aldermen of the city of New York, dated February 2, 1926, concerning a proposed amendment to the immigration act of 1924; to the Committee on Immigration and Naturalization.

665. By Mr. CAREW: Petition of the Board of Aldermen of the City of New York, favoring the passage of House bill 5, a bill to amend the immigration act of 1924, known as the quota law, etc.; to the Committee on Immigration and Naturalization.

666. By Mr. CULLEN: Resolution adopted by the Board of Aldermen of New York City, indorsing the proposed amendment to the immigration law so that the wives, husbands, unmarried minor children, and parents of citizens of the United States and of permanent residents who have declared their intentions to become citizens of the United States, may be admitted as nonquota immigrants; to the Committee on Immigration and Naturalization.

667. By Mr. W. T. FITZGERALD: Petition of Greenville Council, No. 28, Daughters of America, requesting enactment of House bills 344 and 5583 governing the naturalization, deportation, and registration of aliens within the United States; to the Committee on Immigration and Naturalization.

668. By Mr. HERSEY: Petition of Llewellyn M. Dorsey, College of Agriculture, University of Maine, Orono, Me., and 10 others respecting copyright of books printed by means of the mimeograph process; to the Committee on Patents.

669. By Mr. LEAVITT: Resolution of the Billings (Mont.) Woman's Club, favoring continuance of the provisions of the Sheppard-Towner maternity act; to the Committee on Interstate and Foreign Commerce.

670. By Mr. O'CONNELL of New York: Petition of the New York State Pharmaceutical Association, favoring the passage of the Kelly bill (H. R. 11) relative to resale price of identified merchandise; to the Committee on Interstate and Foreign Commerce.

671. Also, petition of the Twentieth Century Club, of Richmond Hill, Long Island, N. Y., opposing the Wadsworth-Perlman bill; to the Committee on Immigration and Naturalization.

672. By Mr. RAINEY: Petition of John Marm and other citizens of Beardstown, Ill., against the White radio broadcasting bill; to the Committee on the Merchant Marine and Fisheries.

673. By Mr. SINCLAIR: Petition of the officers of the Lower Yellowstone Irrigation Districts Nos. 1 and 2, urging the enactment of legislation recommended by the fact-finding committee with reference to their project; to the Committee on Irrigation and Reclamation.

HOUSE OF REPRESENTATIVES

SATURDAY, *February 13, 1926*

The House met at 12 o'clock noon.

Rev. William A. Lambeth, D. D., pastor of Mount Vernon Place Methodist Episcopal Church South, offered the following prayer:

Our Father, we pray for strength of intellect and character, like St. Paul's, in order that we may grapple with and master better the tasks of to-day and the problems of our age. We pray for spiritual insight, like Isaiah's, in order that we may know with greater clearness and surety what is Thy will concerning us and our land. We pray for vision, like the Apostle John's, in order that we may see the needs of our country to-morrow with the eyes of to-day. We pray for the mind of Christ, in order that we may be free from sectionalism and free from mere nationalism, and in order that our minds may be more international and interracial. These things we pray in the name and for the sake of Thy Son our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. SNELL. Mr. Speaker, I notice by the RECORD this morning that the gentleman from Texas [Mr. BLANTON] took some exception to my position in regard to the extension of remarks in the RECORD. I want to say to the House that I have no personal controversy with the gentleman from Texas or any other individual Member. I am simply opposed to the habit or custom that has grown up of late of putting all this extraneous matter in the RECORD, and I believe that in taking that position I am in harmony with at least 90 per cent of the Members of this House.

In regard to the gentleman's criticism that I did not speak about the extension of remarks of the gentleman from Wisconsin [Mr. BROWNE], I will say that I intended to call the attention of the House to those remarks yesterday, and I was on my feet trying to get recognition when some one made a point of order of no quorum. After that I let the matter go for the day with the idea of calling it up to-day, as I think he also included outside matter that had no place in the RECORD.

I am opposed to that general custom, and while I appreciate the fact that the Speaker is not in absolute control of the RECORD, I believe it would tend to orderly procedure in the House if the Speaker would be willing to state to the House what he understands by the general request that is often made here to revise and extend remarks. If we could get some general understanding along that line, it would save some of us, who are interested in the integrity of the RECORD, from asking every Member, when he rises and asks permission to revise and extend his remarks, whether he intends to confine the extension to his own remarks. That is the only thing I am interested in, and I think it is for the best interests of the orderly procedure of the House to have some understanding about it. If the Speaker believes it is within his province to do so, I wish he would rule on that proposition or tell the Members of the House what he thinks is proper and expected under the general request to revise and extend remarks.

The SPEAKER. The Chair believes that every Member of the House understands the position taken by the leaders of the majority with reference to the extension of remarks in the RECORD. It has been made very clear that it is the intention of the majority leadership to exclude papers and other documents from being printed in the RECORD except with the thorough understanding that they are to be printed. The Chair thinks that when a gentleman asks unanimous consent to extend his remarks in the RECORD that carries with it a promise that he will not abuse the permission given him by the House. As the Chair understands, he has not the power himself to exclude remarks from the RECORD, but the Chair thinks that if any gentleman intends to print anything in the RECORD except his own remarks he should ask permission specifically to do so. [Applause.]

Mr. BANKHEAD. Mr. Speaker, with all due respect to the Speaker in his interpretation of the privileges of Members with reference to the inquiry of the gentleman from New York, the Speaker said it was the understanding and purpose of the leadership of the majority that the course indicated by the Speaker was a proper one to take. It seems to me that this matter, if it has any basis at all for interpretation, is one affecting the privileges of the House in a minor degree and that it is not a partisan question or a political question.

The SPEAKER. If the gentleman will pardon the Chair, when the Chair said the majority he did not allude to a partisan majority, but to the majority of the House, because the Chair understands there are men high in leadership on the gentleman's side who agree with what the Chair has said with reference to extension.

Mr. BANKHEAD. But be that as it may, and it is possible I may have misunderstood the Chair, it seems to me it is a futile thing we are doing unless it should be determined that there ought to be specific regulations and limitations that might be enforced with reference to this matter when there was a violation of the general understanding of the rule with reference to extension of remarks.

ENROLLED BILL SIGNED

Mr. CAMPBELL, from the Committtee on Enrolled Bills, reported that the committee had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 183. An act providing for a per capita payment of $50 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States.

WAR DEPARTMENT APPROPRIATION BILL

Mr. ANTHONY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8917) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8917, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8917, which the Clerk will report.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Headquarters and camps: For establishment, maintenance, and operation of divisional and regimental headquarters and of camps for training of the Organized Reserves; for miscellaneous expenses incident to the administration of the Organized Reserves, including the maintenance and operation of motor-propelled passenger-carrying vehicles; for transportation of baggage, including packing and crating, of reserve officers on active duty for not less than six months; for medical and hospital treatment, continuation of pay and allowances not to exceed six months, and transportation when fit for travel to their homes of members of the Officers' Reserve Corps and Enlisted Reserve Corps of the Army injured in line of duty while on active duty under proper orders or while voluntarily participating in aerial flights in Government-owned aircraft by proper authority as an incident to their military training; and for the preparation and transportation to their homes and burial expenses of the remains of members of the Organized Reserves who die while on active duty, as provided in section 4 of the act of June 3, 1924, $525,000: *Provided*, That not to exceed $100,000 of this amount may be used for establishment and maintenance of divisional and regimental headquarters.

Mr. REECE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. REECE: Page 71, line 2, after the word "headquarters," insert a new paragraph to read as follows:

"For travel of officers and noncommissioned officers of the Regular Army in connection with the Organized Reserves, $176,000."

Mr. ANTHONY. Mr. Chairman, I reserve a point of order on the amendment.

Mr. REECE. Mr. Chairman and gentlemen of the committee, the backbone of our national defense system is our reserves. The country is divided into nine Army corps areas. In each of these corps areas the national reserves are organized into regiments and into divisions. The officer personnel and the enlisted personnel have their definite assignments. If war should be declared to-morrow, the reserves would immediately be ordered to report to their respective regiments and divisions.

It is the policy of the War Department to assign Regular Army officers to each of these regiments and divisions for purposes of instruction, carrying on correspondence courses and organizing the reserve officers and enlisted men for the reserve officers' training camps. These officers are on duty regularly throughout the year. If they are to function properly it is necessary for them to visit the different sections of the regiments and the divisions at different times of the year.

Under the provisions of this bill no appropriation is made giving travel allowances to Regular Army officers assigned to the reserve regiments. There are about 596 officers of the Regular Army assigned to the reserve regiments and 540 enlisted men. There are 485 Regular Army officers assigned to the National Guard and 601 enlisted men. This bill carries an appropriation of $300,000 for travel allowances for the Regular Army officers who are assigned to the National Guard. There are more officers of the Regular Army assigned to the reserves than there are to the National Guard, but no provision is made for any travel allowances for Regular Army officers assigned to the reserves.

I can not see how the committee can justify the position of allowing $300,000 for the Regular Army officers assigned to the National Guard with no allowance being made for Regular Army officers assigned to the reserves, especially when the

reserves constitute such an important element in our national defense system. These Regular Army officers can not function and perform their duty properly, however diligent they may be, unless they have some allowance on which to travel and visit the various regiments.

As it is to-day these officers who are assigned to duty with the reserves, rather than neglect their duty, realizing the importance of the work, spend money out of their own pockets to visit these regiments and to take care of the interests of the reserves, and I think it is only fair that we should make some provision in this appropriation bill for this important function of the national defense system.

Mr. BLACK of New York. Will the gentleman yield?

Mr. REECE. Yes.

Mr. BLACK of New York. Does the gentleman know whether or not Regular Army officers are still being assigned to private military schools as instructors; and if so, whether they are receiving travel allowances paid by the Government?

Mr. REECE. They are being assigned to the schools for purposes of military instruction, and under the Regular Army travel allowance they receive their allowances to go back and forth, and that is all the travel that is necessary in those cases.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. ANTHONY. Mr. Chairman, I make the point of order the amendment is not germane to this paragraph. The money for travel for Regular Army officers on duty with reserves is taken out of the mileage of the Army, a paragraph which has already been considered.

Mr. REECE. Mr. Chairman, that policy was not carried out in the case of the Regular Army officers on duty with the National Guard. Under the appropriations made for the Militia Bureau, a paragraph was inserted carrying $300,000 for mileage for officers on duty with the National Guard. If that paragraph is in order there, I hardly see why a paragraph would not be in order here providing such an allowance for the Regular Army officers on duty with the reserves.

The CHAIRMAN. The Chair will ask the gentleman from Kansas where he would suggest is the proper place in this bill for such an amendment.

Mr. ANTHONY. The proper place, in my opinion, Mr. Chairman, would be under the item "Mileage for the Army," because that is the place now where the money is secured for any traveling that these Army officers do who are on duty with the reserves.

Mr. REECE. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. REECE. On page 67 provision is made for travel allowances for the Regular Army officers who are on duty with the National Guard.

Mr. ANTHONY. Yes; but I will say to the gentleman that a separate item is set up there for the guard because there is a different proposition involved. The National Guard is an actual military force. It has 185,000 men actually in existence and in organizations. The reserve force, as the gentleman knows, is largely on paper, except its commissioned officers, and from the standpoint of the merits of the case, that would be the argument against providing a separate appropriation.

Mr. REECE. But that does not apply to the parliamentary situation.

Mr. ANTHONY. No; that does not apply to the parliamentary situation.

Mr. JOHNSON of South Dakota. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. JOHNSON of South Dakota. May I call the attention of the Chair to the phraseology beginning in line 5, on page 70, where the bill carries the following language:

> Headquarters and camps: For establishment, maintenance, and operation of divisional and regimental headquarters and of camps for training of the Organized Reserves: For miscellaneous expenses incident to the administration of the Organized Reserves, including the maintenance and operation of motor-propelled passenger-carrying vehicles—

And so forth.

In other words, Mr. Chairman, this section which the gentleman from Tennessee seeks to amend is a general section and the operation, the establishment, and the maintenance of the reserve are all considered in this section.

The purpose of the amendment of the gentleman is simply to provide money for transportation for a part of these forces, and, in my opinion, is clearly in order.

Mr. ANTHONY. I call the Chair's attention to page 13, where he will find the item "Mileage of the Army: For mileage, reimbursement of actual traveling expenses to commissioned officers, warrant officers, contract surgeons," and so forth—Regular Army officers on duty. The officers which the gentleman from Tennessee is trying to provide for are officers of the Regular Army, and any traveling they may do comes under the item on page 13, which has already been considered. In order to be sure of that the committee has communicated with General Walker, who is Chief of the Finance Division, and he says that traveling expenses of officers on duty with the reserves does come from this item. Whether or not it would be in order to set up a new item here is questionable.

Mr. FROTHINGHAM. Will the gentleman yield? Does the gentleman say that the appropriation for the National Guard is out of order? It would seem to be consistent, if they claim this to be out of order, then that for the National Guard is out of order.

Mr. ANTHONY. It has been carried for years.

Mr. FROTHINGHAM. That does not prevent it being out of order.

Mr. ANTHONY. In reply to the gentleman, I want to say that I am informed that the law specifically provides for officers of the Regular Army.

Mr. FROTHINGHAM. The law provides for the reserve officers in the same language—officers being on duty—and if one is bad the other must be bad.

The CHAIRMAN. The paragraph to which this amendment is offered provides for expenses at headquarters and camps. The heading of this subtitle is "Organized Reserves." It is admitted, I suppose, that this is an expenditure authorized by law, and the only question is as to whether at this place in the bill it is proper to make an appropriation setting up a special fund for this purpose. It seems to the Chair that while travel for Army officers is taken care of under the heading of "Mileage," at the same time it is not repugnant to the rules to set up a special item under the proper head to be expended for this particular purpose in connection with service with the Organized Reserves. We are dealing with the Organized Reserves in the paragraph, and the amendment of the gentleman from Tennessee proposes to set up under this heading a fund out of which may be paid the travel expenses of certain Regular Army officers to train, instruct, and work with the Organized Reserves. It seems to the Chair that being an authorized appropriation, and this being the heading under which we are considering appropriations for the Organized Reserves, that it would be in order to make an appropriation to pay for traveling expenses for a special service in connection with the Organized Reserves. Therefore the Chair overrules the point of order.

Mr. ANTHONY. Mr. Chairman, from the standpoint of the merits of the amendment it is not advisable to expend this amount of money for the travel of Regular Army officers when with the Organized Reserves. There are some 500 Regular Army officers on duty with the unit of the reserves. There is not enough, to my mind, to keep them reasonably busy during the year. They would have to scratch pretty hard to find something to do. It is true that during the training period they have on their hands something to do, but for nine months of the year it is doubtful if they are employed at anywhere near as fully as they would be if detailed on any other duty.

Mr. FISH. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. FISH. Does the gentleman say that there are 500 officers of the Regular Army working with the Organized Reserves?

Mr. ANTHONY. Five hundred Regular Army officers.

Mr. FISH. I agree with the gentleman that there would not be much for them to do except for a few months of the year.

Mr. HILL of Maryland. The gentleman from New York does not know——

Mr. FISH. I know as much as the gentleman from Maryland does. The gentleman from Kansas said there were over 500 officers of the Regular Army detailed to the Organized Reserve Corps. Now I am an officer in the Organized Reserve Corps and I know that the average regiment does not meet more than once a month. How can it be possible that these 500 officers give their entire time to this work? The gentleman said they would have a hard time to find work to do throughout the year. I think they would have a hard time to find work during half the time.

Mr. ANTHONY. I suppose that for three months during the busy season, in the summer, they are occupied, and other months only by an occasional inspection—and it is not an inspection because they have nothing to inspect, but they do visit the clubs and deliver a lecture perhaps once a week, and the other five days of the week I doubt if they have a great deal to do.

Mr. HUDSPETH. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to extend my remarks in the RECORD, not desiring to take up the time of the committee, on the encouragement that the appropriation of $150,000 has given in the way of breeding suitable horses for Cavalry service throughout the United States.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. HUDSPETH. Mr. Chairman, noting the appropriation of $150,000 carried in this bill for the purpose of encouraging the breeding of good horses by distributing stallions selected by those competent to select same and placing them in the hands of breeders, who will get proper results, prompts me at this time in calling the attention of the committee to the fact that when I first came to Congress, about eight years ago, a number of Members of the House considered this item very much in the light of a joke and as a useless expenditure.

For your enlightenment, gentlemen, I want to state that, under the direction of that experienced Army officer, Maj. E. G. Cullum, in charge of remount headquarters of the United States Army, who knows the good qualities of a horse as I know the good qualities of cattle and sheep, and who has given more study to the different breeds, the placing of this appropriation in this bill has redounded not only to the benefit of the Cavalry arm of the service but to the breeders of thoroughbred horses throughout the United States.

When machinery largely displaced the horse several years ago those who had been engaged in the business lost interest in the breeding of good horses, and the result was that the business disintegrated and went to pieces.

Those who think and study the question know that the Cavalry branch of the Army will always be necessary, especially in protecting the great stretch of border to the south and also that to the north. I have personally observed some of these horses that have been placed in my district in Texas and in neighboring districts. A great impetus has been given to the breeding of good horses, and I wish to take occasion here to compliment that splendid gentleman and able Army officer, Major Cullum, who has distributed these horses without any partiality, so far as I have been able to observe, and before sending a horse upon request he ascertains first that the person seeking the animal is reliable, and that he will take the proper care of the horse and also of the progeny therefrom.

Through Major Cullum's direction it will be only a few years until we shall have raised throughout the United States the best Cavalry horses in the world. Many of the members of the committee have stated to me that their views have been changed regarding this appropriation. Many of them who opposed it a few years ago are now strongly in favor of it; and while the officials of the Army have been criticized in various expenditures, I have not heard in recent years the slightest criticism of the handling of this fund, but, on the contrary, have heard Major Cullum and other Army officials commended very highly.

It is a pleasing result to me, and I am sure it is to the members of this committee when they have been made acquainted with the facts. If I should lodge any criticism at all, it would be to the point that at least $100,000 has not been added to this appropriation, so that Major Cullum and those in charge of the remount service could grant a larger distribution of the thoroughbred stallions that they purchase and send out for the purposes mentioned in this appropriation.

If you had seen the results as I have, you would readily see that not one dime of this appropriation has been misapplied or expended unwisely.

Mr. REECE. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. REECE. Then the gentleman is attacking the reserve system?

Mr. ANTHONY. No; I am not attacking anybody. I am just giving the gentleman the facts.

Mr. REECE. In my opinion, although there may be 596 officers in the Regular Army assigned to duty with the reserves, those officers who are spending their energy in rounding up the reserves of the country are of more benefit to the defense system than any other bloc of 500 officers in the Regular Army.

Mr. ANTHONY. I seriously doubt that.

Mr. HILL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Let me complete my statement. In regard to the facilities that these officers have for travel, I dare say that most of them have their own private automobiles and are able to reach the near-by towns in their territories with but little trouble; but for those who do not have their own private automobiles there are 80 Government automobiles assigned to these officers to use on their duties in making inspections in the territory of which they have charge. Thirty-five thousand dollars is carried in the bill here for gasoline for those automobiles. I contend that the facilities provided in this bill do permit those officers to make all of the reasonable travel that should be necessary in the performance of their duties.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ANTHONY. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. SCHAFER. Does the gentleman take the position that these officers in performing their official duties should use their own automobiles and incur a certain depreciation of their own machines?

Mr. ANTHONY. It would not hurt them much, if they did. They are getting good pay, and, as I say, they are not doing a great deal of work.

Mr. SCHAFER. Their pay schedule was not fixed with consideration of the fact that they were to use their own personal automobiles, was it?

Mr. ANTHONY. No; but it would probably keep them busy running their own automobiles, and give them something to do.

Mr. McREYNOLDS. And is it not true that they are not only not very busy, but that some of them are really engaged in other lines of business?

Mr. ANTHONY. I doubt that.

Mr. McREYNOLDS. I do not doubt it. Some of them are selling automobiles.

Mr. JOHNSON of South Dakota. Oh, these are Regular Army officers, and they are not doing anything else.

Mr. HILL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. HILL of Maryland. There are some 500 or more regular officers assigned to the organized reserve?

Mr. ANTHONY. That is true.

Mr. HILL of Maryland. That means to the combat units. The gentleman from New York [Mr. FISH], who said that he is a reserve officer, said those officers made two or three trips a year, and I repeat that that shows that he does not know anything about the workings of the organized reserve.

Mr. ANTHONY. I think that is true in some parts of the country.

Mr. HILL of Maryland. For instance, in the Third Corps Area the regular officer on duty with a reserve regiment gives four periods of three hours each of terrain instruction every month and two periods of three hours each instruction on map work each month besides his daily office work.

Mr. ANTHONY. I think what the gentleman stated is correct in regard to the reserve work carried on in big cities. The Regular Army officer detailed there does not need any transportation, but so far as the work is concerned in the less thickly populated portions of the country he can not possibly have even the schedule of work the gentleman from Maryland lays out, because the reserve officers are not getatable.

Mr. HILL of Maryland. That may be true in some of the corps areas.

Mr. ANTHONY. I yield the remainder of my time to the gentleman from Maryland.

Mr. HILL of Maryland. Mr. Chairman, I would like to say to the members of the committee that this brings up a very serious point about your Reserve Corps.

If what the gentleman from New York [Mr. FISH] says is correct, you had better abolish the Reserve Corps; you had better do away with the Regular Army officers who are ordered to instruct the Reserve Corps. It may be true, as the gentleman from Kansas [Mr. ANTHONY] says, that in the areas where a reserve infantry regiment, let us state, is scattered over an enormous terrritory, as in the Eighth Corps Area, it is impossible to have sustained instruction except by correspondence courses; but there are correspondence courses conducted in every one of these units. In such cities as Philadelphia, Harrisburg, Baltimore, New York, Washington, Pittsburgh, and various other places the Army officer attached to a reserve regiment—and without the Army officer attached to a reserve regiment it can not function as a training unit—not only instructs in map problems

and studies for several nights a month, but he conducts terrain exercises, mounted exercises, and various other drills; and it is not fair to come here and say that these officers do not perform work. In addition to that, there are correspondence courses carried out in the nine corps areas for the Organized Reserves. I am not talking about brigadier generals in the Quartermaster's Department, or brigadier generals of something else in the Staff Department Reserve Corps; I am talking about the line officers who belong to the combat units of the Organized Reserves, who have to take stiff examinations when they are commissioned, unless they served in a similar rank in the war, and who are promoted only on a searching examination as to qualifications and knowledge.

Mr. SPEAKS. Mr. Chairman, will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. SPEAKS. What is the aggregate strength of the reserve regiment, to which the gentleman is referring, in Baltimore?

Mr. HILL of Maryland. I was not referring to any particular reserve regiment. I was referring to three Infantry and one Cavalry divisions with headquarters in the Third Corps Area, whose headquarters is in Baltimore.

Mr. SPEAKS. For the purpose of having the members of the committee fully enlightened, can the gentleman approximate the number of officers and enlisted men in the reserve regiment with headquarters in Baltimore?

Mr. HILL of Maryland. I will say to the gentleman that Baltimore is the headquarters of the Third Corps Area. That takes in Maryland, Pennsylvania, the District of Columbia, and Virginia. In that Third Corps Area are three reserve Infantry divisions and one reserve Cavalry division—the Seventy-ninth, Eightieth, and Ninety-ninth Infantry Divisions and the Sixty-second Cavalry Division. Each one of those divisions has as officers in the regiments and other units of the division the number of officers who are set forth in the table of organization.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. HILL of Maryland. Mr. Chairman, may I have five additional minutes? I rise in opposition to the amendment.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HILL of Maryland. I will say to the gentleman from Ohio, and I am glad this suggestion came up, because if what the gentleman from New York [Mr. FISH] says is correct you had better abolish the Reserve Corps—in each one of these reserve divisions there are reserve regiments and battalions. In each one of the reserve regiments and battalions there are officers assigned to fill commands set forth in the tables of organization. Then there are extra officers for whom there is no room in the tables of organization attached for the purpose of instruction, so you have in a reserve Infantry regiment about twice the number of officers provided by the table of organization.

Mr. SPEAKS. Will the gentleman yield?

Mr. HILL of Maryland. I will.

Mr. SPEAKS. The gentleman understands that there are no enlisted men in the several organizations he mentions.

Mr. HILL of Maryland. I will say to the gentleman that there are enlisted noncommissioned officers in all of these organizations, and the effort is made to get as many as possible under existing orders. I will say also to the gentleman that the enlisted men attached to these regiments as noncommissioned officers meet regularly and are trained with the officers of those regiments, as they should be.

Mr. SPEAKS. In the entire division to which the gentleman refers——

Mr. HILL of Maryland. I referred to the Third Corps Area.

Mr. SPEAKS. Are there 50 enlisted men?

Mr. HILL of Maryland. Yes.

Mr. SPEAKS. Are there 100?

Mr. HILL of Maryland. There are in every regiment Infantry, Cavalry, or Artillery—a certain number. In the Third Corps Area there are 392 enlisted reservists.

Mr. SPEAKS. The companies, the battalions, the regiments, the brigades, and the division are composed wholly of imaginary organizations so far as enlisted personnel is concerned?

Mr. HILL of Maryland. Oh, the gentleman has not kept pace with the organization.

Mr. SPEAKS. One point further.

Mr. HILL of Maryland. Let me answer the gentleman's point.

The War Department regulations at the present time, as carried out in every corps area, provide that a reserve regiment may be filled 50 per cent of the places for noncommissioned officers, but it is very difficult to get them, as it is very difficult often to get certain experienced commissioned officers to come in. The gentleman is entirely wrong when he says that there is no enlisted personnel in these reserve organizations. I would be very glad to put in the RECORD for the benefit of the gentleman the numbers in the various——

Mr. SPEAKS. I am just informed by the chairman of the subcommittee that there are 390 enlisted men in the entire Third Corps Area, which the gentleman from Maryland [Mr. HILL] says embraces the States of Pennsylvania, Virginia, Maryland, and the District of Columbia. This would not allow one enlisted man to each company unit.

Mr. HILL of Maryland. That gives each one of the organizations which the gentleman said had not any quite an appreciable number of enlisted reservists.

Mr. SCHAFER. Will the gentleman yield?

Mr. HILL of Maryland. I will.

Mr. SCHAFER. I do not want to enter into a controversy in reference to the officers, because I was only a buck private in the rear rank in the late war, but do I infer the gentleman is in favor of this amendment?

Mr. HILL of Maryland. I do not know yet. I am open-minded on that amendment.

Mr. SCHAFER. Does the gentleman think the Regular Army officer assigned to assist the reserve officers' organization ought to use in many cases their own automobiles in performing their duties?

Mr. HILL of Maryland. I will say to the gentleman I do not. I think they ought to be given mileage.

Mr. SCHAFER. Does the gentleman think that it is necessary to have personal contact, and in order to have that personal contact by these Regular Army officers with the reserve officers that it is necessary for them to travel and not merely require the correspondence courses of instruction, or, in other words, the correspondence contact?

Mr. HILL of Maryland. Well, I think from what the gentleman from New York [Mr. FISH] has said about the conditions in rural New York, I shall vote for the amendment, because I think the officers should keep in contact with the reserve units more than several times a year, as the gentleman says.

Mr. KING. Now will the gentleman yield?

Mr. HILL of Maryland. I yield with pleasure.

Mr. KING. I want to ask the gentleman a question with reference to the character of speeches these officers are making. I understand from the statement of the gentleman from New York that they go about from camp to camp and from organization to organization for the purpose of making speeches.

Mr. HILL of Maryland. Does the gentleman know or has he investigated the character of speeches?

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. HILL of Maryland. May I have two minutes more?

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. KING. I understand that they are purely propaganda speeches that are being delivered all over the country, and that virtually this organization has been turned over to these men who were interested in putting over certain propositions in this country.

Mr. HILL of Maryland. I think the gentleman from Illinois has asked a very fair question, in view of the remarks of the gentleman from New York about these officers making speeches. I have no knowledge of the conditions in the Second Corps Area, in which New York is located, but in the third area there are no "speeches" made by the Regular Army officers. They conduct problems in offense and in defense, problems prepared with maps in the War College and at Forts Riley and Leavenworth, and they do not make what are ordinarily called "speeches" on any subject in the Third Corps Area.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. HILL of Maryland. Certainly.

Mr. LAGUARDIA. Then those in the Third Corps Area are an exception to the general rule, because officers are engaged by the General Staff to go out and make speeches. I have heard them make speeches, and I am told they are instructed to go out and make speeches by the officers of the General Staff, but if they make speeches contrary to the directions given them by the officers of the General Staff, they are punished.

Mr. HILL of Maryland. I am speaking only of officers detailed to give instruction to the Organized Reserves.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. BARBOUR. Would it be the gentleman's intention to pay to these officers the regular rate of mileage that is paid to Regular Army officers for training?

Mr. HILL of Maryland. I do not know the theory upon which the amendment is based. I do not know the need for it. All that I have to say is this: That I have pointed out that in some corps areas, such as the Sixth, Seventh, Eighth, and Ninth, there is an enormous territory to be covered. If it be true that the Regular Army officers assigned to Organized Reserve units do not come in contact with the units of their organization, they should be permitted to do so.

Mr. BARBOUR. As I understand, this is asked principally for the benefit of the officers who are in the sparsely settled sections of the country.

Mr. HILL of Maryland. I understand so, and shall vote for it for that reason.

Mr. BARBOUR. Those officers have had headquarters in some city where the organizations they are in control of are maintained. If it is necessary for one of these officers to travel 15 miles to a neighboring town to see some other reserve officer, would you pay them mileage?

Mr. HILL of Maryland. No.

Mr. BARBOUR. How would you control it? Would the officer himself control it?

Mr. HILL of Maryland. No officer could travel except on orders from the corps commander. He would have to produce that order in order to get his mileage.

Mr. BARBOUR. I understand that is the only travel that is required of these men on official business. Most often it is a matter of convenience.

Mr. HILL of Maryland. Is it not so that at the present time, on an adequate order having been given, this mileage comes out of the mileage of the Army?

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. FISH. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from New York moves to strike out the last word.

Mr. FISH. Mr. Chairman, I will go as far as any one in this House to appropriate money to build up the Officers' Reserve Corps. I believe it is one of the most important branches of our system of national defense, but I think we are doing harm to the Reserve Corps by trying all the time to get extra appropriations when they are not needed. You have got to build up the Officers' Reserve Corps gradually.

It is claimed that the Regular Army officers who are assigned to the reserve have no means of reaching the members of the reserve. The figures show that there are over 80 Government automobiles being used for this purpose; that the gasoline bill amounts annualy to over $35,000, and that a large amount of money is appropriated for the Regular Army officers at 8 cents a mile, which is to be used, if necessary, by these Regular Army officers assigned to the Reserve Corps to train and meet with all the regiments in the reserve.

Now let us understand this situation. I am very glad myself that the whole matter has been brought up before the House. In rural communities the Reserve Corps regiments, consisting of reserve officers who come from little villages and towns scattered all over that district, meet very seldom. I do not believe that in rural communities Reserve Corps officers meet more than once a month. Is not that a fact?

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. FISH. In a moment. I think this is a very important question. The gentleman from Maryland [Mr. HILL] says we had better abolish the Reserve Corps.

Mr. HILL of Maryland. Oh, no. The gentleman said that if what was said was the case, you had better abolish it.

Mr. FISH. The gentleman is just as strong for the Reserve Corps as anybody in this House. We have been endeavoring from year to year to build up the Officers' Reserve Corps. No Member of the House who knows the facts and who is a friend of the reserve pretends that the Reserve Corps is anything more than it actually is. It consists of 90,000 officers, of which 23,000 get two weeks' training a year. The rest of the year the work is conducted by Regular Army officers in the cities and in the rural districts, but it is impossible to get all the officers of the different Reserve Corps regiments together more than once a month.

That is a fair average. Naturally everyone desires that they get together more often, but physically they can not accomplish it, so we must not expect more from the Reserve Corps than they are actually able to give.

I am not speaking either for or against this amendment. If they actually need this money and they can prove their case, I will vote for it, but I do not think they need that money to-day. They may need it in the future when the Reserve Corps is so organized and so compact that you need Regular Army officers to go all around the country.

Out in the rural sections of New York—and I think this applies to nine-tenths of the country—if you send Regular Army officers traveling about to meet reserve officers, you will not get more than a handful of them together. That is the reason for the time being why I do not intend to vote for this particular amendment, because I do not think it is needed. But whether this amendment is needed or not we should know the facts; we should know just what the Reserve Corps is doing and not listen to this talk that we have a perfectly organized machine that can march out fully equipped for national defense purposes to-morrow.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Chairman, I ask for two minutes more.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for two additional minutes. Is there objection?

There was no objection.

Mr. FISH. We have practically no enlisted men in the Reserve Corps; we have on paper 5,000 enlisted men, but as far as the work they are doing is concerned it is almost nil. I attended the Reserve Corps Training Camp at Plattsburg for two weeks last summer. Some enlisted men were sent up there, and everybody admitted afterwards it was a mistake, because the Regular Army officers did not want them there; the men who were training did not want them, and they just hung around the camp filling in wherever places could be found for them. The enlisted men of the Reserve Corps play very, very little part at the present time, in spite of what the gentleman from Maryland says. It may be that in the future we shall need enlisted men, but now we have all we can do to build up and develop an Officers' Reserve Corps that will accomplish something in the way of training.

The CHAIRMAN. The time of the gentleman from New York has again expired.

The pro forma amendment was withdrawn.

Mr. WAINWRIGHT. Mr. Chairman, I move to strike out the last three words of the paragraph. I am not going to make a speech, but I do want time enough to make this statement. In my judgment, this whole matter revolves around the question of transportation within the corps area, and that brings up the question of these 80 automobiles. It seems to me that all a reserve officer needs is sufficient transportation to get around his corps area in order to properly look after the units of the command to which he is assigned. Now, in the cities, manifestly, they do not need much transportation, but where their sphere of duty extends out into the country they do need transportation. It is a question of automobile transportation, and the question really is not giving them more money for mileage upon the railroads, but whether they have enough motor-transport service. If anybody can tell us whether these automobiles are not sufficient to give them the transportation they need, I think he will be supplying us with the information we should have in order to vote intelligently upon this proposed amendment. I am entirely in sympathy with the proposition of giving the reserve officers all the transportation they need, but let us get right down to the proposition: Just what do they need for the proper performance of their duties?

Mr. REECE. Will the gentleman yield?

Mr. WAINWRIGHT. Yes.

Mr. REECE. There are 596 officers, I believe, assigned to the reserve, and yet on the gentleman's own statement there are only 80 automobiles. Most of the executive officers who have occasion to look after and administer the affairs of the reserve are captains and majors, and it stands to reason that these captains and majors, who have to do most of this traveling, are not going to have any automobiles. Then, further, the allowance for gasoline for the automobiles is very small, and they can not make their long trips on the allowance of gasoline that is made by the War Department. However, the important fact is that there are 596 of these officers and only 80 automobiles.

Mr. ANTHONY. Will the gentleman yield?

Mr. REECE. If I have the right to yield.

Mr. ANTHONY. The gentleman said they did not have enough gasoline to make long trips. Figuring on 80 cars and

$40,000 for gasoline, that is $500 per car for gasoline, and I leave it to the gentleman whether that is not an ample supply of gasoline to operate one car for a year.

Mr. REECE. But they do not have the cars.

The CHAIRMAN. The time of the gentleman from New York has expired.

The pro forma amendment was withdrawn.

Mr. SPEAKS. Mr. Chairman, I move to strike out the last three words for the purpose of presenting a few facts bearing on this whole subject.

First, consider the National Guard aggregating 190,000 officers and men, fully equipped, trained, and prepared to respond instantly to the call of the President at any time. The War Department finds it advisable to detail 475 regular officers for the entire National Guard of the United States. The Reserve Corps, as stated by the gentleman from New York, aggregates about 90,000 officers, a large proportion of whom can never respond to a call by reason of physical infirmities and other causes which would prevent them from passing the required examinations.

Now, upon what basis of reasoning does the War Department find it necessary to detail 547 regular officers to the Reserve Corps, numbering in available men about one-third the aggregate strength of the National Guard, as against 475 for the entire Guard.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. SPEAKS. Yes; I yield to the gentleman.

Mr. HILL of Maryland. Will the gentleman tell the committee whether or not the National Guard officers are paid a regular annual salary for training their men?

Mr. SPEAKS. Yes; an amount which in part pays for their uniforms and other expenses incurred in carrying out their duties.

Mr. HILL of Maryland. Let me ask the gentleman a further question. How much money does a colonel of an infantry regiment in the National Guard get a year?

Mr. SPEAKS. About $500, which is intended to pay in part his expenses for maintaining an actual regiment fully equipped and trained and always immediately available for an emergency call, just the same as a regular regiment.

Mr. HILL of Maryland. How much does a reserve officer get?

Mr. SPEAKS. He is paid only for service rendered. The difference is that the National Guard officer is prepared to respond with a complete organization to the orders of the governor or the President, while the reserve officer has no organization with which to respond to the order of anybody. That is the reason.

Mr. HILL of Maryland. Except in time of war.

Mr. SPEAKS. No; not even in time of war.

Mr. HILL of Maryland. In time of war he has got to respond.

Mr. SPEAKS. There is some question about that, but in any event he will have no organization. I am not unfriendly to the Reserve Corps, but feel that the facts should be known.

Mr. HILL of Maryland. I suggest the gentleman read the law.

The pro forma amendment was withdrawn.

Mr. JOHNSON of South Dakota. Mr. Chairman, I move to strike out the last two words.

I rise, Mr. Chairman, to advocate the adoption of this amendment proposed by the gentleman from Tennessee [Mr. REECE]. There has been much said about the fact it may not be necessary to use all of this sum of money proposed for transportation in the large cities such as Philadelphia, New York, Baltimore, and San Francisco. This may be true, but it is necessary, if we are going to maintain a reserve in the sparsely settled parts of the United States, that some of these officers be allowed to travel from their corps headquarters to the places where the reserve officers of a State or of a congressional district may be brought together for purposes of instruction.

The situation is entirely different in New York from what it is in South Dakota or in Texas or in other parts of the West and South. It is not necessary for the War Department to expend this money foolishly. It does not mean that because we have given such an appropriation they are going to allow large travel expenses in the Third Corps Area or in the First Corps Area of New York, but it does mean that in some parts of the country where the distance across a corps area is 1,000 miles or 1,500 miles you will give the reserves in that part of the country an opportunity to get the same sort of instruction that is given to reserve officers in the larger cities.

To my mind this is the same sort of discussion we used to have concerning the reserve in 1916, when the late Representative Augustus Gardner, of Massachusetts, was pleading for a reserve. I agree with some of the gentlemen that we should either give them transportation and give them something to work with or else abolish the reserve. It is doing some good work. If there was a war to-morrow it would be the reserves you would depend on, with the National Guard, for your first-line troops, and this small amount of money will do no injury to the Government and will help to continue a forceful and a powerful Organized Reserve.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. JOHNSON of South Dakota. I yield to the gentleman from Maryland.

Mr. HILL of Maryland. I would like to ask the gentleman this question: The First, Second, and Third Corps Areas are compact. In those corps areas, with the exception of the State of the gentleman from New York, who just addressed the committee, you can go anywhere in an automobile, but in the other six corps areas you can not visit them except by railroad transportation.

Mr. JOHNSON of South Dakota. Replying to the gentleman, I would say that you not only could not travel by automobile because of the distance, but for four or five months of the year you could not travel in an automobile on account of the snow.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. REECE].

The question was taken; and on a division (demanded by Mr. JOHNSON of South Dakota and Mr. SCHAFER) there were—ayes 67, noes 51.

Mr. ANTHONY. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. REECE and Mr. ANTHONY as tellers.

The committee again divided; and the tellers reported that there were—ayes 81, noes 67.

So the amendment was agreed to.

The Clerk read as follows:

No portion of this appropriation shall be expended for the pay of a reserve officer on active duty for a longer period than 15 days, except such as may be detailed for duty with the War Department General Staff under section 3a and section 5 (b) of the Army reorganization act approved June 4, 1920, or who may be detailed for courses of instruction at the general or special service schools of the Army, or who may be detailed for duty as instructors at civilian military training camps, appropriated for in this act, or who may be detailed for duty with tactical units of the Air Service, as provided in section 37a of the Army reorganization act approved June 4, 1920: *Provided*, That the pay and allowances of such additional officers and nurses of the Medical Reserve Corps as are required to supplement the like officers and nurses of the Regular Army in the care of beneficiaries of the United States Veterans' Bureau treated in Army hospitals may be paid from the funds allotted to the War Department by that bureau under existing law.

Mr. FROTHINGHAM. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 71, line 13, after the figures "1920," insert "or who may be detailed in the office of The Adjutant General of the Army, in the offices of chiefs of branches of the Army, and in the office of the corps area commanders."

Mr. FROTHINGHAM. Mr. Chairman, this amendment does not make any additional appropriation; it merely gives the right to detail six men who are now on detail to the War Department or General Staff to these different corps headquarters.

Now, there are six others who are both reserve officers and National Guard officers and who are paid out of the reserve officers' appropriation. Yesterday an amendment was defeated here to provide more money for keeping men at the corps headquarters and in The Adjutant General's office, but this takes no money, no extra appropriation, but merely allows the present appropriation to be used for the purpose of sending these men to the different corps areas in case they see fit to do so.

They have authority under the general law to do so, but in this section of the bill the appropriation is limited to provide for other specific duties and omits this particular one.

Mr. ANTHONY. Mr. Chairman, I rise to oppose the amendment. The committee feels that it ought to call the attention of this House to what an amendment of this kind will do, although the committee realizes that the work of propaganda that has been carried on by the Reserve Officers' Association throughout the country has evidently had such an effect upon the House that a few moments ago it adopted an amendment which gives over $310 to each one of the 500 Regular Army officers detailed for duty with the reserve for traveling expenses, an amount more than double what by any stretch of the imagination may be necessary.

What the gentleman from Massachusetts is trying to accomplish in a roundabout way is what the House voted down yesterday. If the House adopts it and authorizes the detail

of these officers to the War Department, payable out of their funds, you are going to deprive several hundred officers of their annual training period in order to give a few officers a fat job in the War Department. The House ought to vote the amendment down.

Mr. JOHNSON of South Dakota. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from Massachusetts [Mr. FROTHINGHAM]. Referring to the statement made by the gentleman from Kansas as to the propaganda fostered by reserve officers, it should be said, of course, there is propaganda for this amendment. There is propaganda for and against everything that comes before Congress. We have been propagandered for and against the Mellon tax plan; for and against everything else that comes before Congress. We always have and always will be beset with propaganda.

I will say that when these men who join the Reserve Corps, put in their own time, spend their own money for the purposes of national defense, desire to present the reasons to this Congress for an amendment of this kind, if that is propaganda, I hope we shall have a great deal more of it, because it is not selfish propaganda. The same reason for the adoption of this amendment exists as with reference to the last one which the House adopted—that is, that conditions are entirely different in congested sections than they are in the rural districts where the country is sparsely settled. In these rural districts something is always coming up to make it necessary for the assignment of some officer to assist in settling a problem in some Reserve Corps area.

There are only 12 officers in the United States who can be assigned for this purpose, all on duty on the General Staff at the present time and paid for out of the reserve corps appropriation. Six are National Guard officers. There is no intention of taking the 12 officers and sending them out over the country in Reserve Corps areas. The only thing the gentleman from Massachusetts is trying to do is to make it possible, in case it is necessary, to send one out for a period of time, to give the War Department that privilege. It does not cost an extra cent of money under this appropriation at the present time, but it does give the War Department an opportunity to send out a skilled officer who can, when it is necessary, talk the language of these reserve officers.

Mr. FROTHINGHAM. It merely adds to the service they can perform; they can not put any officer on the job.

Mr. JOHNSON of South Dakota. The gentleman is right; no other man can be assigned, only the men now on the pay roll.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of South Dakota. Certainly.

Mr. BARBOUR. These men will have pay, of course?

Mr. JOHNSON of South Dakota. But they are already paid.

Mr. BARBOUR. These officers it is intended to cover by this amendment?

Mr. JOHNSON of South Dakota. The only men who can be detailed on this service are 12 men now on the General Staff, paid for by the Reserve Corps appropriations, six of them reserve officers and six of them National Guard officers, who also belong to the reserve.

Mr. BARBOUR. As I understand, this is the same proposition that was put up before the committee by the representatives of the Reserve Officers' Association, and an estimate of $79,000 was made to cover the expense of this activity. If you are going to provide for this activity without funds to cover it, then the funds have to be taken from somewhere else, and the only place they can be taken from is from the item which provides for the training of reserve officers for more than 15 days. That will necessarily curtail the amount of training that can be given to the reserve officers and the Reserve Officers' Association is complaining now that we are not training enough of its men each year.

Mr. JOHNSON of South Dakota. I will say that I do not think that we are training enough of them. However, I do not think the gentleman is correct in his first conclusion. The amendment to which the gentleman refers is the one offered by the gentleman from Tennessee [Mr. REECE].

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. JOHNSON of South Dakota. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JOHNSON of South Dakota. That was the proposition advanced by the gentleman from Tennessee [Mr. REECE]. Had that been adopted, it would require an appropriation. Fourteen men would have been called in from the reserve, placed on duty, and then assigned to the corps areas. This amendment is simply permissive, allowing those now on duty in Washington to be assigned, if it seems necessary, by the War Department, to assist in some corps area where things are not going as they should. My own idea is that we should have gone the whole way and have adopted the amendment of the gentleman from Tennessee [Mr. REECE], but the Committee of the Whole in its wisdom decided not to do that. Now we have brought out only this permissive amendment, which adds no one to the pay roll, but makes it permissible for the War Department if things do not go well in your corps area or in mine to send a man there to correct conditions.

Mr. COOPER of Wisconsin. Does this involve any additional charge on the Treasury?

Mr. JOHNSON of South Dakota. None whatever.

Mr. FISH. Mr. Chairman, I will go as far as any Member of the House in appropriating money to secure training for the reserve officers for two weeks each year. I think we could well afford to appropriate a million dollars or two million dollars more to provide two weeks' training, because those two weeks training—and I say it without fear of contradiction—constitute at least 90 per cent of the valuable and constructive work that the reserve officers are doing, and I think the reserve officers, if they are honest, will admit that the two weeks' training is most important. I have no sympathy with all these amendments which are trying to build up a bureaucracy of reserve officers in the War Department, and the reason I am against it is because we have already too many high officers in the Regular Army with very little to do. I am going to read for the benefit of the House some information that has just been presented to me. We hear a lot of complaint that we are not providing sufficient appropriations for national defense. Before the war we had 6,000 Regular Army officers. To-day we have 12,000 Regular Army officers. I am not advocating that we should reduce the number of Regular Army officers, but I think the committee should give some attention to these facts which are very plain. Before the war we had 10 major generals, and now we have 37 major generals. Before the war we had 30 brigadier generals, and now we have 54 brigadier generals. Before the war we had 189 colonels, and now we have 477 Regular Army colonels. In 1916 we had 195 lieutenant colonels, and now we have 690 lieutenant colonels. Before the war we had 592 majors, and now we have 2,190 majors. At present we have 71 Cavalry colonels and but 15 Cavalry regiments. We have 113 Cavalry lieutenant colonels and but 15 Cavalry regiments. Let us talk facts. These facts speak for themselves. Everyone admits that we are top heavy in the Army. We need a lot more second and first lieutenants, but we are away overmanned at the top. We have plenty of officers of the rank of colonel and lieutenant colonel and of major whom we can send to these reserve regiments. I do not believe in having reserve officers come down here and be put upon the pay roll at four or five thousand dollars a year, simply to build up a bureaucratic Reserve Corps. I say this as one who has been behind the Reserve Corps from the beginning, and I would vote now for a bigger appropriation if it is presented to send more Reserve Corps Infantry, Artillery, and Cavalry to camp for two weeks' training every year, but I will not vote for any amendment that creates a reserve force bureaucracy.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. BARBOUR. Will not the effect of this amendment be to further restrict the amount of training that can be given to the officers?

Mr. FISH. Certainly. The money will be taken out of the Reserve Corps to have men stationed here in Washington. We have too many Army men stationed in Washington to-day. Out of the 37 major generals 20 of them are stationed in Washington.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McDUFFIE. Do the figures of the gentleman include captains and lieutenants?

Mr. FISH. No; only from majors up.

Mr. McDUFFIE. I think it would be interesting to know the comparison between these higher officers and captains and lieutenants.

Mr. FISH. I think we can well afford to retire at least a thousand of these high-ranking officers and add two or three thousand first and second lieutenants. [Applause.] I will also say I do not believe that these higher officers will

object to being retired, because they will get three-fourths pay. Of course, the Army would oppose it, because they want as many high-ranking officers as possible. All officers naturally aspire to the highest attainable rank. The following information is quite interesting. There are stationed in Washington 20 major generals out of 37, also 15 brigadier generals, 73 colonels, and 140 lieutenant colonels, and 357 majors.

Mr. FREAR. Will the gentleman yield?

Mr. FISH. I will.

Mr. FREAR. I was going to ask what are these 20 major generals doing in the city of Washington at this time, and if they are necessary for the peace of the city?

Mr. FISH. I suggest that the gentleman inquire of the War Department. I believe that we could well afford to sacrifice a few generals and colonels rather than reduce the pay of the enlisted men or number of noncoms. We reduced the pay of the enlisted men from $30 to $21 per month, and in this bill we are reducing the number of noncoms and first-class privates. I hope in the future that we will leave the enlisted personnel alone, and if necessary, for sake of economy, reduce the number of high ranking officers.

Mr. JOHNSON of South Dakota. Will the gentleman yield?

Mr. FISH. Yes; but do not take up too much of my time.

Mr. JOHNSON of South Dakota. This amendment which the gentleman from Massachusetts offers only refers to reserve officers and your whole discussion now is in reference to the Regular Army and high-ranking officers of the Army.

Mr. FISH. I will put it in this way, that we have got so many colonels and lieutenant colonels and high-ranking officers in the Army we do not know what to do with them, so we send out colonels to an Organized Reserve regiment. They are not regiments really, but just groups of officers meeting perhaps once a month.

Mr. HILL of Maryland. To what reserve regiment were they sent out? Tell me one reserve regiment.

Mr. FISH. I will say——

Mr. HILL of Maryland. Just one in the United States.

Mr. FISH. I have looked up the facts and a number of Regular Army officers have been sent for the two weeks training. I do not know whether they were sent for a whole year.

Mr. HILL of Maryland. I will say the gentleman will not be able to name one.

Mr. BLANTON. I desire to ask the gentleman if it is not proper to keep major generals in Washington because the Army and Navy Club is situated here?

Mr. FISH. I do not want to get into that argument. I only brought this up for one reason, and that is that I think the Military Affairs Committee or the Committee on Appropriations ought to consider this situation to see if there is not some way of working it out so that we can have a few more first and second lieutenants provided for in the Army appropriation bill next year. I also rose to point out that we do not need a lot of reserve officers down in Washington. We have got plenty of Regular Army officers to do that work and Army officers of all ranks to send to the Reserve Corps.

Mr. JOHNSON of South Dakota. Will the gentleman yield?

Mr. FISH. I will.

Mr. JOHNSON of South Dakota. Would not the amendment now before the committee accomplish the very thing the gentleman wants and send more officers out of Washington to the reserve areas?

Mr. FISH. Reserve officers?

Mr. JOHNSON of South Dakota. That is all this amendment proposes to do—take more reserve officers now on duty and send them out.

Mr. FISH. Can the gentleman inform the committee how many reserve officers there are at the present time in Washington?

Mr. JOHNSON of South Dakota. Six.

Mr. FISH. And to send six out of Washington?

Mr. JOHNSON of South Dakota. Six reserve and six National Guard. All we want to do is to give the War Department permission, if necessary and things go wrong, say, in the gentleman's reserve area in New York, to send officers to find out what is the matter.

Mr. FISH. If that is the case, I think I would support the amendment. If it is simply permissive to send some officer located in Washington, I do not see why it should be opposed.

Mr. JOHNSON of South Dakota. I will say to the gentleman that is all this amendment does.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BARBOUR. I ask that the gentleman have two additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BARBOUR. Is it not a fact that we have 590, I believe the figure is, Regular Army officers stationed throughout the country for this Organized Reserve of 90,000, and it has been shown here that they have very little to do.

Mr. FISH. And it will cost more to send these others out?

Mr. BARBOUR. Absolutely.

Mr. FISH. Then I am against the amendment.

Mr. BARBOUR. The only place to get the money is to take it from one of the other activities of the Organized Reserve.

Mr. FISH. Now, I yielded to the gentleman. Will he answer a question?

Mr. BARBOUR. Yes; if I can.

Mr. FISH. I propounded a question over an hour ago, and it has not been answered yet. What do these five hundred and odd Army officers do for the Reserve Corps day in and day out? I know what they do when in training; I know that they deliver lectures and give correspondence courses; but what do they do to-day and to-morrow, and so on, to draw their pay?

Mr. BARBOUR. As I understand, their daily duty is to get their lessons ready for the next meeting of the reserve officers.

Mr. FISH. Which are held once a month, and they work every day to get ready for a lecture once a month? I agree with the chairman of the subcommittee that they have not much to do the whole year round.

Mr. JOHNSON of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. JOHNSON of South Dakota. I can tell the gentleman what they do. They conduct these lessons for the Reserve Corps, and in addition to that they do any sort of Army work that the corps commander wants them to do, which means that they are busy with other work when there is no reserve work to do. They do not go to sleep on the job.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SCHAFER. Mr. Chairman, I move to strike out the last four words.

The CHAIRMAN. There is a pro forma amendment pending to strike out the last two words.

Mr. SCHAFER. Then I rise to speak in favor of the amendment, to state that it appears to me, after carefully following this discussion, that we should have more Regular Army officers and more reserve officers available to go to the State and city of New York and render further instructions to the reserve officers in that community. [Laughter.]

Mr. ANTHONY. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent to proceed for one minute. Is there objection?

There was no objection.

Mr. ANTHONY. I just want to make this statement, so that the House will know what it is voting on; and if the House adopts this amendment, it will authorize the detail of reserve officers on duty in the office of the Adjutant General and other offices in the War Department. What the reserve association and reserve officers have in mind is the detail of 14 such officers, including a colonel. The average pay of these men will be about $5,000 per year. The estimate did not come to the committee from the War Department, because the War Department never asked for this or even suggested it; I am speaking so far as official recommendations to our committee go; and that is a fact that no recommendations have come to this committee; and what it will mean will be that if the gentleman's amendment is adopted you will take approximately $75,000 out of this fund for a longer period than 15 days and apply it to these officers whom you are proposing to station on duty here in Washington, and you will cut out other officers outside of Washington from the opportunity of training for more than 15 days.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. FROTHINGHAM. Mr. Chairman, this will not take any more officers than are there now. It merely gives the Secretary of War the power, if he sees fit, in case of trouble—and the Secretary of War recommends this—to send to some far area for a period of more than 15 days, just as you can send to a camp for instruction, these men, six of whom are now in Washington or are detailed to Washington—to send them from time to time on these tours of duty. Under the general law the Secretary of War is permitted to do it now, but the committee by limiting that language and taking those specific duties away from him prevent him from doing it. It does not mean that he is to detail these officers there for a year. That is impossible.

It will not take any more money, and it will not increase the number of officers.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. HUDSPETH. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. Without objection, the amendment will again be reported.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. JOHNSON of South Dakota. Mr. Chairman, I ask for a division.

The CHAIRMAN. The gentleman from South Dakota asks for a division.

The committee divided; and there were—ayes 17, noes 52.

So the amendment was rejected.

Mr. WAINWRIGHT rose.

Mr. HILL of Maryland. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Maryland offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HILL of Maryland: Page 71, after line 25, add the following:

"The seventh paragraph, under the head of 'Organized Reserves,' in the War Department appropriation act for the fiscal year 1926, approved February 12, 1925, is hereby amended by inserting the following language before the colon and the word '*Provided*': ', or who are trained as individual officers during the first half of the fiscal year and are officers in organizations to receive training during the last half of the fiscal year, in which case such officers may receive pay for two 15-day periods during the present fiscal year, but such officers shall not receive pay for more than two 15-day periods during the two-year period covered by the two years 1926 and 1927.'"

Mr. BARBOUR. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from California reserves a point of order on the amendment.

Mr. HILL of Maryland. Mr. Chairman and gentlemen of the committee, this amendment is intended to correct a situation which has arisen under the readjustment of the training schedule of the War Department for the Organized Reserves.

When the Organized Reserves were first instituted—and by the Organized Reserves I mean that portion of the Reserve Corps assigned to definite combat units, such as Infantry regiments, Artillery regiments, Cavalry regiments, Field Artillery regiments, machine-gun battalions, and so forth—the only training given was the 15 days in the summer. Since that time—and I think it has been the policy of this subcommittee to urge this on the War Department in the interest of efficiency—the War Department has begun to train some reserve units at Army posts in the spring or fall for 15 days instead of in the summer for 15 days. For instance, some of the officers of a Cavalry regiment in the Sixty-second Cavalry Division were trained last summer at Camp Meade. That was in the present fiscal year. In this May, which happens to be in the same fiscal year, the whole regiment is to be sent to Fort Myer to get practical Cavalry instruction in barracks. The difficulty is that several members who went last summer can not be ordered with the regiment in May, but they could be ordered in July of this year. They would thus miss the benefit of training as a regiment, with Regular Cavalry, at Fort Myer. This amendment provides that they may go with their regiment for training with troops at an Army post, which is infinitely better than training in a summer camp, provided no one officer can get his 15 days' training more than once in a calendar year. They may go in May but not again in July. It involves no appropriation, but is simply a rearrangement in accordance with the present training schedule.

Mr. BARBOUR. Will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. BARBOUR. This is to prevent a certain number of officers being trained twice a year and others get no training.

Mr. HILL of Maryland. That is the precise object of it.

Mr. BARBOUR. Mr. Chairman, I withdraw my reservation.

The CHAIRMAN. The gentleman from California withdraws his reservation and the question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. HILL of Maryland) there were—ayes 33, noes 2.

So the amendment was agreed to.

Mr. WAINWRIGHT. Mr. Chairman, I move to strike out the last three words of the paragraph. I do this for the purpose of furnishing what I believe will be some quite interesting information to the committee. In these days when we hear so much criticism of the work of the Army Air Service, I think here is a feature of it which will be very interesting, reassuring, and gratifying. I refer to the flying training of reserve flying officers.

I have been furnished with a schedule showing the number of flights, the number of hours in the air, and other information in that regard. It appears from this schedule that outside of the Air Service proper there were 5,901 officers who were in the air, with a total number of 87,437 flights. The total duration in hours of all flights was 53,011 hours in the air. The number of those officers who were in the air over five hours was 1,915. Of reserve officers who took this training and who were actually in the air there were 2,474; of National Guard officers 677; of members of Reserve Officers' Training Corps—that is, the college and high-school boys—760; and of young men in the civilian military training corps 488. Incidentally, 1,502 regular officers not in the Air Service were in the air and of these reserve officers 1,358 were in flights of a duration of over five hours, and of the 760 in the Reserve Officers' Training Corps 177 were in the air over five hours. This is all very reassuring and goes to show that we can count on an abundant number of enterprising young men for the flying needs of the country.

There can be no question that the Air Service has been more successful in the development of reserve flyers than most of us understood to be the case.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. WAINWRIGHT. Yes.

Mr. LAGUARDIA. I know the excellent work of the reserve units at Miller Field, Staten Island, and I want to say to the gentleman that they have, perhaps, as good a personnel as there is in the whole world. These boys have worked on their own equipment; they have a few obsolete J–N planes, and the least that could be done is to give these splendid men proper equipment. Anything which the gentleman can do in prevailing upon the department to send to Miller Field—which is a real live field in every sense of the word and as good as any field in the country—up-to-date and safe equipment, will render a great service to these boys. I had a young man in my office by the name of Jordan, from Virginia, who belonged to that unit, and he was killed in a plane last summer. These boys are simply patching up and patching up all the time, and I think the gentleman will agree they ought to have proper equipment.

Mr. WAINWRIGHT. I, of course, agree with the gentleman as to that. The Air Service is alive to the necessity of furnishing these fliers with safe and satisfactory equipment.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Clerk read as follows:

Military supplies and equipment for schools and colleges.

Mr. FISH. Mr. Chairman, I move to strike out the last word in order possibly to correct the RECORD. I want to call attention to the fact that the gentleman from Maryland [Mr. HILL] said there were no Regular Army colonels attached to the Organized Reserves.

Mr. HILL of Maryland. Will the gentleman permit an interruption?

Mr. FISH. I yield.

Mr. HILL of Maryland. The "gentleman from Maryland" did not say that. The gentleman from New York said that regular colonels were sent to reserve regiments, and I said there was not a reserve regiment in the United States to which a regular colonel was attached or assigned. Everybody knows that the chief of staff of every reserve division is an Army colonel.

Mr. FISH. I will call the gentleman's attention to these figures: On duty with the Organized Reserves, 79 Regular Army colonels, 90 Regular Army lieutenant colonels, and 128 Regular Army majors. Now, certainly, there are not 79 Regular Army colonels attached to the Reserve Corps and on duty with the Reserve Corps in the capacity of staff officers, and I know, contrary to what the gentleman said, that Regular Army colonels have been detailed to regiments of the reserve in training. I am not objecting, but I am making the statement

simply as a fact, that there are 79 Regular Army colonels attached to and on duty with the Reserve Corps.

Mr. HILL of Maryland. Mr. Chairman, will the gentleman permit me to make an observation?

Mr. FISH. I yield to the gentleman.

Mr. HILL of Maryland. The gentleman from New York stated there were too many Regular Army colonels, and that they were being used to be sent to reserve regiments. I took the liberty of calling the gentleman's attention to the fact that that was not the case, and it is not the case. There are in the nine corps areas in the United States six reserve Cavalry divisions. There are in the 9 corps areas in the United States at least 27 Infantry reserve divisions. The acting commanding officer of each of these divisions, each division being made up of reserve officers, is the chief of staff of that division, who is usually a colonel, and at corps headquarters there are other colonels attached to the reserves for the instruction of the reserves, but there is not one regular colonel attached to any reserve regiment.

The pro forma amendment was withdrawn.

Mr. LOWREY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I had planned to say a word on this bill in general debate. It occurs to me that we should never make these large appropriations to military affairs without reminding ourselves and the country that such a thing ought not be a necessity.

I have faith that we are hastening to the promised time when "the nations shall learn war no more." And the highest duty of men in public service is to discourage and destroy all trend toward militarism and cultivate the ideal of "Peace on earth and good will toward men."

I agree with the sentiment which prompted the speech made yesterday by the gentleman from Minnesota [Mr. KVALE]. Our Army may be as small as it is wise to make it just now. Yet I sympathize with the desire to work out plans by which the numbers of men and the expenses of equipment will be gradually reduced.

This bill carries appropriations for military purposes amounting to $261,000,000. The Navy bill recently passed carried $317,000,000. This is a total of $578,000,000 for national defense. I am not here to criticize the committees that have worked so faithfully on these two bills. I am sure they have done arduous and honest work. Yet I agree with the gentleman from Kansas [Mr. AYRES] that we are carrying a much greater Military Establishment than a peaceable people ought to need in a time of peace. The greatest movement of this age is to develop such international policies and agreements that all nations can abolish much of this military preparedness.

The authorities still estimate that from 80 to 90 per cent of our revenues are spent on something either growing out of war or looking to war. The actual expense of maintaining the Army and Navy is only a small part of it. The Government has spent over $6,000,000,000 on Civil War pensions alone. Add to this the enormous cost of rehabilitation, compensation, hospitals, and soldiers' homes, and then contemplate the pension expense yet ahead of us by reason of the recent World War. It is tremendous.

Then think what it would mean if these huge sums could be expended on civic or economic utilities, on post offices and other public buildings throughout the country, on roads, schools, and improved agricultural developments. Or, better still perhaps, a large part of it could be deducted from our taxes. I wonder if we realize how the majority of our rural communities need some relief from taxation and some adequate means for maintaining their utilities. Let me illustrate with some facts from my own district.

It is my privilege to represent one of the most substantial, although one of the least advertised, agricultural districts in the country. It is not a wealthy district, but it is a district which "makes its own living" in purely agricultural pursuits, with an even pace from year to year. In so far as I know, it has never suffered from a great "boom," and to be overboomed is about as distressing a thing as can happen to a country. Nor have we ever seen the time when we had to beg charity from the Federal Government, or from anybody else.

No town in this district has a population of more than three or four thousand people. The last census gave the population of county seats as follows: Ripley, the county seat of Tippah County, 856 people; New Albany, of Union County, 2,531; Ashland, of Benton County, 190; Holly Springs, of Marshall County, 2,113; Oxford, of Lafayette County, 2,150; Hernando, of De Soto County, 796; Senatobia, of Tate County, 1,126; Sardis and Batesville, of Panola County, 1,352 and 1,050, respectively; Charleston and Sumner, of Tallahatchie County, 3,007 and 613, respectively. Thus the total population of our county-seat towns is 15,784. The total rural population of the district, by the last census, was 192,917; 36,409 heads of families conducted farms, 1,904 of which were in Benton County; 4,858 in De Soto; 3,388 in Lafayette; 4,688 in Marshall; 4,900 in Panola; 6,495 in Tallahatchie; 3,955 in Tate; 2,702 in Tippah; and 3,519 in Union.

This is sufficient to indicate that my constituents are practically all of them farmers. Those who live in the towns are directly dependent on farmers and on farming. But this does not mean that my district is a "backwoods" district. Mississippi is not a "backwoods" State. For instance, there are only two States in the Union that show a higher percentage of their children between the ages of 5 and 17 in attendance on schools; 98.9 per cent of the children of Colorado are in school; 95.2 per cent of the children of Oklahoma; and 94.6 per cent of the children of Mississippi, and Mississippi shows greater progress in this line than any other State in the Union. The improvement in this percentage attendance in Mississippi from 1900 to 1922 was from 73.3 to 94.6, or 21.3. The progress in Colorado was only 10.7 per cent, and in Oklahoma only 15.4 per cent. And it must be remembered that the population of these other two States is very largely white, while more than half the population of Mississippi is negro. I do not think any other State in the Union shows a progress over this period of 22 years within five points of that made by Mississippi.

It happens, Mr. Chairman, that my district is perhaps the leading district in Mississippi in educational progress. Its percentage of white population is above that of most of the State. In it there are six splendidly equipped agricultural high schools, with excellent teaching corps and large student bodies, with a considerable percentage of boarding students. Almost every town and village in my district has a school building that would do credit to towns much larger in the East and North. And I can count in my district no less than 45 or 50 rural consolidated schools with buildings as good as those in the towns. In fact, the little one-room schoolhouse by the country road is rapidly coming to be a thing of the past. A very large per cent of our rural children now attend these good graded rural schools, being conveyed by wagons or busses. The latest estimate is that 70 per cent of the white children of the State are students in the 927 consolidated schools of the State. A much larger per cent of the negro children are yet in the small schools, but a large majority of them are in the lower grades and hence can be as well cared for in the smaller schools.

But this requires maintenance of roads as well as schools. As for roads, most of the main highways in my district have been laid off by engineers and are well graded. The arterial highways are rapidly being hard-surfaced. But this work is just fairly begun, and will demand millions for completion in the early future. Yet, I can go in my Ford from Washington to my home town in Mississippi and pass over less than 10 miles of dirt road. Within another year this, too, will be hard-surfaced.

There are in my district no less than 16 land drainage projects in which the people by the expenditure of their own money, without calling on the Federal Government for help, have reclaimed and protected thousands of acres of valuable farming land.

I might mention, by the way, that we are just over the State line from Memphis, Tenn., which fact has both its advantages and its drawbacks, but which puts our people in direct contact with metropolitan life. Most of them can get in their cars and drive into Memphis in a very few hours. The daily papers of Memphis reach us almost as early in the day as they are delivered to the residents of the city itself. Nearly 150 daily rural routes bring the mail to the rural front gates as promptly and as regularly as the trains run.

I have gone into all of this, Mr. Chairman, to make it clear that my constituents are in no sense a backward people. On the contrary, they are intelligent and progressive, I believe, above the average. I think these figures show that they are. I am proud of them.

But here is what has happened to them in the last five years, since the grand old Republican Party came into power with its high "protective" tariff. Understand, I do not blame all of this on the Republican Party and the tariff. Part of it would probably have come about anyway, but I believe, and shall seek to show, that no small part of it is directly chargeable to the policies of the present ruling party. In this, as we know, almost all students of agricultural economics are agreed.

The total value of farm lands and buildings in Benton County, my district, in 1910 was $1,745,531; in 1920 was $2,907,940; in 1925 was $1,473,072.

In De Soto County the values were, in 1910, $6,682,225; in 1920, $15,043,826; in 1925, $8,797,231.

In Lafayette County the values were, in 1910, $3,453,933; in 1920, $5,541,971; in 1925, $2,830,433.

In Marshall County the values were, in 1910, $4,424,393; in 1920, $8,308,784; in 1925, $5,266,775.

In Panola County the values were, in 1910, $5,695,926; in 1920, $11,861,719; in 1925, $4,770,218.

In Tallahatchie County the values were, in 1910, $6,308,943; in 1920, $27,478,674; in 1925, $17,540,481.

In Tate County the values were, in 1910, $3,796,040; in 1920, $8,397,286; in 1925, $3,789,046.

In Tippah County the values were, in 1910, $2,472,245; in 1920, $5,299,148; in 1925, $3,458,029.

In Union County the values were, in 1910, $3,787,025; in 1920, $6,842,641; in 1925, $4,614,200.

The total values of farm lands and buildings for my whole district were, in 1910, $38,346,241; in 1920, $91,684,989; in 1925, $52,549,485.

Thus it appears that farm values in my district between 1910 and 1920 increased from $38,346,241 to $91,684,989, a total increase of $63,338,748, or something like 180 per cent. And then in five years, from 1920 to 1925, these same values fell back to $52,549,485, a loss of $39,135,504, about 115 of the 180 per cent that had been gained. The values in four of my counties were actually less in 1925 than in 1910. In four of the five remaining counties the gains were not great. In the remaining county the gain from 1910 to 1925 was about eleven million, which accounts largely for the fact that the whole district did not slip back to the 1910 level. And this county lost ten million between 1920 and 1925.

It is not sufficient answer, Mr. Chairman, to say that this loss between 1920 and 1925 was due to "postwar deflation." That would be a good answer if other things had deflated, too. But deflation that effects only agriculture, while all other branches of industry hold their levels and flourish, can not be laid to general postwar conditions.

It can not be laid to Providence, because Providence sent the boll weevil and uncertain weather before 1920 as well as after.

It can not be laid to overproduction, because the average yearly production of cotton between 1910 and 1920 was greater than between 1920 and 1925.

It can not be laid to lack of intelligence and diligence on the part of the individual farmers. There has never been a time when our farmers have worked harder and with greater intelligence than they have since the war. The files in my office, Mr. Chairman, indicate that since coming to Washington I have had personal requests for agricultural bulletins, or some other kind of special agricultural information, from one out of every two of the white families that are conducting farms in my district. I submit that a simple fact of this sort indicates not only that the people are farming in the very best way they know how, but that they are striving in every way possible to increase their own efficiency.

More than that, we know, Mr. Chairman, that the thing that has happened in my district has happened in almost every other agricultural district in the country, in the wheat and corn country as well as in the cotton country. There are many districts that have suffered much more than mine has, because there are few districts in which farming has been conducted on as sound a basis as it has in mine.

But why this situation? Here is a fertile rural district inhabited by a thrifty, intelligent white population. They are not unprogressive. They have made progress in matters of schools, roads, drainage, and general public utilities equal, proportionately, to any district in America. In fact, for these things they have taxed themselves almost to the breaking point. There is danger of collapse in all this progress unless something is done to check this retrogression in things agricultural. I know farmers now who are paying from 3.75 to 5 per cent tax rate. This can not go on indefinitely with farm products and farm property ever slipping downward.

If the costs of war could be turned to these lines of peaceful progress it would turn the tide; but this can not be done at once. Our war debts and obligations have fallen upon us. We can highly resolve that it shall not occur again, that our posterity shall be delivered from it.

But the greater part of our present trouble can be attributed to two causes, which can be dealt with now and in a direct way.

The Republican Party has levied a protective tariff which has increased the cost of practically everything the farmer has to buy and decreased the cost of practically everything he has to sell. This is a fact which the administration itself, through the Department of Agriculture, admits, and a fact which practical economists everywhere emphasize. No less an authority than Dr. Benjamin M. Anderson, of the Chase National Bank, of New York City, declares, after naming a few industries which are helped by the tariff:

> The rest of our industries are injured by the tariff in one or both of two ways: (1) Their costs are raised, because they have to buy articles which are higher priced on account of the tariff. (2) In many cases they are dependent in greater or less degree on foreign markets, and their foreign markets are injured by the reduced ability of their foreign customers to sell goods in the United States and get dollars with which to buy the goods they export.
>
> A typical case where both of these factors apply is agriculture. Our farmers, by and large, are injured by the tariff both by having their costs raised and by having their foreign markets reduced.

As has been frequently said on this floor—and never, I think, refuted—the American Farm Bureau Federation figures that for every dollar the tariff puts into the farmer's pocket it takes out $10. As I said in a recent speech to this House, it is an utterly false policy of government to tax one class of citizens for the enrichment of another class.

This is easily understood by a glance at a few specific figures. The present tariff on harness and hardware is 35 cents on a dollar; on galvanized ware, 15 cents on the dollar; on wire nails, 1 cent a pound; on household furniture, 60 cents on the dollar; on aluminum utensils, 11 cents a pound and 55 cents on the dollar; on women's woolen dress goods, 74½ to 115 cents on a dollar; on ginghams, 49 cents on the dollar; on cotton hosiery, $2.45 per dozen; on men's clothing, 76 cents on the dollar. As has been said many times, but as can not be said too often or with too much emphasis, practically everything the farmer has to buy carries a tariff tax; and almost nothing that he has to sell can be protected in the same way. The net loss per year to farmers on account of the tariff is conservatively estimated by the American Farm Bureau Federation at $300,000,000. That figure is arrived at in this way:

QUESTION OF COST TO CONSUMERS

Several estimates of the cost of the tariff to consumers have been put forth, from which the total cost to farmers might be derived by estimating his share in consumption of dutiable commodities. No particular basis for these estimates seems, however, to be discoverable and they are therefore ignored. The only basis that appears to be available for any reasonably safe estimate of the sort is the cost-to-consumer figure above presented for agricultural products. The cost of such commodities is increased by import duties to the extent of some $392,000,000 according to our estimates. This is a trifle over 2 per cent of the average total value of the output of the farms. It might be assumed that the cost of other products would be increased in like ratio, whereby the increased cost to consumers could be computed. Such an assumption, it is believed, would be a minimum.

The assumption is here made, and the cost is so computed. The average value of gross output of all industries other than agriculture is about $65,000,000,000; applying the ratio ascertained for farm products the result is $1,323,000,000, which by this computation is the cost of the tariff on other than farm products to American consumers.

FARMERS' SHARE 25 PER CENT

Now, as to the portion of this tax which falls upon the farmer consumer. In the estimates relating to agricultural products it will be noted that the share of the cost-to-consumer figure allocated to farm consumers is a little under 25 per cent of the total. The 25 per cent share seems reasonable on other grounds. The income of farmers is estimated by the National Bureau of Economic Research as 18 per cent of the national income. Their purchasing power would therefore be 18 per cent of that of the whole country; as purchasers of ordinary consumers' goods at retail, however, they would probably buy close to their per capita share, which is 30 per cent, for a much smaller portion of farm income is spent for railroads, factories, industrial materials, and equipment, in the form of corporate securities, than is true of business profits. Furthermore, consumers' goods, where the farmers' largest purchases lie, are probably more affected by the tariff than are producers' goods, most of which are either on the free list or not susceptible to tariff influences. Moreover, the item of house rent absorbs part of the city man's income.

The farmers' share in the cost of the tariff on other than farm products is therefore placed at 25 per cent of the total, or $331,000,000. Subtracting his net gain on the agricultural schedules, which amounts to $80,000,000, the remainder is $301,000,000, which represents the net cost of the tariff to agriculture. Combining the agricul-

tural and nonagricultural schedules the figures are, in tabular form, as follows:

Summary of benefits to farmers and minimum cost to consumers

	Average value of output 1917-1921	Tariff cost to consumers	Cost to farm consumers
Farm products	[1] $19,245,000,000	$392,000,000	$95,000,000
Products of all other industries	[2] 65,000,000,000	1,323,000,000	331,000,000
Total	84,245,000,000	1,715,000,000	426,000,000

[1] U. S. Department of Agriculture.
[2] Partly estimated.

Gross cost to farmers	$426,000,000
Gains to farmers as producers	125,000,000
Net cost to agriculture	301,000,000

All of this about the tariff has been said many times, and is generally conceded, even by those who support the system and wax rich on it. Now, here is something that has not been said so often, and that is just as serious, if not more so.

Until recent years the American farmer has dominated the world with his produce. Twenty or thirty years ago he raised cotton and wheat for "everybody everywhere." But he has been slipping from that position. Since the war he has been slipping so rapidly as to give cause for real alarm.

For instance, a few years ago Argentina and Canada were producing very little wheat and were exporting less. In 1900 Canada exported 9,359,640 bushels of wheat. In 1923 to 1924 she exported 343,149,000 bushels. Last year Argentina exported 167,296,000 bushels of wheat. In 1897 the United States exported 197,227,000 bushels; and in 1920 to 1921 we exported 308,681,000; last year we exported only 128,383,000 bushels. In other words, since the war the world has steadily increased its consumption of wheat from our competitors and has steadily decreased its consumption from us. This, without a doubt, is due to two things. First, to our tariff, which makes it difficult for foreign countries to trade with us; and, second, to our general policy of noncooperation. We may be sure that so long as we in our powerful financial and political position play the Shylock with the rest of the world, the rest of the world with one accord is going to play the Shylock with us. They must trade with us to an extent, but they are even now straining every energy to divert every penny possible from the channels of American commerce.

However, it is cotton that is of special interest in my district. Slowly, for 50 years, the rest of the world has been gaining on us in the production of cotton. It is only since the war that this competition has really been felt in our prices. The following table shows what has already happened:

World's production of commercial cotton by countries, 1920 to 1924

	1924	1923	1922	1921	1920
Total, in bales	23,283,000	19,005,000	17,969,000	15,334,000	19,665,000
United States	13,628,000	10,140,000	9,762,000	7,954,000	13,440,000
India	5,100,000	4,400,000	4,220,000	4,200,000	2,600,000
Russia	453,000	280,000	55,000	43,000	85,000
Egypt	1,450,000	1,289,000	1,229,000	902,000	1,285,000
China	1,320,000	1,420,000	1,360,000	1,030,000	1,450,000
Brazil	605,000	575,000	535,000	540,000	450,000
Mexico	280,000	138,000	178,000	147,000	215,000
Peru	200,000	201,000	190,000	175,000	155,000
All other countries	789,000	562,000	430,000	343,000	390,000

This is the Department of Agriculture report. Of especial significance is the steady increase shown under "India," "Brazil," "All other countries," and Russia from 85,000 to 453,000. In 1920 India produced 2,600,000 bales. She increased this at a regular rate until in 1924 she produced 5,100,000 bales. Brazil's production also indicates steady development. "All other countries" rose steadily from 390,000 bales to 789,000 bales.

The truth of the matter is that Great Britain has set methodically about the task of freeing herself from dependence on American cotton. She plans not only to produce enough of the staple in her own dependencies and dominions to supply her own mills but to supply the rest of Europe as well. She knows that, with her policy of free trade and our policy of restricted trade, she can easily supplant us everywhere if she can once get production well under way.

Australia began with 23,000 acres in cotton in 1920. Within four years she made this 180,000 acres. Her avowed policy is to bring 15,000,000 acres into cotton production.

South Africa also began with 20,000 acres immediately after the war. Her avowed policy is to bring 4,000,000 acres into cultivation.

The figures above show how India has doubled her production since the war. And in Mesopotamia Great Britain has some four million acres on which she is encouraging the production of cotton.

What are we going to do about it? We certainly can not blame Great Britain and other countries for setting out so boldly to compete with us. If we expect to protect our millions of people who are engaged in agriculture and our millions of dollars invested in agriculture, we must put ourselves in position to meet this competition. As I have suggested before, there are two things necessary. First, we must quit robbing our own people and playing into the hands of other countries by our tariff policy. It is time for us to shake off the strangle hold that certain types of selfish and reckless business have on us. So long as our farmers suffer under this they can not successfully compete.

Second, we must adopt an intelligent foreign policy that instead of driving trade from us will attract it to us.

Neither of these essential steps is to be expected from the present administration—blind to every interest but that of its masters. But the South and the West, with just a little cooperation in the North and the East, can get together and put the thing over. We are even now in a fair way to do that very thing, if we do not allow ourselves to be confused by the injection of false issues which our enemies continuously try to raise.

The Clerk read as follows:

MILITARY SUPPLIES AND EQUIPMENT FOR SCHOOLS AND COLLEGES

For the procurement and issue as provided in section 55c of the act approved June 4, 1920, and in section 1225, Revised Statutes, as amended, under such regulations as may be prescribed by the Secretary of War, to schools and colleges, other than those provided for in section 40 of the act above referred to, of such arms, tentage, and equipment, including the transporting of same, and the overhauling and repair of personal equipments, machine-gun outfits, and horse equipments, as the Secretary of War shall deem necessary for proper military training in said schools and colleges, $2,607: *Provided*, That no part of this appropriation shall be expended for the purchase of arms or other ordnance equipment.

Mr. JONES. Mr. Chairman, I move to strike out the last word for the purpose of asking a question with reference to this appropriation.

I have had one or two requests from State colleges for the assignment of an officer for training purposes or for supplies and equipment of this kind. The reply of the department invariably was that they had no method of shipping these supplies to the colleges because there was no appropriation made therefor. Is this provision intended to enable the department to furnish supplies to the schools which desire to give such training?

Mr. ANTHONY. If the institution which the gentleman has in mind comes up to the requirements of the law providing for the maintenance of Reserve Officers' Training Corps units, they could get the money out of the Reserve Officers' Training Corps appropriation; but if it is a smaller institution and one that does not come up to the requirements, they would have to get it out of this item, which, as the gentleman sees, is a very small one.

Mr. JONES. I will state to the chairman of the subcommittee that the institution I particularly have in mind is the one known as the Texas Technological College, a State institution which is located at Lubbock, Tex., and which has only been established a little less than a year, but has something like 1,200 students in this, its first year. It is the only institution of its kind in the Southwest. They were anxious to have some of this equipment and when I took it up with the department they made no objection on the ground that the school was not large enough and did not have adequate provisions, but on the ground that they could not furnish these supplies because of the fact there was no provision made for the transportation of the supplies.

Mr. ANTHONY. Does the gentleman know whether the college authorities have applied for the establishment of a unit of the Reserve Officers' Training Corps?

Mr. JONES. I do not know whether they have applied for that specific thing. They did not at that time, but they were desirous of securing arms for a cadet corps.

Mr. ANTHONY. Sometimes the institutions do not want to conform with all the requirements laid down by the War Department, and that may be the reason.

Mr. JONES. May I ask the gentleman whether the establishment of one of these Reserve Officers' Training Corps units involves the assignment of an officer from the department?

Mr. ANTHONY. As a rule it does.

Mr. JONES. A Regular Army officer?

Mr. ANTHONY. Yes; a Regular Army officer or a retired officer.

Mr. JONES. Is provision made for such an assignment, provided an institution of the proper rank and recognition applies and complies with the requirements?

Mr. ANTHONY. Undoubtedly an institution of the kind and of the size the gentleman describes would be entitled to an instructor in the shape of an officer from the Regular Army, and it would also be entitled to have the equipment which is necessary. It is true there have been applications from a large number of institutions all over the country for Reserve Officers' Training Corps units, and probably there are a number on the waiting list where units have not been established because of the necessity of keeping within the appropriations; but it is my opinion that in the case of an institution of this size the department should be able to comply with any such request.

Mr. JONES. I will state in that connection that when the question of the shipment of the supplies was raised and the department said they had no funds with which to defray transportation charges, I then asked the department if such supplies could be furnished if the school were willing to pay the transportation charges. The department replied that they could not make an exception of that kind. I am hoping the situation may be cared for under the present measure.

The pro forma amendment was withdrawn.

The Clerk read as follows:

For continuing the work of furnishing headstones of durable stone or other durable material for unmarked graves of Union and Confederate soldiers, sailors, and marines, and soldiers, sailors, and marines of all other wars in national, post, city, town, and village cemeteries, naval cemeteries at navy yards and stations of the United States, and other burial places, under the acts of March 3, 1873, February 3, 1879, and March 9, 1906; continuing the work of furnishing headstones for unmarked graves of civilians interred in post cemeteries under the acts of April 28, 1904, and June 30, 1906; and furnishing headstones for the unmarked graves of Confederate soldiers, sailors, and marines in national cemeteries, $170,000.

Mr. WATSON. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Page 82, line 8, strike out line 8 and insert: "One hundred and eighty thousand dollars, of which amount $10,000 shall be expended by the Secretary of War toward erecting a fitting marking of the burial place at Washington Crossing Park, Pa., of 40 soldiers who died in the American Revolution."

Mr. WATSON. Mr. Chairman, we are all familiar with the Battle of Trenton and what the result meant to our young Republic. A week previous to the Battle of Trenton Washington encamped on the Pennsylvania side of the Delaware River with an army of about 5,000 men. When he marched to Trenton he could only obtain 2,500 from the 5,000 because of the physical inability of his army. On Christmas Day, when he led the army across the Delaware, 40 soldiers died and were buried in a space probably 20 feet square. The only monuments or markings at the head of the soldiers' graves are stones taken from a neighboring field, except one in honor of Captain Moore, who was a captain of the New York Artillery.

The spot where the 40 soldiers are buried is within the boundary lines of Washington Crossing Park. The land is owned and the park maintained by the State of Pennsylvania. Recently the State of Pennsylvania purchased the property where the 40 soldiers are buried. I am asking in the name of those men who died that our Republic might live for an appropriation that a suitable monument be erected at the burial place stated.

Mr. ANTHONY. Will the gentleman yield?

Mr. WATSON. Yes.

Mr. ANTHONY. The gentleman brought this matter to the attention of the subcommittee, and I will say to the gentleman that the members of the committee were, I think, favorably inclined to the proposed amendment. But we found in the record some statement to the effect that the State of Pennsylvania proposed to erect a monument over the graves of these Revolutionary soldiers, and we feared that there might be some duplication, and that was the reason that they made no provision for it. I would like to have the gentleman state what the situation is.

Mr. WATSON. I did not make a statement that Pennsylvania would erect a monument; I made a statement that one of the commissioners was endeavoring to find the names of the 40 soldiers; and if the names were found they would probably become a part of the archives of the commission and may be placed upon a slab; but as an ex-member of the commission I am quite sure that will not be accomplished.

Mr. ANTHONY. The gentleman was a member of the State commission that set aside this park?

Mr. WATSON. Yes.

Mr. ANTHONY. And it is the intention of the State to maintain the ground about this camp of General Washington, a spot that marks the place where Washington crossed the Delaware?

Mr. WATSON. That is correct. Forty soldiers at Lord Stirling's headquarters died on Christmas Day, and they were buried on the banks of the Delaware River. The State of Pennsylvania appropriated $100,000 last year to enlarge the park and take in the grounds where the soldiers are buried.

Mr. ANTHONY. The gentleman is asking that the Federal Government buy a suitable marker within the grounds of this State park?

Mr. WATSON. Yes.

Mr. ANTHONY. I would like to ask the gentleman from Pennsylvania if the Government will be put to any expense for maintenance.

Mr. WATSON. No; none whatever, because it is all within the grounds owned by the State. I might also say that no markers have been placed there by the Federal Government, although a number of patriotic societies have placed monuments at different parts of the park. The gentleman knows that our Government appropriated $200,000 for a memorial at Valley Forge. The appropriation I plead for is only a small recognition of the soldiers who gave their lives for the Republic.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For repair and preservation of monuments, tablets, observation tower, roads, and fences, etc., made and constructed by the United States upon public lands within the limits of the Antietam battle field, near Sharpsburg, Md., and for pay of superintendent, said superintendent to perform his duties under the direction of the Quartermaster Corps and to be selected and appointed by the Secretary of War, at his discretion, the person selected for this position to have been either a commissioned officer or enlisted man who has been honorably mustered out or discharged from the military service of the United States and who may have been disabled for active field service in line of duty, $6,500.

Mr. WAINWRIGHT. Mr. Chairman, I move to strike out the last word of the paragraph for the purpose of asking the chairman of the committee what is the situation in regard to the permanent cemeteries abroad. I can not find any item that specifically refers to it except the item of $483,000, on page 81, for Arlington and the Arlington National Cemetery and permanent American military cemeteries abroad.

Mr. ANTHONY. Mr. Chairman, the committee has testimony covering the condition of our military cemeteries abroad, and Major Harbold, who was over there within the year, assured us that the conditions over there were as good as anyone could expect; that practically all the work of the improvement had been completed. I quote from his testimony, and reference is now made to the latter part of 1924:

Mr. ANTHONY. At that time had the grounds in these places been properly beautified or improved?

Major HARBOLD. The buildings had not all been finished. The planting had all been done, and we had very good success with our planting. The loss in young trees was almost negligible. Sod or grass had been sown, and, except in the areas adjacent to the new buildings, the improvement in ground and landscape was very apparent.

He stated that there had been 250,000 shrubs and trees planted in these cemeteries, and that on the whole the work of their improvement and beautification had been very well done.

Mr. WAINWRIGHT. Mr. Chairman, I visited one or two of the cemeteries last year, and I can substantiate that, that the work of improvement is in an advanced condition, but I noticed one thing and that is that the wooden crosses still surmount the graves and apparently nothing has yet been done to put a permanent headstone upon the graves. If I am not mistaken, we provided in the last Congress that white marble crosses should replace the wooden ones. At the cemetery in which I am most interested, Bony, where the most of the dead of the division with which I served have been buried, they still have the wooden crosses, and I have no doubt that that is true as to the others.

Mr. ANTHONY. As the gentleman undoubtedly knows, half a million dollars was appropriated and available for

monuments for our cemeteries abroad. The statement was made to us that as soon as an agreement can be reached upon the design, the monuments will be manufactured and erected.

Mr. HILL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. HILL of Maryland. Mr. Chairman, I will say to the gentleman that the Secretary of War and the American Battle Monuments Commission, who were to approve the design in accordance with the appropriation made by Congress, have agreed on a white stone cross to take the place of the wooden cross.

Mr. WAINWRIGHT. The law requires that.

Mr. HILL of Maryland. Yes. I offered the amendment to provide for it.

Mr. WAINWRIGHT. It needs no agreement.

Mr. HILL of Maryland. I offered an amendment that they should be white stone crosses. That amendment was defeated. In the Senate an amendment was inserted in the bill that it should be whatever the American Battle Monuments Commission and the Secretary of War should agree upon. The American Battle Monuments Commission and the Secretary of War have agreed on the cross and the design, and it is only a question of time and construction, which is being done by the War Department, until that thing is accomplished.

Mr. WAINWRIGHT. The gentleman is a member of the Battle Monuments Commission. Can he indicate to us, and may be to the country as well, about when the permanent headstones, in whatever form they are to take, may be expected to be put upon the graves?

Mr. HILL of Maryland. Yes. I should imagine they could be put in, as soon as the weather permits, in the latter part of this year.

Mr. WAINWRIGHT. Are they actually being made?

Mr. HILL of Maryland. I do not know whether the contract has been actually given out yet, but I think the gentleman was present at a discussion as to whether white granite or marble should be used, that discussion taking place at the War Department. The War Department had not made up its mind which would be the most durable; but the gentleman from New York, as I recollect, was at that hearing.

Mr. WAINWRIGHT. That discussion took place some little time ago, and it seems to me that a decision might have been expected by this time.

Mr. HILL of Maryland. There has been no delay upon the part of either the War Department or the Battle Monuments Commission. The delay has been in getting the estimate and the proper samples of granite.

Mr. CLAGUE. The testimony before our committee was that both the American and French producers have estimated two years as the minimum time required to produce these markers.

Mr. WAINWRIGHT. So that we have still another two years to wait before those wooden crosses are to be replaced?

Mr. CLAGUE. Some of them; yes; but the money is provided.

Mr. HILL of Maryland. Mr. Chairman, the gentleman from New York [Mr. WAINWRIGHT] is criticizing somebody for delay. The gentleman thinks two years too long to wait. Personally, I would rather see the wooden crosses stay there. Those crosses are kept painted.

Mr. WAINWRIGHT. I am simply calling attention to the fact that it is about time that somebody had arrived at a definite conclusion as to exactly what is to be done and had started in the accomplishment of it.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman from Maryland yield?

Mr. HILL of Maryland. Yes.

Mr. MOORE of Virginia. Let me ask the gentleman from Maryland this question. The commission has visited all of these cemeteries in France?

Mr. HILL of Maryland. The commission went as a commission in the summer of 1924. A number of the members of the commission went last summer at their own expense, unofficially.

Mr. MOORE of Virginia. That was the commission created by law during the last Congress?

Mr. HILL of Maryland. Yes.

Mr. MOORE of Virginia. And the gentleman also looked over the place where it is assumed that independent monuments ought to be located?

Mr. HILL of Maryland. Yes.

Mr. MOORE of Virginia. There has been no undue delay in the work of the commission?

Mr. HILL of Maryland. On the contrary. General Pershing is the chairman of the commission, and he went last summer at his own expense to make another inspection. Senator REED of Pennsylvania went at his own expense to make another inspection; Colonel Miller went at his own expense to make another inspection; and the commission, I think, has been very diligent.

Mr. MOORE of Virginia. The instructions contained in the statute, to do the work in an artistic and impressive manner, are being observed?

Mr. HILL of Maryland. The commission is getting plans from the best architects in the country, and I will say to the gentleman in reference to the matter of crosses the War Department had arranged to put up the ordinary type of tombstones, and last year we changed that by appropriations here on the appropriation bill, or the year before that, and that matter has been proceeding as rapidly as possible, and it would be a great mistake for us to put the wrong type of stone there which would not be durable.

Mr. MOORE of Virginia. I asked the question because I remember that all phases of the matter to which the gentleman has referred were discussed in the Committee on Foreign Affairs which reported that bill.

Mr. HILL of Maryland. Yes. I would like to say to the gentleman that it was reported by General Pershing, Senator REED of Pennsylvania, and others that the cemeteries are in a very fine condition.

Mr. WAINWRIGHT. I wish to disclaim any intention of criticizing the Monument Commission. I know they have devoted a great deal of time and thought to this, but I desired to know if there could not be a little more expedition.

Mr. HILL of Maryland. I am sure the gentleman would not want expedition at the cost of inefficiency?

Mr. WAINWRIGHT. Oh, no.

Mr. SCHAFER. Will the gentleman yield?

Mr. HILL of Maryland. I will.

Mr. SCHAFER. Who is this Miller; is that the same Miller who was Alien Property Custodian?

Mr. HILL of Maryland. It is the same one. He was an officer of the American Expeditionary Force and appointed by the President on the American Monument Commission several years ago. The gentleman from New York [Mr. WAINWRIGHT] served in the Twenty-seventh Division, and as a former officer and as Assistant Secretary of War he took a very great interest in the battle cemeteries of our men abroad. The cemeteries at Bony, Fere-en-Tardenois, Thiaucourt, and Waerehem were kept there largely with his advice and interest.

Mr. TILSON. Mr. Chairman, I move to strike out the last word. I have made a number of visits to nearly all the American cemeteries in France, and I have watched with very deep interest the work as it has progressed on those cemeteries. As a result of my study of the subject, I am one of those who would advise going slowly instead of trying to hasten the work unduly. I think that a very thorough study ought to be made of conditions in the regions where these cemeteries are situated, such as the effect of climate and the weather upon certain kinds of material. It is far more important that the work done in these cemeteries shall be done right and that the work done shall be of an enduring character rather than that it be done immediately. We should look forward fifty or a hundred years and consider how these cemeteries will look at that time rather than focus all attention upon the immediate present. When we travel over Europe and see the ancient monuments, some of them more than 2,000 years old, around the city of Rome, for instance; when we really look upon monuments that were there at the time that Christ was on earth, we come to the conclusion that a dozen years or so is a very short space of time. In connection with these monuments in Europe, it is of first importance that we get the right material and that we see to it that these cemeteries are so made and so cared for that out in the future 25, 50, or 100 years from now they may be something of which we shall feel proud. A delay of two or three years now, while we are determining the right kind of material to be used, will be relatively unimportant in the long run of years.

Mr. HILL of Maryland. I will say to the gentleman that those are exactly the motives which actuated the American Monument Commission. Those crosses were established over a year ago—the crosses and the star of David for soldiers of the Jewish faith—but the exact material is a matter of experiment which is going on slowly, and I do not think has been finally determined.

Mr. TILSON. I saw a number of different kinds of material there, and a scientific study is being made in order to determine this very matter. It would be a great mistake, in my judgment, if we went ahead now without full knowledge and put up monuments there that in 10 or 25 years would

be crumbling to pieces. It is a matter in which we can afford to go forward slowly.

Mr. WAINWRIGHT. I am not in disagreement with the sentiments here expressed. I have visited every one of these cemeteries myself. They are in very good condition. The buildings are completed, also the walls and the drainage system, the planting is approaching completion. They have now assumed a permanent form that is very gratifying to the sentimental interest and patriotic pride of every American who visits them.

Mr. TILSON. Does not the gentleman think that the soldiers who are there in charge are doing a very fine work?

Mr. WAINWRIGHT. A most admirable work. The only feature I desire to call attention to is that the graves, which, of course, are the most immediate and most tender subject of our consideration, are still surmounted by the perishable wooden crosses. I recollect that about two years ago we had arrived at a decision, as I understood, a decision by law, to replace these white wooden crosses with white marble crosses. It seemed to me, without expressing any disagreement with the action of the Monument Commission, that this is a subject of such vital interest to the American people and to all of us——

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HILL of Maryland. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. WAINWRIGHT. It seems to me that this is a matter of such vital consideration and vital concern to every American that we can not refer to it too often, that the country and this House can not keep too closely in touch with the problem and the proposition of a proper completion of these cemeteries and the proper and permanent marking of the graves with enduring markers of a form that will satisfy the sentiment of the sacred interest involved.

Mr. HILL of Maryland. Mr. Chairman, will the gentleman yield for a question?

Mr. WAINWRIGHT. Yes.

Mr. HILL of Maryland. I think it would be interesting to the gentleman and to the House to know that there have been filed printed copies of the annual report of the American Monuments Commission, giving pictures of the various cemeteries and a report on these permanent markers.

I am sure the gentleman will be interested in looking at these reports. I understand a certain number have been allotted to each Member of the House.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONSTRUCTION AND MAINTENANCE OF ROADS, BRIDGES, AND TRAILS, ALASKA

For the construction, repair, and maintenance of roads, tramways, ferries, bridges, and trails, Territory of Alaska, to be expended under the direction of the board of road commissioners, described in section 2 of an act entitled "An act to provide for the construction and maintenance of roads, the establishment and maintenance of schools, and the care and support of insane persons in the District of Alaska, and for other purposes," approved January 27, 1905, as amended by the act approved May 14, 1906, and to be expended conformably to the provisions of said act as amended, $751,000, to be immediately available, and to include $1,000 compensation to the president of the Board of Road Commissioners for Alaska, in addition to his regular pay and allowances.

Mr. SUTHERLAND rose.

Mr. BLACK of Texas. Mr. Chairman, I reserve a point of order on the language at the end of the paragraph, including the language:

$1,000 compensation to the president of the Board of Road Commissioners of Alaska, in addition to his regular pay and allowances.

The CHAIRMAN. The gentleman from Texas reserves a point of order on the paragraph.

Mr. BLACK of Texas. Can the gentleman from Kansas explain why that language is in the bill?

Mr. ANTHONY. The language is undoubtedly subject to a point of order; but I will say to the gentleman that the committee felt that some additional provision should be made for Colonel Steese, who is a retired officer of the Army and the engineer officer in charge of this road work. He has proved himself to be a most efficient man on this assignment. His territory covers thousands of miles of these trails in the most inaccessible part of the country, and he devotes personally so much of his time to the work of this character, which we felt must entail additional expense upon him, aside from his salary as a retired officer, that the committee felt it was proper to give him $1,000 additional.

Mr. BLACK of Texas. He is on the active list, is he not?

Mr. ANTHONY. No; he is on the retired list.

Mr. BLACK of Texas. And the only pay he is drawing is from the retired list?

Mr. ANTHONY. He is on active duty and as such is drawing the full pay of a major, because he is on active duty; but he is on the retired list.

Mr. BLACK of Texas. He does not draw retirement pay?

Mr. ANTHONY. No. He draws the full pay.

Mr. BLACK of Texas. He draws the full pay of an Army officer of his rank?

Mr. ANTHONY. Yes.

Mr. BLACK of Texas. What is his rank?

Mr. ANTHONY. Major of engineers.

Mr. BLACK of Texas. The gentleman thinks this provision is necessary in order to properly compensate him?

Mr. ANTHONY. The committee thought it was the proper thing to do in view of the vast territory he has to cover in order to give it his personal supervision. We felt that unquestionably his salary must be invaded to take care of these long trips.

Mr. BLACK of Texas. Mr. Chairman, in view of the explanation of the gentleman from Kansas, I withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. SUTHERLAND. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the subject of railroads and roads in Alaska. It will occupy about three pages of the RECORD, and it contains the opinion of one of the world's most eminent mining engineers on the question of Alaskan railroads and roads. It is true they are not my own remarks, but I know that it will be very instructive in the RECORD.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. SUTHERLAND. Yes.

Mr. MOORE of Virginia. There has been a good deal of discussion from time to time about road conditions in Alaska. Does the gentleman from Alaska agree with the statement made here in the last few minutes that the work of the Board of Road Commissioners in Alaska is entirely satisfactory?

Mr. SUTHERLAND. Yes. I think Major Steese is one of the most competent men we have ever had on road construction in Alaska. His salary, as the gentleman from Kansas [Mr. ANTHONY] has stated, is that of a retired major in active service. This present winter he went to Europe and spent considerable of his time in investigating road construction. He does that at his own expense. It might have been in the nature of a vacation, but nevertheless it was in the nature of an education to him.

Mr. MOORE of Virginia. Road building then is going on in a satisfactory manner now in Alaska, from the gentleman's point of view?

Mr. SUTHERLAND. Yes. We have for the last two or three years been receiving an increased appropriation, which has enabled him to carry on his project. In the past about all that was appropriated was only enough to maintain the roads already built.

Mr. MOORE of Virginia. What sort of roads are they—concrete?

Mr. SUTHERLAND. No concrete at all. In every case they are gravel.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. SUTHERLAND. Yes.

Mr. DENISON. Does the gentleman say this Army officer went to Europe in order to learn how to build gravel roads in Alaska?

Mr. SUTHERLAND. He is a very eminent engineer in the War Department. He made a trip to Europe this winter and he went into Africa. Of course, he was not sent by the War Department, and I know it was at his own expense. He went to learn what he could regarding those parts of the world, and had in mind road construction.

Mr. DOWELL. Will the gentleman yield?

Mr. SUTHERLAND. Yes.

Mr. DOWELL. May I inquire whether the places and character of these roads are designated by Colonel Steese or by the War Department?

Mr. SUTHERLAND. By Colonel Steese, acting for the War Department.

Mr. DOWELL. But the designation, as I understand it, of the places and the character of the roads comes through the War Department.

Mr. SUTHERLAND. Through the engineers.

Mr. DOWELL. Then, as I understand it, he also has charge of the work there so far as the Bureau of Roads is concerned?

Mr. SUTHERLAND. The Bureau of Public Roads?

Mr. DOWELL. Yes.

Mr. SUTHERLAND. No; that is a separate and distinct organization.

Mr. DOWELL. Then he also has, as I understand it, another department—the forestry department. Is the work of that department done under his direction also?

Mr. SUTHERLAND. No; that is under the Bureau of Public Roads.

Mr. DOWELL. Then the Bureau of Public Roads has another outfit in Alaska for the construction of roads?

Mr. SUTHERLAND. Yes.

Mr. DOWELL. Then both divisions are operating an outfit?

Mr. SUTHERLAND. Of course, the work of that bureau is confined entirely to the forests, while Colonel Steese's work is in northern Alaska, in the interior.

Mr. DOWELL. But that is done under the Bureau of Roads?

Mr. SUTHERLAND. Yes.

Mr. DOWELL. And the Bureau of Roads, under the direction of the Forester, is constructing roads there entirely different from the roads constructed in connection with the War Department?

Mr. SUTHERLAND. Yes.

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. DOWELL. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the gentleman from Alaska may proceed for five additional minutes. Is there objection?

There was no objection.

Mr. DOWELL. What I am inquiring about is this: The Bureau of Roads, operating for the forestry, has an outfit in Alaska for the purpose of constructing roads in the forests of Alaska?

Mr. SUTHERLAND. That is correct.

Mr. DOWELL. And how much of an appropriation do they have?

Mr. SUTHERLAND. They have an allotment from the general forest highway fund, and the amount varies from year to year.

Mr. DOWELL. How much was it last year?

Mr. SUTHERLAND. I can not tell exactly, but somewhere between $300,000 and $400,000. That is my impression, but I would not say that is correct.

Mr. DOWELL. Now, Colonel Steese, under the direction of the War Department has another road outfit in Alaska, constructing roads for the military department—that is correct, is it not?

Mr. SUTHERLAND. Yes.

Mr. DOWELL. Would it not be less expensive to the Government if both of these outfits could be placed under one head and the construction, at least, done by one division of the Government?

Mr. SUTHERLAND. I am inclined to think it would be.

Mr. ANTHONY. Will the gentleman yield?

Mr. DOWELL. I yield.

Mr. ANTHONY. I think it ought to be stated that aside from administering the fund which Congress appropriates for roads and trails in Alaska Colonel Steese also administers the Territorial fund of the Territory of Alaska which is turned over to him for road construction, and it amounts to a considerable sum.

Mr. DOWELL. Does the gentleman know the amount?

Mr. ANTHONY. About $260,000 annually.

Mr. DOWELL. And how much is the military appropriation?

Mr. ANTHONY. Seven hundred and fifty thousand dollars. While it has been called a military appropriation, I will say that this money is really appropriated for no military purpose, but is appropriated for the people of Alaska. It is appropriated for the purpose of building roads and opening up that vast country, and its particular purpose is to provide feeders for the railroad.

Mr. DOWELL. If the gentleman from Alaska will permit, does not the gentleman from Kansas believe, after an investigation of this matter, that much money would be saved in the actual construction of roads in Alaska if all of the departments were operating under one division in building roads there?

Mr. ANTHONY. Well, my impression is that they conflict but very little. I think in the forest reserves the principal construction is trails, if I am not mistaken, but the heavy road work is all done by the Territory of Alaska and under the appropriations which Congress makes. To give the gentleman an idea of what has been done under this appropriation let me read this:

> The work thus far accomplished includes the construction of 1,472 miles of wagon road, 1,086 miles of sled road, 6,465 miles of permanent trail, and 712 miles of temporary flagged trail—a total of 9,736 miles.

That mileage must be maintained under this appropriation each year and a certain amount of additional new construction carried on.

Mr. DOWELL. I understand that, but my question is this, and I want to get it before the committee if I may: The forestry department designates where the roads and trails shall be placed, the Bureau of Roads, however, doing the actual building of the roads under the direction of the forestry department. Now, why would not the Government save a great deal of money with only one outfit in Alaska constructing roads?

Mr. ANTHONY. As the gentleman from Alaska said, there might be some money saved, but, in my opinion, it would be a very small amount. The road work covered by this appropriation and the territorial money represents 75 or 80 per cent of the total.

Mr. SUTHERLAND. I will say to the gentleman that the site of the operations of the two bureaus is about 500 miles apart and in some cases 1,000 miles apart.

The CHAIRMAN. The time of the gentleman from Alaska has again expired.

Mr. SUTHERLAND. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. The gentleman from Alaska asks unanimous consent to proceed for two additional minutes. Is there objection?

There was no objection.

Mr. SUTHERLAND. I will state that there would be a saving by consolidating both bureaus.

Mr. DOWELL. But the gentleman thinks it would not be practicable to consolidate the actual work of these two divisions?

Mr. SUTHERLAND. I do not know that I would say that. Now, Mr. Chairman, I renew my request for unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Will the gentleman again state what it is he intends to insert in the RECORD?

Mr. SUTHERLAND. I want to be frank with the committee. I heard the discussion regarding placing extensions of remarks in the RECORD under unanimous consent. This matter, as I learn from the custodian of the RECORD, will occupy about three pages of the RECORD. It is not my own preparation, but was prepared for me by Mr. Norman Stines, representing the United States Smelting & Refining Co., of Alaska. He is one of the world's leading mining engineers, and I consider this a very excellent presentation of the road and railroad situation in Alaska.

Mr. BLACK of Texas. Mr. Chairman, reserving the right to object, we have just voted all the appropriation that is to be voted upon in connection with this proposition without any objection, and it is violating the rule we have been trying to enforce about putting in letters and statements and speeches and newspaper articles.

Mr. SUTHERLAND. I will say to the gentleman I could have asked permission to extend my remarks on this subject, and I do not think any question would have been asked about the matter; but I wanted to be frank with the committee by reason of the discussion that has been heard here.

Mr. BLACK of Texas. I think when a gentleman asks to extend his own remarks in the RECORD it ought to be an extension of his own remarks and he ought not to insert a long letter or newspaper article or anything of that kind.

Mr. SUTHERLAND. I agree with the gentleman, but it is quite common here to include in remarks a statement of some authority on a particular subject which is being discussed.

Mr. BLACK of Texas. What would be the advantage of including this letter or statement in the CONGRESSIONAL RECORD?

Mr. SUTHERLAND. Simply because I think it is a very able presentation of the road and trail situation in Alaska from a most eminent authority. I think Members of Congress who have discussed the Alaska road question will get a great deal of information by reading this report.

Mr. BLACK of Texas. Mr. Chairman, in view of the fact we have just had long discussion of road building in Alaska, I shall not object.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SUTHERLAND. Mr. Speaker, under the permission granted me I submit the following article by Norman U. Stines:

THE ALASKA RAILROAD

INTRODUCTION

It has been suggested by some that since the Alaska Railroad is now operating at a deficit that it should be torn up and abandoned. The same people contend that the railway serves no useful purpose and "anyway there is nothing to be developed in the territory served by the railway," and it will always be operated at a loss. It is the purpose of this memorandum to attempt to prove that the railroad in its short life of just over two years has already been the direct cause of the starting of one enterprise which will add about 80 per cent annually to the revenue freight hauled during 1924; and to point to other enterprises that may be developed in these same areas served by this railroad, with the result that it is apparently only a relatively short time—10 to 15 years—until the road will be operated at a profit.

While not susceptible of proof, it may be stated that an abandonment of the railway will mean the abandonment of the interior of Alaska with a gradual withdrawal of the present population to the point where only trappers, traders, and Indians will remain.

MEANS OF COMMUNICATION BEFORE COMPLETION OF RAILROAD

Before the advent of the railroad, communication with Fairbanks was not only a difficult procedure but at certain seasons of the year a very long one. During the open season, from May 15 to October 15, there were two ways of delivering passengers, mail, and freight at Fairbanks.

By one route boats left Seattle weekly for Skagway, where they arrived after a four days' journey. From Skagway the train was taken over the White Pass & Yukon Railway to Whitehorse, head of navigation on the Yukon River. From Whitehorse a small boat or barge took one to Dawson, from which place comparatively large steamers departed weekly from the lower Yukon and either themselves went up the Tanana or transferred at Tanana to boats which did. Then either the original carrier or its successor went up the Tanana to Fairbanks. This trip took about 14 days from Skagway to Fairbanks. You will note that there were three transfers of passengers, mail, and freight, in addition to which inconveniences were added—the one of having to pass through Canadian territory necessitating either shipment of freight in bond or submitting to two customs examinations.

The return trip from Fairbanks was made in the reverse sequence and consumed to Skagway about three weeks. Independent of the time at which the first steamer left Dawson—around May 15—one never arrived in Fairbanks before about the 5th of June. The last boat had to leave Fairbanks not later than September 24.

The other route was by ocean steamer from Seattle to St. Michael, at which point transfer was made to river steamers and barges. Ordinarily the first boat arrived at St. Michael about June 20, and freight and passengers on that boat could be delivered at Fairbanks about July 10. This would be done with only one transfer and obviated passing through Canadian territory. The last down river boat had to leave Fairbanks about September 24, reaching St. Michael about October 5.

One decided disadvantage in this routing was the uncertainty in the time which had to be spent, either going in or coming out, at St. Michael.

After the opening of the Richardson trail, but before completion of the railway, passenger and mail communication from June 1 to November 1 was available directly from Fairbanks to Chitina, a station on the Copper River Northwestern Railroad. From there they were taken by rail to Cordova, from which point steamers sailed weekly for Seattle. Disregarding delays due to storms and washouts, the trip from Fairbanks to Seattle required about 12 days.

During the closed season communication between Fairbanks and the outside world was over this same Richardson Trail. There was a regular biweekly combination horse-drawn and auto stage service which required about six days to make the trip between Fairbanks and Chitina. This, of course, was unavailable for anything but mail and passenger service.

With the partial desertion of Alaska during the war, these means of communication deteriorated and by 1920 had practically ceased. With the completion of the railroad they passed entirely out of existence, and to resurrect these means of communication again would mean a considerable capital expenditure and a long period of time.

MEANS OF COMMUNICATION SINCE COMPLETION OF RAILROAD

After the completion of the Alaska Railway communication between Fairbanks and Seattle for freight as well as mail and passengers became comparatively easy. Boats sail regularly from Seattle every Saturday and, barring unforeseen delays, one reaches Fairbanks on the second Tuesday. Freight on that same boat reaches Fairbanks either the second Wednesday or Thursday.

ADEQUATE MEANS OF CHEAP COMMUNICATION NECESSARY TO DEVELOPMENT OF INTERIOR ALASKA

One of the great drawbacks in the development of Alaska has been the question of cheap transportation. The great gold production from the interior of Alaska during the early years of this century came almost entirely from small operations conducted wholly by hand methods. It was known that there remained in the ground large quantities of gold, but the unit gold content was too small to yield a profit by a continuation of those hand methods and the lack of a cheap means of transportation prevented the installation and transportation of the heavy equipment required for working on a large scale. It is true there were one or two installations of small dredges, but these were on isolated areas of comparatively rich ground. The success attending their operation showed clearly that with large equipment operating on a large scale the same proportionate success would meet any other similar undertaking.

This same lack prevented not only the development of gold quartz or lode mines, but more particularly that of base-metal mines. Prospecting had shown that there probably existed deposits of commercial importance if transportation ever were provided. Then only would capital be found for their exploration, development, and operation.

Another very great factor which prevented the development of large-scale operations and which was directly linked with the question of transportation was the power question.

Topographical conditions in the interior of Alaska are such that either only relatively small or excessively large hydroelectric installations could be installed. In the first instance, these would have a short operating season and would have to be accompanied by auxiliary steam or otherwise fuel-driven plants. The excessively large installations would give continual sources of power the year around, but the capital required to develop them was not warranted by the consumption that could be anticipated in a reasonable length of time.

In the early days there were available adjacent to the various operations sufficiently large quantities of wood for power raising as well as heating requirements. Constant cutting caused the distance from which this fuel had to be drawn to be continually increased and it has now reached a distance greater than the economic limit.

Another source of fuel for power purposes had therefore to be developed. Luckily there were in that region two areas of excellent coal, but without transportation. This could not be brought to those places where it could be used. Only a railroad would solve this detail of the general problem.

PRIVATE ATTEMPT TO PROVIDE RAILROAD

Amongst the early adventurers were coal and lode miners. As many of these were also disappointed in their search of placer gold, they turned their search either to coal or to metal-bearing lodes. As a result of the prospecting done by these classes of men it soon became evident that there were at least two prospective coal fields which had the earmarks of being susceptible of development into large producers of excellent grades of coal, and several potential lode ores from which not only gold but zinc, lead, copper, and silver should be won at a profit.

The two coal areas were what have since become known as the Matanuska and Healy River fields. The early expenditures in these fields proved the original conceptions as being correct and, given a market and suitable transportation facilities, the coal industry could be developed on a very large scale.

To develop the Matanuska field, some 150 miles from the all-year port of Seward, a railroad was projected from this latter point to that field. Its construction was actually begun and had been pushed a long way toward its ultimate destination when, through Executive order, locations of coal land were withdrawn and laws were enacted which made it impossible for probable coal-bearing areas to be gathered into the large units required to warrant the expenditure of the large amount of capital required to develop the properties, provide the necessary transportation, and build up the market.

From that time, one might say, the desertion of Alaska began. Instead of a continual annual increase in the white population it first stood still for several years and finally began to decrease.

FARMING

Early in the life of Alaska the farming element amongst the pioneers soon saw that farming operations could be very successfully conducted in the Tanana Valley, adjacent to Fairbanks, and in the Matanuska Valley, at the head of Knik Arm—a branch of Cooks Inlet. Those experienced in farming who met with disappointments in their search for mineral wealth soon turned to this industry. As a result several very successful farms were developed around Fairbanks and around Matanuska. They prospered so long as the mining population continued and required their products, but as this population dwindled, and with it their markets, these farms were allowed to deteriorate. This went so far that by the time the railroad was completed a great part of those products which could be successfully raised in Alaska were again being imported.

PROVIDING OF GOVERNMENT-OWNED RAILROAD

As a result of the widespread dissatisfaction with the policy then adopted and its effect on the development of Alaska, there sprung the idea of the Government not only continuing to construct trails and roads but also to construct a railroad connecting Fairbanks with the coast. Out of this agitation grew the Alaska Railroad, constructed by the Government and run by it.

IMMEDIATE RESULTS OF COMPLETION OF RAILROAD

Owing to delays and difficulties caused by the war, the railroad was not completed until in 1923. About the same time conditions in the United States had so far progressed toward normal that the capital ordinarily used in developing industries in the pioneer regions of the world again became available, and owing to the necessary transportation facilities being available naturally attention was drawn to Alaska. Here "developers of frontiers" knew that there existed large low-grade deposits of gold-bearing gravel, very extensive coal fields, large areas susceptible of development into profitable meat-raising country, and rather extensive lode-gold and base-metal areas.

To show concretely the result of the effects of building this railway, the following case may be cited. The United States Smelting, Refining & Mining Exploration Co. sent its engineers into Alaska in February, 1924—the first season after the completion of the railway. As a result of the advent of those engineers a very vigorous exploration program in the Fairbanks district was prosecuted, with such results that in less than two years there had been spent in that work and in the acquisition of property very nearly $2,000,000, and there was proven such volumes of gold-bearing gravel that there was authorized a program of development which over the next three years will involve an expenditure of approximately $8,000,000 more.

This is certainly as concrete a result of the building of this railroad as one could ask for. While in these days of immense combinations of capital the expenditure of this sum over such a period of years by one enterprise does not loom large, by comparing it to the total cost of Alaska—$7,500,000—it seems extremely so. It can be stated that, without the railroad and without the expenditure during the last five years of large amounts by the Alaska Road Commission in the building of roads tributary to Fairbanks, this development would never have been undertaken.

It might be well to state here just what this development actually means.

The equipment that will be provided from part of this expenditure and which is necessary to work the low-grade placers which have been proven during this two years of development necessitates:

The installation of a power plant capable of generating 6,000 kilowatts;

The erection of seven dredges capable of handling approximately 6,000,000 yards of gravel per year;

The construction of a water system 80 miles in length, of which over 7 miles are steel syphons of over 50 inches in diameter, and 1 mile of tunnel;

The installation of complete hydraulic plants at three points to remove the muck mantling the gold-bearing gravel to be dredged;

The construction of a machine shop, garage, office building, and dwellings at the headquarters at Fairbanks;

The construction of two camps for the personnel—one on Goldstream and the other on Cleary; and

The provision of all the auxiliary equipment, roads, etc., required by such an operation.

To complete the erection of this plant and to put it into complete running order requires five years' time, during which there will be hauled into the country approximately 40,000 tons of material, all of which has to pass over the Alaska Railroad. During that period of construction there will be required an average of 500 men for six months of the year, and there will be retained for the other six months an average of 150 men. All of these men and their families will require certain additional large quantities of material.

Once the plant is in operation, there will be required regularly about 400 men for five months of the year and about 250 men for the balance. There will be required annually for the power plant and the auxiliary operations about 30,000 tons of coal and 15,000 tons of other supplies—a total of 45,000 tons.

These figures apply only to one operation, which is already drawn as a result of the construction of the Alaska Railroad.

It has been advanced that the railroad will not attract industries to Alaska. During 1924 the railroad hauled about 52,000 tons of revenue freight. From the figures given above it is seen that this one operation alone will provide annually about 45,000 tons of revenue freight, or over 80 per cent of that supplied without the advent of this enterprise.

The above figures apply only to the direct operations in connection with this development and do not take into consideration the increased activity due to the spending in a pioneer country of approximately $1,000,000 per year in wages alone. There can be no question or doubt but what such expenditure will result in a renewed activity in the search for other placer deposits and even for lode properties.

PROBABLE OTHER RESULTS OF CONTINUED OPERATION OF THE ALASKA RAILROAD

The one development does not by any means end the probabilities of developing additional traffic for this road. Below will be given a few of the more readily apparent developments and probable sources of additional traffic that should become available for the railroad and which would not be developed if the railroad did not continue to function.

It is not necessary to dwell upon the well-known Matanuska coal fields and the favorable conditions which warrant one in believing that the railroad will allow this coal to be developed and produced so that it may enter into the general Pacific coast market.

The Healy River field has not been so well covered in reports and in the spreading of general information. In that area are several parallel beds in the coal series. These beds vary from small seams to thicknesses of over 40 feet of excellent lignite coal. This coal is present in immense quantities, and no attempt has ever been made to put in concrete figures the reserves of this material that could be developed in this field. The promoter's favorite expression "inexhaustible supply" would come very nearly expressing the condition here. If a time element of, say, 200 years were introduced here that expression would be a true one.

This lignite is not a coal that could under present conditions enter into competition in the world markets in general. Notwithstanding that, it is an excellent coal and has certain characteristics which warrant the belief that within 20 years large developments will have occurred there and large plants will have been erected from which excellent lubricating materials, benzol and the allied products secured from the distillation of fat coals, will be won at large profit. The development of this industry alone will have justified many times over the building of this railroad and its continued operation at a loss during its early years.

Even now with the present freight rates and the present means of communications with southeastern Alaska a market for some 100,000 tons annually of this coal can be developed, and there is no doubt that within five years this will have been done.

In addition to that part of this field comprising the lignite coal, there is a very large portion which produces as fine cannel coal as that produced any place. This part of the field has not as yet been developed and has been neglected almost entirely. Certain steps are being taken at the present time to develop that portion of the field, and when done this coal will find its way into the Pacific coast markets and will undoubtedly be able to compete in Pacific coast seaports with any coal now available there.

Of course this favorable outlook on the coal industry of Alaska applies equally well to any good coal field if we are to accept at their face value the statements of authorities on reserves of oil in the United States: "Within 20 years, at the present rate of increased consumption of petroleum products, we will have a shortage of the raw material, crude oil." Undoubtedly the demand for fuel for internal-combustion engines will have increased, and there will be a ready market for the benzol and the lubricating materials secured from the distillation of such a coal as that found at Healy River.

In the Fairbanks district alone there are many small quartz mines producing to-day. These are working only upon small gash veins and secure their profits by working the occasional rich pockets which they encounter. In the development of these small mines there have been indicated large deposits of gold-bearing quartz whose gold content warrants the belief that a large-scale operation could be conducted at a profit.

There are other probable placer propositions in the areas contributory to the railroad, and their development is awaiting only the successful operation of the present scheme. With the territory being opened by the construction of the Circle Trail, a still larger probable area will be made available to this railroad.

In the McKinley Park district is what is known as Copper Mountain. Reports by men, authorities on base metals, indicate that there is a very large deposit of rock containing lead, zinc, copper, silver, and gold. These metals are present in the rock in such quantities that with the proper transportation facilities they could undoubtedly be won at a profit commensurate with the risk involved, and undoubtedly the continued operation of the Alaska Railroad will soon see proposals looking toward the development of this large deposit with its enormous possibility.

Along the line of the railroad are several gold quartz properties awaiting development. These are all apparently of such a type that the valuable parts will be concentrated out locally and the resulting concentrates shipped to the States for further treatment.

It has been ascertained that reindeer meat is an excellent food, and certain branches of the Government organization have stated that there was a very excellent territory in the Broad Pass country for the raising of reindeer. To make this a success, however, the same question of transportation comes in. Already only two years after the completion of the railroad steps are being taken to develop this industry.

The question of farming and of the products which can be raised on the farms in this part of Alaska have been very carefully studied by the Department of Agriculture, and reference is made to that department for information on this particular point.

From all of the above it can be seen that there are several strings to the bow. This becomes of particular importance when it is realized that the one operation which has already been undertaken wholly as a result of the construction of this railroad will result in increasing the tonnage over this railroad by 15,000 tons in 1926, 22,000 tons in 1927, 25,000 tons in 1928, 35,000 tons in 1929, 45,000 tons in 1930, and 45,000 tons annually thereafter for at least 25 years.

It can be easily seen that only two or three more industries of this size will develop enough traffic to put this railroad on a profitable basis, and it is firmly believed that this point will have been reached in a maximum of 15 years and probably in about 10.

CONCLUSION

The one most important and controlling factor to be realized is that none of this development will take place without the railway and that the abandonment of the railroad will not only mean the cessation of all such enterprises, but will mean the reverting of Alaska to its original state, for without that communication there will no longer be any incentive to remain in central Alaska.

There is also a moral obligation on the part of the Government to continue this railway. This and other enterprises have been undertaken only because the railroad was built and was in operation. They were started almost wholly on a reliance of the good faith of the Government; the Government having removed all possibility of private enterprise, building such a railroad and providing the necessary transportation facilities, is bound morally to continue its operation.

NEW YORK, *January 18, 1926.*

Mr. CURRY. Mr. Chairman, the Alaska Road Commission is one of the Federal commissions that justifies itself. The work done by this commission is not exceeded anywhere in the world. The work they do is done better and cheaper under the conditions there than work done anywhere else.

Alaska is very fortunate in having Colonel Steese at the head of this commission. Every dollar of the money he uses is used for the extension of roads and trails. The gentleman from Iowa [Mr. DOWELL] asked if it would not be better to have all this road construction in Alaska under one bureau. It most certainly would, and I would like to see it under the Alaska Road Commission and thus stop duplication of organization and overhead. The Bureau of Forestry constructs the roads in the forests, and uses two or three dollars to do the work that could be done, and is done, by the Alaska Road Commission for $1, and much of the road work in the national forests are of no practical value or use. There is jealously existing, as everyone knows, between the bureaus. If we could unite all of the road work in Alaska under one commission, the Alaska Road Commission of Army Engineers, we would save a great deal of money and would build more trails and more and better roads and save money.

I am glad this appropriation has gone through without opposition. I am sorry it is not larger, because this commission uses the money to great advantage. So far as Colonel Steese is concerned, when he went to Europe he went during his vacation in his own time and spent his own money and not the money of the Federal Government. He used that time investigating the methods of road building in Europe and in northern Africa.

The Clerk read as follows:

For the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation; for survey of northern and northwestern lakes, Lake of the Woods, and other boundary and connecting waters between the said lake and Lake Superior, Lake Champlain, and the natural navigable waters embraced in the navigation system of the New York canals, including all necessary expenses, for preparing, correcting, extending, printing, binding, and issuing charts and bulletins and of investigating lake levels with a view to their regulations; and for the prevention of obstructive and injurious deposits within the harbor and adjacent waters of New York City, for pay of inspectors, deputy inspectors, crews, and office force, and for maintenance of patrol fleet and expenses of office, $50,000,000.

Mr. ANTHONY. Mr. Chairman, I desire to make a brief statement for the information of the House in respect to this item. As it originally came from the Budget, $40,000,000 was asked for river and harbor improvement work. Subsequently the President sent up a supplemental estimate for $10,000,000, making the total amount to $50,000,000.

In response to what seemed to be a general request, voiced by Members of Congress as well as commercial bodies all over the country, that the work of improving our rivers and harbors, and particularly our inland rivers, comprised in what is called the Mississippi system, be proceeded with with more expedition, after giving some study to the situation and consulting with General Taylor, the Chief of Engineers in charge of this work, your committee became convinced that with four or five, and not more than five, annual appropriations of $50,000,000, at least 85 per cent of the existing river and harbor projects upon which work is in progress could be completed, and that it would only be by the appropriation of this larger sum of money and the continuation of such a policy through three or four more years that we could reach such a condition where our inland rivers could be used for navigation in a practical way.

In pursuance of this policy the committee has brought this increased amount to the House.

Mr. MORTON D. HULL. Do I understand this does not contemplate any new work, but simply the continuation of old work?

Mr. ANTHONY. It is our understanding this sum of money will be used in exact proportion to all authorized projects as are recommended in the report of the Chief of Engineers for the current year. His recommendations total $55,000,000, so if this measure becomes a law the amount of money to be expended on each one of these approved projects will be in the proportion of $50,000,000 to $55,000,000.

Mr. DENISON. Mr. Chairman, as one Member of the House who has always been very much interested in the appropriation for improvements in our rivers and harbors, I want to express my appreciation of the statement that has just been made by the gentleman from Kansas [Mr. ANTHONY]. I want to commend the action of the gentleman from Kansas and the other members of his subcommittee in reporting this item of the bill with $50,000,000 appropriated for rivers and harbors. In doing this they have responded not only to the overwhelming public sentiment of the country, but also to the views of a large majority of the Members of this House, I feel safe in saying. Therefore I do not feel I ought to let this item in the bill pass without expressing these words of commendation of the subcommittee and of the entire appropriation committee. I think the chairman of the committee, Mr. MADDEN, ought to also be commended for the sympathetic attitude he has taken toward this item in the bill. I also want to commend the Director of the Budget, General Lord, for seeing the light and coming forward with a supplemental recommendation so that the Army Engineers may have a sufficient amount to complete the work of improving our rivers and harbors, and particularly our inland rivers, and more particularly the Mississippi River and its tributaries, so these projects can be completed in a businesslike way and transportation thereby put back on the rivers.

Mr. MOORE of Virginia. May I ask my friend a question?

Mr. DENISON. Certainly.

Mr. MOORE of Virginia. Does not the gentleman think in carrying on this work, which he and I approve, a major matter to be considered, and one that is necessary to be considered if we are to get maximum results from the expenditure, is the relation of railroad rates to water rates and to rail and water rates.

Mr. DENISON. I do.

Mr. MOORE of Virginia. May I ask the gentleman, because he is a prominent and influential member of the Committee on Interstate and Foreign Commerce, whether there is any prospect of legislation being brought in at this session that will deal with that subject?

Mr. DENISON. I will say to the gentleman from Virginia that he has brought up a subject about which there is a great deal of controversy. There is legislation pending in both the House and the Senate that is pertinent to that issue, and, expressing my individual views, I believe that legislation is going to be considered and reported to the House, and personally I think it ought to be passed.

Mr. MOORE of Virginia. And personally I think that if these enormous appropriations for rivers and harbors work are to continue we are doing something that is to have a far less value than it ought to have, unless we undertake legislation that will insure the maintenance of transportation by water.

Mr. DENISON. Yes; and to me it is absolutely absurd for Congress to continue to appropriate large public funds to improve our rivers for the purpose of restoring transportation on the rivers and at the same time to allow another branch of the Government to put into effect a system of freight rates which will destroy water transportation. I think the time is

coming when Congress should adopt a reasonable course and let us have water transportation.

Mr. McDUFFIE. Will the gentleman yield?

Mr. DENISON. Yes.

Mr. McDUFFIE. The gentleman says that his committee is now considering legislation by which the question of the relation of rail and water charges for transportation will be regulated?

Mr. DENISON. No; I did not say that. I did not say that our committee was now considering it; I said there was legislation pending which will govern certain phases of the right of the railroads to reduce rates to destroy water transportation.

In conclusion, I want to say, in reference to the statement of the gentleman from Kansas, that if we were to appropriate $50,000,000 each year for four or five years the main river and harbor projects could be completed. That is a very important statement, and it will be a great aid to the Chief of Engineers in the performance of his work. If he can have the assurance that there will be $50,000,000 appropriated for four or five years it will be a great aid to him by allowing him to make his plans for continuing work. I was glad to have that statement made by the chairman of the subcommittee [Mr. ANTHONY], because I think it will be of great assistance to the Chief of Engineers to know that he can depend on receiving a sufficient amount each year to speedily complete our major river and harbor projects.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I wish to add my word of approval of the action of the Committee on Appropriations in bringing in this bill including the $10,000,000 recommended by the Bureau of the Budget. The Chief of Engineers in making his estimates and recommendations of money to be available to him during the next fiscal year asked, as the gentleman from Kansas has said, that $55,000,000 be appropriated. Knowing something of the character and extent of the work done by the Chief of Engineers and his corps, I would have been pleased to see the full amount recommended by him reported to the House and appropriated. But during these days of economy I presume $50,000,000 is all that we may reasonably expect.

Mr. Chairman, it is particularly gratifying to see the attitude of Congress, and evidently the attitude of the country, toward rivers and harbors appropriations, so different from what it was some years ago, when every suggestion of a substantial appropriation for rivers and harbors was greeted with the cry of "pork barrel"; that is, that appropriations were made without sufficient information to determine whether or not the projects were worthy, whether or not the money was needed, and that influence and favor were too often responsible for appropriations for these purposes. The fact was that appropriations were made many years ago, bills brought in by the Rivers and Harbors Committee, in which each and every project throughout the country was named and the amount necessary, or made available for each, was stated in the bill. It was inevitable that many of these bills provided money for unworthy projects or for projects of questionable need or value. Too often there was no opportunity for the committee to make proper investigation as to the merits of propositions put up to them, and it was said—I do not know with how much truth—that appropriations were often made in order to carry on other proceedings in the Congress and to secure votes for other measures.

There was some excuse, perhaps some reason, for applying the term of "pork barrel" to early river and harbor appropriations. But that time has gone. Now, the very first suggestion of a river and harbor improvement has to have the approval of the Rivers and Harbors Committee before even a survey of the project is permitted to be made by the Corps of Engineers. Otherwise they would have no authority to make the survey. They make thorough, searching investigation and the Chief of Engineers in due time reports to Congress whether or not in his opinion the project is a worthy one. I live in a harbor district, on the shores of Lake Michigan, and if anyone has had the experience I have had with the Corps of Engineers he will know, as I know, that the engineers are men of experience in their work, capable and trustworthy, entirely free from outside influence, and that after making thorough and searching investigations they make trustworthy reports as to whether or not projects proposed are worthy and ought to be approved by Congress.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. COOPER of Wisconsin. Mr. Chairman, I ask that the gentleman have five minutes more.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the gentleman from Michigan have five minutes more. Is there objection?

There was no objection.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. COOPER of Wisconsin. Lines 14 and 15, on page 90 of the bill, contain this language:

> To be immediately available and to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers.

By that phraseology is it not left entirely to the Secretary of War to say where this $50,000,000 shall be expended?

Mr. McLAUGHLIN of Michigan. Yes; that is right.

Mr. COOPER of Wisconsin. The Secretary of War, of course, can not give this his personal attention and must leave it to a subordinate. Does the gentleman think it proper to leave the expenditure of the lump-sum appropriation to the direction of one man who has no more opportunity to acquaint himself with the facts concerning any particular project than has the gentleman from Michigan or I? Does the gentleman think the House ought to surrender its function under the Constitution of making appropriations?

Mr. McLAUGHLIN of Michigan. Mr. Chairman, without accepting all that the gentleman from Wisconsin says about the Secretary of War—he means, of course, the Chief of Engineers—that he has no opportunity to acquire information to enable him to make a proper and just distribution of this money——

Mr. COOPER of Wisconsin. I said the Secretary of War.

Mr. McLAUGHLIN of Michigan. Well, the Secretary of War under the supervision of the Chief of Engineers.

Mr. COOPER of Wisconsin. But the selection of the project, where the work shall be done, is left exclusively to the Secretary of War.

Mr. McLAUGHLIN of Michigan. With the reservation that I have made I answer the gentleman's question by saying, "Yes; unquestionably, it is a wise method of determining the merits of these propositions, and a wise method of distributing the money." About the Secretary of War and the Chief of Engineers; early in my service some gentlemen from my district who were interested in a harbor project came to Washington and went before the Secretary of War, at that time Mr. William H. Taft. They wished to talk with him about the project, and he said, "Of course, the law gives me authority over these matters; it names the Secretary of War, but my connection with them is diaphanous." He then said that authority over these matters was largely and very properly in the Chief of Engineers. That is true; while nominally the Secretary of War has charge, the Chief of Engineers, with his large corps of assistants, makes the investigations, and it is their determination which influences, if it does not control the approval of projects by Congress, the selection of projects and the use of the money in their construction and maintenance. I approve of that. Why? What is the alternative? The alternative is the old method by which the River and Harbor Committee each year or at intervals brought in river and harbor bills. How were they made up? If a Member wished a project started or continued in his district, he would go before the committee and tell the committee all he knew about it; and perhaps others from his locality who were interested as he was would appear also and make statements to the committee. It was well known how the Committee on Rivers and Harbors operated in those days, made up of good men, giving all the attention to these matters they were able to give, making all investigations they were able to make; but after all, what were they able to learn? A great deal, it is true, but in most cases not enough to enable them intelligently to determine whether or not projects presented to them were worthy of construction and maintenance by the Government.

Mr. COOPER of Wisconsin. Did not every River and Harbor Committee have before it the report of the Chief of Engineers upon every project just as the Secretary of War will now have the report of the Chief of Engineers?

Mr. McLAUGHLIN of Michigan. They did not. They did in later years, but earlier and for many years they did not.

Mr. COOPER of Wisconsin. They had when I was a member of the committee.

Mr. McLAUGHLIN of Michigan. Investigations by the Chief of Engineers and his corps were not made as they are made to-day, when practically all responsibility is upon them. Years ago very limited information reached the Committee on Rivers and Harbors. Years ago it was said that appropria-

tions were made to some extent as a matter of favor to the Member who asked for them or to secure his vote for other propositions pending in the House. That was generally believed throughout the country, and there was some foundation for it—to such an extent that the Congress adopted this other plan, the plan now in force, the only other plan that can be pursued, and I insist that, although it is to some extent open to the objection made by the gentleman from Wisconsin [Mr. COOPER], it operates exceedingly well. The alternative is, as I have said, to go back to the old method of making appropriations.

As I said, I have a harbor district, and I have had a great deal to do with the Corps of Engineers. How are they made up? Every one in the corps is a graduate of West Point, educated as an engineer. Each year they are taken from the head of the graduating class at West Point, enough of them, and put into the Corps of Engineers to make and keep that corps full. They are at once put upon some kind of work in this connection, passed from one place to another, from one part of the country to another, from one kind of river and harbor work to another, until they become well informed, experienced, and proficient. For example, on the Great Lakes there is a district engineer office at Milwaukee. He has charge of all harbors on Lake Michigan. There is a division engineer, superior in rank to the district engineer, in charge of all harbors on the Great Lakes. There is a board of review for rivers and harbors sitting in Washington, consisting of six engineers, men of long experience, called in, not always of the same membership, by the Chief of Engineers to sit as a board of review. All reports and recommendations of district engineers and of division engineers come to this board. There is opportunity for interested parties to appear before that board and make such showing as they are able to make and such argument as they wish. That board hears what the interested parties have to say, makes careful and thorough examination of the entire matter, and reports to the Chief of Engineers, who himself, giving painstaking attention to all matters thus put up to him, approves or disapproves the finding of the board.

The Chief of Engineers makes his report and recommendation, as he was directed to do, to this House, to the Committee on Rivers and Harbors of the House. I do not know how the work could be better done. I do not know how the work could be in better hands, men educated, trained by the Government for that particular kind of work, men free from influence, straightforward, experienced, learned—the best hands to which this work could be intrusted. The alternative is to go back to the old method of making appropriations by bills reported by a committee without time or opportunity for thorough investigation to determine the merits of the proposition.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word. I have been interested and entertained by the speech of the gentleman from Michigan. No one on the floor of the House would presume to contradict what he said about the Chief of Engineers and his associates. It was the rule under what the gentleman calls the old practice for committees of this House to read the reports of the engineers and to hear such witnesses on various projects, as they might determine should be heard, and then under their oaths to report to the House what projects ought to be carried into execution. What the gentleman said about the value of the work of the Chief of Engineers and his associates no one will dispute, although to me it seemed not germane to the point we are discussing, which was this: Heretofore Congress itself has decided what projects should be carried out; but now that decision is to be left entirely to the Secretary of War. He is to decide what projects are most desirable and to be completed.

I desire to call attention to the fact that if the practice is to obtain of having a Cabinet officer determine what river and harbor projects are to be carried out, because he thinks them most desirable, some interesting questions will arise. For example, suppose there should be a Secretary of War deeply interested in railroads—I have no reference to the present Secretary of War—is he going to find "most desirable" any project for water transportation which would compete with railroad transportation in which he might be interested? I only suggest these things. In my judgment, Congress ought always to decide which of such projects should be completed.

Mr. McDUFFIE. Will the gentleman yield?

Mr. COOPER of Wisconsin. I will.

Mr. McDUFFIE. The position of the gentleman is, in my judgment, theoretically perfectly sound. However, the present arrangement has worked very well. I am sure the gentleman understands that Congress does decide which projects should be developed and puts its wishes into law and then the Secretary of War's function is simply to carry out the will of Congress. Congress designates every project to be developed, not the Secretary of War and not the Chief of Engineers. There were a few mistakes made under the old system—not many, and not enough to justify the popular cry of "pork barrel."

Mr. COOPER of Wisconsin. But the Secretary of War has exclusive power, if this bill is enacted into law, to decide which of these projects are to be completed. The bill provides that the Secretary shall decide what projects are to be completed, and that the Chief of Engineers shall supervise the work.

Mr. McDUFFIE. I do not understand that the Secretary could or would ever do so in fact, because the amount carried in this bill is based upon estimates of the Chief of Engineers, who informed the committee how much is to be allotted to each project.

Mr. COOPER of Wisconsin. This is what it says, if the gentleman will look at the language in line 18: "And for the prosecution of such projects heretofore authorized as may be most desirable in the interest of commerce and navigation." The Secretary alone decides what projects are "most desirable."

Mr. McDUFFIE. The gentleman is correct as to the language of the bill, but let me say to the gentleman as a matter of fact that there are a few projects which were authorized by the Congress many years ago, which have been abandoned by the Congress. There are other minor projects authorized on which the commerce is negligible and which have not been abandoned by the Congress, but the Congress has given the Secretary of War discretion as to the expenditure of public funds on these projects and asked him to report on all projects which, in his judgment, should be abandoned after due investigation. This investigation is made by the engineers, who report after consulting all interested parties and making full inquiry in every district where the given project is located. The discretion as to the development of those unimportant projects and the use of money for further work may well be lodged in the Secretary of War and Chief of Engineers. The authority is not quite so broad as the gentleman indicates in the practical effect of the language of the bill. It is in effect, in the actual administration of the law, a direction to the Secretary of War to carry on this work in accordance with estimates of the Chief of Engineers, and this language inserted in the bill is intended, I am sure, for the purpose of giving the Secretary of War and the Chief of Engineers discretion as to some of the minor projects which have not proven useful as well as to permit larger expenditures on the most important ones, having due regard for the necessities of the commerce of the Nation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER of Wisconsin. I would ask for two minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. COOPER of Wisconsin. Will the gentleman permit me to interrupt him?

Mr. McDUFFIE. Yes.

Mr. COOPER of Wisconsin. The gentleman speaks of the Secretary of War and the Chief of Engineers exercising discretion.

The Chief of Engineers, if this bill becomes law, would have no discretion whatever in determining which project shall be completed. That is left entirely to the "direction"—that is the word—the "direction" of the Secretary of War. The actual work is to be under the "supervision" of the Chief of Engineers. "Direction" and "supervision" are two very dissimilar words. "Direction" means that the Secretary shall direct which of these projects shall be carried out, and then that the work shall be done under the "supervision" of the Chief of Engineers. In my judgment, Congress, being granted by the Constitution exclusive authority over navigable waters, ought to make specific appropriations for the purposes named in the act. [Applause.]

Mr. MANSFIELD. Mr. Chairman, I desire to suggest to the gentleman from Wisconsin that this feature in the bill embraces no new feature in our law. It has been the law for the past eight years. Appropriations for river and harbor improvement for the past eight years, or about eight years, have been made in just this manner, and this bill follows substantially the wording of the bills passed during that period of time.

Mr. COOPER of Wisconsin. I had not observed that the expenditure of appropriations of this kind was vested exclusively in the Secretary of War.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FREAR. Mr. Chairman, I move to strike out the last word. I rise in opposition.

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. FREAR. Mr. Chairman, I desire to reply briefly to Chairman ANTHONY's statement that all projects will soon be completed. They will never be completed under the present system. I presume, Mr. Chairman, that I have taken as much time in the House in opposition to former river and harbor bills as anyone. This I did for the purpose of eliminating many worthless projects, and I hoped that in the course of time we would get an improvement in results and in our methods of legislation. For several years I was a member of the committee and opposed both the bills and the system of pork-barrel projects, then notorious. Every river and harbor project that was ever offered to Congress was recommended by an Army engineer, the board, and then the Chief of Engineers, yet afterwards Congress required many of these projects to be abandoned because they were absolutely useless and worthless. Many of these under "improvement" are worthless and wasteful now. That speaks for itself as to the value of the judgment of Army Engineers. They are able men, and I do not mean that they are dishonest. They are able, honest men as a rule. I think that General Taylor, Chief Engineer, for example, is an unusually strong and conscientious man, one of the best we have ever had. I only speak of the pressure that has been brought to bear upon these men, politically, locally, and officially. They can not resist that pressure. Few men could. Some years we have opposed these bills, and sometimes we have succeeded in defeating them. I have never had any desire to thwart or oppose the projects or waterway interests of communities or individuals. I sought to have only commercial projects inserted, and there are many good ones as well as bad ones in this bill.

Six years ago our appropriations ran about $30,000,000, and that included flood-control expenditures for the Mississippi River. This bill carries $50,000,000 for rivers and harbors, and right in connection with it is a separate item of $10,000,000 for flood control, making $60,000,000, or almost double what we appropriated a few years ago.

Now, we are operating under a Budget system, and the chairman of the committee [Mr. ANTHONY] tells us these large appropriations are necessary because we are going to complete all these river and harbor projects in two or three years and that will avoid the necessity for great appropriations in the future. Will it? Not in a hundred years under the present system. There are 284 river "projects," 199 harbor "projects," and 53 canal and waterway "projects," or a total of 536 "projects," according to the engineer's report, and half of these are worthless as commercial projects. One of the projects alone that has been added this year, which is only 1 of 45 new projects added to the bill this year, will receive $1,000,000 contained in this bill. You will never exhaust the projects. They are increasing in number and in amount of expenditures every year. Every time you add 6 inches or a foot to the depth of the Mississippi or the Missouri Rivers you make a new project that will cost many additional millions without any commerce to be had. Fifty years' experience proves this to be true. The same thing is true of many other projects. The chairman is mistaken in saying that great appropriations will soon complete the projects, for new projects will continually be approved by the engineers.

Now the question comes: You have placed the money in the hands of the Chief of Engineers, $60,000,000, counting the flood-control proposition.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes.

Mr. DENISON. Of course, the flood-control appropriation is not under the Chief of Engineers.

Mr. FREAR. Not strictly, for it is disbursed by the Mississippi Flood Commission, on which are Army Engineers. They work together on the lower Mississippi, however. That flood-control money was put in the old river and harbor bill when the bills ran from $30,000,000 to $40,000,000. Now the total appropriation for both is $60,000,000.

I am prepared to show, Mr. Chairman, that on the greatest rivers in this country the commerce is not as large as it was 10 years ago, nor 10 per cent of what it was before a single dollar was spent by the Government before we began appropriations for river and harbors. And I ask unanimous consent to extend my remarks in the RECORD for the purpose of illustrating and proving that assertion.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to extend his remarks. Is there objection?

There was no objection.

Mr. FREAR. I will say to my colleagues here I do not propose at this time to obstruct the passage of this bill. I know I could not do it successfully if I wanted to do so, although I have contributed to that end in the past. Under the present method of procedure you have placed in one paragraph $50,000,000. Under the old method there was at least one merit, although I did not like that method of omnibus items in some respects. Then we took each item and after the item appeared the amount of money to be applied to that project, and we could attack the item if it was an unworthy project, as was frequently the case. To-day $50,000,000 is placed in one paragraph, and when the river and harbor bill comes in later it will be merely a question of authorization of expenditures covered by this appropriation and merely an approval of certain projects that are there. We have no method to-day of attacking unworthy projects, or what we deem to be unworthy projects. That is the vice of the present system. [Applause.]

Mr. Chairman, the military bill now before the House carries many items not strictly of a military character, and among these is the item of $50,000,000 for rivers and harbors, page 91 of the bill. It is all in one lump sum for 1926 and later will be apportioned by Army Engineers, and allotments will be made subject to their discretion. Ten years ago we had the good old-fashioned river and harbor pork barrels, when gentlemen from Florida and Louisiana were accused, sometimes wrongfully, together with gentlemen from Wisconsin, Illinois, or maybe California or Massachusetts, of conspiring to logroll a bill through the House containing waterway projects whether good, bad, or indifferent. One or more projects to each district concerned were asked in an exchange of like favors irrespective of commercial merit, present or probable. That was the charge made against pork barrels. Annual bills then reached from $20,000,000 to $40,000,000, of which a large portion went to the lower Mississippi River for flood control, as stated.

In those days each project in the bill carried a specific appropriation set apart for that particular project. That was prior to the passage of the Budget law, which we confidently believed would lessen our troubles, do away with notorious pork barrels, and place river and harbor improvements on a business basis removed from political or sectional pull.

Due to the exposure of a few extravagant and worthless projects like the Big Sandy, Trinity River, and others of like character, these were recommended for abandonment or modification. A few million dollars were thus saved, including several million dollars on one stream where Army engineers had suggested driving artesian wells in order to supplement rainfalls and thereby secure enough water for navigation.

By the defeat of two or three of these so-called pork barrels and substitution of smaller amounts for maintenance, many millions were saved, but the hunger for Government gold by river and harbor lobbies, private dredgers, and other contractors who wait in the background was never more noticeable than appears from the bill now before us.

ONE PARAGRAPH NOW COVERS $50,000,000

The Budget law has been enacted, and by this new process of legislation it will be observed that one paragraph of the military bill now covers $50,000,000 whereas under the former system many items, paragraphs, and many pages were devoted to the different river and harbor items.

Under the present Budget system Army Engineers as stated do not disclose in advance where Government funds are to be expended except inferentially. Congress now relies entirely on their judgment and the engineers leave only to congressional action matters of policy in control of waterways. Subject to local, political, and official pressure, as stated, we may well ask what has been accomplished by the change in system.

These matters are referred to in order that the present system may be studied to determine how far the Budget plan has brought about improvement, if any. Ten years ago river and harbor appropriations averaged from $20,000,000 to sometimes $40,000,000, as I have said, including therein the Mississippi flood-control expenditures.

In the military bill before us, on page 91, appears the item of $50,000,000 for rivers and harbors, and the next item is $200,000 for surveys. The next succeeding paragraph is for $10,000,000 covering flood-control expenditures on the Mississippi River and the next item is $400,000 for flood control on the Sacramento, and these four items are all found condensed on page 91 of the bill and reach a total of $60,600,000 for 1926 river and harbor expenditures.

RIVER AND HARBOR APPROPRIATIONS HAVE DOUBLED IN 10 YEARS

In other words, in 10 years we have increased the appropriation for rivers and harbors formerly covering similar items about 100 per cent under the Budget unassigned unallotted system. But this is not all. In addition to the $60,600,000 contained in four items named there is an item of $11,500,000 for purchase of a private bankrupt Cape Cod Canal recommended

for purchase by President Coolidge in his message which our Army Engineers valued at $2,500,000 as "an upper limit of any justifiable expenditure by the United States to acquire public ownership for commercial purposes." How can the engineers resist Executive demands? This canal project presumably will be favorably reported by the Rivers and Harbors Committee because on such favorable report hangs the fate of sundry waterway improvements with which committee members are concerned. This is especially true of the New York seagoing canal from the Lakes, I am told. Exchanges of support are currently reported to have been made by the East with the West, wherein Kansas City and Cape Cod have shaken hands, the vote on the project will disclose. Again, a favorable report has been made by the Flood Control Committee asking that the present appropriation limit for the Sacramento land reclamation and flood-control project be increased from $5,000,000 to $17,200,000, or a net increase of over 200 per cent for the Government reaching $11,600,000 largely for a 1,000,000-acre land-reclamation project. These landowners under the bill will only pay 30 per cent increase if the bill is passed as reported from the committee, but everything goes with Budget approval.

Although I have filed a minority report protesting against said payment, I know the powerful influence of California that, like the New York-Massachusetts Cape Cod Canal combination and Mississippi River combination, may be found working for the passage of the $11,600,000 Sacramento River item. Adding these two latter items, totaling $23,100,000, to the regular $60,600,000 river and harbor appropriations, makes a total river and harbor appropriation for 1926, if these items are adopted, under former methods of inclusion of flood control, of $83,700,000, compared with from $20,000,000 to $40,000,000 in the so-called "pork-barrel" days.

I am calling attention of the House to the program of economy announced by President Coolidge, wherein an appropriation for rivers and harbors of $33,378,364, about the average for 1919 and often of a much less figure, now reaches a possible $83,700,000 for 1926, all approved by the Budget Bureau, I am informed.

Again, I call attention to the fact that total river and harbor appropriations paid by the Government passed the billion mark in 1919. Now, the engineers report expenditure of Government funds for waterway "projects" have exceeded $1,300,000,000 and the pull on the Treasury increases in amount and vigor with every year.

A STUDY OF OFFICIAL REPORTS, NOT BASED ON HOPES OR PROMISES

Some statistics give a fair understanding of the way Government funds are being expended by engineers on some of our waterways. Take, for illustration, the Ohio River, for which Army Engineers for 1926 ask $6,500,000, which is included in the $50,000,000 item. This trifle in in addition to $8,000,000 spent on the Ohio by the Government in 1925. The estimated cost of 50 locks in course of construction for the Ohio River, page 1162–1163 (1925 report) is more than $100,000,000 on this one river, and the actual cost, as usual, presumably will be without limit, while apart from this total is an item of $17,637,273 for cost of purchase of the Louisville Canal and $11,282,994 additional for open-channel work already expended on the Ohio, or about $130,000,000 expended by the Government to date for a river that has a comparatively small commerce in view of the enormous expenditure.

It is not always safe to accept figures of engineers in ascertaining what is actual commerce. Often the "commerce" consists of logs or sand and gravel floated a few miles that require no particular channel for such traffic. These facts can not be gathered from the pretentious "commerce" reports in volume 1 of the Engineers' Reports. Again, actual commerce has practically disappeared from many streams, and the only easy flow in the "waterway project" is a stream of currency from the Government Treasury to the pockets of river and harbor dredgers and private contractors who in past years have furnished funds for banquets and other activities of the numerous waterway lobbies and then divided up the districts so as to avoid competition. In former speeches I have set forth specific evidence of these dredgers' pools with Government contracts.

The Ohio commerce, including ferries (think of including ferriage), in 1897 reached 11,265,638 tons. In 1911 the engineers said it reached 12,046,294 tons, but in 1919 it was down to 5,469,424 tons. In 1924 the traffic is given by the engineers as 10,866,683 tons, but of this "commerce" 2,319,400 tons upbound were of sand and gravel floated 10 miles and 758,819 were of sand and gravel floated 20 miles down stream, although the river improvement extends several hundred miles. That kind of statistics occurs throughout the reports on the various waterways. Sand and gravel and logs are usually far away in the lead, although city offal and similar "commerce" are found high up in the freight items. Again, duplications and other questionable methods of computing "commerce" are well known to occur on river commerce.

Take the Mississippi River, on which more has been spent than on the Ohio. Two stretches of the Mississippi River show as follows:

CHIEF OF ENGINEER'S REPORT (1925)

MISSISSIPPI RIVER, MINNEAPOLIS TO MISSOURI RIVER, 664 MILES (PAGE 1046)

Total expended to June 30, 1925, on this stretch		$37,590,042
Amount required for 1926 on this stretch		$1,600,000
Engineers' report of commerce (1925)	tons	769,139
Value (page 1056) 1925 Report		$14,265,553

Commerce analyzed (vol. 2, p. 1228) on this 664-mile stretch of river:

	Tons	Miles hauled
Upbound:		
Gravel	111,434	9
Sand	65,315	9
Stone	15,156	
Downbound:		
Logs	78,819	10
Gravel	284,563	17
Sand	116,081	6
	666,438	
Total	769,139	
Miscellaneous	102,701	

Methods of duplication and bolstering "commerce" may be applied also to the "miscellaneous item." Engineer's note, volume 1, page 1228, states—

In 1924 the packet business was very small, there being only five small propelling barges in operation between St. Louis and St. Paul. The 1924 commerce was 204,428 tons less than 1923; 1,648,042 passengers were carried on excursions.

I shall later refer to the five small barges that were once in use.

ANOTHER STRETCH OF THE SAME RIVER

MISSISSIPPI RIVER FROM MOUTH OF THE OHIO TO MISSOURI (200 MILES)

Total expended to June 30, 1925, on this stretch		$22,533,586
Amount required, 1926, included in Army bill (page 91), on this stretch		$2,000,000
Commerce, 1924, including river improvement material	tons	738,728
Government improvement materials	do	130,913
Miscellaneous	do	607,815

"Miscellaneous" covers many items that should be studied.

Commerce in 1887, excluding rafted logs and lumber, before any material expenditures had been made by the Government on the Mississippi, reached 1,324,400 tons (p. 1232, vol. 2) or more than double the tonnage 38 years thereafter, following an expenditure by the Government on the entire Mississippi River of $200,000,000 or more for river improvement.

The next largest North American river is the Missouri, on which about $35,000,000 has been spent, or is to be spent by the Government on existing "projects."

MISSOURI RIVER, KANSAS CITY TO MOUTH (398 MILES)

Expended by the Government to June 30, 1925 (this project)	$20,066,154
The 1926 Army bill, page 91, carries for rivers and harbors	$50,000,000
This includes for the lower Missouri project	$1,600,000
1924 commerce (p. 1090, vol. 1, 1925):	
Tons	347,324
Value	$831,084

This commerce is analyzed under the law in volume 2, page 796, in another volume, as follows:

	Tons	Value
Logs rafted	1,010	$12,750
Wood and lumber	4,278	13,174
Trees, etc., river improvement	67,066	400,300
Sand and gravel	175,598	100,308
Stone, etc., river improvement	97,962	166,897
	345,914	693,429
Total tonnage reported	347,324	
Miscellaneous	1,410	

Can anything be more illuminating of engineer's commerce reports than this puncturing of a 347,324-ton bubble when

shriveled down to less than an insignificant 1,500 tons, and this after an expenditure of $20,000,000 and more on this 398-mile stretch of the river?

HOW ABOUT THIS "COMMERCE"?

MISSOURI RIVER, KANSAS CITY TO SIOUX CITY "PROJECT" (409 MILES)

Expended by the Government to June 30, 1925 (p. 1095)-- $3,168,576

	Tons	Value
Commerce, 1924 (this commerce analyzed vol. 2, p. 707, in another volume)	117,643	$155,863
Sand (hauled 9 miles)	104,917	
Stones and river improvement	11,930	
	116,847	
Total commerce	117,643	
Miscellaneous commerce	796	

After an expenditure of over $20,000,000 the lower Missouri River, apart from logs, trees, sand, and gravel hauled a few miles, reports a "miscellaneous" commerce of 1,410 tons hauled. The report does not state how far. Why not?

After an expenditure of $3,168,576 the upper river reports 796 tons of "miscellaneous" commerce, and 90 per cent of the total was hauled only 9 miles on the 400-mile stretch. The mileage is here given, but not for the 1,410-ton "project." Why not? Here are the three largest and most promising rivers of the country that have had around $350,000,000 expenditures made upon them by the Government while the actual tonnage scarcely equals that of one small harbor of Ashland in my own State. In other words, nearly one-third of all river and harbor appropriations ever made by the Government have been sunk in these three rivers with no particular result excepting to help reclaim adjacent lands and give employment and profits to an army of private and public contractors.

In contrast with the enormous annual expenditures on the three great rivers with insignificant commercial results attained due to conditions not subject to material change or improvement, judging from over 40 years of past experience, I submit one or two harbors that at a moderate cost to the Government furnish real waterway commerce with real hauls, as shown by the following statistics:

Harbor, Ashland, Wis., volume 1, page 1241 (1925 report) (1925), 6,081,993 tons, valued $23,759,062 (excluding logs):

Total harbor expenditures to June 30, 1925	$680,970
Amount needed 1926	4,000

Average haul over 800 miles, volume 2, page 861 (no sand, gravel, or logs).

Or take a large harbor in Wisconsin (1925), Superior-Duluth Harbor (1925), volume 1, page 1235, 1925 report:

Commerce, 45,416,950 tons, value	$516,837,517
Total harbor expenditures to June 30, 1925	8,440,233
Amount needed 1926	95,000

Average haul over 800 miles, volume 2, page 857–858.

This latter harbor's commerce is five times the total actual river commerce on the Ohio, Mississippi, and Missouri, generally hauled only a few miles on our three greatest rivers. Yet the Government expense on this one harbor was less than 3 per cent of the amount paid to date for river improvements on the Ohio, Mississippi, and Missouri Rivers.

Other harbors like Milwaukee, Washburn, Green Bay, Sturgeon Bay, Kewaunee, Manitowoc, Racine, Kenosha, and Sheboygan give Wisconsin a great inland waterway commerce; yet all these harbors combined have cost only a fraction of the cost of the one Missouri River that boasts less than 3,000 tons of actual waterway commerce while "improvements" already costing over $25,000,000 have been made on the Missouri to serve a nongettable commerce.

This is not a pessimistic view. It is facing a situation where no business man would spend a dollar on worthless projects where no possible return can be had commensurate with the expense, judging from a commerce that floated everywhere on these rivers 60 years ago. After a third of a billion dollars expenditure of Government money commerce has practically disappeared, excepting that now left on the Ohio.

DEEP WATERWAYS, NOT CANALS OR RIVERS, GIVE RESULTS

These illustrations are not to disclose the use of deep waterways alone but to show the absolute hopelessness of river commerce on our great rivers after hundreds of millions of dollars have been spent during the past 50 years for "improvements." Compared with actual river commerce 60 years ago before it was driven from rivers by competing railways on every hand, the present showing brings back the words of old Senator Tillman about river and harbor pork barrels, which he then denounced as "humbugs and steals." And yet Army Engineers recommend as praiseworthy these Government expenditures of the taxpayers' money.

No one advocates the wholesale abandonment of present projects, however worthless, unless recommended by Army Engineers, but with an annual river-channel maintenance charge of many millions of dollars on the 337 river and canal "projects" constantly growing like Jack's bean stalk, it is official folly and inexcusable extravagance to continue worthless improvement projects while adding new projects, 45 of which are contained in this year's bill. Commercial necessity, present or future, is the sole justification for such expenditures. How can we talk "economy" with this showing from official records? Any political party that could make this an issue would have a real issue to take to taxpayers, but the river waste is bipartisan, due to local home pressure.

I shall not attempt to discuss in detail the waste and hopeless, reckless squandering of public funds disclosed by the Army Engineers' reports which charitably seek to cover up much of this waste by methods of presentation to which I have alluded. Official economy and official responsibility take a recess when this $50,000,000 item and river and harbor items generally go through Congress.

WATERWAY LOBBIES FOR 20 YEARS ARE ALWAYS ON DECK

Waterway lobbies from the Mississippi River Valley, the Missouri Valley, the Ohio Valley, and the Washington waterway "congress" all deluge the American Congress with literature and limitless promises of things to come. Dinners, banquets, and entertainments are offered to those who may be of assistance, but these are not the only influences that help pass questionable projects like those named through Congress.

Misleading statistics as beautifully set forth as any sunkissed orange Florida fairy folder are first offered to Congress, and then placed before the engineers by all local influences, that can be mustered. Sometimes those enlisted really believe river commerce is to be had instead of the gold brick that is generally later uncovered. After the "project" is in, then the 337 different inland waterways, canals, harbors, and rivers projects of the country are all canvassed, and, sometimes by threats sometimes by persuasion, the committee is persuaded to grant authorizations. Thereafter the locality pulls every string—business, political, and social—to have the project started by the engineers. The system is as old as the rivers themselves. When once started, "Give us a few million dollars so as to complete the project," is then their cry. It may be land reclamation or land protection along the Missouri or millions of dollars annually in fat Government contracts to Ohio River dredgers, who formerly divided up the Government contracts and helped finance the lobbies. When the project is completed at either 5, 6, 7, or 9 foot depths and fails to produce commerce, then another project is adopted at 10, 11, or 12 feet depth for larger boats to haul nonexisting commerce, and Uncle Samuel's strong box is again sledge hammered for more millions and still more millions. The game is the same to-day as played in Ben Tillman's time.

THE RIVER AND HARBOR BILL DOES NOT VARY WITH CHANGING SYSTEMS

It is the same game with little variation that was played 10 years ago before the adoption of the Budget system. Any student can take the average inland waterway project and disclose its uselessness and money waste from a brief inspection of the engineers' official report from which extracts have been given. This I did year after year, and although the covering-up process is more finished now than before the adoption of the Budget system, the same facts and same waste can be disclosed now as then by an analysis of the "commerce."

To do so arouses the personal antagonism of members who frankly told me in the past in more than one case that they could not come to Congress unless they got something for their district. That is the situation in which any investigator is placed. The field of waterway waste is a rich one to delve into, but I have no purpose now of repeating the old pork-barrel fights. They are too strenuous and are often thankless tasks. When the Budget was adopted we decided to give it a trial and await results. Under the Budget system Congress has about doubled the old waterway appropriations with the approval of the Budget Bureau, and this has occurred during these days of advertised public economy, while the same omnibus appropriation barrel is now as bipartisan and nonpartisan in its shape and size as it was then. Like the bipartisan tax cut bill that recently wiped out party lines in both branches of Congress, personal and political interests are perpetually with the river bill and when combined are hard to resist.

It is with a purpose of having others take up the task, if they care to do so, that I make this brief statement. The old antiquated pork barrel now galvanized under the "Budget" with its $8,000,000 for the Ohio River in 1925 and $2,000,000 for 200

miles of the Mississippi in 1926 and $1,600,000 for 400 miles of the Missouri this year are as certain to be barren of commercial results as they were 10 years ago, and they are now nearly double as expensive as six years ago, because based on the plea that "projects once started should be completed." They will never be completed. They will arise as often as dredgers' contracts reach low ebb, irrespective of commerce.

THREE HUNDRED BOATS HAVE DISAPPEARED FROM A DESERTED STREAM

Three hundred steamboats were carrying freight on the upper Mississippi before a dollar of Government money had been spent in improvements. All of these have now disappeared. Not one line of boats, excepting five little gasoline boats that are now going out of business, remain on the 700-mile stretch of our greatest river above St. Louis, and a few excursion boats, mostly leftovers from the former lines of river packets which run at random. Others are promised, and a few may come and go, but the actual commerce in 1924 cost the Government over $15 a ton without counting the $37,000,000 "improvement" investment, or over $25 per ton if included.

Thirty-seven million dollars have been spent by the Government on the upper Mississippi, and last year about 100,000 tons of still questionable commerce, after deducting sand, gravel, rock, and brush, were hauled a few miles; that is the official record. During the same time the railroads paralleling the Mississippi on both sides carried several hundred tons of real freight for every ton of actual commerce floated on our greatest river.

If this statement is disputed, I call attention to the fact that 12 years ago the total rail shipments reported at St. Louis were 54,350,851 tons, and from total water shipments that year 258,709 tons were of real commerce. I have not brought the tables down to date, but I quote figures heretofore given which can easily be continued to date. On this subject Col. C. McD. Townsend, a highly reputable Army Engineer, the president of the Mississippi River Commerce, said in 1915:

St. Louis for the past 50 years has been the principal origin or terminus of the traffic on our western rivers, and its records summarize their tendencies. Its river commerce attained its maximum of 2,120,000 tons in 1880 and has since steadily declined to 153,000 tons in 1914. In contrast it may be stated that the commerce at Sault Ste. Marie, the outlet to Lake Superior, in 1880 was 1,300,000 tons and attained a maximum of 79,000,000 tons in 1913. The commerce of New York Harbor exceeds 125,000,000 tons.

Shipments and receipts of freight at St. Louis by rail and specified rivers, 1890–1913

[Compiled from the St. Louis Merchants' Exchange reports]

SHIPMENTS

Year	Upper Mississippi River	Lower Mississippi River	Missouri River	Ohio River [1]	Total by river	Total by rail	Grand total
	Tons	*Tons*	*Tons*	*Tons*	*Tons*	*Tons*	*Tons*
1890	22,547	543,805	10,035	.....	601,862	5,270,850	5,872,712
1891	18,630	445,150	19,280	.....	512,930	5,216,228	5,729,158
1892	51,595	392,635	29,455	1,000	502,215	5,969,754	6,471,969
1893	54,230	342,785	12,775	.....	436,900	[2] 5,554,593	5,991,493
1894	52,190	281,635	4,075	.....	363,080	4,780,256	5,142,336
1895	30,780	241,155	5,505	.....	303,355	5,349,327	5,000,008
1896	31,510	508,960	1,355	.....	572,410	5,400,728	5,001,786
1897	36,225	406,315	.....	.....	469,265	6,137,265	6,950,120
1898	33,805	339,435	300	.....	399,583	7,079,319	7,478,902
1899	33,675	151,135	.....	.....	203,205	[2] 8,256,393	8,469,598
1900	36,675	187,385	1,225	.....	245,580	9,180,309	9,425,889
1901	23,392	158,493	7,185	.....	208,271	10,653,065	10,862,336
1902	23,130	174,517	4,840	.....	[2] 224,266	11,035,586	[2] 11,259,852
1903	44,855	146,498	2,345	.....	212,207	12,971,173	13,183,380
1904	21,775	46,320	2,620	.....	82,565	13,731,194	13,813,759
1905	25,730	35,295	4,705	.....	80,575	15,225,973	15,306,548
1906	36,000	34,905	3,565	.....	89,185	17,672,006	17,761,191
1907	25,155	35,550	3,095	14,700	78,500	18,296,416	18,874,916
1908	27,280	30,285	5,320	9,855	72,740	15,700,158	15,772,898
1909	16,695	21,140	.....	10,170	48,005	17,153,097	17,201,102
1910	12,510	24,815	.....	11,100	48,425	20,187,270	20,235,695
1911	11,270	38,150	415	17,630	67,466	17,974,337	18,041,802
1912	9,025	24,330	.....	9,940	43,295	20,368,613	20,411,908
1913	8,830	20,000	7,284	11,470	47,584	22,129,175	22,176,759

RECEIPTS

1890	128,960	222,075	21,350	102,500	663,730	9,969,291	10,633,021
1891	90,865	209,005	25,065	63,890	592,140	10,098,729	10,690,869
1892	135,435	212,545	13,065	96,930	687,200	11,229,005	11,916,205
1893	111,710	216,300	8,000	33,490	599,405	10,408,039	11,007,444
1894	111,400	219,195	5,480	35,375	583,510	9,512,910	10,096,420
1895	78,170	239,090	3,270	35,440	508,830	10,489,344	10,998,174
1896	61,165	345,105	1,245	62,640	671,765	10,763,116	11,434,881
1897	51,435	311,540	250	26,915	576,670	11,921,279	12,497,949
1898	33,910	311,915	790	37,130	506,586	12,962,850	13,469,435

[1] From 1907 to 1913, inclusive, the tonnage given under the head of the Ohio River includes the Illinois, Cumberland, and Tennessee Rivers also.

[2] Corrected.

Shipments and receipts of freight at St. Louis, etc.—Continued

Year	Upper Mississippi River	Lower Mississippi River	Missouri River	Ohio River [1]	Total by river	Total by rail	Grand total
	Tons	*Tons*	*Tons*	*Tons*	*Tons*	*Tons*	*Tons*
1899	45,410	238,140	565	39,440	466,610	14,805,872	15,272,482
1900	50,070	274,445	2,725	2,700	512,010	15,375,441	15,887,451
1901	68,470	233,855	3,860	87,315	462,805	17,433,523	17,896,328
1902	38,005	248,905	6,080	59,890	416,920	18,060,809	18,477,729
1903	32,705	160,085	1,415	111,435	340,410	21,580,403	21,920,813
1904	25,405	132,585	2,685	102,400	295,370	23,319,871	23,615,241
1905	31,190	107,520	3,580	125,755	289,850	23,915,090	24,205,540
1906	31,140	106,670	2,485	160,120	327,670	27,292,617	27,620,287
1907	21,440	91,325	3,655	173,155	289,575	29,156,094	29,445,669
1908	19,245	70,165	4,365	199,405	293,180	23,577,922	23,871,102
1909	24,305	67,395	160	159,730	251,590	27,075,248	27,326,838
1910	13,390	84,450	240	75,410	143,540	31,538,865	31,682,405
1911	37,480	62,060	490	201,800	301,830	28,965,658	29,267,488
1912	24,060	45,875	910	151,580	222,425	31,108,026	31,330,451
1913	27,735	11,275	5,380	166,735	211,125	32,221,676	32,432,801

[1] From 1907 to 1913, inclusive, the tonnage given under the head of the Ohio River includes the Illinois, Cumberland, and Tennessee Rivers also.

Total receipts and shipments at St. Louis by rail and by water for years given

[From reports of the Merchants' Exchange, St. Louis]

Year	Total by water	Total by rail	Grand total
	Tons	*Tons*	*Tons*
1880	1,831,385	8,852,204	10,783,589
1890	1,265,592	15,240,141	16,505,733
1900	737,590	24,555,750	25,313,340
1905	370,425	39,141,663	39,512,088
1910	191,965	51,726,135	51,918,100
1911	369,295	46,939,995	47,309,290
1912	265,720	51,476,639	51,742,359
1913	258,709	54,350,851	54,609,560

IS NOT COLONEL TOWNSEND'S JUDGMENT SOUND?—IT CALLS A HALT ON 58 RIVER PROJECTS—WHY NOT?

Again, I quote from Colonel Townsend's remarkable address before the river and harbor lobby, which was extended in the RECORD of December 11, 1915. Therein he says:

Specifically the writer would not abandon any navigable stream in the Mississippi Valley that has been partially improved, but would leave 58 of them in their status quo, confining operations to snagging and the maintenance of existing works and would concentrate appropriations on opening up a channel of the capacity of that existing on the lower and middle Mississippi to Chicago and Pittsburgh. * * *

If the facilities thus afforded by the Government are utilized, the upper Mississippi and the Missouri Rivers should then receive attention.

Colonel Townsend calls a halt on the upper Mississippi and the Missouri River improvements until the $100,000,000 Ohio and $275,000,000 lower Mississippi projects are finished, and if these streams are ever utilized (?) then go on with the remaining 58 projects, including the Missouri and upper Mississippi.

Colonel Townsend's advice went unheeded. The Army Engineers were transferred and now the door is thrown wide open and millions of dollars of Government funds are annually shoveled into these wasteful river projects. River commerce is often duplicated by recounting the same freight at different river points or by receipts and shipments, as can easily be demonstrated from the 1925 reports, so the outside tonnage is reported.

The upper Mississippi River had regular boat lines running on it until these were put out of business by the railways about a dozen years ago. The last river line was the "Diamond Joe," known to every old Mississippi Valley resident.

I talked with officials of the Strekfus Co., the owners, at St. Louis just before this line breathed its last, and they told me the jig was up and that their boats could not compete with the railroads because of handling freight, connections, delivery, and other conditions apart from freight.

Then came Bernhard, associate member of the American Society of Civil Engineers, who in 1915 said:

The Rhine could never compare with the Mississippi in its advantages for transportation. Its channel is narrower and shallower, more changeable; the current is swifter; and ice is known in the winter over its entire navigable length to its very mouth; yet in 1913 more than 97,000 vessels passed the Dutch and German frontier on the Rhine, which means a vessel every five minutes for the entire year.

On the upper Mississippi the average is not one a week, apart from the five little gasoline barges now to be discontinued. The Rhine carried over 30,000,000 tons of commerce annually. The upper Mississippi is deserted.

Bernhard tried to make a go of it with a small string of boats, following the Diamond Joe lines demise, but when he asked for freight he said the St. Paul business men only gave him banquets and bouquets, and he, too, gave up the ghost about 10 years ago.

Then Mr. Goltra, Democratic committeeman from Missouri, had the Government build for him several boats and barges for his ore business, which he proposed bringing down the Mississippi from St. Paul and smelting at St. Louis. The Government built the boats at a cost of $4,000,000 or more, as shown by the engineers' reports, then turned them over by lease to Goltra, and after a few attempts Goltra and his upper Mississippi River boats turned up their toes, figuratively, or their keels, to be more nearly correct, about seven years ago.

After three or four years of silence the dredgers found contracts about exhausted and the waterway organizations of the Mississippi Valley again started a campaign for Government funds and more funds.

Thereupon J. S. Brodie, a practical river man, organized the River Transit Co. and five small gasoline barges were put in operation. For two or three years past this small line managed to "get by," but a letter received dated February 10, 1926, is from Mr. Brodie, St. Paul, Minn., from which I quote as follows:

Information from some of the stockholders of River Transit Co. (Brodie's company) indicate that some letters have been directed to you relative to Government agencies coming in on the river business on the upper Mississippi and placing unforseen problems into the work which River Transit Co. has been developing.

It was the writer's intention to be in Washington on this matter last week, but because General Ashburn, the chief of the Inland Waterways Corporation, a Government-owned corporation which operates barges on our rivers, had arranged to be out of Washington at the same time I had figured on being there, my plans were changed. I met General Ashburn in his St. Louis office instead.

By virtue of a certain contract which the Inland Waterways Corporation has entered into with a newly formed barge line company which was created for the particular purpose of utilizing Government assistance to enhance the rapid development of traffic on the upper Mississippi, a combination of circumstances has been created such that the pioneer company, the River Transit Co., is left "out on a limb." The stockholders in our pioneer company feel that their investments were well placed, both for a good economic cause and for a fair return on their investments. After four years of development work, during which time we have actually been showing, by real operation of boats, carrying freight between St. Louis and Minneapolis and St. Paul, on regular schedule, which development required a considerable expenditure of capital and which developed our business to a point where further financing was logical and practical from an investor's point of view, the Government steps in to assist the new corporation which was organized outside of River Transit Co. interests.

Because so many of the possibilities open to us have been taken away by the fact of the above-mentioned contract between the Government and the newly organized company, we feel that arrangement should be made such that the money which has been invested by the stockholders in our company shall be returned with interest.

It is the intention of the Government Inland Waterways Corporation to take over and use all the property now belonging to River Transit Co., into the new Government operation.

The property of River Transit Co. consists of five new, all-steel barges and two towboats, with the necessary auxiliaries. This equipment was designed particularly for just the work which the Government operators contemplate using it for, and it is the only equipment which has been proven practical enough and modern enough, proven by actual use, to be able to keep itself in operation carrying freight on the upper river.

When the writer met General Ashburn in St. Louis, he, the general, proposed a contract with River Transit Co. for taking over this fleet on the basis of a valuation which will be appraised by an appraisal company. He stated that the Government would not consider making any compensation for the development work which the River Transit Co. has done. An appraisal of our property has been ordered, and until the time when a report of this has been made, there will be no definite proposal made by the Government * * *.

This is the last effort on the upper Mississippi, but it discloses that the Government is now obliged to build the boats or buy them from private parties and then carry freight on a river that has had some $200,000 or more expended on it for navigation or flood control. Not one private line can be independently maintained on the upper river and none on the Missouri River for many years, and yet we are shoveling gold into these rivers at a rate that makes old-time pork barrels look like small cider kegs.

This is no exaggeration, judging from the comparative appropriations and lack of commercial results on these rivers. Only the waterway lobbies and private contractors are beneficiaries, together with those owning lands along the rivers which the Government is protecting by dikes and revetments that make up the major part of the Missouri "river improvements."

NO ATTEMPT TO SINK THE BARREL NOW

Again I repeat, I have no purpose of trying to break the pork barrel again. It is not impossible or even a difficult task, in my humble judgment, although fairly strenuous judging from past experience. Every Member, of course, who has a waterway project in his district has a personal interest in the bill and often a political interest in securing its passage. I grant him equal sincerety in believing his project may bring returns commensurate with the enormous expenditures of public money involved, notwithstanding a record of 50 years, but after several years' experience by Congress and the country under the Budget system I repeat what was frequently stated to the House during the old-time contests, that while the great majority of harbors—sea and lake and deep-water channels like those of the Great Lakes—have been shown to be good business investments, bringing large and continually increasing returns for the investment, yet the great majority of river and canal projects are hopelessly wasteful and unprofitable and will remain so until by Government ownership or control of traffic we allocate to the rivers shipments of heavy freight that now go by rail. That time and that act is not for this day or generation. To propose the German system would be the wildest dream, and yet the Rhine through that control system carries far more commerce—or did prior to the recent war—than all the rivers of this country combined.

So I say that in these days of governmental economy we should remember that while the river and harbor bills have doubled in size within 10 years on the average and 75 per cent of the increase presumably has gone into rivers and inland canals and waterways, that the commerce on those waterways has remained practically stationary and insignificant in the majority of cases.

The locks and concrete structures built by the Government along our mighty rivers will serve as modern wonders of the world in times to come when the last of the old river steamboats shall have gone to Davy Jones's locker. I hope that this prediction will fail and that when the Ohio River project, with a total expenditure of about $150,000,000, has been completed that it will really stimulate coal and steel shipments on the river. That is a possibility only after spending a king's ransom, and then only a possibility. No similar conditions of coal supply are found on the Mississippi or Missouri, and we may dump the taxpayers' money into those streams and into smaller streams until their bottoms are lined with gold without bringing back the commerce of a half century ago. That former river commerce, if reinstated to-day, would not amount to 1 per cent of present rail traffic, which parallels practically all rivers where water traffic once existed. Yet that comparatively small river commerce of 50 years ago is now practically extinct, according to the official reports quoted, while the flow of Government gold to these rivers is greater than ever before.

If asked what is the basic trouble with these river appropriations for hopeless projects, I answer that it is impossible to prevent selfish contractors from arousing local communities to press their Congressmen for river improvements. Political pressure and local pride are not to be denied. The Army Engineers are not able to withstand this pressure, that is evident. The only method that will minimize the evil of governmental waterway waste is through a board of public works like those existing in many foreign governments, a board that can face its responsibilities without fear and say "no" when that answer is the only right answer to make either to Senators, Representatives, or the insistent localities that now urge their projects through Army officials.

Mr. NEWTON of Missouri. Mr. Chairman, I recognize very well the theoretical value of what the gentleman from Wisconsin [Mr. FREAR] has said. I remember very well when we had in this House just what he says we ought to have, and I remember, too, that the cry went over this country until it almost destroyed river and harbor projects in the mind of the public—the cry of "pork barrel." It was the perfectly natural result of having the Committee on Rivers and Harbors of the House and Members of the whole House, in their zeal to bring about the adoption of their projects, trade with other projects.

About seven years ago the law was changed and we started making lump-sum appropriations. Under this method there

was no chance to logroll among Members of Congress, but the whole thing was put in a lump-sum appropriation and placed in the hands of the engineers, who had no interest except to apply the money to the most meritorious projects adopted. In the last five years this "pork-barrel" cry has ceased, and in these discussions to-day you have not heard one word of the charge of "pork barrel" respecting one specific project.

I know that theoretically it is all right that we should make an appropriation and specify the project, but I know full well that it has been demonstrated in the last seven years that the Army Engineers could eliminate the charge of pork and could expend the money upon those projects that are most deserving.

I want to join with those other Members of the House who have commended the action of the Appropriations Committee. We have made fights in years past to raise appropriations, but I am glad no such necessity exists now. I recognize that this $50,000,000 is not as much as the Chief of Engineers recommended. He recommended in his report, I think, $54,500,000, to be exact. It is not as much as was recommended, but I hope that this is the beginning of a fixed program.

The Chief of Engineers has repeatedly said that if we will give him $50,000,000 a year for the next four or five years, with some guaranty that he is going to get it, so he can make his plans ahead, he can complete these projects in five years. Not only that, but if he can have an established policy, with the assurance that he is going to get $50,000,000 a year, year after year, such a policy will be worth more and do more in the way of improvement that $55,000,000 a year, with no certainty as to what he is going to get next year. It is the certainty of a fixed policy that guarantees success.

I heard what the gentleman from Wisconsin [Mr. FREAR] said about the matter of continual increases in the demands for appropriations. Of course, whenever we adopt a new project it costs additional money; but, as a matter of fact, for the deserving projects already adopted and which have been approved by the Chief of Engineers and the War Department $50,000,000 for the next four and a half or five years will complete them, and after that $15,000,000 a year will maintain them. If you want to adopt new projects, then you will have to pay for them. The projects we now have adopted when once they are completed will carry the commerce of this country, and the total maintenance charge will run from $15,000,000 to $17,000,000 a year.

You talk about flood control, but there is very little of the control work that is really helping navigation. The members of the Flood Control Commission are expending the money for the preservation of the land, and in many places they are making their levees so far apart that they are not really improving the condition of navigation. So I insist, Mr. Chairman, you can not charge up to navigation the $10,000,000 appropriated for flood control.

Mr. FREAR. Will the gentleman yield?

Mr. NEWTON of Missouri. Yes.

Mr. FREAR. I just want to say to the gentleman that in referring to flood control in connection with navigation I only did that because it was included in the old river and harbor appropriation.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. NEWTON of Missouri. Mr. Chairman, may I have five minutes more?

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. WILSON of Louisiana. Will the gentleman yield?

Mr. NEWTON of Missouri. Yes.

Mr. WILSON of Louisiana. I will say to the gentleman from Missouri that half of the $10,000,000, or about half, goes to channel improvement.

Mr. NEWTON of Missouri. Then they can not charge the full $10,000,000 up to navigation. I think there ought to be some method worked out—once the land is improved, and I am in favor of that—whereby the channel will be in one fixed place so we can have a sure channel during all the seasons of the year.

Mr. WILSON of Louisiana. According to General Ashburne, who operates the barge line of the Inland Waterways Corporation, the work done on this stretch of the river, where the flood-control work is carried on, results in a channel that is better adapted to navigation than on any other stretch of the river.

Mr. NEWTON of Missouri. Can the gentleman tell me how much of the river is yet unimproved from Cairo south?

Mr. WILSON of Louisiana. No; that would be rather hard to answer, because the sand bars and channels change continually in the Mississippi River. It is kept open, though, is better suited to navigation, and is kept in a better condition for navigation than any other stretch of the river. The gentleman must understand that there will never be any time when the channel of the Mississippi River does not need continual watching and continual expenditure on it, just as that is true of any other alluvial stream. The channel is not being neglected, as is sometimes charged, and it is in good condition. The contribution made by the landowners for flood control and the Government's contribution to the maintenance of a uniform channel represent a contribution to the improvement of navigation.

Mr. NEWTON of Missouri. In that connection I would like to say that if the plans of the engineers are carried out from St. Louis to Cairo our channel ultimately will not be affected by sand bars, because we intend to have the improvement carried to such a point that the channel will stay in one place, and I hope something like that will happen south of Cairo.

Mr. WILSON of Louisiana. What is going on south of Cairo is under the supervision of the Chief of Engineers, just the same as the other work for which the gentleman is contending.

Mr. NEWTON of Missouri. My understanding from General Beach was that the Flood Control Commission did not yield to the Chief of Engineers.

Mr. WILSON of Louisiana. The only difference is that the Chief of Engineers has only veto power, but the plans of the work of channel improvement are in keeping with his views all the time. So I think there has been some mistake relative to the facts and resulting in criticism of the maintenance of the channel on the lower river.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. NEWTON of Missouri. Yes.

Mr. COOPER of Wisconsin. The law which was passed authorizing these appropriations was not a lump-sum authorization; it was a specific authorization for each project and the amount was named.

Mr. NEWTON of Missouri. Yes.

Mr. COOPER of Wisconsin. Congress did that?

Mr. NEWTON of Missouri. Yes.

Mr. COOPER of Wisconsin. Well, there was not anything of pork barrel in that authorization by Congress, was there? And so there would not be anything of pork barrel if we wanted to mention specifically the projects for which appropriations were authorized under the authorization act.

I want to ask the gentleman this question: There being no mention in this bill of what projects are to be completed or the amount to be used for the completion of any project, it being left to the discretion of the Secretary of War to select the project and complete it in his discretion, could he use more than the specific amount authorized in the authorization act?

Mr. NEWTON of Missouri. Mr. Chairman, in answer to that question I desire to state that after watching the work of the engineers for the past seven years I have come to this conclusion: We fix an appropriation, for instance, on the Ohio River. They can not expend that money anywhere else. One year the opportunity for improvement on the Ohio River is excellent and they can do wonderful work, but perhaps the next year the harbors are easier to work on and the weather conditions and flood conditions may make it impossible to work on the Ohio River.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. NEWTON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for three more minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. NEWTON of Missouri. The result of that is we have found in the past that when we tied the money up on particular projects and the conditions for work were good on some projects and not good on others, they exhausted their supply of money on the projects where the opportunity was good and had it tied up on the projects where the opportunity was not good. We have found also that there has not been a charge against the judgment of the engineers or their fairness in the distribution of the funds, and it has also eliminated the charge of pork barrel.

There is another thing I want to call to the attention of the committee. Mr. ANTHONY, the chairman of the subcommittee, referred to the fact we had an original estimate from the Budget of $40,000,000. We appropriated $40,000,000 last year, which was the amount presented in the bill. At the time we made that appropriation we had in the Treasury $4,000,000 available for such work, making the total available $44,000,000.

This year we have not anything available. Last year, after we made the appropriation, we adopted some new projects, the intercoastal canal and some others, and we find it is necessary to expend $6,000,000 on those new projects next year. Therefore, when you take into account the $4,000,000 that was left in the Treasury plus the $6,000,000 to be spent on new projects, the $50,000,000 now recommended is about the same appropriation for expenditure that we had last year.

I think the committee and the Director of the Budget and the President are to be commended for taking the stand they have, and I hope we can carry out this policy during the next three or four or five years in order that these great inland waterways, the deserving ones, can be completed, so that we can relieve the condition of high transportation costs from which the whole country is suffering.

Your barge line is doing wonderful things out there. The work on the river has not been completed, and they are laboring under handicaps and difficulties of every conceivable kind and character, and yet they have carried between St. Louis and New Orleans this past year more than 1,000,000 tons of freight. They have not only done that but during the first eight months of this fiscal year, carrying freight at one-third of the average rail rate of the country, and with all the handicaps they have had, they have succeeded in paying all of their cost of operation, all of their depreciation, all of their expenses of every conceivable kind, and then have a profit of $350,000. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last two words.

I beg the indulgence of the committee in order to set myself right if Members have the idea that I have been opposed to river and harbor improvement.

Mr. NEWTON of Missouri. I understand that and know the gentleman has not been opposed to the improvement of our rivers and harbors.

Mr. COOPER of Wisconsin. I have been an ardent advocate of the most rapid possible improvement of our rivers and harbors ever since I have been a Member of this House. [Applause.] I was on the Committee on Rivers and Harbors when the Hon. Thomas B. Reed was Speaker of this House, and from that time to this I have always supported the river and harbor bills. I have never voted against one of them. [Applause.]

But this is not quite germane to the point I sought to make. The gentleman from Missouri has said much about pork barrel, as has also my distinguished friend from Michigan [Mr. McLAUGHLIN]. Now, Congress in the act authorizing appropriations for these rivers and harbors, named each project and specified the maximum amount which could be expended upon it. There was no "pork barrel" in that; there could not be; nor could there have been the slightest "pork barrel" if the committee in bringing in this bill had specifically mentioned the projects and the amount that was authorized to be expended upon each of them. Therefore, Mr. Chairman, with all respect to the gentlemen who have made these statements about "pork barrel," I desire to say that they have not the slightest relevancy to the issue which I have raised, and that is whether Congress is not surrendering its right to say how the public moneys shall be used when it turns over lump sum appropriations to one officer of the Government to be spent in his discretion and as the gentleman from Missouri tacitly admitted in reply to my question to use more on any project than the amount specifically authorized. That is the question I raise, and it has not been answered. This talk about pork barrel does not answer it. It is not an approach to a reply.

Congress is asked to surrender to one man the right to expend a $50,000,000 lump-sum appropriation in his discretion on projects which he thinks "most desirable," but without any limitation upon the amount he can use upon any single project. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I rise in opposition to the pro forma amendment.

I ask the indulgence of the House for a moment or two to reply, if I may, to the question asked by the gentleman from Wisconsin [Mr. COOPER]. Why should the Secretary of War have authority to select from the list of projects, all approved by Congress, the projects on which the money should be expended?

It is absolutely necessary that some selection be made; selection must be made by some one or by some authority, because the Congress has approved so many projects. A very large number of projects have been approved and are, and some for years have been, on the approved list; so many that many hundreds of millions would be necessary to complete them; many millions more than the Congress is now willing or able to appropriate. It is not possible nor is it feasible to take up all of them now or in any one year. Some of them must be set aside to wait for another time, therefore some one must select those on which such money as Congress is willing to appropriate shall be expended.

Last March, when the river and harbor bill passed the House and went to the Senate, the distinguished chairman of the Committee on Commerce of the Senate was loath to report that bill favorably to the Senate, because he said that Congress had already approved of more projects than it was able to complete or even to undertake for many years, so, he said, why should we put more new projects on the approved list. But Congress passed the bill and added new projects, the ultimate cost of which will be approximately $40,000,000. I have had long experience with the Corps of Engineers—have not by any means had all that I asked for or all that I thought I was entitled to, but I have been impressed with their thoroughness and with their evident desire always to be fair and just in their conclusions.

Hence, I say, if this duty of selection is to rest anywhere, I believe it can not be performed more satisfactorily by anyone than by the Chief of Engineers and his very efficient corps, just as in years gone by. And I may say further that the approved list carries many river and harbor projects, the adoption of which by the Congress was very likely proper enough, and the construction and maintenance of them for a time—some of them for many years, perhaps—was necessary or proper, but the need of them has gone; their commerce is now not large enough or important enough even reasonably to justify the expenditure of public funds for their maintenance. It is somebody's duty, it is up to some one who knows these conditions and has courage to say so, to say that projects which were approved by mistake or such as have outlived conditions under which they were originally approved and were for some years maintained, ought to be abandoned. Certainly further maintenance of such projects ought to be postponed or favorable action in respect to them ought to wait upon the construction and maintenance of worthy and absolutely necessary projects considered in the light of present-day needs of commerce and navigation. In my judgment, no man, or set of men, are better qualified to consider and determine these matters than are the Chief of Engineers and his corps of assistants.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Subsistence: For pay of commissary sergeants, commissary clerks, porters, laborers, bakers, cooks, dishwashers, waiters, and others employed in the subsistence department; food supplies purchased for the subsistence of the members of the home and civilian employees regularly employed and residing at the branch, freight, preparation, and serving; aprons, caps, and jackets for kitchen and dining-room employees; tobacco; dining-room and kitchen furniture and utensils; bakers' and butchers' tools and appliances, and their repair not done by the home, $410,000.

Mr. ROY G. FITZGERALD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 93, line 2, after the word "home," strike out the figures "$410,000" and insert the figures "$430,000."

Mr. ROY G. FITZGERALD. Mr. Chairman, I gave notice yesterday in presenting to the committee the figures for the subsistence at West Point that I would offer an amendment to-day to in some measure equalize the food furnished at the hospital for tuberculous at the Central Branch, Dayton, Ohio, with the food furnished the cadets at West Point.

The testimony before the Appropriations Committee shows that last year $435,000 was appropriated under this item and that $10,000 was saved. It was saved at the cost of the helpless sick men in the beds at the hospital. The average number of men in the hospital at the Central Branch of the Soldiers' Home is 812. In asking for an additional $20,000 I am asking for less than 7 cents a day increase over the amount now expended by the board of managers, who feed the men in the tubercular hospital at a cost of 50 cents a day. The average cost of the food at West Point is 80 cents, and it is 70 cents or more for men incarcerated in the jail at Dayton, Ohio.

I have no fault to find for those who use economy with good judgment and good management, but I had occasion with another Member of the House to inspect the conditions at the hospital at the home, and I know the men in the hospital are not being fed the kind and quality of food that they

ought to be fed, in order to carry out the economical ideas of this Government to put these men back on their feet, make them well, and end payments of compensation from the Veterans' Bureau. In this tuberculosis hospital, which cost the Government almost a million dollars, there was not the record of a single cure, not the record of a single man who had received the pneumothorax treatment, so important in many tuberculous cases. In asking Congress to increase the appropriation by $20,000 I am asking not that they get as good food as they do at West Point and I am not asking that they get as good as in the hospitals of the Veterans' Bureau. I am asking for enough money so the men will get fresh fruit and fresh vegetables in season, with real butter and with cream in the milk, so that they may get the sort of medical treatment that will put them on their feet. We know that in the treatment of tuberculosis of the lungs that there are three important factors—first, rest; second, good nourishing food; and, third, pure air. If the patients do not get nourishing food the Government is wasting much of the appropriation which it is making for the maintenance of the hospital. I ask, therefore, that the committee consider the advisability of giving these men in the hospital sufficient nourishing and proper kind of nutritious food to build them up and make a cure if possible. I call attention to the figures given at the hearings of the committee, that the membership has increased, and we find now that the membership from the World War boys—comparatively young men—has increased out of proportion to the Civil War men.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ROY G. FITZGERALD. Mr. Chairman, I ask unanimous consent that I be permitted to proceed for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ROY G. FITZGERALD. Mr. Chairman, conditions have now changed, so that the membership of the soldiers' homes in the branches from Maine to California is now such that the Civil War men are no longer in the majority but constitute only 32.6 per cent of the membership; the Spanish War men 35.3 per cent; and the World War men 32.1 per cent. It is the World War men who are increasing, and it is these veterans mostly who are in the turberculosis hospitals.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. ROY G. FITZGERALD. Yes.

Mr. MOORE of Virginia. In view of the fact that the statements made by the subcommittee seem to be pretty much all in one direction, that is, that the conditions are satisfactory, I ask my friend whether he has any personal knowledge, whether he has made any examination himself to ascertain the facts, and whether he has had the opportunity to do so.

Mr. ROY G. FITZGERALD. I had the personal opportunity not only alone, but in company with a Member of this House from North Carolina. We made an inspection, this not only covering food conditions, but many other conditions which I would like to go into at some future time if I could get the attention of the House. I call the gentleman's attention to the fact that these soldiers' homes were placed under a Board of Managers at the time when there was friction between the executive department of our Government, the President, and the Congress. The managers, except exofficio members, the President, the Secretary of War, and the Chief Justice, are to be elected by the Senate and the House of Representatives. The managers are responsible to no department of our Government after they are elected. Their reports are handed in to the House and nobody sees them or reads them, and they are never published, and I have not been able to get them published in all the time that I have been in Congress. This House will not pay any attention to the difficulties and troubles at the homes, because we are so busy with many other things, and the only time that we can get any attention directed to soldiers' home affairs is in the consideration of these appropriation bills. The terms of three or four of the members of that Board of Managers expired long ago. Have their successors been elected? No. No report from the proper committee in regard to filling the vacancies has been made, and I say to the Members that this matter deserves the immediate attention of the House. We ought to feed these men in the tuberculosis hospitals somewhat on a par with the food given in other institutions. If that causes trouble in the other messes at the home because better food is given to the tubercular sick, we can raise the standard perhaps of the other messes, and we ought to do it now. Do you realize what they are feeding the ordinary members of the homes on? Thirty cents a day. The boys at West Point are allowed 80 cents a day. As I said, I do not begrudge them a mouthful of food.

The boys at West Point have friends in this House. We appoint these boys, and we are going to see to it that they get fair treatment. They come from splendid homes all over the United States, and they are in the prime of their youth. They have influence enough in this country to see to it that they get the proper kind of food, but many of those in our hospitals are friendless, and they have no opportunity to bring their case to Congress. I ask the Members on the floor to give some thought to this matter and to see to it that this constantly increasing membership from the World War in our soldiers' homes and all the sick are properly taken care of, and that the men in the tuberculosis hospitals do get the proper kind of nourishing food. This amendment of mine adds only about 7 cents per day additional increase for the men in the hospitals, and it amounts to only $20,000. That would increase the cost of the hospital mess to 57 cents a day over the present 50 cents a day.

Mr. ANTHONY. Mr. Chairman, if there is one thing that your committee endeavors to do, it is to ascertain each year if the amounts appropriated for subsistence at the national military homes are sufficient, and we endeavor to probe into the facts and find out whether the quality and quantity of food as served to the members of those homes are sufficient and proper.

Mr. ROY G. FITZGERALD. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. ROY G. FITZGERALD. I want to offer my testimony to the effect that that is true, and this record shows it.

Mr. ANTHONY. These investigations are supplemented by personal visits of members of the committee to the soldiers' homes. Members of the committee have partaken of meals at the several homes, so that our information is not only from the evidence but from personal observation, and it is our information that the amount of money that is appropriated is sufficient for the purpose intended.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. SCHAFER. On page 892 of the hearings on this bill the Board of Managers submits menus showing that sugar, sirup, bread, butterine, seasoning sauces, and coffee are served at all meals. Does the gentleman think that our disabled veterans should be served with butterine, especially in a great dairy State like Wisconsin?

Mr. ANTHONY. I say candidly that it is my opinion that a good grade of butterine is far better than a poor grade of butter.

Mr. SCHAFER. That does not answer the question. Does the gentleman not think that the American Congress and the American people want to appropriate sufficient money to obtain the best grade of butter for our tuberculosis veterans?

Mr. ANTHONY. The gentleman may know something that I do not know, but the committee has been assured that the very best butter it is possible to get is served in the hospitals of the soldiers' homes.

Mr. SCHAFER. Will the gentleman observe on page 892 and page 893 that the menu is not only for the general mess.

Mr. ANTHONY. Well, the gentleman read a menu from the general mess. Let the gentleman read the menu from the hospital mess and he will find they serve butter in every hospital mess.

Mr. SCHAFER. I will tell the gentleman I looked through the mess, hospital annex No. 4, and not finding butter I therefore inferred the general statement as to butterine incorporated in all of these menus is applicable to all messes.

Mr. ANTHONY. I will say to the gentleman members of the board who appeared before our committee stated that butter was included as part of the ration in every one of the hospitals.

Mr. ROY G. FITZGERALD. I believe that is true in the hearings of a year or so ago; but does the chairman of the committee realize here there is a general statement that butterine and no butter included anywhere, but on personal inspection they had some butter?

Mr. ANTHONY. I asked that question and I received that answer, that it is customary to serve butter in all hospitals.

Mr. BARBOUR. I think that was in the conversation in the committee room and did not appear in the record; was not taken down.

Mr. SCHAFER. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. SCHAFER. Here we have a statement of the menus served in these different messes submitted by the board of managers indicating butterine is served in each one of the messes, and it is not indicated in any manner or shape that butter is served and not butterine.

Mr. ANTHONY. I tried to explain to the gentleman butterine is served in the general mess and butter is served in all the hospitals.

Mr. SCHAFER. Well——

Mr. ANTHONY. I make that statement, and the gentleman can hold me responsible.

Mr. SCHAFER. The menus do not say anything about butter, but butterine.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANTHONY. I would ask for five additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. ANTHONY. The committee has enjoined upon the Board of Managers when they appeared before us that under no circumstances must they sacrifice quality to quantity of the food at any branch of the soldiers' home. We told them that they could come back and get every dollar necessary properly to feed these men. We have had an understanding with them that if the amount set out in the bill for each one of the homes was not sufficient, they could come to us for a deficiency appropriation. The membership of the home is constantly shifting. We may appropriate a sum sufficient for subsistence at a home and the population varies, and may be 400 or 500 greater at that home. So it is absolutely necessary for the Board of Managers to have the right to come for a deficiency. We have one case——

Mr. ROY G. FITZGERALD. If the gentleman will yield, does not the gentleman think that duress or coercion is exercised over the board of managers or attempted to be exercised over them by the Budget Commission? Are they not forbidden to ask for increased appropriations and pressure brought upon them to save money out of appropriations? I am asking this so Congress may know what the real facts are. I do not assert these men are mismanaging——

Mr. ANTHONY. I will say that I informed General Wood that regardless of the direction of the Budget we wanted facts on all items; that we desired to fix an ample sum, especially for subsistence; so our testimony is obtained regardless of the Budget. The amounts in the bill are fixed regardless of the Budget estimates, and four or five times we increased the amount for subsistence where probably the membership would be maintained as high as it is now or may be higher.

Mr. ROY G. FITZGERALD. Decreased $35,000?

Mr. ANTHONY. From the fact General Wood stated to us the population, especially in that hospital, was steadily decreasing, and probably it will be less for the next year.

Now, the gentleman speaks about the necessity of modification of rations for certain delicacies. We have increased the appropriation for the hospital at the Central Branch, the gentleman's home. I will call the gentleman's attention to the language under the hospital appropriations. It says: "Liquors, fruits, and other necessaries for the sick not purchased under subsistence." Under that language and the money that is carried in this appropriation there are delicacies and fruits and things like that purchased to augment the amount of money that we appropriate for subsistence.

I want to say further that I visited the home at Dayton, Ohio. I know the governor there, Governor Runkle, and I do not know of a more honest and efficient officer in the service. I do not think Governor Runkle would permit any soldier to be underfed in any institution of which he has charge.

Mr. ROY G. FITZGERALD. I want to say that I echo what the gentleman from Kansas has said about Governor Fred C. Runkle. But it was the governor himself who was showing me what kind of milk and cream they had there at the tuberculosis hospital for the members of the home and found the milk so thin that it would not color coffee; and it turned out upon investigation that the milk bought at the soldiers' home is the lowest grade of milk that can legally be sold under the criminal law of the State of Ohio.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ROY G. FITZGERALD. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas may have five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ROY G. FITZGERALD. Now it seems that the milk is bought on contract, and they are doing the best they can to get the subsistence for the lowest possible price. The standard for milk is fixed in the State of Ohio with a certain minimum percentage of butter fats and a certain minimum percentage of solids. But the butter fat is first extracted from the milk, and then the milk is standardized to the lowest grade possible and is delivered in 5-gallon or 10-gallon cans—I do not recall which—and distributed among the messes at the soldiers' home. After a time the cream naturally rises to the surface, but the help at the home and the cooks dip theirs up first. To prevent that it was suggested that they use paddles and keep the milk stirred up. But it is hard to get the cooks and the help to use poor milk themselves and give the best milk to the patients.

It is true that this money is appropriated by Congress, and it has been asserted, upon testimony before this examining committee, that fruits and fresh vegetables and cream were supplied, especially to the tuberculosis hospital. But we went from bed to bed and could not find anybody who had ever gotten any of it, and they had to depend upon relatives and upon charitable organizations to get those things which were supposed to have been supplied. The patients never saw them. Something must be wrong about it.

Mr. ANTHONY. I am perfectly familiar with the operations in several of these homes, and I happen to know that the milk is up to the full degree of butterfat required. If the milk in the gentleman's home is not up to those requirements, somebody is stealing the cream. The gentleman should see to it that these cooks or officials should be fired, instead of coming here and complaining that the money is not appropriated. It would not do any good to increase this appropriation if somebody is stealing the cream off the milk. It would simply increase the amount of cream that somebody is stealing. [Laughter.]

Mr. ROY G. FITZGERALD. No. It is because they have not enough money to run the home properly. The gentleman admits that Governor Runkle is efficient. You do not, however, get the proper help and attendants and nurses, nor the proper kind of food.

Mr. BROWNE. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. BROWNE. Do they use oleomargarine in these homes?

Mr. ANTHONY. They do in the general mess.

Mr. BROWNE. Do you think that is right?

Mr. ANTHONY. If I had my way about it, I would rather see the best cream and the best butter served. But I understand that some of the soldiers prefer the butterine.

Mr. BROWNE. In many of the States there are laws prohibiting the use of oleomargarine in any kind of State institution. We know the food value of butter; we know its vitamine qualities are valuable, and it does not seem to me right to allow the United States Government, the wealthiest Government in the world, to substitute oleomargarine for a splendid product like butter.

Mr. ANTHONY. I would rather have good oleomargarine or butterine than poor butter any day.

Mr. BROWNE. Some of the States have laws compelling all butter to be Pasteurized, so that you do not get such inferior butter as you used to have 25 or 30 years ago. It is now all pure butter.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ANTHONY. I would like to have a few minutes more.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. ANTHONY. I would like to read from the report of the inspector of the United States Army, who visited these homes. He says:

> The kitchen and mess halls are well arranged, and as a rule were found to be clean and satisfactorily managed. The food is of good quality and well prepared, and sufficient in quantity.

Now, I want to read an extract from the hearings, and this pertains to the food at the Central Branch, the branch that is under discussion. I asked General Wood if he had succeeded in obtaining during the year supplemental requests for subsistence where the funds are needed. He said he had made subsequent requests when they were needed, and had obtained what was needed from Congress. I asked him about the standard of food served at this and other homes. Colonel Wadsworth replied:

> Colonel WADSWORTH. Last year the standard was satisfactory at each and every single mess that the homes had, and we made our estimates with the idea of maintaining that standard established through the current year. Before we started in this year we sent out a letter to each governor, telling them that the estimates were made on that basis and with the view of continuing the satisfactory standard; that if prices fluctuated so that our standard would be impaired, if we had to stay inside the present appropriation that they would maintain the standard and report the matter at once.

We are operating under those conditions this year, and will present for several of the branches supplemental estimates asking for an additional appropriation, due practically in every case to the increased cost of subsistence supplies purchased. But we have not sacrificed our standard. Our present standard is considered satisfactory by the homes. A great many criticisms were made upon the supplies of the homes last year, and one statement that gained some currency and was repeated a number of times was to the effect that the home bought supplies of inferior quality. On what that was based I have not the slightest information, because, as a matter of fact, the home does not purchase supplies of inferior quality. We purchase the very best meats. We are purchasing for a place like the Central Branch, beef, three hind quarters and one fore quarter. On account of the large hospital population we require more steaks and more roasts than we would get if we purchased the carcasses straight through. That is the best meat we can procure. We purchase breakfast bacon of as good a quality as is used in this country, and every other article that we purchase is of good quality. The fact that the home operates at a very low rate of cost is the best evidence in the world that we are not buying bad food, or food that is not consumed. If we did not buy food that we used every particle of and could avoid waste in connection with it, we would not be able to show such a low cost of operation as we are showing now.

I said:

Are your standards of purchase and inspection of food as high as those of any of the other agencies of the Government?

Colonel WADSWORTH. We are purchasing many of our supplies upon the standard specifications now that are gotten out by the Government, and our machinery for inspection, we think, is securing as good results as it is possible for us to secure. I am not advised as to the machinery for inspection in other places, but we have a committee, the members of which are chosen because they are officers who have a special knowledge covering the classes of supplies to be inspected. That committee consists of three members, who inspect all of the supplies when they are received at the home, and they have to make an inspection report and to certify exactly the condition that everything is in. That is done before the supplies are paid for.

Mr. ANTHONY. The committee is glad to have you make that statement, Colonel, and I want to say to you that it is the desire of this committee that that high standard be maintained in the food that is furnished to your membership.

Mr. COOPER of Wisconsin. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. COOPER of Wisconsin. Mr. Chairman, I ask unanimous consent that the gentleman have five minutes more.

The CHAIRMAN. The gentleman from Wisconsin asks that the gentleman from Kansas may proceed for five additional minutes. Is there objection?

There was no objection.

Mr. COOPER of Wisconsin. Did I understand the gentleman from Kansas or the gentleman from Ohio to say that the ration was costing 30 cents a day?

Mr. ANTHONY. That is the cost of maintaining the general mess for food.

Mr. COOPER of Wisconsin. That is, three meals a day at 10 cents a meal?

Mr. ANTHONY. Yes. The cost for the Army this year is based on 33 cents, and a soldier in the Army requires a much larger quantity of food than a man in a soldiers' home who is disabled before he goes there.

Mr. COOPER of Wisconsin. In these times of high prices, both wholesale and retail, I have been wondering what sort of a dinner a hungry man would get for 10 cents.

Mr. ANTHONY. I asked that question of the officer who appeared before us, and he said it was a question of serving 3,000 men at a very low cost and that you could not compare that cost where you serve a half dozen in a family or perhaps 30 or 40.

Mr. SCHAFER. Will the gentleman yield right there?

Mr. ANTHONY. Yes.

Mr. SCHAFER. Then it is unfair to compare the cost of subsistence for the Army with that of the national homes, for the very simple reason that the gentleman's same argument could be carried to the extent of saying that the Army buys a very great deal more food and feeds a great many more men than are fed at the soldiers' homes?

Mr. ANTHONY. Let me say this to the gentleman, and I wish he would bear it in mind: At these soldiers' homes the food is prepared in a mess equipped to prepare food for 2,000 or 3,000 men, while in the Army the food is prepared in a mess for a company of perhaps 50 to 75 men. So the cost of preparing the food is not comparable.

Mr. SCHAFER. How about the cost of purchasing it?

Mr. ANTHONY. It would be about the same. Now, just one more statement. I want to be very frank with the gentleman from Ohio. The committee has not the slightest desire to crowd down this appropriation or hold it down below what the gentleman or the House may think is the proper amount. We want to feed these men all of the food, the very best food and as good food as any man ought to have, and particularly such food as our soldiers ought to have. I am willing to abide by the judgment of the House. If it thinks there ought to be $10,000 more or $20,000 more added at any home we are perfectly willing to see it added, but in view of the fact that it was stated in the evidence that the population at the Central Branch and in the hospital would be less next year than this year and the fact that your ration there is reinforced by the hospital appropriation the committee feels you will get along. If the gentleman feels convinced that it is going to require more money, there will be no opposition from the committee.

Mr. LANKFORD. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. LANKFORD. Does the gentleman know to what extent the inmates are consulted as to the preparation of the menus and as to their wishes?

Mr. ANTHONY. I do not think they are consulted in regard to the menus, but they are given every opportunity to file complaints, and I am assured the complaints are looked into. It seems to me that is as much as the men are consulted.

Mr. LANKFORD. I will say to the gentleman that I can see how they might be serving wholesome food, but that some man might not be getting what he wanted.

Mr. SCHAFER. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. SCHAFER. Does not the gentleman realize that the disabled soldier in one of these institutions when he becomes a chronic complainer will find himself in bad with those in authority at the home? In the home at Milwaukee, the men of the general mess, in order to go to the tables where they can have milk to drink with their meals instead of coffee if they so desire, can not go to those milk tables and have milk in lieu of coffee until they have been examined by a physician and the physician states they must have the milk instead of the coffee.

Mr. ANTHONY. Let me ask the gentleman a question. Do not the members of your home have all the milk they want to drink?

Mr. SCHAFER. They certainly do not.

Mr. ANTHONY. I will say that at most of the homes they do.

Mr. SCHAFER. I will say to the gentleman I have a case, and I will put the facts about it in the RECORD, together with the correspondence, where I had a colored disabled veteran who wanted milk and who had milk every day in lieu of coffee at other homes was refused milk at the Northwestern Branch because the doctor did not certify he needed milk.

Mr. ANTHONY. That brings up another question, and I am glad the gentleman has mentioned the matter. When I was at one of the homes I inquired if the men had all the milk they wanted to drink, and I was told they did, except in cases where the surgeon specifically specified that such and such man, because of his physical condition, should not have milk, because milk for some people, especially people suffering from digestive ailments, is the very hardest thing for them to properly digest.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BULWINKLE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and gentlemen, I do not want to enter into a discussion of the soldiers' homes, but there are conditions that should be corrected. What I shall say to you will not only apply to the general mess but will apply to the running of the homes.

On the trip to Dayton I asked if the fire protection was adequate in all the buildings, and Colonel Wadsworth, if you please, said, "Yes; it is." In the surgical hospital, where a great majority of the patients are old men, a three-story building erected in 1867, we—the gentleman from Ohio [Mr. ROY G. FITZGERALD], the chief of the fire department, and the chief inspector of the fire department of the city of Dayton, and I—found upon inspection that down in the basement the electric wires had been there so long that the insulation had worn off. I asked Colonel Wadsworth, "Has this hose been used?" He said, "Yes; we tested it recently." I said, "Put it on and let us try it." We put it on, and the hose blew up.

In reference to the mess, they certainly need more food, and the conditions are not what they should be. They told us at Dayton that the reason they could not do any better was because Congress failed to make any more appropriations for them. We both promised them there and then that we would help them all we could to get additional appropriations, so that these men whom the Government of the United States is keeping as its wards should be properly cared for.

Mr. BARBOUR. Will the gentleman yield?

Mr. BULWINKLE. In just a moment. They told us they had to apply at times, I think, the canteen fund, a fund which belongs and should belong to the soldiers, in order to properly feed these men.

For this reason I shall support the amendment of the gentleman from Ohio, and I think it is only fair and only just and only right to these old men and the other men who are there that they should be properly taken care of.

I now yield to the gentleman from California.

Mr. BARBOUR. The gentleman visited the home about two years ago, did he not?

Mr. BULWINKLE. Yes, sir; 18 months ago.

Mr. BARBOUR. The appropriations have been increased from year to year, especially with respect to this item of subsistence.

Mr. BULWINKLE. It is less this year than last, I understand.

Mr. BARBOUR. The members of the committee agree, as the chairman has stated, that these men should have the best quality of food of the right kind. There is no question about that, and this is what Colonel Wadsworth said in his statement before the subcommittee:

> We will not sacrifice the standard, after what you said this morning and the understanding we had from the committee before. With that understanding we will maintain what we deem to be a good standard. It will not be sacrificed. If the prices should make us run beyond our estimates, we would feel, with the understanding had at this hearing and previous hearings, that we should keep up the proper standard, and we should come back to you for more money if necessary.

And Mr. ANTHONY said:

> We will take your word for that, just as we did last year in connection with the bands.

The understanding with the committee is they will maintain the standard, and that is what the committee wants. Then, if they find the appropriation is not sufficient, the understanding is that they will come back for an additional appropriation.

Mr. BULWINKLE. In answer to the gentleman, what is the objection then to giving them a little more than the estimate and letting them turn it back, if they do not need it?

Mr. BARBOUR. They say the amounts carried in the bill are ample.

Mr. BULWINKLE. Oh, yes; I know that, and I know that you have these bills of fare provided, but such bills of fare were provided out at Dayton at that time; and when we investigated the matter, we found that different articles on the bill of fare, or the menu, for the day were not there; and when we asked them why not, they replied, "Why, we could not get them"; and yet such bills of fare come before Congress as the food that these men are receiving, when they are not getting it.

Mr. BARBOUR. I will say to the gentleman that I know these matters are appealing, they are touching, and would seem to put the committee in the light of being rather hard boiled, but we are aiming to allow what they say will be amply sufficient.

Mr. BULWINKLE. No; I do not think the committee is hard boiled, but I think the committee has some information that they would readily cast aside if they would make an inspection of their own.

Mr. BARBOUR. The testimony of the officials of these homes is that these appropriations will be ample, and if they are not they will go ahead and keep up the standard anyway and come back for more money, and our understanding with them is that their supplemental estimates and recommendations shall be approved by the committee.

Mr. BULWINKLE. That may be true, but why should we skimp in furnishing food to these men? Let us see and know that they are having enough, and food that is suitable for men of old age, and then if the entire appropriation is not needed the balance can be turned back.

Mr. BARBOUR. I think the result is the same in either case.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BULWINKLE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BULWINKLE. Mr. Chairman, there is another thing out there that ought to be taken care of. I have not spoken of it before because, being from the South, I did not care to do it here on the floor, but time after time I asked the Federal veterans at Dayton, "Is there anything wrong?" They said, "Yes, sir; we want the blue uniforms back." Have they got them or not?

Mr. BARBOUR. I understand they are to have them back.

Mr. BULWINKLE. For two years they have been asking for them. They said at the home if the old soldiers want the uniform back, we will give it to them, and they asked for a poll, and 550 out of 600 asked for it.

Mr. BARBOUR. That will be done.

Mr. BULWINKLE. It will make their declining last days easier and let us treat them right. Let us not economize where the lives and happiness of the men who were soldiers of the Republic are concerned.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. FITZGERALD].

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Transportation: For transportation of members of the home, $1,000.

Mr. ANTHONY. Mr. Chairman, on yesterday the gentleman from Texas [Mr. CONNALLY] asked the committee for information as to the number of Army automobiles that are in use by officers in the city of Washington. I promised to get the information and I have it here. We are advised that there are now Army passenger cars in the city of Washington—1 for the Secretary of War, 1 for the Assistant Secretary of War, 1 for the Chief of Staff, 1 for the Deputy Chief of Staff, 2 for the commanding general for the District of Washington, 5 for the attending surgeon's office, and 4 in the pool for general use. Then there are 28 in storage not in use.

Of the four that are for official use, in what they call the pool, they require the officer to be on official duty and if he uses one he must sign a certificate at the time he takes it out, and also on his return, showing the number of hours that he used it and the purpose for which it was used.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. CONNALLY of Texas. The gentleman means to say that outside of the four for the Secretary of War, Chief of Staff, and Deputy Chief of Staff, there are only four used in the pool.

Mr. ANTHONY. That is the statement furnished us by the War Department.

Mr. CONNALLY of Texas. How much money is carried in this bill for that purpose?

Mr. ANTHONY. Nothing is carried in the bill for that purpose; they get the money out of the general appropriation for transportation; they could get $16,000,000 out of it.

Mr. CONNALLY of Texas. How long have the 28 automobiles been stored?

Mr. ANTHONY. I can not answer that.

Mr. CONNALLY of Texas. I am amazed at the small number of cars as stated by the Secretary of War. I can not question it and I do not mean to question it.

Mr. ANTHONY. I want to say to the gentleman that the use of automobiles which the gentleman has in mind has been curtailed very much since the House put in a provision a few years ago against it.

Mr. CONNALLY of Texas. I will say that I offered an amendment some time ago curtailing the indiscriminate use of automobiles by everybody in the Army from a second lieutenant to a major for social and general use, and I was wondering how far that was carried into effect. I am astonished that there are only eight automobiles used in this District by Army officers outside of the hospitals. I thought I had seen a great many more than eight parked around the Capitol and around apartment houses and the War Department. I want to congratulate the Army, especially the officers who have learned that they can walk if it is necessary, and the Cavalry that it can ride a horse if necessary, and the Artillery for being so moderate.

Mr. ANTHONY. There are good riders in the Cavalry.

Mr. CONNALLY of Texas. I know that, but they sometimes prefer to ride in an automobile rather than on a horse. I congratulate the gentleman from Kansas, for I have no doubt it is

largely on account of his and the President's strict economy that it has been brought about. [Laughter.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas. I ask for three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CONNALLY of Texas. I want to add to my remarks I almost omitted General Lord from the economy program, and I do not want to do him any injustice; I rather guess it was General Lord that brought this about. I think he ought to have a seat on the floor of the House so that he could answer questions which the committee might want to ask.

The Clerk read as follows:

Northwestern Branch, Milwaukee, Wis.: Current expenses, $69,000; subsistence, $337,000; household, $155,000; hospital, $295,000; transportation, $500; repairs, $55,000; farm, $17,000; in all, Northwestern Branch, $928,500.

Mr. SCHAFER. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER: Page 95, line 2, after the word "subsistence," strike out "$337,000" and insert in lieu thereof "$357,000."

Mr. SCHAFER. Mr. Chairman, gentlewomen, and gentlemen, the cost of Army rations was brought before the committee for comparison with the subsistence allowance for national military homes.

I quote from page 452 of the hearings on the naval appropriation bill for 1927. Admiral Morris's testimony, in part, with reference to cost of rations: "And the cost for the first quarter of the fiscal year 1926 was 54.54 cents" per man per day. I also quote from the hearings on the bill under consideration, page 916, in which the governors' report for the Northwestern Branch at Milwaukee indicates that for the fiscal year 1925 the cost of food per day per person was: Hospital general mess, $0.3906; hospital tuberculosis mess, $0.5788; general mess, $0.2913. I wish to again call attention of the House to the fact that we have prima facie evidence in the hearings on this appropriation bill clearly indicating that butterine is served in all of the messes of the national military homes. I refer to page 891 of the hearings. In answer to an inquiry General Wood, the president of the Board of Managers, stated, in part, as follows:

I have with me the menus of the Central Branch for the week of January 9-16, and, if you care to have them filed, I will file them. They are typical of practically all of them. * * * Here is one. There are four messes there, and each mess is separate.

The statement submitted is as follows:

CENTRAL BRANCH, NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS

Sugar, sirup, bread, butterine, seasoning sauces, and coffee served at all meals. Tuesdays and Fridays, milk. Fruits served: Canned apricots, cherries, peaches, pears, and pineapple; evaporated apples, apricots, peaches, and prunes.

Then follows the menus for the four messes for week ending December 26, 1925.

In no place in any of the menus of these four messes is mention made that butter is served at any of the meals. The menus submitted clearly indicate without any question of doubt that at least for the week ending December 26, 1925, butterine was served at all meals in the national homes, and no butter was served. With reference to milk, a committee of this House made a survey of the homes in the fall of 1924 and took testimony at the Northwestern Branch at Milwaukee. The committee and others outside of the homes thought that in the tuberculosis hospital the men were then getting cream of 18 per cent butterfat. It was brought out in the testimony that in the annex, where only tuberculosis patients are cared for, they had 10 gallons of 18 per cent butterfat cream per day, but it was not served in that shape. When it was served to the tuberculosis patients it had been diluted with 10 gallons of milk.

I wish to quote now a short resolution adopted at the National American War Mothers' Convention on September 10, 1925. It was Resolution No. 5, under the head of "Legislation in favor of disabled veterans," and is as follows:

Resolved, That appropriations for National Homes for Disabled Volunteer Soldiers, in which disabled veterans of all wars are cared for, receive more adequate appropriation. That the War Mothers go on record to the effect that the best is none too good for the Nation's disabled veterans, especially with reference to food in institutions. The War Mothers feel that the very sick should have special food and whenever possible should have all requests granted.

I concur in toto with this resolution, and I state that the Board of Managers in answer to queries have never given an answer to a question with reference to whether they served the best food available. You will see that their replys are evasive, and they dodge the question.

Mr. Chairman, let us send out word to the Board of Managers to-day that these disabled veterans shall have more allowed per capita per day for subsistence than prisoners in penal institutions. Let us send out word to the Board of Managers that we not only want them not to go below the present standard, but that the American people through the Congress of the United States want the present standard increased.

Mr. ANTHONY. Mr. Chairman, simply to make the record straight, I say for the information of the House that for the next fiscal year we are appropriating $37,000 more for subsistence than we did for the current year. This increase is made in the face of the fact that we are told by the Board of Managers that the population at the Northwestern Branch, especially in the hospital, is getting steadily less and will undoubtedly be smaller than for the current year.

Mr. SCHAFER. Mr. Chairman, in order to get the record straight again, I state that the appropriation which you have provided was not based on any increase in the variety or quality or amount of food, and, furthermore, the increase that you recommended was based on carrying out the subsistence under the existing conditions, but figuring on an increase in the number of members.

I frankly predict that unless the Board of Managers increase the standard of subsistence and we do increase the appropriation we will have less members in the soldiers' homes and more in the Veterans' Bureau hospitals.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin.

The question was taken, and the Chair announced the noes seemed to have it.

On a division (demanded by Mr. SCHAFER) there were—ayes 14, noes 20.

Mr. SCHAFER. I ask for tellers, Mr. Chairman.

The CHAIRMAN. Six gentlemen have risen, not a sufficient number, and tellers are refused.

So the amendment was rejected.

The Clerk read as follows:

Northwestern Branch, Milwaukee, Wis.: Current expenses, $69,000; subsistence, $337,000; household, $155,000; hospital, $295,000; transportation, $500; repairs, $55,000; farm, $17,000; in all, Northwestern Branch, $928,500.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman a question. Is the authorization act for the Western Branch of the Soldiers' Home the same as in this appropriation bill?

Mr. ANTHONY. The practice is to itemize the appropriation for the Central Home and then to condense the estimate for the other branches because it serves exactly the same purpose.

Mr. COOPER of Wisconsin. How did the authorization act read; was it itemized?

Mr. ANTHONY. I do not remember having seen the original act. The act was of March 2, 1867, and I have never seen that.

Mr. COOPER of Wisconsin. I have in mind that in some of the provisions of this act the committee reported appropriations under the lump-sum plan, but here is an appropriation for specific items each aggregating the total amount specified in the bill. That is the customary way, and that seems to me is the proper way for Congress to appropriate public money.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn and the Clerk will read.

The Clerk read as follows:

Total, National Home for Disabled Volunteer Soldiers, $7,685,100.

Mr. BROWNE. Mr. Chairman, I submit an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWNE: Page 97, line 6, after the word "$59,000," insert "that oleomargarine or any substitute for butter shall not be used in any National Home for Disabled Volunteer Soldiers in place of butter."

Mr. ANTHONY. Mr. Chairman, I reserve the point of order.

Mr. BROWNE. Mr. Chairman, I propose the following amendment: On page 97, line 6, after the words "fifty-nine hundred," insert—

that oleomargarine or any substitute for butter shall not be used in any National Home for Disabled Volunteer Soldiers in place of butter.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BROWNE. I will.

Mr. CHINDBLOM. Without any regard to the merits of the question, does the gentleman think this provision should apply only to the Battle Mountain Sanatorium in South Dakota?

Mr. BROWNE. My amendment goes to all the appropriation.

Mr. CHINDBLOM. If it applies to all, then the point of order is good.

Mr. BROWNE. My amendment applies to all of these hospitals.

Mr. CHINDBLOM. I did not observe the reading. Then it is not in the proper place in the bill.

Mr. BROWNE. It is after the total appropriation there. My amendment, I think, as read, applies to all the veterans' hospitals. Is there any question about that, Mr. Chairman?

The CHAIRMAN. There is no question about that. It is a positive prohibition.

Mr. ANTHONY. Mr. Chairman, I make the point of order that the amendment is legislation and that it interferes with the executive discretion.

The CHAIRMAN. It is clearly legislation, making unlawful what is now lawful. The Chair sustains the point of order.

Mr. BROWNE, in support of his amendment, said: The evidence produced in the hearings show that oleomargarine and butterine are being used in place of butter in our National Homes for Disabled Volunteer Soldiers. The chairman of the committee admits that butter substitutes are being used in the National Home for Disabled Soldiers. The disabled volunteer soldiers that are living in the national homes are entitled to good wholesome food. When we asked them to give their services and risk their lives in defense of their country we did not allow them to furnish substitutes; they gave unstintingly and freely their very best services. It is hardly fair now for the wealthiest Government in the world to give its disabled volunteer soldiers a substitute for butter.

WHAT IS OLEOMARGARINE MADE OUT OF?

It may be made, according to the statute, from any of the following ingredients:

Lardine, suine, lard extracts, tallow extracts, and all mixtures and compounds of tallow, beef fat, intestinal fat, vegetable oil, and so forth.

In many States the law prevents the use of oleomargarine or any of the butter substitutes in the charitable, correctional, or even penal institutions of the State.

The Statutes of Wisconsin, section 4607e, provide:

> That any person who shall knowingly or negligently buy or procure for use as food in any of the charitable, correctional, or penal institutions of this State any butter or cheese not made wholly or directly from pure milk or cream shall be fined not exceeding $50 nor less than $25 for the first offense, and for each subsequent offense shall be punished by imprisonment in the county jail not more than 90 days nor less than 10 days and shall be fined not exceeding $100 nor less than $50, or by both fine and imprisonment.

It will be noted that the State of Wisconsin does not allow oleomargarine to be used even in its prisons and jails, while in the Government National Home for its Disabled Volunteer Soldiers, located in that State, the authorities compel the disabled volunteer veterans to eat oleomargarine.

Butter has a great food value and great health-giving properties. It contains vitamines that all physicians testify are very beneficial. The same amount of money expended for butter will purchase no other food of as great food value as butter at the current prices.

Most of the States require all butter to be Pasteurized before it can be sold, which removes all impurities and makes it absolutely pure. The law requires that it contain the full amount of butterfat and not to exceed 16 per cent moisture.

Prof. F. B. Osborne, of the Connecticut Experiment Station; Doctor Mendel, of Yale University; and Prof. E. B. McCollum, of John Hopkins, have made experiments which prove beyond any doubt that butterfat not only yields more energy and heat but in addition it contains other elements more vital than any of the substitutes to supply growth and life itself.

INSULT TO FARMERS

The dairy industry occupies a very prominent part in agriculture. The annual milk bill of the American people is $4,000,000,000. The average American family spends one in every five food dollars for butter and milk products.

Fifty-three per cent of the income of Wisconsin farmers comes from butter and dairy products. The laws of the United States and every State in the Union prevent the sale of oleomargarine unless it is branded oleomargarine, and then it pays a tax.

No one has argued or can argue that oleomargarine is as palitable, as healthy, or is of as much food value as butter. If oleomargarine was the equal in any way of butter, we would not compel it to be branded and pay a tax before it could be sold.

Is it logical to permit the managers of our National Homes for Disabled Volunteer Soldiers to force the veterans to eat a substitute in place of butter, when it is admitted that that substitute is inferior to butter. How many Congressmen serve oleomargarine on their tables?

The Supreme Court of the United States in Plumley *v.* Mass. (155 U. S. p. 467), in an opinion said:

> The real object of coloring oleomargarine so as to make it look like genuine butter is that it may appear to be what it is not and thus induce unwary purchasers to buy it in place of butter produced from unadulterated milk or cream.

I am in favor of economy but I am not in favor of beginning with the disabled volunteer soldiers in our national homes.

The cost of food per person at the northwestern branch of the National Home for Disabled Volunteer Soldiers for the year ending June 30, 1925, was: General mess, 30 cents; hospital general mess, 40 cents; hospital tuberculosis, 58 cents per day. (Page 916, statement of the governor of the home.)

I am not in favor of economizing by substituting an inferior article in place of a genuine health-giving food produced by the farmers of this country.

I therefore hope that my amendment will prevail.

The Clerk read down to and including the words "Panama Canal," on line 18 of page 98.

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. ANTHONY. I hope the gentleman will withdraw that. The committee is trying to get through with the bill. It is our intention to move the previous question.

Mr. BLANTON. You can finish on Monday. There is to be a little debate on one paragraph, and the Members do not want to wait.

Mr. ANTHONY. It is our intention to let the vote go over until Monday. It will be impossible to go on on Monday unless we get the previous question on this bill.

Mr. BLANTON. You can get unanimous consent to finish it. Does the gentleman want to stay here and allow 10 minutes' argument on a paragraph that is to come? The Members want to quit now. It is after 5 o'clock.

Mr. ANTHONY. I do not know what paragraph the gentleman refers to.

Mr. BLANTON. It is the last paragraph, covering back some of these unexpended balances.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield to me?

Mr. BLANTON. Yes.

Mr. GARRETT of Tennessee. The state of public business is pretty good. Things are moving pretty rapidly. There is a matter here that will be debated for a little bit, and there is a probability of a point of no quorum being made in the Committee of the Whole. There is no quorum here.

Mr. BLANTON. Nobody would object to finishing the bill on Monday morning.

Mr. ROY G. FITZGERALD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

Mr. CHINDBLOM. Mr. Chairman, a point of order: During the pendency of a point of order nothing can be done.

Mr. ANTHONY. Mr. Chairman, in view of the suggestions that have been made, I move that the committee do now rise.

The CHAIRMAN. The gentleman from Kansas [Mr. ANTHONY] moves that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 8917) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes, had come to no resolution thereon.

ALASKA RAILROAD (H. DOC. NO. 255)

The SPEAKER. The Chair desires to state that on December 14, 1925, the Chair referred a message from the President, transmitting the report of the Alaska Railroad, with the accompanying documents, to the Committee on the Territories, but neglected to order that it should be printed with the accompanying documents. The Chair is informed by the chairman of the Committee on the Territories that the message and accompanying documents should be printed. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT

Mr. ANTHONY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p. m.) the House adjourned until Monday, February 15, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 15, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON AGRICULTURE

(10 a. m.)

For the purpose of more effectively meeting the obligations of the existing migratory-bird treaty with Great Britain by the establishment of migratory bird refuges to furnish in perpetuity homes for migratory birds, the provision of funds for establishing such areas, and the furnishing of adequate protection of migratory birds, for the establishment of public shooting grounds to preserve the American system of free shooting, and for other purposes. (H. R. 7479.)

COMMITTEE ON THE JUDICIARY

(10 a. m.)

Bills for changes in various judicial districts, place and time of court sessions, and related subjects.

COMMITTEE ON INDIAN AFFAIRS

(11 a. m.)

Extending the civil and criminal laws of the United States to the Indians. (H. R. 7826.)

COMMITTEE ON ROADS

(10 a. m.)

To amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes. (H. R. 3823.)

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

353. A letter from the Secretary of the Treasury, transmitting a draft of a bill "To authorize and empower the Secretary of the Treasury to accept a corrective deed from the Pennsylvania Tunnel & Terminal Railroad Co., successor in interest of the Pennsylvania, New York & Long Island Railroad Co., to certain real estate in the city of New York for the use of the new post-office building; to the Committee on Public Buildings and Grounds.

354. A letter from the Secretary of the Treasury, transmitting a proposed amendment to S. 1129, to transfer the use of Ship Island from the War Department to the Treasury Department and the Department of Commerce for a quarantine station and lighthouse reservation; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 178. A bill authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims; with an amendment (Rept. No. 284). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. VINCENT of Michigan: Committee on Claims. H. R. 4156. A bill for the relief of the Davis Construction Co.; without amendment (Rept. No. 283). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII the Committee on Claims was discharged from the consideration of the bill (H. R. 8351) for the relief of Rebecca Adler, and the same was referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GARBER: A bill (H. R. 9305) to amend section 101 of the Judicial Code, as amended; to the Committee on the Judiciary.

By Mr. HAWLEY: A bill (H. R. 9306) amending section 5 of the act approved June 9, 1916 (39 Stat. 218), so as to authorize the sale of timber on class 3 of the Oregon & California Railroad and Coos Bay wagon road grant lands; to the Committee on the Public Lands.

By Mr. LUCE: A bill (H. R. 9307) to amend further an act entitled "An act to regulate foreign commerce by prohibiting the admission into the United States of certain adulterated grain and seeds unfit for seeding purposes," approved August 24, 1912; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGRADY: A bill (H. R. 9308) to provide for the purchase of a site and the erection of a public building at Milton, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. WOODRUFF: A bill (H. R. 9309) to authorize the disposition of lands no longer needed for naval purposes; to the Committee on Naval Affairs.

Mr. Mr. GARDNER of Indiana: A bill (H. R. 9310) to purchase a post-office site in the city of Tell City, Ind.; to the Committee on Public Buildings and Grounds.

By Mr. DRANE: A bill (H. R. 9311) to provide for a site and public building at Sarasota, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. SABATH: A bill (H. R. 9312) repealing first proviso, subdivision 7, section 4, of the naturalization act, 1906, as amended; to the Committee on Immigration and Naturalization.

By Mr. HUDDLESTON: A bill (H. R. 9313) to protect the public against fraud by prohibiting the sale or shipment in interstate or foreign commerce of products of child labor and prison labor which are not branded in such manner as to indicate such production, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVILA: A bill (H. R. 9314) to provide for the enlargement of the present customs warehouse at San Juan, P. R.; to the Committee on Insular Affairs.

By Mr. FREAR: A bill (H. R. 9315) to prescribe the application of the civil and criminal laws of the United States and the several States to Indians, and for other purposes; to the Committee on the Judiciary.

By Mr. BRITTEN: Joint resolution (H. J. Res. 167) providing for the appointment of a joint committee of the Senate and House of Representatives to investigate the activities of the Anti-Saloon League, and for other purposes; to the Committee on Rules.

By Mr. ZIHLMAN: Joint resolution (H. J. Res. 168) to amend an act entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes," approved March 3, 1925; to the Committee on the District of Columbia.

By Mr. SABATH: Joint Resolution (H. J. Res. 169) validating the declaration of intention and repealing the first proviso in subdivision 7, section 4, of the naturalization act approved June 29, 1906; to the Committee on Immigration and Naturalization.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows.

Memorial of the provincial government of Zamboanga, P. I., favoring the passage of Senator King's bill, which provides for the independence of the Philippine Islands; to the Committee on Insular Affairs.

Memorial of the municipal government of Mambusao Capiz, P. I., favoring the passage of Senator King's bill, which provides for the independence of the Philippine Islands; to the Committee on Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 9316) granting an increase of pension to Rachel A. Boner; to the Committee on Invalid Pensions.

By Mr. BLAND (by request): A bill (H. R. 9317) for the relief of Lucile O. Lancer; to the Committee on Claims.

By Mr. CHINDBLOM: A bill (H. R. 9318) authorizing the President to appoint James B. Dickson a second lieutenant of the Air Service in the Regular Army of the United States; to the Committee on Military Affairs.

By Mr. COYLE: A bill (H. R. 9319) to authorize certain officers of the United States Navy to accept from the Republic of Chile the Order of Merit, first class, and the Order of Merit, second class; to the Committee on Naval Affairs.

By Mr. FISH: A bill (H. R. 9320) granting an increase of pension to Catherine Mann; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9321) for the relief of William H. Stone; to the Committee on Military Affairs.

By Mr. GARBER: A bill (H. R. 9322) granting a pension to Martha M. Starr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9323) granting a pension to Mary L. Bird; to the Committee on Invalid Pensions.

By Mr. HARDY: A bill (H. R. 9324) removing the charge of desertion from the name of George A. McKenzie, alias William A. Williams; to the Committee on Military Affairs.

By Mr. HAWLEY: A bill (H. R. 9325) for the relief of Horace G. Wilson; to the Committee on Claims.

Also, a bill (H. R. 9326) for the relief of Lincoln County, Oreg.; to the Committee on Claims.

By Mr. KELLER: A bill (H. R. 9327) providing for a survey of the Mississippi River from St. Louis, Mo., to St. Paul, Minn.; to the Committee on Rivers and Harbors.

By Mr. SCHAFER: A bill (H. R. 9328) granting a pension to Albert P. Leavitt; to the Committee on Pensions.

By Mr. LEAVITT: A bill (H. R. 9329) granting a pension to Stephen H. Lovett; to the Committee on Pensions.

By Mr. McFADDEN: A bill (H. R. 9330) granting a pension to Florence Fitzwater; to the Committee on Invalid Pensions.

By Mr. MAGEE of New York: A bill (H. R. 9331) granting an increase of pension to Ella J. Motsiff; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 9332) granting a pension to Mary H. Maulsby; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9333) granting a pension to John A. Maples; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9334) granting an increase of pension to Caroline E. Moore; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 9335) granting an increase of pension to Mary J. Shields; to the Committee on Invalid Pensions.

By Mr. NEWTON of Minnesota: A bill (H. R. 9336) granting an increase of pension to Charles V. Stevens; to the Committee on Pensions.

By Mr. PARKER: A bill (H. R. 9337) granting an increase of pension to Frances M. Nelson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9338) granting an increase of pension to Mary A. Nolan; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 9339) granting an increase of pension to Mary J. Riley; to the Committee on Invalid Pensions.

By Mr. TABER: A bill (H. R. 9340) granting an increase of pension to Jennie Page; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

674. By Mr. CONNERY: Resolution adopted by the Bavarian Reading and Progressive Club of Lawrence, Mass., favoring the return of alien enemy property seized by the United States during the war; to the Committee on Interstate and Foreign Commerce.

675. Also, resolution adopted by the Turner Tigers, of Lawrence, Mass., favoring the return of alien enemy property seized by the United States during the war; to the Committee on Interstate and Foreign Commerce.

676. Also, resolution adopted by the Corporal Gordon E. Denton Post, No. 319, Veterans of Foreign Wars, protesting against the sentence given Col. William Mitchell; to the Committee on Military Affairs.

677. By Mr. DAVEY: Petition signed by 34 voters in Lorain County, Ohio, protesting against House bill 4002, a bill to prohibit the sale of pistols, revolvers, and other firearms of the like form, etc.; to the Committee on Interstate and Foreign Commerce.

678. By Mr. FENN: Resolution of Leonard Wood Camp, No. 1, of Hartford, Conn., favoring the passage of House bill 98, a bill to increase the pensions of veterans of the Spanish-American War, their widows and orphans; to the Committee on Pensions.

679. Also, resolutions of the Connecticut State Council of Americanization Workers, favoring a more prompt consideration of naturalization cases; to the Committee on Immigration and Naturalization.

680. Also, resolutions of the Connecticut State Council of Americanization Workers, favoring the amendment of the present immigration law; to the Committee on Immigration and Naturalization.

681. By Mr. GALLIVAN: Petition of Local No. 25, National Federation of Federal Employees, Boston, Mass., recommending equitable distribution among all employees of the customs service of any additional appropriation to the customs service at Boston for the fiscal year beginning July 1, 1926; to the Committee on Appropriations.

682. Also, petition of Bernard J. Rothwell, president Bay State Milling Co., Boston, Mass., recommending favorable consideration of House bill 4798, providing for a reorganization of the Government service; to the Committee on Rules.

683. By Mr. GARBER: Petition of executive representatives of the Ex-Soldiers' Cooperative Association, of Birmingham, Ala., protesting against certain alleged discriminations against negro citizens and requesting consideration of existing conditions of inequality; to the Committee on World War Veterans' Legislation.

684. Also, petition of committee representing 4,500 members of State legislatures, indorsing the Senate bill repealing the Federal inheritance tax; to the Committee on Ways and Means.

685. Also, statement of the Detroit Board of Commerce with respect to the Watson-Parker bill; to the Committee on Interstate and Foreign Commerce.

686. By Mr. LEAVITT: Resolutions of the Woman's Clubs of Albion, Belgrade, Shelby, Baker, and Boulder, Mont.; the Tuesday Study Club, of Kalispell, Mont.; the Acton, Mont., Farm Women's Club; and the Homer Club, favoring extension of the provisions of the Sheppard-Towner maternity act; to the Committee on Interstate and Foreign Commerce.

687. By Mr. O'CONNELL of New York: Petition of the New York State Legislative Board, Brotherhood of Locomotive Firemen and Enginemen, favoring the passage of House bill 7180 and Senate bill 2308, seeking a substitution for the labor section of the transportation act; to the Committee on Interstate and Foreign Commerce.

688. By Mr. RAINEY: Petition of the bakery and confectionery workers of Jacksonville, Ill., protesting against the formation of a bread trust; to the Committee on Interstate and Foreign Commerce.

SENATE

MONDAY, *February 15, 1926*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Gracious Father, we turn our thoughts toward the throne of grace and ask for guidance in the day's duties. May we realize how important it is to keep in touch with Thee, to get wisdom from Thine infinite resources, and to realize that whatever comes we can be conscious of peace with Thee, with a desire to advance peace in the world. Hear us, we beseech of Thee, and glorify Thyself in the duties of this day. Through Jesus Christ our Lord. Amen.

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Monday, February 1, 1926, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed the bill (H. R. 7906) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker of the House had affixed his signature to the enrolled bill (H. R. 183) providing for a per capita payment of $50 to each enrolled mem-

ber of the Chippewa Tribe, of Minnesota, from the funds standing to their credit in the Treasury of the United States, and it was thereupon signed by the Vice President.

SETTLEMENT OF SHIPPING BOARD CLAIMS

The VICE PRESIDENT laid before the Senate a communication from the chairman of the United States Shipping Board, transmitting, pursuant to law, a report of arbitration awards or settlements of claims agreed to since the previous session of Congress by the United States Shipping Board and/or United States Shipping Board Emergency Fleet Corporation, which, with the accompanying document, was referred to the Committee on Commerce.

NORTH PLATTE PROJECT, NEBRASKA-WYOMING (S. DOC. NO. 63)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter of the Director of the Bureau of the Budget, transmitting a supplemental estimate of appropriation from the Department of the Interior, Bureau of Reclamation (North Platte project, Nebraska-Wyoming), the fiscal year 1926, to pay a judgment rendered against the United States by the United States District Court for the District of Wyoming, amounting to $9,600, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

REPORT OF OPERATION OF RAILROADS (S. DOC. NO. 64)

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Interstate Commerce Commission, transmitting, in compliance with the Senate Resolution 100, submitted by Mr. REED of Pennsylvania and agreed to January 4, 1926, a statement giving information relative to the number and nature of reports which the Interstate Commerce Commission now requires to be made by the railways of the country; a statement as to the number and nature of reports required by the various utilities commissions and public-service commissions of the separate States to be made by the railways; certain information regarding the expense to the railways of making said reports, and a statement concerning the number and nature of the reports now required by the commission which, in its judgment can be dispensed with without detriment to the public interest, which was referred to the Committee on Interstate Commerce and ordered to be printed.

PETITIONS AND MEMORIALS

Mr. WILLIS presented a petition of sundry citizens of Bellefontaine, Ohio, praying for the passage of legislation providing for the naturalization and deportation of aliens, and for the registration of aliens, which was referred to the Committee on Immigration.

He also presented resolutions adopted by the Hawaii Education Association at Honolulu, Hawaii, favoring the passage of legislation to relieve the teachers of Hawaii from the alleged discrimination imposed upon them by the Federal income tax law, which were referred to the Committee on Finance.

He also presented a resolution adopted by the fourteenth annual convention of the League of Ohio Sportsmen at Columbus, Ohio, favoring the passage of the so-called Federal public shooting ground game refuge bill, which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of members of the National Cash Register Co. Rifle Club at Dayton, Ohio, praying for the elimination of the 10 per cent tax on arms and ammunition in pending tax legislation, which was ordered to lie on the table.

Mr. PEPPER presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of measures for farm relief of an uneconomical nature, and favoring the granting of constructive farm relief without ignoring the usual methods of financing and orderly marketing, which was referred to the Committee on Agriculture and Forestry.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of Senate bill 2289, to stimulate commerce in agricultural products, etc., which was referred to the Committee on Agriculture and Forestry.

Mr. WARREN presented a petition signed by 291 citizens of Washakie County, Wyo., praying for the maintenance of the eighteenth amendment to the Constitution and the Volstead Act, and opposing the increase of alcoholic content in commercial beverages and the admission of light wines and beers, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Wyoming, praying for the passage of legislation to amend the existing copyright law so as to include mimeographic copies as well as copies made by the photo-engraving process, which was referred to the Committee on Patents.

Mr. KENDRICK presented a memorial signed by over 200 citizens of Lincoln County, Wyo., remonstrating against any extension of the boundaries of the Yellowstone National Park, which was referred to the Committee on Public Lands and Surveys.

He also presented a petition numerously signed by sundry citizens of Washakie County, praying for the maintenance of the eighteenth amendment to the Constitution and the Volstead Act, and opposing the increase in alcoholic content of commercial beverages and the admission of light wines and beers, which was referred to the Committee on the Judiciary.

PHILIPPINE INDEPENDENCE

Mr. KING. Mr. President, before taking up the calendar, I ask unanimous consent for the reading of a resolution transmitted to me by the Provincial Board of Tayabas at Lucena, Philippine Islands, January 6, 1926. The resolution declares that, irrespective of party affiliation or religious beliefs, the Philippine people are unanimous in their desire for independence. I have received other resolutions of a similar character from various parts of the Philippine Islands, and ask that they, as well as the one which I desire shall be read, be referred to the Committee on Territories and Insular Possessions.

The VICE PRESIDENT. Is there objection? Without objection, it will be so ordered.

The resolution referred to is as follows:

EXCERPT FROM THE MINUTES OF THE REGULAR MEETING HELD BY THE PROVINCIAL BOARD OF TAYABAS AT LUCENA ON JANUARY 6, 1926

Present: Hon. Filemon E. Perez, provincial governor; Mr. Jose P. Veluz, member; Mr. Aurelio Nava, member.

Absent: None.

Resolution 11

Whereas Senator KING, of Utah, has advocated before the United States Congress a bill providing for the immediate independence of the Philippines; and

Whereas the said bill fully interprets the genuine desire of the people of these islands to enjoy the blessings of their own free government, for which so many dear lives were sacrificed within the last 40 years; and

Whereas the Filipino people, irrespective of party affiliation and religious beliefs, are unanimous in their clamor for independence; and

Whereas the provincial board of Tayabas believes that it is the earnest desire of our people to have an absolutely independent government of their own; and

Whereas the plebiscite bill recently approved by the Philippine Legislature has been vetoed by his excellency the Governor General, thus depriving the people of these islands of the opportunity to express their real opinion regarding the question of independence: Be it therefore

Resolved, To express through this resolution the sincere gratitude of this body to Senator KING, of Utah, for his sympathy and love of the freedom of the Filipino people; and

Resolved further, That the said bill fostered by Senator KING be as hereby adhered to by this board in the name of the inhabitants of this Province.

Approved unanimously.

I hereby certify to the correctness of the above-quoted resolution.

E. P. ESTRELLA, *Secretary*.

To Senator KING, of Utah,

Washington, D. C.

Mr. KING. Mr. President, I sincerely hope that the chairman of the committee will, at an early date, convene the committee for the purpose of considering these resolutions and the bill I have pending before the committee providing for the withdrawal of the United States from the Philippine Islands as soon as the inhabitants of the islands have adopted a republican form of government and have created the necessary governmental machinery to take over the duties and responsibilities incident to the political control of the archipelago.

This subject received attention at the last session of Congress, and a similar bill which I then offered was considered by the committee. In my opinion it should have been favorably reported with minor amendments, but opposition was manifested by the administration, and the committee failed to report the bill, although all Democrats upon the committee were in favor of granting independence to the Filipinos.

Mr. WILLIS. Mr. President, in reply to the suggestion which has been made by the junior Senator from Utah I desire to say that, so far as the chairman of the committee has anything to say about the matter, he is perfectly willing to give friends of the resolution a hearing at any time, and is also willing that those opposed to the legislation may have a hearing.

The Senator from Utah, however, will recall that some time ago, when this matter was before the committee, the friends of the resolution had very extended hearings, while

those who were opposed to the resolution had very slight opportunity to be heard. When the matter is again taken up there will be opportunity for both sides to be heard very fully.

Mr. KING. Mr. President, if I may trespass upon the time of the Senate for a moment, I desire to observe that no one, as I remember the proceedings before the committee, was denied opportunity to combat the bill which I had offered or oppose any legislation looking to granting political independence to the Filipinos. Representatives of the administration appeared and strongly voiced their opposition to the terms of my bill, or to any legislation which had for its object the execution of the provisions of the Jones Act and the granting of the right to the Filipinos to establish such form of government as met their desires.

The Jones Act, as Senators will recall, was a distinct and definite promise upon the part of the United States that they would withdraw their sovereignty over the Philippine Islands and recognize their independence as soon as "a stable form of government" was established therein. That act was interpreted by the American people as a solemn pledge that the United States would soon withdraw from the Philippine Archipelago and turn over to the Filipinos the entire and absolute control of the islands. It was a recognition of the fact that the Filipinos had made great progress industrially, economically, culturally, and politically; that they had developed a national conscience, and possessed those qualities which would enable them to organize and maintain an independent government and to take their station among the independent powers of the earth.

It is true there were some Americans who insisted that the flag of the United States should never be removed from those far-off islands, and that they and their inhabitants should be held indefinitely by this Government. These Americans of whom I am now speaking were unwilling to grant to the Filipinos a territorial form of government or statehood, or the rights of American citizenship. The islands were to be held for exploitation and the people would be governed by Congress and by such laws as it might choose to enact. That is the imperialistic point of view; it is not the American point of view. It is not in harmony with the ideals of Jefferson or Lincoln or the fundamental principles upon which this Republic is founded. We may not hold indefinitely alien peoples under our flag. The American people never contemplated that this Government would have colonial possessions or hold, outside of the Constitution, alien peoples living in far-off lands. The Philippine Islands do not belong to the United States, nor has our National Government the right to indefinitely retain sovereignty over them and their people.

I know there is an extensive propaganda now being carried on in the United States against Philippine independence and to compel Congress to violate its solemn promise as declared in the Jones Act. This propaganda is supported by some Americans in the Philippine Islands and by some within the United States who are more concerned in trade and commerce than they are in justice and liberty. I protest against Congress yielding to these selfish and materialistic demands and to this unworthy propaganda. The time has come for America to do its duty, to speak again for the weak peoples of the earth, and to aid in the birth of a new nation, dedicated to progress and freedom.

Mr. WILLIS. I do not desire to take up the morning hour with this discussion, but I wish to say a word further in response to what the Senator from Utah has said. There are a great many people in the United States who are not imperialists and who have no interest at all in the commercial matters to which the Senator refers, who do not believe at all that the Jones Act promised immediate independence to the Philippine Islands.

Let me say further that the people who were heard before our committee, as the Senator will remember, were simply some persons from the War Department. The people from the Philippine Islands, who actually know the facts, were not permitted to testify. Before there is any action, so far as I am concerned—and, of course, I am only one member of the committee—the persons in the Philippine Islands, who actually know the facts and who are not sent here as a paid junta to carry out propaganda, will also have opportunity to be heard. There will be no snap judgment in the matter.

Mr. KING. In reply, I desire to state that the Filipinos are a unit in favor of independence. There are more than 10,000,000 people residing in the Philippine Islands. They have spoken repeatedly upon the question as to whether they desired to be an independent nation or remain subject to the control of the United States. There is no political party among the Filipinos, nor any faction of a party, that is not in favor of the immediate independence of the Filipinos. I concede that there are some Americans at Manila and other parts of the islands who are anxious for the United States to annex the islands. They believe their interests will best be promoted if the islands remain under the flag of this Republic. They do not see the Filipinos' point of view. They are not disinterested, they are there temporarily for gain and profit, and it is quite natural that they should assume the attitude they do.

But, Mr. President, there is a question vital and important at stake in this matter. We have no right to superimpose our authority upon alien peoples and to compel them to renounce their aspirations for political independence and freedom, and to accept the status of a subjugated people. The Filipinos are a spirited race; they struggled against Spanish domination and achieved their independence. We conquered them and imposed American rule over the lands which were theirs, and which their fathers had inhabited for centuries.

Undoubtedly they can not govern themselves as well as we are governed. They may not apply the principles of democracy to their political and economic lives with the same facility and success as they are applied in this Republic. But they prefer their own government to an alien rule, though their efforts may not produce the same standards of justice as have been attained by the American people. But progress is a plant of slow growth; and true progress comes from within and not from without. The Filipinos are animated by a desire for justice and for liberty, and having before them the achievements of this Republic, I feel sure that, given their independence, they will march forward along the path of honor and will not depart from the highway that leads to peace, prosperity, and freedom.

Mr. WILLIS. One other statement, Mr. President. The fact that the Senator from Utah makes the statement as he does in absolute sincerity shows the necessity for further inquiry and further hearing. When he says that the people are absolutely a unit upon this proposition, he is entirely mistaken as to the facts.

The VICE PRESIDENT. The resolutions presented by the Senator from Utah will be referred to the Committee on Territories and Insular Possessions.

REPORTS OF COMMITTEES

Mr. McMASTER, from the Committee on Military Affairs, to which was referred the bill (S. 1859) for the relief of Patrick C. Wilkes, alias Clebourn P. Wilkes, reported it without amendment and submitted a report (No. 180) thereon.

Mr. CUMMINS, from the Committee on the Judiciary, to which was referred the bill (S. 989) to amend section 129 of the Judicial Code relating to appeals in admiralty cases, reported it with an amendment and submitted a report (No. 181) thereon.

Mr. DILL, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 2663) authorizing the Secretary of the Interior to cooperate with the States of Idaho, Montana, Oregon, and Washington in allocation of the waters of the Columbia River and its tributaries, and for other purposes, and authorizing an appropriation therefor, reported it without amendment and submitted a report (No. 182) thereon.

Mr. HARRELD, from the Committee on Indian Affairs, to which was referred the bill (S. 585) for the relief of F. E. Romberg, reported it without amendment and submitted a report (No. 183) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 1430) to establish a board of public welfare in and for the District of Columbia, to determine its functions and for other purposes, reported it with amendments and submitted a report (No. 185), thereon.

Mr. CAMERON, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2461) to grant extensions of time under oil and gas permits, reported it with amendments and submitted a report (No. 186) thereon.

NAVAL APPROPRIATIONS

Mr. HALE. I report back favorably with amendments from the Committee on Appropriations the bill (H. R. 7554) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes, and I submit a report (No. 184) thereon. I shall ask the Senate to take up this bill at the earliest possible moment, probably to-morrow, as by that time it is hoped that we shall have finished the consideration of the Treasury and Post Office appropriation bill.

The VICE PRESIDENT. The bill will be placed on the calendar.

RIO GRANDE RIVER BRIDGES

Mr. SHEPPARD. I report back favorably without amendment from the Committee on Commerce the bill (H. R. 4032) granting consent of Congress to the Brownsville & Mata-

moros Rapid Transit Co. for construction of a bridge across the Rio Grande at Brownsville, Tex., and I submit a report (No. 178) thereon. I ask for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the consent of Congress be, and is hereby, granted to the Brownsville & Matamoros Rapid Transit Co., a corporation organized under the laws of Arizona, to construct, maintain, and operate a bridge and approaches thereto, at a point suitable to the interests of navigation, across the Rio Grande, at Brownsville, Tex., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906: *Provided*, That the consent of the proper authorities of the Republic of Mexico to the construction, maintenance, and operation of the bridge shall also be obtained.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. SHEPPARD. I also report from the Committee on Commerce favorably without amendment the bill (H. R. 6515) granting the consent of Congress to the Gateway Bridge Co. for construction of a bridge across the Rio Grande between Brownsville, Tex., and Matamoros, Mexico, and I submit a report (No. 179) thereon. I ask for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the consent of Congress be, and is hereby, granted to the Gateway Bridge Co., a corporation organized under the laws of Delaware, to construct, maintain, and operate a bridge and approaches thereto at a point suitable to the interests of navigation across the Rio Grande between Brownsville, Tex., and Matamoros, Mexico, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906: *Provided*, That the consent of the proper authorities of the Republic of Mexico to the construction, maintenance, and operation of the bridge shall also be obtained.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ALUMINUM CO. OF AMERICA

Mr. WALSH. Mr. President, I send to the desk a report (No. 177) from the Committee on the Judiciary, pursuant to Senate Resolution 109, directing an investigation concerning the diligence with which the Department of Justice has investigated the charge of violation by the Aluminum Co. of America of a decree of the United States District Court for the Western District of Pennsylvania. I move that the report be adopted by the Senate. I give notice that I shall call up the motion at the earliest possible moment.

Mr. PEPPER. Mr. President, I would like to have the report go over under the rule.

Mr. MOSES. Mr. President, may I ask the Senator has the report been printed?

Mr. WALSH. The report was printed for the committee.

Mr. MOSES. But it is not available for the Senate?

Mr. WALSH. The report has been placed on the desks of Senators.

Mr. MOSES. Was there a divided report from the Committee on the Judiciary?

Mr. WALSH. There was. The Senator from Oklahoma [Mr. HARRELD] submitted to the committee a draft of a report and moved its adoption. I suggest that the report offered now be printed for the use of the Senate, together with any report tendered by any minority of the committee.

Mr. MOSES. I hope that order may be entered. May I ask the Senator further whether the testimony was printed?

Mr. WALSH. The testimony has been printed.

Mr. MOSES. And it is available for Senators?

Mr. WALSH. That also has been laid on the desks of Senators.

The VICE PRESIDENT. Without objection, the report will be printed as requested.

Mr. BORAH. Has a minority report been submitted?

Mr. WALSH. I think not. I have not heard of it.

Mr. BORAH. The report submitted goes over, anyway, to-day?

Mr. WALSH. Yes; and I have suggested that any minority report tendered by any member or members of the committee be printed with the report now submitted.

SARAH J. M'DONNELL

Mr. KEYES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 144, submitted by Mr. SWANSON on the 9th instant, and ask unanimous consent for its immediate consideration.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate, fiscal year 1925, to Sarah J. McDonnell, mother of Stella M. McDonnell, late an additional clerk in the office of Senator CLAUDE A. SWANSON, a sum equal to six months' salary at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

REFORM OF THE SENATE RULES

Mr. DILL. Mr. President, I ask unanimous consent to have inserted in the RECORD an article written by the Senator from Nebraska [Mr. NORRIS], which is entitled "Reform of the Senate Rules." While it was published in the Saturday Evening Post of February 13, 1926, it is particularly applicable to the joint resolution providing for the submission to the people of a constitutional amendment which was passed by the Senate this afternoon.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REFORM OF THE SENATE RULES IN ANSWER TO VICE PRESIDENT DAWES

By GEORGE W. NORRIS, United States Senator from Nebraska

The country is indebted to our courageous Vice President for calling attention to the necessity for reform in the procedure of our National Legislature. He has very clearly shown that a change in legislative procedure is necessary if the people are to receive the benefits of necessary progressive legislation. He has, however, told us nothing new. These same things have been repeatedly called to the attention of the people by others in more obscure positions, and various remedies have been frequently suggested. Because of the position he occupies what Mr. Dawes says on the subject receives wide publicity and is read by almost a numberless constituency. But though Mr. Dawes has very clearly pointed out the evil the remedy he suggests would bring more harm than good. Like the ancient country physician, he throws the patient into fits, but lacking the ability of that backwoods character he is unable to revive the patient from his increased suffering. With gymnastic activity characteristic of him when on the public rostrum, he jumps right out of the frying pan into the fire.

Mr. Dawes compares the legislative procedure of the Senate with that of the House of Representatives. He labors at some length to show that the procedure in the House, where they have cloture, is much superior to that in the Senate, where they do not have cloture. If this comparison demonstrates anything, it shows that the House has ceased to be a deliberative body. Its Members are just as able and just as patriotic as are the Members of the Senate. Given the same opportunities, their work would not be inferior to the work of the Senate, but every student of our Government knows that the laws of our country are analyzed and discussed and, in fact, made by the debate that takes place in the Senate. The House of Representatives is controlled by a small number of men that you could count on the fingers of one hand; the Speaker, the majority leader, the chairman of the Committee on Rules, with perhaps the tacit and silent assistance of one or two leaders of the minority, hold the House in complete subjection. They limit or close debate at their own sweet will. They deny, if necessary, to the membership not only the right of debate but even the right to offer amendments. By special rule they put through the House revenue bills, tariff bills, and all other kinds of important legislation without giving to the membership supposed to represent the people of the country the right even to suggest changes. It is no answer to say that a special rule must always be approved by a majority of the House. The membership, when the vote on a bill under a special rule is before them, are confronted with the proposition that they must accept what is bad in order to get what they believe to be good. Neither is it any answer to say that such procedure is necessary on account of the large membership of the House. The fact remains that debate is curtailed, often entirely eliminated, amendments are limited and sometimes absolutely prohibited—and this is majority cloture in the House, which the Vice President approves and which he wants the Senate to adopt.

The country pays but little attention to legislation pending in the House. Everybody knows that this limited consideration on the part of the House means imperfect, half-baked legislation. Everybody knows that when the bill gets to the Senate it will be completely analyzed and debated, that amendments can be offered without limit, and that in the end, whether the legislation be good or bad, it will at least represent the judgment of the legislative body acting upon it.

It even happens not infrequently that Members of the House are induced to vote for a special rule and to support this majority cloture on the theory and with the knowledge that when the bill gets to the Senate it will be considered on its merits.

The Senate, with all its faults, is the only forum in our country where there is free and fair debate upon proposed legislation, and it is the forum where the legislation of the country is made. If we adopted majority cloture in the Senate as they have in the House, the last vestige of fair and honest parliamentary consideration would entirely vanish, and what a picnic that would be for political machines and political bosses. The country could stand off and yell itself hoarse; but three or four men in the House and two or three men in the Senate would hold this country in the palm of their mighty political hands. A political party in power, with its President controlling the patronage of the Nation, and with its few politically selected leaders in the House and the Senate, could pass or defeat any legislation of any kind, without regard to the welfare of anything except the partisan machine.

The country looks to the Senate for an analysis of all proposed legislation, because the people have gradually learned from recent history that it is only there where full opportunity is had to protect and preserve the rights and the liberties of our people.

The evil in the Senate procedure, so well pointed out by the Vice President, is the ability to filibuster, which comes about on account of the rule which permits unlimited debate. The filibuster is an extraordinary procedure. It is illogical, and conditions should be so changed that it will not be used or attempted. A study of the procedure of the Senate will demonstrate that the filibuster always takes place in what is known as the short session of the Congress. Every other session of Congress must end on the 4th day of March because of the expiration of the terms of Members of the House of Representatives and one-third of the Senate. It is known throughout that session that on the 4th of March, when the gavel falls, everything on the calendar not enacted into law falls and dies. No filibuster can be successfully carried on unless the adjournment of the Congress is definitely fixed. Filibusters therefore take place in this short session. A cloture would not end the filibuster unless it absolutely prevented debate and the offering of amendments. A cloture which permitted reasonable debate after its adoption would not prevent filibusters if they were attempted just before the final adjournment.

Mr. Dawes has not given us a concrete rule that will work, and I defy him and challenge him or anyone else to put in writing a rule that will prevent a filibuster when the final adjournment is definitely fixed by law. If a filibuster were commenced, let us say, on the 15th day of February, it would be more difficult to keep it up and succeed than it would be were the filibuster commenced on the last day of February, shortly before the final adjournment. A filibuster commenced thus early would require quite a number of Senators successfully to carry it out; but a filibuster can be commenced at 11 o'clock on the 4th day of March, and carried to a successful conclusion by one man, if he is allowed any debate whatever. A filibuster commenced on the 1st day of March would be comparatively easy if one or two men would devote their time to it; so when Mr. Dawes says he is not advocating a rule that would end all debate he is simply giving away the entire question. A rule that will prevent filibuster must be so drastic that no debate whatever can take place after the rule is put in force.

REVOLUTION BY FILIBUSTER

The history of Senate procedure will show that all successful filibusters have taken place in the short session. It is a desperate procedure, and is justified only in extraordinary conditions and circumstances. It is akin to revolution in the political world, and revolution is usually a bloody and heartless struggle against entrenched power, and yet no American will say that revolution is never justified. We exist to-day as a country as the result of a revolution by our forefathers, and those who laid the foundation of our United States after eight years of bloody struggle were all revolutionists. They violated the law of the land, they were guilty of treason to the mother country, but they justified their action upon the fundamental principle of human liberty, and all the world honors them to-day, and Americans particularly hold their memory in sacred remembrance because of the very revolution they fought to a successful conclusion.

Should we make it impossible for a filibuster to take place? Under our Government, in the United States Senate can Senators ever justify themselves for participating in such a desperate method of preventing legislation? The filibuster is in fact a legislative revolution. It defies the apparent legally constituted majority; it stands, for the time being, in the way of their progress, and through main strength prevents the constituted majority from having its will. If this majority were uncoerced, if its entire membership were unselfish and standing for the highest type of legislation, unmoved by the selfish desire to trade votes for office—in short, if the entire membership were absolutely free to follow the dictates of their several consciences, then I concede there would be no excuse for a filibuster. But on examination of the history of every filibuster that has ever come to my notice—and I have participated in quite a number—I find none that would have been even attempted if one or more of these elements above described had not existed and stood out in bold relief. Let me give an actual illustration that occurred during the administration of President Harding.

PUSHING A PET MEASURE

The President was very anxious to pass the bill known and generally understood as the ship subsidy bill. In the first or long session of the Congress it was not even attempted to pass this bill—it was known that it could not pass either House of Congress—but when the short session convened the administration immediately got busy to crowd this bill through both branches of our National Legislature. In the election that had just taken place, many Members of the House and the Senate had been defeated for reelection, their successors had been elected, but had not yet been sworn in. The short session takes place after the election and before the Members chosen at that election are inaugurated into office. It was known also that the new House and the new Senate, just elected and not yet sworn in, if in office, would refuse absolutely to pass the ship subsidy bill. The old Congress was opposed to it before the election and the new Congress was overwhelmingly against it. If it were to be passed at all it must pass during the short session.

The bill had been more or less an issue in the campaign, and it had been repudiated by an overwhelming majority at the polls. I am not discussing the merits of this legislation, my dear reader—it is immaterial whether you favored it or were opposed to its enactment. If the means attempted to bring about its passage were unfair, dishonorable, or objectionable, then the method must be condemned regardless of the merits of the legislation.

There was no difficulty in the House, where this blessed majority-cloture rule prevailed. The skids were greased and the bill went through in one-two-three order, but in the Senate it was different. There was no cloture in the Senate; there was no way to shut off debate, and, although the President had a majority in favor of the bill, he was unable to secure a vote, and this vote was prevented by a filibuster carried on by those who were, as far as legal membership of the Senate was concerned, in a minority. This minority backing up the filibuster knew that the bill could not have passed before election. It knew that the new Congress just elected was opposed to the measure. It knew that votes in favor of the bill were being secured by the power of Federal patronage. Was this filibuster justified? Was this minority of Senators justified in resorting to this desperate remedy to prevent the political machine from carrying out this plan which had, as a matter of fact, been repudiated by the people of the country? As one who participated in that filibuster, I have no hesitancy in saying that every step we took was justified under the circumstances; and to show that our position was correct so far as the new Congress's attitude was concerned, it should be added that after the newly elected Congress came into office there was not even an attempt to pass this legislation.

I have given an illustration of a filibuster that took place under a Republican administration. In order to show that this is no partisan matter, let me now give an illustration that happened under a Democratic administration. It was the filibuster which took place against President Wilson's bill authorizing the arming of private ships. It was just before we went into the war. In an official message delivered to the Congress a few days before the adjournment of the short session on the 4th day of March, the President asked for authority thus to arm the merchant marine. As usual, the bill went through the House without any difficulty. It was passed by that body because of the power of majority cloture—and I ought to pause here to say that where the power to put cloture over rests in the hands of a few men it is not always necessary that cloture be adopted. The rank and file of the membership know that the power exists, and they sometimes submit even if it is not actually put in force. They know that if they resist it will be invoked, and they follow the line of least resistance.

The bill came to the Senate just a day or two before the 1st of March, 1917. It was promptly reported. The power of the Executive was sufficient to bring in line behind this bill a majority of the Members of the Senate. A reasonable debate on its provisions would have carried it beyond the 4th day of March. Its importance was conceded, everybody acknowledged that, but it was necessary, of course, to pass it before the 4th of March, and it was not difficult to organize a filibuster to defeat the proposal, although the sentiment, due to executive and newspaper pressure, was almost irresistible. A comparatively few men in the Senate defeated the bill. We were condemned in the severest terms by the country.

The day after the adjournment, President Wilson issued his famous statement denouncing the "willful twelve." Many of us were burned in effigy in different parts of the United States. The country, by propaganda that had been put forth through the newspapers and through political and partisan leaders, had been set afire in its indignation against these few men who had stood in the way of the passage of this bill. It would be interesting reading, I think, at this point, if I were able to publish the letters of condemnation which I personally received. It would be interesting, perhaps, to read the letters that threatened human life and that advocated death as the proper punish-

ment for one who was engaged in this unholy filibuster. Even the Federal judiciary participated in it, and one of these judges went so far as to advocate the standing of these men up against a wall and shooting them. When such desperate remedies are advocated by men in high places, it would not have been strange if at least a part of these filibusters had become the victim of some fanatic or crank. I have now in my possession a beautiful medal made out of Mr. Mellon's aluminum on which the names of the "willful twelve" are inscribed, and on the reverse side of which is engraved President Wilson's condemnation of the "willful twelve."

A WAR-TIME FILIBUSTER

This filibuster could never have succeeded, would not, of course, have even been attempted, had it not been that the session of Congress must expire on the 4th day of March. And yet, as one who had perhaps more to do with its organization and carrying out than had any other one man, I am as confident in my own heart that a majority of the Senate was against this measure, as I am that I still live. During those few weary days and nights I was privately informed by many a Senator who was standing for the passage of the bill that the filibuster was justified, and that the passage of the proposed legislation would be an outrage. It is a remarkable fact that some of the men who stood on the floor of the Senate and argued in favor of the passage of this bill and who, as far as the administration knew, were as anxious to bring about its passage as was the President himself, had privately urged me not to cease in this filibuster, but to carry it on to success. Some of these men made speeches in its favor at my own request, because by talking, even in favor of the bill, they helped to kill time, although the power of the administration on one hand and the political machine on the other was so great that political expediency required them to get in line.

The filibuster succeeded. The bill was defeated. Practically a unanimous country condemned the filibuster. The President issued a statement a day after the adjournment, bitter in its denunciation. But let us see what followed. The next day the President issued another statement in which he said that an old law had been discovered permitting him to arm these ships; that the defeat of the legislation in the Senate had no effect, and that under this newly discovered ancient law he would proceed at once to arm the ships. This he did, and thus carried out fully and completely his entire program. In a very short time, however, he himself discovered that the arming of these ships was of no benefit; that, as a matter of fact, it was a detriment rather, and that instead of helping to keep us out of the war it had a tendency to put us in, and to put us in with some disadvantages that we would not have had had we gone into the war in the regular way.

THE STAND OF THE "WILLFUL TWELVE"

In his special message delivered at the special session of Congress which followed in April, he, in substance, made this admission, and it was then that he advocated a declaration of war, so that, as a matter of fact, this little bunch of "willful" Senators had their course officially upheld by the same power that had so bitterly condemned them. The filibuster itself was justified even by the President, although he did not so state, and was not magnanimous enough to admit that this minority was right and that the majority was wrong. Had it been possible to continue this discussion for a reasonable length of time—in other words, had we not been compelled by law to adjourn on the 4th day of March there is no doubt but that there would have been brought out in the debate the very facts President Wilson afterwards found to be true, and which he afterwards officially promulgated in his message. Again I ask, Was this filibuster justified? In a matter of so great importance as was the bill which in substance meant pushing us into war—and pushing us in, as President Wilson afterwards admitted, handicapped—without the full advantages that would have been ours had we gone into the war in the regular way. It seems to me the filibuster was more than justified.

It is conceded that a filibuster carried on for any considerable length of time prevents the consideration of other legislation and often defeats entirely the passage of laws beneficial to the entire country. This is one of the secondary effects of the filibuster, and is one of the things that those who engage in the filibuster must consider and for which they must assume responsibility. It should be said, however, that the real responsibility for such a condition can be placed at the door of those who are using partisan power and patronage control to coerce men into doing what they believe to be wrong. Those in authority, purposely and studiously, often bring in these particular pieces of legislation, knowing that they could not be passed in an open and fair discussion before the country, but hoping and believing that because of the limited time Senators would be induced to acquiesce and to submit and to surrender their convictions.

Then, too, unless Senators assert the right of proper consideration of legislation, even though the remedy is severe, it must be remembered that if they took any other course, if they acquiesced always to the will of a few political leaders and a machine that has a temporary artificial control of the Senate membership, they would in the long run be surrendering to machine politicians and to patronage distributors the liberties and the rights of a free people. Our forefathers thought they had separated the legislative branch of our Government from the Executive, and if we are to give to the Executive through the power of his patronage and through his influence with partisan political factions and machines the power to control legislation, then we might just as well abolish our legislative branch and make the President supreme in legislative matters as well as in Executive. We might as well at once change our Government into a monarchy and do away with the legislative branch of the Government entirely.

AN AMENDMENT SUGGESTED

It is quite apparent, therefore, that the adoption of cloture will not bring a remedy. It must likewise be apparent that all these filibusters take place in the short session—that they would not be possible if it were not for this limitation. Neither would such filibusters be possible if the new Congress instead of the old were legislating during the short session. However, under our Constitution the old Congress, although defeated at the polls, continues to legislate until the 4th of March, while the new Congress, anxious to perform the duties imposed upon it by the people, must stand helpless and unable to function in the performance of the duties for which it has been elected.

The remedy, therefore, is to abolish the short session of the Congress—to install in office the men who have been elected fresh from the people, and let them legislate in accordance with the questions settled in the preceding campaign. It is important that those who have been defeated should not be continued in office after their defeat. To bring about this remedy will require a constitutional amendment. Such an amendment has twice passed the Senate of the United States and has been defeated by the few which majority cloture puts in actual control of the House of Representatives. This amendment provides that the terms of office of the President, the Vice President, and Members of the House and the Senate shall begin in January and shall end in January. It provides that the new Congress shall meet in January, after it has been elected in November, and likewise provides that the old Congress, defeated in November, shall never again have power to legislate. In other words, their defeat puts them out of office. The ability of the President to control legislation through the lame-duck method would, therefore, disappear at once.

Instead of the old Congress legislating for the people after its Members had been repudiated by the people, the new Congress elected to carry out the will of the people would be functioning. Instead of the session of Congress ending on the 4th of March, it would be the same as the present long session. In other words, the effect of this amendment would be to give us one session of Congress each year, which would be unlimited as to time, except so far as the term itself might limit it—which in practical effect means no limitation whatever. Men whose official acts had been repudiated by their people would suffer the results of such defeat and repudiation, and we would not find the country in the disagreeable attitude of seeing those whom the people have defeated placed in higher positions of power and honor for the very reason that they have been unfaithful to their trusts. The filibuster would disappear as the dew fades before the morning sun. No filibuster would be possible, and therefore no filibuster would be attempted. If a cloture were necessary at all, a cloture similar to the one we now have in the Senate would meet all requirements.

ELIMINATING THE SHORT SESSION

Mr. Dawes says he does not want a cloture that would prevent debate, but, as I have shown, a cloture to be effective must prevent debate so long as the end of the session is definitely fixed. If this end were not fixed by law, then a modified cloture that would permit full and fair debate after the adoption of the cloture rule would bring no harm if it were found under the circumstances to be necessary. In my judgment, no such rule would be necessary. No cloture of any kind would be demanded, or if some sort of cloture were necessary it could easily be adopted, and would be adopted, because it would not be subject to the great objection that now exists, which is on account of the day of adjournment being definitely fixed. Cloture would mean the absolute controlling of legislation by a few dictators who are temporarily clothed with partisan political power.

CONCLUSION

I appeal to our worthy Vice President to use the mighty influence which is his and the power of his ability to help a progressive-thinking and a progressive-hoping Nation to secure the passage of this constitutional amendment and thus bring about the remedy for the evil which he so well describes, but the sins of which he would vastly increase if his method of reform were agreed to.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CUMMINS:

A bill (S. 3115) to amend section 220 of the Criminal Code; to the Committee on the Judiciary.

By Mr. MOSES:
A bill (S. 3116) granting an increase of pension to Mary J. Nutter (with accompanying papers); and
A bill (S. 3117) granting a pension to Nettie Marshall (with accompanying papers); to the Committee on Pensions.
By Mr. EDGE:
A bill (S. 3118) to amend the national prohibition act, as supplemented, in respect of the definition of intoxicating liquor; to the Committee on the Judiciary.
By Mr. WILLIS:
A bill (S. 3119) granting an increase of pension to Sarah M. Lant (with accompanying papers); to the Committee on Pensions.
By Mr. TRAMMELL:
A bill (S. 3120) providing that the members of the Interstate Commerce Commission shall be appointed from different sections of the United States, and that not more than one member shall be appointed from any one State; to the Committee on Interstate Commerce.
By Mr. FLETCHER (by request):
A bill (S. 3121) for the relief of certain property owners in Orange County, Fla.; to the Committee on Finance.
By Mr. ASHURST:
A bill (S. 3122) for the completion of the road from Tucson to Ajo via Indian Oasis, Ariz.; to the Committee on Indian Affairs.
By Mr. RANSDELL:
A bill (S. 3123) to transfer to the jurisdiction of the Federal Power Commission the power and nitrate properties of the United States at and in the vicinity of Muscle Shoals, Ala., and for other purposes; to the Committee on Agriculture and Forestry.
By Mr. COPELAND:
A bill (S. 3124) to amend section 4 of the immigration act of 1924; to the Committee on Immigration.
By Mr. EDWARDS:
A bill (S. 3125) granting a pension to Ambrose Marion (with accompanying papers); to the Committee on Pensions.
By Mr. KENDRICK:
A bill (S. 3126) to amend the act entitled "An act to provide for refunds to veterans of the World War of certain amounts paid by them under Federal irrigation projects," approved February 21, 1925; to the Committee on Finance.
By Mr. PEPPER:
A bill (S. 3127) to correct the military record of William W. Woodruff; to the Committee on Military Affairs.
By Mr. GOFF:
A bill (S. 3128) granting a pension to Josephine Miley;
A bill (S. 3129) granting an increase of pension to John P. Hickel; and
A bill (S. 3130) granting an increase of pension to Olive J. Ebert; to the Committee on Pensions.
A bill (S. 3131) to correct the military record of Clarence G. Stonestreet; to the Committee on Military Affairs.
A bill (S. 3132) providing for the erection of a monument over the grave of Patrick Gass, at Brooke Cemetery, Wellsburg, W. Va., a soldier of the War of 1812, and the last surviving member of the Lewis and Clarke Expedition; to the Committee on the Library.
By Mr. SHEPPARD:
A bill (S. 3133) for retirement as warrant officer of any person with a certain length and character of service in the United States Army; to the Committee on Military Affairs.
A bill (S. 3134) for a survey of the Brazos River, Tex., from its mouth to Rosenberg, Tex.; and
A bill (S. 3135) granting consent of Congress to Eagle Pass and Piedras Negras Bridge Co. to construct, maintain, and operate a bridge across the Rio Grande at Eagle Pass, Tex.; to the Committee on Commerce.
By Mr. HALE:
A bill (S. 3136) granting an increase of pension to Ellen G. Crocker (with accompanying papers); to the Committee on Pensions.
By Mr. DALE:
A bill (S. 3137) granting allowances for rent, fuel, light, and equipment to postmasters of the fourth class, and for other purposes; to the Committee on Post Offices and Post Roads.
A bill (S. 3138) granting a pension to Mary B. Fargo;
A bill (S. 3139) granting an increase of pension to Mary S. Whitney; and
A bill (S. 3140) granting an increase of pension to Mary Reeves; to the Committee on Pensions.
By Mr. CURTIS:
A bill (S. 3141) to correct the military record of Hiram B. Hatton;
A bill (S. 3142) to correct the military record of James Coughlin; and
A bill (S. 3143) to correct the military record of Sidney F. Jones (with accompanying papers); to the Committee on Military Affairs.
A bill (S. 3144) granting an increase of pension to Sarah Cutbirth (with accompanying papers);
A bill (S. 3145) granting an increase of pension to Rebecca C. Holt (with accompanying papers);
A bill (S. 3146) granting an increase of pension to Horace E. Park (with accompanying papers); and
A bill (S. 3147) granting a pension to Martha C. Tuttle (with accompanying papers); to the Committee on Pensions.
By Mr. CAPPER:
A bill (S. 3148) to regulate the manufacture, renovation, and sale of mattresses in the District of Columbia; to the Committee on the District of Columbia.
A bill (S. 3149) granting a pension to Evaline O. Butler (with accompanying papers); and
A bill (S. 3150) granting an increase of pension to Oscar Walker (with accompanying papers); to the Committee on Pensions.
By Mr. PITTMAN:
A bill (S. 3151) granting an increase of pension to Caroline Gregory; to the Committee on Pensions.
By Mr. NORBECK:
A bill (S. 3152) granting an increase of pension to Annie Taylor; to the Committee on Pensions.
By Mr. HARRISON:
A bill (S. 3153) conferring jurisdiction upon the Court of Claims to hear and determine the claim of Mary Ella Webster; to the Committee on Claims.
By Mr. CAPPER:
A joint resolution (S. J. Res. 56) to amend an act entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes," approved March 3, 1925; to the Committee on the District of Columbia.

AMERICAN NATIONAL RED CROSS BUILDINGS

Mr. FERNALD. I introduce a joint resolution which I ask may be read at length, and then I shall ask for its immediate consideration.

The joint resolution (S. J. Res. 55) to authorize the American National Red Cross to continue the use of temporary buildings now erected on square No. 172, in Washington, D. C., was read the first time by its title and the second time at length, as follows:

Resolved, etc., That authority be, and is hereby, given to the central committee of the American National Red Cross to continue the use of such temporary buildings as are now erected upon square No. 172, in the city of Washington, for the use of the American Red Cross in connection with its work in cooperation with the Government of the United States until such time as hereafter may be designated by Congress: *Provided*, That the United States shall be put to no expense of any kind by reason of the exercise of the authority hereby conferred.

The VICE PRESIDENT. Is there objection to the immediate consideration of the joint resolution.

Mr. JONES of Washington. This is a joint resolution, and it is not the practice of the Senate to pass joint resolutions or bills without having them referred to the proper committees. Would it unnecessarily delay the joint resolution by having it referred to the Committee on Public Buildings and Grounds? The committee could be polled and the joint resolution reported without much delay.

Mr. FERNALD. Very well; there is no special hurry about the passage of the joint resolution.

Mr. JONES of Washington. I think it had better go to the committee.

Mr. FERNALD. I move that the joint resolution be referred to the Committee on Public Buildings and Grounds.

The motion was agreed to.

AMENDMENT TO AGRICULTURAL APPROPRIATION BILL

Mr. SHORTRIDGE submitted an amendment proposing to appropriate $15,000 to enable the Weather Bureau to extend its forest-fire weather-warning service, intended to be proposed by him to House bill 8264, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

RETIREMENT OF CIVIL SERVICE EMPLOYEES

Mr. WATSON submitted an amendment intended to be proposed by him to the bill (S. 786) to amend the act entitled "An act for the retirement of employees in the classified civil

service, and for other purposes," approved May 22, 1920, and acts in amendment thereof; which was referred to the Committee on Civil Service and ordered to be printed.

ADMINISTRATION OF THE PACKERS AND STOCKYARDS ACT

Mr. KENDRICK. Mr. President, I present a resolution which I ask to have read.

The resolution (S. Res. 145) was read, as follows:

Whereas it appears that there has been no published report of the administration of the packers and stockyards act, 1921, for the fiscal year ended June 30, 1925, or since then, comprehensively covering the subjects embraced within the published annual reports of the administration of said act for prior years; and

Whereas the American National Livestock Association has requested information concerning the administration and enforcement of said act; and

Whereas Members of the House and Senate are in receipt of other requests for such information, which they are unable to supply: Therefore be it

Resolved, That the Secretary of Agriculture be requested to cause the preparation and publication as soon as possible of a comprehensive report, and to furnish copies thereof to the Congress, covering in said report for the period which has elapsed since June 30, 1924, the subjects embraced within the annual reports of the administration of the packers and stockyards act, 1921, which have heretofore been published, including among other things—

(a) A description of the present organization for the administration and enforcement of said act;

(b) What progress has been made in obtaining information and what facts have been ascertained from the packers subject to said act through reports and through audits of their books, and the present status of any litigation instituted to determine the right of the Secretary of Agriculture to have access to such books;

(c) The volume of business done at public stockyard markets subject to said act and the extent to which it has increased or decreased; and the volume together with the increase or decrease of business done by cooperative market agencies engaged in the livestock commission business at such markets as compared with all other market agencies in such business at such markets;

(d) Whether the rates and charges of market agencies and stockyard owners subject to said act have increased or decreased and what steps have been taken to investigate or regulate such rates and charges, including a report of the formal proceedings pending, together with those which have been terminated and the reason for such action;

(e) What steps have been taken and what results have been obtained in investigating and bringing about the cessation of discriminatory and unfair or otherwise unlawful practices on the part of persons subject to said act, including a report of the formal proceedings pending, together with those which have been terminated and the reasons for such action;

(f) What, if any, changes in said act are considered desirable in the light of the practical experience gained in its administration and enforcement.

Mr. KENDRICK. Mr. President, I ask unanimous consent for the immediate consideration of the resolution which I have just offered.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

Mr. CURTIS. I ask that the resolution may go over until to-morrow. I could not distinctly hear it read, and it is a long resolution.

Mr. KENDRICK. I have no objection to having the resolution go over, but I desire to say that I shall avail myself of the first opportunity to call up the resolution.

The VICE PRESIDENT. The resolution will go over under the rule.

INQUIRY INTO COST OF PRODUCING MILK AND CREAM

Mr. LENROOT. I send to the desk a resolution which I ask may lie over under the rule.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 146) was read and ordered to lie on the table, as follows:

Whereas for nearly two years the United States Tariff Commission has been conducting an investigation into the cost of production of butter in the United States and in those countries from which our importations of butter come that it might report its findings to the President, who might, if the facts found warrant, increase the duty on imported butter; and

Whereas many facts of great value to the butter industry of the United States have been adduced by this inquiry, and the report of the commission, not yet made, irrespective of the action of the President thereon, is expected to be of very considerable additional value; and

Whereas the same general reasons for the investigation of butter apply with at least equal force to a like investigation of cream and of milk, sweet, sour, or buttermilk; and

Whereas, also, for the month of December, 1924, the importations of cream into the United States amounted to 236,195 gallons of the value of $384,836; for the month of December, 1925, the importation of cream into the United States amounted to 257,987 gallons of the value of $452,435; for the year 1924 the importations of cream amounted to 4,197,449 gallons of the value of $6,141,133; and the importations for 1925 amounted to 5,171,788 gallons of the value of $7,591,930; for the month of December, 1924, the importations of milk, sweet, sour, or buttermilk, into the United States amounted to 393,587 gallons of the value of $75,457; and for the same month of 1925 the importations amounted to 576,078 gallons of the value of $102,995; and for the year 1924 the importations amounted to 5,192,344 gallons of the value of $827,586; and for the year 1925 the importations of milk, sweet, sour, or buttermilk, amounted to 7,422,133 gallons of the value of $1,242,063; and

Whereas the large, rapidly increasing importations of these dairy products have resulted in a decline in their prices in many portions of the United States, so that now these prices are but little, if any, above the reasonable normal cost of production: Therefore be it

Resolved, That the United States Tariff Commission be, and it is hereby, requested forthwith, under the provisions of section 315 of the act approved September 21, 1922, to make an inquiry into the cost of the production of cream and of milk, sweet, sour, or buttermilk, in the United States and in those countries from which our importations of these dairy products come and to report its findings to the President of the United States with the purpose that under this finding the President may be warranted in determining and in proclaiming an increase in the duties on cream and on milk, sweet, sour, or buttermilk.

UNITED STATES TARIFF COMMISSION

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent to introduce a resolution, which I ask to have printed in the RECORD and to lie on the table.

The VICE PRESIDENT. Without objection, that order will be made.

The resolution (S. Res. 147) was ordered to lie on the table and to be printed in the RECORD as follows:

Resolved, That the President of the Senate appoint a special committee, which shall consist of five Senators, and that such committee is hereby authorized and directed:

1. To investigate forthwith the procedure and other activities of the United States Tariff Commission under the laws affecting said commission, and especially under the provisions of section 315 of the tariff act of 1922, generally known as "The flexible tariff" section.

2. To investigate, since the enactment of the tariff act of 1922, changes in the membership of said commission, the reasons for such changes, the votes, written opinions, and other official acts of the respective members of that commission, and the qualifications of the respective members of said commission including any recess appointees thereto, having regard for the importance of securing able and disinterested services under the law from such members.

3. To investigate the operation and effect of said section 315, including obstacles, if any, placed in the way of its fair, full, and prompt enforcement; also the extent, if at all, to which the public interest has been considered, and whether, in such investigations, the commission has impartially, or otherwise, met the reasonable claims to just and equal consideration of consumers, workers, farmers, manufacturers, and other domestic producers, and the degree, if any, to which special favors have been extended to certain preferred individuals or groups; and to investigate the operation and effect of said section with a view to ascertaining whether the policy determined by Congress in said section can be effectively carried out in fairness and justice to American citizens.

4. To investigate the charge recently made by a member of the Tariff Commission that, taken as a whole, the commission has ceased to represent disinterested and nonpartisan independence.

5. To investigate improper pressure, if any, from whatever source, calculated to influence members of the Tariff Commission in their findings or recommendations in such investigations, which may have been brought to bear on said commission or any of its members in connection with any of the commission's investigations.

6. To report to the Senate before the close of the present session the results of the special committee's investigations with respect to the several subject matters specified, having in view particularly further legislation dealing with the qualifications of members of the commission, procedural improvements which the commission should adopt in all of its investigations, and recommendations as to congressional policy with regard to amending or repealing section 315 of the tariff act of 1922.

Such special committee is authorized to hold public hearings; subpœna witnesses and books, papers, and other records, both public and private; and, as part thereof, to require the production of all papers,

books, records, and reports of the Tariff Commission, excepting only such parts of such records or reports as the members of the commission and its agents are forbidden to reveal under the provisions of section 708 of Title VII of the revenue act of September 8, 1916. Such special committee is authorized to sit during the session or during any recess of the Senate at such places as it may deem advisable, and any subcommittee of such special committee, if duly authorized by such special committee, may exercise any and all the powers conferred upon such committee by this resolution.

Mr. SHIPSTEAD. Mr. President, I also ask to have printed in the RECORD, following the first resolution, a resolution passed by the National Association of Farm Organizations on February 3. This association represents something like 700,000 farming families in the United States. The day after that resolution was passed a committee representing these farmers' associations—the committee consisting of Mr. A. F. Schilling, of the Cooperative Creameries of Minnesota; Mr. P. E. Lammers, of the Twin Cities Milk Producers' Association; Mr. C. E. Hough, of the Connecticut Milk Producers' Association; Mr. R. Smith Snader, of the Maryland State Dairymen's Association; Mr. P. L. Betts, of the Union Equity Exchange of Illinois; and Mr. F. P. Willits, secretary of agriculture of the State of Pennsylvania—called upon me and presented several complaints that they desired to lodge with Congress looking forward to some action being taken by Congress leading to an investigation of the Tariff Commission and the actions of the commission in fixing tariff rates, particularly on agricultural products. Two years ago the commission was asked to investigate the tariff on butter and casein. Hearings were closed last April, but no report has been made. Butter has dropped 10 cents in 60 days.

At some future time I shall ask that the Senate consider the resolution.

The VICE PRESIDENT. Without objection, the resolution will be printed in the RECORD.

The resolution is as follows:

RESOLUTION PASSED UNANIMOUSLY BY THE NATIONAL BOARD OF FARM ORGANIZATIONS, FEBRUARY 3, 1926

The United States Tariff Commission should be abolished. Its elusive and labyrinthic method of dealing with questions of great public moment is bringing reproach on all reputable governmental agencies. Its unwarranted delay in arriving at decisions, its prejudiced treatment of parties appearing before it, its method of holding secret hearings with certain parties interested in matters before the commission when other parties understand that the hearings have been closed, all have created a situation which approaches closely to a public scandal.

A just cause can not be harmed by publicity. A just commission receiving proper information and arriving at proper judgments has no need of secrecy.

The legislative functions of government should be exercised only by Congress. We therefore recommend that the United States Tariff Commission be abolished by a special act of Congress, and that if the Congress finds it necessary, for the purposes of obtaining information relating to questions of tariff, that then some agency be created which shall be appointed by Congress and be subject to its direction and removal.

We call upon the Congress to enact at this session not only laws which will protect those farmers who have an exportable surplus of agricultural products, but which will also abolish the present Tariff Commission and grant adequate tariffs covering agricultural products suffering from foreign competition.

We further ask for an immediate congressional investigation of the acts and procedure of the Tariff Commission.

HOUSE BILL REFERRED

The bill (H. R. 7906) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, was read twice by its title and referred to the Committee on Pensions.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. GREEN of Iowa, Mr. HAWLEY, Mr. TREADWAY, Mr. GARNER of Texas, and Mr. COLLIER were appointed managers on the part of the House at the conference.

SUPPLYING OF COAL BY GOVERNMENT FUEL YARDS IN DISTRICT

The VICE PRESIDENT. If there be no further concurrent or other resolutions, the Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The resolution (S. Res. 132) submitted by Mr. HOWELL on February 1, 1926, was read as follows:

Resolved, That the Senate Committee on the District of Columbia be, and is hereby, directed to prepare and introduce in the Senate a bill providing for the Government coal yard within the District of Columbia to supply domestic coal to the citizens of the District for cash and at a cost such as to cover the cost of the coal and the handling thereof, to the end of terminating excessive charges for fuel within the District now and hereafter whenever an emergency arises and unduly high prices result, as has been the case due to the anthracite coal strike now in progress.

Mr. CURTIS. As the Senator from Nebraska [Mr. HOWELL], who submitted the resolution, is not present, I ask that it go over.

The VICE PRESIDENT. The resolution will go over without prejudice.

INVESTIGATION OF WARD FOOD PRODUCTS CORPORATION

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The resolution (S. Res. 138) submitted by Mr. LA FOLLETTE on February 3, 1926, was read as follows:

Whereas William B. Ward and his associates upon January 31, 1926, incorporated in the State of Maryland a holding company known as the Ward Food Products Corporation, with nominal capital of $2,000,000,000, for the avowed purpose of securing control of corporations engaged in the production and distribution of all kinds of foods and by-products of food; and

Whereas it is the announced purpose of this food trust to control all stages of the production and distribution of food from the farm to the consumers' table; and

Whereas the inevitable result of such a combination is to create a monopoly in the prime necessities of life; and

Whereas such a combination would control the domestic markets, and thus be in a position to dictate the price of farm products; and

Whereas this combination is in addition to the former mergers created in the baking industry by William B. Ward and his associates, namely, the Ward Baking Corporation and the General Baking Corporation of Maryland; and

Whereas the National Food Products Corporation, with a potential capitalization of $200,000,000, has been incorporated in the State of Maryland to engage in and carry on the business or businesses of producing, manufacturing, preparing, purchasing, selling, and dealing in milk, milk products, meats, meat products, fish, fish products, food, food products, breads, biscuits, cakes, extracts, canned goods, sauces, condiments, teas, coffees, candies, confectioneries, groceries, and all other articles of commerce suitable for consumption and to conduct each and every of such businesses as wholesalers or retailers: Therefore be it

Resolved, That the Committee on Manufactures, or any subcommittee thereof, be, and it is hereby, authorized and directed to investigate the Ward Food Products Corporation, its subsidiaries and affiliated companies, and all other corporations directly or indirectly controlled by William B. Ward or his associates, and the National Food Products Corporation, its subsidiaries and affiliated companies, and to report its findings and recommendations to the Senate.

Resolved further, That for the purpose of this investigation the Committee on Manufactures, or any subcommittee thereof, is authorized to sit during the sessions or recesses of Congress in the District of Columbia or elsewhere, to send for persons, books, and papers, to administer oaths, to summon and compel the attendance of witnesses, and to employ such personal services and incur such expenses as may be necessary to carry out the purposes of this resolution; such expenditure shall be paid from the contingent funds of the Senate, upon vouchers authorized by the committee and signed by the chairman thereof.

Mr. CURTIS. Let that resolution go over also, as the Senator from Wisconsin [Mr. LA FOLLETTE], who submitted it, is temporarily absent.

The VICE PRESIDENT. The resolution will go over without prejudice.

THE CALENDAR

The VICE PRESIDENT. Morning business is closed. The calendar, under Rule VIII, is in order. The Secretary will state the first bill on the calendar.

The bill (S. 1134) to authorize the settlement of the indebtedness of the Czechoslovak Republic to the United States of America was announced as first in order.

Mr. SMOOT. Mr. President, I ask that Order of Business No. 3, being Senate bill 1134, the title to which has just been stated, and Orders of Business Nos. 4, 5, 6, 7, and 8, being, respectively, Senate bill 1135, Senate bill 1136, Senate bill 1137, Senate bill 1138, and Senate bill 1139, may go over.

The VICE PRESIDENT. Without objection, the bills will be passed over.

CHANGE IN DATE OF INAUGURATION

The joint resolution (S. J. Res. 9) proposing an amendment to the Constitution of the United States fixing the commencement of the term of President and Vice President and Members of Congress, and fixing the time of the assembling of Congress, was announced as next in order.

Mr. WILLIS. Mr. President, I desire to make an inquiry of the Senator from Nebraska [Mr. NORRIS], the author of the joint resolution. He knows I am very much interested in the joint resolution. I voted for it on a previous occasion, and I think I shall vote for it again, but I question, as I did a week ago when the joint resolution came up, the advisability of considering such an important matter in the morning hour. Does the Senator think that is wise? It is very important, and it seems to me he ought to seek to secure its consideration at some time when it can have fuller discussion than it can possibly have under the rule under which we are now proceeding.

Mr. NORRIS. Mr. President, this is the third time the joint resolution has been before the Senate. It has passed the Senate twice, once in the last Congress and once in the preceding Congress, both times in practically the same form in which it now appears, and the last time in exactly the same form. There was extended debate on it on one of those occasions, running over a couple of days. It has received a unanimous report at the hands of the Committee on the Judiciary of the Senate on each occasion. The same joint resolution, with some modifications, which were merely changes in phraseology and a slight change in date, was reported on each occasion after it passed the Senate by the House committee and was on the calendar of the House when the Congress finally adjourned on the 4th of March, 1925, and on the 4th of March two years preceding.

Mr. President, if this were the first time the joint resolution had appeared on the calendar, there would be some reason I think to follow the suggestion of the Senator from Ohio and to take it up at some other time; but the Senator knows that we are going to be crowded with a very great deal of important legislation. I have no disposition to limit debate on the joint resolution or anything of that kind; but, inasmuch as it has been once fully debated, and inasmuch as it was debated on another occasion, and quite extended hearings were held on it before the committee, at which time there was practically no opposition to it, and it was backed, for instance, on both occasions by the American Bar Association, which had a committee here urging Congress to pass the joint resolution, I do not see any reason why we should take up the time of the Senate in extended debate. For that reason, it seems to me that we ought to act upon it. The committee has fully considered it twice.

Mr. WILLIS. I do not object; I simply question the advisability of considering the joint resolution under the five-minute rule.

Mr. NORRIS. We are all familiar with it.

Mr. WILLIS. I do not object.

The VICE PRESIDENT. Is there objection to the consideration of the joint resolution?

There being no objection, the Senate as in Committee of the Whole, proceeded to consider the joint resolution, which was reported from the Committee on the Judiciary with an amendment on page 2, line 17, after the word "President" to strike out "but if the House of Representatives has not chosen a President before noon on the 4th day of March next following, then the Vice President shall become President during the remainder of the term"; so as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment of the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided by the Constitution:

"ARTICLE —

"SECTION 1. The terms of the President and Vice President in office at the time this amendment takes effect shall end at noon on the third Monday in January and the terms of Senators and Representatives then in office at noon on the first Monday in January, of the year in which such terms would have ended if this article had not been ratified, and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year and such meeting shall be on the first Monday in January unless they shall by law appoint a different day.

"SEC. 3. If the House of Representatives has not chosen a President, whenever the right of choice devolves upon them, before the time fixed for the beginning of his term, then the Vice President chosen for the same term shall act as President until the House of Representatives chooses a President; and the Congress shall by law provide that in the event the Vice President has not been chosen before the time fixed for the beginning of his term, what officer shall then act as President, and such officer shall act accordingly until the House of Representatives chooses a President, or until the Senate chooses a Vice President.

"SEC. 4. This amendment shall take effect on the 15th day of October after its ratification."

The amendment was agreed to.

Mr. KING. Mr. President, I should like to inquire of the Senator from Nebraska if by law Congress may not accomplish substantially what is sought to be accomplished by the proposed constitutional amendment? In other words, if I understand the object of the proposed constitutional amendment, it is that after a national election the Congress elected may meet at an earlier date than is now prescribed. If that is the principal object—and it seems to me it is—I believe that by law Congress may fix an earlier date for the meeting of the Congress.

I may say to the Senator, if he will permit me, that there are many reasons, it seems to me, although I do not know how appealing they may be to the Senator or to the public generally, why the meeting of Congress immediately after an election, after we have just gone through the heat of the campaign, is not so important. I do not quite know whether the advantage to be gained by compulsory earlier meetings is more important than the disadvantage; but if it is an advantage, as I have said, we can cure it, I think, by statute. We can amend the present law and provide that Congress may meet at an earlier date. It seems to me that we are tinkering too much with the Constitution. I feel that any amendment of the Constitution ought to be scrutinized with great care and not be adopted unless the wisdom of it is so appealing and compelling that there are no arguments of any merit against it.

Mr. NORRIS. Mr. President, the Senator raises a very important question, and one that deserves an answer. Personally, I think there is no doubt whatever about the necessity of a constitutional amendment if we would make the change that is desired.

It is true that the Constitution says that Congress shall meet on the first Monday in December annually unless Congress shall by law appoint a different date, and we could change the meeting of Congress from the first of December until January if we wanted to; but still it would be the old Congress that would meet, and on the 4th of March it would die by limitation, of course, so that we would only make it worse than it is now.

The difficulty, Mr. President, comes from this fact: The Constitution of the United States fixes definitely the terms of Senators at six years, the terms of Members of the House of Representatives at two years, and the term of the President at four years; but it nowhere states when any of those terms shall commence. The fact is that after the adoption of the Constitution Congress by joint resolution fixed the day when the Government should go into effect at the first Wednesday in March, which happened to be the 4th of March; and hence the President and Members of the House and Senate all went into office, according to that act of Congress, on the 4th of March.

Under the Constitution, the Members of the House had a right to serve for two years, the Members of the Senate for six years, and the President for four years. Hence, when the Constitution got into operation without itself fixing a date when the terms should commence or when the new Government should start, by going in on the 4th of March it had the effect of definitely fixing the term; and there is no way to change the length of term of a Member of the House or of the Senate or of the President except by constitutional amendment, because they are specifically stated in the Constitution.

To my mind, that is a sufficient answer as a matter of law. No one, I take it, would want to change the meeting of Congress from December to January if we did not change the term, because the short session is already too short, from December until March, and that would make it still shorter. We could fix it earlier if we wanted to. That has never been done, because it was never possible to agree upon a time; but if we did that by statute, suppose we fixed the session of Congress to begin in January. On the 4th of March we would all go out, because it is the end of a Congress, and the expiration of the terms of a third of the Senate and all of the House, and

every four years it would be the expiration of the term of the President.

If this amendment should be agreed to, this would be the effect of it: We would meet in January after election. Not the old Congress, but the new one, elected in November, would actually commence to function in January following; and their term of office being, for instance, in the case of Members of the House, two years from January, Senators six years, and the President four years, they would not be limited in the holding of the sessions and have to quit on the 4th of March. In other words, we would meet annually, just as we do now, but there would be no such thing as a short session of Congress. The length of the session would be limited only by the expiration of the term of the office, which would always be one year, at least. The practical result would be that the short session of Congress would be abolished, and there would be two sessions in each Congress, one just like the other.

We all know the evils of the short session of Congress. It is unnecessary to go over that subject. It has been gone over in great detail, not only in Congress and in the committee but in the country. That is the evil that we want to avoid by this amendment—the short session of Congress—and to put the new Congress into actual operation sooner after election. Under existing conditions, we have an election in November; a new Congress is elected; but, unless a special session of Congress is called by the President, the Members do not actually commence to function in office until 13 months after they have been elected, and when the short session meets it is the old Congress that meets. They may have all been defeated; but the new Congress, although elected, is absolutely powerless to function.

Another thing is, suppose the election of the President should be thrown into the House of Representatives. It would be the old Congress that would elect a new President to serve for four years, although it might be possible and would always be probable that the old Congress had already been defeated for reelection at the time they elected a President to rule over the country for four years. I do not know any other way to meet it except by an amendment to the Constitution and by simply fixing the beginning of the term in January. In that way we would meet all of those conditions.

Mr. McLEAN. Mr. President——

Mr. NORRIS. I yield to the Senator from Connecticut.

Mr. McLEAN. Did the committee consider the propriety of limiting both sessions of Congress, say, to the 1st of June or some other date?

Mr. NORRIS. No; that was not given consideration at any time in the hearings.

Mr. McLEAN. I was wondering if that would not be a good plan, and to provide, of course, that the President could call a special session.

Mr. NORRIS. Of course, that might be done; but that is something that it would not need an amendment to the Constitution to provide. I want to say to the Senator, however, that whenever you fix by law in advance, either by constitutional amendment or by statute—and we could fix it by statute—the day when a session of Congress must terminate you are treading on dangerous ground. In other words, you are always making it possible, when you fix a definite day for adjournment in advance, for filibusters to take place and be successful.

Mr. CUMMINS. Mr. President, to emphasize the point made by the Senator from Nebraska, it seems well to say at this time that the question raised by the Senator from Utah [Mr. KING] has been twice very carefully examined by the Judiciary Committee since my connection with that committee, and each time the committee has reached the conclusion that it is impossible to accomplish the purpose that is desired, I think, by nearly everybody without a constitutional amendment. The committee very carefully considered the possibility of accomplishing the purpose by statute rather than by amendment, and my recollection is that without dissent on the part of any member of the committee it arrived at the conclusion that there must be a constitutional amendment if we are to reach the end that is desired.

Mr. UNDERWOOD. Mr. President, will the Senator from Iowa allow me to ask him a question?

Mr. CUMMINS. Certainly.

Mr. UNDERWOOD. I recall that nearly 30 years ago Senator Hoar, a distinguished lawyer, and at that time, if I recollect aright, the chairman of the Judiciary Committee, introduced in the Senate a bill extending the time of the inauguration of the President and the new term of Congress from March until April, and that the Judiciary Committee of the Senate favorably reported the proposition, the Senate passed it, and it came to the House. It failed to receive favorable action in the House, and therefore did not become a law.

I can not see any distinction between the extension of the time and the cutting down of the time, unless it is to affect the term of a Member already elected; and by passing a law that would take effect beyond the term of any present sitting Member it seems to me the same result could be accomplished by legislation as well as by constitutional amendment.

I am not opposed to the proposal of the Senator from Nebraska. His general purpose, I think, is correct, and I shall vote for his proposal; but I have never seen why it could not be accomplished by legislation, and I merely wanted to call attention to that precedent in that connection.

Mr. CUMMINS. I think there is a very great difference between the proposal of fixing the time for the inauguration of the President in April and the effect of the present proposed constitutional amendment. The purpose of that bill—although I was not here at that time, of course—was to secure a better climatic condition for Washington at the time of the inauguration of the President. March is not regarded as a favorable month for the ceremonies which attend the inauguration of a President; but if the new Congress is to meet in January following the election of the new Congress, I can not see any way in which we can avoid shortening the terms of the Members of the House and some of the Members of the Senate. I do not think it could be accomplished; and that can not be done under the Constitution, because, as the Senator from Nebraska has already said, the Constitution fixes definitely the terms of office.

Mr. NORRIS. Mr. President, if the Senator will yield there, I am not familiar with the attempt of Senator Hoar to change this matter, as suggested by the Senator from Iowa; but I am inclined to think that if we looked it up we would find that the only thing the Senator from Massachusetts had in mind was to defer the ceremonies that go with the inauguration of the President.

Mr. UNDERWOOD. No; if the Senator will allow me, I desire to correct him.

Mr. NORRIS. I stand corrected, then.

Mr. UNDERWOOD. I happened to be on the Judiciary Committee of the House at the time, and I was a member of the subcommittee to which the bill was referred, and I have some distinct recollection about it. That was not the only thing involved, because that legislation deferred the beginning of the term. Of course, if the term had commenced on the 4th of March and the ceremonies only took place in April, the Senator would be right; but that was not the purpose of the bill.

Mr. NORRIS. Very well; I stand corrected. I want to say, while the Senator has permitted me to interrupt him, that I do not believe this change can be brought about without changing the terms of Senators and Members of the House and the President. They must be either lengthened or shortened. Instead of fixing the beginning in January we could fix it in April or May and lengthen the term of those in office. This thing is not so important, however, as one would think. It will only change the term of office from the 4th of March to the 1st of January, about two months. In practical effect it will have but very little effect, because, for instance, if it took place during the term of a President who subsequently was reelected he would go right on, and the same way with Members of the House who were reelected and Members of the Senate who were reelected.

In any event it can not make very much of a change, and for practical purposes in that respect will be really no change whatever. If we extend the term of those in office over to May, let us say, we will eliminate then the best part of the year for legislative work. Everybody knows that when we run into the summer months in this climate we can not do good work. Everybody is worn out, and when we try to do that it kills somebody at every session and injures the health of others. We are able as a legislature to do our best work during the winter months. That is conceded, and is the practice of every State in the Union, so far as I know. If we defer the beginning of the term to April or May, we will hardly get started before we will be in the midst of summer, and we would have nothing to do during the winter months, when we ought to be at work.

Mr. CUMMINS. The last report which I have seen upon this subject—I think it was made to the American Bar Association—was by Elihu Root, as distinguished and able a lawyer as this country has ever known. It was his opinion that we could not reach this result without an amendment to the Constitution.

Mr. FLETCHER. Mr. President, I wish to inquire whether the committee has considered, or if the Senator from Nebraska has considered, as long as we are seeking to amend the Con-

stitution, the advisability of extending the terms of Members of the House of Representatives from two years to four years. Somewhat like the Senator from Utah, I am not disposed to tinker with the Constitution any further. I do not say that, however, as indicating that I am opposed to the joint resolution. But as long as we are asked to amend the Constitution, it does seem to me that the terms of Members of the House of Representatives ought to be made four years instead of two.

Mr. NORRIS. In answer to the question of the Senator from Florida, permit me to say that since I have been in Congress—I think it was still while I was in the House of Representatives—I myself introduced a joint resolution providing for an amendment to the Constitution increasing the term of office of Members of the House to four years. I am very much in favor of that and would be glad to see it done, but I failed, when I presented it to the House of Representatives, to get even a majority in the House in favor of it. Perhaps it would be different now, and if an opportunity arises when I can support that kind of a proposition, I will gladly support it. It seems to me that two years is too short a term. But this amendment is going to help in that situation very materially. One of the objections to the two-year term in the House of Representatives is that Representatives are elected in November, and do not get into actual work in the House until a year from the following December, 13 months after they are elected. The result is that before they are actually sworn into office they are in the midst of a campaign for reelection, without having had an opportunity to make a record, without having had an opportunity to do anything to redeem their pledges, or do anything of that kind. So it is not fair to the man in the House of Representatives, it is not fair to his people, because they have to pass on him again before he has had an opportunity to show whether he is true to the pledges he made and is making good in behalf of his constituents.

This amendment, if agreed to, will result in Representatives being sworn into office in January following their election, and they will commence to serve their terms at that time. So it will help in that situation very materially.

Although I favor the proposition suggested by the Senator from Florida, I would not want to have it attached to this particular resolution, because it would only bring in another issue. In the drafting of this amendment I have sought to confine it entirely to an existing evil, which almost every citizen of the United States, when his attention is called to it, admits to be an evil and wants to see remedied.

It is a serious thing, as we see from what happens here at every short session of Congress. If we are within a half a day or a day of the 4th of March one man can block everything. If we are within 10 days of the 4th of March three or four men can accomplish that result. Good legislation which we want to consider must be laid aside because a filibuster is on. I am not speaking against the man who makes the filibuster. I think many times a filibuster is justified. I have participated in them frequently. But a filibuster is a parliamentary revolution. The filibuster is designed to prevent something going through which under normal conditions could not go through. That is how I justify my action in participating in a filibuster. If there were no limitation on the session a filibuster would not be attempted; the reason for it would not exist.

Every Senator here remembers—and it is not always a pleasant thing to speak of it—that in every short session there are always a number of Members of the House and Senate who have been defeated for reelection, but they are still in office, they are still legislating. The present system gives to the President almost supreme command over the legislative assembly on any question where the division of sentiment is anywhere nearly equal, due to the remarkable power he has, which we have all seen exercised on many an occasion in the past, when "lame ducks" are provided for.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. This would eliminate a lame-duck session entirely. There would not be any such thing.

I yield to the Senator.

Mr. KING. I have in my hand a bill which I offered at the last session, at the session before that, and at this session, and I desire to ask the Senator if he does not think that, if enacted into law, it would cure the evils to which he is referring. It reads:

That the first annual session of each Congress shall be upon the 6th day of April next following the election of such Congress; the second annual session of Congress shall be upon the 2d day of January next following; and the third annual session of the Seventieth Congress and of each alternate Congress thereafter shall be upon the 2d day of January next following the appointment of the electors of the President and the Vice President.

Mr. NORRIS. The objection to that is, first, that the session that would meet in April would run into the summer, into the warm weather, when we do not want to be in Washington, and when we can not do good work if we are in session. It establishes an interval between two sessions of Congress of about eight months and of about a year and eleven months between the other two. We would meet one year in April and the next year in January. It would be so much better if we could meet as soon after election as possible and go to work. Before April we would perhaps have passed most of the legislation that was important—at least we would have gotten it along to such a point that the difficult work of the session would be over before we got into the warm weather.

Mr. EDGE. Mr. President, just a word on the proposed amendment as it appeals to me from the layman's standpoint. I think it is a very wise proposition. As I analyze the intent of our forefathers in adopting the Constitution, with an entirely new House being elected every two years, they must have had the thought in their minds, probably uppermost in their minds, that the action of the people as expressed at the election would be a message from the country, as it were, on the questions before the country. In other words, the people could thus indicate their desires through the election of an entire new lower House; of course, one-third of the Senate being elected every two years for the well-known established reason of providing checks and balances on legislation.

If the country is deciding through the election of an entire lower House some very important problems which are before the country at the time, it occurs to me that, especially in these days, when action is expected a little more rapidly perhaps than in the old days, to wait for a year and a month following the expression of the judgment of the people on prevailing problems is not at all in accord with modern requirements. I think, and have always thought, that the proposed amendment was extremely wise and logical.

I agree with the Senator from Nebraska as to the lack of wisdom of having legislation enacted by those who have been more or less repudiated at the polls. But more important than that, to my mind, is the thought of initiation. A new lower House, representative of the people, is elected in November. The Representatives, under the resolution, would enter upon their duties in January, fresh from their contact with the people, ready to carry out their pledges made to the people at the time of the election. Those Representatives would respond and react to the people much more efficiently and in a much better business way than after the long interval necessitated under the present system of 13 months unless a special session is called.

Mr. FESS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Ohio?

Mr. EDGE. I yield.

Mr. FESS. At the time of the adoption of the Constitution, methods of transportation were much slower than they are to-day. The time consumed in coming from New York in those days to where Washington is now, but where it did not exist at that time—that short distance—was as great as the time taken to cross the ocean to-day. Such a length of time was made to intervene between the election and the assembling of the Congress; first, because of convenience; second, because the reports from the elections were not made as quickly as they are to-day.

Mr. EDGE. I think there is absolutely no doubt of the accuracy of the explanation made by the Senator from Ohio, showing it to be all the more desirable, all the more imperative, as I see it, that the Congress should meet within a reasonable time after election in order to meet modern conditions and the express wishes of the public in the only way they can indicate them.

The VICE PRESIDENT. If there be no further amendment, the joint resolution will be reported to the Senate.

The joint resolution was reported to the Senate as amended, and the amendment was concurred in.

Mr. BAYARD. A two-thirds vote is necessary in each House and there should be a record vote.

Mr. NORRIS. We have not yet reached that stage. I expect to ask for a yea and nay vote on the passage of the joint resolution, of course.

The VICE PRESIDENT. That would be necessary on the final passage of the joint resolution. If there be no further amendment proposed, the question is, Shall the joint resolution be engrossed and read a third time?

The joint resolution was ordered to be engrossed, and to be read a third time.

The joint resolution was read the third time.

The VICE PRESIDENT. The question is, Shall the joint resolution pass?

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BRATTON (when the name of Mr. JONES of New Mexico was called). The senior Senator from New Mexico [Mr. JONES] is necessarily absent. If present, he would vote "yea."

The roll call was concluded.

Mr. BAYARD (after having voted in the affirmative). I have a general pair with the junior Senator from Pennsylvania [Mr. REED]. He is absent. I thought he was present when I voted. I am given to understand that if he were present, he would vote as I have voted, and I will let my vote stand.

Mr. FERNALD. I have a general pair with the senior Senator from New Mexico [Mr. JONES]. On this measure I understood he would vote as I am about to vote. I vote "yea."

Mr. NORRIS. I desire to announce that the senior Senator from California [Mr. JOHNSON] is confined to his home by illness. If he were present, he would vote "yea."

Mr. BROOKHART (after having voted in the affirmative). I have a pair with the junior Senator from Arkansas [Mr. CARAWAY]. I understand that a pair does not apply where both Senators would vote the same way. I am therefore at liberty to vote and allow my vote to stand.

Mr. JONES of Washington. I wish to announce that the Senator from Connecticut [Mr. BINGHAM], the Senator from Idaho [Mr. GOODING], the Senator from Minnesota [Mr. SCHALL], and the Senator from Vermont [Mr. GREENE] are absent on account of illness. While I have not consulted with these Senators, I take the liberty and responsibility of announcing that if they were present they would vote "yea" on the passage of the joint resolution.

Mr. HARRISON. I wish to announce that my colleague, the junior Senator from Mississippi [Mr. STEPHENS], is detained on official business.

The roll call resulted—yeas 73, nays 2, as follows:

YEAS—73

Ashurst	Fernald	Lenroot	Sheppard
Bayard	Ferris	McKellar	Shipstead
Borah	Fess	McLean	Simmons
Bratton	Fletcher	McMaster	Smith
Brookhart	Frazier	McNary	Stanfield
Broussard	George	Mayfield	Swanson
Bruce	Gerry	Metcalf	Trammell
Butler	Gillett	Moses	Tyson
Cameron	Glass	Neely	Underwood
Capper	Goff	Norbeck	Wadsworth
Copeland	Hale	Norris	Walsh
Couzens	Harris	Nye	Warren
Cummins	Harrison	Oddie	Weller
Curtis	Heflin	Overman	Wheeler
Dale	Howell	Pepper	Williams
Deneen	Jones, Wash.	Phipps	Willis
Dill	Kendrick	Pittman	
Edge	Keyes	Ransdell	
Edwards	La Follette	Sackett	

NAYS—2

Blease	King

NOT VOTING—21

Bingham	Harreld	Reed, Mo.	Smoot
Caraway	Johnson	Reed, Pa.	Stephens
du Pont	Jones, N. Mex.	Robinson, Ark.	Watson
Ernst	McKinley	Robinson, Ind.	
Gooding	Means	Schall	
Greene	Pine	Shortridge	

The VICE PRESIDENT. On the passage of the joint resolution the yeas are 73 and the nays 2. The joint resolution is passed, two-thirds of the Senators present having voted in the affirmative.

Mr. KING. Mr. President, when this matter was under discussion in 1924 I made a few observations explanatory of my position and showing, as I think, conclusively the inutility and lack of necessity for the adoption of the proposed constitutional amendment. I did not take the time to discuss it this morning, but in order that my vote may be understood I ask leave to have inserted in the RECORD the brief statement which I made at that time.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement is as follows:

[From the CONGRESSIONAL RECORD, March 11, 1924]

CHANGE OF DATE OF ANNUAL SESSIONS OF CONGRESS

Mr. KING. Mr. President, under the latitude of debate I want to submit an observation or two in regard to the proposed constitutional amendment reported by the Senator from Nebraska [Mr. NORRIS], which was under consideration this morning.

A few days ago I introduced a bill providing—

"That the first annual session of each Congress shall be upon the 6th day of April next following the election of such Congress; the second annual session of Congress shall be upon the 2d day of January next following; and the third annual session of the Seventieth Congress and of each alternate Congress thereafter shall be upon the 2d day of January next following the appointment of the electors of the President and the Vice President."

I offered this measure for the purpose of avoiding, if we possibly could, a constitutional amendment, as I am very much averse, in the language of the Senator from Missouri [Mr. REED], to constantly tinkering with the Constitution of the United States. In support of this measure, and as a reason for it, I ask to be permitted to offer a few observations.

The Constitution provides that—

"Congress shall assemble at least once in every year, and such meeting shall be on the first Monday in December, unless they shall by law appoint a different day."

The bill to appoint the days for the annual sessions of Congress fixes the date for the first annual session upon the 6th day of April next following the election of such Congress, and the date for the second annual session upon the 2d day of January next succeeding. Provision is also made for a third session on January 2, following the election of the President of the United States, this short session before the end of a presidential term being necessary in order to canvass and declare the vote of the Electoral College for the President and Vice President. This short third session will only be held by alternate Congresses.

The four months intervening between the election in November and the inauguration of the President in March is not too great a time to enable the outgoing President to clear up the work of his administration and to afford the new President time to select his Cabinet and prepare for the assumption of the duties of the presidential office. The short session of the old Congress preceding the change in administrations will also be of advantage for disposing of pending business.

But the interval of 13 months between the election and the first annual session of Congress is too great, and the bill shortens this interval to five months. This interval could be further shortened by providing for the election of Congress in January which might also cool the judgment of the people. The new Congress assumes office on the 4th of March, and one month later on the 6th of April meets in regular session. This affords the new President one month for the preparation of his message and is as early a date as would be proper for the assembling of Congress.

April 6, 1789, was the day upon which the first Congress assembled in the city of New York, canvassed the vote of the Electoral College, declared that George Washington had been chosen President, and organized the Government of the United States under the Constitution. This date, April 6, insead of March 4, should have been accepted as the date for the beginning of the terms of office prescribed in the Constitution, as the Government under the Constitution, both in the de facto and de jure sense, had its beginning upon that day.

It is not necessary to amend the Constitution. The day for the election may be moved up as near the 4th of March as may be desired, and the day for the convening of Congress may be moved back as near the 4th of March as may be desired. The fixing of the days for the election and convening of Congress is within the express powers conferred upon Congress by the Constitution.

Mr. President, I hope that Senators will do me the honor to read what I have said upon this subject before they vote upon the proposed amendment to the Constitution which has been reported from the Committee on the Judiciary by the distinguished senior Senator from Nebraska [Mr. NORRIS]. In my judgment, there is no necessity for amending the Constitution of the United States. We can reach reasonably satisfactory results by executing the plan I have suggested in the bill which I just read to the Senate.

PROCEDURE IN CONTEMPT CASES

The VICE PRESIDENT. The clerk will state the next bill on the calendar.

The bill (S. 1035) relating to contempts was announced as next in order, and the Senate, as in Committee of the Whole, resumed its consideration.

The VICE PRESIDENT. The bill was considered by the Senate February 1, and a motion by the Senator from Colorado [Mr. MEANS] to recommit the bill to the Committee of the Judiciary is pending.

Mr. WALSH. I ask for a vote on the motion to recommit.

The VICE PRESIDENT. The question is on the motion to recommit the bill to the Committee on the Judiciary.

The motion was rejected.

The VICE PRESIDENT. The clerk will state the first amendment reported by the Committee on the Judiciary.

The CHIEF CLERK. On page 1, line 7, strike out "duly" and insert "personally," before the word "notified."

The VICE PRESIDENT. Without objection the amendment is agreed to.

The CHIEF CLERK. Renumber the section in line 24, on page 2.

The VICE PRESIDENT. Without objection the amendment is agreed to.

The CHIEF CLERK. The next amendment is on page 3 after line 10 to insert a new section as follows:

SEC. 5. Any judgment rendered pursuant to this act upon service by publication only may be opened for answer within the time and in the manner provided by the statutes of the State comprising the district in which the proceedings may have been instituted.

Mr. WALSH. Since the amendment was drafted my attention has been called to the fact that the case is provided for by section 57 of the Judicial Code, which provides that in all cases where service is declared by publication and there is no other appearance the judgment may be opened at any time within the period of one year after judgment is entered. I accordingly move to strike out lines 13, 14, and 15, and substitute in lieu thereof the following:

within the time and in the manner provided by section 57 of the Judicial Code.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from Montana moves to strike out the words "within the time and in the manner provided by the statutes of the States comprising a district in which the proceedings may have been instituted," and insert in lieu thereof "within the time provided by section 57 of the Judicial Code," so as to make the section read:

SEC. 5. Any judgment rendered pursuant to this act upon service by publication only may be opened for answer within the time and in the manner provided in section 57 of the Judicial Code.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. WALSH. By the same section of the Judicial Code service by publication is made for a period of six weeks and the language is "six consecutive weeks." In order to harmonize the bill with section 57 of the Code of Civil Procedure, I move to amend in line 23, on page 2, by striking out the words "four successive," and inserting in lieu thereof "six consecutive."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana on page 2, line 23, which will be stated.

The CHIEF CLERK. On page 2, line 23, strike out the words "four successive" and insert in lieu thereof "six consecutive," so as to read "for six consecutive weeks."

The VICE PRESIDENT. Without objection the amendment is agreed to.

Mr. PEPPER. I desire to propose certain amendments to the pending measure, which I send to the desk and ask that they may be reported.

The VICE PRESIDENT. The first amendment will be stated.

The CHIEF CLERK. On page 2, line 2, strike out the words "the said court may" and insert in lieu thereof "the court out of which said letters issue may, upon the receipt of a return or other formal communication from the court against which the contempt is alleged to have been committed and."

Mr. WALSH. I have no objection to the amendment.

The VICE PRESIDENT. Without objection the amendment is agreed to.

The CHIEF CLERK. The next amendment proposed by the Senator from Pennsylvania is on page 2, line 7, strike out the words "either unconditionally or."

Mr. PEPPER. The effect of the amendment would be simply to make it obligatory upon the court, when issuing the order to show cause why a recusant witness should not be committed for contempt or otherwise penalized, to demand the filing of security adequate in the opinion of the court to protect against possible damage and take away from the court what the bill as now drawn gives him, and that is the liberty to make the order and direct the attachment to issue without exacting a bond from the complainant. When we are doing the rather unusual thing of having a court in this country punish by its process a contempt alleged to have been committed against a foreign court it seems to me that we ought to safeguard the order of punishment by prescribing that there shall be a bond conditioned in such terms as the court may think proper before the order can be made.

Mr. WALSH. I do not object to the amendment except that there should be a provision that no bond should be required of the United States.

Mr. PEPPER. I am not quite sure that I catch the Senator's thought.

Mr. WALSH. I have no objection to the amendment proposed by the Senator except that if it is so worded there should be a further provision to the effect that no bond should be required of the United States.

Mr. PEPPER. I quite agree to that. My thought was that it should be the bond of the person aggrieved by failure of the witness to appear. I shall be entirely content to accept any language by way of modification that the Senator from Montana may think suitable.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Pennsylvania [Mr. PEPPER].

Mr. WALSH. We have not as yet completed the amendment. What language would the Senator from Pennsylvania suggest to insert?

Mr. PEPPER. I would suggest, in order to meet the thought of the Senator from Montana, that the language should be amended to read:

Upon issuing such order the court may upon the giving of security by the party aggrieved by the alleged contempt for any damages he may have suffered—

And so forth, excepting that in case the amendment should be agreed to the word "he" should be changed to "the witness," so as to read "the witness may have suffered."

Mr. WALSH. It is not necessary to change that, because just above it is provided—

the said court may, upon the complaint of any party aggrieved, make an order returnable at a time to be fixed therein, requiring the recusant witness to appear and show cause why he should not be punished for contempt of court.

Then section 2 provides:

Upon issuing such order or upon giving security for any damages he may have suffered—

Which, of course, refers to the recusing witness.

Mr. PEPPER. I think it is perfectly clear as it now stands, but I was thinking if we inserted the words which I suggested a few moments ago, namely, "the party aggrieved," and immediately followed it by the pronoun "he," that there might be confusion.

Mr. WALSH. Let me suggest this to the Senator: After the word "dismissed," insert in parenthesis the words "(except that no security shall be required of the United States)."

Mr. PEPPER. That is entirely satisfactory to me, Mr. President, if it is so to the Senator from Montana.

Mr. WALSH. Why, then, would it not be complete by merely striking out the words "either unconditionally or," so that it would read:

Upon issuing such order the court may, upon giving security for any damages he may have suffered, should the charge be dismissed (except that no security shall be required of the United States), direct as a part—

And so forth.

Mr. PEPPER. I think that will make it complete, except that I have suggested inserting the word "the" before "giving," and the word "of" before "security," because, as it reads now, there is no implication that the witness is to give security.

Mr. WALSH. That is quite satisfactory.

Mr. PEPPER. That is the subject of the amendment which I have sent to the desk.

Mr. WALSH. Let me, then, suggest that the Senator modify his amendment in this way: Strike out the words "either unconditionally or"; insert the word "the" after the word "upon"; the word "of" after the word "giving"; and after the word "dismissed" in line 9, to insert, in parenthesis, the language "(except that no security shall be required of the United States)."

Mr. PEPPER. Mr. President, I ask unanimous consent for the perfection of the amendment offered in the way suggested by the Senator from Montana.

The VICE PRESIDENT. Without objection, the amendment will be so perfected, and will now be stated from the desk.

The CHIEF CLERK. In section 2, page 2, in line 7, after the word "may," it is proposed to strike out "either unconditionally or"; in line 8, after the word "upon," to insert the word "the"; after the word "giving" to insert the word

"of"; and in line 9, after the word "dismissed," to insert "(except that no security shall be required of the United States)."

The VICE PRESIDENT. Without objection, the amendment as modified will be agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS AGAINST THE GOVERNMENT

The bill (S. 1912) to provide a method for the settlement of claims arising against the Government of the United States in sums not exceeding $5,000 in any one case was announced as next in order.

Mr. PHIPPS. I ask that the bill may go over.

The VICE PRESIDENT. The bill will be passed over.

ENLARGEMENT OF CAPITOL GROUNDS

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2005) for the enlargement of the Capitol Grounds.

Mr. KING. Let the bill be read, Mr. President.

The bill was read, as follows:

Be it enacted, etc., That it is hereby declared to be the purpose of Congress to acquire all the lands, which have not been hitherto required, embraced within the squares Nos. 632, 680, 681, 682, 683, 684, and 721 in the city of Washington, D. C., for the enlargement of the Capitol Grounds; and the Vice President, the Speaker of the House of Representatives, and the Architect of the Capitol are hereby authorized and directed to acquire said premises by purchase, condemnation, or otherwise; and the unexpended balances of appropriations heretofore made for the enlargement of the Capitol Grounds are hereby reappropriated for the above-named purpose, and such further sum as may be necessary is hereby authorized to be appropriated.

The Vice President, the Speaker of the House of Representatives, and the Architect of the Capitol are authorized to institute condemnation proceedings, if necessary, in order to secure any or all of the land herein authorized to be acquired. If such condemnation proceedings are deemed necessary, they shall be in accordance with the provisions of the act of Congress approved August 30, 1890, providing a site for the enlargement of the Government Printing Office (Stat. L., vol. 26, ch. 837).

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. FERNALD. Mr. President, I think merely a brief statement as to the purpose of this bill will satisfy all Senators that the action contemplated should be taken, and taken immediately. The bill provides for the purchase of land between the Capitol and the Union Station. Most of it is occupied by the so-called Government hotels, which were erected during the war to house young ladies employed in the Government service. The first appropriation made for the purchase of this property was in 1910, in the sum of $500,000. There are 12 lots in the property. It was found that $500,000 was in no way sufficient to provide for the purchase of so much real estate so near the Capitol, and in 1911 another appropriation of $500,000 was made. In 1912 another appropriation of $500,000 was made, making $1,500,000.

Under a bill similar to this, by condemnation proceedings, two lots were acquired at that time in 1912, for which the Government paid $1,130,000. That expenditure left of the appropriation about $370,000. In 1913 another appropriation was made. It was understood then that in order to complete the purchase of the property a sum in the neighborhood of $3,000,000 would be required. There was then remaining of the former appropriation $370,000, and with the $2,800,000 which were appropriated at that time, making about $3,000,000 in all, another three lots were purchased, for which $1,400,000 were paid. There is now left of that appropriation, which has lapsed into the Treasury, $1,800,000. This bill reappropriates that fund and asks for enough more to purchase the remaining seven lots.

Mr. KENDRICK. Mr. President——

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Wyoming?

Mr. FERNALD. I yield.

Mr. KENDRICK. I should like to ask the Senator from Maine in whom is the title to this property vested?

Mr. FERNALD. It is vested largely in the Baltimore & Ohio Railroad Co., although some of it is in the Maryland Real Estate Improvement Co., I think.

Mr. KENDRICK. Does the Senator consider the valuations placed upon the property reasonable and proportionate to the value of other property in the neighborhood?

Mr. FERNALD. Of course, the estimated value is not really known, because the only value that we have estimated is that placed on it by the District for taxation purposes, which is around $2,000,000, as I recall.

Mr. FESS. Does not the Government pay some interest or rental for this property?

Mr. FERNALD. Yes; I was going to say that we are now paying for the use of the property where the so-called hotels are located. When the war broke out and it became necessary to erect these buildings for hotel purposes, the Baltimore & Ohio Railroad Co. gave the use of the property until one year after the close of the war. Such an agreement was entered into. They never made any claim for rent until 1922, three years after the close of the war. Then the Government found itself with these buildings located on ground owned by the Baltimore & Ohio Railroad Co.

Mr. FLETCHER. Mr. President, may I ask the Senator about the size of the lots? It seems to me, according to the amounts paid, that the price proposed to be allowed for the lots is very considerable unless they are good-sized lots. I do not know about their size.

Mr. FERNALD. The rental is now $73,000 a year, which the Government is paying for the use of that property, and that is based on the estimated value of the property for tax purposes in the District.

Mr. FLETCHER. Mr. President, I have not yet obtained the information I wanted as to the size of the lots. There are seven lots, as I understand, of which we have purchased five.

Mr. FERNALD. There were 12 lots originally, of which 5 have been purchased and 7 remain to be purchased.

Mr. FLETCHER. What is the size of the lots? What is their area?

Mr. FERNALD. The size is given here on this plat [indicating]; the portions marked in red are owned by the Baltimore & Ohio Railroad Co., those in yellow by the District of Columbia, and those in blue by the Government. The plat gives the size of the lots.

Mr. FLETCHER. The lots are of various sizes.

Mr. FERNALD. They are of various sizes; but the bill contemplates the purchase of all the property which the Government desires to secure between the Capitol and the Union Station.

Mr. WILLIS. Mr. President——

Mr. FERNALD. I will ask the Senator to let me proceed for a moment, and then I will yield.

Mr. WILLIS. Certainly.

Mr. FERNALD. Of course, the longer the delay in the purchase of property so near the Capitol the more expensive it will become. I understand that the owners of the property are now quite willing to sell at a reasonable price, but under the bill, if they are not willing to do so, the property may be taken, of course, by condemnation proceedings. Now I yield to the Senator from Ohio.

Mr. WILLIS. The Senator has been speaking, as I understand, of the property that is now occupied by the Government hotels?

Mr. FERNALD. Yes.

Mr. WILLIS. To satisfy my curiosity, can the Senator tell to whom the property belongs between the Capitol and the Union Station, which is occupied by certain dilapidated brick buildings? I wonder whether that is Government property or what it is. If it is not, it ought to be within the next hour.

Mr. FERNALD. It ought to be. It makes everybody ashamed who passes by there.

Mr. WILLIS. Of course.

Mr. FERNALD. That is not Government property; that is owned either by the Baltimore & Ohio Railroad Co. or by the Maryland Investment Co.

Mr. WILLIS. Has the Senator any plan whereby that property is to be condemned?

Mr. FERNALD. I have.

Mr. WILLIS. It is an outrage upon the people of the United States that that area should be occupied by those old dilapidated buildings.

Mr. FERNALD. It is an outrage, and the purpose of the bill is to have them removed.

Mr. KENDRICK. Mr. President——

Mr. FERNALD. I yield to the Senator.

Mr. KENDRICK. I desire to ask the Senator whether the Government has had any title or claim of title to the land which it is now proposed to purchase?

Mr. FERNALD. No; the Government never did have any claim to it.

Mr. KENDRICK. Has there ever been any doubt as to the validity of the title in the hands of the present owners?

Mr. FERNALD. I do not think there ever has been.

Mr. FESS. Mr. President, will the Senator state to the Senate whether or not we are running the hotels at a profit?

Mr. FERNALD. Yes; that is a very interesting question. Let me say that outside of the first six months that the hotels were operated and outside of the last six months that they have been operated, the hotels have been operated at a profit. In the seven years they show a profit of $175,000, but, of course, that is not reckoning anything for depreciation or for interest.

Mr. KING. Or capital investment.

Mr. FERNALD. Or capital investment; no.

Mr. KING. Or taxes.

Mr. FERNALD. Or taxes; no.

Mr. KING. Or insurance.

Mr. FERNALD. Or insurance—oh, no; none of those things, nor anything else.

Mr. KING. That is not a very fair statement, then; is it?

Mr. FERNALD. No; of course it is not; but it is the truth.

Mr. WADSWORTH. Aside from that, they are profitable.

Mr. FERNALD. Without doubt these hotels have served a most excellent purpose. I doubt if these girls could have been accommodated here during the war and since if it had not been for the existence of these hotels. I have always felt that the President was wise in building them; and now that we have these buildings on this ground I assume that they ought to be operated until such time as we operate them at a great loss, or at some loss.

Mr. OVERMAN. Mr. President, was not this land at one time condemned?

Mr. FERNALD. Yes; it was. It is a very interesting story.

Mr. OVERMAN. Is not the value stated here more than the condemnation price?

Mr. WARREN. Mr. President, if the Senator from Maine will yield to me, I will say to the Senator from North Carolina that we provided long ago for buying all of this land, and purchased a considerable part of it at open sale between buyer and seller, and the rest was appraised in condemnation proceedings. Then, on account of the changing of administrations and changing of legislative committees, and so forth, some thinking the price was too high and others allowing it to lie dormant, nothing was done until the war started, and then the war brought on what the Senator has so well described.

Mr. OVERMAN. What is the difference between the price now proposed to be paid for the land and the price fixed by the commissioners who condemned it?

Mr. FERNALD. Of course, Mr. President, we can not say what the price would be. I will say that the railroad people are anxious to sell. They have had an opportunity to sell to the parties who are building this large hotel right opposite here. This takes in all of the property from North Capitol Street down to Second Street and New Jersey Avenue.

Mr. OVERMAN. Was not the reason why we did not purchase because the price was too high?

Mr. FERNALD. No; I will tell the Senator the exact reason why we did not purchase. It is rather a long story, but I will be as brief as possible.

In 1914, after the condemnation proceedings had taken place and the court had determined the value of the property and what price should be paid to the railroad company, some Member of the other House felt that if the matter was taken from the courts and placed in the hands of a commission the property might be purchased for a lower price than the court had declared. That commission had been acting for a little more than two years. During the two years they had purchased these three lots, and the other seven were still not purchased when the President was obliged to take over the property and build upon it. It is unfortunate that the power house and the laundry, buildings which are necessary to carry on these hotels, are on the railroad property.

Let me say to the Senator from Utah that in the long period that we have operated these hotels for many years we averaged 1,900 girls, and, of course, the more we had the less expense we were under, until now the number has gotten down to about 1,250. The last report was 1,251. Still that is a great many. The last report showed a loss in six months of $14,000; but during the summer the number of girls was cut down to about 1,000. Now it is increasing. I suppose we have perhaps 1,300 there now, and it is hoped that we may break even in the next six months.

Mr. KING. The last six month the hotels were operated at a loss?

Mr. FERNALD. At a loss of $14,000.

Mr. McKELLAR. Mr. President, may I ask the Senator whether those in charge are undertaking to curtail the number accommodated there?

Mr. FERNALD. No; they have taken and have been glad to take everybody that has applied.

Mr. McKELLAR. I notice that a good many of the buildings have been closed up.

Mr. FERNALD. There are three buildings closed for hotel purposes, but about as soon as a building is closed the Government takes it over for some other purpose. The Juvenile Court is in one building and one unit of the Agricultural Department is in another building and one building is closed.

Mr. KENDRICK. Mr. President——

Mr. FERNALD. I yield to the Senator from Wyoming.

Mr. KENDRICK. In connection with the question of operating the hotels, does not the Senator believe that in sheer protection to its employees the Government should continue to operate these hotels as long as the present extortionate rates prevail in Washington's privately owned hotels and rooming houses?

Mr. FERNALD. That is precisely my position. The Senator has expressed it better than I could. The buildings were there, and I felt that so long as we could operate them without extra expense for repairs it was well for the Government to operate them.

Let me say that the rent of $75,000 that we are paying to the railroad company is not paid ultimately by the Government. We charge the girls $5 a month extra for their board on that account. That is one reason why I feel that this matter should have immediate consideration; and with the $1,800,000 that we have now in the Treasury I do not feel that we would have to make very much of an appropriation to purchase this land and have the Government own it and stop paying that rental of $75,000.

Mr. SWANSON. Mr. President, will the Senator yield for a minute?

Mr. FERNALD. I yield; yes.

Mr. SWANSON. If the Government does not buy this property now, and four or five or six years go by, we shall be compelled to buy it to have a proper approach to the Capitol.

Mr. FESS. At a good deal higher price.

Mr. SWANSON. When buildings have been put up there and the Government determines ultimately to have a proper approach to the Capitol it will cost three, four, five, or ten times as much as it will cost now. It was a great mistake not to have purchased this property in 1913 and 1914, before the war began. If it had been acquired then, either by condemnation or by other process, we would have it now. It is utterly impossible for a great Nation like this to continue to have approaches to the Capitol such as we have now.

These people have waited for years and years, and have not constructed any buildings on this land. They are not going to waif any longer. We shall have to spend thousands and thousands of dollars more if the property is not taken now. There is a big demand for land near the Capitol and the depot, and if buildings are put up on this land ultimately the Government will have to condemn the buildings and pay for the property.

I favor, and favored years ago, buying this property. It was included in the tract to be purchased and was delayed on account of the war. I believe that the best time to buy this land is now; and if we do not buy it now, we will pay two and three and four times more for it later. That is the conviction I have.

Mr. FLETCHER. Mr. President——

Mr. FERNALD. I yield to the Senator from Florida.

Mr. FLETCHER. Is it intended eventually to remove all of the buildings, and include all this property in the Capitol Grounds?

Mr. SWANSON. Yes; for a park.

Mr. FLETCHER. As part of the park system?

Mr. SWANSON. Yes; but there is no use in removing the buildings until the land is condemned and the plans for the park are completed. Until that is done it would be better to leave the buildings as they are. After we have done that the buildings can be removed.

It is utterly impossible to have a magnificent Capitol like this of the greatest nation in the world, and have all kinds of buildings right next to the Capitol and under no control as far as the Government is concerned. I will guarantee that if we do not buy this property now and make a park out of the land, in 5 or 10 years, or even 2 or 3 years, whatever the time is, we will have to pay four or five times the amount for it.

Mr. FERNALD. That is the history of all these purchases.

Mr. KENDRICK. Does this proposed acquisition include all the territory that the Government will need in completing the grounds between here and the station?

Mr. FERNALD. So far as I know, this completes the purchase of all the property that is required in that direction.

Mr. KENDRICK. I think the Senator has well said that whatever it may cost now, it would cost more later on.

Mr. SWANSON. The committee examined this matter thoroughly. I was a member of the committee. We looked at the different blocks, and this is all that I think we need to complete a proper and good approach and park between the Capitol and the depot.

Mr. McKELLAR. Mr. President——

Mr. FERNALD. I yield to the Senator from Tennessee.

Mr. McKELLAR. Can the Senator tell us as to the nature of the title of the railroad company? Do they hold this property in fee simple, or was it merely condemned for railroad purposes?

Mr. FERNALD. They own the property. They have an absolute deed to the property. I do not know about the title.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. FERNALD. Yes; I yield to the Senator.

Mr. COPELAND. Does the proposed purchase include all that is marked in red on the map?

Mr. FERNALD. All that is marked in red; yes.

Mr. COPELAND. Does it include this property at F and Second Streets?

Mr. FERNALD. The yellow is the District property and the blue is owned by the Government.

Mr. COPELAND. Now it is proposed to buy all that is marked in pink? I am very much in favor of it. I hope it will be done.

Mr. KING. Mr. President, I desire to ask the Senator a question. I notice that the Vice President and the Speaker of the House and the Architect of the Capitol are constituted a commission to institute the suit. Is not that a rather singular arrangement?

Mr. FERNALD. It is the same form that we had before in the original bill of 1905.

Mr. KING. Of course I have no doubt that Congress could authorize anybody to bring the suit, but I was wondering why it was not brought in the name of the Government itself, or the District of Columbia, instead of the Vice President and the Speaker of the House.

Mr. FERNALD. It was necessary to name somebody.

Mr. SWANSON. I should like to say that some people desired to include more of this land than the committee thought was wise, but we have simply included in it what we thought was necessary. We have not extended it any farther than we thought was just and proper in order to provide suitable approaches to the Capitol.

The VICE PRESIDENT. The bill is before the Senate as in Committee of the Whole and open to amendment. If there be no amendment to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PROMOTION OF PROFESSOR AT MILITARY ACADEMY

The bill (S. 2274) providing for the promotion of a professor at the United States Military Academy was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That any officer of the United States Army now holding the position of permanent professor at the United States Military Academy, and who on July 2, 1921, would have become entitled to his promotion to a colonelcy had he remained in the line of the Army, and who on that date had completed more than three years' duty as permanent professor, shall have the rank, pay, and allowances of a colonel in the Army, and that the said rank shall date from July 2, 1921: *Provided*, That no back pay and allowances prior to the passage of this act shall accrue.

Mr. KING. Mr. President, let us have an explanation of this bill.

Mr. WADSWORTH. Mr. President, this bill affects an officer, by name Lieut. Col. Clifton C. Carter, of the Regular Service. Before the passage of the revised national defense act back in 1917, Lieutenant Colonel Carter, then a major, was appointed as a professor at the Military Academy. That took him out of the line of the Army. His status with respect to future promotions was changed by the passage of the act of 1920. The result was that through no fault of his own, without any intention on the part of Congress, and certainly not with the encouragement of the War Department, this officer lost his chances of promotion, so that to-day he is four years behind his classmate at West Point, the two starting out as commissioned officers at the same time. This is to permit him to catch up that period and go along with the rest of his classmates.

Mr. KING. It is recommended by the War Department, I presume?

Mr. WADSWORTH. Oh, yes.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

CAPT. CURTIS L. STAFFORD

The bill (S. 1481) to authorize the President to appoint Capt. Curtis L. Stafford a captain of Cavalry in the Regular Army was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the President of the United States be, and hereby is, authorized to appoint, by and with the advice and consent of the Senate, Curtis L. Stafford a captain of Cavalry in the Regular Army of the United States with rank from July 1, 1920: *Provided*, That no back pay or allowances shall accrue as a result of the passage of this act and there shall be no increase in the total number of captains of the Regular Army now authorized by law by reason of the passage of this act.

Mr. WADSWORTH. Mr. President, I will say to the Senator from Utah [Mr. KING] who, I see, is about to ask about it, that this is not a new appointment. This man is now in the Army, and has been for some time, as a commissioned officer. They got the date of his birth wrong. It made a change in his relative rank in the grade of captain. This is really to have him reappointed and put him in the proper place relatively on the promotion list in accordance with his age.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

EASEMENTS UPON PUBLIC MILITARY RESERVATIONS

The bill (S. 1482) to authorize the Secretary of War to grant easements in and upon public military reservations and other lands under his control was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered, under such terms and conditions as are deemed advisable by him, to grant easements for rights of way over, across, in, and upon public military reservations and other lands under his control, for gas, water, and sewer pipe lines, to any citizen, association, or corporation of any State, Territory, or possession of the United States: *Provided*, That such rights of way shall be granted only upon a finding by the Secretary of War that the same will be in the public interest and will not substantially injure the interest of the United States in the property affected thereby: *Provided further*, That all or any part of such rights of way may be annulled and forfeited by the Secretary of War for failure to comply with the terms or conditions of any grant hereunder or for nonuse or for abandonment of rights granted under the authority hereof: *And provided further*, That the Secretary of War shall include in his annual report to the President a full and complete statement of each and all easements granted, which statement shall also include the name and address of the grantee, the purpose of the grant, and the benefits accruing to the United States or to the public therefrom.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ISSUE OF ARMS AND AMMUNITION TO PROTECT PUBLIC MONEY AND PROPERTY

The bill (S. 2037) to amend that provision of the act approved March 3, 1879 (20 Stat. L. p. 412), relating to issue of arms and ammunition for the protection of public money and property, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the provision relating to issue by the Secretary of War of arms and ammunition for protection of public money and property, contained in the act of March 3, 1879 (20 Stat. L. p. 412), be, and the same is hereby, amended to read as follows:

"That upon the request of the head of any department or independent agency of the Government the Secretary of War be, and hereby is, authorized to issue arms and ammunition whenever they may be required for the protection of public money and property; such arms and ammunition to be delivered to any officer designated by the head of the requisitioning department or independent agency and to remain in War Department control; to be accounted for to the Secretary of War under regulations to be prescribed by him, and to be returned when the necessity for their use has expired: *Provided, however*, That if such arms or ammunition be desired for an indefinite period, or a period exceeding 90 days, their issue and retention is authorized, subject to payment by transfer of funds from the requisitioning depart-

ment or independent agency to the credit of War Department funds: *Provided further*, That funds arising from such payments shall be available to replace with similar articles the articles so disposed of: *Provided further*, That the arms or ammunition paid for by transfer of funds as above provided shall, upon such payment, become subject to the control of the requisitioning department or independent agency: *And provided further*, That nothing herein contained shall be construed as modifying existing laws governing sales of ordnance and ordnance stores."

Mr. KING. Mr. President, it does seem to me that there should be some further restriction. The language "any independent agency of the Government" would include, I presume, an executive department or any agency of the Government, such as the Interstate Commerce Commission or the Federal Trade Commission, any organization.

Mr. McKELLAR. Or any branch bank of the Federal reserve system.

Mr. KING. Yes. I was wondering why the War Department should be called upon to supply arms and ammunition and other military supplies to the various independent agencies, and particularly without the President's consent.

Mr. WADSWORTH. Mr. President, there is present law authorizing the War Department to supply other departments of the Government, upon proper request—and I presume it is under regulations prescribed by the President—with arms and ammunition. This bill is to further regulate that, and in a sense it may be termed restrictive. The trouble has been that with this privilege other departments of the Government call on the Secretary of War for a considerable number of pistols, and he has to turn them over out of Army stock. They can not be replaced for the Army without an appropriation by Congress, which is difficult to get, and the other departments do what they please with them. Sometimes the department keeps them a while and turns them back. Sometimes it keeps the arms and ammunition permanently. This bill merely provides that if the materials are to be kept permanently, then they shall be paid for, as it were, by the transfer of funds from the requisitioning department to the War Department. The War Department will get its money back and can replace the articles thus transferred with such funds.

Mr. KING. Mr. President, I heartily approve of these restrictions. Ordinarily the War Department has been made a sort of a pack horse, or, to use the language of the street, the "goat." I know of many organizations of the Government which have made requests to which the War Department has responded, and they are charged with them, of course. When they come back in many instances they are in bad repair or no good whatever.

Mr. WADSWORTH. I am glad the Senator has reached that view. The War Department has been Santa Claus for the entire Government for many years.

Mr. KING. It has, and the Senator knows that we have passed many bills which have had that in view. I do not think the War Department ought to be called upon to furnish these supplies.

Mr. WADSWORTH. Of course, there are instances, the Senator will admit, where another department has a legitimate use for arms. For example, the postal authorities may want to arm men on the railway mail trains or on the mail trucks. In fact, they have done so upon several occasions. I can imagine, in addition to that, that the forest patrol service might want to get some kind of military equipment, as cartridge belts or pistols or even rifles, and they can get them from the War Department. It may be that a Federal reserve bank would like to arm its watchmen with pistols; I do not know as to that. If the War Department has the arms, it may furnish them; but those getting them should be made to pay for them.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

SALE OF ORDNANCE STORES TO REPUBLIC OF CUBA

The bill (S. 2038) to amend the provisions relating to the sale of ordnance and ordnance stores to the Republic of Cuba, contained in the act of August 29, 1916 (39 Stat. L. p. 643), was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the provision relating to the sale of ordnance stores to the Republic of Cuba, contained in the act approved August 29, 1916 (39 Stat. L. p. 643), be, and the same is hereby, amended to read as follows:

"That the Secretary of War is hereby authorized to sell at average current prices as determined by him plus the cost of overhead, packing, handling, and transportation to the Government of the Republic of Cuba such articles and quantities of individual and organization equipment as may be desired by that Government for the equipment of its troops and as may be in accordance with the policy approved by the President of the United States: *Provided*, That funds arising from such sales shall be available to replace articles disposed of and services rendered hereunder with similar articles and services."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2007) for the construction of certain public buildings, and for other purposes, was announced as next in order.

Mr. BAYARD. Let that go over.

Mr. SWANSON. The chairman of the Committee on Public Buildings and Grounds, the Senator from Maine [Mr. FERNALD] has requested that I ask that the bill may go over. There is a similar bill pending in the House to-day, and it was thought we had better wait until the House acts on the matter.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2158) for the relief of certain disbursing officers of the office of Superintendent State, War, and Navy Department Buildings, was announced as next in order.

Mr. KING. I suggest that that go over.

The VICE PRESIDENT. The bill will be passed over.

CLOTILDA FREUND

The bill (S. 589) for the relief of Clotilda Freund was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Clotilda Freund, of Jersey City, N. J., out of any money in the Treasury not otherwise appropriated, the sum of $7,152 in compliance with the findings of the Court of Claims, Senate Document No. 51 of the first session of the Sixty-fifth Congress. It shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum which in the aggregate exceeds 30 per cent of the amount appropriated by this act.

Mr. KING. I would like to have some explanation of the merits of the bill.

Mr. EDWARDS. Mr. President, this is a bill similar to the one which passed the Senate in the last Congress, but too late to be passed by the House of Representatives. It has been approved and reported by the Committee on Claims, and also by the Court of Claims. The amount has been reduced from $14,000 to $7,000. The bill provides for the reimbursement of this lady for the use of a patented article taken by the United States Government, and the Court of Claims held that it is a fair, honest, and just claim.

Mr. BRUCE. May I ask the Senator from New Jersey the amount of the claim?

Mr. EDWARDS. About $7,000. The Court of Claims reported it at $14,000, and the committee reduced it to 50 cents a grip instead of $1 a grip. It is a patented appliance for use on firearms.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MRS. PATRICK H. BODKIN

The bill (S. 1661) conferring jurisdiction upon the Court of Claims to hear and determine the claim of Mrs. Patrick H. Bodkin was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That within six months from the date of the passage of this act a petition may be filed with the Court of Claims by or on behalf of Mrs. Patrick H. Bodkin, of Blythe, Riverside County, Calif., for a hearing of a claim for reimbursement for all loss, liability, damage, and expense incurred by her in any manner in connection with a quarter section of land described as northeast quarter section 11, township 7 south, range 22 east, San Bernardino meridian, in the State of California, for which land she had been issued a patent, and which she now holds as trustee for William B. Edwards in accordance with the decision of the United States Supreme Court in the case of Bodkin against Edwards (255 U. S. p. 221), and the Court of Claims is given jurisdiction to hear and determine such claim.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE IN MINNESOTA

The bill (S. 1904) extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Commerce with amendments, on page 2, line 1, after the word "hereby," to insert the word "further"; and in the same line to strike out "two years" and insert "one year," so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of the bridge authorized by act of Congress approved February 16, 1924, and amended by act approved February 7, 1925, to be built by the Chicago, Milwaukee & St. Paul Railway, its successors and assigns, across the Mississippi River, within or near the city limit of St. Paul, Ramsey County, and Minneapolis, Hennepin County, Minn., are hereby further extended one year and three years, respectively, from February 16, 1926.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 5959) making appropriation for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes, was announced as next in order.

The VICE PRESIDENT. That is the unfinished business and will be passed over temporarily.

The bill (S. 124) for the relief of the Davis Construction Co. was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

MARGARET B. KNAPP

The bill (S. 516) for the relief of Margaret B. Knapp was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Margaret B. Knapp, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 for injuries sustained by her while in the performance of her duties as a clerk in the Quartermaster Corps.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

A. V. YEARSLEY

The bill (S. 977) for the relief of A. V. Yearsley was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to A. V. Yearsley, of Port Penn, Del., out of any money in the Treasury not otherwise appropriated, the sum of $87.22, said sum being due A. V. Yearsley for merchandise furnished to the Reedy Island naval station mess during the year 1918.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

HORACE G. KNOWLES

The bill (S. 978) for the relief of Horace G. Knowles was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $7,296.49 to Horace G. Knowles as salary for the period of March 30, 1909, to December 22, 1909, during which period he was commissioned as a minister of the United States to Nicaragua and was all that whole period under instructions to await orders of the State Department.

Mr. KING. I would like to have an explanation of the bill.

Mr. BAYARD. A similar bill passed the Senate in the last Congress. The facts, briefly stated, are these:

Mr. Knowles was appointed to a foreign post, I think in Rumania, and while there he was given another appointment to Nicaragua. He came home under the instructions of the State Department, and during his period of instruction he remained here in Washington. At the end of that period, and just about the time he was to leave for his post in Nicaragua, some disagreement broke out between Nicaragua and this country, to such an extent that Mr. Knowles could not go to his post. He was obliged to remain here, apparently on duty, until December of that year, 1909. While he was here on duty—and forbidden, under the rules of the department, to pursue any gainful occupation—he had to sit here and twiddle his thumbs. He made application to the State Department for pay. He received pay for that period of his stay here only during his instruction period. He then made application to the department for pay during his period in abatement, if I may call it that, pending his progress to Nicaragua.

The Comptroller of the Treasury declined to grant such pay, although the State Department had certified that Mr. Knowles was entitled to pay during that time. Mr. Knowles received another appointment, to one of the Central American Republics, and went on his way. During that year it seems that he should have been paid, but the comptroller held that he could not certify his claim. In spite of that fact, the State Department held him here all that time as in service and would not let him engage in any other gainful occupation.

Mr. KING. Was his compensation $10,000 a year?

Mr. BAYARD. At the rate of $10,000 a year.

Mr. KING. He had pay for one quarter?

Mr. BAYARD. The Government has been credited for all he was paid. The State Department recommends the enactment of the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 588) for the relief of A. T. Whitworth was announced as next in order.

Mr. KING. This is a very small amount, but I ask that the bill may go over until I can look into it.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1058) for the relief of James H. Kelly was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

PAY OF THE ENLISTED RESERVE CORPS

The bill (S. 2298) to amend section 3 of the act approved September 14, 1922 (ch. 307, 42 Stats. L. pp. 840–841), was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That section 3 of the act approved September 14, 1922 (ch. 307, 42 Stats. L. pt. 1, pp. 840–841), be, and the same hereby is, amended to read as follows:

"SEC. 3. That the first proviso under the heading 'Arms, uniforms, equipment, etc., for field service, National Guard,' in Title I of said act, is amended to read as follows:

"'That hereafter members of the National Guard, the Officers' Reserve Corps, and the Enlisted Reserve Corps who have or shall become entitled for a continuous period of less than one month to Federal pay at the rates fixed for the Regular Army, whether by virtue of a call by the President, of attendance at school or maneuver, or of any other cause, and whose accounts have not yet been settled, shall receive such pay for each day of such period, and the 31st day of a calendar month shall not be excluded from the computation.'"

Mr. WADSWORTH. Mr. President, the only change in existing law provided for in this bill is the insertion on page 2, line 2, of the words "the Enlisted Reserve Corps," so that the pay schedules of the National Guard, the Officers' Reserve Corps, and the Enlisted Reserve Corps shall all be upon the same basis in the event that any of these elements are called into active service and put on Federal pay. The Enlisted Reserve Corps was omitted by an oversight.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

DISTRIBUTION OF WAR TROPHIES

The bill (S. 2475) to amend an act entitled "An act to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia," approved June 7, 1924, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That section 2 and section 3 of an act entitled "An act to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia," approved June 7, 1924, be amended to read as follows:

"SEC. 2. That for the purposes of this act the reports heretofore compiled under the direction of the Secretary of War showing the number of men in the armed forces of the United States accredited to each State, Territory, and possession of the United States, and to the District of Columbia, either by enlistment or by the process of the selective service act, or otherwise drawn into and becoming an integral part of the armed forces of the United States during the period April 7, 1917, to November 11, 1918, and the allotment of war trophies suitable for distribution among the several States, Territories, and possessions, and the District of Columbia, shall serve as the basis of distribution. As soon as practicable after the date upon which this act shall become effective the Secretary of War shall cause the chief

executive of each of the several States, Territories, and possessions, and the Commissioners of the District of Columbia to be informed of the character and quantity of war devices and trophies apportioned thereto, and shall invite each such chief executive and the Commissioners of the District of Columbia to designate such material as will be accepted free on board common carrier at the point of storage and to designate the point or points to which the accepted material is to be shipped without expense to the United States other than that of packing and loading at the point of storage: *Provided*, That the Secretary of War is authorized to apportion and distribute such war devices and trophies, formerly contemplated by the said reports heretofore compiled as unsuitable for distribution as trophies, as he deems suitable for distribution.

"SEC. 3. Shipment of the apportionment of each State, Territory, and possession, and the District of Columbia accepted shall be made as soon as practicable after the chief executive or the commissioners thereof, as the case may require, shall have informed the Secretary of War that such State, Territory, possession, or District will accept and take possession thereof as hereinbefore provided for and will relieve the United States of all responsibility for the safe delivery of the material and of all charges, costs, and expenses whatsoever connected with the transportation thereof: *Provided*, That if the chief executive or the commissioners of any State, Territory, possession, or District shall not, within one year after notification of the character and quantity of the apportionment, file with the Secretary of War such acceptance and agreement, such apportionment, or any part thereof, shall be reapportioned and redistributed as the Secretary of War shall determine, and any residue not accepted or rejected shall be sold as surplus property as it then is and where it then is, or shall be destroyed, all as the Secretary of War, in his discretion, shall determine; and like action shall be taken in respect to war devices and trophies considered by the Secretary of War as unsuitable for distribution."

Mr. KING. Is this for the purpose of distributing cannon and other captured material?

Mr. WADSWORTH. The Senator will recollect that two years ago Congress finally passed a bill for the distribution of captured German trophies, and a system was set up by which the trophies should be allotted to each State in proportion to the number of soldiers and sailors contributed by the State to the Army and Navy. The distribution within the State was placed in the hands of the governor of the State. At that time the War Department submitted an official list of trophies, classified as to types, and summed up as to numbers. The Congress passed the act on the theory that that was the complete number of trophies, type by type.

It has developed that the War Department would like to distribute various other articles that were captured, which at that time they did not think available. In addition a few of the States have not used up their quotas. This bill provides that in the event a State does not care to use up its quota, the surplus credited to that State may be distributed in other States in the same fashion.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

THE COAL SITUATION

The resolution (S. Res. 115) requesting the President to take steps to bring about an immediate resumption of anthracite coal mining was announced as next in order.

Mr. WILLIS. The object of the resolution has already been accomplished, and I move that the resolution be indefinitely postponed.

The motion was agreed to.

AMENDMENT OF PENAL LAWS

The bill (S. 2119) to amend section 37 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, as amended, was announced as next in order.

Mr. KING. A number of the members of the Committe on the Judiciary have asked for further consideration of this bill, and I have agreed that I would ask that it be recommitted to the Committee on the Judiciary in order that the Treasury Department might be given an opportunity to present its views. I therefore ask that this bill be recommitted to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection the bill will be recommitted to the Committee on the Judiciary.

TREASURY AND POST OFFICE APPROPRIATIONS

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, House bill 5959.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Edwards	La Follette	Pittman
Bayard	Ferris	Lenroot	Ransdell
Bratton	Fess	McKellar	Sackett
Brookhart	Fletcher	McLean	Sheppard
Broussard	Frazier	McNary	Shipstead
Bruce	Goff	Metcalf	Shortridge
Butler	Hale	Moses	Smith
Cameron	Harreld	Neely	Stephens
Capper	Harris	Norbeck	Swanson
Copeland	Harrison	Norris	Trammell
Couzens	Heflin	Nye	Tyson
Cummins	Howell	Oddie	Underwood
Curtis	Jones, Wash.	Overman	Wadsworth
Deneen	Kendrick	Pepper	Walsh
Dill	Keyes	Phipps	Warren
Edge	King	Pine	Willis

Mr. HARRISON. I desire to announce that the senior Senator from North Carolina [Mr. SIMMONS] and the senior Senator from Rhode Island [Mr. GERRY] are detained in the conference on the revenue bill.

The VICE PRESIDENT. Sixty-four Senators having answered to their names, a quorum is present.

Mr. WARREN. Mr. President, the bill with which we are about to proceed is one about which I perhaps ought to say a word before the reading begins.

In the first place, it is the largest bill that has ever been presented to the Senate or the Congress in the form of an annual supply bill. It amounts to $868,500,000, in round numbers. The appropriation for the Treasury Department amounts to something over $130,000,000 and the appropriation for the Post Office Department is approximately $764,000,000. The bill is about $110,000,000 larger than the similar bill of a year ago. About $106,000,000 of the increase is contained in the post-office appropriation, caused partly by the growth of the business and partly by our action in increasing the salaries of so many of the Post Office Department employees.

The bill carries a million and a half less than the total estimate for the Treasury Department and two and a half millions less than the amount estimated for the Post Office Department.

At this time I make the usual request that we may omit the formal reading of the bill, that the bill may be read for amendments, and that the committee amendments may be first considered. There are very few committee amendments in the entire bill. Less than $1,000,000 was added by the Senate committee.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

The legislative clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the heading "Treasury Department, Office of the Secretary," on page 2, line 17, after the word "grade," to insert "unless in unusually meritorious cases the Personnel Classification Board shall otherwise direct," so as to read:

Salaries: Secretary of the Treasury, $15,000; Undersecretary of the Treasury, $10,000; three Assistant Secretaries of the Treasury, and other personal services in the District of Columbia in accordance with "The classification act of 1923," $125,000; in all, $150,000: *Provided*, That in expending appropriations or portions of appropriations contained in this act for the payment for personal services in the District of Columbia, in accordance with "The classification act of 1923," the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, and in grades in which only one position is allocated the salary of such position shall not exceed the average of the compensation rates for the grade unless in unusually meritorious cases the Personnel Classification Board shall otherwise direct.

The amendment was agreed to.

CRITICISM OF IMMIGRATION REGULATIONS

Mr. COPELAND. Mr. President, I suppose every American citizen has been reading the story of the activities of the Labor Department relative to the possible exclusion of the Countess of Cathcart. It is my judgment that every citizen must blush with shame over these stories.

I am wondering when the Labor Department laid aside its practice of distributing justice with an even hand. I want to inquire why the Countess of Cathcart should be dealt with any differently than her partner in what the Labor Department has defined as "moral turpitude"? Why has the Earl of

Craven been permitted to go his way undisturbed by official interference?

At this point I ask that the clerk may read an editorial which appeared in this morning's New York World.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection, the clerk will read as requested.

The legislative clerk read as follows:

[From the New York World, February 15, 1926]

OFFICIAL DUNCES

An idiotic administration of the law, and not the law itself, is responsible for the humiliating misconduct of the Government in respect to the Countess of Cathcart and the Earl of Craven. The law lays down a reasonable enough doctrine in language of which the intent is plain enough to anyone who chooses to use such brains as God gave him. The law says in section 19 of the general immigration act of February, 1917, that "any alien who has been convicted of or who has admitted the commission prior to entry of a crime involving moral turpitude may be excluded after admittance within five years."

Neither the countess nor the earl has been convicted of any crime. They were, respectively, the corespondent and respondent in a civil divorce action, and however much they may have sinned they are under no obligation to admit that they are criminals. They are not criminals. If to be the guilty party in a divorce action is to be a criminal, then in the last three years there were produced at least half a million American criminals. Of this half a million there are at least 100,000 who committed adultery. Were they convicted of a crime involving moral turpitude? If they were, how does it happen that they are at large, that they can vote, and that when they travel abroad they are offered the full diplomatic protection of the Government of the United States?

There is no reason whatever for thinking that the law was meant to apply to the defendants in a suit for divorce. There is nothing in the law which in any way commands or even authorizes Commissioner Curran or the Secretary of Labor to detain the countess or to deport the earl. When Congress spoke of a crime involving moral turpitude it meant a crime and not a sin. It meant murder, robbery, embezzlement, and the like, not sin, not vice, not caddishness. The reason Congress used the phrase "involving moral turpitude" was to define and limit the kind of crime for which an alien was to be excluded. He was not to be excluded because in the eyes of the Czar of Russia or the bolshevists of Russia or Mussolini or Horthy he was a political criminal. He was to be excluded only if he had committed an ordinary, sordid offense which would be a crime in any civilized state. The notion that this essentially literal phrase was meant to cover a private sin as well as a public crime is preposterous.

That the whole business is due wholly to stupidity at Ellis Island and at Washington is evident by examining the method of administration in this case. The Earl of Craven arrives in this country and is asked to define his marital status. He says truthfully that he is a married man. He is admitted. The Countess of Cathcart arrives, is asked the same question, and says truthfully that she has been divorced. She is put through an inquisition, is subjected to what most people would regard as an intolerable humiliation, and will then be shipped home branded by the United States Government in all its majesty as a person who has committed a crime involving turpitude. A few blockheads at Ellis Island and Washington will have convicted her as a criminal. And thereupon, to even matters up and at least to make injustice equal, the Earl of Craven and his wife, now reconciled, are to be morally lynched.

The damnable part of the whole business is that the countess could enter the United States if only she would lie, and the earl could remain here if only he would behave like a cad. According to the official dunces who made the regulations and enforce them, all that would have been necessary to make the countess eligible for entry would have been for her to say that she was single, which was true, or that she was engaged to be married, which was also true. All the earl would have to do is to refuse to admit his relationship with the countess and officialdom in all its sacrosanctity would have been satisfied. If the earl had refused to share the blame with the countess and had refused to talk, the chivalrous gentlemen who conduct our Immigration Service would have no grounds for deporting him.

An administration which works in this fashion is contemptible. The officials who conduct it are contemptible. Their stupidity, their hypocrisy, their utter lack of sense of justice is galling. The cost of such administration to the people of the United States is immeasurable. For it represents us to all the world as a Nation of pharisees, of hypocrites, and of self-satisfied fools. We are not that sort of people, but what civilized person in Europe contemplating this case and the Karolyi case and the Saklatvala case will believe us when we protest that in spite of the action of our officials we are really a civilized people?

Mr. COPELAND. Mr. President, I hope every citizen will read that editorial, because it is provocative of thought.

Mr. BRUCE. Mr. President, may I ask the Senator from New York whether he thinks or does not think the conduct of this lady to have been an act of moral turpitude?

Mr. COPELAND. I have no doubt it was an act of moral turpitude. I rose in my place to say, however, that the same punishment which is meted out to the Countess of Cathcart should be meted out to the Earl of Craven.

Mr. BRUCE. Yes; but I do not suppose that the Senator from New York agrees with that editorial from the New York World in stating that the conduct of the Government is merely hypocritical in treating the act of the lady as an act of moral turpitude?

Mr. COPELAND. So far as that is concerned, frankly, I do not agree with the editorial; but I am very much concerned about the failure of the Labor Department, having learned the guilt of both parties, to administer these cases in exactly the same way.

The administration's enthusiastic reception of Joseph Caillaux appears to have been the first evidence of a series of attacks of temporary blindness to the morals of America's distinguished visitors. When he reached New York Harbor Caillaux was taken ashore ahead of the passengers of more modest worth. Officials of the Government eagerly grasped his hand and gave him a cordial welcome.

The Earl of Craven, too, Mr. President, had a gracious official and social reception. It is enough to disgust every citizen to observe the obsequiousness of our officials to these men, while a weak woman is pounced upon as a proper victim of puritanical abuse.

Mr. President, I wish to say to the Senator from Maryland [Mr. BRUCE] I hold no brief for the countess and certainly none for the earl, but every fair-minded citizen demands that the penalties imposed under our laws be applied equally. I know the spirit of America well enough, I am sure, to say that the country will not tolerate anything short of absolute impartiality in the treatment of these visitors. Our Government should never be guilty of recognizing a double standard of morals. It was to this end that I rose from my seat to say what I have said.

Mr. BRUCE. Mr. President, I have read the accounts of this matter in the press. When the man was asked whether he had been guilty of moral turpitude in any form he stated that he had not. When the lady was asked whether she had been she said "yes." It seems to me that, assuming that those press reports are correct, it necessarily follows that the Government would deal in a different way with the man from what it did with the woman.

IMMIGRATION AND MEXICAN AFFAIRS

Mr. KING. Mr. President, the Senator from New York has just referred to certain immigration officials of the United States who are stationed at New York. Without commenting upon their action or expressing any opinion with reference to the propriety of not admitting into the United States certain titled English persons who are seeking entrance, I desire briefly to call attention to the conduct of American immigration officials on the Mexican border.

During the various revolutions in Mexico numerous Mexicans who were affiliated with defeated forces fled from Mexico to save their lives. The victorious party usually inflicted summary punishment upon all persons whom it captured and who were connected with the vanquished party. The captured were generally court-martialed and shot. Often even the formality of court-martial proceedings was dispensed with. Many political refugees from Mexico have, during revolutionary periods in Mexico, sought an asylum in the United States, and hundreds, if not thousands, of Mexicans of culture and education, persons who desired peace and loved liberty, were compelled to flee from their native land and to seek protection upon American soil. Within this category were many who were not partisans of de facto or revolutionary governments and who looked with regret, and often with despair, upon the carnage and bloodshed and revolution which brought woe and sorrow and ruin to millions of their innocent countrymen. It is unfortunate that political ambition and factional strife have so often interrupted Mexico's progress toward freedom and economic emancipation.

But a short time ago there was a bitter contest between the followers of De la Huerta and the supporters of Obregon and Calles. The forces of the former were defeated and many of those allied with them and some who were not in sympathy with the present Government of Mexico left their country, fearing that they would be arrested and executed.

It is felt by many who are familiar with conditions in Mexico but who live in other countries, that military operations in Mexico are not always conducted in conformity with

the principles of civilized warfare. Victorious military commanders, it is said, too often are animated by a spirit of revenge and give way to spasms of ferocious cruelty, the result of which is that captured opponents, and often noncombatants and innocent persons, are summarily led to unknown graves.

I am advised that some of the followers of De la Huerta have been seized and executed. Firing squads have been important adjuncts in maintaining de facto governments in power.

Among those who escaped to the United States was General Torres. Some time after his arrival upon American soil he was arrested by officials in the United States Immigration Service. In the New York Herald-Tribune, under date of Saturday, January 23, 1926, the following dispatch appears:

MEXICO CITY, January 22.—Sixty persons have been executed, it is estimated, since January 3, when the anti-Government movement broke out at Aguascalientes and Guadalajara. In all cases the condemned men were put to death after court-martial proceedings. A great many of those convicted as bandits or insurrectionists were former followers of De la Huerta.

One case of international concern is that of former Gen. Demetrio Torres. He was deported from the United States for a violation of the neutrality laws and was shot when he reached Mexican soil. Thus the United States was placed in an awkward position regarding De la Huerta and other expatriated Mexicans, weakening their rights to American protection when they know that deportation virtually means participation on the part of the United States in aiding and delivering them into hostile hands in Mexico.

In the New York Times February 1, 1926, appears a dispatch from San Antonio, Tex., which reads as follows:

EX-MEXICAN REBEL FEARS TORRES'S FATE—GENERAL COSS, AWAITING DECISION ON DEPORTATION IN TEXAS, SAYS HE ALSO FACES EXECUTION

[Special to the New York Times]

SAN ANTONIO, TEX., February 1.—Gen. Francisco Coss, a leader in the De la Huerta revolutionary forces, is under bond here awaiting a decision in a deportation hearing, and he declared to-night that his case probably was a parallel to that of Gen. Manuel Dimetrio Torres, who was deported from San Antonio to Mexico, where he was executed.

Local immigration officials said that the records of the Coss hearing, held here last Monday afternoon, had been forwarded to Washington for action.

Commenting on the Torres affair, about which his information came from newspaper accounts, General Coss said:

"Enemies of former De la Huerta leaders in this country are attempting to make false charges in order to have us deported. When one of us crosses the border he will find the Calles officers waiting for him and he will be placed under arrest. Our enemies figure that we will not have much chance to escape a firing squad, and we will not.

"In my own case I have been guilty of no violation of law. I am here expecting to make my home. I have invested money here and am actively engaged in business."

General Coss said that he arrived in this country in the latter part of August, 1924, crossing at Feben, where there was no immigration station. He went to El Paso and took out a passport on September 5, 1924, which he renewed on March 24, 1925.

Offering as evidence his passport as a receipt for the immigrant head tax, he continued:

"I was told I needed no consular visa for the passport and that I could remain here as long as I desired if I intended to make this country my home."

General Coss said he would contest deportation to any country, because he wished to remain here. If he were deported to Mexico, he was satisfied it would be equivalent to a death sentence.

REFUGEES PROTEST TO COOLIDGE

SAN ANTONIO, TEX., February 1.—Six Mexican political refugees have telegraphed to President Coolidge declaring that the recent deportation of Gen. Manuel Demetrio Torres, alias Chapparreras, who was executed at Torreon, Mexico, January 10, violated "the elemental principles of international rights."

Signers of the protest were Jorge Prieto Laurens, one-time president of the Mexican Congress; Reinaldo Esparza Martinez, former secretary of the Congress; Antonio Hernandez Ferrero; Lorenzo Nizto, former Mexican minister to Cuba; Miguel Flores Villar, and Manuel Davalos Aragon.

Immigration officials to-day renewed their statements that the deportation of General Torres was regular in every particular.

Alejandro P. Carrillo, Mexican general consul here, declared that General Torres was a bandit and not a political refugee. He made public a telegram from Aaron Caens, Mexican Secretary of Foreign Affairs, which read:

"Chapparreras had pending prosecutions in the courts here for assaults on trains. Captured and found guilty, he was executed."

Señor Martines to-night charged Department of Justice agents with confiscating the private correspondence of Mexican refugees and allowing it to be examined by a representative of the Calles government.

He told the Associated Press that on December 16 an operative entered his home under authority of a search warrant and took all his letters and documents, giving him a receipt for them. Some of the letters were from his father, Reinaldo Martines, in Guadalajara, State of Jalisco.

Senators will observe that Gen. Francisco Coss, who was a leader in the revolutionary forces, is under arrest at the hands of American immigration officials, and he, too, may be deported and shot, as was General Torres. It is observed that General Coss declares he has been guilty of violating no law, that he is residing in the United States, intends to make it his home, and has investments in this country. It will also be observed from the dispatch in the New York Times that the attention of President Coolidge has been called to the action of the immigration officers in arresting General Torres and delivering him to Mexican officials. It is also charged that agents of the Department of Justice confiscated private correspondence of Mexican refugees and allowed the same to be examined by representatives of the Calles government.

I am advised that General Hinojosa, who was a Mexican political refugee, fled to the United States about four or five months ago, and a few weeks thereafter was arrested, deported, and delivered by immigration officials to Mexican military authorities. General Torres, according to the information which I have, came to the United States as a political refugee about six months ago. About two months ago he was arrested by immigration authorities in Texas upon the charge that he had entered without a passport and had failed to pay the head tax. Let me say that he has paid the "head tax" now. He was executed by a firing squad and buried somewhere upon Mexican soil. After his arrest he was given the privilege of being deported to Canada or Cuba, but my information is that he was required to provide the necessary funds to transport himself and an immigration agent to the place where he departed from the United States, and also the fare of the official accompanying him back to his place of service. General Torres was allowed 60 days within which to raise the necessary money to meet these expenses. He was without means, as he had fled to escape arrest and execution. While his friends were arranging the funds required, he was unexpectedly rearrested while in Texas and taken at night to the International Bridge at Laredo, Tex., and delivered to a Mexican military escort. I am advised that this arrest was made by W. M. Hanson, the immigration officer at San Antonio. The friends of General Torres made inquiry as to the reason of his deportation and were informed that under new instructions from Washington the deportation and delivery to Mexican military authorities had been made. The delivery to the Mexican military authorities was made on the night of the 13th of January, and on the 23d of the same month he was executed.

It is not surprising that it should be stated in the New York Herald-Tribune that this presents a case of international concern, and that he, General Torres, was deported for a violation of neutrality laws and was shot when he reached Mexican soil.

I have here a copy of a letter from the immigration department at Washington, dated December 14, 1925, in which it is stated that "in lieu of deportation to Mexico the man [referring to General Torres] will be permitted to depart voluntarily to any country of his choice within 60 days from December 5, 1925. In the meantime he will be released from custody upon his own cognizance."

Before the expiration of the 60 days he was arrested, as I have stated, by American immigration officials, taken across the border line, and delivered to Mexican military authorities, and within a few days thereafter he was shot.

Mr. President, if these are the facts, as I believe them to be, it would seem that a most cruel and inhuman act was perpetrated by officials of our Government. Concede that he was a revolutionist, he had sought protection under our flag, he had been promised that he should have 60 days to depart from our country, and while attempting to perfect arrangements for departure, he was seized and in the darkness of night surrendered to those whom the American officials should have known would speedily compass his death.

Mr. President, the United States for a hundred years has been an asylum in which the oppressed of other nations sought refuge. Men who had sought to promote liberty and who were thwarted in their purposes fled to this Republic, believing that here they would be protected from the cruel hands of their enemies. Revolutionary leaders fled from Germany in 1848 and succeeding years, as did many others from various countries

who had struggled for liberty. We remember Carl Schurz and thousands of patriotic and courageous men who fled from Germany and sought refuge in the Republic. They were not surrendered. They became American citizens and contributed to the growth and progress and development of our country.

Mr. President, much might be said about the situation in Mexico, but I forbear. The American people are deeply interested in Mexico and look forward with the earnest hope that peace and law and order shall reign in that land. Mexico has not always dealt with America in a friendly way. Indeed, Americans who have sought to develop the resources of Mexico and have made material contribution to its progress have been too harshly treated, and many have been deprived of their property. An investigation made by the Senate a few years ago, based upon a resolution which I offered calling for such an investigation, shows that 785 Americans were killed, wounded, and outraged by Mexicans within a few years prior to the investigation. What number have suffered death or indignities since then I am unable to say. Three hundred and ninety-seven citizens were killed in Mexico as shown by the report in 1920. Sixty-four soldiers met their death in Mexico at the hands of Mexican nationals. There were 58 American civilians killed along the Mexican border by the nationals of that country and 68 United States soldiers.

Americans have invested in Mexico in the aggregate value of $1,500,000,000. Part of their property has been confiscated or destroyed. Those who have been injured have not been compensated, and the families of those who have been killed have never received a penny from the Mexican Government. A commission has been appointed for the purpose of considering the claims of American citizens against Mexico. This commission has moved slowly, indeed, too slowly. It is to be hoped that those who have claims against Mexico will not all have gone to their final rest before some action is taken by the commission and they be compensated—in part, at least—for the wrongs sustained and the losses inflicted.

Mr. President, for a hundred years American citizens have suffered at the hands of Mexico and they were not compensated. I should remark, however, that under the treaty of Guadalupe-Hidalgo it was provided that those who had claims against Mexico should receive compensation from the amount which the United States under the treaty agreed to pay to Mexico. Many Americans, as I have stated, have within recent years aided in the development of Mexico, but there is apprehension that some of their property may be expropriated and that retroactive enactments may be applied for the confiscation of property which they have honestly acquired. The Mexican people have a right to their own form of Government, but it is to be hoped that they will pursue no course that will prevent the most cordial relations between that country and its nationals and the United States. The American people desire the prosperity and happiness and welfare of Mexico and her people; they will rejoice in every movement looking to Mexico's material, cultural, political, and spiritual development. There are many Americans who would deeply regret to see any anti-religious spirit manifested or any steps taken to expel men and women who are friendly to the Mexican people and who are seeking their advancement and happiness.

But, Mr. President, I shall pretermit any further remarks with respect to conditions in Mexico. In conclusion, I protest against any immigration officers or American officials denying the right of asylum, as has evidently been done in the case of General Torres, and pursuing a course which inevitably will lead to their destruction

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have inserted in the RECORD, following the remarks of the Senator from Utah [Mr. KING], an article appearing in the Forum Magazine, on President Calles of Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Forum for January, 1926]

PRESIDENT CALLES'S FIRST YEAR

(By Ernest Gruening)

Despite the evil inheritance of 100 years of misrule which has rendered difficult the task of the new President of Mexico, more real advance has been made during the first 12 months of office than in any equal period in the history of the country. Calles has "moralized" the customs service, reduced the budget, and fundamentally reorganized the sources of income. He has shown what honesty, good will, and the energy of a hard-headed business man can hope to accomplish, even in Mexico.

When Plutarco Elias Calles assumed the Presidency on December 1, 1924, conditions in Mexico were at low ebb. Most of the reconstructive efforts of the Obregón administration had been swept away by the De la Huerta rebellion. Surviving rebel detachments and bandit groups, which in Mexico invariably spring up in the wake of civil disorder, made certain sections of the country unsafe. The transportation system of the country had broken down. The national treasury was bankrupt. It owed 47,000,000 pesos as pressing internal obligations. Federal school-teachers had gone unpaid for weeks. The renewed service on the foreign debt, after one payment, had been suspended. Mexico's standing in the financial marts of the world was nil.

President Calles took office with the situation heavily loaded against him. Profound dejection filled the minds of the Mexican people, a feeling aggravated by the return of civil war after three years of peace had seemed to promise an end of internal warfare. A corresponding skepticism was reflected outside of Mexico in those fields of enterprise which in this day link nations together for their mutual advantage.

In business circles there was much apprehension of what Calles would do. He had never taken the trouble to deny the slanders of his political enemies. He returned from a three months' absence in Europe just before his taking of office. He made a few speeches. He uttered no glowing prophecies. He went to work unostentatiously. His immediately evident purpose was to balance the budget. Mexican administrations during the preceding 14 revolutionary years had fallen into the bad habit of living well beyond their income.

Overshadowing all else was the need of insuring order and peace. President Calles faced the problem squarely. For over a hundred years the Mexican Army has been at the bottom of most civil strife. Undisciplined and unwelded, its heterogeneous units generally owned allegiance to local commanders motivated almost wholly by thoughts of personal advantage. Under Porfirio Diaz the rank and file was made up of convicts—in those days men were "sentenced" to the army—or of wholly ignorant peons impressed into service. Above them towered a corrupt and brutal Praetorian guard of officers resplendent in peacock and bird-of-paradise uniforms, fattening out of dishonest disposal of supplies or extortions within its sphere of power. The army's purpose was to maintain Don Porfirio's despotism, to suppress political dissent, and ruthlessly to shoot down workers when they attempted feebly to better their galley-slave existence.

When Diaz fell, the armed forces emerging to fight for ill-defined political and social aspirations preserved the traditional "caudillismo." There was an Obregón army in the Northwest, a Villa army in the North, a Zapata army in the Southwest, a Pablo Gonzalez army and countless lesser contingents. Loyalty was personal and readily shifted. By victory in the field and by elimination chiefly on a basis of treason, the Obregón army survived. Apparently it had become the national army. But the deep-rooted habits of a century remained implanted as the De la Huerta rebellion convincingly showed. The strength of this revolt lay in the military power of a number of "jefes de operaciones" and scores of lesser generals who "turned," as the Mexicans express it, with the troops under them. The motive for their treason, however dedaubed with high-sounding verbiage, was loot. The most corrupt elements in the army integrated the rebellion. Their elimination by defeat was the one redeeming feature of that otherwise costly episode.

Obregón had made considerable improvement in the morale and discipline of the army. Obviously he had not gone far enough. Calles quietly put an end to the traditional, though already much diminished, custom of allowing the generals perquisites outside their regular pay. He met their tendency toward caciquelsm by dextrously shifting commands—for military corruption in the past had always grown out of the continued presence of an army chieftain in a given locality. Division commanders were moved without their staffs, colonels were sent to new commands. The service record of every officer was reviewed and many whose claim to a given rank was spurious were retired. Over seven hundred officers were eliminated for unfitness. A rigid discipline came into effect. Intoxication and misconduct were promptly punished by cashiering.

Along with these essential disciplinary measures, Calles himself is preaching a new spirit of loyalty to the nation, a propaganda carried on not only with the generals and higher officers but with the rank and file. Schools have been established in barracks, sports of every kind promoted. Baseball and football have become part of the life in the service. The private, admitted as a volunteer, is changing from a slave to a free man.

On September 16, the national holiday, I saw 12,000 troops parade through the capital, clad in neat khaki, homogeneous in equipment, a finely disciplined lot. The military attaché of the American embassy, Lieutenant-Colonel Russell, told me afterwards that he had never seen Mexican troops in any way comparable. The changed external appearance is chiefly important in the way it reflects the new army attitude.

A concomitant result is the great economy that has been effected. The budgets for the last eight years are revealing.

1918	$120,758,153
1919	114,226,660
1920	113,073,952
1921	134,161,545
1922	135,589,075
1923	113,305,332
1924	136,495,220
1925	84,778,589

Nor do these figures tell the whole story, for in past years many extras—"gratifications" to generals, gifts, and emoluments of various kinds—did not show in the budgets. These have now been eliminated. Thus the past average expenditure of about a hundred and twenty-five million pesos annually has been cut to 85,000,000, a reduction of about one third, and next year's budget plans a still further cut. The country is at peace.

Does this mean that all abuses have stopped, that the present Mexican army is wholly disciplined, 100 per cent loyal, revolt-proof in any emergency? It does not. How could the evil inheritance of 100 years be surely destroyed in one? Some individuals with notoriously bad records still hold high commands. The proportion of generals and high officers is still 10 times what the present army of 54,000 men needs. A colonel now commands but 500 men. (Yet what a change this from the recent revolutionary days when certain detachments actually had more officers than men and a "general" commanded from a dozen up!) Nevertheless, the changes effected in 12 months have been epoch-making. For the first time in Mexican history, a national army is in formation, aiming to serve the country as an army should, for the maintenance of order and national defense. Only a thorough understanding of Mexican history will make clear the transcendent nature of this reform, how essential it has been, and how necessary it will be to carry it through unflinchingly.

Perhaps the most important single change sought by the revolution initiated by Madero and carried on under the leadership of Obregón and Calles, is land reform. In principle the need for it, is, after 10 years, pretty generally admitted and approved by all but a few irreconcilables. But its execution from its early defective legislation in 1915 has been execrable. At first this was largely due to the rampant hostility of the landowners. Later when this resistance lessened somewhat, the program was subordinated to every kind of political consideration and hopelessly enmeshed in bad faith, dishonesty, and violence—on both sides. The net result was that after nearly a decade, the chief crops of agrarianism were disillusion, bitterness, bloodshed, unrest, and diminished production.

In the 10 years up to 1925 some 732 pueblos received land amounting to 1,045,946 hectares and the average cost to the nation of this distribution was approximately 19 pesos per hectare.

In the first 10 months of the Calles régime some 316 "definitive possessions" had been granted to some 545,554 hectares. Reduced to figures, 43 per cent of what had been achieved in nearly 10 years was accomplished in as many months and comparing the actual areas involved the percentage rises to 52. Moreover, the cost of this much more efficient work was reduced to an average of 5.10 pesos per hectare—a trifle over one-fourth of the previous cost. So much for the fulfillment of revolutionary and pre-election pledges.

On the other hand there has been a steady diminution of acts of illegality and violence. I heard President Calles recently say, in addressing a group of campesinos in the state of Vera Cruz:

"I can not impress upon you too strongly, and I shall not weary of repeating it, that the period of agitation is over, that the era of reconstruction has begun. Progress can only be hindered by agitation, by departure from the realm of strict legality. Work and cooperation are the only paths for you to follow."

Only by comparing the present situation with the past chaos in the attempted agrarian reform is the improvement appreciable. Much remains to be done and in certain States, under the unfortunate autonomy that the Mexican constitution and customs provide, the problem is still unsolved. The separate commonwealths in the Mexican Union, when directed by worthless executives, have the power seriously to embarrass the national government—a situation somewhat analogous to that in the United States when some of our sovereign States legislate (as have some of the Pacific States) in direct contravention to international obligations entered into by our Federal Government.

But the most considerable and radical reform effected by President Calles has been in the realm of finance. There are to-day 18,911 fewer employees in the government service than there were a year ago, a courageous and unprecedented operation in a country whose public service has always been the objective of the greater part of the literate population. Economy and efficiency was the rule which the President purposed for every government bureau. In the revenue-producing departments—within the ministry of the treasury—he met with notable success. Under his own watchful eye came daily the reports of the previous day's income from each customs collector's office. From his own desk went forth each day a sharp telegraphic inquiry to those offices which showed a diminution in income. He thus put to superb use the Mexican psychology—or is it universal?—of aiming to please the chief. The service was thoroughly "moralized" as they say in Mexico. In a country where power and perquisites have always gone hand in hand, the President himself insisted that his own family should be rigidly subject to the payments of custom duties—overruling officials who sought to maintain the time-honored exemptions. And when a relative and member of the official family, following a previously formed habit, sought to bring construction material for a house he was building in the capital across the border free of duty, the President forbade it telegraphically.

It is unnecessary to give more than passing mention to the fundamental reorganization of the Mexican sources of income which has already produced tangible results and is in process of further development. The Mexican financial structure was a wilderness of weeds grown from the habit of seizing revenue when and wherever it became visible, with an eye to the immediate object and wholly without consideration for or understanding of the national economic welfare. "Nuisance" stamp taxes, excessive import duties on the essentials of life, unnecessary imposts, many of them largely unproductive, burdened the nation. A commission to study the nation's economic needs scientifically was established, and its effects were not long in making themselves felt.

Figures best tell the story. These were the successive balances in the treasury of the nation:

Nov. 30	$342,463
Dec. 31	347,586
Jan. 31	9,977,834
Feb. 28	8,209,845
Mar. 31	11,029,225
Apr. 30	23,697,598
May 31	28,792,400
June 10	31,483,113
July 31	36,209,774
Aug. 31	44,650,607

In the first 80 days there was no appreciable saving. Then the mercury began to mount steadily. By August 31 not only were ₱44,000,000 at hand, with all current expenses paid, but a debt approximately as large—composed of salaries in arrears, loans from merchants, and unpaid bills inherited from the previous administration—had been paid.

With these savings was established, on September 1, the National Bank of Mexico. At the beginning of the Calles administration the monetary commission, a government banking institution, had been reorganized. It had been a cesspool of corruption. Nine months of efficient and honest administration enabled it to accumulate a reserve of some twenty-four million pesos. This sum, added to the surplus in the treasury, a total of ₱68,000,000, became the gold reserve of the new bank. For years the foundation of this bank, known to be a national necessity both in view of the usurious rates—up to 35 per cent annually—charged by the private banks in Mexico and because of the inconvenience of the purely metallic currency, had been discussed. Nine months after Calles had taken office it was established.

Founded on the basis of the most rigid financial conservatism and directed by men conspicuously known for their integrity and familiarity with their task, the Banco de Méjico proved an instant success. Only small bills were issued first, and these found ready and enthusiastic acceptance. Two months later the issuance of bills up to a denomination of a thousand pesos followed logically.

In October the Mexican Government arranged with the International Bankers' Committee for the resumption of payments on the foreign debt on January 1, 1926, and for the return of the railroads taken over during the revolution, a decade ago, to their American and British owners.

Thus, in one year, the Calles administration has lifted the country from bankruptcy to solvency, without recourse to deceptive "refunding" devices or by further loans unloading the burden on future generations. It has conclusively shown what honesty, good will, and energy can do. It has given the Mexican people a glimpse of what good government means.

One of the greatest Mexican deserts is in the realm of public health. Probably no country on earth has furnished a greater contrast between nature's gift of a beneficent climate and man-made habits in matters of hygiene. Some 10 years ago Alberto J. Pani, now Secretary of the Treasury and an engineer by profession, in a volume entitled "Hygiene in Mexico," graphically pictured the devastating conditions under which the vast majority of the Mexican people live. He revealed that the capital's death rate was the highest of any city of its size on earth, exceeding that of Madras and Cairo, and approximately tripling that of European capitals of about the same population. Perhaps this book is the most useful single literary and scientific contribution to a revolution which has had virtually no literature. It had a definite reformist purpose—to call attention to the failure of Mexican society and of previous administrations to face this life and death problem. As Mr. Pani well said in his foreword, "there exists a precise and direct proportion between the sum of civilization acquired by a country and the degree of perfection reached in its administration and stewardship of the public health."

Two years ago I asked Mr. Pani whether the eight years since his factual indictment had brought any improvement in public-health conditions. He replied that they had not, stating a truth that was tragically evident to the most casual observer.

The department of public health alone was exempted from the general retrenchment of the Calles program. But the increased appropriation—a small fraction of what it would be if the Budget permitted it—is less important than the energy newly evidenced. "Hitherto the only activity displayed by the Department of Health has been political." This is the opinion of a Mexican physician of standing.

Now, for the first time, Mexico City is beginning to have something like an adequate milk inspection. Vaccination fallen into disuse had brought its inevitable local smallpox epidemics. Vaccine inoculations are now taking place by the hundreds of thousands under compulsion. A determined war is being waged on venereal disease. Of course, only the merest beginning has been made in the effort to clean the Augean stable of Mexican ill health, but that very beginning establishes a precedent. President Calles himself has told me more than once that in matters of health he is a firm believer in dictatorship, and the political and mercenary influences which formerly rose to block efforts to protect the health and life of the Mexican people are no longer tolerated.

This, then, is the summary of President Calles's first year. It takes no note of many undertakings begun and projected—roads, schools, irrigation works—of the slender beginnings of a cooperative movement, of tendencies still undefined toward democratization, toward political and social emancipation. It has been the practical achievement of a hard-headed business man, who, before indulging in frills and theory, has sought to meet the nation's immediate daily bread and butter problem. Figures of bank balances and obligations paid may be unpicturesque, but they are the only foundation on which the superstructure of Mexican social progress can hope to rest securely. On the basis of the demonstrable it is no exaggeration to say that the last year has shown more advance than any other equal period in Mexican history, that Calles has done more than the most hopeful optimists expected of him, that he has done as much as any one human being could do, and that he is the only man in Mexico who could have done it.

What, then, is the reverse of the medal? To answer this adequately it is necessary to look beyond Calles at the crushing burden he inherited not merely from 14 years of revolutionary chaos but from a hundred years of misgovernment and semianarchy since the beginning of Mexico's independence, and back of that from three centuries of colonial misrule. It is necessary to weigh current achievement against the ambitious and idealistic program of lifting the Mexican millions from their submerged state of ignorance and wretchedness into the position of a self-governing, happy, prosperous, and enlightened people.

The weakness of the Calles administration is that he has had to do it all himself. The ideas that he has put into effect are his own. The impulse and energy to carry them out he has himself supplied. The human material which has been developed or rather which has not developed out of the long-continued atrophy of self-government and on which he must count for collaboration is painfully inadequate. Despite the tremendous improvement, some of the government ministries are scarcely functioning. The efforts of the President to restore the credit of the nation are damaged by the shiftlessness and inefficiency of department heads and subordinates. Substantial business men whose aid the government should welcome are allowed to cool their heels in ministerial antechambers until they throw up their hands in disgust. "Graft" still exists in some federal departments and is unabated in many states. President Calles feels keenly the lack of men to fill important places, men who combine ability and honesty with an enlightened social outlook. But he probably has not made the best use of the material available. His judgment has been impaired at times by personal loyalty. Unfit men still retain high office. Nor has President Calles abandoned the custom of "letting down easily" into a diplomatic post or luxuriant foreign mission, offenders who, were they lower in the official scale, would be merely dismissed. Outside of the federal official family are the State governors who could effect within their own province and on a corresponding scale the same kind of vigorous reconstruction that President Calles has in the national government. Only three or four are even making the attempt. President Calles, Calles the teacher, tries hopefully to breathe life into these mummies. They listen respectfully and perhaps start back with good intentions, but there the matter ends.

It is a tragic irony that a Mexican President who realizes that the political structure must rest evenly distributed on many piles and is supremely desirous of delegating authority and apportioning responsibility has so far, with a few notable exceptions, been unable to do so. This is one of his great problems during the remaining years of his administration. As it is, he is now the hardest working man in the Republic, cheerfully violating the constitutional proviso that calls for an eight-hour day and one day's rest in seven. I have seen him at the end of 14 hours of continuous grind leaning back in his chair with utter physical exhaustion imprinted on his rugged features. His responsibilities have aged him visibly. Yet he is wholly optimistic, always serene, dedicated solely to his task, eschewing as far as he can public ceremonies and gala functions, the trappings of his high position. He deserves success if ever a man did. He is the first Mexican President to whom the supreme office has ceased to mean anything but an opportunity for service. In one short year he has won universal respect and the warm affection of all those who have come to know him personally. I venture to prophesy that he will go down in Mexican history as "Calles the Reconstructor."

TREASURY AND POST OFFICE APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes.

Mr. WARREN. Mr. President, we have with us this afternoon the chairman of the Committee on Post Offices and Post Roads [Mr. MOSES], who has to leave the city to-night. We need his presence very much, and we should like now to turn to page 47.

The reading of the bill was resumed, beginning on page 47, line 8.

The next amendment was, under the subhead "Office of the First Assistant Postmaster General," on page 53, line 17, to increase the appropriation for compensation to watchmen, messengers, laborers, and substitutes from $7,384,600 to $7,884,600.

Mr. KING. Mr. President, I notice on pages 53 and 54 a number of increases. Without challenging attention to each one separately, may I ask the Senator what justification there was for increasing the rather liberal appropriations which were granted by the House?

Mr. MOSES. Mr. President, the Senator will remember that under the salary increase bill a lump sum was added to the pay schedule of the Post Office Department. On top of all that, the Senator will remember, there is the provision for the automatic promotions in the various grades of the service, carrying to every individual so promoted an automatic increase in salary, up to the maximum provided by the salary law.

In addition to that, particularly with reference to the item on lines 16 and 17, page 53, which was the item being read when the Senator from Utah rose, a further increase was necessitated there because of the increase in the number necessary under those schedules. In other words, the Postal Service has been using an interchangeable system of employees, whereby clerks are employed to do much of this watchman and messenger work, and it became necessary to increase the number of personnel under this classification in order that the higher class should not be doing the lower-class work; and provision is made further on, I think the Senator will discover, where reduction is made in the appropriations below the estimates in order to take care of that. I would say further, for the information of the Senator, that the total amount carried in the bill is more than $2,000,000 less than the estimates.

Mr. KING. If the Senator will permit me to submit a few remarks and ask him a few questions, I shall be very glad.

Mr. MOSES. I am glad to have the Senator do that.

Mr. KING. I would like to ask the Senator whether his committee is continuing its work with a view to increasing the returns from the department, so as to meet the deficit which the recent salary act created. My recollection is that some of the proponents of that measure, when it was under consideration during the last session of Congress, insisted that it would create no deficit, but the able Senator, the chairman of the committee, insisted that it would, and his judgment, of course, has been entirely vindicated. The Senator believes, I know, in trying to have the departments, so far as possible, self-supporting—at least this department—and I was wondering what steps were being taken by the Senator's committee in this investigation—and that means largely by the Senator himself—to recoup the losses which are sustained on account of the large salary increases which were made at the last session of Congress.

Mr. MOSES. The Senator's question is somewhat complicated, but if he will permit me to answer it in my own way—at the time the salary increase bill was before the Senate my estimate was that it would cost $68,000,000 a year, which estimate has been fully sustained. In addition to that, however, the Senator will remember that Congress, in its wisdom, did not make synchronous the increases in salaries and the increases in rates which the bill of February 28 carried, and we had three months and a half of the increased salaries without any benefit accruing from the increased rates which very materially increased the cost of the department for the current fiscal year.

Then on top of that, as I said to the Senator, came the increases in the salary schedules necessitated by the automatic annual promotions. My estimate, as stated to the Senate at the time of the passage of the salary bill, was that the increased salary rates provided in the bill of February 28 would produce at least $46,000,000 of additional revenue. I regret to say that I can not tell the Senator now whether my estimate was correct or not. I am still of the opinion that when we get from the Post Office Department the collated figures showing the total postal revenues for the year we will find that the deficit in the Post Office Department for the year

will be not appreciably more than it is under normal conditions. For example, as I recall, the deficit in the Postal Service last year was $20,000,000, which would normally be made up this year under the normal increase of between 6 and 7 per cent. It is my opinion that we shall find that the deficit in the Postal Service this year will be hardly more than the normal estimate.

Coming to the other question which the Senator propounded, I do not agree with him fully that the Post Office Department should be made a completely self-supporting institution. I think that the general public opinion with reference to the Postal Service is that it exists, as its name indicates, to render service, and service, of course, costs money. Therefore I think we should never try to make the Postal Service a money-making institution; that we should try, as the Senator stated his question later, to bring it as nearly as possible to being a self-sustaining institution. I think that may be brought about. The special committee on postal rates is still at work. It is awaiting, as I said before, the collated statistics from the department. That does not mean that we are not considering all phases of the question, so far as we can consider them without those statistics.

I may say to the Senator further that the members of the special committee are giving consideration to certain proposals which have been advanced, notably by the Federation of Farm Bureaus, for some form of reconstruction within the service and some form of general reorganization of the Postal Service, with a view to instituting economies which may be had by reason of increased facilities for conducting the postal business and by reason of many of the modern business methods which should be applied to a large business institution like the Postal Service.

In addition to that, may I say to the Senator, the special committee hopes to produce a report and secure its adoption by Congress through which the Post Office Department may secure proper credit for the work which it now does free of charge for the various departments of the Government. While I am on that subject I want to take this occasion publicly to say that the criticism leveled at the Congress for what has been asserted as an excessive and abnormal cost imposed upon the Postal Service by the use of the congressional frank has no substantial foundation. The amount of franked matter sent through the mail by all Senators and all Representatives is of small consequence compared with the entire volume of mail matter carried. As a matter of fact, the cost per Senator and per Representative is much less than $1,000 a year, and when one considers the enormous volume of mail which every Senator and every Representative necessarily must have, that, I submit, is not a sum which should cause the criticism which has been heaped upon Congress.

Mr. KING. Does that include the hundreds of letters from constituents which many Senators and Representatives are compelled to answer each day?

Mr. MOSES. It includes not only that, but it includes every document, every farm bulletin, every speech, every bit of franked matter which goes out under our franks. The great cost in the Postal Service is not the franked matter sent out by Senators and Representatives; it is the penalty matter sent out by the departments, and on account of that I submit—I think my colleagues on the special committee agree with me—that the Post Office Department should have some bookkeeping credit for that. The Post Office Department gets no favors from other departments. We appropriate in this bill substantially $1,000,000 with which to pay the Bureau of Engraving and Printing for the postage stamps which are used in the Post Office Department, but if the Bureau of Engraving and Printing wants to send out 100,000 communications, the Post Office Department carries that mail free of charge and gets no credit for it whatever.

Mr. McKELLAR. Mr. President, if the Senator will permit me, in further answer to the question of the Senator from Utah, my recollection is that the figures disclose that all the mail, including speeches and other public documents, sent out by all Senators and all Representatives costs the Government about $350,000 a year.

Mr. MOSES. That is for 531 men.

Mr. McKELLAR. For 531 men. To ascertain how small an effect that has upon the department as a whole, all the Senator will have to do will be to compare that relatively insignificant sum of $350,000 with the $7,000,000 expended by the department. The Senator can readily see that the amount of franked matter sent out by Senators and Representatives is so small as to make any criticism on that account absurd.

Mr. KING. May I say to the Senator at this time, though it is interrupting the continuity of his very splendid exposition of the matter, that it seems to me there ought to be, I will not say a sponsorship, but some method of preventing the publication of so many of the departments of a lot of matter for which no one asks and which seems to me can not be justified. Publications come to my desk every day from some of the departments which no one reads, which are absolutely valueless, and I was wondering whether any steps were being taken to restrict the character of such publications, or at least the number of publications, by the various executive and semi-executive departments of the Government.

Mr. MOSES. That is a matter which does not of necessity come within the purview of the Committee on Post Offices and Post Roads, but it does happen to be a matter with which I am somewhat familiar, because, before assuming the chairmanship which I now have, I was chairman of the Committee on Printing of the Senate and chairman of the Joint Committee on Printing. Much of the duplication which has been taking place of Government publications has been done away with. It may be of interest to the Senator to know that in the last three years the Joint Committee on Printing caused the abandonment of some 180 different periodical publications which were being issued by various bureaus of the Government and which had to be carried through the mail free of charge. In that particular performance we managed to kill two birds with one stone. We cut down the printing bill and we reduced the charge upon the Postal Service.

Mr. KING. Has the Senator any information as to the method of bookkeeping or accounting in the department? The reason why I ask arises out of the fact that I have received perhaps 8 or 10 complaints recently, 3 or 4 coming from men who are accountants of ability, in which they stated that an archaic method of accounting existed in the department, that it did not furnish adequate or suitable or accurate information as to the expenses in many of the lines of activity of the department, and no one could tell just what a particular branch of the service cost, what the loss was or what the gain was. I was wondering whether that matter had received the attention of the committee.

Mr. MOSES. Yes. Of course, that matter lies at the bottom of what the special joint committee is undertaking to do, namely, to fix an adequate schedule of postal rates. I think the criticism which has been expressed by the correspondents to whom the Senator refers is measurably correct. The so-called cost-ascertainment report which was produced by the department something more than a year ago was, as the Senator will remember, very severely attacked as being inaccurate in that it consisted of a series of extensions through 12 months of statistics gathered in one month. I think that the accounting system in the Post Office Department could very easily be much affected for the benefit of the service and the taxpayers by instituting some modern method of accounting which would enable anybody to tell what the cost of transacting a particular branch of the Postal Service is. But the Senator, with much longer experience here than I, will readily agree with me that the force of inertia in Washington is considerable and that it takes a very great deal of effort even to start in motion any such reform as that, to say nothing of carrying it through to its end.

Mr. KING. It is worse than inertia. It is almost deadly in its monotony and in its failure to move. I know that attacking the forces of bureaucracy is like attacking Gibraltar.

Mr. MOSES. I shall not quarrel with the Senator about his terminology.

Mr. WILLIS. Mr. President, can the Senator without embarrassment, though I know it will not embarrass him, give us some idea of how soon the committee will report? I have had some inquiries with reference to it.

Mr. MOSES. The only answer I can make is to say for myself, and I think for every other member of the committee, two of whom at least are in the Chamber at this minute, that we are desirous of disposing of the question as soon as possible for two reasons. We want to get rid of the detail work which the task imposes upon the committee. We want to produce a permanent scale of postal rates so the business people of the country may know the conditions under which they must carry on their business so far as postal rates are concerned.

Mr. McKELLAR. Mr. President, I join in what the Senator from New Hampshire said about the purpose of the committee. We are desirous of getting the matter through just as soon as possible. In this connection may I ask the Senator if he has heard anything further from the Postmaster General as to when he will give us the figures?

Mr. MOSES. I must repeat to the Senator from Tennessee the answer which I made to him from the chair the other evening, which was in the negative.

Mr. McKELLAR. I think as soon as possible we ought to get the information, so the committee may have it in order to make our report as quickly as may be.

The next amendment of the Committee on Appropriations was, on page 53, line 19, to increase the appropriation for compensation to clerks in charge of contract stations from $1,500,000 to $1,734,000.

The amendment was agreed to.

The next amendment was, on page 54, line 2, to increase the appropriation for rent, light, and fuel for first, second, and third class post offices from $16,450,000 to $16,495,000.

The amendment was agreed to.

The next amendment was, on page 54, line 4, to increase the appropriation for miscellaneous items necessary and incidental to post offices of the first and second classes from $1,502,000 to $1,602,000.

The amendment was agreed to.

The next amendment was, on page 54, after line 18, to insert:

For the rental of not exceeding 2 miles of pneumatic tubes, not including labor and power in operating the same, for the transmission of mail in the city of Boston, Mass., $24,000: *Provided*, That the provisions not inconsistent herewith of the acts of April 21, 1902, and May 27, 1908, relating to the transmission of mail by pneumatic tubes or other similar devices, shall be applicable hereto.

Mr. McKELLAR. This particular amendment deals with the Boston tube appropriation. I want to say that it was adopted by the committee by a very considerable majority over my vote and protest. If I thought it were possible to have it changed on the floor of the Senate, I certainly would undertake to raise the question, but I do not believe, in view of what the Senate has done in the matter of the New York tubes, that there would be any possibility of getting it to change its decision.

I am thoroughly opposed to the tube system. It is a very inefficient and unsatisfactory and costly method of transporting the mails, even in congested districts. I think those who own the tubes are the only ones who really are benefited by their use and operation. I have spent considerable time for many years investigating the subject. I fought for their discontinuance in the days gone by. I voted against revivification, if I may so speak of it, when they were revived by our Republican friends. I am entirely opposed to the system as inefficient, wasteful, extravagant, and without any proper return to the taxpayers.

Mr. KING. Mr. President, I can recall that for a number of years when Mr. Burleson was Postmaster General a fight was made upon the proposition of establishing the tubes in the city of New York, and the opposition triumphed over the proponents of the plan. I notice in the present bill a large appropriation, of over $526,000, for tubes in New York City. I would like to ask the Senator from Tennessee when the faithful men who have been fighting all the years to get the appropriation succeeded and whether the operation of the tubes is successful?

Mr. McKELLAR. Until this year I think the committee has been constantly besieged by a lobby composed of those who were interested in the tubes in New York and Philadelphia, and, I think, some from Chicago and some from Boston. Probably this particular one in Boston is the only tube system that could be at all justified from any standpoint. There is a situation there which offers a fair argument for them. I thought the tubes should not be installed even there. I think they are extravagant and wasteful. The tubes that they have in New York are not the kind which accomplish anything, and they ought not to have been restored. It was done when the present administration came into power, or when the Harding administration came in. As soon as that happened the lobbyists immediately came down upon Congress and went over the entire matter again and finally won out. As I said to the Senator, they won out over my earnest protest and the most vigorous fight that I knew how to make, but they got the votes and readopted the system in the city of New York.

As I have stated, it is a reckless waste of the people's money without any corresponding benefit. One of the arguments was because the streets were so crowded. There has not been a mail truck taken off the streets on account of the reestablishment of the tube system. On the contrary, the trucks and automobiles have been constantly increasing in number, so that there can not be anything in that argument. Instead of being a saving it is one of the items of increased cost in the bill.

The Senator spoke to me privately a moment ago about the enormous cost in the bill. Indeed, it is very enormous, but I will say to the Senator that the postal system, taken as a whole, is, in my judgment, the best postal system on the face of the earth. It is constantly growing and increasing not only in its costs but in its usefulness and business efficiency. It is one of the best managed departments of the Government. I think, considering the enormous amounts of money involved, that the losses from theft and grafting and other forms of losses that have actually come to the Government are very, very small in this great department. For the most part it is well run and well managed. It is certainly a splendid system, a system of which our people should be very proud. If the Senator wants to understand my particular pride in the postal system of the United States, all that is necessary for him to do is to go to any other country and compare our system with theirs.

It is very unfortunate that private interests like those who are interested in the tubes are able to get hold of the system for purposes of their own. Of course they have the argument that they have their money invested, and want an adequate return, but there is no adequate compensation to the Government for the use of the tubes.

Mr. KING. The statement made by the Senator from Tennessee, it seems to me, justifies some further explanation as to the item of $526,373 for the transmission of mail by pneumatic tubes or other similar devices in the city of New York and for the establishment of a pneumatic tube system in the city of Boston.

May I say that several years ago when the matter was quite acute I gave considerable attention to it. I read the statements emanating from the Post Office Department and made some investigation, and it seemed to me that the position of the Postmaster General was not only tenable, but was correct. I was amazed when I read that the system had been established again in New York.

Mr. MOSES. That was two years ago.

Mr. KING. I was not here, probably, or at least I did not have occasion to examine the bill so as to discover that item of appropriation. I want to ask the Senator from New Hampshire, in whose judgment and in whose faithfulness and in whose zeal in trying to serve the country I have great confidence, what justification he finds for the reinsertion of the item and for the further item for Boston, particularly in view of the statement made by the Senator from Tennessee, who is a member of the committee and who has given a great deal of attention to the subject?

Mr. MOSES. The Senator from Utah well knows that any set of statistics may be subject to various interpretations, depending upon the point of view of the interpreter.

Mr. KING. Like experts in court.

Mr. MOSES. The testimony before the committee with reference to the operation of tubes in New York since their reinstatement is that 55 per cent of the important letter mail is now carried by the tubes, and carried much more quickly and with more safety, as the container in a pneumatic tube beneath the surface of the street may not be held up by bandits, as trucks are.

In addition to that the department immediately upon the resumption of tube service in New York took off 35 trucks from the streets, and thereby reduced the cost of motor operation more than $150,000. It is true in one sense, as the Senator from Tennessee [Mr. McKELLAR] has stated, that the mail-truck service on the streets of New York to-day is substantially as dense as it ever was. The reason for that is perfectly easy to state. The enormous growth in the parcel-post business necessitates the employment of trucks in the streets; and if I may digress from the particular subject for just one minute, I will add that it is the enormous growth of the parcel-post business which necessitates most of the great increases in the cost of the Postal Service, inasmuch as the Parcel Post Service constitutes more than two-thirds of the weight of the mail and more than 50 per cent of the bulk of the mail and pays only about 27 per cent of the total postal revenue. Since we sell postage by weight and pay for transportation by bulk, it can readily be seen how that is true. In almost every instance the great growth in the bulk and weight of the mails and in the cost of the transportation of the mails—and this includes all classes of transportation, by truck, by steamboat, by trolley, by train, over the star routes, and on the rural free delivery routes; the manner of transportation makes no difference—are in the Parcel Post Service, the fourth-class mail. I suppose it never will be possible to diminish the expense of the transportation of mails in any degree commensurate with any economies which we can institute otherwise because of the bulk of the parcel post. I think that we can generally trace practically every item of increase in this bill back to that class of mail.

Mr. McKELLAR. Yet, Mr. President, if the Senator from New Hampshire will permit me, the report of the experts of the department shows that the loss is only about $6,000,000 on the parcel post.

Mr. MOSES. It is true that the department's statistics produce that presumed figure, but the Senator from Tennessee, inasmuch as he and I have argued this subject in committee rooms at great length, and probably with more heat than light resulting, will remember that I never agreed with the conclusions of the department in that particular claim.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. MOSES. Yes.

Mr. KING. I think the Senator from New Hampshire—and I do not like to draw any judgment as between my two friends—more accurately states the situation with respect to the parcel post, but I want to ask the Senator if any steps are being taken to increase the charges or cost of carrying parcel post or to reduce the character of commodities which may be carried through the mails? For instance, I noticed in my own State when I was there two years ago they were carrying coal and lumber and sugar.

Mr. MOSES. It must have been in very small packages.

Mr. KING. They were carrying 50-pound packages.

Mr. MOSES. Yes. But there is a 72-inch circumference limit in any envelope either way.

Mr. KING. They were carrying shingles.

Mr. MOSES. Shingles might be carried.

Mr. KING. They could not induce private persons to engage in hauling those commodities, because the roads were so bad, but the parcel post had loaded upon it the transportation of that class of commodities, which ought not to have been carried through the mails at a loss to the Government, the postmaster told me, of thousands of dollars annually.

Mr. MOSES. Mr. President, in answer to the question which the Senator from Utah [Mr. KING] has propounded, he will remember that in the salary increase bill of last February and in the schedule of rates which accompanied that increase of salary we provided for a 2-cent service charge upon parcel-post packages. That, I admit, was a mere rule-of-thumb method of getting at a situation which has been accurately described by the Senator from Utah, although he has not covered the field by any considerable area. The reconstruction of the rates and schedules for the parcel post requires a type of talent which the special joint subcommittee on postal rates does not possess—and I hope that my two colleagues on the committee, who are in the Chamber, will not disagree with me—in that it requires the type of ability which is possessed by a traffic expert. I will say frankly to the Senator from Utah that the subcommittee at times has been very much in doubt whether or not we ought not to remit this whole question of the parcel-post schedule to the Interstate Commerce Commission, for example, for recasting.

With reference to the other branch of the Senator's question, whether we had done anything to change the type of merchandise which might be carried in the fourth class, the parcel post, I will say, yes, we have taken out of the fourth class and put into the third class a great many million packages, the packages of smaller bulk and lighter weight, which pay very small sums in postage under the fourth class, and which, as a matter of fact, from their mere character should have been included in third-class matter anyway. That change is not exactly what the Senator from Utah had in mind. The Senator from Utah, of course, had in mind something which would take the parcel post out of the freight business.

Mr. KING. Exactly; I had in mind some change that would prevent it from being merely a freight carrier.

Mr. MOSES. Nothing as yet has been done in that direction. I think the committee has given some consideration to it, and perhaps it will give more when we get the statistics which we are awaiting from the Post Office Department. But may I say to the Senator from Utah that that is not the chief difficulty with the parcel post in this country. The chief difficulty is that we instituted it upon a first-class mail basis. Unlike the parcels post in Europe, for example, where the parcel post is merely a kind of high-class freight and much delayed in transmission, as compared with newspapers and letters, we instituted the Parcel Post System in this country upon a first-class mail basis, with the intention of carrying the parcel-post package through the mails as expeditiously as we carried the letter. Through many years we have educated the users of the mail to that practice, with the result that when the great bulk of the parcel post became so apparent and was so clearly reflected in the increased cost for construction and for transportation in the Postal Service the Post Office Department began instituting what is known as the "full-car service" and the "deferred service," under which the parcel post does not move except when they have sufficient packages to fill a car. As a result of that the Congress last winter, in the rate bill of February 28, provided for a special handling stamp, so that those who wanted first-class mail service for their parcel-post packages could have it by paying a special fee.

That is all we have done with reference to the parcel post. Whether we shall be able to bring about the reform which the Senator from Utah has in mind I am very skeptical. It is extremely difficult, when 110,000,000 people have become habituated to a postal facility, to deny it to them, and because of that I doubt very much if we will be able to accomplish anything remarkable along the line of the Senator's suggestion. On the contrary, my fear is that the giving of additional facilities means a demand for still more year by year, and that the cost of the Postal Service, instead of being appreciably diminished, will be very appreciably increased.

Mr. McKELLAR. Mr. President, I should like to say a word or two further, if I may, in answer to what the Senator from New Hampshire has stated. It will be recalled that when the department reported that there were $6,000,000—I am using round numbers—lost in the parcel post, the service charge of 2 cents which was provided in the bill of last winter was supposed to take care of that, and, more than that, it was estimated that it would bring in the neighborhood of $18,000,000 or $20,000,000, which, according to the departmental report, would have made the parcel post more than self-sustaining.

I understand the Senator from New Hampshire has his own opinion about the report and does not think that the report properly reflects the cost of the parcel-post system, but for the present I am taking that report as correct. If it is correct, then if the 2 cents service charge which we added last year does what is expected of it, it will make the parcel post as now conducted more than self-sustaining.

I wish to say to the Senator from Utah and to the Senate that, in my judgment, the parcel post has come to stay. It was brought about for the purpose of correcting a great evil, and that evil has been corrected in the minds of the American people. I do not know of any department of the Government which conducts a more popular service than that known as the parcel post. The people all over the land are in favor of it, and any attempt to change it or to injure it or to curtail it meets with violent opposition everywhere. Although I forget the particular change which was suggested here about a year ago, I recall that there was a change suggested; the Associated Press carried the story, and within a day or two our mail was flooded with protests from all over the country. The parcel post is a splendid institution.

In my judgment, while there are changes which might well be made, while there are economies which might well be put into effect, while there are rearrangements which might well be undertaken, I do not believe that the American people will stand for any change that will curtail the benefits which have been bestowed by this wonderful system.

Mr. KING. Will the Senator yield?

Mr. McKELLAR. I yield.

Mr. KING. The Senator, of course, can readily understand why there has been so much enthusiasm among the class of people to whom he refers in behalf of the parcel post. Of course, if I can have my commodities up to 50 pounds, more or less, carried by the Post Office Department for one-half or one-third what I can have them carried for by the express companies or the railroads and burden the rest of the public, if I am——

Mr. McKELLAR. Oh, no.

Mr. KING. If I am selfish, I will be glad to do so, but the Senator, it seems to me, can not justify the Parcel Post System if—and I believe the statement of the Senator from New Hampshire is correct—it does entail a great loss upon the Government which must be met by some other people.

Mr. McKELLAR. Mr. President, there is this trouble into which the Senator gets. If the low rates for this splendid, efficient system of transportation actually cost the taxpayers of the country large sums, as he suggests, it would be open to criticism, but the truth and the fact is, according to reports made by the department itself after one of the most careful investigations that was ever made in the department, after experts had gone into every feature of the cost, that according to the present rates the parcel post, instead of being a drain upon the Government, should bring in during the present year something like ten or twelve million dollars of profit; and, of course, it is not the purpose of the Government or of the Congress to make money out of the Post Office Department or any bureau thereof, and, of course, not out of the parcel post. All that we want to do is to make it self-sustaining and to continue it as a splendid, efficient means of transporting these articles so highly in favor with the American people.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Office of the Fourth Assistant Postmaster General," on page 61, line 10, after the word "works," to strike out the colon and the following proviso:

Provided, That $200,000 of this appropriation may be used for the purchase of equipment and furniture for post-office quarters and for no other purpose.

The amendment was agreed to.

The next amendment was, on page 61, line 21, after the word "two," to strike out "chauffers" and insert "chauffeurs," so as to read:

For defraying expenses incident to the shipment of supplies, including hardware, boxing, packing, and the pay of employees in connection therewith in the District of Columbia at the following annual rates: Storekeeper, $2,650; foreman, $2,100; 10 requisition fillers, at $1,800 each; 1 requisition filler, at $1,600; 2 requisition fillers, at $1,200 each; 9 packers, at $1,800 each; 1 packer, at $1,600; 2 packers, at $1,200 each; and 2 chauffeurs, at $1,400 each; in all, $67,750.

The amendment was agreed to.

Mr. MOSES. Mr. President, may I have the attention of the Senator from Wyoming [Mr. WARREN]? Having completed that portion of the bill which refers to the Post Office Department, I assume that the Senator wishes now to go on with the Treasury part of the bill. Strictly speaking, under the rule individual amendments may not be offered now, except by unanimous consent. We would have to complete the whole bill, and the Treasury part of the bill has not been completed. I ask unanimous consent, however, that the amendments which are to be proposed by the Senator from Tennessee [Mr. MCKELLAR] and the Senator from Nebraska [Mr. HOWELL] may now be offered.

The PRESIDING OFFICER. Without objection, it will be so ordered.

Mr. MCKELLAR. Mr. President, I offer the amendment which I send to the desk. I will say to the Senator from New Hampshire that the amendment has been redrafted, and I call his attention to the language of it, as it will be read by the Secretary.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 64 it is proposed to add a new section, properly numbered, as follows:

That hereafter no postal supervisory official or other person having charge of the work of postal employees shall be permitted to use a stop watch, a unit system, or any weighing or other device used in lieu of a stop-watch system.

Mr. MOSES. Mr. President, that amendment is clearly open to a point of order. I do not wish to make the point of order, because I am in sympathy with the general purpose of the amendment. In its present form, however, it is wholly repugnant to me; and if it is to be added to the bill at all there must be a proviso attached to it.

Mr. WARREN. Mr. President, I am compelled to make a point of order against the amendment. It is purely legislation.

Mr. MOSES. There is no question about its being subject to the point of order.

Mr. MCKELLAR. I am not so sure. These stop-watch amendments have been uniformly upheld by the Senate, as I recall.

Mr. MOSES. Yes; but not under the rule under which a point of order could be made against them, Mr. President.

Mr. MCKELLAR. What is the point of order?

Mr. MOSES. The Senator means in the naval bill?

Mr. MCKELLAR. Yes; and all of the other bills. It is a provision that constantly comes before us in every appropriation bill.

Mr. MOSES. That was done before the rules were amended with reference to that matter.

Mr. MCKELLAR. I am rather inclined to think it was done last year.

Mr. MOSES. No; it was not put in then.

Mr. WARREN. It is general or special legislation.

Mr. MCKELLAR. I hope the Senator from Wyoming will withdraw his point of order and let this amendment go in and go to conference.

Mr. MOSES. I want to make myself clear about it. I am quite sure that the amendment is subject to a point of order, but, as I said, I did not wish to raise the point of order if the amendment could be perfected. In its present form it is very repugnant to me, however.

Mr. MCKELLAR. I am perfectly willing to accept any amendment that the Senator from New Hampshire will suggest.

Mr. MOSES. I am speaking from the viewpoint of the chairman of the Committee on Post Offices and Post Roads, and not from the viewpoint of the chairman of the Committee on Appropriations, who has to safeguard the whole measure. I am concerned only with the Post Office Department so far as it is affected by this bill. The amendment, as the Senator from Tennessee has presented it, clearly does away with any sort of chance to determine the efficiency of a postal employee, as I read it. I think that is the effect of his amendment.

Mr. MCKELLAR. I think the Senator is mistaken about it.

Mr. MOSES. There must be some kind of standard to determine the continuance of an employee in the Postal Service and especially to determine his qualification for promotion in the service. There is a series of tests well established and customary now, like the case examinations for distributors and clerks in post offices, and necessarily they would have to be continued. There must be some test; but the Senator from Wyoming has made a point of order against the amendment proposed by the Senator from Tennessee.

Mr. MCKELLAR. I will ask the Senator from Wyoming if he will not withhold his point of order until the Senator from New Hampshire suggests a proviso which he thinks will cure the matter and let it go in.

Mr. WARREN. Mr. President, the matter can not be considered here. This is an appropriation bill and provides for the expenses of the department for the ensuing year. The Senator proposes an amendment that hereafter certain legislation shall be in force. It would not adapt itself particularly to this bill or this department, but he proposes to put in here a legislative provision to go on the books to control all departments as well as this department.

Mr. MCKELLAR. Do I understand the Senator from Wyoming to announce the principle that he is not going to permit any legislation to go on appropriation bills? If that is his position, I have no fault to find with him; but if the Senator is just going to take the position that, because the amendment is offered by some one else, he is not going to let it go in, we can remedy those things ourselves when other bills come up. If the Senator objects so much to permitting this amendment to go in because it is not in order, we will see about the bills that come up in connection with which the Senator introduces amendments that are clearly legislation. We know it has to be done frequently; and I do not think the Senator from Wyoming ought to be arbitrary in raising points of order about this sort of a measure when, as we all know, the Senator from Wyoming frequently has to offer amendments that are subject to a point of order, which any Senator can make.

I simply want to know what the purpose of the Senator is. If that is his purpose, we will be guided by his judgment on it.

Mr. WARREN. When the Senator has finally finished, I will ask him a question. The Senator is a member of the Appropriations Committee; is he not?

Mr. MCKELLAR. Yes.

Mr. WARREN. The Senator was in attendance when this bill was before the committee; was he not?

Mr. MCKELLAR. Yes.

Mr. WARREN. Did the Senator propose this amendment then?

Mr. MCKELLAR. I did not, because in my judgment it was out of order, and it would have resulted in carrying the bill back to the committee; but, as the Senator knows, frequently amendments of this kind are submitted on the floor of the Senate because the Senate has a perfect right to accept them if no point of order is raised. The Senator from Wyoming, in bills that I know are before the Senate to-day, has in his possession amendments that clearly are legislation, and against which anybody who desires has the right to raise points of order. If the Senator wants to take the position that because amendments are clearly subject to a point of order they must be eliminated from the bill, some of the rest of us can pursue the same course when other bills come before the Senate. I will take the responsibility for doing it, and I am perfectly willing to take that responsibility.

Mr. WARREN. Will the Senator allow me to ask him another question?

Mr. MCKELLAR. I will.

Mr. WARREN. Does not the Senator know that when I offer amendments they are considered in the committee, and, if they are repugnant to points of order, the committee authorizes me to present them?

Mr. MCKELLAR. Some of them are and some of them are not. Some of them are offered afterwards; some of them are offered on the floor of the Senate. I just want to find out what the course is to be. If the Senator wants to pursue that policy, we will pursue it all along the line; and I want to give

notice that hereafter when amendments are offered that are subject to a point of order I am going to make the point of order.

Mr. MOSES. Mr. President, if the Senator from Tennessee will pardon me, I want to refresh his recollection as to just what took place in the committee. He will remember that I submitted this amendment in the form of a proposal to be laid before the committee, to see what could be done with it.

Mr. McKELLAR. I do not recall it, but if the Senator says so, I am sure that is true.

Mr. MOSES. That is the fact. I also submitted two other suggestions to be engrossed into amendments. It so happened that each of the three proposals that I laid before the committee involved legislation, just as this one does. The opinion of the committee—this was the joint subcommittee where this took place, Mr. President—was that it was much better to deal with all three of those measures by appropriate legislation emanating from the Committee on Post Offices and Post Roads rather than to try to attach legislation to a general appropriation bill.

Mr. McKELLAR. I do not recall that, but if the Senator says that occurred, I am sure it did.

Mr. MOSES. I am not sure that the Senator from Tennessee was present at the particular meeting of the subcommittee when I did that. It was the last meeting of the joint subcommittee before the bill was reported to the full committee. I think the Senator came in when the full committee met, an hour later. But that is the history of the legislation before it was presented on the floor; and I presented the suggestion to the subcommittee because I then sympathized with the general purpose to be attained, just as I have said to the Senator from Tennessee that I sympathize with it now. My objection to the matter was that it has to be recast in order that some standard of efficiency may be set up.

Mr. McKELLAR. Of course, the Senator understands that I am perfectly willing that it should be recast in such a way that every interest of the Government will be protected.

Mr. MOSES. Oh, yes.

Mr. HARRISON. Mr. President, may I make a suggestion to the Senator from Tennessee? Clearly this amendment is subject to a point of order, because it makes this permanent law; but the Senator could revamp it by striking out "hereafter" and making it a limitation to the effect that no part of this appropriation shall be expended for that purpose, and then it would be in order.

Mr. McKELLAR. I accept the amendment suggested by the Senator from Mississippi as far as I am able to do so.

Mr. MOSES. I think it would still be legislation.

Mr. HARRISON. It would be legislation, but it would be a limitation upon an appropriation, and would apply only as long as that appropriation lasts. That is the way, may I say, in which the other provisions were incorporated in the naval bill and other bills. They were limitations upon the appropriations.

Mr. MOSES. I know that practice very well. I have had to rule upon it from time to time in the chair myself.

Mr. McKELLAR. I will ask the Secretary to state the amendment as now suggested.

The PRESIDING OFFICER. The Secretary will state the amendment as modified.

Mr. WARREN. I think we are wasting time, because the amendment is certainly out of order. In the first place, the rule requires that an amendment be printed at least the day before it is presented and referred to the committee having the bill in charge, and that has not been complied with. Secondly, this has not been estimated for. It is out of order on several grounds.

The PRESIDING OFFICER. Does the Senator from Wyoming make a point of order against the amendment as amended?

Mr. WARREN. I do not know how it can be amended so as to make it in order. The subject is so new as not to have been brought before the committee through the Budget, nor has it reached the committee through an amendment offered on the floor and printed, as the rule requires.

The PRESIDING OFFICER. A request has been made that the clerk read the amendment as amended.

The Chief Clerk read as follows:

Provided, That no part of this appropriation shall be expended for the payment of the salary of any postal supervisory official or other person having charge of the work of postal employees using the stop-watch unit system or any weighing or other device used in lieu of a stop-watch system.

Mr. McKELLAR. I submit that the amendment is entirely within the rule. It is a limitation upon this very appropriation.

Mr. WARREN. It is purely legislation.

Mr. McKELLAR. There is no reason in the world why it should not be adopted. Of course it is legislation, or it would not be in the bill; but it is a limitation. It constitutes a limitation upon the use of this appropriation and is manifestly within the rule.

Mr. HARRISON. May I suggest that to hold that this is not in order is to reverse the decision of the Chair in innumerable instances when such a proposition has been presented.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. HARRISON. May I ask on what ground?

The PRESIDING OFFICER. On the statement made by the Senator from Wyoming.

Mr. McKELLAR. I appeal from the ruling of the Chair.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	King	Robinson, Ind.
Bayard	Fess	La Follette	Sackett
Blease	Fletcher	Lenroot	Sheppard
Bratton	Frazier	McKellar	Shipstead
Brookhart	George	McNary	Simmons
Bruce	Gerry	Metcalf	Smith
Butler	Gillett	Moses	Stanfield
Cameron	Glass	Neely	Swanson
Capper	Goff	Norbeck	Trammell
Copeland	Harreld	Norris	Tyson
Couzens	Harris	Oddie	Wadsworth
Curtis	Harrison	Overman	Walsh
Dale	Heflin	Pepper	Warren
Dill	Howell	Phipps	Weller
Edge	Jones, Wash.	Pittman	Willis
Edwards	Kendrick	Ransdell	
Fernald	Keyes	Reed, Mo.	

The PRESIDING OFFICER. Sixty-six Senators having answered to their names, there is a quorum present.

Mr. HARRISON. Mr. President, the proposition before the Senate is a rather important one, and I am sure the Chair wants to follow the precedent. Probably his ruling was made rather quickly, without looking at the precedents on this particular matter.

I think that even the chairman of the Committee on Appropriations will agree with me that limitations on appropriations have been ruled as proper in this body for many, many years, and that the only way this question of stop watches in the department got before the Senate was through amendments offered as limitations.

Clearly, the amendment offered by the Senator from Tennessee, which proposed to change the existing law, was not in order on this bill, but the amendment as he has modified it merely provides that no part of this appropriation shall be applied to the payment of any employee using the stop-watch system. That is clearly a limitation. It does not change the existing law, so far as this appropriation is concerned.

Mr. LENROOT. Mr. President, it does not change any existing law in this respect, because there is no law regulating the use of stop watches.

Mr. HARRISON. No; it provides that the appropriation can not be used for such a purpose.

If the Presiding Officer will look to the Precedents, on page 25, he will see that on May 5, 1914, there was a ruling by the Vice President, Mr. Marshall, on this subject. Mr. Gore offered an amendment to an appropriation bill, as follows:

Provided, That no part of this sum * * * shall be used in connection with any money contributed or tendered by the General Education Board or any like organization.

That was purely a limitation. Mr. Martin, of Virginia, made a point of order. Then the Vice President said:

The Chair will be compelled to overrule that point of order. The Chair thinks it is within the power of Congress to limit the way in which an appropriation shall be used and has so ruled heretofore.

Then, on May 15, the following occurred:

The VICE PRESIDENT (Mr. Marshall). The next amendment passed over will be stated.

The next amendment was another proviso limiting the appropriation. A point of order was made against it, and the Chair again overruled it. Then Mr. SMOOT made a point of order to a like appropriation that was merely a proviso and a limitation, and the Vice President said:

It seems to the Chair that the Senate has discussed this point of order quite fully, and the Chair will submit the question to the Senate, it having been so discussed. Is the amendment in order?

The Senate decided that the amendment was in order.

There is the ruling of the Chair that holds it in order. There is the opinion of the Senate on the proposition that holds it in order. It does seem to me that those decisions should not in this instance be overruled, but that the point of order should be overruled.

Mr. WARREN. What the Senator from Mississippi has read is with reference to things that took place before we had the Budget law and before the rules of the Senate were revised as at present. The matter in my judgment is clearly out of order for several reasons: In the first place one of the oldest rules we have provides that an amendment to an appropriation bill offered by a Member from the floor must be printed and referred first to the committee at least one day beforehand. That has not been done in this case. Furthermore, the amendment is not reported from any standing committee or by virtue of the authority of any standing committee or of any treaty.

In addition to that it proposes legislation, and in that respect it is repugnant to the rules. There was no estimate for it, and it does not have even anything of that sort to protect it in the matter of authority on the part of the Budget. In my judgment it is clearly subject to the point of order which I have made.

I am not objecting to the subject matter going into a bill where it belongs or being placed in the proper legislative channel; but if we are going to undertake to go back now, after all the fuss and feathers we had getting a Budget now, requiring estimates from the Bureau of the Budget, and then having those estimates passed upon by the Comptroller General, we will lose all the benefit of the Budget law. It seems to me that we ought to hew to the line and comply with the later law. As I said, the amendment is repugnant to the rules of the Senate for many reasons. The matters that are suggested by the Senator from Tennessee have no bearing whatever upon the particular subject at this time.

Mr. HARRISON. May I ask the Senator from Wyoming before he takes his seat what there is in the present Budget law that applies to this amendment? The amendment does not provide for an appropriation.

Mr. WARREN. I did not say the Budget law applied to the present case, except that the amendment offered does not have the approval of the Budget.

Mr. HARRISON. We do not have to have the approval of the Budget when we are not seeking to make an appropriation.

Mr. WARREN. The Budget proposes legislation involving appropriations or proposed appropriations, although I am not confining the point of order to that particular line. The amendment, I believe, is legislation, and therefore not proper on an appropriation bill.

Mr. McKELLAR. The Budget has nothing in the world to do with the language that is used. The rule that the Senator from Wyoming invokes is a rule having reference to the printing of a motion the day beforehand, which applies only to where the rules are to be suspended and it is sought by that method to obtain the adoption of an amendment. That is not my purpose at all. The purpose of my amendment is to offer a limitation upon the present appropriation, an amendment which applies to the present appropriation, and I am quite sure the Senator from Wisconsin will agree with me that it is a limitation.

Mr. LENROOT. Mr. President, I hope we have not come to a pass where it is necessary to get a recommendation of the Budget before the Senate undertakes to put a limitation upon an appropriation contained in the bill. Certainly there is nothing in the Budget law to that effect.

Mr. WARREN. Will the Senator say that there is not legislation in the pending amendment?

Mr. LENROOT. Yes; I will get to that in a moment. I contend that there is not. In the second place, the point made by the Senator from Wyoming that the matter had not been estimated for, that it had not been introduced and laid over one day, is not a good point. I call his attention to the fact that the rule requiring that course applies only to amendments the effect of which will be to increase an appropriation already contained in the bill or to add a new item of appropriation. Of course, the pending amendment does neither one of those things.

May I say that an amendment is in order on any appropriation bill that does not seek to increase an item contained in the bill or is a new item of appropriation, provided it is not prohibited by paragraph 3 of Rule XVI. No amendment can be received to any bill which is general legislation. No amendment can be received which does not directly relate thereto, but it is provided, as Senators well know, that the question of relevancy shall always be decided by the Senate. So the real question before the Chair, or before the Senate upon the appeal, is whether this is general legislation or whether it is a limitation upon an appropriation found in the bill. It reads:

Provided, That no part of this appropriation shall be expended for the payment of the salary of any postal supervisory official or other person having charge of any work of postal employees using a stop watch or unit system or any weighing or other device used in lieu of a stop-watch system.

The amendment does not require anything to be done. There is no law upon the statute books requiring a stop watch to be used. It is not legislation in any way. It merely provides that the money appropriated can be used only if certain things are not done, and none of the things described are required by law to be done. Therefore I contend it is a proper limitation and one that we find constantly in bills. I undertake to say, without examining the bill, that we will find similar limitations in the bills coming over from the House with reference to appropriations. I doubt if any general appropriation bill has ever passed that did not contain limitations similar to this, and it has never been held to be general limitation, which is the only thing prohibited under the rule.

Mr. WADSWORTH. Mr. President, will the Senator yield a moment?

Mr. LENROOT. Certainly.

Mr. WADSWORTH. I wish to make an inquiry in an effort to get information or perhaps to refresh my own recollection. This point has been raised before as to whether an amendment of this kind was legislation or merely a restriction. I seem to recollect that upon another occasion, I think when the District of Columbia appropriation bill was before the Senate, the Senator from Tennessee offered an amendment to that section or title of the appropriation bill having to do with the District Public Utilities Commission. His amendment was to the effect that none of the moneys appropriated for the support of that commission should be available unless the commission reduced the street-railway fares in the District, and, as he contended, that was a limitation on the appropriation. From here on my recollection may not be accurate. I think I raised the point of order against the amendment on the ground that it was legislation in effect, although it might be expressed, or an attempt being made to express it, in the manner of a limitation. I think the point of order was sustained by the Chair and by the Senate.

Mr. LENROOT. I think the Senator is correct about that.

Mr. WADSWORTH. Is not the present amendment on all fours with it?

Mr. LENROOT. I do not think so, because the effect of that amendment was to require the commissioners in effect to do a certain thing which the law might not have authorized them to do; in other words, to have accomplished the purpose might have been a violation of the law. That is the point.

Mr. WADSWORTH. No; the commissioners had a discretion as it was.

Mr. LENROOT. But there was a limit to their discretion.

Mr. WADSWORTH. To raise or lower rates?

Mr. LENROOT. They had a discretion within certain limits. They had no discretion to lower rates to a point that was not remunerative.

Mr. WADSWORTH. That point would be determined by the courts, would it not?

Mr. LENROOT. The utilities were entitled under the law to charge such rates as would pay the cost of operation and a reasonable return upon the value of their property. The effect of the Senator's amendment in that case would have been to require the commission to do that which the law forbade, which was that the commission should not make rates lower than would afford that return.

Mr. McKELLAR. I may say to the Senator that the amendment was offered for several years and decided by one Presiding Officer one way and by another Presiding Officer another way the succeeding year; that is, by various Members of the Senate who happened to be in the chair at the time. I think that was the course of the amendment. But there is quite a difference, it seems to me, between the limitation or the attempted limitation in that case and the limitation in this case. I think the cases are very different.

Mr. WADSWORTH. I am not discussing the merits at all, because we have the same provision in the War Department appropriation bill every year, but it has always been inserted by the House. Does not the amendment of the Senator from Tennessee have the effect of legislation which forbids effectively a thing being done?

Mr. McKELLAR. It prohibits something to be done under the appropriation where there is no law on the subject now at

all. It does not change existing law, because there is no law on the subject now.

Mr. WADSWORTH. It makes new law for the Post Office Department.

Mr. LENROOT. May I say to the Senator from New York that my recollection is that I participated in the argument on the point of order of which the Senator speaks, and I am quite clear I took the position then that the Senator's amendment might require the commission to do something which the law forbade them to do, which the present amendment does not do.

The PRESIDING OFFICER. The Chair has ruled that the point of order is well taken.

Mr. McKELLAR. I appeal from the ruling of the Chair, and on the appeal I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate? The Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. In his absence I withhold my vote.

Mr. SWANSON (when his name was called). I have a pair with the senior Senator from Illinois [Mr. McKINLEY]. I transfer that pair to the Senator from Alabama [Mr. UNDERWOOD] and vote "nay."

The roll call was concluded.

Mr. BROOKHART. I have a pair with the junior Senator from Arkansas [Mr. CARAWAY]. I am informed, however, that if present he would vote the same way that I intend to vote. Therefore, I am at liberty to vote, and vote "nay."

Mr. GERRY. I am paired with the junior Senator from Connecticut [Mr. BINGHAM]. I transfer that pair to the Senator from Maryland [Mr. BRUCE], and vote "nay."

Mr. BAYARD. I have a pair with the junior Senator from Pennsylvania [Mr. REED]. I transfer that pair to the junior Senator from Mississippi [Mr. STEPHENS], and vote "nay."

Mr. FERNALD. I inquire if the Senator from New Mexico [Mr. JONES] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. FERNALD. I transfer my pair with the senior Senator from New Mexico [Mr. JONES] to the senior Senator from Vermont [Mr. GREENE], and vote "yea."

Mr. MOSES. I transfer my pair with the Senator from Louisiana [Mr. BROUSSARD] to the Senator from Idaho [Mr. GOODING], and vote "yea."

Mr. JONES of Washington. I desire to announce the following general pairs:

The Senator from Colorado [Mr. MEANS] with the Senator from Texas [Mr. MAYFIELD]; and

The Senator from California [Mr. JOHNSON] with the Senator from Arkansas [Mr. ROBINSON].

The result was announced—yeas 27, nays 36, as follows:

YEAS—27

Butler	Fess	Metcalf	Smoot
Cameron	Gillett	Moses	Stanfield
Capper	Goff	Oddie	Wadsworth
Curtis	Harreld	Pepper	Warren
Dale	Keyes	Phipps	Weller
Edge	McMaster	Robinson, Ind.	Willis
Fernald	McNary	Sackett	

NAYS—36

Ashurst	Ferris	Kendrick	Sheppard
Bayard	Frazier	La Follette	Shipstead
Blease	George	Lenroot	Simmons
Bratton	Gerry	McKellar	Smith
Brookhart	Harris	Neely	Swanson
Copeland	Harrison	Overman	Trammell
Couzens	Heflin	Pittman	Tyson
Dill	Howell	Ransdell	Walsh
Edwards	Jones, Wash.	Reed, Mo.	Wheeler

NOT VOTING—33

Bingham	Fletcher	McLean	Schall
Borah	Glass	Mayfield	Shortridge
Broussard	Gooding	Means	Stephens
Bruce	Greene	Norbeck	Underwood
Caraway	Hale	Norris	Watson
Cummins	Johnson	Nye	Williams
Deneen	Jones, N. Mex.	Pine	
du Pont	King	Reed, Pa.	
Ernst	McKinley	Robinson, Ark.	

So the Senate refused to sustain the decision of the Presiding Officer.

Mr. HARRISON. Mr. President, on the calling of the roll I understand that the junior Senator from Nevada [Mr. ODDIE] voted?

The PRESIDING OFFICER. The junior Senator from Nevada voted.

Mr. HARRISON. I do not know what the rule is respecting the matter, but it does seem to me that when a Senator is presiding over the Senate and passes on a question like this he should, at least, himself feel that he should not vote on the question.

Mr. McKELLAR. I now ask for the adoption of the amendment.

Mr. MOSES. Mr. President, just a moment. I voted to sustain the Chair because it is still my opinion that the amendment offered by the Senator from Tennessee [Mr. McKELLAR] is new legislation, in effect, at any rate, and certainly within the purview of the rule. The Senate has held otherwise, being another demonstration of the truth of what the late Vice President Marshall once said, that the rules of the Senate are what the majority of the Senate from day to day determine them to be.

Mr. President, the amendment which the Senator from Tennessee has offered, in my opinion, clearly takes away all sorts of efficiency tests from the Post Office Department as a means of determining the fitness of an employee for retention in the service or for promotion in the service. Therefore, if it is to be agreed to, I think it should have a further proviso, it now being in the form of a proviso.

Mr. McKELLAR. Will the Senator from New Hampshire state his amendment?

Mr. MOSES. I suggest this addition to the amendment:

Provided further, That nothing contained in this section shall be construed to prevent the continuance of the customary established tests, such as the case examination, to determine the fitness of postal employees for continuance or/and promotion in the Postal Service.

I hope the Senator from Tennessee will accept my amendment to his amendment.

Mr. McKELLAR. I have no objection to the Senator's amendment to my amendment, and I will ask that it be modified in that way. Now I ask for a vote on the amendment as modified.

The VICE PRESIDENT. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

Mr. McKELLAR. I send to the desk another amendment which I offer at this time.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 53, line 15, after the numerals "$163,650,000," it is proposed to insert the following:

Provided, That money-order cashiers shall receive the same rate of pay as postal cashiers.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I should like to say a word in explanation of the amendment. There are 104 of these money-order cashiers who perform exactly the same character of work as do the postal cashiers. As to 12 of them there is a difference of $400 a year in the pay received, and as to 94 of them there is a difference of $300 a year in pay. I hope that the Senator from New Hampshire, the chairman of the Committee on Post Offices and Post Roads, will accept the amendment and let it go to conference.

Mr. MOSES. Mr. President, I do not think I can do that, because it is clearly subject to a point of order. There is no shadowy line of demarcation there at all such as might be claimed to exist with respect to the other amendment, about which I have my own opinion.

Mr. McKELLAR. There is no doubt of it being subject to the point of order.

Mr. MOSES. In view of the fact that we undoubtedly presently will be bringing in a measure in connection with postal rates, in which this subject may be dealt with, I very much regret that I shall have to make the point of order.

Mr. McKELLAR. Mr. President, I regret it very much, but I realize that the amendment is subject to the point of order. I had hoped, however, that the Senator would be willing not to make the point, and allow the amendment to go to conference and work out something satisfactory there.

Mr. MOSES. I would much rather take the responsibility under the rules than to try to "pass the buck" to the committee of conference.

Mr. McKELLAR. I can not object to the Senator's making the point of order.

The VICE PRESIDENT. The Chair sustains the point of order.

Mr. HOWELL. Mr. President, are we to proceed with the Treasury Department portion of the bill now?

Mr. WARREN. We are about to proceed with the Treasury Department portion of the bill, but I think the unanimous-consent request made by the Senator from Tennessee, and which was granted, covered not only the Senator from Tennessee but the Senator from Nebraska; so that the Senator is at

liberty to proceed to offer the amendment which he desires to present.

Mr. HOWELL. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 56, line 21, after the numerals "$2,650,000," it is proposed to strike out:

Provided, That $50,000 of this appropriation shall be available for the payment of personal services in the District of Columbia, and incidental and travel expenses in connection with such personnel.

Mr. HOWELL. Mr. President, the great air-mail highway extends from New York to San Francisco, and the headquarters of that route were established in Omaha because Omaha is midway between the two coasts. Of course, the headquarters was established there, because it was the logical point and money was expended by the Government in providing the necessary quarters, repair shops, and other facilities necessary to carry on the work of the service. These facilities must still be retained there, but it is now proposed to move the headquarters from Omaha to Washington.

One of the reasons for this is that a majority of the employees seem to be dissatisfied with their residence in Omaha, or the conditions under which they work; so there has been an agitation for the transfer of the headquarters of the air mail service to Washington.

Washington is constantly in touch with the Omaha headquarters by radiotelegraph. A station is maintained in Omaha; the department must maintain a station there. A station is also maintained here in Washington, hence as stated they are constantly in touch. Therefore, it is not necessary to move the headquarters to Washington. It was attempted last year, but under the conditions of the appropriation therefor the removal could not be consummated. This bill contains the clause referred to, which looks innocent enough in itself, but what it provides for is that a certain portion of the funds appropriated by this bill may be used to pay such employees here in Washington, and the expense of moving them from Omaha.

It seems to me that inasmuch as Omaha always has been considered as the logical location for headquarters for that great air mail service, and Washington is away to one side, this transfer should not take place. I have been informed that some of the officials—or at least one—who has been in a position to judge, thinks the proposed move would be a mistake.

It is upon this ground, Mr. President, that I offer this amendment, so that the money expended at Omaha for the use of the air mail service may be still fully useful, and that these employees shall not be moved here simply because they are anxious for the change.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HOWELL. I yield.

Mr. McKELLAR. How many of these employees are there in the air mail service?

Mr. HOWELL. There are only about 10 employees, I think.

Mr. McKELLAR. Are they all connected with the air-mail route between New York and San Francisco?

Mr. HOWELL. That is my understanding.

Mr. McKELLAR. How would it be possible economically to transfer those employees off of the line 200 miles to Washington? What is the purpose of it?

Mr. HOWELL. I felt assured last year that there would be no attempt to do so, but when I came to look over this bill I found that this provision was contained therein, and that it means the removal of the air headquarters from this transcontinental route—as the Senator from Tennessee has pointed out—away from the middle of that great route down here to Washington, 200 miles distant therefrom. Therefore I trust that this amendment will prevail.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question? I desire to ask the chairman of the Committee on Post Offices and Post Roads whether it is in contemplation that these employees shall be brought to Washington on account of the extension and enlargement of the air service in other parts of the country.

Mr. MOSES. That is partly so.

Mr. WARREN. Mr. President, I will come to that in a moment.

Mr. TRAMMELL. I know that the department has under consideration the question of the establishment of an air-mail service to the South. That question has been agitated, and in fact I think contracts have recently been made for an air-mail service via Atlanta and through certain points in Florida, Tampa, and ultimately to Miami and New Orleans. Probably I have omitted some of the stations.

Mr. MOSES. The Senator has.

Mr. TRAMMELL. It occurs to me that the possibility is that since the Government has tried out these transcontinental routes, and has decided that it is advisable to establish other routes, it desires to have the headquarters here in the center.

Mr. MOSES. That is quite true, Mr. President, as the Senator from Florida suggests. There is a further reason, namely, that the ruling of the Comptroller General was that, if headquarters were definitely established at Omaha, all the clerks who were dealing with the subject matter, such as the Senator from Florida has enumerated, would also have to be stationed at Omaha.

The Senator from Florida will recall that we have been yearly increasing the appropriation for air-mail contracts; and the feeling of Mr. Glover, the Assistant Postmaster General, as brought out in the testimony before the Committee on Appropriations, which will be found on pages 168 to 170 of the printed hearings, is that it will be much more convenient, and probably in the end cheaper, to have the headquarters here, where all the contracts may be passed upon and all of the work of the service done. There will be left in Omaha the radio operators, who are a link in the chain of the service across the country; but the clerical work, which has to do with the details of the service and its extension, will be taken care of here under the provision as the bill now contains it.

Mr. WARREN. Mr. President, the Senator from Nebraska well knows my regard for the city of Omaha. It is his home and my neighbor; but this matter has an aspect to it that perhaps has not yet been touched upon.

This line of air mail across the country from New York to San Francisco was commenced in the interim just after we had passed an appropriation of two million and some odd dollars, a portion of which was intended to start such a line of mail. There is a law which provides that no money can be expended for employees of the Government in the District of Columbia except under specific legislation. Therefore when this started the little headquarters, as we might say in a bushel basket, was put as near the center as possible of the line where they were then working, between Chicago and Cheyenne. They located a small headquarters at Omaha; they located places west of there, at North Platte and Cheyenne and Salt Lake City and over in Nevada and all along the line. So it has gone along until now they are bringing the business eastward as well as westward; and this air mail, of course, is intended to be put on nearly all of the main routes where the bids for transportation of it can be entertained. So that, important as Omaha is and important as that position is as to the figures of the clerks and as to the estimates of the work with the other departments, Washington of course is the headquarters, and should be, as it is of every other service, as it is of the Post Office Service generally. We have the Post Office Department here and the other departments.

I have looked up the cost of this matter to some extent. My sympathy, as I say, with the western cities as against the East is well known. This provision will simply remove the clerks that do the bookkeeping and the stenographic work and work of that kind. It leaves the mechanics; it leaves, of course, the stopping there of all fliers, because that is perhaps the largest center on the whole line. It will take away the employment of somewhere around a dozen to 15 employees. Now, of course, I can understand that in a little country village somewhere the matter of taking away 8 or 10 or 15 men amounts to quite a little; but here is Omaha, one of the most forceful and rapidly growing cities in the Union, with probably four or five hundred thousand inhabitants and a tremendous amount of business.

It is only a matter that I suspect arises in the Senator's mind from the request of some board of trade or chamber of commerce. I judge that, because in my State there is a certain jealousy on the part of every town, especially if it has a chamber of commerce, to cover every little point; but I do not believe that at the present time we ought to injure the service and do away with the proper location of the headquarters for doing a certain amount of work here at Washington.

Therefore I can not accept the offer, and hope the Senate will not agree to it.

Mr. HOWELL. Mr. President, the Senator from Wyoming is correct in his statement that the chamber of commerce in Omaha has taken up this matter with me, and I can readily understand why it has done so. I wish further to state that if I did not believe that the efficiency of the post-office work would not be affected I should not advocate this amendment, because I believe in efficiency in public affairs, and I think that, irrespective of personal feelings and interest, we ought to bow to efficiency if public business is to succeed.

Here, however, is one thing to which I wish to call the attention of the Senate: Our great Air Mail Service has been the service from New York to San Francisco up to the present time, and whatever clerical force is in Omaha now has been placed there solely to care for this air service, and the same clerical force will be necessary to care for that particular line of the air service as before. The only question is, Shall they be located here in Washington or shall they be located in Omaha?

The work will not be decreased if they are brought here. The same work is to be done. It must necessarily be done. The force that has been accumulated at Omaha is the force that has been necessary for that particular service. Now it is proposed to remove that force here, and I understand that it is desired very largely by the clerical force, and just for that reason I do not think the headquarters ought to be removed and these employees' expenses paid to this point.

I realize that since the airdrome at Omaha was destroyed by a windstorm the location of the air field has not been as favorable for the employees as before, but I do not think that a sufficient reason for incurring the expense of transferring them here, and yet that is what this bill provides for. We are going to pay their railroad expenses back here to Washington. They want to come here. They prefer to live here. Under such circumstances, as the same work must be done that has been done, as the work will not decrease, why should we not retain them at what was deemed the logical place, and where they have been employed for years?

In view of these facts, it seems to me this removal is neither logical nor necessary, and I trust that this amendment may be agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. HOWELL].

The amendment was rejected.

Mr. COPELAND. Mr. President, I want to ask the Senator in charge of the bill about the provisions for the Public Health Service. I was out of the Chamber when that part of the bill was reached.

Mr. WARREN. We gave them every dollar they asked for. But that will come up later. We are about to reach that matter.

Mr. COPELAND. The answer of the Senator, as I understand it, is that the committee gave the Public Health Service all the money it asked for.

Mr. WARREN. Yes. I do not refer to what they may have estimated for originally, but after the Bureau of the Budget had been given their figures, and the estimate of the bureau was sent to Congress, we complied with their requests to the utmost. Then we notified them that, if they were not satisfied, they could come before the subcommittee; and if they did not come but sent word there was nothing they had to ask, we assumed they were getting all they expected to get.

Mr. COPELAND. What I had in mind was this, that it seems to me from year to year we ought to be more liberal with this service.

Mr. WARREN. We have been very liberal all the way through with them. They got all of the advantages in the way of raises of pay and in rank and provision for retirement and all of those matters, which have been very stoutly opposed in some quarters. They have had the most liberal treatment.

Mr. COPELAND. I am not so much interested in the rank and pay part of it as in the fact that this Government should be most generous in appropriations having to do with the welfare of its citizens. I notice in the report made by the committee that there seem to be apologies here and there on account of the appropriation showing apparent increases, and the effort apparently is made to make it appear that really, after all, such items did not represent much in the way of increase. For my part, I think the committee need never apologize for anything it does in the way of appropriating money for this particular service. I believe the country will support it.

The reading of the bill was resumed.

The next amendment was, under the heading "Federal Farm Loan Bureau, salaries and expenses," on page 15, line 10, after the word "exceed," to strike out "$160,000" and insert "$165,000," so as to read:

Salaries: For six members of the board, at $10,000 each; for personal services in the District of Columbia and in the field, $293,000; in all, $353,000, of which amount not to exceed $163,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

Mr. WARREN. Mr. President, there are certain amendments which were considered as being in the nature of legislation, but they were considered by the committee, and I am instructed to offer them to the Senate. The first one I send to the desk.

Mr. McKELLAR. Let it be read.

The VICE PRESIDENT. The clerk will read.

The CHIEF CLERK. Under the heading "Customs service," on page 14, line 2, strike out the words "in the division of customs," so that it will read "services in the District of Columbia," and so forth.

Mr. McKELLAR. I think this is clearly legislation; but inasmuch as the committee authorized the Senator from Wyoming, the chairman of the committee, to report it, I shall not object to it at this time. However, I want to let the Senator know that hereafter we will invoke the rule. If it is a rule that the Senator is going to apply to the Senator from Tennessee, the Senator from Tennessee is going to apply the same rule to the Senator from Wyoming.

Mr. WARREN. The Senator from Tennessee, of course, has been under a good deal of strain in the consideration of the tax bill——

Mr. McKELLAR. I am not under any strain——

Mr. WARREN. And he has not been able to give us the time in the subcommittee he perhaps would have liked to give.

Mr. McKELLAR. I make the point of order against the amendment.

Mr. WARREN. If the Senator wishes to do that——

Mr. McKELLAR. I make the point of order.

Mr. WARREN. I want to say that the Secretary of the Treasury sent the amendment to the committee after the committee finished its consideration of the bill, and he explained the circumstances very fully——

Mr. McKELLAR. I make the point of order.

Mr. WARREN. I have no objection to the point of order being made against the amendment.

Mr. McKELLAR. Very well.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. McKELLAR. That the amendment is general legislation on an appropriation bill and therefore not in order.

The VICE PRESIDENT. The point of order is well taken.

Mr. WARREN. I send another amendment to the desk.

The CHIEF CLERK. On page 20, line 2, after the numerals "1922," and before the colon, insert the following:

and the Secretary of the Treasury may authorize the use, by narcotic agents, of motor vehicles confiscated under the provisions of the act of March 3, 1925, and pay the maintenance, repair, and operation thereof from this allotment.

Mr. WARREN. That is a committee amendment. It was in the bill as reported to the House by the Appropriations Committee of the House, but their rule is a little different from ours, and it was taken out on the floor of the House. The subcommittee of the Senate Committee on Appropriations and the full committee authorized me to offer the amendment in the Senate.

Mr. McKELLAR. This is an amendment which meets with my approval and I shall not make the point of order. It is clearly subject to a point of order, and under the rule stated by the Senator from Wyoming a point of order could be made, but the provision is in the interest of the enforcement of the narcotic law, and I shall not make the point of order.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WARREN. I offer a further amendment of the same character.

The VICE PRESIDENT. The clerk will read the amendment.

The CHIEF CLERK. On page 20, after line 21, insert as a separate paragraph:

The Secretary of the Treasury may exchange surplus Liberty motors now owned by the Treasury Department for completed new power boats for use in preventing and detecting violations of customs laws and the national prohibition act.

Mr. McKELLAR. For the reasons stated before I shall not make the point of order as to that amendment, though I think these amendments carrying legislation, even about such an important matter, should come before the committee and be discussed by the committee, and should not be presented on the floor of the Senate.

Mr. KING. I think so, and I make the point of order against the amendment.

The VICE PRESIDENT. The point of order is well taken.

Mr. WARREN. It seems to be a matter of enjoyment to some of my good friends to make these points of order.

Mr. KING. It is not a matter of enjoyment.

Mr. McKELLAR. Not at all. It was started by the Senator from Wyoming.

Mr. KING. I do not enter into that controversy. I do not know anything about it.

Mr. WARREN. I send another amendment to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 22, line 23, after the word "that," insert the word "hereafter."

Mr. WARREN. I may say to the Senator that this is legislation, and any Senator has a right to object to it if he wishes to do so.

Mr. KING. Let the amendment be stated again, and let the section be read as it will read if amended.

The CHIEF CLERK. On page 22, line 23, after the word "that," to insert the word "hereafter," so that as amended it will read:

Provided, That hereafter officers of the Coast Guard performing travel by Government-owned vessels for which no transportation fare is charged shall only be entitled to reimbursement of actual and necessary expenses incurred.

Mr. WARREN. The amendment is corrective and will save money for the Government, because it provides for the transportation of these officers on ships.

Mr. McKELLAR. I shall not object to it.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WARREN. I offer another amendment of the same character, and this is the last one I wish to offer.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 29, line 6, after the word "that," to insert the word "hereafter," so that it will read:

That hereafter officers of the Public Health Service performing travel by Government-owned vessels for which no transportation fare is charged shall only be entitled to reimbursement of actual and necessary expenses incurred.

Mr. KING. I raise the point of order against the amendment.

The VICE PRESIDENT. The point of order is well taken.

Mr. EDGE. Mr. President, I desire to make a brief observation in regard to the provision on page 19, lines 14 and 15, to correct an erroneous impression which sometimes goes out. The language "the securing of evidence of violations of the act" relates to the appropriation of some $250,000 for the purpose of enforcement of the prohibition act.

I do not desire to condone the methods which are often used to encourage persons to violate any law, particularly this law; still, I want to say very frankly that I favor the most liberal appropriations, within rhyme and reason, to be used in efforts to enforce the law.

My position in regard to the Volstead Act is pretty well known. I am in emphatic disagreement with some of its terms. But I do not feel that relief can be secured by reducing appropriations, and I want my position to be thoroughly understood. Quite the contrary, I want to see as liberal appropriations made as can possibly be defended, in order that in the final analysis there may be no excuse or explanation offered to the effect that any effort on the part of Congress, or at least on the part of those who may disagree with the terms of the act, handicapped efforts toward enforcement.

Mr. WARREN. The Senator from Utah has withdrawn his objection to the last amendment I sent to the desk, which is, on page 29, line 6, to insert the word "hereafter" after the word "that."

Mr. KING. I withdraw my point of order with respect to that amendment. As explained to me by the chairman of the committee, it means a limitation upon the expanding power of the Public Health officers. Heretofore many Senators have had occasion to challenge their expanding qualities, almost their usurpation of power, and the enormous expenses which that department annually incurs. But this amendment is offered for the purpose of limiting their expenditures so long as the officers are upon Government transports. Knowing that the explanation of the Senator is correct, I withdraw my objection.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HALE. Mr. President, I understand that the bill is open for amendment now.

The VICE PRESIDENT. It is.

Mr. HALE. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 24 insert the following:

For repair and reconditioning of one of the steamers of the Coast Guard for use as an ice breaker, $100,000.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Maine.

Mr. McKELLAR. Mr. President, reserving the right of a point of order against the amendment, will the Senator state what it is?

Mr. HALE. This is a matter of very great concern to the people of my State. During the last two or three years I have brought the question two or three times to the attention of the Budget Director and have asked that a proper item be inserted in the estimates to take care of getting an ice breaker for our coast. We have a very severe winter climate in Maine. We have a very long coast line, broken up with many bays and harbors, and there are a great many islands along the coast on which a few people live. The residents of the islands have to depend upon water communication with the mainland for their supplies and mail. In a cold winter the ice forms between the islands and the main shore, and all communication is cut off. Ships are frequently caught in the ice and have to be released. Up to 1920 we had stationed at Portland a Coast Guard ship, the *Androscoggin*. She was a wooden vessel of 1,600 tons and was provided at both ends with heavy wooden bulwarks, which enabled her to break the ice and——

Mr. McKELLAR. I think the Senator has made out a case, and so far as I am concerned I shall make no objection. It seems to me it is a very worthy subject. Did the Bureau of the Budget include the item in its estimates?

Mr. HALE. The Budget estimates did not include the item, but it is a matter of very vital importance to the people of my State.

Mr. McKELLAR. I am quite sure of it. It is just another evidence of the inefficiency of the Budget Bureau. I have no objection to the amendment at all.

Mr. HALE. In that case I will cut short my remarks.

The VICE PRESIDENT. Without objection, the amendment submitted by the Senator from Maine is agreed to.

Mr. McKELLAR. Mr. President, on page 14, line 2, I move to strike out the words "in the Division of Customs."

Mr. WARREN. Mr. President, I want to thank my friend from Tennessee, because we are in perfect accord on this matter. This is an amendment which I have several times offered and to which he has objected. He now offers it, and I am very glad of it. I thank him accordingly.

The VICE PRESIDENT. Without objection the amendment is agreed to. If there are no further amendments as in the Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

COMMISSIONER OF RECLAMATION

Mr. WARREN. Mr. President, I ask permission to call up a short bill which pertains to some legislation that will soon be before the Senate in another form. I call up the bill (S. 1170) to provide for the appointment of a commissioner of reclamation, and for other purposes. The bill has been reported favorably by the committee with an amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wyoming?

Mr. DILL. What is the bill?

The VICE PRESIDENT. The bill will be read for information.

The Chief Clerk read the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Irrigation and Reclamation with an amendment, on page 2, line 2, to strike out $11,000 and insert "$10,000," so as to read:

Be it enacted etc., That under the supervision and direction of the Secretary of the Interior, the reclamation of arid lands, under the act of June 17, 1902, and acts amendatory thereof and supplementary thereto, shall be administered by a commissioner of reclamation, who shall be equipped for the duties of said office by practical experience in irrigation of arid lands and the agricultural development and utilization thereof, and who shall be appointed by the President, by

and with the advice and consent of the Senate: *Provided*, That the first commissioner appointed under the provisions of this act shall receive a salary of $10,000 per annum.

The amendment was agreed to.

Mr. TRAMMELL. Mr. President, may I inquire the object of the bill?

Mr. WARREN. It is to provide for a commissioner of reclamation at a salary of $10,000.

Mr. TRAMMELL. It provides for the creation of a new office, I understand.

Mr. WARREN. No; it does not. It is simply providing for the carrying out of work which has heretofore been covered in various unsatisfactory ways.

The office is filled temporarily now by a man who was receiving a salary of $11,000 in the position he occupied. In the first place, he asked for a furlough, and then for a furlough without pay, and has so far remained, with the expectation that the salary would be made something that he might accept, although he may not be the man to be appointed permanently to the office. The office is worth that much salary if we are to get the proper man for it.

Mr. TRAMMELL. Mr. President, I raised the question because I feel that when Congress is ready to enact new legislation dealing with the reclamation of land, such further legislation ought also to provide a plan that contemplates the reclamation of overflowed and submerged land as well as the arid lands of the country. The southern part of the United States has been knocking at the door of Congress for the past few years urging that legislation of this character should be general, and that reclamation by drainage is just as worthy of consideration and the assistance of Congress as is the reclamation of the arid lands.

Mr. WARREN. I know very well about the subject the Senator is discussing. It is expected on the part of the Senate to insert in legislation that is pending a provision as to the particular item he mentioned. We expect to include it. So far as the object of drainage itself is concerned, I will say that if this particular man should be appointed I know of no better friend for drainage than he is.

Mr. TRAMMELL. I am not objecting to the bill.

Mr. MOSES. Mr. President, may I ask the Senator if there is not equal merit in the reclamation of rocky land? I am speaking now for New England.

Mr. TRAMMELL. Of course that is a matter of impossibility.

Mr. MOSES. If it is meritorious to put water on the arid lands of the West and take water off the inundated lands of the South, it is certainly meritorious to take the rocks off the lands of New England.

Mr. TRAMMELL. If we are going to do that we should have a rock-picking picnic down our way, too, because in some sections of the South we have rocks on our land—not in Florida, however.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WESTERN FEDERAL RECLAMATION

Mr. McNARY. Mr. President, in the current number of the American Bankers' Association Journal is a very able and interesting article by Senator TASKER L. ODDIE, of Nevada, on the important subject of western Federal reclamation. It is so interesting and so informative that I ask unanimous consent to have it printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

[From the American Bankers' Association Journal, February, 1926]

WESTERN FEDERAL RECLAMATION—THROUGH IT 2,000,000 ACRES OF LAND HAVE BEEN IRRIGATED—A NEW FARM POPULATION OF 142,000—THERE ARE 37,000 FARMS ANNUALLY PRODUCING CROPS VALUED AT OVER $110,000,000—NEW WEALTH OVER THREE TIMES AMOUNT OF THE INVESTMENT

By TASKER L. ODDIE, United States Senator from Nevada, member of Senate Committee on Irrigation and Reclamation

The present national irrigation-reclamation policy was created to reclaim the arid lands of the western public-land States which lack sufficient rainfall to permit crops to grow without irrigation. It had its beginning in the Newlands Reclamation Act of 1902, and the Newlands project in Nevada was the first to be built under this act.

Of the more than 70,000,000 acres of land within the boundaries of the State of Nevada, the Federal Government owns about 60,000,000 acres, or nearly 90 per cent, an area almost as large as New York, New Jersey, and Connecticut combined. Only about 10 per cent of the land within the borders of Nevada is in private ownership, from which revenue by taxation can be derived.

This presents a striking illustration of the copartnership relation which exists between the Federal Government and the western public-land States, and the moral responsibility and obligation that rests on the Federal Government in its dealings with these States.

These western public-land States contribute vast sums in taxes to the Federal Treasury each year, a large part of which are paid in and credited to some of the Eastern States.

For nearly 25 years the Government has been positively and legally committed to a fixed reclamation policy. It is the trustee for the reclamation fund, which is derived from the sale of public lands, and from royalties from coal and oil leases on the public lands in the western public-land States, and it is also administrator of the projects; so its duty is to fulfill its obligations in these matters efficiently and promptly. It must not and can not abandon this policy or impose impracticable restrictions on its administration.

LOANS TO SETTLERS

The money expended for these projects is in the nature of loans to the settlers which must be returned to the revolving reclamation fund in order that it may be used for the completion or extension of existing projects or the building of meritorious and needed new ones. This money does not come from the Treasury funds which are raised by taxation from the people, as are the appropriations for rivers and harbors and other public improvements which are outright expenditures of the Government which do not have to be repaid.

During the last session of Congress the President recommended certain legislation relating to reclamation, which was enacted into law. It was based on the able and exhaustive report on reclamation projects made by a committee of experts appointed by the Secretary of the Interior for that purpose.

This legislation was carefully considered and favorably reported to Congress by the committees in both Houses having these matters in charge. Included in these committees and in the membership of both Houses are some of the ablest and most experienced men in the country on irrigation and reclamation matters, and who are also recognized as leaders in industry, finance, and the professions. They have been selected by the people as their representatives, and their advice and counsel, and the laws relating to these matters which they have helped to enact and which the President has approved, should unquestionably be given heed by the Government officials whose duty it is only to administer them with the utmost promptness and dispatch. This has not been done in certain important cases.

Recently certain unfair and misleading statements intimating that western Federal reclamation has proved a failure have appeared in several periodicals of large circulation and have come from certain departmental officials of our Government. This has had a tendency to undermine the public confidence in reclamation project development, and if not answered and checked will do serious harm to reclamation in general, and to the business of the whole country. It will make it difficult to secure the necessary appropriations from Congress and will tend to depreciate the value of reclamation securities and retard financing of private reclamation enterprises hereafter. It is therefore necessary that the bankers of our country be reliably informed on this question, as they are eminently qualified to grasp the real facts and are especially interested in and affected by the outcome. They, more than others, know that unanswered and unchecked misleading and damaging reports on any business or industry are harmful, and reclamation enterprises which have recently been attacked are not unlike banking enterprises in this respect. Favorable public opinion and confidence in reclamation enterprises are as essential to their success as they are to financial and other business enterprises.

WHAT IT HAS ACCOMPLISHED

We must anticipate the future growth of industry and population in our country by reclaiming more lands. Investigation will show that the agricultural output of the country is not increasing proportionately with our population. The normal balance between agricultural production and consumption in our country requires the completion of our present reclamation projects and others under contemplation. A retarding of normal western reclamation growth will tend to delay the reducing of the high cost of living to the people in the populous centers and in the country at large.

If our country's growth and development has reached its maximum, these arguments and facts are of no avail.

Federal reclamation has been one of the most strikingly successful, progressive, and constructive enterprises ever undertaken by our Government. It has transformed vast areas of the arid deserts in the Western States into prosperous farming communities. It has resulted in the irrigation of about 2,000,000 acres of new land. It has created a new farm population of about 142,000 people, with 37,000 irrigated farms, and 208 towns, with a combined population of 337,000 people. It has created $600,000,000 of new national wealth. It is producing crops on these projects valued at over $110,000,000 per annum. Already about $200,000,000 has been expended or contracted for from

the reclamation fund in building these projects, and about $60,000,000 of this has already been repaid to the fund.

Another important result of these western reclamation projects has been the creation of 935 schools, 633 churches, and 150 banks, with deposits of $111,000,000.

BENEFITS OF IRRIGATION

The benefits that have come to the country as a whole from these western reclamation projects is incalculable. They have created a market for $500,000,000 worth of manufactured and other products which other States have furnished. In this the East has especially benefited. They furnish winter feed for great herds of cattle and sheep that range in the Western States. The feeders from these herds provide a substantial part of the market for the corn products of the Middle Western States. Furthermore, these projects contribute millions of dollars per annum to the various transportation agencies in the country. They also contribute millions of dollars in taxes to the State and Federal Government each year. In fact, they are so closely knitted to the business and financial structure of the whole country and of such vast and far-reaching importance that they must be encouraged, aided, and protected at all costs.

Much has been said recently regarding the losses to the reclamation fund. They are insignificant and trivial compared to the accomplishments of reclamation. It is unfair and unjust to condemn the whole structure because of a few temporary setbacks and failures. Few industries and businesses have shown such results with the small proportion of failures as has western reclamation. It compares favorably in this particular with the transportation industry of the country. It should be remembered that the transcontinental railroads have received bonuses from the Federal Government of millions of acres of land. The bonds of these companies were never expected to be redeemed in a short period of years.

THREE TIMES MORE THAN THE INVESTMENT

As the Government is the trustee for the reclamation fund and the administrator of the projects, it is justified in using diligence and energy in collecting contract payments from the settlers when they fall due. I believe the great majority of the settlers are anxious to meet these obligations promptly. However, as in the administration of other industries, the equities of the case should be considered. This means that allowance should be made in cases where the Government has failed to live up to its agreements with the settlers because of certain unforeseen conditions which have been found to exist, and also because of the abnormal and depressed economic conditions the agricultural and livestock raising industries have experienced on these projects as well as in other sections of the country during the last few years.

Consideration should be given to the great numbers of settlers on these projects who have suffered hardship and loss in developing them under the most trying and difficult conditions.

The American people can well be proud of the results accomplished by Federal reclamation. It has created new wealth—over three times the amount of the Government's investment, the bulk of which will be repaid to the Government. It is financed from a special revolving fund from the resources of the Western States, and not from taxes from the people. It has transformed the barren desert into thrifty and happy farms. It has created an immense new and profitable market for eastern manufactured and other products. It has broadened the market for corn products of the Middle West by furnishing feeder cattle to consume it. It is yearly furnishing millions of dollars in taxes to the States and the Federal Government. It is furnishing the country with millions of dollars' worth of long-staple cotton annually, which otherwise would come from Egypt, also millions of dollars' worth of other high-class agricultural and livestock products which contribute to the welfare and happiness of the American people, and which are not competitive with those from other sections of the country.

TARIFF ON SHINGLES

Mr. DILL. Mr. President, I have a letter from the governor of my State on the subject of the tariff on shingles, in which he appeals to Congress to establish a tariff on shingles. That happens to be a subject which the Congress is not considering at this time. I shall not take the time of the Senate to read the letter if I may have permission to have it printed in the RECORD at this point as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

STATE OF WASHINGTON,
Olympia, February 10, 1926.

Hon. C. C. DILL,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The greatest crime against posterity is the needless dissipation of a God-given resource. The rankest injustice to the American workman is to cut him loose from the pursuits of a lifetime and set him adrift with his dependents. We are guilty of both in dealing with the cedar-shingle industry of the Pacific Northwest. The great cedar forests left us by the ages are being whittled and frittered away and a once prosperous industry is delivered into the hands of the Canadian producer and his oriental workman, because of the lack of adequate tariff protection.

I shall not attempt to go into detail. There is inclosed herewith a pamphlet issued by the United States cedar industry, which covers the subject in a comprehensive manner. But as governor I do wish to appeal to you, not in behalf of the shingle operators but in behalf of the people of the State of Washington, for it is a heritage of the people with which we are dealing.

The shingle business is a branch of the State of Washington's greatest industry, one which has contributed more than any other to the State's upbuilding, and which to-day is paying more than 60 per cent of the State's industrial pay roll and taxes. It is an industry supported by a great natural resource, and as such it vitally affects the welfare of every citizen and imposes a duty upon every public official.

When a tree is felled in the forest every citizen has the right to expect, not only for himself but for his posterity, that that tree through the process of manufacture will bring back something of value as a feeder of the people and a sustainer of government. It is our duty as public officials to employ every reasonable means to make possible this return of new wealth. Under the present laws and regulations this is not being done. The United States cedar-shingle industry is doomed, because our operators can not survive and compete with the cheaper raw material, longer hours of labor, and the low wage scale of Canada. In the attempt to compete not only have they brought themselves to the verge of bankruptcy, but what is more serious, they are dissipating a great natural resource, thereby contributing to the impoverishment of the State and its people.

The bankruptcy of the shingle mill operators is only incidental to the more serious aspects of the situation. The operator's greatest asset is not his plant nor his timber holdings, but his working crews. In most instances it has required years to build up the personnel of the forces who work the woods and run the machines. Had it not meant the wrecking of this greatest asset—the human organization—many mill owners who have been operating at a loss, or no more than breaking even, would have suspended before now. Unless relief is afforded the day of their suspension can not long be postponed. This means that thousands of trained and skilled men—law-abiding, home-owning, family-rearing citizens—will be cut off from their life's vocation and denied the benefits which are rightfully theirs by reason of their years of labor as artisans.

In short, the seriousness of the situation can not be overstated, and in my opinion it is such as to demand immediate action. I am sure that as a citizen of the State of Washington and as a representative of its people you can be relied upon to use every possible effort to secure the early enactment of a law providing a fair tariff upon imported shingles, and thus save an industry which is threatened with ruin.

With warmest personal regards, I remain,

Sincerely yours,

ROLAND H. HARTLEY,
Governor of Washington.

COMMERCIAL DEVELOPMENT OF AVIATION

Mr. WADSWORTH. Mr. President, on February 6 the Secretary of War, the Hon. Dwight F. Davis, delivered an address in New York City reviewing the condition of aviation and its connection with the national defense and the possibility of its commercial development. The address is very informing and comprehensive, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF HON. DWIGHT F. DAVIS, SECRETARY OF WAR, AT THE NATIONAL REPUBLICAN CLUB, NEW YORK CITY, FEBRUARY 6, 1926, AT 2 P. M.

The subject of aviation is of great interest to the whole country. It is of vital importance to the Army and Navy. It is a subject upon which there has been a great deal of controversy, in which, unfortunately, there has been too much of personalities, prejudice, and passion. I will try to make my remarks to-day a fair, impartial, dispassionate, and unbiased statement of the present condition of our Army Air Service as I see it, knowing full well that whatever I say will be misconstrued, criticized, and condemned. Nevertheless, I will give you facts based on investigations, not merely statements of my personal opinion.

Military students, like other intelligent men, believe that aircraft will play a most important part in future wars. They differ as to the nature of the part which aircraft will take and how it can be most effectively used. Upon this subject, as upon almost every other controversial subject, there are extreme radicals and there are extreme conservatives. These two classes constitute only a small portion of our people, yet they are almost invariably the most vociferous. On examining the attitude of conservatives and radicals upon other subjects which have long since been settled, we usually find that the radicals

went too far and that the conservatives did not go far enough. The best course usually lies somewhere between the two extremes, although the "middle of the roaders" are usually damned, for the time at least, by both classes of extremists.

I believe that the outlook for aviation, both civil and military, is brighter than ever before in our history. Private capital is becoming interested in commercial aviation. The development of commercial aviation is vital to the development of military aviation—as vital as was the development of commercial auto trucks to Army truck transportation. The airplane manufacturers are busier than they have been since the war, and their prospects are far better for the future. The development of the aviation industry is also vitally important to military aviation. In addition, aviation is steadily becoming safer, as shown by the statistics. The annual report of General Patrick, the Chief of Air Service, for the fiscal year 1925 shows a truly remarkable increase in the safety factor in heavier-than-air flying. Flying in the Air Service was over three times as safe in 1924 as in 1921, and that factor of safety will probably increase in the future. Also, pleasant to relate, governmental appropriations are becoming larger each year. An adequate number of modern planes is gradually being built up in both military services. The period of toil, struggle, and hardship for air pioneers is nearly over; the present is promising; the future is bright.

America has thus far been backward in commercial aviation. This has been due to several factors. Foreign governments have subsidized commercial aviation, a thing which is contrary to our national policy. Foreign airways companies could not have developed or even existed without this subsidy. Many lines have been established abroad, with governmental assistance, for political rather than commercial purposes. Insurance rates abroad are very low on goods shipped by air, and this has encouraged commercial air transportation.

This country has also been slow in establishing a system of governmental air supervision, although it is probable that Congress will remedy this condition during this session. We have failed to encourage commercial aviation by providing certain facilities, such as weather reports, airways, landing fields on the public domain, and aerial searchlights. With the establishment of a Bureau of Civil Aeronautics in the Department of Commerce, with the present increased interest in the whole subject of aviation, and with the new willingness of private capital to enter the field of commercial aviation, it is believed that these handicaps will rapidly disappear. I have stressed the importance of commercial aviation and the airplane industry because of their great value to the national defense. If they are ever firmly established, one vital factor in the aviation problem in national defense will be solved.

In military aviation our standing as compared with other nations is a question frequently discussed. Some of the factors are known, some disputed, some unknown; so comparison is difficult. Our national policy is properly opposed to competition in armaments. Our Army is far below that of the other large powers. Our Army Air Service, while smaller than we would like to have it and smaller numerically than some of the other nations, is given a greater relative strength in the Army of the United States than in the military peace strength of any country of military importance, except possibly Great Britain, whose geographical and political position requires special air strength. Our Army Air Service comprises 6.7 per cent of our total land force, as compared with 5.4 per cent for France, with 3.7 per cent for Italy, and 1.6 per cent for Japan. If the combined figures, including naval air forces, were taken, I imagine that the proportions would be even larger in our favor. So while it is true that our air force is too small, our Army Air Service is larger proportionally to the other arms than the air services of other nations.

As regards the quality of our personnel, I believe that in skill, training, and bravery our American flyer is at least equal, if not superior, to any flyer in the world.

In so far as the design and construction of airplanes is concerned, the Chief of Air Service tells me that "it can be said without fear of contradiction that the United States is at least abreast and in some respects it is decidedly ahead of all the other nations."

The Lampert congressional committee found that "in modern equipment, quality, and performance we are not excelled, on the whole, by any other nation in the world."

The national advisory committee for aeronautics in 1925 came to this conclusion: "The committee is of the opinion that America is at least abreast of other progressive nations in the technical development of aircraft for military purposes."

Recently a prominent British airplane manufacturer (Mr. Fairey) visited this country, and upon his return is reported to have made the statement that "As a result of their racing experiments they have developed the scout (pursuit) type of machine to a point where it was superior to any other." As regards our research work, Mr. Fairey is also reported to have said: "There was this very great difference between British and American research that, whereas the former was along scattered and somewhat academic channels, seemingly apparently arriving nowhere in particular, American research was focused on definite problems."

At this meeting, Sir Philip Sassoon, undersecretary of state for air, is quoted as saying that he had listened with great interest to Mr. Fairey and had to admit that he agreed with everything Mr. Fairey had said.

Last fall, the French sent over two of their very latest observation planes, of which they are ordering a large number. In competition with our own observation planes these proved to be no better in any respect than observation planes which the Army is now buying.

A French ace, Captain Fonck, who visited this country very recently is reported to have said: "We are very far behind the Americans. The results they have obtained from a mechanical point of view make them past masters of air technique."

In the Schneider maritime cup race last year Lieutenant Doolittle, of the Army Air Service, won the cup for the United States by averaging 232 miles per hour over the 350 kilometer course at Baltimore. The second place was won by a British contestant with with an average speed of 199 miles an hour, while an Italian pilot finished third, averaging 168 miles per hour.

A comparison of the airplane world records held by the different nations is highly favorable to America. Ninety-one world records for airplanes and seaplanes are recognized by the International Aeronautic Federation. When the four world speed records, recently made by Lieutenant McDonald, are recognized officially, the United States will be credited with a total of 40 world records as compared with 51 for all the other nations of the globe. These records are definite, provable statements of facts, not mere expressions of opinion. All of these facts and statements which I have outlined prove conclusively that our Air Service and our industry are, to put it ultraconservatively, at least equal to any other nation in technical achievement in aeronautics.

In the field of endurance, skill, and efficiency in organization, I will merely recall to your minds certain achievements of the Army Air Service, to which should be added the special feats of the Navy Air Service. In November, 1919, Lieutenant Colonel Hartz flew a Martin bomber completely around the perimeter of the United States. In October of the same year a reliability test of airplanes was held in which a large number of planes flew from New York to San Francisco. This test was pactically a forerunner of the Air Mail Service. In February, 1920, the world's altitude record of 33,000 feet was established by Major Schroeder. This record was broken in May, 1921, by Lieutenant Macready with an altitude of 34,150 feet, to be broken again by the same officer when in May, 1924, he attained an altitude of 35,239 feet. From July to October, 1920, four D. H. planes were successfully flown from New York to Nome, Alaska, and return, a distance of 9,329 miles.

On February 12, 1921, the first American airway was opened, connecting Washington, D. C., with Dayton, Ohio. This accomplishment has had far-reaching results in the establishment of many other airways, equipped for night and day travel by postal and other planes. To date, the Army Air Service has discovered, surveyed, and mapped over 3,500 emergency landing fields. In June, 1921, German warships were bombed and sunk by airplanes off the Virginia capes. In September, 1921, forest patrols of the Air Service covered over 7,000,000 square miles of forest and discovered several hundred fires, preventing a loss of many millions of dollars.

Army airplanes have been employed exclusively in recent years to spray calcium arsenate on the cotton fields of the South in an attempt to combat the boll weevil, which in the past has destroyed, according to conservative estimates, over $200,000,000 worth of cotton a year. In March, 1924, the Union Pacific Railroad requested that Army planes be sent to Omaha to dislodge, by aerial bombs, a serious ice jam which had formed in the Platte River. Our airmen were successful in breaking the ice jam, thereby averting a certain flood that would have caused thousands of dollars damage to property and seriously endangered human lives. Eight square miles of inaccessible mountain ranges and canyons in Hawaii were sown with tree seeds by Army airmen a few years ago, thus solving a problem of reforestation which had always been of considerable concern to the Territorial government.

The Army pilots have been pioneers in long-distance cross-country flying. Among the outstanding flights are the flight of a monoplane by Lieutenants Macready and Kelly from New York to San Diego in 26½ hours; the nonstop flight of Lieutenant Crocker from the Gulf of Mexico to the Canadian border in less than 12 hours; and the flight by Lieutenants Smith and Richter, when they remained continuously in the air for 37 hours and 15 minutes, refueling in the air from another plane. Finally, comes the epic achievement of air history, a triumph of skill, daring, and official organization, the round-the-world flight of our Army aviators. This record of actual achievement is one of which we may all be proud.

So far I have discussed the record of successful accomplishment by our Army Air Service. Let me now state some of our deficiencies, which the radical, the conservative, and the "middle of the roader" alike deplore. First, as to personnel. The Air Service of the Regular Army, as contemplated by the national defense act, was to consist of 1,516 officers and 16,000 enlisted men, including not to exceed 2,500 flying cadets. Since the passage of the national defense act, the Air

Service, in common with all branches of the Army, has suffered through periodic reductions in the strength of the Army, a severe curtailment in the number of its personnel, as contemplated by the act. The Air Service, however, has been favored by the War Department in making the reductions as compared with the other services, as its reductions have been but 44 per cent as contrasted with 57 per cent for the whole of the Regular Army and 62 per cent for the Infantry. Naturally, this cut in all the branches was not made voluntarily by the Army itself.

As regards deficiencies in planes, we have not as many new planes as we would like. We must recognize, however, that many other considerations of national policy enter into the question of how much money can be made available for this purchase. Where the necessity for tax reduction and our desire to spend many millions for new planes conflict, higher authority must make the decision and we must abide by it. In justice to these higher authorities it is only fair to say that if we had been allowed to spend the money we would have liked to spend on new airplanes during the past few years, most of these planes would now be obsolete as fighting planes. In fact, in 1922 the Chief of Air Service did not spend all of the money appropriated for new planes, because he had not standardized the types he wanted to purchase. I must not be understood as saying that the Goverment is not spending a very large sum on aviation, as the appropriations for 1926 for the Army Air Service are $14,700,000, with a contract authorization of $2,150,000, and for the Navy Air Service $14,790,000, with a contract authorization of $4,100,000 (exclusive of $3,000,000 for a new carrier). My point is that if tax reduction and the purchase of large numbers of new planes can not both be accomplished at once, our duty as soldiers is to accept the decision and spend the money allotted to us as efficiently as possible. The results I have outlined show that this has been done.

Our Air Service has been criticized for using rebuilt war machines. Any business man of sound judgment would have followed this policy. It has been and is being followed by the other nations. The facts are as follows: This country, like others engaged in the war, was left at its close with a vast accumulation of war-built aircraft material which had cost enormous sums of money. It was a serious question what should be done with this material. If it was scrapped, written off as a dead loss, and if we started afresh to build airplanes in quantities, the designs and the methods of construction would have been no better than those employed in connection with the manufacture of these war planes, and only a few could have been made with the money available. The designs were also being constantly improved, and this progress was so great that these designs succeeded each other rapidly and each new development made somewhat out of date the one that preceded it. In fact, at no time until perhaps a year or two ago, would it have been possible to build airplanes with the design then available with any certainty that they would not be rendered obsolete by other designs before they could be placed in service.

According to Mr. Orville Wright, more scientific knowledge of the design and construction of airplanes has been acquired during the past four or five years than in all the other 17 or 18 years which followed the Wrights' first flight in 1903. During this transition period it was decided to keep in service the war-built planes, rebuilding them when needed. I am emphatically assured by the Chief of Air Service that "these planes are never sent into the air until after they have been thoroughly inspected, repaired, and put in as good condition as when first manufactured." "Furthermore," he states, "a very careful examination of all the accidents which have happened shows clearly that there have been exceedingly few which were due to any failure on the part of the planes themselves." By using this material at moderate cost the Army Air Service was kept flying while, at the same time, every effort was bent toward securing better designs and improved methods of manufacture. It was a safe, sound, and businesslike method of solving the problem.

At the first meeting of the President's aircraft board, whose painstaking investigations, patient research, and sound reasoning is a valuable contribution to aviation, I said, after reviewing the condition of our air force: "I see no reason to be panicky about the condition of our Air Service." When we realize the great progress that is being made in commercial aviation and in the airplane industry, both of which are vital to military aviation; when we realize that our Army Air Service, although too small in size, is larger in proportion to the other arms than other air services; that our personnel is at least equal to any in the world; that in the design and construction of airplanes we are at least abreast, if not ahead, of other nations; that we hold 40 world's records out of a total of 91; that our service has an unequaled record of constructive achievement, crowned by the epic round-the-world flight; with this picture before us, do you feel that there is any reason to be panicky about the condition of our Air Service?

This does not mean that we should not seek to improve the service where improvement is possible, to increase the size of the force, and purchase new planes when money is available, to make the service as efficient as possible within our means. To carry out the development of the Army air component Secretary of War Weeks convened in 1923 a board of officers and assigned to this board the duty of drawing up a complete project for the strength and organization of the Air Service both in matériel and personnel. This project was to meet both peace and war requirements and was to contain a program for putting into effect whatever the board should recommend. The board studied all angles of the problem, including production, procurement, peace strength, war strength in personnel and matériel, organization, and distribution. It enunciated a broad policy extending over a 10-year period, which has been and is the department's policy in air matters. The President's aircraft board did not consider it wise to make definite plans for such an extended period as 10 years, and recommended that a plan extending over a period of 5 years be studied. Such a study is now being made.

The development of a national-defense plan is a difficult, complicated, technical subject which I do not feel competent to discuss, even if I had sufficient time to-day. I will only call your attention to one or two factors which should be kept in mind when discussing this subject. A country's defensive plan, as distinguished from an offensive plan, is based upon the probable enemy strength which could be brought against it. This necessarily varies with different countries, the geographical factor being an important consideration. This is especially true of this country, protected as we are by broad oceans on both the east and the west. Such a situation is particularly important when considering the danger of an air attack. An eminent scientist and student of aerodynamics, member of the Advisory Committee on Aeronautics, and director of the Stanford Aerodynamics Laboratory, Dr. L. W. F. Durand, stated recently, according to the papers, that the maximum range of an airplane carrying a load of bombs is 1,200 miles at present. In his opinion, a plane that will travel 2,000 miles carrying a 4,000-pound bomb may be developed in time, but anything beyond that is nearly impossible. If this eminent scientist is correct, it is evident that to make an air attack and return an enemy must seize and hold a base within 500 or 600 miles of our coast. The President's aircraft board stated: "It seems to be the consensus of expert opinion that the effective radius of flight for bombing operations is at present between 200 and 300 miles." In this respect the difference between our geographical situation and that of an European nation is obvious. This difference would naturally affect the size, composition, and organization of our air forces as compared with theirs.

The element of time is also an important consideration. A European nation might be in danger of an air attack within a few minutes after war is declared. Fortunately for us, we are in no such danger. In fact, the President's aircraft board stated specifically that in its opinion the United States was in no danger of an air attack from any potential enemy of menacing strength.

Another factor in devising war plans, which all military experts consider of the greatest importance, is the necessity for unity of command, which was the outstanding lesson of the World War. They hold that the commander in chief must be the supreme military authority and that under his orders should be all the forces which go to make up the Army of the United States. He should control the air forces as well as the ground forces, and the air operations which are an essential part of the ground operations should be coordinated with the battle plans for the other units which constitute the rest of his command.

This is a plain business proposition. Every business enterprise should have at its head one supreme and final authority. All the branches of the business should come under it to insure proper coordination and proper teamwork. All must be directed to the common end, success in that particular business field. The business man gives to his subordinates a considerable measure of authority. Upon each he places the proper measure of responsibility. The War Department's national defense theory differs in no essential particular from this businesslike method of administering a large corporation or combination of related interests.

One other thought and I am through. Modern warfare is not a matter of armies and navies alone. It involves the whole Nation. The manufacturer in his factory, the workman at his tool, the farmer at his plow, the worker in the mill, the financier, the scientist, the diplomat, all have an important part to play in the defense of the Nation. The natural resources, the mineral wealth, the whole industrial, agricultural, and commercial fabric are of vital importance. Aviation is an important factor in the national defense, but it is only one of many factors. Any comprehensive plan must envisage all the factors and must utilize and coordinate them to the maximum efficiency. Every department of Government, every branch of industry, indeed every citizen, is an integral part in the national defense.

We must consider the whole defense problem calmly, thoughtfully, patriotically. The subject is too important for passion or prejudice, the consequences of mistake too disastrous. In our discussion of the national defense let us have but one thought in mind, the safety of our country, the lives of our boys in battle. Other considerations are unimportant; this is all important.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and the Senate (at 5 o'clock and 25 minutes p. m.) adjourned until to-morrow, Tuesday, February 16, 1926, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 15, 1926

UNITED STATES ATTORNEYS

Edward E. Hindman, of Mississippi, to be United States attorney, southern district of Mississippi. (A reappointment, his term having expired.)

William D. Coppernoll, of Alaska, to be United States attorney, third division, district of Alaska, vice Frank H. Foster, appointed by court.

John S. Murdock, of Rhode Island, to be United States attorney, district of Rhode Island, vice Norman S. Case, term expired.

Randolph Bryant, of Texas, to be United States attorney, eastern district of Texas. (A reappointment, his term having expired.)

UNITED STATES MARSHALS

Charles R. Ligon, of Mississippi, to be United States marshal, northern district of Mississippi, vice John H. Cook, appointed United States attorney.

John C. Orrick, of Montana, to be United States marshal, district of Montana, vice Rolla Duncan, resigned.

Chester N. Leedom, of South Dakota, to be United States marshal, district of South Dakota, vice John Rooks, appointed by the court.

SOLICITOR OF THE TREASURY

Robert J. Mawhinney, of Pennsylvania, to be Solicitor of the Treasury, vice Richard R. McMahon, retired.

COLLECTOR OF CUSTOMS

John C. McBride, of Juneau, Alaska, to be collector of customs for customs collection district No. 31, with headquarters at Juneau, Alaska. Reappointment.

Judson LaMoure, jr., of Pembina, N. Dak., to be collector of customs for customs collection district No. 34, with headquarters at Pembina, N. Dak. Reappointment.

JUDGE OF THE MUNICIPAL COURT, DISTRICT OF COLUMBIA

James A. Cobb, of the District of Columbia, to be a judge of the Municipal Court, District of Columbia, vice Robert H. Terrell, deceased.

COAST AND GEODETIC SURVEY

The following-named officers of the Coast and Geodetic Survey to the positions named:

Aid, with relative rank of ensign in the Navy

Edward Robert McCarthy, of Massachusetts, vice V. A. Powell, resigned.

Francis Bartholomew Quinn, of Massachusetts, vice P. C. Doran, promoted.

Emil Herman Kirsch, of South Dakota, vice V. A. Bishop, promoted.

Henry James Healy, of North Dakota, vice B. Williams, promoted.

Leonard Carl Johnson, of Massachusetts, vice H. J. Peterson, resigned.

Ira Taylor Sanders, of Tennessee, vice W. E. Strohm, resigned.

COAST GUARD

Lieut. (Junior Grade) (Engineering) Herman H. Curry to be a lieutenant (Engineering) in the Coast Guard of the United States, to rank as such from September 30, 1925.

APPOINTMENTS IN THE REGULAR ARMY

GENERAL OFFICERS

Brig. Gen. Malin Craig (major general, Chief of Cavalry) to be major general from March 21, 1926, vice Maj. Gen. Charles T. Menoher, to be retired from active service March 20, 1926.

Col. Henry Grant Learnard, Infantry, to be brigadier general from March 21, 1926, vice Brig. Gen. Malin Craig, nominated for appointment as major general.

CAVALRY

Col. Herbert Ball Crosby, Cavalry, to be Chief of Cavalry, with the rank of major general for a period of four years from date of acceptance, with rank from March 21, 1926, vice Maj. Gen. Malin Craig, Chief of Cavalry, nominated for appointment as major general of the line of the Army.

PROMOTIONS IN THE REGULAR ARMY

Maj. Charles Augustine Thuis, Infantry, to be lieutenant colonel from February 7, 1926.

Capt. Edward Tiffin Comegys, Finance Department, to be major from February 7, 1926.

To be captains

First Lieut. Marvin Wade Marsh, Infantry, from February 5, 1926.

First Lieut. Holland Spencer Chamness, Infantry, from February 7, 1926.

First Lieut. Julian Horace George, Infantry, from February 8, 1926.

First Lieut. William Camillus Kabrich, Coast Artillery Corps, from February 11, 1926.

To be first lieutenants

Second Lieut. Frank Joseph Spettel, Infantry, from February 5, 1926.

Second Lieut. Burwell Baylor Wilkes, jr., Infantry, from February 7, 1926.

Second Lieut. John Barry Peirce, Infantry, from February 8, 1926.

Second Lieut. James Raymond Goodall, Coast Artillery Corps, from February 11, 1926.

POSTMASTERS

ALABAMA

Winston C. Shotts to be postmaster at Hackleburg, Ala., in place of E. M. Sullins, resigned.

Alice Wilkinson to be postmaster at Prattville, Ala., in place of Alice Wilkinson. Incumbent's commission expired February 14, 1926.

Stella K. Martin to be postmaster at Plantersville, Ala., in place of S. K. Martin. Incumbent's commission expired February 14, 1926.

Jewell Sorrell to be postmaster at Jamison, Ala., in place of Jewell Sorrell. Incumbent's commission expired February 14, 1926.

Wiley M. Bean to be postmaster at Clanton, Ala., in place of W. M. Bean. Incumbent's commission expired February 14, 1926.

Eleanor F. Whitcher to be postmaster at Bridgeport, Ala., in place of E. F. Whitcher. Incumbent's commission expired February 14, 1926.

James F. Brawner to be postmaster at Andalusia, Ala., in place of J. F. Brawner. Incumbent's commission expired February 13, 1926.

Helen M. Jones to be postmaster at Whistler, Ala., in place of A. E. Welch. Incumbent's commission expired December 20, 1925.

Benjamin F. Beesley to be postmaster at McKenzie, Ala., in place of B. F. Beesley. Incumbent's commission expired December 20, 1925.

ARKANSAS

Claude G. Felts to be postmaster at Alicia, Ark., in place of C. G. Felts. Incumbent's commission expired November 17, 1925.

CALIFORNIA

Grace R. Ashbridge to be postmaster at Avalon, Calif., in place of M. E. Trout, removed.

Nellie K. Cushing to be postmaster at Martinez, Calif., in place of N. K. Cushing. Incumbent's commission expired February 2, 1926.

John P. Day to be postmaster at Woodlake, Calif., in place of J. P. Day. Incumbent's commission expired February 10, 1926.

Arthur M. Becker to be postmaster at Visalia, Calif., in place of A. M. Becker. Incumbent's commission expired February 10, 1926.

Loring N. Kirk to be postmaster at Upland, Calif., in place of L. N. Kirk. Incumbent's commission expired February 10, 1926.

Patrick P. O'Brien to be postmaster at Los Angeles, Calif., in place of P. P. O'Brien. Incumbent's commission expired February 10, 1926.

Thomas H. Faus to be postmaster at Lindsay, Calif., in place of T. H. Faus. Incumbent's commission expired February 10, 1926.

Theodore H. Zimmerman to be postmaster at Fillmore, Calif., in place of T. H. Zimmerman. Incumbent's commission expired February 10, 1926.

William H. Nicholson to be postmaster at Ben Lomond, Calif., in place of W. H. Nicholson. Incumbent's commission expired February 10, 1926.

Joseph F. Carroll to be postmaster at Bell, Calif., in place of J. F. Carroll. Incumbent's commission expired February 10, 1926.

COLORADO

Grace Conrad to be postmaster at Olney Springs, Colo., in place of Grace Conrad. Incumbent's commission expires February 16, 1926.

Rachel Crawford to be postmaster at Cortez, Colo., in place of C. H. Pollard. Incumbent's commission expired December 15, 1925.

Frank S. Lucas to be postmaster at Clifton, Colo., in place of F. S. Lucas. Incumbent's commission expires February 16, 1926.

Robert L. Wilkinson to be postmaster at Burlington, Colo., in place of R. L. Wilkinson. Incumbent's commission expires February 16, 1926.

Edward P. Owen to be postmaster at Genoa, Colo., in place of E. P. Owen. Incumbent's commission expired February 10, 1926.

Henry N. Chapman to be postmaster at Branson, Colo., in place of H. N. Chapman. Incumbent's commission expired January 17, 1926.

Henry A. Danielson to be postmaster at Boone, Colo., in place of H. A. Danielson. Incumbent's commission expired February 10, 1926.

CONNECTICUT

Anna F. Bond to be postmaster at Rowayton, Conn., in place of Harvey Ackart, resigned.

ILLINOIS

Jacob H. Maher to be postmaster at Hull, Ill., in place of J. H. Maher. Incumbent's commission expired February 13, 1926.

John E. Crowley to be postmaster at Highwood, Ill., in place of R. M. Reilly. Incumbent's commission expired July 13, 1925.

Charles E. Seeber to be postmaster at Benton, Ill., in place of C. E. Seeber. Incumbent's commission expired February 14, 1926.

George F. Allain to be postmaster at St. Anne, Ill., in place of G. F. Allain. Incumbent's commission expired September 24, 1925.

Joseph B. Frisbie to be postmaster at Mendon, Ill., in place of J. B. Frisbie. Incumbent's commission expired January 17, 1926.

INDIANA

Zeno I. Moore to be postmaster at Paoli, Ind., in place of Z. I. Moore. Incumbent's commission expired February 14, 1926.

Ernest C. Purdue to be postmaster at Newburg, Ind., in place of E. C. Purdue. Incumbent's commission expired February 14, 1926.

William E. Kelsey to be postmaster at Monterey, Ind., in place of W. E. Kelsey. Incumbent's commission expired February 14, 1926.

Charles S. Dudley to be postmaster at Lewisville, Ind., in place of C. S. Dudley. Incumbent's commission expired February 14, 1926.

Ben H. Sink to be postmaster at Jasonville, Ind., in place of B. H. Sink. Incumbent's commission expired February 15, 1926.

Moody L. Katter to be postmaster at Huntingburg, Ind., in place of M. L. Katter. Incumbent's commission expired February 13, 1926.

Maude E. Mitchell to be postmaster at Ellettsville, Ind., in place of M. E. Mitchell. Incumbent's commission expires February 15, 1926.

Mazie F. Cline to be postmaster at Camden, Ind., in place of F. G. Armick. Incumbent's commission expired October 20, 1925.

Charles E. Combs to be postmaster at Bloomfield, Ind., in place of C. E. Combs. Incumbent's commission expired February 15, 1926.

IOWA

Christa A. Hendrix to be postmaster at Silver City, Iowa, in place of C. A. Hendrix. Incumbent's commission expired February 15, 1926.

Raymond W. Rhoades to be postmaster at Glenwood, Iowa, in place of R. W. Rhoades. Incumbent's commission expired February 15, 1926.

Otto J. Warneke to be postmaster at Readlyn, Iowa, in place of O. J. Warneke. Incumbent's commission expired January 18, 1926.

William C. McCurdy to be postmaster at Massena, Iowa, in place of W. C. McCurdy. Incumbent's commission expired February 10, 1926.

KANSAS

Elmer E. Haynes to be postmaster at Madison, Kans., in place of E. E. Haynes. Incumbent's commission expired February 15, 1926.

E. Ervin Townsdin to be postmaster at Hugoton, Kans., in place of E. E. Townsdin. Incumbent's commission expires February 16, 1926.

Sidney H. Knapp to be postmaster at Concordia, Kans., in place of S. H. Knapp. Incumbent's commission expired February 14, 1926.

Jacob K. Luder to be postmaster at Waldo, Kans., in place of J. K. Luder. Incumbent's commission expired February 10, 1926.

John W. Coleman to be postmaster at Sylvia, Kans., in place of J. W. Coleman. Incumbent's commission expired February 10, 1926.

KENTUCKY

Iley G. Nance to be postmaster at Slaughters, Ky., in place of I. G. Nance. Incumbent's commission expires February 15, 1926.

Robert Campbell to be postmaster at Taylorsville, Ky., in place of Robert Campbell. Incumbent's commission expired December 22, 1925.

LOUISIANA

Elwyn J. Barrow to be postmaster at St. Francisville, La., in place of E. J. Barrow. Incumbent's commission expired February 14, 1926.

Emmie G. Webb to be postmaster at Minden, La., in place of E. G. Webb. Incumbent's commission expired February 14, 1926.

Benjamin F. Cowley to be postmaster at Leesville, La., in place of B. F. Cowley. Incumbent's commission expired February 14, 1926.

Reynald J. Patin to be postmaster at Breaux Bridge, La., in place of R. J. Patin. Incumbent's commission expired February 14, 1926.

MAINE

Charles H. Bussell to be postmaster at Pittsfield, Me., in place of C. H. Bussell. Incumbent's commission expired February 9, 1926.

MASSACHUSETTS

Henry T. Crocker to be postmaster at Brewster, Mass., in place of W. M. Knowles, resigned.

MICHIGAN

Alfred H. Stevens to be postmaster at Montrose, Mich., in place of J. I. Bedtelyon. Incumbent's commission expired September 27, 1925.

Bert W. Klackle to be postmaster at Bridgman, Mich., in place of B. W. Klackle. Incumbent's commission expired February 13, 1926.

Edward A. Gast to be postmaster at St. Joseph, Mich., in place of E. A. Gast. Incumbent's commission expired February 10, 1926.

Charles T. Lockwood to be postmaster at Portland, Mich., in place of C. T. Lockwood. Incumbent's commission expired February 10, 1926.

Thomas H. McGee to be postmaster at Farmington, Mich., in place of T. H. McGee. Incumbent's commission expired February 10, 1926.

MINNESOTA

Lewis A. Bradford to be postmaster at Verndale, Minn., in place of L. A. Bradford. Incumbent's commission expired February 7, 1926.

G. Harriet Payne to be postmaster at Bertha, Minn., in place of N. E. Lewis. Incumbent's commission expired January 8, 1926.

Andrew Bromstad to be postmaster at Milan, Minn., in place of Andrew Bromstad. Incumbent's commission expired February 7, 1926.

Amos P. Wells to be postmaster at Holloway, Minn., in place of A. P. Wells. Incumbent's commission expired February 7, 1926.

Carleton H. Leighty to be postmaster at Glenville, Minn., in place of C. H. Leighty. Incumbent's commission expired November 22, 1925.

Leslie A. Persons to be postmaster at Garvin, Minn., in place of L. A. Persons. Incumbent's commission expired August 24, 1925.

Cecil R. Campbell to be postmaster at Ellendale, Minn., in place of D. J. Sullivan. Incumbent's commission expired November 22, 1925.

Emily M. Drexler to be postmaster at Brandon, Minn., in place of E. M. Drexler. Incumbent's commission expired February 7, 1926.

George T. Sands to be postmaster at Alvarado, Minn., in place of G. T. Sands. Incumbent's commission expired December 20, 1925.

MISSISSIPPI

Amos D. Dorman to be postmaster at Myrtle, Miss., in place of A. D. Dorman. Incumbent's commission expired February 7, 1926.

MISSOURI

Carl E. Morris to be postmaster at Pattonsburg, Mo., in place of Delbert Fisher. Removed.

John M. Gallatin to be postmaster at Chillicothe, Mo., in place of H. D. McHolland. Incumbent's commission expired November 9, 1925.

Enos D. French to be postmaster at Skidmore, Mo., in place of E. D. French. Incumbent's commission expired February 9, 1926.

Joel W. Sever to be postmaster at Hurdland, Mo., in place of J. W. Sever. Incumbent's commission expired February 2, 1926.

Peter S. Ravenstein to be postmaster at Hayti, Mo., in place of P. S. Ravenstein. Incumbent's commission expired November 22, 1925.

Arthur F. Goetz to be postmaster at Canton, Mo., in place of A. F. Goetz. Incumbent's commission expired November 19, 1925.

MONTANA

Emil Heikkila to be postmaster at Roberts, Mont., in place of J. J. Pietila, deceased.

Philip Daniels to be postmaster at Anaconda, Mont., in place of Philip Daniels. Incumbent's commission expires February 15, 1926.

Jessie M. Tripp to be postmaster at Gardiner, Mont., in place of J. M. Tripp. Incumbent's commission expired February 3, 1926.

NEBRASKA

Elsie B. Thompson to be postmaster at Wynot, Nebr., in place of E. B. Thompson. Incumbent's commission expires February 16, 1926.

Gilbert E. Swanson to be postmaster at Oshkosh, Nebr., in place of G. E. Swanson. Incumbent's commission expires February 16, 1926.

Milton L. Pittenger to be postmaster at Crab Orchard, Nebr., in place of M. L. Pittenger. Incumbent's commission expires February 16, 1926.

Frank N. Thomson to be postmaster at Winnebago, Nebr., in place of F. N. Thomson. Incumbent's commission expired February 9, 1926.

Blanche Snyder to be postmaster at Oconto, Nebr., in place of Blanche Snyder. Incumbent's commission expired February 10, 1926.

Isaac A. Reneau to be postmaster at Broken Bow, Nebr., in place of I. A. Reneau. Incumbent's commission expired February 9, 1926.

NEW HAMPSHIRE

John A. Gleason to be postmaster at Dublin, N. H., in place of J. A. Gleason. Incumbent's commission expires February 15, 1926.

NEW MEXICO

Charles C. Lee to be postmaster at Las Cruces, N. Mex., in place of C. C. Lee. Incumbent's commission expires February 15, 1926.

NEW JERSEY

William H. Cottrell to be postmaster at Princeton, N. J., in place of W. H. Cottrell. Incumbent's commission expired February 10, 1926.

Clark P. Kemp to be postmaster at Little Silver, N. J., in place of C. P. Kemp. Incumbent's commission expired February 10, 1926.

NEW YORK

Willis J. Stone to be postmaster at West Chazy, N. Y., in place of W. J. Stone. Incumbent's commission expired February 14, 1926.

Lewis L. Erhart to be postmaster at Pleasant Valley, N. Y., in place of L. L. Erhart. Incumbent's commission expires February 16, 1926.

Leo F. Wixom to be postmaster at North Cohocton, N. Y., in place of C. B. Stoddard. Incumbent's commission expired November 17, 1925.

McKenzie B. Stewart to be postmaster at Mooers, N. Y., in place of M. B. Stewart. Incumbent's commission expired February 14, 1926.

Wirt N. Moulthrop to be postmaster at Kenoza Lake, N. Y., in place of W. N. Moulthrop. Incumbent's commission expires February 16, 1926.

Amideas J. Hinman to be postmaster at Mohawk, N. Y., in place of A. J. Hinman. Incumbent's commission expired February 14, 1926.

Linn C. Beebe to be postmaster at Hamilton, N. Y., in place of L. C. Beebe. Incumbent's commission expires February 16, 1926.

Charles A. Daniels to be postmaster at Gilbertsville, N. Y., in place of C. A. Daniels. Incumbent's commission expired February 14, 1926.

Lee W. Locke to be postmaster at Edmeston, N. Y., in place of L. W. Locke. Incumbent's commission expired February 14, 1926.

Floyd W. Ryan to be postmaster at Dalton, N. Y., in place of F. W. Ryan. Incumbent's commission expired February 14, 1926.

Leander C. Gregory to be postmaster at Croton Falls, N. Y., in place of L. C. Gregory. Incumbent's commission expired February 14, 1926.

Truman Y. Burr to be postmaster at Cochecton, N. Y., in place of T. Y. Burr. Incumbent's commission expires February 16, 1926.

E. Adelbert Totman to be postmaster at Cincinnatus, N. Y., in place of E. A. Totman. Incumbent's commission expires February 16, 1926.

Fred H. Woolshlager to be postmaster at Castorland, N. Y., in place of F. H. Woolshlager. Incumbent's commission expired February 14, 1926.

Clarence B. Newhouse to be postmaster at Bloomingburg, N. Y., in place of C. B. Newhouse. Incumbent's commission expires February 16, 1926.

Charles Ray to be postmaster at Barker, N. Y., in place of Charles Ray. Incumbent's commission expires February 16, 1926.

Fred A. Shoemaker to be postmaster at Averill Park, N. Y., in place of F. A. Shoemaker. Incumbent's commission expired February 14, 1926.

Lester J. Taylor to be postmaster at Arkport, N. Y., in place of L. J. Taylor. Incumbent's commission expired February 14, 1926.

Baxter H. Betts to be postmaster at Argyle, N. Y., in place of B. H. Betts. Incumbent's commission expired February 14, 1926.

Burrell Vastbinder to be postmaster at Addison, N. Y., in place of Burrell Vastbinder. Incumbent's commission expired February 14, 1926.

John G. Cole to be postmaster at Waterford, N. Y., in place of J. G. Cole. Incumbent's commission expired January 21, 1926.

Clarence B. Dibble to be postmaster at Sidney Center, N. Y., in place of E. A. Howes. Incumbent's commission expired December 22, 1925.

Mamie B. Evans to be postmaster at Machias, N. Y., in place of M. B. Evans. Incumbent's commission expired November 17, 1925.

Ella Babcock to be postmaster at Lake Huntington, N. Y., in place of Ella Babcock. Incumbent's commission expired February 10, 1926.

NORTH CAROLINA

Wallace A. Reinhardt to be postmaster at Newton, N. C., in place of W. A. Reinhardt. Incumbent's commission expired February 13, 1926.

John R. Rollins to be postmaster at Bessemer City, N. C., in place of J. R. Rollins. Incumbent's commission expired February 13, 1926.

Abram L. Alexander to be postmaster at Plymouth, N. C., in place of A. L. Alexander. Incumbent's commission expired February 10, 1926.

NORTH DAKOTA

Anna E. Reimers to be postmaster at Max, N. Dak., in place of C. C. Reimers, removed.

Ovidia G. Black to be postmaster at Werner, N. Dak., in place of J. M. Lewis. Incumbent's commission expired November 17, 1925.

Joseph J. Simon to be postmaster at Thompson, N. Dak., in place of J. J. Simon. Incumbent's commission expired February 9, 1926.

OHIO

Allen G. Bogart to be postmaster at Columbus Grove, Ohio, in place of A. G. Bogart. Incumbent's commission expired February 14, 1926.

Carl Ledman to be postmaster at Byesville, Ohio, in place of Carl Ledman. Incumbent's commission expired November 17, 1925.

Earl R. Burford to be postmaster at Minerva, Ohio, in place of E. R. Burford. Incumbent's commission expired February 10, 1926.

Charles E. Schindler to be postmaster at Coldwater, Ohio, in place of C. E. Schindler. Incumbent's commission expired February 10, 1926.

Herman W. Davis to be postmaster at Bedford, Ohio, in place of H. W. Davis. Incumbent's commission expired February 10, 1926.

OKLAHOMA

Logan G. Hysmith to be postmaster at Wilburton, Okla., in place of L. G. Hysmith. Incumbent's commission expired January 18, 1926.

Bernie A. Cockrell to be postmaster at Tonkawa, Okla., in place of B. A. Cockrell. Incumbent's commission expired February 13, 1926.

Edwin B. Minich to be postmaster at Eldorado, Okla., in place of E. B. Minich. Incumbent's commission expired February 13, 1926.

Edward McKim to be postmaster at Prague, Okla., in place of L. M. Newhouse. Incumbent's commission expired November 9, 1925.

Lee R. Johnson to be postmaster at Olustee, Okla., in place of L. R. Johnson. Incumbent's commission expired February 10, 1926.

Walter S. Florence to be postmaster at Madill, Okla., in place of W. S. Florence. Incumbent's commission expired February 10, 1926.

Charles L. Bell to be postmaster at Lindsay, Okla., in place of C. L. Bell. Incumbent's commission expired February 10, 1926.

Jason A. N. Horton to be postmaster at Hunter, Okla., in place of J. A. N. Horton. Incumbent's commission expired February 10, 1926.

Walker D. Guthrie to be postmaster at Granite, Okla., in place of W. D. Guthrie. Incumbent's commission expired February 10, 1926.

William I. Fisher to be postmaster at Cordell, Okla., in place of W. I. Fisher. Incumbent's commission expired February 10, 1926.

George N. Davina to be postmaster at Colony, Okla., in place of G. N. Davina. Incumbent's commission expired February 10, 1926.

Eugene J. Blossom to be postmaster at Atoka, Okla., in place of E. J. Blossom. Incumbent's commission expired February 10, 1926.

OREGON

Lyman H. Shorey to be postmaster at Woodburn, Oreg., in place of L. H. Shorey. Incumbent's commission expires February 16, 1926.

Ollie Gillespie to be postmaster at Willamina, Oreg., in place of Ollie Gillespie. Incumbent's commission expires February 16, 1926.

Leon W. Lundell to be postmaster at Weston, Oreg., in place of L. W. Lundell. Incumbent's commission expires February 16, 1926.

Jesse E. Tulley to be postmaster at Wallowa, Oreg., in place of Jessie Hood. Incumbent's commission expired November 23, 1925.

Thomas Thompson to be postmaster at Pendleton, Oreg., in place of Thomas Thompson. Incumbent's commission expires February 16, 1926.

Robert J. McIsaac to be postmaster at Parkdale, Oreg., in place of R. J. McIsaac. Incumbent's commission expires February 16, 1926.

Harry E. Jones to be postmaster at Jefferson, Oreg., in place of H. E. Jones. Incumbent's commission expires February 16, 1926.

Ben Weathers to be postmaster at Enterprise, Oreg., in place of Ben Weathers. Incumbent's commission expires February 16, 1926.

Charles W. Halderman to be postmaster at Astoria, Oreg., in place of C. W. Halderman. Incumbent's commission expires February 16, 1926.

PENNSYLVANIA

Edward S. Brooks to be postmaster at York, Pa., in place of McClean Stock, resigned.

Harry H. Arnold to be postmaster at Clarion, Pa., in place of S. F. Brush, deceased.

Dayton W. Mills to be postmaster at Ulster, Pa., in place of D. W. Mills. Incumbent's commission expired February 2, 1926.

George E. Kemp to be postmaster at Philadelphia, Pa., in place of G. E. Kemp. Incumbent's commission expired February 2, 1926.

Newton E. Palmer to be postmaster at Oxford, Pa., in place of N. E. Palmer. Incumbent's commission expired February 13, 1926.

Frederick V. Pletcher to be postmaster at Howard, Pa., in place of F. V. Pletcher. Incumbent's commission expired November 18, 1925.

Elmer D. Getz to be postmaster at Akron, Pa., in place of E. D. Getz. Incumbent's commission expired February 13, 1926.

William H. Yoder to be postmaster at New Kensington, Pa., in place of W. H. Yoder. Incumbent's commission expired January 30, 1926.

SOUTH CAROLINA

Eugene B. Mack to be postmaster at Elloree, S. C., in place of J. A. Parler, resigned.

Loring Terry to be postmaster at Yemassee, S. C., in place of Loring Terry. Incumbent's commission expires February 15, 1926.

Jasper E. Johnson to be postmaster at Gray Court, S. C., in place of J. E. Johnson. Incumbent's commission expired February 14, 1926.

William M. Thornton to be postmaster at Enoree, S. C., in place of B. P. Lamb. Incumbent's commission expired November 2, 1925.

SOUTH DAKOTA

Harry M. Bardon to be postmaster at Rockham, S. Dak., in place of H. M. Bardon. Incumbent's commission expires February 16, 1926.

Sidney N. Dorwin to be postmaster at Midland, S. Dak., in place of S. N. Dorwin. Incumbent's commission expired February 9, 1926.

Harley H. Cable to be postmaster at Hudson, S. Dak., in place of H. H. Cable. Incumbent's commission expired February 9, 1926.

Fred Boller to be postmaster at Beresford, S. Dak., in place of Fred Boller. Incumbent's commission expired February 9, 1926.

TEXAS

Virgil A. Smith to be postmaster at Kenedy, Tex., in place of V. A. Smith. Incumbent's commission expired February 14, 1926.

Thomas J. Hill to be postmaster at Yoakum, Tex., in place of T. J. Hill. Incumbent's commission expired February 10, 1926.

Willie E. Penick to be postmaster at Rule, Tex., in place of W. E. Penick. Incumbent's commission expired January 18, 1926.

Charles E. Simpson to be postmaster at Refugio, Tex., in place of C. E. Simpson. Incumbent's commission expired February 10, 1926.

Sam G. Reid to be postmaster at Oglesby, Tex., in place of S. G. Reid. Incumbent's commission expired February 10, 1926.

Thomas L. Darden to be postmaster at Meridian, Tex., in place of T. L. Darden. Incumbent's commission expired February 10, 1926.

Alfred M. Finger to be postmaster at Hondo, Tex., in place of A. M. Finger. Incumbent's commission expired February 9, 1926.

Robert Dempster to be postmaster at Hitchcock, Tex., in place of Robert Dempster. Incumbent's commission expired February 10, 1926.

Maggie Beck to be postmaster at Hillsboro, Tex., in place of Maggie Beck. Incumbent's commission expired February 3, 1926.

William J. Ott to be postmaster at Cuero, Tex., in place of W. J. Ott. Incumbent's commission expired February 10, 1926.

Joseph C. Eakin to be postmaster at Chilton, Tex., in place of J. C. Eakin. Incumbent's commission expired February 10, 1926.

TENNESSEE

Capp A. Richards to be postmaster at Saulsbury, Tenn., in place of C. E. Cox, resigned.

Joseph W. Callis to be postmaster at Germantown, Tenn., in place of J. G. Seay, removed.

Charles S. Harrison to be postmaster at Benton, Tenn., in place of C. S. Harrison, resigned.

Charles E. Pennington to be postmaster at Sweetwater, Tenn., in place of C. E. Pennington. Incumbent's commission expired January 17, 1926.

William J. Julian to be postmaster at Silver Point, Tenn., in place of W. J. Julian. Incumbent's commission expired January 17, 1926.

Lorenzo A. Large to be postmaster at Niota, Tenn., in place of L. A. Large. Incumbent's commission expired January 30, 1926.

Tim F. Stephens to be postmaster at Livingston, Tenn., in place of T. F. Stephens. Incumbent's commission expired January 17, 1926.

Fred S. Pipkin to be postmaster at Lafayette, Tenn., in place of F. S. Pipkin. Incumbent's commission expired November 19, 1925.

UTAH

John P. McGuire to be postmaster at Provo, Utah, in place of J. P. McGuire. Incumbent's commission expires February 16, 1926.

Anna M. Long to be postmaster at Marysvale, Utah, in place of A. M. Long. Incumbent's commission expired January 20, 1926.

VIRGINIA

John W. Layman to be postmaster at Troutville, Va., in place of J. W. Layman. Incumbent's commission expired February 10, 1926.

Lee S. Wolfe to be postmaster at South Boston, Va., in place of L. S. Wolfe. Incumbent's commission expired February 10, 1926.

George N. Kirk to be postmaster at St. Charles, Va., in place of G. N. Kirk. Incumbent's commission expired February 10, 1926.

Floyd E. Ellis to be postmaster at Roanoke, Va., in place of F. E. Ellis. Incumbent's commission expired February 10, 1926.

James E. Johnson to be postmaster at New Church, Va., in place of J. E. Johnson. Incumbent's commission expired February 10, 1926.

Daisy D. Slaven to be postmaster at Monterey, Va., in place of D. D. Slaven. Incumbent's commission expired October 20, 1925.

Ernest A. de Bordenave to be postmaster at Franklin, Va., in place of E. A. de Bordenave. Incumbent's commission expired February 10, 1926.

Norman V. Fitzwater to be postmaster at Elkton, Va., in place of N. V. Fitzwater. Incumbent's commission expired February 10, 1926.

James W. Milton to be postmaster at Eagle Rock, Va., in place of J. W. Milton. Incumbent's commission expired February 10, 1926.

VERMONT

Gertrude E. Trempe to be postmaster at Wilder, Vt., in place of G. E. Trempe. Incumbent's commission expires February 16, 1926.

Arthur G. Folsom to be postmaster at Tunbridge, Vt., in place of A. G. Folsom. Incumbent's commission expires February 15, 1926.

Emeroy G. Page to be postmaster at Hyde Park, Vt., in place of E. G. Page. Incumbent's commission expires February 16, 1926.

Charles F. Thurber to be postmaster at Fairlee, Vt., in place of C. F. Thurber. Incumbent's commission expires February 15, 1926.

William M. Batchelder to be postmaster at Dorset, Vt., in place of W. M. Batchelder. Incumbent's commission expires February 16, 1926.

WASHINGTON

Arthur B. Foley to be postmaster at Wilbur, Wash., in place of A. B. Foley. Incumbent's commission expired December 22, 1925.

Juanita Morris to be postmaster at St. John, Wash., in place of Juanita Morris. Incumbent's commission expired February 10, 1926.

Walter C. Sommers to be postmaster at Prosser, Wash., in place of W. C. Sommers. Incumbent's commission expired February 10, 1926.

Elias J. Eliason to be postmaster at Poulsbo, Wash., in place of J. B. Morford, deceased.

Noel D. Tower to be postmaster at Morton, Wash., in place of N. D. Tower. Incumbent's commission expires February 16, 1926.

Lulu C. Howe to be postmaster at Chewelah, Wash., in place of L. C. Howe. Incumbent's commission expires February 16, 1926.

Willis Swank to be postmaster at Cheney, Wash., in place of Willis Swank. Incumbent's commission expires February 16, 1926.

William I. Leech to be postmaster at Steilacoom, Wash., in place of W. I. Leech. Incumbent's commission expired February 10, 1926.

David M. Donnelly to be postmaster at Sedro Wooley, Wash., in place of D. M. Donnelly. Incumbent's commission expired February 10, 1926.

Thomas Harries to be postmaster at Renton, Wash., in place of Thomas Harries. Incumbent's commission expired February 10, 1926.

Golda R. Moore to be postmaster at Roy, Wash., in place of G. R. Moore. Incumbent's commission expired February 10, 1926.

Winslow M. McCurdy to be postmaster at Port Townsend, Wash., in place of W. M. McCurdy. Incumbent's commission expired February 10, 1926.

Helen L. Hadenfeldt to be postmaster at Mukilteo, Wash., in place of H. L. Hadenfeldt. Incumbent's commission expired February 10, 1926.

Howard H. Lair to be postmaster at Marcus, Wash., in place of H. H. Lair. Incumbent's commission expired February 10, 1926.

William F. Ulrich to be postmaster at Index, Wash., in place of W. F. Ulrich. Incumbent's commission expired February 10, 1926.

Ralph L. Philbrick to be postmaster at Hoquiam, Wash., in place of R. L. Philbrick. Incumbent's commission expired February 10, 1926.

Franz S. Drummond to be postmaster at Gig Harbor, Wash., in place of F. S. Drummond. Incumbent's commission expired February 10, 1926.

Jerome E. Depew to be postmaster at Elk, Wash., in place of J. E. Depew. Incumbent's commission expired February 10, 1926.

WEST VIRGINIA

Melvin O. Whiteman to be postmaster at Wallace, W. Va., in place of M. O. Whiteman. Incumbent's commission expired February 9, 1926.

Frank O. Grump to be postmaster at Kearneysville, W. Va., in place of F. O. Grump. Incumbent's commission expired February 9, 1926.

WISCONSIN

David E. Lamon to be postmaster at Three Lakes, Wis., in place of D. E. Lamon. Incumbent's commission expires February 15, 1926.

Verner A. Nelson to be postmaster at Ogema, Wis., in place of V. A. Nelson. Incumbent's commission expires February 15, 1926.

Mamie B. Johnson to be postmaster at Kennan, Wis., in place of M. B. Johnson. Incumbent's commission expires February 15, 1926.

Lester B. West to be postmaster at Barron, Wis., in place of L. B. West. Incumbent's commission expires February 15, 1926.

Alexander C. Magnus to be postmaster at Glen Flora, Wis., in place of A. C. Magnus. Incumbent's commission expired January 18, 1926.

Dell L. Amerpohl to be postmaster at Brodhead, Wis., in place of P. T. Moore. Incumbent's commission expired June 5, 1924.

WYOMING

Jason A. Hobbs to be postmaster at Rawlins, Wyo., in place of J. A. Hobbs. Incumbent's commission expired February 6, 1926.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 15, 1926

ASSISTANT COMMISSIONER OF PATENTS

Millard John Moore to be Assistant Commissioner of Patents.

UNITED STATES ATTORNEYS

Elliott Northcott to be United States attorney, southern district of West Virginia.

Arthur Arnold to be United States attorney, northern district of West Virginia.

COAST GUARD

William E. Maccoun to be captain (engineering).

Albert C. Norman to be commander (engineering).

John I. Bryan to be temporary commander (engineering).

Henry C. Roach to be lieutenant commander (engineering).

John N. Heiner to be temporary lieutenant commander (engineering).

MARINE CORPS

Norman G. Burton to be colonel.
Charles R. Sanderson to be lieutenant colonel.

TO BE MAJORS

John L. Doxey.
John A. Gray.
Paul C. Marmion.
Lowry B. Stephenson.
Benjamin A. Moeller.
Archibald Young.
Harold C. Pierce.
Harry K. Pickett.

TO BE FIRST LIEUTENANTS

Guy B. Beatty.
John G. Clausing.
John M. Greer.
William E. Maxwell.
Clarence R. Wallace.
Ronald A. Boone.
Charles S. Finch.
Paul B. Watson.
William B. Onley.
Robert D. Foote.
James H. Strother.
Ivan W. Miller.
Joe N. Smith.
Louis E. Marie, jr.
Arthur J. Burks.
James S. Monahan.
John A. Bemis.
John C. McQueen.
Howard N. Kenyon.
William N. McKelvy.
Andre V. Cherbonnier.
William W. Davies.

POSTMASTERS

ALABAMA

Robert Patterson, Selma.

ARKANSAS

Walter E. Glasco, Bigelow.
Lola E. Fergeson, Havana.
Samuel C. Scott, Wheetley.

CONNECTICUT

William H. S. McEwen, Glenbrook.

FLORIDA

Cecilia E. Kilbourn, Carrabelle.
Donald A. Flye, Haines City.
William C. Johnson, Jensen.
Agnes M. Moremen, Maitland.
Orville L. Bogue, Oxford.
Bonnie B. Wilson, Sneads.

IDAHO

Lowell H. Merriam, Grace.
Ransom M. Coburn, Lewiston.
Homer E. Estes, Moscow.
Wells McEntire, Preston.
Charles Brebner, St. Maries.
Joseph O. McComb, Troy.

ILLINOIS

Otto W. J. Henrich, Des Plaines.
Bruce C. Krugh, Homer.
Guy R. Correll, Hutsonville.
John W. Miller, Okawville.
Eliza F. Gorrell, Newton.
Robert Murphy, Tilden.

KANSAS

Sloan E. Cathcart, Mayetta.

KENTUCKY

Henry I. Neely, Hazel.
William E. Winslow, Wingo.

MISSISSIPPI

Lily B. Maxwell, Camden.
Charles B. Turner, Ellisville.
Thomas A. Chapman, Friar Point.
Mattie B. Catching, Georgetown.
Robert J. E. Barwick, Glen Allan.
Mary E. Herring, Madison Station.
Marion W. Thornton, Pachuta.
Enfield Wharton, Port Gibson.

NEBRASKA

Ralph R. Brosius, Valentine.

NEW YORK

John B. Houghton, Indian Lake.
Eugene F. Gorse, Jefferson.
Milton C. Armstrong, Long Eddy.
William B. Voorhees, Roscoe.
Frank Wright, Salem.
Charles H. Huntoon, Sayville.
Winfield McIntyre, Woodbourne.
August Abt, Woodridge.

NORTH CAROLINA

Grover L. Harbinson, Maiden.
Cecil M. Griffin, Rural Hall.

NORTH DAKOTA

Eldor G. Sagehorn, Stanton.

TEXAS

William C. Kenyon, Amarillo.
John W. Ward, Big Spring.
Hugh B. Eades, Blossom.
Joseph N. Johnson, Dalhart.
Charles E. Bradford, Decatur.
Oscar Yeager, Ringgold.
Peter G. Lucas, San Antonio.

WEST VIRGINIA

Madge M. Adkins, Hamlin.
Clay A. Wilcox, Piedmont.

WISCONSIN

William C. McMahon, Cumberland.
John E. Himley, Wabeno.

WITHDRAWALS

Executive nominations withdrawn from the Senate February 15, 1926

First Lieut. Marvin Wade Marsh, Infantry, to be captain, from February 2, 1926.

Second Lieut. Frank Joseph Spettel, Infantry, to be first lieutenant, from February 2, 1926.

HOUSE OF REPRESENTATIVES

MONDAY, *February 15, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord God, Thou dost for us exceeding abundantly more than we can ask or think. We know Thee by all the words that bring us joy, peace, and hope. In a world with such partial glimpses and broken lights we give Thee our deepest gratitude for such wonderful blessings. These are the greatest truths of life. O merciful God, may we have fine conceptions of sacrifice and service. Strengthen us with a solemn and fixed determination to judge and measure all problems with an enlightened conscience. When our sunset is on the shore, the river, and the hill, by the light of the cross may we find our way home. Amen.

The Journal of the proceedings of Saturday was read and approved.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD, from the Committee on Appropriations, and by direction of that committee, reported the bill (H. R. 9341) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1927, and for other purposes (Rept. No. 285), which was read the first and second time and, with the accompanying papers, referred to the Union Calendar and ordered to be printed.

Mr. SANDLIN reserved all points of order.

THE REVENUE BILL

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 1, the revenue bill, disagree to the Senate amendments, and agree to the conference asked for by the Senate.

Mr. SOSNOWSKI. Mr. Speaker, I object.

Mr. GREEN of Iowa. Then, Mr. Speaker, I move that the rules be suspended and the resolution which I send to the desk be passed.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Mr. GREEN of Iowa moves to suspend the rules and pass the following resolution:

"House Resolution 135

"*Resolved*, That the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes, with the amendments of the Senate thereto, be taken from the Speaker's table; that the Senate amendments thereto be disagreed to; that the conference requested by the Senate on the disagreeing votes of the two Houses thereon be agreed to; and that the Speaker, without intervening motion, appoint the managers on the part of the House."

The SPEAKER. Is a second demanded?

Mr. GARRETT of Tennessee. Mr. Speaker, personally, I have no objection to the motion passing, and I do not feel disposed to demand a second.

Mr. CRISP. Mr. Speaker, I do not see the gentleman from Texas [Mr. GARNER] here just now. I want to say that, so far as I am concerned, I am in favor of the motion made by the gentleman from Iowa.

Mr. GARRETT of Tennessee. I understand it to be agreeable to the gentleman from Texas [Mr. GARNER].

The SPEAKER. The question is on the motion of the gentleman from Iowa.

The question was taken; and two-thirds having voted in the affirmative, the rules were suspended, and the resolution was passed.

The SPEAKER. Under the resolution just adopted, the Chair appoints as conferees on the part of the House Mr. GREEN of Iowa, Mr. HAWLEY, Mr. TREADWAY, Mr. GARNER of Texas, and Mr. COLLIER.

CONSENT CALENDAR

MEMORIAL TO THE UNKNOWN SOLDIER

The first business on the Consent Calendar was the resolution (H. J. Res. 83) to authorize the completion of the memorial to the Unknown Soldier.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. BLACK of Texas. Mr. Speaker, reserving the right to object——

Mr. BACON. Mr. Speaker, in view of the absence of the gentleman from Massachusetts [Mr. LUCE], the chairman of the Committee on the Library, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

BRIDGE ACROSS THE SUSQUEHANNA RIVER

The next business on the Consent Calendar was the bill (H. R. 3794) granting the consent of Congress to the counties of Lancaster and York, in the State of Pennsylvania, to jointly construct a bridge across the Susquehanna River between the borough of Wrightsville, in York County, Pa., and the borough of Columbia, in Lancaster County, Pa.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had insisted upon its amendments to the bill (H. R. 1) entitled "An act to reduce and equalize taxation, to provide revenue, and for other purposes," had requested a conference with the House thereon, and had appointed Mr. SMOOT, Mr. MCLEAN, Mr. REED of Pennsylvania, and Mr. SIMMONS as the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendments bills of the following titles:

H. R. 4032. An act granting consent of Congress to the Brownsville & Matamoros Rapid Transit Co. for construction of a bridge across the Rio Grande at Brownsville, Tex.; and

H. R. 6515. An act granting the consent of Congress to the Gateway Bridge Co. for construction of a bridge across the Rio Grande between Brownsville, Tex., and Matamoros, Mexico.

BETHLEHEM STEEL CO.

The next business on the Consent Calendar was the bill (H. R. 7732) amending an act of March 4, 1925, for the relief of employees of the Bethlehem Steel Co., Bethlehem, Pa.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act to provide for the carrying out of the award of the National War Labor Board of July 31, 1918, in favor of certain employees of the Bethlehem Steel Co., Bethlehem, Pa.," approved March 4, 1925, shall be so construed as to operate for the relief of those otherwise within its terms who entered the employ of the Bethlehem Steel Co. on or after August 1, 1918, equally with those who were in such employ on July 31, 1918: *Provided*, That the action of the Secretary of War in exercising in good faith the authority conferred upon him by the said act shall be deemed to be final and conclusive.

Mr. UNDERHILL. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. UNDERHILL: Page 2, line 2, after the word "*Provided*," strike out the remainder of line 2 and all of lines 3 and 4 and insert in lieu thereof the following: "That no claim arising under the provisions of this act shall be paid until it shall have been settled and adjusted by the General Accounting Office."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

NATURALIZATION OF CERTAIN WORLD WAR VETERANS

The next business on the Consent Calendar was the bill (H. R. 7176) to supplement the naturalization laws by extending certain privileges to aliens who served honorably in the military or naval forces of the United States during the World War.

The Clerk read the title to the bill.

The SPEAKER. Is there objection?

Mr. BACON. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice and that it retain its place on the calendar.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TUITION OF CROW INDIAN CHILDREN, MONTANA PUBLIC SCHOOLS

The next business on the Consent Calendar was the bill (H. R. 186) authorizing the payment of tuition of Crow Indian children attending Montana State public schools.

The Clerk read the title to the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That nothing contained in the provisions of section 16 of the act of June 4, 1920, Public, No. 239, shall be construed to preclude the payment of tuition for Crow Indian children enrolled and educated in Montana State public schools, pursuant to annual or existing appropriations of public money for payment of such tuition.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The motion to reconsider the vote whereby the bill was passed was laid on the table.

SALE OF BURNT TIMBER ON THE PUBLIC DOMAIN

The next business on the Consent Calendar was the bill (H. R. 7370) to authorize the sale of burnt timber on the public domain, approved March 4, 1913.

The Clerk read the title to the bill.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, it seems to me that we ought to have some explanation of this bill. It is rather far-reaching.

Mr. SINNOTT. The bill is a very simple bill. The present law of March 4, 1913, which we seek to amend, permits the Secretary to sell timber that was damaged by fire prior to the passage of that act. This bill merely reenacts the present law and amends it by inserting in line 10 "dead or down" timber, and, furthermore, any timber after the passage of the act since 1913, damaged by fire, may be sold by the Secretary. It only relates to the public lands and does not cover national forests.

Mr. SNELL. In the original act the Secretary could not sell dead and down timber?

Mr. SINNOTT. No; only that covered by the term "killed or seriously and permanently damaged by forest fires."

Mr. SNELL. We have a provision in the New York constitution, and we have been afraid to open up the matter for fear that people would start fires for the purpose of getting damaged timber to be sold. It is an open proposition and liable to run into some trouble.

Mr. SINNOTT. There is a severe penalty inflicted upon anyone who sets fire to timber on the public land.

Mr. SNELL. I appreciate that.

Mr. SINNOTT. There has been a great deal of dead and down timber which the Secretary has been unable to sell because there was no law authorizing it, so the timber lies there and rots.

Mr. SNELL. The reason it was not put in the original law was because it was thought better to take the chance of not selling it.

Mr. SINNOTT. The department feels, and I think it is right, that it should have the right to sell the dead and down

timber and the timber damaged by fire. There is no reason for anyone setting fire to timber in order to get it on the market because the Secretary already has the right to sell live timber.

Mr. LEAVITT. If the gentleman will allow me, it has been found that the disposal of dead and down timber is an added protection rather than an added danger from the standpoint of fire, under the regulations that have been worked out to handle the matter.

Mr. SNELL. Is there any estimate as to how much of this timber there is?

Mr. SINNOTT. No; it is all over the country outside of the national forests. The Secretary states in his letter to me that it involves a considerable amount of timber.

Mr. BLANTON. Mr. Speaker, I move to strike out the last word. I think the gentleman from New York raises quite a serious question. The gentleman from Oregon answers him by saying there is a law that prevents one from setting fire to timber. How are you going to catch anyone that sets the fire on public lands when there is no one within 10 miles of him and there are millions of acres?

Mr. SINNOTT. They have caught a great many people during the summer for setting fires carelessly.

Mr. BLANTON. My colleague has called attention to the fact that there may be people who will set fires and burn this timber in order to put it on the market.

Mr. SINNOTT. It seems to me preposterous to think that anyone dealing in timber on a very large scale is going to set fire to a forest in order to purchase it, because he has no assurance that he will get it. It is put up to the highest bidder.

Mr. BLANTON. My distinguished colleague from Minnesota [Mr. CARSS] has called my attention to such a practice.

Mr. SINNOTT. There might be an isolated case here and there.

Mr. CARSS. Mr. Speaker, there have been many cases of that kind in my country, where, for instance, the homesteader took up a valuable timber claim, and when a large lumber concern wanted to buy the claim, if they could not buy it at their own figure, in some mysterious manner the timber was burned. Then the settler had to sell it the first year, because after the worms got into it it would be useless.

Mr. SINNOTT. It can not be sold under this bill unless the settler approves of the sale.

Mr. CARSS. I do not object, because I realize that if a fire does start and timber on public land is damaged, the Government should be able to recover something, and this bill will enable the Government to do that. It sets up a tendency to set these fires. If you could prevent such fires and still recover when there has been a legitimate loss, it seems to me that it would be good legislation.

Mr. SINNOTT. I think it is good legislation.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to authorize the sale of burnt timber on the public domain," approved March 4, 1913 (37 Stat. L. p. 1015), be, and the same is hereby, amended so as to read as follows:

"That the Secretary of the Interior is hereby authorized, under such rules as he may prescribe, to sell and dispose of to the highest bidder, at public auction or through sealed bids, dead or down timber or timber which has been seriously or permanently damaged by forest fires, on any lands of the United States, outside the boundaries of national forests, including those embraced in unperfected claims under any of the public land laws, also upon the ceded Indian lands, the proceeds of all such sales to be covered into the Treasury of the United States: *Provided*, That such dead, down, or damaged timber upon any lands embraced in an existing claim shall be disposed of only upon the application or with the written consent of such claimant, and the money received from the sale of such timber on any such lands shall be kept in a special fund to await the final determination of the claim.

SEC. 2. That upon the certification of the Secretary of the Interior that any such claim has been finally approved and patented, the Secretary of the Treasury is hereby authorized and directed to pay to such claimant, his heirs, or legal representatives, the money received from the sale of such timber upon his land, after deducting therefrom the expenses of the sale; and upon the certification of the Secretary of the Interior that any such claim has been finally rejected and canceled, the Secretary of the Treasury is hereby authorized and directed to transfer the money derived from the sale of such timber upon the lands embraced in such claim to the general fund in the Treasury derived from the sale of public lands, unless by legislation the lands from which the timber had been theretofore appropriated to the benefit of an Indian tribe or otherwise, in which event the net proceeds derived from the sale of the timber shall be transferred to the fund of such tribe or otherwise credited or distributed as by law provided.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

CONVEYING CERTAIN LANDS TO STATE OF MICHIGAN

The next business on the Consent Calendar was the bill (H. R. 7482) to provide for conveyance of certain lands in the State of Michigan for State park purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BEGG. Mr. Speaker, I reserve the right to object. I think the gentleman from Michigan [Mr. MCLAUGHLIN] ought to accept an amendment on page 2, at line 14.

Mr. McLAUGHLIN of Michigan. My idea was that notice should be given, and the Secretary of the Interior might ask for evidence as to how the land was being used. He could weigh the evidence and determine whether or not the land is being used in accordance with or contrary to the terms and intent of the act, and not have the matter settled arbitrarily and title reinvest automatically in the Government. There will be no difficulty about it. I have talked with officials of the department about it, and they are satisfied with the language as it is.

Mr. BEGG. The point I call to the attention of the gentleman from Michigan is this: This land is lake frontage, is it not?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. BEGG. I do not know what lake frontage in Michigan is worth, but I know it is mighty valuable land in Ohio. It is proposed in this bill to turn this lake frontage of so many acres over to the State of Michigan for a dollar and a quarter an acre to be used for park purposes. Then there is the provision that I do not particularly like in line 14, which provides that if in the future at any time the State ceases to use the land for any purpose inconsistent with the act, viz. for a park, then at the option of the Secretary of the Interior, after due notice to the State, "and such proceeding as he shall determine," the title to the land shall revert; that is, it is the Secretary of the Interior who shall determine this. If, in 10 years from now, the State would find it did not want to spend enough money to keep that up as a public park and citizens of Michigan would go in there and build cottages and make a summer home colony, the Congress will have lost all jurisdiction, unless the Secretary of the Interior would choose to exercise his rights.

I think the provision leaving it to the discretion of the Secretary of the Interior ought to be stricken out. I am in favor of the passage of the bill, but I am also in favor of the land reverting to the Government if the State of Michigan does not use it for public park purposes. I know what happens on these reservations many times. I know that on Lake Erie land that is worth thousands of dollars an acre has been bought up by a few men and kept for a game and fish preserve. I do not believe that if the matter were tested to the court of last resort these people could make their title stick, but what private individual has money enough and wants to fight a club of wealthy individuals? I do not believe we ought to permit anything like that to ever come up, and we can stop it if we just strike out parts of two sentences. Will the gentleman from Michigan agree to accept that amendment, namely, to strike out line 14 to the end of the word "interior" and then line 15, on page 2, after the word "State." Then if the State of Michigan does not continue to use this for park purposes, by its own refusal and failure it causes the land to revert back to the United States, and there will be no difficulty in selling it at a greater price than a dollar and a quarter an acre. What has the gentleman from Michigan to say to that?

Mr. McLAUGHLIN of Michigan. Mr. Speaker, the bill provides for the transfer of this land to the State of Michigan—

the same to be held and made available permanently by said State as a State park under such rules and regulations as may be necessary and proper for use thereof by the public: *Provided*, That should the State of Michigan fail to keep and hold the said land for park purposes or devote it to any use inconsistent with said purposes, then at the option of the Secretary of the Interior, after due notice to said State and such proceeding as he shall determine, title to said land shall revert to and be reinvested in the United States.

This is a lot of waste sand-dune land along the shore of Lake Michigan, largely drifting sand. I am very familiar

with such lands, having lived many years in that immediate vicinity. Further inside, away from the lake, practically parallel with the shore of the lake, is as fine a fruit country as there is in the State of Michigan, and that means as there is anywhere in the United States. The occupied land was taken up many years ago and much of it is highly cultivated. The land described in this bill and now under consideration has lain there subject always to homestead entry; nobody wished it.

That is the best evidence in the world that it has no value for agriculture or for permanent use or occupation. Now, it is the purpose of the State of Michigan, if now permitted to acquire the land, to retain it permanently as a State park, the purpose being, as I understand it, to make such improvements as are or shall become necessary or feasible; also partly—largely, I think—for the purpose of retaining it permanently, as it is one of the original, unique, and interesting natural features in that part of the country.

Mr. BEGG. Will the gentleman yield right there?

Mr. McLAUGHLIN of Michigan. Just a moment. Let me answer more particularly the objection the gentleman from Ohio made.

Mr. BEGG. That is what I was going to ask the gentleman.

Mr. McLAUGHLIN of Michigan. Now, in regard to the authority, or, as the bill says, the option of the Secretary of the Interior to determine whether or not this land is being properly used by the State. It would not be right or just to the State of Michigan if the Secretary should arbitrarily, without notice, without a hearing, have title to and control of this property automatically revert to the Government. My idea——

Mr. BEGG. Right there.

Mr. McLAUGHLIN of Michigan. My idea in drafting the bill was that the Secretary should give notice——

Mr. BEGG. The gentleman from Ohio has not offered to cut out the notice feature. He says, after due notice it shall revert, but does not leave it to the option of the Secretary of the Interior to do or not to do if the State of Michigan fails to utilize this land for the purpose for which it is given.

Mr. SINNOTT. Mr. Chairman, I am afraid of the amendment of the gentleman. The bill itself provides a summary method for the Government to resume title to the land, namely, the action by the Secretary of the Interior. The Secretary of the Interior makes a finding of fact under the law. That finding of fact can not be reviewed in the courts. Now the gentleman proposes to strike that out and the gentleman invites the very complications which he seeks to avoid concerning that. He throws the matter into the courts. He gives the State of Michigan an opportunity to review the matter in a court of equity.

Mr. BEGG. Will the gentleman yield?

Mr. SINNOTT. Wait until I have finished the statement. Under this bill the Secretary himself decides the question of fact and there is no review of his decision. It affords a summary method of resuming title by the United States.

Mr. BEGG. The gentleman is evidently a good lawyer, and I make no professions because I am not, but I would like to ask the gentleman to point out where there is any possible chance to get into the court?

Mr. SINNOTT. Who is going to act——

Mr. BEGG. The only person is the Secretary of the Interior.

Mr. SINNOTT. No; the gentleman strikes him out of the bill.

Mr. BEGG. After due notice.

Mr. SINNOTT. The gentleman strikes him out of the bill.

Mr. BEGG. What the part I am objecting to in the bill is not what the gentleman is talking about at all. It is to leaving it to the option of the Secretary of the Interior to exercise his discretion. If the Secretary of the Interior does decide to do something, what is he going to do? There is not anything in the bill as it stands. He may send out and tell them they will have to pay an annual rental of $1,000 a year for the purpose of living on there in cottages and giving a perpetual lease.

Mr. SINNOTT. He would have no right to do that.

Mr. BEGG. He has his option, as I understand——

Mr. SINNOTT. The gentleman is getting away from the original proposition, I think.

Mr. BEGG. I beg the gentleman's pardon; I am not.

Mr. SINNOTT. The gentleman is throwing the matter into the courts where there could be an interminable lawsuit, whereas under this bill the Secretary may take summary action and declare the land forfeited.

Mr. BEGG. All right. The bill as it is written says:

At the option of the Secretary of the Interior after due notice to said State and such proceeding as he shall determine.

Supposing he determines to go into the courts? He has a right to under this bill.

Mr. BLANTON. No. He has a hearing in his office on the matter.

Mr. BEGG. He can do anything. He can dicker on the side or do anything with that provision in there; he can do anything that that said Secretary wants to do.

Mr. BLANTON. It is a proceeding within his jurisdiction and in his own office.

Mr. BEGG. I would like to ask the gentleman from Pennsylvania [Mr. GRAHAM], a man in whom I have every confidence, Does not that permit him to go to law or permit him to make a contract on the side for the lease or any kind of proceeding he wants to take? The gentleman from Pennsylvania says to me—it is a rather hasty opinion—but he says he believes I am right in my contention.

Mr. BLANTON. Does the gentleman expect "to argue" the bill out of court?

Mr. BEGG. When we sell lake-front land, in spite of what the gentleman from Michigan [Mr. McLAUGHLIN] says, that it is nothing but sand, we are doing a very risky thing.

Mr. BLANTON. The remedy, then, is for the gentleman to object to it.

Mr. BEGG. I want to fix it right. We have the same thing in my own State to-day, of land that you can not buy for a million dollars, simply because a man with vision went in there and established the best bathing beach this side of Atlantic City.

Mr. BLANTON. There is very little of this lake-shore land left, and yet the gentleman from Ohio [Mr. BEGG] stands up here and does not object. I am going to object to it and end it, Mr. Speaker.

Mr. ARENTZ. Mr. Speaker, will the gentleman yield for a question in all fairness?

Mr. BLANTON. If I have the floor; yes.

Mr. ARENTZ. Where is this lake-shore land located?

Mr. BLANTON. In Michigan. The gentleman can seed that over with lawn grass and get rid of that sand.

Mr. ARENTZ. There are hundreds of miles of lake shore in Michigan that has nothing on it.

Mr. BLANTON. You can put something on it. Lawn grass will grow in sand anywhere. I am objecting to this bill and trying to save this million dollars' per acre land, a thousand acres of same for the people.

Mr. McLAUGHLIN of Michigan. I would like to ask the gentleman from Texas if he will withdraw his objection if the bill is amended in the manner suggested by the gentleman from Ohio?

Mr. BEGG. It is safe now.

Mr. BLANTON. Is the Congress going to embark on the policy of granting a State park to every State in the Nation—a thousand acres of land? If Congress will treat all the States alike I will agree to vote for this bill, but to the proposition that Congress grant to one State a thousand acres of valuable lake-shore land for a State park, I shall object.

The SPEAKER. Does the gentleman from Texas object?

Mr. BLANTON. Yes; I object.

The SPEAKER. Objection is made. The Clerk will report the next bill.

INSPECTION OF BATTLE FIELD AT APPOMATTOX COURT HOUSE, VA.

The next business on the Consent Calendar was the bill (S. 1493) to provide for the inspection of the battle fields and surrender grounds in and around old Appomattox Court House, Va.

The title of bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That a commission is hereby created, to be composed of the following members, who shall be appointed by the Secretary of War:

(1) A commissioned officer of the Corps of Engineers, United States Army;

(2) A veteran of the Civil War who served honorably in the military forces of the United States; and

(3) A veteran of the Civil War who served honorably in the military forces of the Confederate States of America.

SEC. 2. In appointing the members of the commission created by section 1 of this act the Secretary of War shall, as far as practicable, select persons familiar with the terrain of the battle fields and sur-

render grounds of old Appomattox Court House, Va., and the historical events associated therewith.

SEC. 3. It shall be the duty of the commission, acting under the direction of the Secretary of War, to inspect the battle fields and surrender grounds in and around old Appomattox Court House, Va., in order to ascertain the feasibility of preserving and marking for historical and professional military study such fields. The commission shall submit a report of its findings to the Secretary of War not later than December 1, 1926.

SEC. 4. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $3,000 in order to carry out the provision of this act.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was ordered to be laid on the table.

The SPEAKER. The Clerk will report the next bill.

BRONZE GUNS FOR GRANT MEMORIAL BRIDGE AT POINT PLEASANT, OHIO

The next business on the Consent Calendar was the bill (H. R. 7019) to provide for condemned 12-pounder bronze guns for the Grant Memorial Bridge at Point Pleasant, Ohio.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLANTON. Reserving the right to object, Mr. Speaker, I would like to ask what is going to be the new policy of Congress? We passed a bill permitting the governors of the States to have a prorata proportion of these guns distributed in the States.

Mr. FROTHINGHAM. This is not that kind of a gun.

Mr. BLANTON. What kind are these?

Mr. FROTHINGHAM. These are condemned American cannon. The others were German.

Mr. BLANTON. I did not so understand.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to deliver to the U. S. Grant Memorial Association of Ohio four condemned 12-pounder bronze guns at the Rock Island Arsenal, Rock Island, Ill., to mark the Grant Memorial Bridge on the Atlantic and Pacific Highway at Point Pleasant, Ohio: *Provided*, That no expense shall be incurred by the United States through the delivery of these guns.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was ordered to be laid on the table.

The SPEAKER. The Clerk will report the next bill.

DISCHARGE OF ENLISTED MEN IN NAVAL SERVICE OR MARINE CORPS UNDER 21 YEARS OF AGE

The next business on the Consent Calendar was the bill (H. R. 8183) to authorize the discharge of any person under 21 years of age enlisting in the naval service or Marine Corps without the written consent of the parent or guardian.

The title of the bill was read.

The SPEAKER. Is the objection to the present consideration of this bill?

Mr. BEGG. Reserving the right to object, Mr. Speaker, unless somebody can show some reason why this bill should be enacted into law I shall object.

Mr. LAGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. BEGG. Yes.

Mr. LAGUARDIA. We have a similar provision in the Army, as I understand.

Mr. BEGG. I do not think it ought to be there. It got through, not because of me but in spite of me.

Mr. LAGUARDIA. I do not think there should be any limitation there at all.

Mr. BEGG. I think plenty of boys under 21 years of age are not damaged by service in the Army, and the parents are not damaged, and I think that in many instances the boys are benefited. If the parents are happy and the boys are happy, they ought not to be discharged.

Mr. JONES. I will state to the gentleman in this connection that this is worded practically the same as the provision in the present Army law. It is the same as the existing law except as to this phase of it. This extends the time from 60 days to 6 months within which to file an application for a discharge, and it also provides travel pay for the boy when he is discharged, which is not allowed at the present time. I will state to the gentleman that the naval officers say that the present law, contrary to what they had expected at first, has worked out well and has tended to increase rather than decrease the efficiency of the Navy, because it has gotten a satisfied personnel.

Mr. BEGG. Will the gentleman yield?

Mr. JONES. Yes.

Mr. BEGG. If this is to be enacted into law as the policy of the Congress, why could not my boy enlist in the Navy or Marine Corps and, perhaps, get a trip to China, get over there, and then I ask for his discharge, in which event he would get 5 cents a mile with which to come home. It seems to me that would be a pretty good stunt.

Mr. JONES. I will state to the gentleman that the Navy can always protect itself by demanding proof of the boy's age, and demanding that in advance, which they usually do.

Mr. BEGG. The gentleman happens to know my own son, and if he went up and swore he was 21 years of age it would be pretty hard to determine that was not true unless they should write to his parents.

Mr. JONES. Well, the gentleman has an unusual boy, really; but I will say to the gentleman that if he were disposed to do that at all he could do it under the present law.

Mr. BEGG. But he does not get 5 cents a mile to come home on.

Mr. JONES. When a boy is wrongfully enlisted and goes away from home, does not the gentleman think the Government should pay his way back?

Mr. BEGG. No; I do not think so. In the first place, the boy can not get away from the training camp to-day until the expiration of 60 days' time, and it seems to me that before the expiration of those 60 days the parents of the boy would have time to file their objections.

Mr. JONES. I will state to the gentleman that they do very often get many miles away from home within the 60 days and, besides, in many cases the 60 days have elapsed before the parent knows sufficient facts either as to his rights or as to procedure.

Mr. BEGG. No; that can not be, because that is contrary to the law.

Mr. JONES. No; the gentleman is mistaken, I think.

Mr. BEGG. I will ask my colleague [Mr. FRENCH] to confirm that, because he is familiar with the regulations.

Mr. JONES. I am under the impression that I have known of one case where a boy, within the 60 days, was halfway across the Pacific.

Mr. FRENCH. I will state to the gentleman that at present there are four training camps in the United States, one at San Diego, one at the Great Lakes, one at Newport, and one at Hampton Roads. The boys are required to undergo training at one of these camps for two months before they are assigned to their naval duties.

Mr. JONES. That may be required under the regulations, but perhaps it is not always done.

Mr. FRENCH. I think the gentleman is mistaken in that.

Mr. JONES. I will state that Admiral Shoemaker and other naval officers appeared before the committee and approved this bill with the amendment that has been inserted.

Mr. FRENCH. No. I think the gentleman is in error when he says that in any case a boy is taken and sent to sea without the two months' training.

Mr. JONES. Well, it does not make any difference whether I am in error or not about that. The fact remains that this legislation will serve a useful purpose. I had the impression, but whether that is true or not does not make a great deal of difference. Admiral Shoemaker appeared at the hearing and approved the bill with the amendment which he suggested; and two or three other naval officers were there and said they had no objection to the bill if it carried the amendment which has been inserted. That appears in the hearing. They came up, approved the bill, and said it was workable.

Mr. FRENCH. Will the gentleman yield?

Mr. JONES. Yes.

Mr. FRENCH. Did not officers from the Navy Department say that the bill would be workable and that, so far as they were concerned, they would approve the bill, but that it would add thousands of dollars to the Navy in expense?

Mr. JONES. They estimated $23,000 additional to what it is now taking. That is, according to the figures they gave, and I am taking their own figures. To this they added the travel subsistence and pay, between $5,000 and $6,000 as I recall.

It will only take $28,800; and surely, in order to have a better satisfied Navy, a better personnel, which they say this does

encourage, and inasmuch as it has the approval of Admiral Shoemaker and all the naval officers who appeared before the committee, there can not be any serious objection to it. I have here the evidence before the committee, and I would be glad to have the gentleman read it.

Mr. FRENCH. Would the gentleman object to striking out the amendment added by the Naval Committee and inserting in lieu thereof words that would mean that he should be discharged for his own convenience?

Mr. JONES. No; I do not think that ought to be done. I am perfectly willing that the gentleman shall offer it and let the House pass on it.

Mr. FRENCH. In other words, give six months as the period of time within which he could be discharged, but require that he pay his own expenses home instead of saddling that expense onto the Treasury.

Mr. JONES. Let me state to the gentleman that this would only add $28,800, and I think the better feeling the public will have toward the Navy if this is carried out would more than compensate for that.

Mr. BEGG. I have never voted for that provision in either the Army or the Navy bill, and I do not think it ought to be in those bills.

Mr. JONES. But the House has approved them, and Admiral Shoemaker was asked the direct question whether he would approve the bill with the amendment which is suggested here and he said yes.

Mr. SNELL. What percentage of the young men in the Navy are less than 21 years of age?

Mr. JONES. They said last year, after this new amendment went into effect, that within the first five months they had 26 men that they discharged; and they estimated, at that rate for five months, there would be 78 men discharged during the whole year if they were discharged in that proportion throughout the year.

Mr. SNELL. That is the number that could take advantage of this bill even if passed at the present time?

Mr. JONES. Even if passed at the present time it would not be over 78 men, and they stated that the number had been very much smaller than they had expected, and that the amendment had worked out admirably. They had not expected it to do so, but they stated they had been satisfied with the way it had worked, and according to their figures it takes about $300 to enlist a man and pay all of these incidental expenses.

Mr. SNELL. Do I understand there are only 78 men in the Navy at this time who could take advantage of this bill?

Mr. JONES. There would not be that many now. There were only 26 men, according to the statements of these officers before the committee, during the first five months of the administration of the law that came within its terms, and they estimated that throughout the year there would be about 78 men.

Mr. SNELL. If there are less than 78 out of the many thousand in the Navy, it does not seem to me we ought to pass a special law for that particular class. I supposed there were a great many more than that.

Mr. JONES. I will state in answer to that that with 78 men in the Navy in this situation, their parents become dissatisfied, and when they become dissatisfied all their neighbors become dissatisfied, and that causes a great deal of ill feeling toward the Navy, which this bill would eliminate. I suppose one reason there were not more was the care the naval officers took in ascertaining the ages of the applicants.

Mr. LAGUARDIA. If the gentleman will permit, what this bill does is to prevent the enlistment of these boys, and it will make the recruiting officers careful not to enlist them. I have personal knowledge that in the New York district they enlist these boys at 16 and 17 years of age, and there is absolutely no justification for it.

Mr. JONES. I think they once did that, but I do not believe that is done very much any more.

Mr. CHALMERS. Will the gentleman yield?

Mr. JONES. Yes.

Mr. CHALMERS. I sympathize with the gentleman in his effort to have a satisfied personnel in the Army and the Navy and the Marine Corps, and I want to ask the gentleman whether, if this bill goes into effect, it would mean the discharge of every boy under 21 years of age who requests it and who is backed up by his parents?

Mr. JONES. No.

Mr. CHALMERS. If the request is made within six months.

Mr. JONES. No; it would mean that hereafter a boy who enlists and who is under 21 years of age, and who has enlisted without the written consent of his parent or guardian, may be discharged on the application of his parent or guardian; but if he was more than 21 years of age, or if he had the written consent of his parent or guardian, he could not be discharged, except under existing law.

Mr. CHALMERS. Would not that result in discrimination? I have a case in my district where a young lad 17 or 18 years of age got his parents' consent to join the marines. After he got into the work he found it much different than he expected. He now wants his discharge. He wants to go home and go to school. His parents want him home; but he can not get out, and I can not get him out. He is very unhappy. His family is unhappy. This condition can not help but break down the morale of the corps. I hope something may be done to relieve the situation in the case of very young recruits.

Mr. JONES. I think in that case the Navy has complied with all the requirements, and this would not take care of a situation of that sort.

Mr. DENISON. But you would not have a contented Navy in that event.

Mr. JONES. The proposition is that you cause discontent out in the country when people think you have wronged them. When a boy is enlisted under 21 years of age, without consulting his parents or without the written consent of his parents or guardian, and that is shown, and the Navy turns down a request for his discharge, then that parent is dissatisfied because he thinks he has been wronged. His neighbors also become dissatisfied, and it all tends to create a prejudice against the Navy and tends to destroy efficiency. That kind of a boy is usually not as valuable as one who complies with the regular requirements, and the experience of the Navy has proven that to be true.

Mr. BEGG. Will the gentleman yield?

Mr. JONES. Yes.

Mr. BEGG. Under the law a boy under 18 years of age can get out of the Navy now at any time, and this bill only applies to a boy between the ages of 18 and 21 years.

Mr. JONES. Yes.

Mr. BEGG. I do not know that this is true of every boy, but the average boy who has not a fairly good head on him at 18 years of age is ever going to amount to very much, in my opinion. I am not worried much about a youngster from 18 years of age on. Most of the boys in the country that the gentleman is talking about take care of themselves from the time they are about 16 years of age, and there is no need to worry about these 18-year-old lads.

I think the Navy has a way to get some work out of them if they are in the service, and I am not worried about that end of it.

Mr. JONES. But it does not help the Navy any.

Mr. BEGG. No; but you will never get a condition where everybody is going to be happy, and I think we are getting unusually sympathetic about the lad who is 18 years of age or over and has gone ahead and enlisted without asking his father and his mother. Some of the best men in the country have done that very thing.

Mr. JONES. I will state to the gentleman that in all the commercial and business relationships of the country a boy is supposed to be under the control of his parents until he is 21 years of age.

Mr. BEGG. Technically and legally; yes.

Mr. JONES. And if such a boy is able to take care of himself the parent is willing to give permission; but if he is not, the parent ought to have control of the boy.

SEVERAL MEMBERS. Regular order!

The SPEAKER. Regular order is demanded. Is there objection to the present consideration of the bill?

Mr. BEGG. I object.

Mr. JONES. I will just state to the gentleman that this proposition was suggested as an amendment to the Committee on Appropriations when the Navy bill was being considered, and the gentleman from Idaho [Mr. FRENCH] rose and said it ought to go to the legislative committee. The gentleman intended to make a point of order but said it would receive proper consideration if it went to the legislative committee, and now the gentleman seems inclined to make objection.

Mr. BEGG. The gentleman from Idaho did not have anything to do with it.

Mr. JONES. But he has been present here and, as I thought, urging the objection, and I just wanted to call attention to it. With the gentleman's assurance that he was not intending to object, I withdraw the reference to him.

The SPEAKER. Regular order is demanded. Is there objection to the present consideration of the bill?

Mr. BEGG. I object.

CONSTITUTION AND STATE GOVERNMENT FOR NEW MEXICO

The next business on the Consent Calendar was the bill (H. R. 3925) to amend an act entitled "An act to enable the

people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States."

The Clerk read the title to the bill.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, I think we ought to have some explanation of this.

Mr. MORROW. Mr. Speaker, the enabling act of New Mexico of June 20, 1910, provided that all lands granted by that act should be held by the State in trust, and that the proceeds would be disposed of only for the purposes indicated in the grant. This bill only provides that in a drainage district the lands belonging to the State which are within that district shall bear their proportionate part of the expense.

Mr. SNELL. It appears that the Secretary of the Interior does not approve of the bill.

Mr. MORROW. He says it is a matter for the State primarily. I will read a letter from the governor of the State. It is as follows:

STATE OF NEW MEXICO,
EXECUTIVE OFFICE,
Santa Fe, February 9, 1926.

Hon. JOHN MORROW, M. C.,
United States Congressional Office Building,
Washington, D. C.

MY DEAR MR. MORROW: The State of New Mexico is very much interested in the passing of H. R. 3925, in that it is essential to carry out the conservation program for the reclamation of lands in certain river valleys in New Mexico.

Under the laws of New Mexico the owners of lands and certain public officials are authorized to form conservancy districts for the purpose of draining water-logged lands and building dams and irrigation canals for the distribution of waters impounded. The cost of these improvements are made a lien against the property of owners who will be benefited, and bonds are issued by the conservancy district to finance the enterprise. All lands embraced within the area to be served by the improvements are subjected to the cost proportionate to the benefit derived.

The State of New Mexico owns sections 2, 32, 16, and 36 in each township, heretofore granted it by the United States Government. Under the terms of the grant the money derived from these sections is a trust fund for certain schools and institutions of the State. It is only fair that the State lands should bear its fair proportion of the burden of these necessary improvements in order to make the land available for agricultural purposes, and H. R. 3925 merely grants permission by the Congress for the State to pay from the income of the lands in question its proportionate share of the costs of the necessary improvements.

These conservancy districts are an effort on the part of the local people to finance irrigation and drainage for themselves without appealing to the United States Government for assistance and should, in my judgment, be encouraged by the Congress for that reason alone.

Inasmuch as the State owns four sections out of each township, or one-ninth of the land in each township, where the same has not been theretofore disposed of, it is only just and right that the State should bear its just proportion of the expense of the improvements, and it is also equitable that these expenses should be charged to the land that will be benefited by such improvements.

I sincerely hope and trust that you will succeed in convincing the House that the passage of this measure will be for the public benefit, in that it will aid in assisting the reclamation of lands without appealing to the United States Government for financial assistance, will enhance the value of the trust, increase the taxable wealth of the State, furnish new homes and new farms in the State, and form a benevolent cycle in the economic development of New Mexico.

With sincere best wishes, I am,

Yours very truly,

A. T. HANNETT, *Governor.*

Mr. SNELL. As I understand, the lands were granted to the State primarily for school purposes. Now it is proposed to use the income for drainage purposes.

Mr. MORROW. Not at all; the difference is this: The part of the land within a conservancy district might be three or four sections located in the district, and the State has no provision by law to pay for the drainage or irrigation and can not put a dollar into it. The lands could not be sold for that purpose. The rent derived could not be used for that purpose. It is the intention to amend the law so that the particular sections in the established district can bear their proportionate part of the expenses.

Mr. SNELL. That is exactly what I wanted to know. The particular sections could be used for drainage purposes, which the law does not now permit.

Mr. MORROW. Yes; and the lands have no value until they are drained, when they become valuable.

Mr. SNELL. How many other parts of the country have the same conditions?

Mr. MORROW. I think there are no other lands in any State that will be affected, because no such conditions pertain.

Mr. SNELL. The trouble is that when you bring in here a proposition for unanimous consent that changes a fundamental law it goes a long ways. A bill of this character ought to be fully and carefully discussed and every detail gone through with before it is passed.

Mr. MORROW. We did thrash it out in the committee and put in amendments to the law there.

Mr. SNELL. Was it a unanimous report of the committee?

Mr. MORROW. It was; and this only applies to New Mexico.

Mr. SNELL. Yes; but if any other State had the same conditions, they would come in here and want the law amended.

Mr. DENISON. Mr. Speaker, I do not believe a bill of this character should be considered on the consent calendar and I shall have to object.

The SPEAKER. Objection is heard.

AMENDMENTS FOR RELIEF OF CONTRACTORS

The next business on the Consent Calendar was a bill (H. R. 6376) to amend the act for relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes, approved August 25, 1919, as amended by the act of March 6, 1920.

The Clerk read the title to the bill.

The SPEAKER. Is there objection?

Mr. BLANTON. Reserving the right to object, this involves a contract of $63,000 and was let to this man within one month after the war, why could it not have been completed before the inflation occurred?

Mr. BEEDY. I will explain to the gentleman.

Mr. BLANTON. I am inclined not to object if the gentleman can explain it, but the Secretary of the Treasury says there were 20 other claims in identically the same situation which, if this bill is passed, will be brought against the United States involving $200,000.

Mr. BEEDY. That is not the fact. I will explain that.

Mr. BLANTON. I am not inclined to object to the bill, but why not have one bill carrying all of them?

Mr. BEEDY. Well, there is an objection to that. Now, I want the gentleman to understand this, and I want every Member of the House to understand it.

Mr. Speaker, let me state this case as succinctly as I am able. As the gentleman from Texas [Mr. BLANTON] says, this contract was barred by just 18 days under the terms of the original act. The Mahoney Construction Co. case was the case on which the original legislation for relief of war contractors was based. It was cited as most typical and most deserving. It was discovered that by a slip in the drafting of the original act in the Treasury Department the date, instead of April 26, was made April 6, and while this case was cited to justify the original act, when it was passed they found that by the terminology of the act itself this case was excluded from relief.

There never was a more tragic instance of a slip in legislation which resulted in greater hardship. The matter dragged on, and owing to the pressure of legislation in the Congress we could not get this case before the House. The contract involved $63,000. My friend has asked a fair question and it ought to be answered, and every Member of this House before he votes on the bill ought to know the answer to the question. His question was: Since this was a small contract, why was not it completed earlier? This contract involved the construction of a detention building, a quarantine station, on House Island, about 3 miles out in the harbor from Portland. It was urged that it must be completed as soon as possible, because it was hoped to put troops into it. In order to construct it, it involves the building into the steel structure of the building a special type of bunk called for in the contract. The war came on, and the Mahoney Construction Co. could not get the bunks. They went up to this manufacturing concern in Massachusetts, which was the only source of supply for these bunks. The Mahoney Construction Co. said, "Why can you not give us those bunks? We can not continue to build our steel structural roof, we can not build the steel ceiling, we can not put up the upright steel columns, because these bunks have to be fitted into the columns with a particular type of flange." The manufacturer in Massachusetts turned and, pointing to a

man in Army uniform, said, "This man is now my boss. I can not furnish you a single one of those bunks."

Mr. BLANTON. Mr. Speaker, I withdraw my reservation of objection.

Mr. BEEDY. Let me add this. Mr. Mahoney was an old man, who started in working with a pick and shovel. He saved in the course of his lifetime, after having been married 35 years, $20,000. He took this Government contract, and in order to get it his wife had to go on the indemnity bond. That involved their home. His young partner, Mr. Conley, and his wife, Mrs. Conley, went on the bond, and that involved their home. One home is worth about $15,000 and the other about $8,000. We are holding off foreclosure proceedings to save those homes. Mr. Mahoney has gone back to work for the city in the ditch. Both partners will have lost their life savings in any event, because this bill does not enable them to get back the money they lost on their contract. It will enable them to pay bills now pending and to meet claims now in the courts, to meet obligations which were incurred to finish the job that they had agreed to do.

Mr. BLACK of Texas. The report on this bill does not show the amount of the contractor's claim.

Mr. BEEDY. The actual loss comes to between forty and fifty thousand dollars. There are outstanding obligations aggregating about $48,000, every cent covering bills for material and labor used in completing this contract, and not a penny for the labor of these two partners in the Mahoney Construction Co., who were on the job from first to last. They supervised, they financed, they toiled at manual labor to keep their agreement under the contract. Under such a state of facts who can raise his voice in opposition to this bill?

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of Congress entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes," approved August 25, 1919, as amended by act of March 6, 1920, be, and the same is hereby, amended so that said act shall include the contractor for the steerage barracks for the United States quarantine station, erected at House Island, Portland Harbor, Me., and, as to said contractor, claims for reimbursement as provided by said act of August 25, 1919, as amended by act of March 6, 1920, may be filed within three months after the passage of this act.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

FORT SAM HOUSTON, TEX.

The next business on the Consent Calendar was the bill (H. R. 3996) authorizing the Secretary of War to convey certain portions of the military reservation of Fort Sam Houston, Tex., to the city of San Antonio, Bexar County, Tex., for street purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to convey to the city of San Antonio, Bexar County, Tex., by quitclaim deed, approximately 52,054 square feet of the Fort Sam Houston, Tex., military reservation for the purpose of making a public street out of Army Boulevard at or near the intersection of Broadway (formerly River Avenue), in the said city of San Antonio, Bexar County, Tex., more particularly described as follows: "Beginning at a United States monument in the east property line of Broadway (formerly River Avenue), same being the northwest corner of city block No. 3856; thence north 89 degrees 58 minutes east, a distance of 1,531.5 feet to a United States monument in the west line of United States Government reservation; thence north 0 degree 2 minutes west, a distance of 34 feet to a United States monument; thence south 89 degrees 58 minutes west, a distance of 1,281.5 feet to a United States monument; thence north 0 degree 2 minutes west, a distance of 22 feet to a United States monument; thence south 89 degrees 58 minutes west, a distance of 232.1 feet to a United States monument in the east line of Broadway (formerly River Avenue); thence south 17 degrees 42 minutes west, a distance of 58.8 feet, to the place of beginning," subject to such conditions, restrictions, and reservations as the Secretary of War may impose for the protection of the reservation.

With the following committee amendment:

Page 2, line 23, after the word "reservation," add: "and subject to a perpetual right of way over said land for the uses of any department of the Government of the United States."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

KOOTENAI INDIAN LANDS

The next business on the Consent Calendar was the bill (H. R. 7173) authorizing the Secretary of the Interior to dispose of certain allotted lands in Boundary County, Idaho, and to purchase a compact tract of land to allot in small tracts to the Kootenai Indians as herein provided, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill.

Mr. BLANTON. Mr. Speaker, I reserve the right to object in order to ask the gentleman from Idaho [Mr. FRENCH] a question. What importance has this bill more than the bill which the gentleman from Idaho [Mr. FRENCH] has twice killed, once as chairman of the Subcommittee on Appropriations, when he was chairman of the subcommittee recently in charge of the naval bill, and again a moment ago, when he stood up and incited the opposition to the Jones bill, which has been reported out of the Naval Affairs Committee, and which would relieve the mothers and fathers all over the country whose minor boys are enticed into the Navy and carried off to sea, by giving their minor boys back to them?

Mr. FRENCH. Mr. Speaker, I beg to say that I have no objection to the consideration of the bill to which the gentleman refers. I wanted to offer an amendment to it, however, in the event that it should be considered.

Mr. BLANTON. But when we offered to put the provisions of that bill into the naval affairs appropriation bill, which already contained lots of legislation, the gentleman from Idaho [Mr. FRENCH] objected to it and made the point of order that it was legislation which knocked it out, stating that he wanted it to come from the proper legislative committee. Then, as soon as the proper legislative committee brought the bill in here on the floor and it could pass, the gentleman was instrumental a moment ago in cutting its throat, thus preventing mothers and fathers from having their minor boys discharged; but I shall not object to the gentleman's bill. I just wanted to say to him that in the interest of the mothers and fathers whose minor children are being taken away from them every year and sent to sea with the Navy he ought to help bring that bill up here and help get the opposition to it out of the way and let it pass.

Mr. FRENCH. Mr. Chairman, I beg to say in reply to the suggestion of the gentleman from Texas that so far as the consideration of the other bill is concerned, to which the gentleman referred, I have no objection. On the other hand, when it is considered I desire to offer an amendment for the consideration of the House. Does the gentleman want any discussion of the bill which I have introduced or does he withdraw his objection?

Mr. BLANTON. None in the world. I just wanted to call the attention of the gentleman from Idaho [Mr. FRENCH] to the fact that his action is causing us to watch the Appropriations Committee, especially the subcommittees of that committee, in reference to matters.

Mr. FRENCH. That is correct.

Mr. SNELL. Will the gentleman explain what this bill does?

Mr. FRENCH. I will state in a few words just what the bill does. It provides a way by which the Interior Department may handle some 3,000 acres of Indian lands interspersed among lands owned by white people who are endeavoring to drain them through formation of a drainage district. The Indian lands ought not to be incumbered, and yet they should not prevent drainage.

There are about 120 Indians who are called detached Indians in that they are not connected with any reservation area. Years ago—some 30 years ago—these Indians were allotted lands along the Kootenai River, near to their ancestral home. The lands are scattered. Of the 120 Indians now belonging to this group only about two or three are Indians who received original allotments. These Indians unfortunately have not been improved mentally, physically, or morally by the conditions which have surrounded them, and it is not a desirable thing that money paid for heirship lands be turned over to them. As to the lands held in trust for the two or three original allottees, the bill

provides that concurrence of these allottees shall be had before sales shall be made. The heirship lands embrace nearly 3,000 acres. Under present law the Interior Department through the Indian Service could sell all the heirship lands and apportion the money to the heirs, who would be entitled to the same. This bill goes further than that and authorizes the department to purchase small acreages of land as homes for the individual Indians and retain the balance for the Indians' benefit.

Mr. SNELL. This just gives the department the right to sell some of the Indian lands and reinvest in other lands for the benefit of the Indians.

Mr. FRENCH. That is the essential part so far as the Indians are concerned, and to retain the balance in a trust fund for the benefit of the Indians. The whole thing is wrapped up in a drainage program—drainage of lands belonging to white settlers and of the lands in question. The department under present law could sell the heirship lands in my opinion, but there is doubt as to authority for reinvesting the funds.

Mr. SNELL. It does not cost anything to the Government?

Mr. FRENCH. Not much. Any cost whatever would be very trivial and in connection with administration of the law in the department and in the Bureau of Indian Affairs.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized in his discretion to sell through sealed bids in unit offerings not exceeding 80 acres certain allotted lands of the Kootenai Indians situated in Boundary County, Idaho, at not less than the appraised price and deposit the proceeds derived therefrom to the credit of the individual Indians entitled thereto and to use such individual funds so derived to purchase tracts not exceeding 5 acres for each Indian living at the time of the passage of this act. That the Secretary of the Interior shall issue patents in fee for lands sold hereunder to the purchaser upon payment of the purchase price, and trust patents shall be issued to the Indians allotted the tracts as hereinbefore provided containing restrictions against alienation for a period of 25 years: *Provided*, That where the lands are held for allottees the consent of said allottees shall be obtained: *And provided*, That the proceeds derived from the sale of the allotted lands over and above the amount required for the purchase of tracts for the individual Indians shall be available to the individual Indian's credit and may be used in the discretion of the Secretary of the Interior for the purchase of building material, clothing, farming implements, livestock, foodstuffs, and other necessary purposes, and for the payment of the reclamation charges that may be assessed against such Indian allotments by a drainage district created in pursuance to the State laws of Idaho for the diking and drainage of such lands.

The committee amendments were read, as follows:

Page 1, line 4, after the word "sell" insert "through sealed bids in unit offerings not exceeding 80 acres." Page 2, line 7, after the word "years," insert "*Provided*, That where the lands are held for allottees the consent of said allottees shall be obtained: *And*."

The question was taken, and the amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

DESTRUCTION OF PAID UNITED STATES CHECKS

The next business on the Consent Calendar was the bill (H. R. 8034) to authorize the destruction of paid United States checks.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, may I inquire of the chairman of the committee why this bill was sent to the Committee on the Judiciary?

Mr. GRAHAM. The bill was transmitted from the Secretary of the Treasury to the chairman of the Committee on the Judiciary with the request that he introduce it, and I understand that it would naturally fall within the jurisdiction of the Committee on the Judiciary.

Mr. LAGUARDIA. We have a committee here on the destruction of useless public documents, and there is a great deal of formality concerning the destruction of useless documents.

Mr. GRAHAM. These are checks.

Mr. LAGUARDIA. I understand these are checks.

Mr. GRAHAM. These are matters that involve a legal question as to the destruction of these old checks. I would like to read for the information of the gentleman——

Mr. LAGUARDIA. I have it before me.

Mr. GRAHAM. As I say, this bill was transmitted by the Secretary of the Treasury, and he says:

This suggested legislation has the concurrence of the Comptroller General of the United States. It is not considered necessary that these checks be preserved for a longer time than six full fiscal years provided for in the proposed bill. A considerable part of these checks were retained in the files of the assistant treasurers of the United States prior to the discontinuance of their respective offices under the act of May 29, 1920, and are now stored at various places. In some instances the utilization of space in the buildings formerly occupied by the assistant treasurers required the removal of the checks to temporary filing space in outside buildings, there being neither space nor appropriation available for removing them to Washington at the time of such discontinuance, nor is there available Government space within the city of Washington for proper filing and preservation.

Mr. LAGUARDIA. Is the gentleman aware of the fact that the Secretary of the Treasury had no hesitation a few years ago in destroying canceled bonds? Yet now he complains that he has not space in which to store these checks. What is the hurry of destroying checks issued since April, 1917?

Mr. GRAHAM. I can not comprehend the reason for the inquiry that was made. These checks are all outside of the period covered by the statute of limitations. They are now an expense to the Government to preserve them. They are largely made up of checks that were in the possession of the assistant treasurers whose offices have been discontinued. There is no place to store them in Washington.

Now, the chief of this department asks that this bill be passed for the purpose of getting rid of the care and custody of those checks which are now utterly unimportant.

Mr. LAGUARDIA. Would the committee accept an amendment such as "prior to April 1, 1917," in lieu of "six full fiscal years prior to the date of destruction"? That would destroy all the checks and warrants prior to April 1, 1917.

Mr. GRAHAM. I do not think any specific date ought to be put in; but, just like the statute of limitations, it ought to be six years.

Mr. LAGUARDIA. I do not think we ought to destroy the war checks and war warrants at this time. I object.

The SPEAKER. Objection is made. The Clerk will report the next bill.

ABOLISHING TERM OF DISTRICT COURT AT PORTSMOUTH, N. H.

The next business on the Consent Calendar was the bill (S. 2464) to amend section 95 of the Judicial Code, as amended.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, would it be agreeable to the gentleman from Pennsylvania [Mr. GRAHAM] to let this bill be passed over without prejudice?

Mr. GRAHAM. It is a Senate bill. It has already passed the Senate. It makes no new provision whatever except to discontinue the court at Portsmouth, which is agreeable to the bar and the court. There is no reason why it should be held at Portsmouth.

Mr. GARRETT of Tennessee. I do not object.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the second sentence of section 95 of the Judicial Code as amended is amended to read as follows:

"Terms of the district court shall be held at Concord on the last Tuesday in April, the first Tuesday in September, and the second Tuesday in December; and at Littleton on the second Tuesday in October."

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was ordered to be laid on the table.

The SPEAKER. The Clerk will report the next one.

APPEALS IN ADMIRALTY CASES

The next business on the Consent Calendar was the bill (H. R. 6536) to amend section 129 of the Judicial Code, relating to appeals in admiralty cases.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That section 129 of the Judicial Code is hereby amended by adding thereto the following:

"In all cases where an appeal from a final decree in admiralty to the circuit court of appeals is allowed, an appeal may also be taken to said court from an interlocutory decree in admiralty determining the rights and liabilities of the parties: *Provided*, That the same is taken within 15 days after the entry and service of a copy of such decree upon the adverse party; but the taking of such appeal shall not stay proceedings under the interlocutory decree unless otherwise ordered by the district court upon such terms as shall seem just."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was ordered to be laid on the table.

The SPEAKER. The Clerk will report the next one.

SESQUICENTENNIAL CELEBRATION AT PHILADELPHIA, PA.

The next business on the Consent Calendar was the resolution (H. J. Res. 153) providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes.

The title of the resolution was read.

The SPEAKER. Is there objection to the present consideration of this resolution?

Mr. BANKHEAD. I object, Mr. Speaker.

The SPEAKER. Objection is heard. The Clerk will report the next one.

RETIREMENT OF ARMY OFFICERS

The next business on the Consent Calendar was the bill (H. R. 3995) to amend the national defense act approved June 3, 1916, as amended by the act of June 4, 1920, relating to retirement.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. BLANTON. Mr. Speaker, I think that the present law as to retirement, instead of being enlarged in thus allowing men to retire on pay when they get to be 45 years old, ought to be restricted.

Mr. WURZBACH. I do not think the gentleman understands the purpose of this bill.

Mr. BLANTON. Yes; I think I understand the purpose, even more clearly than my friend. It is to put in some 45-year-old gentlemen on the retired list on Government pay for life who were not taken care of by the previous law.

When I get some time I am going to show my colleague from Texas and my other colleagues here just how much our various retirement laws have been abused both in the Army and in the Navy. I have about succeeded in getting together in my office a complete list of every retired officer in both the Army and in the Navy, with his age, his retirement pay, his health, and present occupation, and I am going to be able soon to show to my colleagues the number of these able-bodied young men, who have been educated by the Government, who are now on retired salary for life, and yet who are working for big corporations at tremendously big salaries. That practice ought to be stopped. While I am in sympathy with my colleague's desire to do justice to a few where something has been done for some of their associates—and I shall not object to this bill—I am going to put you on notice that I am going to show abuse after abuse in the Army and in the Navy by many officers who are retired, who ought now to be at work for the Government, considering the money they have been drawing yearly from the Treasury. We ought to stop this everlasting enlargement of the retirement laws.

Mr. SNELL. Mr. Speaker, I think we should have a full explanation of this bill. This is, of course, a general retirement bill, to be passed by unanimous consent.

Mr. WURZBACH. I want to say to the Members that this bill was fully discussed in the last Congress, and after a full discussion it was passed by the House by a vote of 220 for it to 30 against it. In other words, more than a majority of the entire membership of the House voted in favor of it. This bill is intended to remove a discrimination against a certain class of officers. By the defense act of June 4, 1920, it was considered that certain emergency officers should be commissioned in the Army on account of the peculiar qualifications they had. The amendment to the defense act provided that officers who were commissioned after July 1, 1920, and who were more than 45 years of age, should receive 4 per cent for each year of their service, where they were retired on account of age. Now, as a matter of fact, these officers being over 45 years of age at the time they were commissioned—some of them being 56 years of age—it was thought right and proper that in case of their retirement on account of age they should not receive the same retirement pay allowed to an officer who went in as a young man, so they limited that retirement pay for age to 4 per cent for each year of such officer's service.

Mr. SNELL. And you raise it in this bill to 75 per cent?

Mr. WURZBACH. No; that is not the effect of it at all; but, as stated by Senator WADSWORTH when this bill was before the Senate during the last Congress—he was a member of the committee that framed the legislation for the commissioning of these emergency officers—the law inadvertently failed to make provision for their retirement pay on account of disability incurred in line of duty. The Comptroller General held, under the peculiar wording of the law, that the 4 per cent limitation also applied to retirement on account of disability, and in this respect clearly it is a discrimination against these emergency officers who were educated at their own expense and not at the expense of the Government, as is the case of a West Point graduate.

Mr. SNELL. How many officers does this affect?

Mr. WURZBACH. About 200.

Mr. SNELL. How much will it cost?

Mr. WURZBACH. I think I have the figures here. I want to state that this matter was submitted to the War Department, and they approved the bill in the last Congress, when they made their report, and also in this Congress.

Mr. SNELL. I think we ought to have something before the House showing just what this is going to cost.

Mr. WURZBACH. I want to state further to the gentleman, right in that connection, that under the present situation——

Mr. SNELL. Do not get away from the fact that I want to know how much this is going to cost.

Mr. WURZBACH. I do not think that ought to be material.

Mr. SNELL. I think that is very material. I do not think this bill should go through by unanimous consent without knowing the effect of the bill and just how much it is going to cost the Government. This is a retirement pay bill that is very important, and there are two or three other retirement pay bills before the House, so we ought to know how this affects the others and what their relative positions are. You put 200 men on the retired list by this bill, do you not?

Mr. WURZBACH. They are not put upon the retired list now. They will be retired in the future if they come within the provisions of the general law. This is not supposed to retire 200 men now, but it merely provides that when they become entitled to retirement on account of disability, the same as any other commissioned officer in the Army, they shall be retired on the same basis.

Mr. DENISON. This does not provide an additional retired list?

Mr. WURZBACH. Oh, no. This bill merely provides that a discrimination which now exists against this class of emergency officers, who are in the Regular Establishment to-day and doing the work of other Regular Army officers, shall be removed, and so they shall not be discriminated against when they are retired on account of disability incurred in line of duty. That is the whole thing. Senator WADSWORTH, as I have stated, said on the floor of the Senate that he was a member of the committee that wrote the amendment; that it was an oversight and it was inadvertently written so that these men were discriminated against.

Mr. SNELL. I think the gentleman ought to withdraw this bill so that we may know the actual facts and so the House may be informed as to what it is going to cost and what it means.

Mr. WURZBACH. I imagine it would be very difficult to tell just what it is going to cost.

Mr. REECE. Will the gentleman yield?

Mr. WURZBACH. Yes.

Mr. REECE. At present there are only seven who would be affected by the bill. There are 200 who might come under the provisions of the bill, but they would only come under the provisions of the bill in the event they were retired for disability incurred in line of duty.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. WURZBACH. Yes.

Mr. BLACK of Texas. The trouble is the way in which the gentleman has drawn the bill. By the bill you offer an inducement for an officer to make application for retirement on account of disability, because if he is retired for disability you give him 75 per cent of his retired pay, whereas if he remains in the service until he retires by reason of age you only pay him 4 per cent, multiplied by the number of years he is in the service, which would be considerably less in many cases than he would get under the provisions of this bill. So

if this bill is to pass it ought to be amended, and not be so broad as it is now written.

Mr. WURZBACH. I think the gentleman will agree with me that the criticism he makes could be made against the retirement law generally.

Mr. BLACK of Texas. I do not admit that, for the simple reason that ordinarily an officer, when he enters the service as a young man, expects to stay in the service a long time, whereas by affirmative law we made an exception in the cases of these men and allowed them to be commissioned, who were beyond the age of 45, but we put into the law a provision that they should not receive retirement pay except at the rate of 4 per cent, mutiplied by the number of years they were in the service. Now, I am ready to admit that the above provision was probably intended to apply to the question of age, and not disability, and the equities behind the bill are large; but if you permit retirement at 75 per cent on account of disability you encourage and invite these 260 men to make application for retirement before they reach the normal age of retirement.

Mr. WURZBACH. I am assuming, of course, that they will not be retired unless they are entitled to be retired.

Mr. BLACK of Texas. I think there has been considerable abuse of the retirement privilege in the War Department, and the gentleman will have to amend this bill in order to pass it by unanimous consent.

Mr. REECE. If it is brought up, the gentleman could offer that amendment.

Mr. BLACK of Texas. I suggest the gentleman ask that this bill go over without prejudice, and then we can confer about it. I think the language of the bill is entirely too broad.

Mr. LaGUARDIA. I would like to ask the gentleman a question. Has the gentleman asked that the bill go over?

Mr. WURZBACH. No.

Mr. REECE. Will the gentleman yield?

Mr. WURZBACH. Yes; I yield to the gentleman.

Mr. REECE. I think this is a very deserving bill.

Mr. BLACK of Texas. I think there are strong equities behind it, but the bill ought to be amended.

Mr. WURZBACH. What kind of amendment would the gentleman suggest?

Mr. BLACK of Texas. I would suggest that the bill be amended so as to provide for retirement for disability and that the retirement pay shall be 4 per cent of the officer's pay multiplied by the number of years he has been in the service, but in any case to be 50 per cent of his pay. The gentleman will have the bill objected to unless he asks that it go over without prejudice. I am willing to do justice to these men, but at the same time I want to do justice to the Treasury of the United States.

Mr. REECE. If I may make a suggestion about the amendment, if one should be offered, it should provide that if any of these men should be retired for disability, the amount of pay is not to be more than they would receive if they remained in the service until 64 years of age and were retired by reason of age.

Mr. BLACK of Texas. Something of that kind ought to be written into the bill.

Mr. REECE. The gentleman could offer that amendment on the floor here.

Mr. BLACK of Texas. That is the reason I have asked the gentleman to have it go over without prejudice. I think we can work out an amendment that will be just to these men and will be just to the Government. I am not arbitrary about it. I realize the equities of this contention, but the bill is too broad and I hope the gentleman will ask that it be passed over without prejudice.

Mr. WURZBACH. Has the gentleman objected or will the gentleman object?

Mr. BLACK of Texas. I will object.

Mr. WURZBACH. Then I ask unanimous consent, Mr. Speaker, that the bill may go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

TIMBER CUT ON NATIONAL FORESTS OR PUBLIC LANDS

The next business on the Consent Calendar was the bill (H. R. 6261) to authorize the exportation from the State or Territory of timber lawfully cut on any national forest or on the public lands in Alaska.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SNELL. Mr. Speaker, reserving the right to object, I think we ought to have the bill explained to see just what it means.

Mr. LEAVITT. Mr. Speaker, the purpose of this bill, so far as timber sold from national forests is concerned, is simply to give a permanent legal standing to a practice that has been carried on for a great many years through legislation on the appropriation bills and therefore subject to points of order. In 1897 the law provided that timber might be cut on national forests for use and sale within the State or Territory in which the national forests exist; but, of course, as a business man, you know that no lumber concern, as the lumber business increases and the lumber industry has to look to the national forests for its supply, can carry on successfully and supply only the local trade in the one State in which a national forest exists. Therefore in the appropriation bills for a great many years there was legislation which did allow the exporting of timber to outside of the State in which the timber was cut. In 1924, however, a point of order was made on that provision, and sustained. This puts lumber concerns, dealing legitimately in national forest timber, in a position of uncertainty, and from a business angle it is desirable that there be passed a permanent law which will allow necessary export business to continue.

So far as the Territory of Alaska is concerned, the Delegate from Alaska can, perhaps, go into the situation more fully than I can. The present law does allow the exporting of pulp and pulp wood from Alaska; but there is a tremendous reservoir of timber overripe, and from a conservation standpoint ready to be cut, and which should be cut; but it can not now be advantageously sold because of the fact it can not be certainly shipped out of the Territory.

Mr. SNELL. Have they been cutting this timber right along up to this year?

Mr. LEAVITT. Not in Alaska.

Mr. SNELL. They have never cut it up there?

Mr. LEAVITT. Pulp and pulp wood.

We have had a great deal of discussion on the floor here about the locking up of the resources of Alaska and the small population there because the resources are not available, and the purpose of this, in conformity with strict conservation principles, is to allow a lumber industry to be built up in the Territory of Alaska, taking out timber that should be cut under strict forestry principles, and thus help support a larger population out of the resources of that Territory.

Mr. SNELL. It is to be cut under the general provisions of the law the same as on any other national forest?

Mr. LEAVITT. Yes; under strict conservation principles.

Mr. SUTHERLAND. May I say to the gentleman from New York that considerable of this lumber has been cut, and some of it has been exported under the provision in the appropriation bill which has been carried each year that authorizes the Secretary to permit its exportation.

Mr. SNELL. That is just what I asked the gentleman from Montana, and he said they were not cutting it.

Mr. SUTHERLAND. Yes.

Mr. LEAVITT. I repeat: Pulp and pulp wood have been allowed to be exported under the existing law. Otherwise only to a limited extent.

Mr. SUTHERLAND. And that is by permission of the Secretary of the Interior year after year.

Mr. SNELL. But no general lumbering has been done up there.

Mr. SINNOTT. They have allowed the exportation of birch timber.

Mr. SNELL. But not of softwood.

Mr. SINNOTT. No; except the pulp wood.

Mr. LaGUARDIA. And that has been done every year for years with the approval of the Secretary?

Mr. SNELL. Only pulp or pulp wood, as I understand it, and no large saw timber, for instance. Do both departments approve this bill?

Mr. LEAVITT. Yes; both the Department of the Interior and the Department of Agriculture.

Mr. BLANTON. Now, that the gentleman has satisfied the chief pulp-wood man of the House, I would like to ask the gentleman a question. Who is asking for this bill?

Mr. LEAVITT. It comes with a favorable report from both departments. It was introduced by the Delegate from Alaska.

Mr. BLANTON. Who started it on its legislative career?

Mr. LEAVITT. I have the idea that the departments themselves had a good deal to do with it, particularly the Forest Service.

Mr. BLANTON. Is the gentleman from Alaska in favor of this proposition?

Mr. SUTHERLAND. Yes; I introduced the bill.

Mr. BLANTON. Are there private interests behind this bill?

Mr. SUTHERLAND. No; no private interests.

Mr. BLANTON. There is no private interest behind this bill initiating it and pushing it through?

Mr. SUTHERLAND. Absolutely not.

Mr. BLANTON. The gentleman is interested only in getting this bill passed for the benefit of the people and for the benefit of the Government, and it is not for the benefit of some business enterprise?

Mr. SUTHERLAND. No, sir; absolutely not.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That timber lawfully cut on any national forest, or on the public lands in Alaska, may be exported from the State or Territory where grown if, in the judgment of the Secretary of the department administering the national forests, or the public lands in Alaska, the supply of timber for local use will not be endangered thereby, and the respective Secretaries concerned are hereby authorized to issue rules and regulations to carry out the purposes of this act.

With the following committee amendments:

Insert a comma after the following words: Line 3, after the word "forest"; line 4, after the word "Alaska"; line 6, after the word "forests."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was laid on the table.

CONVEYING LANDS TO THE STATE OF MICHIGAN

Mr. McLAUGHLIN of Michigan. Mr. Speaker, I ask unanimous consent to have Calendar No. 51, a bill (H. R. 7482) to provide for the conveyance of certain land in the State of Michigan for State-park purposes again laid before the House. The gentleman from Texas and the gentleman from Ohio have withdrawn their objections on condition that an amendment which I will offer be adopted.

The SPEAKER pro tempore (Mr. TILSON). Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to transfer and convey to the State of Michigan the following-described parcels of land: Lots 3 and 4 and southeast quarter of southwest quarter of section 18; northwest quarter, northwest quarter of southwest quarter, and lots 2 and 3 of section 19; lots 1 and 2 of section 30, town 15 north, range 18 west, Michigan principal meridian, containing 492.34 acres of land more or less. All of fractional section 13; lots 1, 2, and 3 on the southeast quarter of southeast quarter of section 24; northeast quarter, north half of southeast quarter and southeast quarter of southwest quarter of section 25, town 15 north, range 19 west, Michigan principal meridian, containing 500.62 acres more or less, the same to be held and made available permanently by said State as a State park under such rules and regulations as may be necessary and proper for use thereof by the public: *Provided*, That should the State of Michigan fail to keep and hold the said land for park purposes or devote it to any use inconsistent with said purposes, then at the option of the Secretary of the Interior, after due notice to said State and such proceeding as he shall determine, title to said land shall revert to and be reinvested in the United States.

With the following committee amendment:

Page 1, line 4, after the word "directed" insert the words "upon payment of $1.25 per acre."

Mr. McLAUGHLIN of Michigan. Mr. Speaker, I move to amend by striking out on page 2 lines 14 and 15.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, strike out lines 14 and 15.

The amendment was agreed to.

Mr. SEARS of Florida. Mr. Speaker, I move to strike out the last word. I want to congratulate my colleague from Michigan for getting this bill through, and I would like to know if he had a favorable report from the Department of the Interior.

Mr. McLAUGHLIN of Michigan. Yes.

Mr. SEARS of Florida. Is it Government land?

Mr. McLAUGHLIN of Michigan. Yes; Government land.

Mr. SEARS of Florida. The reason that I moved to strike out the last word was I have introduced one or two bills trying to get Government lands in Florida transferred to the county or city or State for park purposes. I have just received a letter from the Department of the Interior saying they will not recommend the transfer of any Government land in Florida because land in Florida is so valuable, and I therefore presume the Government is so poor they can not afford to recommend it. I know that the lands in Michigan are not so very poor, but I wondered how the gentleman proceeded. I have been associated with him; I know he is a very persuasive gentleman, and I wish he would tell me how to proceed to get a favorable report.

Mr. McLAUGHLIN of Michigan. The situations in Florida and Michigan are radically different. These lands in Michigan have always been subject to homestead entry. They lie along the edge of a thickly settled community, but no entry on them for homestead purposes has been had for 75 years. They are of absolutely no value for agriculture, but it is an interesting and unique place in an interesting section of the country; they are great sand dunes, and the State wishes to acquire it for the purpose of making it more valuable for the people than it is in its original unique condition.

Mr. SEARS of Florida. There are lands in Florida in the same condition, but the Government wants them on account of their value. It may be because I wanted to name it the "Harding Memorial Park" that I received an unfavorable report.

The pro forma amendment was withdrawn.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was laid on the table.

DRAWING OF GRAND JURORS IN THE DISTRICT OF COLUMBIA

The next business on the Consent Calendar was the bill (H. R. 3833) to amend section 204 of an act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, and the acts amendatory thereof and supplementary thereto.

The Clerk read the title to the bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 204 of the Code of Law for the District of Columbia be, and the same is hereby, amended so as to read as follows:

"SEC. 204. Drawing jurors: At least 10 days before the first Tuesday of each month specified in section 202 when jury trials are to be had, said jury commission shall publicly break the seal of the jury box and proceed to draw therefrom, by lot and without previous examination, the names of such number of persons as the general term of the Supreme Court of the District of Columbia may from time to time direct to serve as grand and petit jurors in the Supreme Court of the District of Columbia; and shall forthwith certify to the clerk of the Supreme Court of the District of Columbia the names of the persons so drawn as jurors."

With the following committee amendment:

Page 2, line 6, after the word "forthwith," strike out the balance of the sentence and insert the following in lieu thereof: "designate 23 persons so drawn to serve as grand jurors and the remainder so drawn shall serve as petit jurors, and shall certify to the clerk of the Supreme Court of the District of Columbia the names of the persons so drawn as jurors: *Provided, however*, That if after designation any of the grand jurors should prove to be incompetent or should be excused from service by the court, or die or become otherwise disqualified or disabled, the court may fill any such vacancy or vacancies from the list of petit jurors."

Mr. BLANTON. Mr. Speaker, I ask for recognition on the amendment. The gentleman from Pennsylvania [Mr. GRAHAM] has been a very distinguished prosecutor in his State. Why does not he and his committee bring in a bill which will change this archaic provision that requires a Federal grand jury to be composed of 23 men? That is an unnecessarily large number. There is no good reason for having 23 men on a grand jury. They are usually the business men of the district, and when 12 or 15 of them could serve the Government just as well, why let this old law continue on the statute books and require 23 business men to act?

Mr. GRAHAM. Mr. Speaker, from time immemorial a grand jury has been composed of 23 men.

Mr. BLANTON. In the Federal court; yes.

Mr. GRAHAM. And in the State courts also at common law. A venire issues for the summoning of 24 men, and the court excuses one so that 12 could constitute a majority, which would be the number of an ordinary jury, and which number could find a true bill. The practice exists almost everywhere. I know of no exception. I do not think we ought to make an ex-

ception in the District of Columbia from the general course of practice. This request comes from the judiciary of the District asking us to correct a little difficulty that exists in the law.

Mr. BLANTON. I was asking the gentleman not about the District of Columbia, but with regard to the practice in the Federal courts existing throughout the United States. Why do we not provide for a smaller number? For instance, the State of Texas is a rather large State. The common law used to prevail there and it does prevail now except where changed by statute. For years and years we have provided that the grand jury can find a bill of indictment for the highest kind of crime when only 12 men sit on the grand jury, that being a legal grand jury in Texas. Every safeguard is thrown around the defendant's rights in a grand-jury room with only 12 jurors. In Texas 9 of the 12 grand jurors must concur to find a bill. If that is the case, why continue this archaic provision which has been the law for so long that the gentleman is afraid to disturb it?

Mr. GRAHAM. We do not now seek to provide for 23 men in this bill. The law as it stands on the statute books to-day makes 23 men necessary in the District of Columbia, the same as everywhere else, except in Texas and perhaps some one or two others. The exception, in the District of Columbia, unlike the law in Federal courts and most States, and unlike the common law here, there must be 23 men serving. Therefore when one man is shown to be unable to qualify it necessitates the commissioner coming in and going through the formality of calling additional men to serve on the grand jury. This bill simply provides that since the qualification of a grand and petit juror is exactly the same in the District, the court can be free to fill those vacancies from the general venire which will go out to summon grand jurors and petit jurors to fill up vacancies in the 23, and if anyone is disqualified through sickness or any other cause the court can then, without going to the expense and delay now necessary, put one or two or more men on the grand jury and fill up the vacancy or the vacancies.

Mr. BLANTON. That is a good amendment, and I am with the gentleman upon it. I am not inveighing against that at all; but if a grand jury could properly be composed of 12 or 15 men in the Federal Court, then the fact that the law requires 23 now should not deter the gentleman and his distinguished committee from bringing in a bill changing that and requiring only 12. I appeal to the gentleman's wide experience as a prosecutor. We do not need 23 men in a grand-jury room in the Federal courts to bring about justice. We could do with a fewer number of men. We could do with 12 men. A man charged with crime ought not to demand that his rights be passed on by a grand jury of more than 12 of his peers. I submit that to the gentleman.

Mr. GRAHAM. I shall take the matter under consideration.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

TEMPORARY CLERK, SUPREME COURT, DISTRICT OF COLUMBIA

The next business on the Consent Calendar was the bill (H. R. 3834) to amend section 65 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, and the acts amendatory thereof and supplementary thereto.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 65 of the Code of Law for the District of Columbia be, and the same hereby is, amended so as to read as follows:

"SEC. 65. The general term of said court shall be open at all times for the transaction of business; and said court, by orders passed in general term, may regulate the periods of holding the special terms, fix the number of said terms, and alter the same from time to time, as public convenience may require; may direct as many terms of any of the special terms to be held at the same time as the public business may make necessary; may assign the several justices from time to time to the respective special terms; may establish written rules regulating pleading, practice, and procedure, and by said rules make such modifications in the forms of pleading and methods of practice and procedure prescribed by existing law as may be deemed necessary or desirable to render more simple, effective, inexpensive, and expeditious the remedy in all suits, actions, and proceedings: *Provided*, That said rules shall not become effective until 30 days after the date when they are adopted and spread upon the minutes of the said general term: *And provided further*, That said court in general term shall not have power to make or establish rules regulating pleading, practice, or procedure in equity which are inconsistent with the rules in equity heretofore or hereafter adopted by the Supreme Court of the United States; may appoint a clerk and in the event of a vacancy in the office of clerk may designate one of the assistant clerks to act as clerk of the court until the vacancy shall have been filled, provided that if such vacancy occurs in vacation such designation may be made by the Chief Justice if in the District of Columbia or in his absence by the senior Associate Justice of said court then in said District. Said court in general term may appoint an auditor and also a crier and a messenger for each court in special term and all other officers of the court necessary for the due administration of justice, with the exception of all officers and employees in any manner connected with the probate term, and also United States commissioners; may hear charges of misconduct against any judge of the municipal court and remove him from office for cause shown; may admit persons to the bar of said court and censure, suspend, or expel them; and may pass all other orders not inconsistent with existing laws which may be necessary to the effective administration of justice in said court, but shall not hear any cause in general term: *Provided*, That the general term may assign more than one justice to a special term for the trial of a given case."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

COUNTERFEITING OF GOVERNMENT TRANSPORTATION REQUESTS

The next business on the Consent Calendar was the bill (H. R. 8128) to punish counterfeiting of Government transportation requests.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill.

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That whoever shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or shall willingly aid or assist in falsely making, forging, or counterfeiting, in whole or in part, any form or request in similitude of the form or request provided by the Government for requesting a common carrier to furnish transportation on account of the United States or any department or branch thereof, or shall alter, or cause or procure to be altered, or shall willingly aid or assist in altering, any form or request provided by the Government for requesting a common carrier to furnish transportation on account of the United States or any department or branch thereof, or whoever shall pass, utter, publish, or sell, or attempt to pass, utter, publish, or sell, any such false, forged, counterfeited, or altered form or request, shall be fined not less than $1,000 nor more than $5,000, or imprisoned not less than 1 year nor more than 10 years, or both.

SEC. 2. That whoever, except by lawful authority, shall have control, custody, or possession of any plate, stone, or other thing, or any part thereof, from which has been printed or may be printed any form or request for Government transportation, or shall use such plate, stone, or other thing, or knowingly permit or suffer the same to be used in making any such form or request or any part of such a form or request, or whoever shall make or engrave, or cause or procure to be made or engraved, or shall assist in making or engraving, any plate, stone, or other thing, in the likeness of any plate, stone, or other thing designated for the printing of the genuine issues of the form or request for Government transportation; or whoever shall print, photograph, or in any other manner make, execute, or sell, or cause to be printed, photographed, made, executed, or sold, or shall aid in printing, photographing, making, executing, or selling, any engraving, photograph, print, or impression in the likeness of any genuine form or request for Government transportation, or any part thereof; or whoever shall bring into the United States or any place subject to the jurisdiction thereof any plate, stone, or other thing, or engraving, photograph, print, or other impression of the form or request for Government transportation, shall be fined not less than $1,000 nor more than $5,000, or imprisoned not less than 1 year nor more than 10 years, or both.

SEC. 3. The Secretary of the Treasury is hereby authorized to direct and use the Secret Service Division of the Treasury Department to detect, arrest, and deliver into custody of the United States marshal having jurisdiction any person or persons violating any of the provisions of this act.

With the following committee amendments:

Page 2, line 4, after the word "shall," insert the word "knowingly"; page 2, line 6, after the word "shall," insert the words "upon conviction"; page 2, line 7, strike out the words "less than $1,000

nor"; and in line 8, page 2, strike out the words "less than one year nor"; page 2, line 7, after the word "shall," insert the words "upon conviction"; and in line 8, page 3, strike out the words "less than $1,000 nor"; and in line 9, same page, strike out the words "less than one year nor."

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read: "A bill to punish counterfeiting, altering, or uttering of Government transportation requests.

Mr. MORTON D. HULL. Mr. Speaker, I move to strike out the last word. Mr. Speaker, I think it would be instructive to have the gentleman from Pennsylvania [Mr. GRAHAM] tell us just what the experience is that is intended to be covered by this bill?

Mr. GRAHAM. This is a bill which came from the Department of War, because from experience they found that the existing law did not enable them to pursue and punish persons who improperly issued and used requests for transportation, and in certain cases of which the Secretary speaks those requests for transportation were made and used by the parties and cost the transportation company $1,000 in one instance, and various sums in others.

Mr. MORTON D. HULL. Who makes these requests for transportation, and to whom are they directed?

Mr. GRAHAM. They are made through the department and taken to the transportation company.

Mr. LAGUARDIA. Individual employees get these blanks. When I was in the Immigration Service the employees would get those blanks and simply fill them out and then the order was shown at the ticket office, and the ticket procured. Immigration inspectors, agents of the Department of Justice, and various others have regular blanks, and they give them a pad at a time.

Mr. GRAHAM. The gentleman is quite right. This is only meant to cover some openings in the existing law.

The SPEAKER pro tempore. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended.

CROW TRIBE OF INDIANS OF MONTANA

The next business on the Consent Calendar was the bill (H. R. 8185) to amend sections 1, 5, 6, 8, and 18 of an act approved June 4, 1920, entitled "An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes."

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first, fifth, sixth, eighth, and eighteenth sections of an act providing for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes, approved June 4, 1920 (41 Stat. L. pp. 751–757), be amended to read as follows:

"SECTION 1. That the Secretary of the Interior be, and he hereby is, authorized and directed to cause to be allotted the surveyed lands and such unsurveyed lands as the commission hereinafter provided for may find to be suitable for allotment, within the Crow Indian Reservation in Montana (not including the Big Horn and Pryor Mountains, the boundaries whereof to be determined by said commission with the approval of the Secretary of the Interior), and not herein reserved as hereinafter provided, among the members of the Crow Tribe, as follows, namely, 160 acres to the heirs of every enrolled member entitled to allotment who died unallotted after December 31, 1905, and before the passage of this act; next, 160 acres to every allotted member living at the date of the passage of this act, who may then be the head of a family and has not received allotment as such head of a family; and thereafter to prorate the remaining unallotted allotable lands and allot them so that every enrolled member living on the date of the passage of this act and entitled to allotment shall receive in the aggregate an equal share of the allotable tribal lands for his total allotment of land of the Crow Tribe. Allotments made hereunder shall vest title in the allottee subject only to existing tribal leases, which leases in no event shall be renewed or extended by the Secretary of the Interior after the passage of this act, and shall as hereinafter provided be evidenced by patents in fee to competent Indians, except as to homesteads as hereinafter provided, but by trust patent to minors and incompetent Indians, the force and legal effect of the trust patents to be as is prescribed by the general allotment act of February 8, 1887, as amended (24 Stat. L. p. 388). Priority of selection up to 320 acres is hereby given to the members of the tribe who have as yet received no allotment on the Crow Reservation, and thereafter all members enrolled for allotment hereunder shall in all respects be entitled to equal rights and privileges, as far as possible, in regard to the time, manner, and amount of their respective selections: *Provided,* That Crow Indians, who are found to be competent may elect, in writing, to have their allotments, except as herein provided, patented to them in fee. Otherwise trust patents shall be issued to them. No patent in fee shall be issued for homestead lands of a husband unless the wife joins in the application, who shall be examined separately and apart from her husband and a certificate of the officer taking her acknowledgment shall fully set forth compliance with this requirement: *Provided further,* That any allottee classified as competent and any adult incompetent Indian, with the assistance of the superintendent, may lease his or her allotment or any part thereof and allotments of minor children dependent upon them for support without restriction, but the moneys received for all other minors shall be paid to the superintendent for the benefit of said minors, and where a group of allottees desire to lease their several allotments as a unit, such allottees may in writing agree to unite their several allotments and select a committee from their number to lease the whole thereof for and in their behalf under such terms as the said allottees may have previously agreed upon, but no lease shall be for a period longer than five years.

"SEC. 5. That such of the unallotted lands as are now used for agency, school, cemetery, or religious purposes shall remain reserved from allotment so long as such agency, school, cemetery, or religious institutions, respectively, are maintained for the benefit of the tribe: *Provided,* That the Secretary of the Interior, upon the request of the tribal council, is hereby authorized and directed to cause to be issued a patent in fee to the duly authorized missionary board or other proper authority of any religious organization heretofore engaged in mission or school work on the reservation for such lands thereon as have been heretofore set aside and are now occupied by such organizations for missionary or school purposes: *Provided further,* That not more than 640 acres may be reserved for administrative purposes at the Crow Agency, and six tracts of not exceeding 80 acres each, in different districts on the reservation, may be reserved for recreation grounds for the common use of the tribe, or purchased from the tribal funds if no tribal lands are available, and all such lands shall be definitely described and made a matter of record by the Indian Office: *Provided further,* That whenever any reservation herein specified shall no longer be needed for the purpose reserved, the same may be leased or disposed of by sale, in such manner as the said Crow Indians may determine.

"SEC. 6. That any and all minerals, including oil and gas, on any of the lands to be allotted hereunder are reserved for the benefit of the members of the tribe in common and may be leased for mining purposes, with the consent of the tribal council under such rules, regulations, and conditions as the Secretary of the Interior may prescribe, but no lease shall be made for a longer period than 10 years, but the lessees may have the right to renewal thereof for a further period of 10 years upon such terms and conditions as the Secretary of the Interior may prescribe, and agreed to by said tribal council: *Provided,* That when any land is leased for mining purposes and development thereunder shall indicate the presence of minerals including oil and gas in paying quantities; the lessee or lessees shall proceed with all reasonable diligence to complete the development under said lease to extract the mineral including oil and gas from the land leased and to bring the product mined or extracted into market as speedily as possible unless the extraction and sale thereof be withheld with the consent of the Crow Tribe of Indians: *Provided, however,* That allotments hereunder may be made of lands classified as valuable chiefly for coal or other minerals, which may be patented as herein provided with a reservation, set forth in the patent, of the coal, oil, gas, or other mineral deposits for the benefit of the Crow Tribe: *And provided further,* That at the expiration of 50 years from the date of approval of this act, unless otherwise ordered by Congress, the coal, oil, gas, or other mineral deposits upon or beneath the surface of said allotted lands shall become the property of the individual allottee or his heirs.

"SEC. 8. That any allotment or part of allotment provided for under this act, irrigable from any irrigation system now existing or hereafter constructed by the Government on the said reservation, shall bear its pro rata share, computed on a per-acre basis, of the expenditures made from tribal funds that were used in constructing such systems where the Indians in council had not specifically approved such expenditures, and all moneys except gratuities expended on the construction of such irrigation systems out of the appropriations from the Treasury of the United States, the amount so in the aggregate to be

borne to be ascertained and proclaimed by the Secretary of the Interior: *Provided*, That no additional irrigation system shall be established or constructed by the Government for the irrigation of Indian lands on the Crow Reservation unless and until the consent of the tribal council thereto has been duly obtained. All such charges against allotments authorized by this section shall be reimbursed in not less than 20 annual payments. The Secretary of the Interior may fix such operation and maintenance charges against such allotments as may be reasonable and just, to be paid as provided in rules and regulations to be prescribed by him. Unless otherwise paid, these latter charges accruing subsequent to August 1, 1914, may be paid from or made a charge upon the allottee's individual share of the tribal fund when said fund is available for distribution, and if any allottee shall receive patent in fee to his allotment before the amount so charged against his land has been paid, such unpaid amount shall become and be a lien upon his allotment, of which a record shall be kept in the office of the superintendent of the reservation at the agency; and should any Indian sell any part of his allotment with the approval of the Secretary of the Interior, the amount of such unpaid charges against the land so sold shall remain a first lien thereon and may be enforced by the Secretary of the Interior by foreclosure as a mortgage. The expenditures for irrigation work on the Crow Reservation, Montana, heretofore or hereafter made, as hereinbefore provided, are hereby declared to be reimbursable under such rules and regulations as the Secretary of the Interior may prescribe and shall constitute a lien against the land benefited, regardless of ownership, including all lands which have heretofore been sold or patented. All patents or other instruments of conveyance hereafter issued for lands under any irrigation project on the said Crow Indian Reservation, whether to individual Indians or to purchasers of Indian land, shall recite a lien for repayment of such irrigation charges hereinbefore provided for, if any, remaining unpaid at the time of issuance of such patent or other instrument of conveyance; and such lien may be enforced or, upon payment of all such irrigation charges assessed against such land, may be released by the Secretary of the Interior. Delivery of water to such land may be refused, within the discretion of the Secretary of the Interior, until all dues are paid: *Provided*, That no right to water or to the use of any irrigation ditch or other structure on said reservation shall vest until the owner of the land to be irrigated shall comply with such rules and regulations as the Secretary of the Interior may prescribe, and he is hereby authorized to prescribe such rules and regulations as may be deemed reasonable and proper for making effective the foregoing provisions: *Provided, however*, That in no case shall any allottee be required to pay either construction, operation, or maintenance charges for such irrigation privileges, or any of them, until water can be actually delivered to his allotment: *Provided further*, That the Secretary of the Interior shall cause to be made immediately, if not already made, an itemized statement showing in detail the cost of the construction of the several irrigation systems now existing on the Crow Indian Reservation separately, the same to be placed at the Crow Agency, and with the Government farmers of each of the districts of the reservation, for the information of the Indians affected by this section.

"SEC. 18. That the sum of $10,000, or so much thereof as may be necessary, of the tribal funds of the Crow Indians of the State of Montana is hereby appropriated to pay the expenses of the general council, or councils, or business committee, in looking after the affairs of said tribe, including the actual and necessary expenses and the per diems paid its legislative committee when visiting Washington on tribal business at the request of the Commissioner of Indian Affairs or a committee of Congress, said sum and the actual and necessary expenses to be approved by and certified by the Secretary of the Interior, and when so approved and certified to be paid.

The committee amendments were read, as follows:

Page 3, line 21, after the word "allottee," insert "classified as competent and any adult incompetent Indian with the assistance of the superintendent."

Page 3, line 23, after the word "thereof," strike out "without restriction, parents acting for children under age," and insert "and allotments of minor children dependent upon them for support without restrictions, but the moneys received for all other minors shall be paid to the superintendent for the benefit of said minors."

Page 9, line 1, after the word "water," strike out the words "has been" and insert "can be."

The question was taken, and the amendments were agreed to.

Mr. MORTON D. HULL. Mr. Speaker, I move to strike out the last word. Mr. Speaker, this bill covers some nine pages and amends a half dozen different sections of the law. It seems to me we are entitled to have some explanation from the chairman of the Committee on Indian Affairs as to just what it does.

Mr. LEAVITT. Mr. Speaker, while this bill seems to cover quite a good deal of ground and be rather extensive, the fact is that nearly all that is in the bill is the existing law at the present time. There are here amendments to several sections of the law as it now exists pertaining to the Crow Indians of Montana, particularly to enable them to have a greater part in their own affairs. It has also to do with the question of payment for land irrigated on their reservation. To begin with, I wish to say that few bills have ever had more careful consideration by a committee. It was heard before two subcommittee meetings, at which a delegation of the Crow Indians was present. It was heard in the whole committee on two different occasions, and the benefit of the advice of the department was sought at every point. The first amendment is to section 1, and is to give greater participation by the Indians in the leasing of their own lands. It is felt that the Indians, having been given citizenship, and being in a position now to take a greater part in governmental affairs, are now ready to take a greater part in their own business affairs. This bill is bound about by sufficient restrictions to insure that the unrestricted Indians will have——

Mr. EDWARDS. If the gentleman will yield, is the report on this bill a unanimous report from the committee?

Mr. LEAVITT. Yes, indeed. Section 5 is amended with regard to the leasing of lands that are now in agency, school, cemetery, and religious use where the need of such use ceases to exist. This simply provides, for the benefit of the Indians, that leases may be made thereon. The amendment to section 6 has to do with requirements in connection with the extension of leases now existing to oil lands on the reservation and on future leases of that kind the consideration and consent of the tribal counsel shall be required, and due diligence shall also be required of the lessees in carrying out the terms of the leases.

Mr. BLANTON. Will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. BLANTON. I found one method by which I could determine whether an Indian bill was in favor of the real Indian or the white Indian, but unfortunately it is after the bill is passed.

I notice that every time we pass a bill for the real Indians they come around to our offices and thank us, but if the bill is for the white Indians we never see them. Has the gentleman noticed that?

Mr. LEAVITT. To some extent that is true. But in the consideration and preparation of this bill I am sure the gentleman will be pleased to know that a delegation, first of six and later of three Crow Indians, personally were before the committee continually, and they are still in the city.

The amendment to section 8 has to do with irrigation matters. Irrigation was started on the Crow Reservation very largely without the consent and understanding of that tribe. However, the consent of the tribe was given for the expenditure of certain amounts out of the tribal funds. Out of the General Treasury somewhere between $400,000 and $500,000 has been spent in addition to that, and other expenditures were out of the tribal funds, without the consent of the Crow Indians. This measure provides that the part of the money taken from the General Treasury shall be reimbursed and chargeable against the individual lands that have been brought into the irrigation system, and also that the individual lands shall pay back to the tribal funds all that has been taken without the consent of the Indians; but the money taken out of the tribal funds with the consent of the Indians shall be a charge against the tribal fund.

Section 18 simply removes a restriction on the total amount that can be expended in one year in payment of expenses of delegations visiting Washington on their business. It leaves it to the discretion of the Secretary of the Interior. This is from tribal funds entirely.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was ordered to be laid on the table.

The SPEAKER pro tempore. The Clerk will report the next bill.

REPAIRS TO ROADS AND BUILDINGS IN AMERICAN SAMOA

The next business on the Consent Calendar was the bill (H. R. 8911) authorizing an appropriation of $11,000 for the purpose of aiding in the repair of damage done to roads, water systems, schools, and other public buildings in American Samoa.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of this bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $11,000, which sum may be expended, under the direction of the Governor of American Samoa, for the purpose of aiding in the repair of damage done to roads, water systems, schools, and other public buildings as the result of the hurricane which visited American Samoa on January 1, 1926.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was ordered to be laid on the table.

The SPEAKER pro tempore. The Clerk will report the next bill.

GRANT OF PUBLIC LANDS TO THE CITY OF PHOENIX, ARIZ.

The next business on the Consent Calendar was the bill (H. R. 6384) to amend the acts of June 7, 1924, and March 3, 1925, granting public lands to the city of Phoenix, Ariz.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the first proviso of the acts of June 7, 1924 (43 Stat. L. p. 643), and of March 3, 1925 (43 Stat. L. p. 1213), each entitled "An act granting certain public lands to the city of Phoenix, Ariz., for municipal, park, and other purposes," is hereby amended to read as follows:

"*Provided*, That there shall be reserved to the United States all oil, coal, or other mineral deposits found at any time in the land, and the right to prospect for, mine, and remove the same under such rules and regulations as the Secretary of the Interior shall prescribe."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was ordered to be laid on the table.

The SPEAKER pro tempore. The Clerk will report the next bill.

BRIDGE ACROSS THE MISSISSIPPI RIVER IN MINNESOTA

The next business on the Consent Calendar was the bill (H. R. 5013) extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of this bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the times for commencing and completing the construction of the bridge authorized by act of Congress approved February 16, 1924, and amended by act approved February 7, 1925, to be built by the Chicago, Milwaukee & St. Paul Railway, its successors and assigns, across the Mississippi River, within or near the city limits of St. Paul, Ramsey County, and Minneapolis, Hennepin County, Minn., are hereby extended two years and three years, respectively, from February 16, 1926.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With a committee amendment as follows:

On page 2, line 1, strike out the word "three" and insert in lieu thereof the word "four."

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was ordered to be laid on the table.

The SPEAKER pro tempore. The Clerk will report the next bill.

EMPLOYMENT OF CONSULTING ENGINEERS FOR COOLIDGE DAM

The next business on the Consent Calendar was the bill (H. R. 6374) to authorize the employment of consulting engineers on plans and specifications of the Coolidge Dam.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of this bill?

Mr. BEGG. Reserving the right to object, Mr. Speaker, I would like to have some explanation of this bill. Why is it necessary to have outside engineers rather than Army Engineers on this job?

Mr. HAYDEN. The engineers of the Bureau of Indian Affairs have prepared three different designs for the Coolidge Dam. One design is the ordinary massive masonry type, which is so much heavier than the impounded water that it holds itself in place by its own weight. The engineers have designed a multiple-arch dam and another called the multiple-dome type. The multiple-dome dam is fashioned on the shape of an eggshell, and it is claimed that by using this design a saving of $1,000,000 can be made on the cost of constructing the Coolidge Dam. If it is perfectly safe, I would like to see the dam built in that form. But we must be sure that it is safe, because the structure is supposed to last for all time. I therefore introduced this bill to authorize the employment of consulting engineers to check up all the plans and specifications and advise the Secretary of the Interior whether it is possible to save $1,000,000 while maintaining every factor of safety.

Mr. BEGG. Where does the gentleman expect to get a board of engineers with any more experience in construction work of this kind than those employed in the Government service?

Mr. HAYDEN. I hope that the Secretary of the Interior will select Major General Langfitt, who was chief of engineers in France and who was on the board of Army engineers which in 1914 made a general report on the San Carlos project. The Secretary of the Interior desired to employ him, but the Comptroller General ruled he could not be given any compensation in addition to his pay as a retired Army officer.

Mr. BEGG. I am not averse to paying him something for special work.

Mr. HAYDEN. That is what this bill permits.

Mr. BEGG. That is not the point at all, but the bill strikes me rather queerly. It provides for the hiring of three outside engineers at $75 a day. Would it not be better to pay one $150 a day, if necessary to get him? What is the idea of going outside and hiring two more? That is a thing I can not understand.

Mr. HAYDEN. Another engineer that I would like to see employed is Mr. Louis C. Hill, who supervised the construction of the Roosevelt Dam on Salt River and who is now engaged in private practice in California. Having built a dam in the same kind of country we should have the benefit of his experience. I think his services can be secured for the price named in the bill.

Mr. BEGG. What price does the gentleman have in mind?

Mr. HAYDEN. Seventy-five dollars a day.

Mr. BEGG. For how many days?

Mr. HAYDEN. The bill fixes a limit of total compensation at $3,500.

Mr. BEGG. Why does not the gentleman make it $3,500, because surely there will be a bill rendered for the full amount?

Mr. HAYDEN. This bill was drafted after consultation with the Comptroller General, Mr. McCarl, who assures me that the Government is perfectly safeguarded by its terms.

Mr. BEGG. I think you might as well appropriate $3,500 for three engineers, because I think it will take that much, and I think the gentleman will find it will take it.

Mr. HAYDEN. If that should be the case, it will be money well spent, especially if the engineers can bring about a large saving in the ultimate cost of the dam.

Mr. BEGG. I will not object to the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted etc., That in carrying into effect the provisions of the act of June 7, 1924 (43 Stat. L. p. 476), entitled "An act for the continuance of construction work on the San Carlos Federal irrigation project in Arizona and for other purposes," the Secretary of the Interior is authorized, in his judgment and discretion, to employ for consultation on plans and specifications for the Coolidge Dam, as he may deem necessary, the services of not more than three experienced engineers, determined by him to have the necessary qualifications, without regard to civil-service requirements, and at rates of compensation to be fixed by him for each respectively, but not to exceed $75 per day for each engineer, respectively, not exceeding in the aggregate more than $3,500 for any engineer so employed for the time employed and actually engaged upon such work, and which compensation shall be inclusive of all travel and other

expenses incident to the employment: *Provided*, That a retired officer of the Army may be employed by the Secretary of the Interior as consulting engineer in accordance with the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

WITHDRAWAL OF CERTAIN LANDS OF THE INDIAN SCHOOL AT PHOENIX, ARIZ.

The next business on the Consent Calendar was the bill (H. R. 8652) to provide for the withdrawal of certain lands as a camp ground for the pupils of the Indian school at Phoenix, Ariz.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the east half southwest quarter and the southeast quarter section 20; the north half northeast quarter section 29, all in township 3 north, range 3 east, Gila and Salt River meridian, Arizona, temporarily withdrawn from settlement, entry, sale, or other disposal by presidential order dated February 27, 1925, for use as a camp ground for the pupils of the United States Indian school at Phoenix, Ariz., be, and they hereby are, permanently withdrawn for the purpose indicated in said order: *Provided*, That this withdrawal shall not affect any existing legal right of any person to any of the withdrawn lands.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

EXCHANGE OF CERTAIN PUBLIC LANDS NEAR YUMA, ARIZ.

The next business on the Consent Calendar was the bill (H. R. 7911) to authorize the exchange of certain public lands and the establishment of an aviation field near Yuma, Ariz.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BEGG. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Arizona some questions in regard to this bill. Is this aviation field to belong to the Government?

Mr. HAYDEN. Yes. Title to the land remains in the United States.

Mr. BEGG. How much land are we to give to the private individual owning 160 acres of land in exchange for the land he gives up?

Mr. HAYDEN. An equal area.

Mr. BEGG. The bill does not so state.

Mr. HAYDEN. That is my understanding.

Mr. BEGG. The bill states that he is to be given an amount of land equal in value and not in area, unless I am in error.

Mr. HAYDEN. Nothing is said about value.

Mr. BEGG. Well, let us see whether there is.

Mr. HAYDEN. The lands to be exchanged are all within the same section. The way the Government land lies now it could not very well be used as an aviation field. The owners of some other lands are willing to make an exchange so as to square up a quarter section for the Government for use as a public aviation field.

Mr. BEGG. I would like to have the gentleman point out any limitation on the amount of land that may be given in exchange.

Mr. HAYDEN. The gentleman from Ohio may be correct about that. I introduced the bill as drafted in the Department of the Interior. However, all of the exchanges must be within the limits of one section, and I do not know of any reason why one part of it is not as good as another. So I presume it will be an exchange equal in total area.

Mr. BEGG. The bill authorizes the Secretary of the Interior to exchange any public land he may choose to exchange.

Mr. HAYDEN. Within that particular section.

Mr. BEGG. Yes; and any amount.

Mr. HAYDEN. The plat of the section, which I saw, indicated that there could not be any exchange except in equal amounts.

Mr. McLAUGHLIN of Michigan. Mr. Speaker, reserving the right to object, does this bill provide for the transfer of certain described lands, as described in the bill, or does it permit the general transfer of one piece of land owned by the Government for another piece?

Mr. HAYDEN. The exchanges are all within the same section.

Mr. McLAUGHLIN of Michigan. Does the bill describe the land?

Mr. HAYDEN. The bill describes it as being within section 9, township 9, south of range 23, west of the Gila and Salt River meridian, Arizona.

Mr. McLAUGHLIN of Michigan. Some years ago a law was passed called the lieu law, by which the Government of the United States was authorized to transfer land for land of similar area anywhere that anybody wished to part with, and the result was that the Government parted with a great deal of the finest timber land that was ever out of doors for a lot of worthless stuff that was turned over to it.

Mr. HAYDEN. I am familiar with the facts connected with that exchange, and I agree with the gentleman that the Federal Government was badly cheated.

Mr. McLAUGHLIN of Michigan. If this bill provides for a general transfer of land, it ought not to go through.

Mr. HAYDEN. It does not. The bill provides only for an exchange within one specified section; that is all.

Mr. BLANTON. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. I yield.

Mr. BLANTON. Whenever that occurs it is a reflection upon the Cabinet officer who happens to be the Secretary of the Interior, is it not?

Mr. McLAUGHLIN of Michigan. I do not know just when this was done.

Mr. BLANTON. He is the one who permits it to be done under his supervision.

Mr. McLAUGHLIN of Michigan. I do not remember just when it was done or who was the Secretary of the Interior, but I know the lieu law never should have been passed.

Mr. HAYDEN. It was a very bad law.

Mr. McLAUGHLIN of Michigan. And the operations under it were scandalous.

Mr. BEGG. Will the gentleman from Arizona yield?

Mr. HAYDEN. Certainly.

Mr. BEGG. Would the gentleman object to an amendment on page 1, line 8, right after the figure 9, inserting the words "of equal area," so that it would read "of equal area in exchange for the east half of the southeast quarter and the northwest quarter of the southeast quarter of said section 9"?

Mr. HAYDEN. I accept the amendment.

Mr. LaGUARDIA. Mr. Speaker, further reserving the right to object, the gentleman from Arizona will recall that the committee reported an amendment inserting the word "public," and I want the RECORD to show that it is the intention of this House that this field shall be operated as a public field in the fullest sense of the word. That is the gentleman's understanding, is it not?

Mr. HAYDEN. It is the desire of all the citizens of Yuma County that this land be given the greatest possible use as a public aviation field in the widest sense of that term.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That in order that the entire southeast quarter of section 9, township 9, south of range 23, west of the Gila and Salt River meridian, Arizona, may be reserved for a public aviation field, the Secretary of the Interior is hereby authorized to issue unrestricted patent for any public land in said section 9 in exchange for the east half of the southeast quarter and the northwest quarter of the southeast quarter of said section 9.

With the following committee amendment:

In line 5, page 1, after the word "for," strike out the word "an" and insert the words "a public."

The committee amendment was agreed to.

Mr. BEGG. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BEGG: On page 1, line 8, after the figure "9," insert the words "of equal area."

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. That upon the exchange being completed the entire southeast quarter of said section 9 shall be reserved as a public field for the landing and taking off of aircraft of all descriptions: *Provided*, That the board of supervisors of Yuma County, Ariz., shall by resolution agree to assume the expense of clearing and maintaining the field, and that the following conditions are agreed to:

That operators of Government-owned aircraft shall always have free and unrestricted use of said field; that rules and regulations governing the operation of aircraft upon said field shall include and coincide with

rules and regulations prescribed and promulgated by the War Department; that Government departments and agencies operating aircraft shall have the right to erect and install upon said land such structures and improvements as the heads of such departments and agencies may deem advisable, including facilities for maintaining supplies of fuel, oil, and other materials for operating aircraft; that in case of emergency, or in the event that it shall be deemed advisable by the Secretary of War, the War Department may assume absolute control of the management and operation of said field.

With the following committee amendment:

Page 2, line 1, after the word "a," insert the word "public."

The committee amendment was agreed to.

Mr. LAGUARDIA. Mr. Speaker, I move to strike out the last word.

The committee offered the amendment inserting the word "public" in order to make it absolutely clear and leave no doubt whatever that in giving this land it is the intention of the House that this field shall be operated as a public field. In other words, the bill provides specifically that Government-operated planes shall have access to this field and the use of this field at all times. The field is to be operated as a public field and may be used at all times by any plane operated by a private individual or a private company.

This is one of the first fields that has been opened in this way, where Government land is given over to a municipality, or, as in this case, a board of supervisors. Aviation in this country is sorely in need of landing fields. We can not have too many of them, because in a cross-country flight or in establishing regular routes landing fields at intermediate points make it very much easier to navigate and very much safer.

Municipalities throughout the country have established public landing fields, but there are not enough of them. The municipalities that have the foresight and the vision to provide landing facilities and facilities for fuel for aviation, for heavier-than-air machines or lighter-than-air machines, will in a few years find that they are on the lanes of traffic, and municipalities or States that fail to make such provision may find themselves out of the lane of traffic.

Mr. BLANTON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BLANTON. From the gentleman's experience in aviation, I would like to ask him whether he considers it a wise policy on the part of the Army to permit one man to drive off in a plane by himself and visit different parts of the country at will.

Mr. LAGUARDIA. I think it is excellent.

Mr. BLANTON. For one man to do so?

Mr. LAGUARDIA. Yes; and I will tell you why.

Mr. BLANTON. Does not the gentleman think there ought always to be at least two men in the plane?

Mr. LAGUARDIA. Some planes will not carry two men.

Mr. BLANTON. I am talking about the instances I mention where they permit a young officer to take his plane and fly and see his girl four or five hundred miles away or fly across the country to see his people, and keep his plane there a few days. Do you not think he needs an assistant in case of accident?

Mr. LAGUARDIA. Not necessarily. There are some planes that will not carry two. Suppose he is in a pursuit plane, then there is only accommodation for one pilot.

Mr. BLANTON. Does the gentleman think it a wise policy on the part of the Army to permit one man to use a pursuit plane in making a visit of this kind? It is being done all the time here, and they travel four or five or six or seven hundred miles to see their family or to see their friends, and then they keep the plane at their home for several days and then fly back to their station.

Mr. LAGUARDIA. If he flies four or five hundred miles, I will say to the gentleman from Texas, a trip of that kind for training in navigation and useful flying is worth more than one month's flying over a field. If you should ask me if I thought it worth while to allow him to fly 50 miles to see his girl, I would say "no." But if he flies 500 miles and navigates his plane for that distance, finding his way there and back, that one trip is worth more than a month of flying over an aviation field. It is the very best kind of training.

Mr. BLANTON. Are there not instances where damage may be done to the plane if only one man is there to take care of it, whereas if there were two experienced men they could avoid a great deal of damage?

Mr. LAGUARDIA. The reverse is also true; and if the accident is of such a serious nature as to kill one man, if there were two you would kill two men instead of one.

Mr. BEGG. Mr. Speaker, I want to ask the gentleman from Arizona one other question. On page 2, line 12, it says "said field shall include and coincide with rules and regulations prescribed and promulgated by the War Department." I want to ask the gentleman if he ought not to have his bill so worded that the Post Office Department, if it wants to use it, can have it available? Suppose the War Department refuses to let the Post Office Department utilize the field; they would come here and ask for another appropriation.

Mr. HAYDEN. It provides that the Government, under regulations, shall have unrestricted use of the field.

Mr. BEGG. But suppose the Government lets the contract to a private individual that carries the mail between two points and this is one of the necessary places where they should land. Does not the gentleman think that it should have the use of that field?

Mr. HAYDEN. That is what the field would be for.

Mr. WOODRUFF. I would like to ask the gentleman from Ohio if he could imagine a combination of circumstances where the War Department would object to the landing of a mail-carrying plane?

Mr. BEGG. Yes; and without any great stretch of the imagination.

Mr. WOODRUFF. Then the gentleman has a more vivid imagination than I have; I can not imagine it.

Mr. BEGG. Suppose a private company had a right to carry the mail from Chicago to Los Angeles and this was one of the places that they wanted to land, and suppose the War Department said, "You can not land here unless you pay a rental of $1,000 a month."

Mr. WOODRUFF. Can the gentleman imagine a combination of circumstances where the War Department would say to a contractor carrying the mail that he could not land on that field?

Mr. BEGG. I can readily imagine it.

Mr. WOODRUFF. Then, as I said before, the gentleman has a very much more vivid imagination than I have.

Mr. BEGG. Does the gentleman from Michigan have any instances in mind where the War Department furnishes a free depot to the Pennsylvania Railroad, or any other railroad, because they carry the United States mail?

Mr. WOODRUFF. No; but the Pennsylvania Railroad does something besides carrying the United States mail.

Mr. BEGG. That is true of planes carrying the mail under the post office bill. I think the House ought to look ahead as well as to look behind and then afterwards say they did not think about it.

Mr. WOODRUFF. The gentleman will agree that if circumstances of that nature should arise, it is a very easy matter for the House to amend the bill.

Mr. BEGG. Not so easy.

Mr. LAGUARDIA. I want to say that this matter came up in the committee, and these rules and regulations that are mentioned are regulations for the operation of the field which are to be prescribed by the War Department.

Mr. BEGG. How does the gentleman from New York read any meaning like that into this language when it states that the War Department shall make rules and regulations governing it? Suppose that it made a regulation that only a monoplane should light on this field?

Mr. LAGUARDIA. No; it says the rules and regulations governing the operation—they are traffic regulations of the field and nothing else.

Mr. BEGG. Well, I call the attention of the House to the matter. I think we are making an error in not providing for the commercial mail carrier.

Mr. LAGUARDIA. That is why I put in the word "public" to let the record show that it is the intention of this House that the regulations referred to shall operate as traffic regulations of the field and nothing else.

Mr. BEGG. The gentleman thinks that if the War Department should issue an order that no private planes should land on this field they could land there anyway.

Mr. LAGUARDIA. Yes.

Mr. BEGG. I can not look at it in that way.

Mr. LAGUARDIA. I hope the gentleman will not leave it that way.

Mr. BEGG. I must leave it in that way.

Mr. LAGUARDIA. That was not the intention of the committee.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was laid on the table.

PURCHASE OF CERTAIN LANDS FOR THE CAHUILLA INDIAN RESERVATION

The next business on the Consent Calendar was the bill (H. R. 8184) to authorize the Secretary of the Interior to purchase

certain land in California to be added to the Cahuilla Indian Reservation and authorizing an appropriation of funds therefor.

The Clerk read the title to the bill.

The SPEAKER. Is there objection?

Mr. BLANTON. Reserving the right to object, this is not a case where the Government gives up some of its own land, or appropriate some of its own land. This is a case where the Government is authorized to buy additional land while it has lots of land going to waste.

Mr. LEAVITT. The situation is this. There have been two or three separate surveys in regard to the lines of the Indian reservation. The first survey intended to give to the Indians the section of land in which these 20 acres are.

Mr. BLANTON. How much is it going to cost?

Mr. LEAVITT. Two thousand dollars.

Mr. BLANTON. Mr. Speaker, I withdraw the reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to purchase a certain tract of land containing approximately 20 acres situated in the southeast quarter of section 5, township 8 south, range 3 east of San Bernardino meridian, in California, adjacent to the Cahuilla Indian Reservation, the legal description and area of said tract to be accurately determined: *Provided*, That said land when purchased shall be added to and become a part of the Cahuilla Indian Reservation: *Provided further*, That the sum of $2,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to cover the purchase price of the land.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

CALL OF THE HOUSE

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and eighty-five Members present, not a quorum.

Mr. BEGG. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 34]

Andrew	Denison	Lineberger	Spearing
Bloom	Flaherty	Luce	Stalker
Bowles	Fredericks	Nelson, Wis.	Sumners, Tex.
Box	Gibson	Norton	Swoope
Britten	Glynn	O'Connor, N. Y.	Thompson
Carter, Calif.	Goldsborough	Peavey	Tincher
Connolly, Pa.	Hoch	Perlman	Tydings
Cox	Hull, William E.	Rayburn	Vare
Cramton	Jacobstein	Reed, N. Y.	Weller
Crowther	Kendall	Robinson, Iowa	Wilson, Miss.
Crumpacker	Knutson	Rouse	Yates
Davey	Lee, Ga.	Sinclair	

The SPEAKER. Three hundred and eighty-four members have answered to their names, a quorum.

Mr. VESTAL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

PUBLIC BUILDINGS BILL

Mr. ELLIOTT. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 6559) to provide for the construction of certain public buildings, and for other purposes, as amended, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That, to enable the Secretary of the Treasury to provide suitable accommodations in the District of Columbia for the executive departments, and independent establishments of the Government not under any executive department, and for courthouses, post offices, immigration stations, customhouses, marine hospitals, quarantine stations, and other public buildings of the classes under the control of the Treasury Department in the States, Territories, and possessions of the United States, he is hereby authorized and directed to acquire, by purchase, condemnation, or otherwise, such sites and additions to sites as he may deem necessary, and to cause to be constructed thereon, and upon lands belonging to the Government conveniently located and available for the purpose (but exclusive of military or naval reservations), adequate and suitable buildings for any of the foregoing purposes, and to enlarge, remodel, and extend existing public buildings under the control of the Treasury Department, and to purchase buildings, if found to be adequate, adaptable, and suitable for the purposes of this act, together with the sites thereof, and to remodel, enlarge, or extend such buildings and provide proper approaches and other necessary improvements to the sites thereof. When a building is about to be constructed on a site heretofore acquired and such site is found by the Secretary of the Treasury to be unsuitable for its intended purpose, he is hereby further authorized and empowered to acquire a new site in lieu thereof by purchase, condemnation, exchange, or otherwise, and to dispose of the present site by public sale and to execute the necessary quitclaim deed of conveyance: *Provided*, That in carrying into effect the provisions of this act, in so far as it relates to buildings to be used in whole or in part for post-office purposes, the Secretary of the Treasury, under regulations to be prescribed by him, shall act jointly with the Postmaster General in the selection of towns or cities in which buildings are to be constructed and the selection of sites therein.

The Secretary of the Treasury is authorized to carry on the construction work herein authorized by contract, or otherwise, as he deems most advantageous to the United States, and in case appropriations for projects are made in part only, to enter into contracts for the completion in full of each of said projects.

In all cases where the construction of buildings in the District of Columbia, under the provisions of this act, requires the utilization, in the opinion of the Secretary of the Treasury, of contiguous squares as sites thereof, authority is hereby given for closing and vacating such portions of streets as lie between such squares and such alleys as intersect such squares, and the portions of such streets and alleys so closed and vacated shall thereupon become parts of such sites.

SEC. 2. (a) The work of preparing designs and other drawings, estimates, specifications, and awarding of contracts, as well as the supervision of the work authorized under the provisions of this act, shall be performed by the Office of the Supervising Architect, Treasury Department, except as otherwise provided in this act, but in designing and constructing buildings under the provisions of this act preference shall be given so far as practicable to standardized types, and in other cases where possible and appropriate to commercial types modified to meet governmental requirements, rather than to buildings of monumental character.

(b) The Secretary of the Treasury is authorized, in his discretion (1) to procure advisory assistance when deemed advantageous in special cases involving design or engineering features, and (2) to employ, to the extent deemed necessary by him in connection with the construction of buildings for the Departments of Commerce and Labor, the architects who were successful in competition heretofore held for a building for the then Department of Commerce and Labor, and to pay reasonable compensation for such services.

(c) The Secretary of the Treasury is authorized to employ such additional technical, scientific, and clerical assistance in or under the Office of the Supervising Architect, both in the District of Columbia and in the field, as he deems necessary, and to fix such rates of compensation therefor as he deems proper, not, however, in excess of the maximum rates paid for the same or similar service in other departments, such employment to be made in accordance with the civil service laws, rules, and regulations, and to submit to Congress through customary channels estimates for appropriations for compensation for such personal services and for travel, subsistence, and other expenses involved in making any investigation or survey of building conditions or in the examination of sites which he may find to be necessary.

SEC. 3. In carrying into effect the provisions of existing law authorizing the acquisition of land for sites or enlargements thereof, and the erection, enlargement, extension, and remodeling of public buildings in the several cities enumerated in Senate Document No. 28, Sixty-eighth Congress, first session, and including public buildings at St. Louis, Mo., authorized by the public buildings act approved March 4, 1913, amended by the act of January 17, 1920, and Newark, N. J., authorized by the public buildings act approved March 4, 1913, amended by the act of August 11, 1913, extension of the Federal building at Utica, N. Y., authorized by the public buildings act approved March 4, 1913, extension of the Federal building at Missoula, Mont., authorized by the public buildings act of March 4, 1913; the additional buildings for the Marine Hospital at Chicago, Ill., authorized by the act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1920, and for other purposes, approved July 19, 1919, and for medical officers' quarters at the marine hospital at Savannah, Ga., authorized by the act making appropriations for the sundry civil expenses of the Government for the fiscal year ending June 30, 1920, and for other purposes, approved July 19, 1919, and for the construction of marine hospital facilities at Detroit, Mich., authorized by the act, Public No. 278, Sixty-eighth Congress, approved June 7, 1924, the Secretary of the Treasury is hereby authorized to disregard the limit of cost fixed by Congress for each project, to purchase additional land for enlargement of sites and to enter into contracts for all or so many of said buildings heretofore authorized to be constructed, but not yet

under contract, as may be possible within a total additional limit of cost of $15,000,000: *Provided*, That in constructing the buildings embraced herein, the Secretary of the Treasury is authorized, in his discretion, to provide space in such buildings for other activities or branches of the public service not specifically enumerated in the act or acts authorizing the acquisition of the sites, or the construction of the buildings, or both.

SEC. 4. The Secretary of the Treasury shall submit annually and from time to time as may be required estimates to the Bureau of the Budget, in accordance with the provisions of the Budget and Accounting Act, 1921, showing in complete detail the various amounts it is proposed to expend under the authority of this act during the fiscal year for which said estimates are submitted.

SEC. 5. For the purpose of carrying out the provisions of this act the sum of $150,000,000, in addition to the amount authorized in section 3 hereof, is hereby authorized to be appropriated, but under this authorization, and from appropriations (exclusive of appropriations made for "remodeling and enlarging public buildings"), heretofore made for the acquisition of sites for or the construction, enlarging, remodeling, or extension of public buildings under the control of the Treasury Department, not more than $25,000,000 in the aggregate shall be expended annually: *Provided*, That such amount as is necessary, not to exceed $50,000,000 of the total amount authorized to be expended under the provisions of this act, shall be available for projects in the District of Columbia, and not more than $10,000,000 thereof shall be expended annually.

In each of the cities in which a site is to be acquired under the provisions of this act the Secretary of the Treasury shall solicit proposals by public advertisement. Such advertisement shall be published for a period of 20 days in one of the newspapers in said city having the largest circulation for the sale of land suitable for the purpose. The Secretary of the Treasury shall cause the sites offered, and such others as may be found to be suitable or desirable for the purpose, to be examined in person by an agent employed or detailed for the purpose, who shall make written report to said Secretary of the results of said examination and of his recommendation thereon and the reasons therefor, which shall be accompanied by the original proposals and all maps, plats, and statements which shall have come into his possession relating to the said proposed sites.

That in case a site or additions to a site acquired under the provisions of this act contains a building or buildings, the Secretary of the Treasury is hereby authorized, in his discretion, to rent until their removal becomes necessary such of said buildings as may be purchased by the Government, or the land on which the same may be located where the buildings are reserved by the vendors, at a fair rental value, the proceeds thereof to be deposited in the Treasury of the United States, and a report of the proceedings to be submitted to Congress annually.

That, so far as practicable, all buildings constructed, enlarged, or extended under the provisions of this act shall be unexposed to danger of fire from adjacent buildings by an open space of at least 40 feet on each side, including streets and alleys: *Provided*, That the Secretary of the Treasury may, in his discretion, acquire sites on which an open space of the extent hereinbefore specified can not be reserved, and he is likewise authorized, whenever in his judgment such action is necessary and warranted, to reduce the open space about any Federal building heretofore constructed and under the custody and control of said department.

In carrying into effect the provisions of this act, if the Secretary of the Treasury deems it to be to the best interests of the Government to construct Federal buildings to take the place of existing Federal buildings, he is hereby authorized to cause the present buildings to be demolished, in order that the sites may be utilized in whole or in part for such buildings, or where in his judgment it is more advantageous to construct a Federal building on a different site in the same city, to sell any such building or buildings and the site or sites thereof, at such time and on such terms as he deems proper, and to convey the same to the respective purchasers thereof by the usual quitclaim deed, and to deposit the proceeds of the sales thereof in the Treasury as miscellaneous receipts.

SEC. 6. The provisions of section 10 of the legislative, executive, and judicial appropriation act for the fiscal year ended June 30, 1920, approved March 1, 1919, relating to the assignment of space in public buildings in the District of Columbia, shall apply to all buildings constructed, extended, or enlarged under the provisions of this act in the District of Columbia, and no land for sites or enlargement of sites therefor shall be acquired or land belonging to the United States be taken for sites or enlargement of sites therefor, without prior approval of the commission created by said act of March 1, 1919; no contract shall be let for any building or the enlargement or extension of any building in the District of Columbia, under the provisions of this act without the approval of said commission as to the assignment and general arrangement of space therein; and said commission shall determine the order in which buildings or enlargement of buildings in the District of Columbia, under the provisions of this act shall be constructed.

SEC. 7. That the Secretary of the Treasury is hereby further authorized and empowered to cause such survey and investigations of public-building conditions to be made, and such data obtained as he deems necessary properly to carry into effect the provisions of this act.

The SPEAKER. Is a second demanded?

Mr. LANHAM. Mr. Speaker, I demand a second.

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

Mr. LANHAM. Mr. Speaker, reserving the right to object, in view of the great importance of this bill, and the amount which is carried, would the gentleman from Indiana be willing to agree to an extension of time for debate such as would be occupied by the process of ordering a second?

Mr. ELLIOTT. Mr. Speaker, I have no power to authorize an extension of this time. Here is the situation: This bill comes up on a day when the Consent Calendar is being called, when all of the Members who have bills on that calendar are anxious to get a hearing on their respective bills. The rules provide in a case of this kind for 40 minutes' debate, and I would not feel justified under the circumstances in agreeing to an extension of time that would be still taking up time that ought to be devoted to other bills.

Mr. LANHAM. Would the gentleman object to a request for unanimous consent to extend the time for, say, 10 minutes, 5 minutes on a side?

Mr. ELLIOTT. I do not believe anything could be gained by that. The rules provide for 40 minutes' debate in a case of this kind.

Mr. LANHAM. It would take that much time practically to go through the tellers in the process of ordering a second.

Mr. ELLIOTT. If the gentleman would agree not to take up any more time in getting the bill under consideration, I would not object to an extension of 10 minutes, but if it is the purpose to use up the time in having tellers to determine whether or not we shall have a second, then I see no purpose in giving the 10 minutes.

Mr. LANHAM. Then, Mr. Speaker, if it be in order, I ask unanimous consent that the time for debate be extended for 10 minutes, 5 minutes to be controlled by the gentleman from Indiana under his motion to suspend, and 5 minutes by myself under the order for a second.

Mr. CHINDBLOM. Mr. Speaker, I think the question of a second should be determined first.

Mr. BEGG. I think the gentleman from Texas ought to couple his request for unanimous consent for the extension of time with a request that a second be considered as ordered. I think the gentleman should make the two requests in one.

Mr. LANHAM. Mr. Speaker, I am quite in accord with that, and I ask unanimous consent that a second be considered as ordered, and that the time for debate be extended 10 minutes, 5 minutes of that to be controlled by the gentleman from Indiana and 5 minutes by myself.

The SPEAKER. The gentleman from Texas asks unanimous consent that a second be considered as ordered and that the rule providing a limit of 40 minutes' debate be extended in this case to 50 minutes, one-half to be controlled by the gentleman from Indiana [Mr. ELLIOTT] and one-half by himself. Is there objection?

Mr. LOZIER. Mr. Speaker, reserving the right to object if reasonable time is allowed for debating this measure, I am sure that no one would object to an expeditious disposition of it, but what is to be gained by an additional five minutes?

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none. The gentleman from Indiana [Mr. ELLIOTT] is entitled to 25 minutes and the gentleman from Texas [Mr. LANHAM] is entitled to 25 minutes.

Mr. ELLIOTT. Mr. Speaker, I yield five minutes to the gentleman from Virginia [Mr. WOODRUM]. [Applause.]

Mr. WOODRUM. Mr. Speaker and gentlemen of the House. I think there would not be a great deal of controversy among the membership of the House over the very urgent need of some kind of a building program. It has been repeatedly pointed out on the floor of this House, as well as conclusively shown in the hearings before the Committee on Public Buildings and Grounds, that there is an emergency existing in the housing problem of the Federal Government. It has been shown here on the floor of the House that the Internal Revenue Department is now scattered in 10 separate buildings, the General Accounting Office is scattered in 21 buildings, and the Agricultural Department in 45 different buildings. A constituent told me a short time ago he had to take a guide and taxicab in order to find his way from different departments of the city of Washington. Not only that, gentlemen, but valuable

public records and even human lives are daily menaced by fire. The condition in Washington alone is intolerable, and I do not believe the American Congress can further justify itself in refusing to take some action to relieve this situation. Not only is this condition true in Washington but it is true in the States, and every Representative of this Nation by personal experience in his own district knows it is high time we start upon some program to relieve this need. If I myself had the task, as I have not, of framing a public building bill, I would not have done it upon the theory of this bill. I would rather frame it upon a different theory, but my brief experience here has shown me that you can not get everything you want and can not have your own individual ideas incorporated in legislation passed here, but sometimes we have to take the best that we can get. Some gentlemen say, "Why do we have to take this kind of a bill when we can get another kind?" I say, "Of course, you know this is an administration program; it is an administration measure and policy and the theory of the administration; and the administration, certainly in this instance, has the power and control of this House to carry that policy into execution." The question that confronts the Congress is, Are you willing to start out on this kind of a program? At least you make this much progress toward relieving the pressing needs of the country, and always have the right, gentlemen, to reverse and change it if time should show it is unwise. If you pass this bill and start out on this program and it is found the bill is not equitably and justly administered, the same power exists in the Congress to repeal the legislation and start out upon a different program. But some gentlemen say that under this bill there will be places that need Federal buildings that will not get them. Unquestionably that is true, because the hearings show that it will take four or five hundred million dollars to relieve all the needs of the country, and that can not be done at one time. It will be true that there will be some places that will need buildings that will not get them. But I have no fear that any place will be given a public building that does not need one, and the expenditure of $100,000,000 would relieve that much of the pressing needs of this country.

I know of no piece of legislation coming under my immediate notice that has been the subject of more apprehension and misunderstanding than this particular proposal.

This is clearly administered in the following quotation from the minority report on the bill:

> We have too fresh a recollection of the recent action of the courts in affirming the conviction of a former head of the Veterans' Bureau who was trusted with the expenditure of large sums to make it entirely palatable for us to view with approval the provisions of this bill and to contemplate the immense amount of money that must be administered by sundry individuals, we know not who, and that to extend over a long period of time.

It has been a common thing to hear the expression from Members of the House:

> I am not in favor of turning over $165,000,000 to be expended and administered by two Cabinet officers.

The present proposal is not subject to such a construction even under the wildest flight of the imagination. In the first place, it does not appropriate a single dollar, it is merely an authorization. In the second place, it does not give the power to either of the two cabinet officers mentioned to spend a single dollar of the amount of money authorized until they have first selected the sites and submitted the sites for the approval or disapproval of Congress. Under this bill the Secretary of the Treasury, acting in certain instances with the Postmaster General upon information and facts particularly in their possession and knowledge, selects certain sites where Federal buildings are needed. They come to Congress with their proposal and Congress gives approval or disapproval of the allocations. Not more than $25,000,000 of the fund can be allocated in any one year, and it is quite within the power of the Congress, at any time it sees fit to do so, to repeal the act or to refuse to appropriate the funds, if it believes the bill is not being justly and equitably administered. The program as outlined in this bill will require six or seven years for completion, and during all of that time the Congress continues to have control over the appropriations required to carry out its provisions.

The fear has been expressed by some of my colleagues on this side of the House that this legislation may be a powerful political weapon in the hands of the Republican Party. My answer to that is simply this, and speaking entirely from a partisan standpoint: I hope and believe that in the very near future the great Democratic Party will have convinced the American people that their interests will be best promoted by giving into its hands the power and responsibilities of Government. Indeed, there are many among us who are so optimistic as to believe that the time is fast approaching when the Democratic Party will have control of the affairs, at least, of the legislative branch of the Government. If that is true, then if they disapproved the policy hereby inaugurated, they could change it, and at least, under such circumstances, we need have no fear about the great Democratic States of the Nation receiving their just and equitable proportion of Federal buildings.

It is possible that under the present proposal some place where an urgent need exists may be left out, but I have no fear that any place will be given a building where such need does not exist.

On the whole the present bill is a blow at pork-barrel legislation, and in harmony with economy and efficiency in governmental expenditures.

The SPEAKER. The time of the gentleman has expired.

Mr. WOODRUM. May I have one additional minute?

Mr. ELLIOTT. I yield the gentleman one minute.

Mr. WOODRUM. My distinguished friend from Mississippi by his minority report says inferentially that this bill turns this fund over to the Secretary of the Treasury to spend. Why, it does not turn a dollar over to him, not a dollar. It does give him power to select sites and bring these allocations to the Budget and through the Budget to the Committee on Appropriations, always coming back to this House for its approval of that part of the program. [Applause.]

Mr. LANHAM. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. TAYLOR]. [Applause.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I desire to ask unanimous consent to extend my remarks by having printed at their conclusion two parallel tables, one showing the amount of revenue each State paid into the Federal Treasury during the year ending June 30, 1925, and the other the amount each State would receive were the amendment which I proposed in committee applied to the proposed bill.

The SPEAKER. Is there objection to the gentleman from Tennessee extending his remarks in the manner indicated? [After a pause.] The Chair hears none.

Mr. TAYLOR of Tennessee. Mr. Speaker and gentlemen of the House, it is indeed with no ordinary reluctance that I oppose this motion to suspend the rules for the consideration of the Elliott bill, since my personal friend and colleague, the distinguished chairman of the committee that reported the bill under consideration, is so enthusiastically for it. But, gentlemen of the House, my position and action on the pending measure is the result of a deep sense of personal and official obligation and responsibility to my constituency; and I feel that duty to constituency should be the paramount consideration that should actuate primarily every Member of this distinguished body. [Applause.]

Therefore, construing my first duty and allegiance to my district, my second duty and allegiance to the State from which I hail, and my third duty and allegiance to the Nation, I can arrive at but one conclusion and that is that I would be untrue to both my district and my State were I to support this motion. [Applause.]

But, they tell us this is an administration measure. My colleagues, I emphatically challenge this statement. It is true the President, in his message, inveighed against what is commonly known as "pork barrel" legislation, and indicated that he would veto a public buildings bill fashioned after the old omnibus type, but he did not outline or suggest any such proposition as we have before us to-day. [Applause.] I admit that the Executive would probably give the Elliott bill his approval, but in my judgment, if it were amended to conform to the population pro rata suggestion that I submitted to the committee, but which the adoption of this motion would bar us from offering, the President would undoubtedly sanction it with equal alacrity.

My friends, I am an administration Republican of the old-fashioned "standpat," yea, "yellow dog" variety. [Applause.] I yield to no man in my admiration for President Coolidge or in my loyalty to his principles. And therefore I resent the imputation sought to be made by some that opposition to this motion is hostility to the administration.

Mr. Speaker, the imperative need for public buildings is universally conceded. This need has grown into such gigantic proportions that it is now recognized as a national emergency. Largely due to the war and the consequent condition of the Treasury, we have had no public-buildings legislation for 13 years; and as a result thereof there is an importunate need for public buildings in every State and congressional district

in the Union. The advocates of this motion tell us that we are unduly alarmed; that our needs will be provided for. Now, if they are in good faith in this assurance, what possible objection or harm can there be in inserting in this bill a provision which will guarantee and absolutely require an equitable distribution of this appropriation. [Applause.]

They also tell us that this is only the beginning of a great building program and that other appropriations will follow in rapid succession. By what possible right or authority do gentlemen assume to give this assurance? We all know that this Congress can not speak for or bind its successors. And besides, if this is to be the beginning of a great public buildings era, why not begin by recognizing every State and as many congressional districts as possible, because it is admitted that there is not a State or congressional district in the whole country where the need for public buildings relief is not both present and pressing.

I offered an amendment to the bill in committee providing that the $100,000,000 to be spent outside the District of Columbia be distributed among the States and Territories in proportion to their respective populations. [Applause.]

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. LANHAM. I yield to the gentleman two minutes additional.

The SPEAKER. The gentleman from Tennessee is recognized for two minutes more.

Mr. TAYLOR of Tennessee. This amendment lost by only one vote. The bill thus amended would guarantee a just and equitable distribution, and how any fair man can object to this is beyond my power of comprehension.

It can not be disputed that under the bill as written certainly numerous congressional districts and, many entire States will receive no benefits whatever. We all pay our proportion of the taxes required to run the Government; we are all equally loyal to the Stars and Stripes; then why not distribute this fund among us upon some equitable basis? If it is not the purpose of some of you to gobble up this appropriation, why this unseemly insistence on considering the bill in a manner which will not admit of amendment and which is usually resorted to when legislative barbarism is to be practiced and perpetrated? [Applause.]

The proponents of this bill have adopted a very clever strategy. The report accompanying the bill is, indeed, a very plausible document, and it abounds in many and divers ingenious inducements to the unwary. But mind my prediction, my friends, these sugar-coated inducements expressed in glittering generalities will turn out to be but an iridescent dream and will turn to ashes in the final analysis. [Applause.]

Let me say to you who are attracted by the inducements that have been dangled before you, help us defeat this motion and I guarantee to you that with what is known as the Taylor amendment the public-building projects in which you are interested will be doubly assured.

In conclusion, Mr. Speaker, I wish to say that I am just as strong for a public buildings bill as any Member of this body, but I want the bill to have written in its face the positive assurance that each and every State will receive its just proportion of the sum appropriated. I call your attention, my colleagues, to the fact that the proposed bill confers tremendous power—more power, in fact, than a Republican administration should want or a Democratic administration have.

The SPEAKER. The time of the gentleman from Tennessee has again expired.

Mr. TAYLOR of Tennessee. May I have one minute more?

Mr. LANHAM. Mr. Speaker, I yield to the gentleman one minute more.

The SPEAKER. The gentleman from Tennessee is recognized for one minute more.

Mr. TAYLOR of Tennessee. We are all human and therefore subject to the weaknesses and temptations of the flesh. While I do not impugn the motives or question the integrity of purpose of anyone, nevertheless, without some provision in this bill to secure and safeguard the rights of the various States, I predict that its administration, if enacted into law, will be constantly attended by the most dangerous suspicions and criticisms from all sections of the country. [Applause.]

I regret to say that the Public Buildings and Grounds Committee has committed harikari so far as its future usefulness is concerned. There is hardly any further excuse or justification for its existence, and it might as well apply for instanter receivership. [Applause.] But it remains to be seen whether this House—this body that has always had the determination and the courage to insist upon its constitutional rights will now abdicate them and surrender them to a governmental bureau. It remains to be seen whether it will insist on its right to function, or whether it will unconditionally cede to another branch of Government privileges and prerogatives which it has enjoyed and jealously guarded since the beginning of this Republic. [Applause.]

Mr. Speaker, I submit the following table showing the distribution of the $100,000,000 among the States, as provided by the Taylor amendment:

Distribution of the $100,000,000 as provided by Taylor amendment

Name	Population	Amoun
Alabama	2,348,174	$2,223,000
Arizona	334,162	316,000
Arkansas	1,752,204	1,659,000
California	3,426,861	3,245,000
Colorado	939,629	889,000
Connecticut	1,380,631	1,307,000
Delaware	223,003	211,000
Florida	968,470	917,000
Georgia	2,895,832	2,743,000
Idaho	431,866	408,000
Illinois	6,485,280	6,144,000
Indiana	2,930,390	2,775,000
Iowa	2,404,021	2,276,000
Kansas	1,769,257	1,675,000
Kentucky	2,416,630	2,288,000
Louisiana	1,798,509	1,703,000
Maine	768,014	727,000
Maryland	1,449,661	1,373,000
Massachusetts	3,852,356	3,648,000
Michigan	3,668,412	3,475,000
Minnesota	2,387,125	2,260,000
Mississippi	1,790,618	1,696,000
Missouri	3,404,055	3,223,000
Montana	548,889	519,000
Nebraska	1,296,372	1,228,000
Nevada	77,407	73,000
New Hampshire	443,083	419,000
New Jersey	3,155,900	2,990,000
New Mexico	360,350	340,000
New York	10,385,227	9,841,000
North Carolina	2,559,123	2,423,000
North Dakota	646,872	612,000
Ohio	5,759,394	5,457,000
Oklahoma	2,028,283	1,920,000
Oregon	783,389	742,000
Pennsylvania	8,720,017	8,262,000
Rhode Island	604,397	572,000
South Carolina	1,683,724	1,594,000
South Dakota	636,547	602,000
Tennessee	2,337,885	2,214,000
Texas	4,663,228	4,418,000
Utah	449,396	425,000
Vermont	352,428	332,000
Virginia	2,309,187	2,186,000
Washington	1,356,621	1,285,000
West Virginia	1,463,701	1,386,000
Wisconsin	2,632,067	2,492,000
Wyoming	194,402	183,000
Alaska	55,036	52,000
Hawaii	225,912	242,000
Total		100,000,000

Summary of internal-revenue receipts, year ended June 30, 1925, by States

States[1]	Income tax	Miscellaneous taxes	Total
Alabama	$8,288,275.40	$1,151,810.61	$9,440,086.01
Alaska	194,373.20	23,704.73	218,077.93
Arizona	1,416,794.43	290,718.73	1,707,513.16
Arkansas	4,692,973.75	649,291.81	5,342,265.56
California	92,884,521.21	28,893,000.99	121,777,522.20
Colorado	11,740,667.75	2,474,496.36	14,215,164.11
Connecticut	26,565,630.68	10,385,817.95	36,951,448.63
Delaware	6,563,730.62	1,753,257.17	8,316,987.79
District of Columbia	12,480,534.83	1,949,680.39	14,430,215.22
Florida	12,118,724.67	8,705,006.08	20,823,730.75
Georgia	12,613,731.56	2,586,995.62	15,200,727.18
Hawaii	5,067,186.25	682,623.11	5,749,809.36
Idaho	1,437,069.46	312,487.67	1,749,557.13
Illinois	159,415,517.66	42,416,402.81	201,831,920.47
Indiana	23,702,838.24	14,743,591.01	38,446,429.25
Iowa	10,716,799.85	2,837,444.13	13,554,243.98
Kansas	15,140,741.11	2,238,783.38	17,379,524.49
Kentucky	14,324,935.92	13,889,384.82	28,214,320.74
Louisiana	12,396,172.35	4,836,389.21	17,232,561.56
Maine	7,682,797.60	1,243,408.95	8,926,206.55
Maryland	25,110,611.82	5,948,803.34	31,059,415.16
Massachusetts	90,444,237.57	19,464,846.65	118,909,084.22
Michigan	100,868,402.20	94,858,092.63	195,726,494.83
Minnesota	22,428,721.53	5,556,493.97	27,983,215.50
Mississippi	3,453,069.12	526,718.09	4,009,777.21
Missouri	42,467,573.63	18,993,604.70	61,461,178.33
Montana	1,885,190.42	564,377.73	2,449,568.15
Nebraska	5,681,386.67	1,803,698.84	7,485,085.51
Nevada	451,905.66	165,763.04	617,668.70
New Hampshire	3,221,556.83	1,236,823.02	4,458,379.85
New Jersey	66,137,027.83	44,062,679.23	110,199,707.06
New Mexico	733,076.51	121,436.40	854,512.91
New York	496,709,727.73	161,876,254.48	658,585,982.21
North Carolina	15,877,646.25	151,085,228.90	166,962,875.15
North Dakota	667,994.23	256,841.60	924,835.83

[1] Including the Territory of Alaska and the District of Columbia.

Summary of internal-revenue receipts, etc.—Continued

States	Income tax	Miscellaneous taxes	Total
Ohio	$95, 526, 111. 67	$46, 970, 972. 54	$142, 497, 084. 21
Oklahoma	9, 820, 419. 90	1, 801, 375. 26	11, 621, 795. 16
Oregon	6, 784, 101. 67	1, 439, 739. 60	8, 223, 841. 27
Pennsylvania	189, 164, 203. 75	57, 427, 951. 81	246, 592, 155. 56
Rhode Island	14, 234, 137. 95	2, 130, 784. 62	16, 364, 922. 57
South Carolina	5, 787, 515. 35	835, 875. 20	6, 623, 390. 55
South Dakota	858, 943. 34	340, 204. 13	1, 199, 147. 47
Tennessee	11, 770, 201. 37	5, 176, 469. 94	16, 946, 671. 31
Texas	28, 885, 747. 79	5, 787, 795. 29	34, 673, 543. 08
Utah	3, 385, 994. 71	761, 242. 45	4, 147, 237. 16
Vermont	3, 001, 689. 45	338, 949. 38	3, 340, 638. 83
Virginia	15, 303, 807. 61	33, 324, 469. 37	48, 628, 276. 98
Washington	12, 334, 154. 38	2, 606, 472. 24	14, 940, 626. 62
West Virginia	12, 044, 165. 99	4, 430, 949. 35	16, 475, 115. 34
Wisconsin	26, 697, 560. 11	9, 462, 874. 69	36, 160, 434. 80
Wyoming	1, 450, 159. 93	240, 388. 66	1, 690, 548. 59
Philippine Islands		818, 746. 05	818, 746. 05
Total	1, 761, 659, 049. 51	822, 481, 218. 73	2, 584, 140, 268. 24

Mr. ELLIOTT. Mr. Speaker, I yield three minutes to the gentleman from Iowa [Mr. KOPP].

The SPEAKER. The gentleman from Iowa is recognized for three minutes.

Mr. KOPP. Mr. Speaker and Members of the House, as has been said by the preceding speakers, we are confronting a great emergency. The situation is really a very serious one. The time has come when there must be a public building program. The need is imperative. Almost daily suffering communities are appealing to us for relief. In fairness and justice there should not be further delay.

For myself, I am fully convinced that the Elliott bill, the bill which we are now considering, is the only public building bill that has any possible chance of being enacted into law at the present session of Congress.

For that reason I supported this bill in committee, and for the same reason I am now supporting it on the floor. In my judgment, if this bill is defeated it will mean that there will be no legislation on the subject during this entire Congress.

Mr. KVALE. Why?

Mr. KOPP. Because it will be impossible to get the House and the Senate and the President to agree upon any other bill. It can not be done.

We must understand the situation. This is not a choice between the Elliott bill and some other public buildings bill. When the roll is called to-day your choice will be made between the Elliott bill and no bill. That is the real issue. I believe in looking facts squarely in the face.

I freely confess, Members of the House, that if I had my way entirely I would favor a somewhat different bill. But I recognize that not many of us can have our way entirely in Congress. Only a few are accorded that high privilege. Under the existing conditions I believe the Elliott bill is the best bill and the only bill obtainable, and for that reason I shall vote for it. [Applause.]

Whatever differences there may be as to the Elliott bill, I am sure there are no differences of opinion as to the character and service of the distinguished chairman of the Committee on Public Buildings and Grounds [Mr. ELLIOTT], the author of the bill. [Applause.] There are many eminent Members on both sides of the House. I respect and admire them all; but none is more sincere, none is more earnest, none is more honest, and none is more faithful to the people than DICK ELLIOTT, of Indiana. [Applause.]

Mr. LANHAM. Mr. Speaker, I yield three minutes to the gentleman from Missouri [Mr. MANLOVE].

The SPEAKER. The gentleman from Missouri is recognized for three minutes.

Mr. MANLOVE. Mr. Speaker, just as a start off, I want to reply to my Democratic friend, the distinguished gentleman from Virginia [Mr. WOODRUM], who has referred to this as "an administration policy."

My regard for our great President and his Cabinet is unbounded, but nowhere has he indorsed this measure. No, sir; my friend, taking away from the people the precious liberty of representative government is not Republican doctrine. [Applause.] Cramming legislation by bureaus down the throats of the American people is not a Republican policy! [Applause.]

If any of my Republican friends have promised you that by voting for this bill you were taking a little ride on the Grand Old Elephant, they are fooling you. Take care! No, indeed, this is not the old reliable G. O. P. Elephant they are offering you. Take another look at those letters. They are reversed. They read P. O. G. That means "post office grab." Look again! That pack on his back is the "emergency list" pork barrel. I looked in there and I saw about 50 "emergency" hams for large cities represented by gentlemen on your side of the House. They have smelled that barrel and their votes will show it. [Applause.]

This measure authorizes the Secretary of the Treasury to select new sites, sell sites already owned by the Government, and contract for $165,000,000 in buildings. Of this sum $50,000,000 is allocated to the District of Columbia, $15,000,000 to complete buildings already authorized, and $100,000,000 to the 48 States. This bill further provides that, of this latter sum, not more than $15,000,000 can be spent in any one year; hence, we see it will require practically seven years to complete this building program.

A representative of the Treasury Department presented the committee with a list of 86 cities where "emergencies" exist, the requirements for which exceed the one-hundred millions. Under the "emergency" list plan, six States would receive over $72,000,000. Twenty States, including the great States of Missouri, Kansas, and Oklahoma (outside of an allowance to St. Louis), would receive nothing.

The gentlemen who have spoken in favor of this bill admit they do not like it, but make the excuse that "It's the best we can get;" that "It's this or nothing." Who told you so? The people, your people, want respectable Government buildings. They have reposed confidence in you to come here and demand them with a fearless determination. Are you going to abdicate the representative authority of this great body? Men, let us not surrender this important legislative function to bureaucracy!

Some one said the appropriations must be passed upon by this House. This bill authorizes the Secretary of the Treasury to contract for the expenditure of this monumental sum, and the appropriation of the money is perfunctory.

Now, my Republican brethren, we have great fundamental policies, a great President, a Secretary of the Treasury who has steered this, the greatest Nation on earth, over the rocks of financial readjustment, and a Postmaster General who is entirely capable and fair. But why saddle these splendid gentlemen with added responsibilities? They must in turn delegate them to subordinates. A representative of the Treasury Department so testified.

I am one Congressman willing to accept every responsibility which comes my way. The people who elected us had faith that we would be strong enough and able enough to meet every emergency as it arose. Are we going home and say to our constituents, "We are not equal to the task, but we have left your building program in the hands of subordinates in the Treasury Department. Go see them."

One of my very good friends, the distinguished gentleman from Iowa [Mr. KOPP], just now offered a sad apology when he said: "It is this or nothing." I have heard that before. Who is it that says, "It is this or nothing"? Who is it dictating to this Congress? I have not heard anyone telling me we can not carry out the wishes of the people of this country; and the wishes of the people are that we shall function as their Representatives and not hide behind a department or a bureau. [Applause.]

My colleagues, you whose districts are not included in this list of large city "emergency" designations are closing the door of opportunity for the people of your district for at least seven years. I plead with you, do not do it.

Some of my weak-kneed Republican brethren have been saying "I hope this will not pass, but I have got to vote for it." Who said so? Did your constituents say so? Have you consulted their wishes? I love the people of my district. I take them into my confidence on every possible occasion. We are partners. We just talk things over—Democrats and Republicans alike. That is exactly what we have done relative to this bill. I did not like the policy of this measure, but I thought the folks at home might not look at it as I did, so I sent out copies of the bill. Among others, I sent 25 copies to prominent Republicans. If you who come from districts which will get nothing under this bill according to this "emergency" list will lend me your ears, I will read you a few of the 23 replies which I received from those stalwart southwest Missouri Republicans.

Listen to this one:

The Commercial Club wants to go on record as being against H. R. 6559, which provides for construction of certain buildings, for following reasons: First, the bill tends to build up a strong centralized Government, which we are against; second, too much power and money in one man's hands [applause]; third, we are thoroughly convinced that if this bill should become a law many places that badly need public

buildings would never be considered. We approve minority views and urge you to vote against it.

That is signed by a Republican president of that chamber of commerce. [Applause.]

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. LANHAM. Mr. Speaker, I yield the gentleman one additional minute.

Mr. MANLOVE. Here is another one:

The Secretary of the Treasury and Postmaster General already have more duties than they can look after. The selection of places and buildings must actually be done by subordinate clerks, who are responsible to no one in particular. This is a responsibility which Congressmen assume with their election.

Here is another one:

I can say without hesitation that this bill evidently is not drawn in the interest of the fifteenth district of Missouri or any other district of its type. If I were a Congressman from this district, I would fight it to the last ditch.

Here is another one, without any suggestions on my part, and from Republicans, too:

Do you know anything the people of this city could do to defeat this bill? The club appreciates the fact that you have sent them an advance copy of this bill.

The SPEAKER. The time of the gentleman from Missouri has again expired.

Mr. LANHAM. Mr. Speaker, I yield the gentleman one additional minute.

Mr. MANLOVE. Here is another one from a chamber of commerce:

The chamber of commerce, at its regular monthly meeting, passed a motion condemning the bill which has recently been reported from the Committee on Public Buildings in Congress, and asked our Congressmen and two Senators to vote against it.

Here is another one, a telegram:

Hasn't Secretary Mellon enough to do without having a job, which Congressmen are paid to do, passed on to him? Some of those buck-passing Congressmen from the smaller districts will have a lot to straighten out among the people at home if they vote to take away the representative voice of the people and put it in the hands of subordinates in Washington bureaus. I hope you stand up.

[Applause.]

I am reading from Republicans. Here is another one:

I think you ought to be against such a bill, and it is the opinion of every one I have heard talk, and they all sure did appreciate your calling their attention to it.

Here is another one:

Joe, if you vote for that bureaucratic post office bill, no need to come home.

The SPEAKER. The time of the gentleman from Missouri has again expired. [Applause.]

Mr. ELLIOTT. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. OLIVER].

Mr. OLIVER of New York. Mr. Speaker, all of the Republican speakers seem to be Democrats and all of the Democrat speakers seem to be Republicans. [Laughter.] I am in favor of this bill because it starts a program of public building. For 13 years we have had no public buildings bill. I do not believe we have any other way to get buildings than to go ahead and authorize somebody to build. I do not believe we are passing this out of the control of Congress, because the Secretary of the Treasury and the Postmaster General under the terms of this bill have to come to the Appropriations Committee of Congress with a program for review, ratification, or amendment on the part of Congress. [Applause.] I think that is a fair statement of the purpose and plan of this bill.

I know full well some of the history of the old-fashioned omnibus bills. Let me say that you can not pass any kind of a public buildings bill that will not be condemned and criticized by the people who are left out or by the people who think they are going to be left out. There is no question about that. The old public buildings bills were a delusion and a snare. Everybody in Congress who was left out fought them like mad, because everyone left out felt he was politically ruined. Every public buildings bill of the old-fashioned type had a filibuster conducted against it, and the committee was left in the position of getting Members who had introduced six bills to keep quiet when only one bill was passed and the other five were left unpassed. You gentlemen all know the practical politics that goes with a proposition like that.

I am for this bill, because it conforms to the budget system advocated by both parties. We can not get away from the fact that without a bill of this character, where a Budget Director controls the amount of money which is to be provided by Congress, we have no budget at all. We have declared in favor of a budget just as much as the other side has declared in favor of a budget, and I do not believe that the Congress of the United States is giving up a constitutional power. The Constitution does not say we should select the buildings; it says we shall pass a law to provide for buildings. That is all. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. LANHAM. Mr. Speaker, I yield one minute to the gentleman from Utah [Mr. COLTON].

Mr. COLTON. Mr. Speaker, in the interests of economy and efficiency, I think we ought to commence a building program, but I am not yet ready to subscribe to the doctrine that if we do not suspend the rules and pass this bill, without any debate and without any consideration whatever, Congress can not pass a public buildings bill. [Applause.]

The parliamentary situation is this: The measure is brought before us under a motion to suspend the rules and we are allowed only 20 minutes on each side to debate this very important measure. At the end of that time, without any chance to debate the measure or to offer any amendment whatsoever, we will be required to vote upon the motion.

In this summary manner we are disposing of $165,000,000 of the people's money and surrendering all our right to say where that money is to be expended.

It is very popular to use the term "pork barrel" in this connection. No one is in favor of a "pork barrel" system. Those who will vote against this motion are not in favor of wasting the public money. On this point, however, gentlemen of the committee, let me ask, who knows of any public building that ought not to have been built? What Member here will name a place anywhere in his district where a building has been misplaced or even is too large? As a matter of fact there is less to this "pork barrel" criticism than is generally understood among the people. I do not know of a public building in my State that ought not to have been built at the time it was built.

But, Mr. Speaker, there is another side to this question that is more serious than appears upon its face. A policy once established in this Government is usually there to remain. I have never yet known of a bureau being created and afterwards abolished as long as there is any possible excuse for keeping it. We are to-day embarking upon the policy of turning over to one or two Cabinet officials the right to say where and when our public buildings shall be built. We are the representatives of the people, and that right should remain with us. We have no right to surrender it nor avoid the responsibilities that flow therefrom as we are doing to-day. Particularly is this true in passing this bill with so little consideration.

I believe that it is economy to build a number of office buildings in the city of Washington. Not only are immensely valuable documents in danger of being destroyed, but human life is in jeopardy constantly. I believe also that we should commence a public-building policy, but I believe Congress should have the determination of where these buildings should be built; at least, we should not surrender every vestige of right on this important subject.

If given the chance, I expect to offer an amendment providing for a nonpartisan commission consisting of two Members of the Senate, two of the House of Representatives, the Secretary of the Treasury, the Postmaster General, and an architect to be selected by the six other members of the commission. We would, at least, by this measure keep in touch with the work of the commission and could require a report from them whenever, in the judgment of Congress, it should be submitted.

Under the provisions of this act as it is now drawn it will be left to subordinate officials in the Treasury and Post Office Departments. In my judgment it will start a system of "wire pulling" and of the use of political influence that will be more pernicious than any so-called "pork-barrel" policy that Congress has ever pursued. Neither of them is necessary if we will take the proper time to work out a just, progressive public-buildings policy.

For these reasons, Mr. Speaker, and many other reasons I could mention if time would permit, I shall vote against this motion. [Applause.]

Mr. ELLIOTT. Mr. Speaker, I yield two minutes to the gentleman from Massachusetts [Mr. GALLIVAN]. [Applause.]

Mr. GALLIVAN. Mr. Speaker, I have come straight from a sick bed, five hundred and odd miles, to vote for this bill. [Applause.] About 10 years ago in this very Chamber I voted

for what was termed "a Democratic pork barrel omnibus public buildings bill." Ye gods, I almost wept as I voted for that Democratic measure. [Laughter.] On the following day I was flayed alive by certain Republican papers in the city of Boston for having voted for that bill. These same papers, I understand, are now in favor of an omnibus public buildings bill—this bill—and I wonder as I stand here what they will say about me to-morrow when they learn that I have voted with them and with the administration which backs this bill.

The gentleman from New York [Mr. OLIVER] has told the whole story. You will never get anywhere unless you authorize some one to outline a building program for the whole country. Of course every kind of a public buildings bill will be attacked in every Congress unless every Member's district is taken care of somehow and somewhere. It is my belief that the Government's building program as suggested in the measure now under consideration should not fail. Genuine economy requires that the buildings provided for in this bill should be erected without delay. Heavy rentals will be saved, the health and security of Government employees will be enhanced, and priceless records will be preserved against destruction. I have studied this bill carefully, and I have conferred with some of those who helped draw it. I am secure in the belief that the schedule has been most evenly prepared and that no unnecessary projects are included.

I realize that my words and the vote that I am about to cast do not meet with the approval of many of my Democratic colleagues before whom I stand at this very moment. But the Lord will forgive them as I now forgive them. May I repeat what I said in opening, that I do love to go back in memory about 10 years and remind my colleagues on the Democratic side that I stood shoulder to shoulder with them when we passed that belabeled "pork barrel bill," and I must confess that there was "pork" in almost every page? Those who were in the House on January 19, 1917, when the bill I refer to was passed by this branch of the Congress, full well know the truth of my tale. I am looking right into the eyes of many of them. For instance, as I recall the record vote of that date some of the good, wholesome, economically inclined Members of my party of to-day who voted for that bill on January 19, 1917, included the following, all good Democrats then and all good Democrats now: ALMON, ASWELL, BELL, BLACK of Texas, CARTER of Oklahoma, CRISP, DICKINSON of Missouri, DOUGHTON, HARRISON, HASTINGS, LINTHICUM, MARTIN of Louisiana, OLDFIELD, OLIVER of Alabama, RAINEY, SEARS of Florida, SHALLENBERGER, STEAGALL, VINSON of Georgia, and my excellent friend, Mr. WINGO, of Arkansas. There were a few Republicans also on that memorable day who voted for that bill who, I hear, are going to vote against this bill, just as I hear that most of all my Democratic brethren whom I have mentioned are going to vote "in the interest of the taxpayer." Wherein is there consistency? If I was wrong in that vote in January, 1917, so were they all wrong. I wonder if these gentlemen recall how they cast their votes upon that famous day. Good old Frank Clark, of Florida, led the charge in 1917, and we stood with him until the last armed foe expired!

At any rate, Mr. Speaker, it does no harm to remind them, as they sit in criticism of my words and my intended vote, that once upon a time they all voted for a bill which no living man can compare in fairness and decency to the bill now under consideration. I shall vote for it with pleasure and with pride and go back to my people in Boston and tell them all, men and women alike, that I helped pass this worthy measure which means so much for our common country. [Applause.]

Mr. LANHAM. Mr. Speaker, I yield one minute to the gentleman from Washington [Mr. JOHNSON]. [Applause.]

Mr. JOHNSON of Washington. Mr. Speaker, I am inclined to suspect that the trouble with the distinguished gentleman from Massachusetts [Mr. GALLIVAN] is that after having cast that vote he has not yet secured his building or his pork. [Laughter.] But, seriously, I have decided I can not support this bill. [Applause.] I believe, my friends, that to vote for a bill of this kind endangers the future standing of the House of Representatives of the United States. [Applause.] I believe it would be far better in the long run, even if some little money were wasted, to place public buildings in the various important places than to abdicate the authority and the power of this body. [Applause.] We have been, and are, doing that very thing. We shall be called on to give up more and more. I concede we have a good Director of the Budget, and a powerful Appropriations Committee, but the day will come, gentlemen, when, with a bill of this kind, the great Appropriations Committee will be found to have greater power than is safe; it will then deserve to fall, but will be too strong for the rest of the membership. That committee will designate the public buildings. That committee and the Budget. This is a dangerous bill, a surrender, and a mistake, in my opinion. [Applause.]

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. ELLIOTT. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Speaker, notwithstanding this is an administration measure I am constrained to support it. It is a reform measure. It abolishes the old system of pork-barrel legislation, and in a country of 116,000,000 people, from the Atlantic to the Pacific, from Canada to Mexico, it is humanly impossible to select sites for public buildings as a legislative matter. It simply can not be done.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. LAGUARDIA. Sorry; I have not the time.

I can not see how anyone can take the floor and state that this bill will give political power to one man and give him enormous influence over the deliberations of this body. I do not believe there is a man in this House so unworthy as would sacrifice a principle or cast a vote on a measure contrary to his conviction for the sake of obtaining a public building in his district. Yet when gentlemen take the floor and say this would give the Secretary of the Treasury power over legislation in this body, it is a confession of just such a condition.

No man worthy of the name of a national legislator would permit himself to be influenced by a Secretary of the Treasury to curry his favor in order to obtain a building for his district. I admit I know the needs of my district as well as any other man. It is true that every Representative here knows the needs of his particular district as well, if not better, than anyone else. But we are not in a position to know the needs and the relative merits of the needs throughout the United States. What is the result? Under the old pork-barrel system no man who had an item in the bill or no delegation of a State that had a single item in the bill could possibly vote to strike out a useless and unnecessary appropriation for a building not needed. The very condition of the country to-day is the proof of the wasteful system of public buildings legislation of the past. All over the country in cities, and when I say cities I do not necessarily mean New York, Chicago, and Philadelphia, I mean cities of fair size, thriving, active centers, are in need of public buildings, while in towns, villages, and hamlets spread all over the country, public buildings out of all proportion to the size of the town and the needs of the people have been constructed. Why in a small town out in Wyoming, I believe a little more than a thousand inhabitants, there is a big public building there and it will take years, if ever, for the town to grow up to the size of the building. I suppose it was just a coincidence that this place happened to be the home town of a former and distinguished floor leader of the House. I do not mean to criticize him, it is only the regular thing in the old system. So throughout the country millions have been wasted for the construction of buildings really not needed, while pressing needs were left unprovided.

I am as jealous of my legislative powers and of my rights as a Representative as any man in this House. I do not consider that I am surrendering any of my rights when I vote to permit the Post Office Department and the Secretary of the Treasury to make a priority list of buildings, according to the needs of Government business, and to bring that list into this House where we have the power to appropriate or to deny appropriations. Much has been said about the many sites of land heretofore purchased, and on which no buildings have yet been constructed. If that is not a good argument in favor of the reformation carried in this bill, I do not know what is. Under the old system if you could not grab a building, take a site of land. After you had the land, use that as an argument for a building in the next pork barrel bill. A careful investigation of all the sites of land purchased throughout the country will show that land has been bought in places where it was not needed and simply bought to satisfy local wishes. I want to be a legislator and not a real-estate agent. If the gentlemen who now are crying against the delegation of legislative rights to executive departments would stand up and fight as hard when the executive departments are really usurping legislative functions and wielding undue influence over this House, it would be far better and would do a great deal toward conserving and maintaining our representative form of Government. When a Secretary of the Treasury sends down here a tax bill, when a Secretary or War or a General Staff dictates and writes legislation, when a Secretary of Navy says what should be enacted and what not, that is the time, gentlemen, to stand up and assert our rights and defend our legislative prerogatives.

The reformation in our public buildings system is a necessary corollary to our Budget system. No matter what plans

may be prepared or economy practiced it can be thrown all out of joint by the passage of a pork barrel public buildings bill. This is a progressive measure. Why let me say to my fellow Progressives: How often have we criticized log rolling; how often have we complained of the extravagance and waste in public buildings and rivers and harbors appropriations; how often have we lamented that so much time of Congress was taken by public buildings bills and not sufficient time for constructive and progressive legislation? Here is the chance now to stop a vicious system. Here is an opportunity to enact a bill carrying real reform in it. That is why I supported this bill in the committee, that is why I shall vote for its passage.

Mr. CARTER of Oklahoma. Will the gentleman yield?

Mr. LAGUARDIA. I can not yield to the gentleman in two minutes.

The fault seems to be with the amount of money appropriated. This may be remedied very easily this year or next year.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object, I want to state to the gentleman that after the 35 members of the Committee on Appropriations get their hand-outs granted, there will not be anything left of this appropriation.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANHAM. Mr. Speaker, I yield five minutes to myself. [Applause.]

I wonder if you have noticed, gentlemen, as I have, that the men who have been standing before you as proponents of this measure hail from the great cities of this country that are to profit as the peculiar beneficiaries of this proposal. [Applause.] Six States of the American Union, according to the plans as outlined before the Committee on Public Buildings and Grounds, are to draw down $72,000,000 of the $100,000,000 here proposed. [Applause]. Approximately 20 States are unlisted for any of this preferred consideration, and the Territories are entirely without the boundaries of this beneficent contemplation.

Now, what is the situation with reference to the smaller cities and towns that most of us here have the honor to represent? In the first place, let me bring it to your notice that the hearings disclose that the $50,000,000 provided for the District of Columbia will take ample care of the construction needs here at the Nation's capital. In addition to the many other appropriations authorized and made for projects in the District, no parsimony is displayed concerning it in this measure. But when we inspect the lists presented, the smaller cities and towns of the country are conveniently overlooked. In other words, we are told that out in the 48 States and in the Territories, those who wish public buildings must continue to carry on their program of economy and deny themselves the structures they so greatly need and deserve in order that their savings may be used to further and to make complete the scheme of centralization here in the District of Columbia. [Applause.] If you who come from the smaller cities and towns think that this will be a pleasant message to herald to your people, go right ahead and publish the glad tidings. I am apprehensive, however, that you will present them one of those situations they will view with alarm. And, if you think you can find any crumbs of comfort for them in this bill or that they will be awarded buildings under the terms of this measure, I bid you read the hearings and I can assure you that you will be conclusively disillusioned.

I wish to call your attention also to the fact that some are laboring under the misapprehension or delusion that where a Member now has a site in his district he will have some possibility of receiving favorable consideration and getting a building to adorn that site. That is another iridescent dream. Your castles of this character are the proverbial ones that are in the air or in Spain. The hearings established this most convincingly. These sites are dealt with, if at all, in that part of the bill authorizing a special appropriation of $15,000,000. Let me read for your information in this regard a little excerpt from the record. The gentleman from Mississippi [Mr. BUSBY] inquired of the representative of the Treasury Department, Mr. Wetmore, when he appeared before the Committee:

To make it entirely plain, the buildings authorized in the former legislation are the only ones to be included in this $15,000,000?

Mr. WETMORE. Yes, sir.

Mr. BUSBY. Not places where lots have been authorized or purchased?

Mr. WETMORE. It is for buildings authorized. It is very plain; buildings authorized and not yet under contract.

Mr. Wetmore says it is very plain, and, presumably, he ought to know. So a site that has been acquired is merely the ground for a vain hope. Therefore it is pure folly to labor under the hallucination that, if you have a lot, you are going to receive a building, and if you find yourself circumstanced in this way and still support this measure you are simply carrying faggots to your own martyrdom.

We are asked to-day to pass a bill—with only 50 minutes of debate, without any possibility of amendment, without even an opportunity to recommit, under a suspension of the rules—that will renounce and surrender an important legislative function and authorize appropriations for the expenditure of $165,000,000. If we properly refuse to do this, the bill will retain its place on the calendar and may be brought up for consideration under a rule permitting deliberate discussion and extending, at least, the privilege of a motion to recommit. But this measure will not stand the strain of that character of analysis. As in the case of Macbeth, it is a thing that needs to be done quickly.

I say that the enactment of this bill will be a voluntary surrender of an important legislative function and a distinct contribution to the too progressive trend of bureaucracy. The history of the English-speaking race shows that the principles of popular representative government have been gained for the masses only after long and arduous struggles, with much pain and privation and travail and toil. Such representative government finds its expression in this country in the Congress of the United States, with 435 Members in the House of Representatives and 96 in another body. Of the hundreds of thousands in the service and employ of the Federal Government, these 531 alone are elected by the direct votes of the people. We are the custodians of those principles and privileges and prerogatives so dearly bought in the conflict of the ages. And now it is proposed that we be derelict in that sacred duty and obligation and that without a struggle, passively and acquiescingly, we return to bureaucratic autocracy this sovereign right of the people.

Does this bill make such a surrender? Listen again to Mr. Wetmore's statement concerning the effect of this measure:

Mr. WETMORE. Yes; it places in an executive department, or in two executive departments, the very authority that has heretofore been exercised by this committee.

The reference is to the Committee on Public Buildings and Grounds, this day announcing its intention to commit suicide. It may be that in its stead we might revive appropriately the old discarded Committee on Ventilation and Acoustics. If this bill passes the Committee on Public Buildings and Grounds will need a great deal of air hereafter or its voice will never again be heard.

And to whom is this authority to be delegated? Nominally, to the Secretary of the Treasury. I say nominally because it is frankly confessed in the hearings that those who will be charged with the administration of this fund in its practical details, under the authority herein granted, will be subordinates in the Treasury Department. [Applause.] Are you willing, gentlemen, to go back to the people and advise them that you have made this disposition of the power reposed in them through you as their Representatives in the Congress of the United States?

Let us look to the hearings once more, with Mr. Wetmore again speaking:

Mr. COX. In the department you are the one who has taken part in the preparation of the bill, and no one else. I understood you to say a few minutes ago that you are the only one representing the department that had anything to do with the drafting of this bill.

Mr. WETMORE. I do not say I am the only one in the department who has had anything to do with it. I mean to say I am the only one in the department that had anything to do with the drafting of this bill.

In other words, we are asked to accept even the phraseology given us by the department to which we are to transfer this authority. The complete terms of surrender are prepared and handed to us and abjectly and supinely we are to accept them.

Some reference is made in one section to the Postmaster General. A casual reading of it might lead one to suppose that he is to perform some function of administration when post-office buildings are involved, but this is far from the case. To prevent any interference on his part the provision is carefully inserted that his cooperation is to be extended only under such rules and regulations as the Secretary of the Treasury in his discretion may prescribe. Be not deceived; one man is to control the sites, the amounts, and the buildings under this

measure according to his own sweet will. Do you think the people of this country whom we are supposed to represent with a proper regard for their rights are going to look complacently upon this culminating act of bureaucracy that, in comparison with those that have gone before it, veritably out-Herods Herod? I have too much confidence in their intelligence and the jealousy with which they guard the principles of a free and representative government to believe it.

I say this seems to be a culminating act, and yet in this I am merely expressing a hope. In general debate on another measure a few days ago, a gentleman from New York stated that he thought we ought to surrender this prerogative to the Secretary of the Treasury because the construction of buildings by the Federal Government appealed to him as a national rather than as a local matter. Let us follow that logic for just a moment and see where it leads us. Surely war and the things that pertain to war are national matters. Shall we, therefore, say to the Secretary of War, "We shall permit you, Mr. Secretary, to determine the size of our Army, the number of officers, the extent and location of fortifications, the quantity of ammunition, and all other questions involving martial conflict and what you consider the proper preparation for possible hostilities? It is a national matter; you just see to it for us; thank you." And, correspondingly, shall we say to the Secretary of the Navy, "Mr. Secretary, won't you please oblige us by deciding how many warships we shall have and the kinds and the building of them? Won't you kindly determine the personnel and the equipment by land and sea and air, and look after such little incidental matters as entering into such contracts as you may deem necessary and such payments thereunder as you may think expedient? It's a national matter, Mr. Secretary, and, you see, we are—we are—"

Well, what are we, anyway, gentlemen, if we are to turn over to departments and bureaus the duties entrusted to us in our legislative capacity? With what are we supposed to deal if not with national matters? Oh, what a tangled web we shall weave if we seek to hoodwink the people with such sophistries as these! Carry them to their final analysis and the Congress will be an impotent, useless thing.

Let us, rather, measure up to the confidence reposed in us by the fathers and the people we are supposed to serve. Let us show by a proper performance of our functions that we do not deserve the unfriendly criticism so often and lightly leveled at this great fundamental institution of our country. If we shall preserve it, we shall preserve our liberties. It is the only forum wherein the people speak. May they find in us the mouthpieces they deserve, truly representative spokesmen in the high station to which by their sovereign votes they have thought it wise to call us. [Applause.]

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. ELLIOTT. Mr. Speaker, I yield three minutes to the gentleman from Connecticut, Mr. TILSON. [Applause.]

Mr. TILSON. Mr. Speaker, what should be the standard to guide us in authorizing an appropriation of this sort? Should it be that the funds appropriated shall be equally distributed among the States or districts of this Union, or should we consider first the needs and the efficiency of the public service? Looking at it from the public standpoint, is it a matter of the first importance that we, as individuals, should secure reelection to office by reason of having secured a public building for our districts? I do not think so, however important it may seem to us as individuals.

Does this bill turn anything over to the Treasury Department or Post Office Department that will not be better done than we can possibly do it, or do we surrender any power that we ought to attempt to exercise? I contend that we do not. We make an authorization. The Secretary of the Treasury and the Postmaster General make a study as to what the needs of the public service are and then make their recommendations, which must be submitted first to the Bureau of the Budget. Then, as a part of the Budget, it must be submitted to the Committee on Appropriations. After scrutiny by that committee it must be submitted to the House and then run the gauntlet of both branches of the Congress.

Every appropriation made under this authorization must be thus passed upon by the House again. Therefore, I submit that we are not, in fact, turning over anything to anybody in the sense that we are placing it beyond our control. The gentleman from New York [Mr. OLIVER] has expressed this matter unusually well. He spoke truly when he said that if we go back to the old system, which has been well characterized as the pork-barrel system, we, in effect, destroy the Budget system in which both sides of the House take such pride and for which both claim so much credit. Would we think of going back to it in reference to the river and harbor bill? No; and if we should attempt to go back to it in this bill we should thereby destroy all real chance of getting any public building bill.

Mr. Speaker, we ought to begin now to resume the public-building program. It should not be longer delayed. This is a fair bill. It makes a fair start, and we ought not, simply because each one can not have his own individual project in it, deny the rest of the country the benefits of this bill. We ought not to assume that our own individual projects are not going to have a fair chance with others of equal merit when the Postmaster General and the Secretary of the Treasury come to make their survey of the needs of the service before making their recommendations preliminary to the submission of the Budget to this House. [Applause.]

Mr. LANHAM. Mr. Speaker, I have only one speech more on this side.

Mr. ELLIOTT. Mr. Speaker, I yield three minutes to the gentleman from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. Speaker and gentlemen of the House, I am sure I am actuated by the same motives that actuate the average Member on the floor of this House regardless of politics. I have been a Member of this House nearly 14 years. I have twice succeeded in having bills for a public building in my district included in an omnibus bill which has passed the House, but has never become a law, and so I have not succeeded in getting any building. If I was to stay here 14 years more, I would never get a building, under the old plan of omnibus bill, in my district; I do not know that I would get one under this bill; but I would like to say that I would like to see buildings go up in other parts of the country, even if I can not get any in my own district. [Applause.] I do not believe that the location of public buildings is a legislative function. [Applause.]

You talk about surrendering something on the part of Congress. And yet in the past Congress has been wrangling over mere pieces of "pork" either in the river and harbor bill or in the public buildings bill. It is well known that when we have brought in bills providing for construction of post offices every man has been cared for so that he would not protest because he did not get his share of the distribution.

You might as well say in the distribution of making appropriations for the rural-mail routes in the United States that it is the duty and function of Members of Congress to locate those routes before they authorized their establishment. We had to depend on a Postmaster General, whether a Democrat or Republican, to locate the rural-mail routes all over the United States, and I do not think, regardless of whether he was a Republican or Democratic Postmaster General, there has been any discrimination worthy of speaking of in either administration. I will take my chances and have the needs and requirements of my congressional district considered by both Postmaster General and the Secretary of the Treasury; and if we do not get as Members of Congress what I think we are entitled to, I will raise all sorts of sand when the appropriations come up to provide for others. [Applause.]

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent that all Members have five legislative days to extend their remarks in the RECORD on this bill.

The SPEAKER. The gentleman from Indiana asks unanimous consent that all Members may have five legislative days to extend their remarks on this bill. Is there objection?

Mr. CHINDBLOM. With no newspaper articles or quotations, but only the Member's own remarks.

The SPEAKER. With the understanding that no newspaper articles or foreign remarks, only the remarks of the Member.

Mr. LANKFORD. If that is the restriction I shall be forced to object.

Mr. CHINDBLOM. I do not think the RECORD ought to be filled up with newspaper articles or other extraneous quotations.

Mr. MANLOVE. Quotations from the hearings ought to be excepted.

The SPEAKER. Is there objection to the request of the gentleman from Indiana that all Members may have five legislative days to extend their own remarks, without quotations from newspapers or other matter? Is there objection?

Mr. COOPER of Wisconsin. Reserving the right to object, the gentleman from Illinois said that no quotations should be allowed, and I agree with him that newspaper articles or letters ought not to be printed; but suppose some Member wishes to quote the opinion of some great statesman on the principle involved.

Mr. CHINDBLOM. Of course there will be a reasonable latitude on quotations of that sort.

The SPEAKER. Is there objection?

Mr. LANKFORD. With that statement I have no objection.

There was no objection.

Mr. LARSEN. Mr. Speaker and Members of the House, no wonder the public manifests so little confidence in Congress. The practice and procedure of the House may sometimes justify it. The proposed legislation not only bears the stamp of suspicion and corruption, but the method by which it is sought to enact it into law is no less vicious.

The bill provides for the expenditure of $165,000,000, ostensibly by the Secretary of the Treasury, but in reality by the civil-service employees of the Government; still worse, it may be so administered that unscrupulous politicians not in Government service are permitted to so allocate the funds as to influence votes in doubtful districts and States.

There are 435 Members of the House, many of whom not only doubt the wisdom of such legislation but question its legality and constitutionality. Yet it is sought to pass the bill under a suspension rule which only allows 20 minutes for its discussion. Why such haste? No local or national emergency exists and no condition justifies it. The House is well up with its work—far ahead of the Senate—and no matter how soon we may pass it, everyone knows the Senate will necessarily delay action for weeks. Why pass any bill of such importance without opportunity for discussion? Can anyone explain why a bill of this character, which not only provides for the greatest expenditure of public money ever authorized at one time by the Government for the erection of public buildings, but, involving, as it does, a complete change of governmental policy in relation to such expenditures, should be passed in such haste and without discussion? Obviously, because those who favor its passage and realize that it is "rotten to the core" desire to avoid the stench and putrefaction which a free discussion would disclose.

Why embark upon such a legislative policy as the pending bill would permit? Is it because some Members believe legislation which offers an opportunity for graft and theft is popular in this Republic? We recently tried such a scheme in the Veterans' Bureau. Are memories so poor that we have forgotten how Director Forbes and his gang got a large portion of the funds intended for the care of disabled ex-service men? Are we so proud of that performance that we wish it repeated?

I have confidence in both Secretary Mellon and Postmaster General New—I assume others have—but we should remember that neither of these gentlemen will spend the money sought to be authorized. They will not even be in the Cabinet five years from now when a large portion of the fund is to be spent. They may be succeeded by a Doheny, a Denby, or a Fall. Such men may be in their employ at this time expecting to spend it.

Article 1, section 9, of the Constitution, which deals with legislation, and not with the executive functions of the Government, in part says:

> No money shall be drawn from the Treasury, but in consequence of appropriations by law.

What is an appropriation? In legislative parlance it is the setting apart of money for a special use. For what special use is the expenditure to be authorized under this bill? No Member of the House can knowingly say. There is a fundamental difference between appropriating money and simply authorizing its expenditure, as this bill apparently does. All we know or can tell is that $165,000,000 of public funds are to be expended by the Secretary of the Treasury; $50,000,000 of the amount is to be used, "To provide suitable accommodations in the District of Columbia for executive departments, and independent establishments of the Government not under any executive department," and the balance, $115,000,000, "For courthouses, post offices, immigration stations, customhouses, marine hospitals, quarantine stations, and other public buildings—in the States, Territories, and possessions of the United States." No Member of the House can tell what buildings are contemplated. Only the Secretary of the Treasury can determine. If they are not needed will the Secretary of the Treasury be authorized to build them? Yes; under provisions of this act, he will. They are only to be "suitable accommodations," mind you, not necessary ones. Members of Congress well know the influences in Washington and the local demand and desire not only of employees and heads of departments, but of others, for monumental buildings in Washington.

Of the sum expended to provide suitable accommodation for courthouses, post offices, immigration stations, customhouses, marine hospitals, and quarantine stations, can anyone tell what portion of the funds are to be spent for any specified purpose? Are the funds to be expended in Maine or California? If to be expended in these States, for what purpose and where? No one can tell. What amount will be spent in any State? No one can tell. In what part of any State is money to be expended? No one can tell. The spirit of the Constitution requires Congress to know how many buildings of each class are to be built, where they are to be erected, and what they are to cost. Yet we leave this important question for determination of another in no way responsible to the people for the position which he holds.

You say the Postmaster General will aid in the determination. That is the joker in the bill. Section 1 provides that the Secretary of the Treasury, "under regulations to be prescribed by him, shall act jointly with the Postmaster General in the selection of towns and cities in which buildings are to be constructed and the selection of sites therein." The Postmaster General has nothing to do with the cost or character of the building to be erected. In so far as regulations prescribed by the Secretary of the Treasury may permit, the Postmaster General may aid in helping to select the town or city and the site for post-office buildings, but nothing more. I submit that the Postmaster General ought to know more than the Secretary of the Treasury regarding the necessity for and the construction of post-office buildings, but under this proposed asinine performance of Congress he is not supposed to even offer a suggestion along these lines. Not only this, but under the terms of the bill most extraordinary authority is given the Secretary of the Treasury in that he "is authorized to carry on the construction work herein authorized by contract or otherwise, as he deems most advantageous to the United States." Under such provisions he would be empowered to do the work by day labor if he saw fit, and no one, not even the Secretary, could say what any building erected under these conditions would cost.

The States delegated to Congress the powers which the pending bill would confer upon the Secretary of the Treasury and we have no right to transfer them to any bureau in the executive departments. If Members of Congress be not inclined, or are too impotent to exercise the power conferred upon them by the Constitution, they should resign, go home, and permit the election of Members, both willing and capable, to serve in their stead.

Under the system heretofore in vogue, all Members so inclined introduced bills providing for the purchase of sites or erection of buildings, the purpose for which to be used, and the maximum amount to be expended. The Committee on Public Buildings and Grounds, to which all such bills were referred, collected them together and held open hearings to determine the desirability, advisability, and necessity of making the proposed expenditures. Everyone interested was given an opportunity to be heard. The Secretary of the Treasury was invited before the committee and gave information as to the amount of funds which could be spared for the erection of public buildings; the military and naval officers were heard as to necessity for erection of quarters, hospitals, quarantine stations, and so forth; the Department of Justice was consulted as to the erection of courthouses, and the Postmaster General as to the purchase of sites for and erection of post-office buildings; each Member of Congress could present the views of constituents and taxpayers as to the desirability and necessity of erecting such buildings. Each application was considered upon its merits, and all authorizations provided for were grouped together by the committee in one omnibus bill.

Apparently the system which has so long provided an opportunity for everyone to be heard before a responsible and impartial tribunal, elected by the people and responsible to the taxpayers of the Nation for its conduct, has become unpopular. The system is to be changed and a partisan representative of the party in power, selected not by the people but by the President, is to be the umpire of all these questions which so vitally affect the public welfare. Of course, such scheme may, and doubtless will, meet with the hearty approval of Cabinet officers, heads of big departments, naval and military officers, who do not want to take chances before congressional committees to urge the erection of new buildings and the expenditure of large sums of money when by a little "hobnobbing" with the Secretary of the Treasury they may get what they want without anyone knowing what they have done.

As for one, I desire to voice my protest against these unwarranted executive encroachments and attempted usurpations of legislative authority which so vitally affects the interest of our taxpayers and the public welfare. I am opposed to centralizing the powers of this Nation in Washington and transferring the authority of Congress to bureau officials and heads of departments.

Mr. LANKFORD. Mr. Speaker and Members of the House, I had hoped that a bill would be passed at this session giving each congressional district some very muchly needed post-office buildings. I have not altogether lost that hope.

We may yet get a good bill.

While the lamp holds out to burn the vilest sinner may return.

The supporters of this nefarious bill to pass the power to select sites and build buildings onto already overworked Cabinet officers and their immediate subordinates, to be in turn by them, as they of sheer necessity must do, passed on to some mysterious, unknown individual, say those of us who oppose this sort of thing favor pork-barrel legislation.

Well, if we must have "pork," let it be decent pork on the table in the daytime, with all invited to participate and to be shared by the common folks and the smaller cities as well as by the larger cities. Appropriations for the big cities is termed "in behalf of efficiency and economy," while appropriations for smaller cities is derisively termed "pork."

This is worse than the most vicious form of a "pork barrel" bill.

Its advocates expect to secure enough help to pass it under suspension of the rules without giving its devotees even a smell of decent pork. They expect you to line up and do their bidding for only a passing sickening whiff of the "flesh pots" of corruption.

They are not willing for you to "stop, look, and listen" in order that you may determine how great is the sacrifice you are making and how great is the penalty you are inflicting on others in order for you to get less—much less—than a "mess of pottage."

Without giving you a chance to protect those you represent and yourselves, the champions of this bill expect you to help them drive the legislative car in front of the mighty onrushing juggernaut of centralized, all-powerful bureaucratic government.

Oh, if Lincoln was alive he would pray more earnestly than ever "that this Government of the people, for the people, and by the people might not perish from the earth."

Oh, they expect to stampede the Members of Congress like so many "dumb, driven cattle" into selling for a stench of corruption the birthright of a great and glorious people.

"Pass the bill without the chance for reasonable debate and with no chance for amendment" is the battle cry.

They are not willing for us to have a chance to examine their proposed "mammon of unrighteousness." They do not want it known just how tainted and flyblown is the concoction which their witches stir.

> Fillet of a fenny snake,
> In the cauldron boil and bake;
> Eye of newt and toe of frog,
> Wool of bat and tongue of dog,
> Adder's fork and blind worm's sting,
> Lizard's leg and howlet's wing.
>
> Cool it with a baboon's blood,
> Then the charm is firm and good.

Mr. FREAR. Mr. Speaker, public building bill H. R. 6559 provides, in substance, that the Secretary of the Treasury and the Postmaster General shall act jointly under regulations prescribed by them in making selections of towns or cities wherein suitable public buildings shall be erected and to provide for the necessities of the Post Office Department. For that purpose the bill appropriates $150,000,000 to be expended over a period of several years at not to exceed $25,000,000 annually in the purchase of sites and construction of said buildings. The bill further provides that $50,000,000, or one-third of the total, shall be expended for needed Government buildings in the District of Columbia, and $15,000,000 more is appropriated to complete several projects named. This measure is presented to Congress as the nearest approach to a businesslike method of meeting pressing Government necessities of the Post Office Department in hundreds of cities throughout the country. It is not perfect and is subject to improvement, but it is far preferable to the old system.

The House is reminded that nearly 10 years ago, or to be specific in December, 1916, the last public building bill was opposed for several days by myself, aided by Representative JAMES, from Michigan. That bill passed the House after several days' debate, in which many objectionable projects were disclosed, but for the first time in several years a fair-sized vote of protest, as I now remember it, running over 80 Members in number, was then registered against the 1916 bill.

The preceding public building bill was passed by the Sixty-second Congress with only 20 minutes given the opponents in which to discuss a 50-page bill containing over 400 items. It went through the House with practically no protest beyond that registered by Mr. Fitzgerald, chairman of the Appropriations Committee, who said in debate:

> I denounce as indefensible this method of passing public building bills. * * * It can not be defended from any standpoint of public necessity.

That was the last public building bill passed by Congress during the last decade. The 1916 bill, which was defeated by smothering in the Senate committee, carried an appropriation of $35,000,000, and I quote a brief passage from my own remarks during the debate on that bill, wherein it was stated:

> To the student of public-building expenditures, Senate Document 321, Sixty-fourth Congress, and Document 244, Sixty-third Congress, are instructive. From these documents it appears that in all 1,479 projects are for public buildings, several hundred are in towns under 5,000 population, and 216 in towns under 3,000 population. Sixty-six communities of 10,000 people or more are yet unprovided, while the number of corner cross-roads and jerk-water towns that are now being provided with buildings is rapidly increasing in order to get enough votes for the bill.

An analysis of distribution of the items of the 1916 proposed expenditures disclosed that in many cases the janitor's fee alone, apart from construction, interest, depreciation, and so forth, would cost more for the new building than existing rentals for old buildings. There is no question but that the 1916 public building bill which was defeated deserved that fate.

It may be interesting at this time, 10 years after such defeat, to know that a Cabinet officer in one department of Government and an assistant Cabinet officer in another department furnished much of the material used to expose the wastefulness of the 1916 bill, and that the opposition to and exposure of that bill came as a personal request from these high administrative officers, who gave assurance that the bill would probably be vetoed providing it reached a final stage in its legislative journey.

This statement is made only to emphasize the vigorous protest then made in official circles against the 1916 public building bill which passed the House but was held in the Senate committee, all under an administration that was Democratic.

The bill now before us appropriates a very large sum of money, and this money is to be expended by two Cabinet administrative officers. The charge is made by Democrats that they have not much to hope for under a Republican administration, and with equal force it might be suggested that those who refuse to be hidebound in their legislative course or follow regularly the dictates of party leaders may not receive consideration from officials authorized to make the selections of sites and construction of buildings. I do not believe either proposition is true, although I admit political sympathy may go with officials under other circumstances. However, I can not believe that the Post Office Department, when in need of a public building, will hesitate to consider the requirements of the community before any mere political favoritism, for if this is not the case we will sacrifice the needs of government to political favoritism.

A number of years have been set aside for construction of buildings under this appropriation, not over $25,000,000 of the total to be spent annually, and as one of those who is equally interested in having building projects placed where most needed in my own State I am willing to put the whole matter on a high plane and submit to the proper officials at the proper time the needs of various communities. This will leave to the judgment of responsible officials under the law provision for such communities as rapidly as they may be able to be cared for with the appropriations carried by this bill and subsequent bills. In other words, I believe the new system is preferable to the old, although I would have preferred to have had a bureau of public works, removed from political influence, to work in conjunction with the Post Office Department and the Treasury Department and determine the needs of every community. This is not possible under the present bill, but there is urgent need for relief, and that is the reason I am supporting the bill at this time.

Mr. THOMPSON. Mr. Speaker, since I have been in Congress—which has been four terms—there never has been a public buildings bill passed. President Wilson ceased building during the war. After the war each succeeding President of the United States told the chairmen of the Committee on Public Buildings and Grounds of the Congress that he would not approve a bill even if Congress did pass it. So the Congress presented none. The last omnibus bill for public buildings which Congress passed was approved by President Wilson March 4, 1913—13 years ago.

Heretofore the way public buildings have been selected was for a Member of Congress to put in a bill for what he needed. Hearings were then held before the committee on the case; and if meritorious, the Member was allowed a public building in his district.

In the fifth Ohio district there is a crying need for a public building at Napoleon, Ohio. The Government has recognized that for 11 years or more. On September 15, 1915, the Government itself purchased a site for a post-office building at Napoleon, costing $7,500. The town has no suitable quarters to rent

for a post-office building, and the need is very urgent for a building upon the site purchased in 1915. This crying need of Napoleon should have been provided for long ago.

Under the new legislation which this bill proposes, it takes away from the Congressman the right to provide for a building in his district and places the matter jointly in the hands of the Secretary of the Treasury and the Postmaster General to decide. If my constituents at Napoleon will now come with their hats in their hands and bow and scrape to two more bureaucrats who are not elected by the people, but who are given vast sums to expend for public buildings by the passage of this bill, it may be barely possible that Napoleon might have a "look-in."

The tendency of Congress has been to abrogate its power and its influence, and this is an instance of where it has abdicated its sovereign right—a right that has existed since the foundation of the Government—to take care of the interests of its various districts. When I came to Congress I thought this was a representative body, but I find one can not secure a single piece of legislation unless it first be submitted to an executive department for approval. I can not support this bill, and I vote against it as a protest against change of procedure in the method of taking care of one's constituents.

In a very summary manner we dispose of $156,000,000 of the taxpayer's money of this country for a building program and at the same time surrender all our right to say where the money is to be expended for public buildings. I object to this manner of doing business, especially as this so-called Elliott bill is passed under a rule that does not permit amendments or even a chance to recommit the bill. It is put through under "buck and gag." I vote against the bill, therefore, as a protest against the surrender of all responsibility of the Congress in this matter. To-day is a day when we are embarking upon a policy of turning over to one or two Cabinet officials the right to say when and where our public buildings shall be built. I am opposed to surrendering any rights of the people to any Federal bureau or department that exists.

It has been the custom of late here in Washington for each and every bill that is introduced to be first submitted to some bureaucrat for approval before the Congress of the United States can even pass upon the legislation. At the seat of the Government there are 531 elected officials, the President, Vice President, Senators, and Representatives. The remainder, which constitutes 61,509 Government employees, are all appointed and not elected, and these include the members of the Cabinet as well as the chiefs of divisions. I am opposed to being a party to putting more bureaucracy into a Government that is now teeming and insolent with it. My vote against the Elliott bill is a feeble way of expressing that opposition.

Mr. GORMAN. Mr. Speaker, I intend to vote for this bill because it proposes a sensible, economic, constructive, and businesslike method of caring for the needs of the Postal Service and other governmental departments.

It is in the interest of good business, even though it is a delegation of our power, to allow the Postmaster General and the Secretary of the Treasury to determine where Government buildings shall be erected, remodeled, and enlarged to meet with the requirements of the Government's business.

This bill is an extension and development of the budgetary system. It makes certain that public buildings will not be constructed merely because votes are necessary to pass the bill. We have had too much of the system of "pork" and "log rolling" in previous Congresses, with the result that in many small cities, towns, and villages, where the growth of population has been very slow and will continue to be so, there are scores of costly public buildings which stand as monuments to the folly of wasteful and extravagant Congresses of the past.

OAK PARK, ILL.

I have been trying for years to obtain a new post-office building for Oak Park, Ill., not because I want to see the village embellished with a beautiful public building but because the present post office is too small and congested for the proper and expeditious handling of the mails.

I have repeatedly called to the attention of the Congress, the Postmaster General, and the Secretary of the Treasury the cramped quarters in which the postal business of Oak Park, the largest village in the world, is being performed.

But Congress, in trying to alleviate the heavy war-tax burden of the people, has not passed a public buildings bill for any locality in the United States since the year 1913. Since then many towns and villages in my district, adjacent to Chicago, have grown tremendously in population. It is ludicrous to see the efforts of the postmasters and postal employees trying to give the public good service in the obsolete post offices of Oak Park, La Grange, Cicero, Maywood, Melrose Park, Forest Park, Berwyn, and Riverside. To relieve the situation, on December 7, 1925, the first day of this Congress, I introduced bills for post-office buildings to be erected at those places, where the needs are urgent.

I want to see this bill enacted into law, so that Oak Park may obtain a much-needed post-office building at once, after which the needs of La Grange should be taken care of. Then favorable consideration should be given to these other towns and villages in my district, each in accordance with its needs, on the basis of merit and merit alone.

Mr. FULMER. Mr. Speaker, one more brick has been added to the pillar of centralization of the functions of the Congress into the hands of Cabinet officers by the passage of H. R. 6559.

Day by day, in every way, it seems to me that Members of Congress are surrendering their rights to represent the people which bespeaks their acknowledgment that they are inefficient and incapable of representing this great Republic or that there is some superpower overcoming the Congress whereby bureaucrats under the power of special interests are gradually stealing away the Government of the people, by the people, and for the people.

The passage of the Esch-Cummins bill has taken from the Congress all power as to regulations, rate making, and so forth, in connection with the great railroad interest. To-day while agriculture is suffering because of unfair rates on farm products, it is a known fact to three-fourths of the Members of Congress that we are absolutely hog tied and helpless. For an instance, freight on 1 bushel of corn, 56 pounds, for a certain distance is 35 cents, while the corn sells for only 85 cents. The freight on a pair of shoes for same distance is 15 cents, although the shoes sell for $15. Cotton, which gives to the United States the balance of trade with Europe, is being shipped under the all-commodity rate, therefore, we can ship 10 bales as cheap per hundred as you can 1,000 bales per hundred. I have a bill now before the Congress to require the Interstate Commerce Commission to give preferential rates on high-density compressed cotton, taking into consideration the size of package, condition of package, as to tare, and so so forth, but it is sleeping in the House committee because of a lack of a favorable report of this Interstate Commerce Commission. This bill would mean at least $15,000,000 per year for cotton producers but we have delegated our powers to the Interstate Commerce Commission and the large compress people, which, although few in number, seem to have more power with the commission than 40,000,000 producers.

Just a day or two ago you passed the McFadden bill giving to New York bankers unlimited power to establish branch banks so as to be able to force out independent banking. Although this bill was heralded to the public as an antibranch banking bill, it is just the reverse and is but an opening wedge that will mean state-wide branch banking by national banks. The years are not distant when this country will be in the hands of a few mother banks in the large centers controlling branches all over the country that will be able to make or break any section or any industry over night. The finances of the country are now in the hands of the Federal Reserve Board controlled by seven men, who in turn will be controlled by this same great interest. Therefore, it will make little difference how many Congressmen stand and howl upon the floor of the House when operations as above stated begin.

Under the Fordney-McCumber Tariff Act we have created a commission and given all power to the President of the United States and the commission. What is happening to-day? The consumers are paying millions to a few manufacturers, while the agricultural interest is paying added millions for farm machinery protected under this unfair piece of legislation. In the meantime it is stifled with a surplus of farm products due to foreign markets now being shut off by this tariff wall surrounding the United States.

Not yet satisfied with these and many other pieces of legislation unfair to the great masses of the people which I could mention, to-day you propose to take away from the Congress the right to have any say so as to when and where a public building should be built, leaving it to the discretion of Mr. Mellon, Secretary of the Treasury of the United States. You therefore vote a lump sum of $165,000,000 out of the hands of 435 Members of Congress into the hands of two men, Mr. Mellon and the Secretary of the Post Office Department. According to plans submitted to the Public Buildings Committee (the committee reporting this bill), the District of Columbia will get $50,000,000, and six States will get practically all of the remaining $115,000,000 to be spent in the next five years. At least 20 States, including my State, South Carolina, will not get one penny for buildings. At Sumter, S. C., post-office employees are stepping on each others' toes for lack of additional floor space.

The public must continue to suffer because of inadequate quarters there, although the project was approved by the Post Office Department several years ago.

I have been consistent in voting against this trend of the centralizing of power and the functions of the Congress to bureaucrats where special interest has control, where red tape is running rampant, and where common-sense methods of procedure and the common people are unknown quantities. Although I may be registered in a hopeless minority, I am unafraid to go back to my constituency feeling that I am doing my duty in voting against this bill.

Mr. McSWAIN. Mr. Speaker, under permission to extend my remarks, I feel that a word of explanation to the public is necessary. When this rule was brought in, it provided for a debate of only 20 minutes on each side, but by special arrangement and unanimous consent the time was extended to 25 minutes on each side. All of this time was taken up by a very few speakers especially selected because of what was supposed to be their influence and power in obtaining votes for or against the measure. The result is that the rank and file of the Members are not permitted to say a single word on the floor of the House of Representatives in this free America about a bill that proposes to fix the policy of this Nation for the next five years and to appropriate from the Treasury $165,000,000 collected from our people by taxation. Therefore I am compelled to avail myself of this, the only privilege, of letting my constituents and the country understand why I refuse with all the energy and emphasis of which I am capable to support such a rule.

BILL BAD, BUT RULE WORSE

Bad as the bill is, yet it could have been amended in a way to become acceptable to me. Naturally, I would desire to vote for such a bill. I have been urging the passage of a general public buildings bill ever since I have been in Congress. There is a situation of urgent need in my district that beggars the power of words to describe. In one thriving and growing city the public mails have been for some years handled out of doors and on the ground, and the clerical force is crowded and jammed beyond the minimum requirements of health and sanitation. If the bill had come up for consideration in the Committee of the Whole House on the state of the Union, just as appropriation bills come up, and just as ordinary legislation comes up, amendments could and would have been offered to remove the objectionable features of this bill. For illustration, the Hon. J. WILL TAYLOR, a Republican, and a member of the Committee on Public Buildings and Grounds, and representing a district in the State of Tennessee, would have proposed an amendment that would have required something like a fair and equitable distribution of this money among the several States according to their needs and requirements and the populations to be served. But the majority would not permit this bill to be brought up in the ordinary manner for discussion. The Republican powers that be that want this legislation passed in this particular form would not permit a record vote as between the bill as written and as it would stand after the adoption of the Taylor amendment. This manifests a deliberate and resolute purpose on the part of these powers to employ this $100,000,000 that may be spent outside of the District of Columbia in just such way as the Secretary of the Treasury shall see fit, unhampered by any legal restraint whatsoever. Now, the Secretary of the Treasury is not only a very rich man and not only a very influential man but is also doubtless a very able man. But I deny that any one man, however able and wise he may be, can properly and wisely understand all the local needs in the 435 congressional districts in the United States. In fact, the hearings clearly manifest a purpose and intention on the part of the Secretary of the Treasury, by his authorized spokesman, to spend about 75 per cent of this $100,000,000 in only 6 States out of the whole number of 48 States. It was admitted at the hearings, in effect, that South Carolina would not obtain any part of the $100,000,000 and would obtain only such part of the $15,000,000 as may be necessary to complete unfinished projects, such as the post-office building at Lancaster, S. C.

THE FALSE CRY OF "PORK BARREL"

It was certainly amusing to hear some of our friends from such States as New York and Massachusetts, which are among the six States that are to receive nearly all of this money, denounce in heated word and manner what they describe as the former practice of bringing in an omnibus public buildings bill as "pork barrel." By this they mean to say that if the House itself had to decide where this money would be spent there would be trades and exchanges of support and logrolling and swapping amongst Members, so that some places not represented by Members with sufficient trading genius or pawns, but needing greatly a public building, would suffer, whereas other places represented by a skillful political trader, with his hands full of pawns, would obtain public buildings that the public service does not justify. Hence they rolled their eyes toward heaven in holy horror and lifted their hands in solemn detestation, and rolled out their mournful, lugubrious tones of denunciation at the "pork barrel." But the issue is, in fact, "pork barrel" versus "loaded dice." Let the old method of bringing in public buildings bills be denounced as "pork barrel." Yet who will rise to say that any mistake has ever been made? What Member of this House has ever testified that a public building was obtained for his district, whether by himself or by his predecessor, whether Republican or Democrat, that ought not to have been built and that the public service did not require? Members were challenged to this effect but failed to respond.

How about the loaded dice? Under the operations of this bill we already know that the Treasury Department will spend $72,000,000 in six particular States, such as Massachusetts, New York, and Pennsylvania. Then that leaves only $28,000,000 for the other States to have even a hope or expectation. One Member said that he would vote for this rule and bill and take his "chances." This Member ought to know that when you play dice with an adversary who is playing his own loaded dice you can not hope to win. At any rate, I am not that kind of an American, and I believe that the people of my part of the country are so full of the traditions and inspirations of the highest Americanism that they approve and indorse my stand.

Our Americanism teaches us to believe in doing whatever we may do out in the open, and if we make mistakes, let the records show it. Hence our people believe that the Members of this Congress should have sat in public session long enough to decide in what particular towns and in what amounts this money should be spent. If necessary we should have voted on each particular city as it came to it, section by section and line by line, in the reading of an omnibus bill under the five-minute rule. By playing the game in that open and public manner, the record would have shown who spoke and what he said, and stenographers would have taken down and the type would have set up and the press would have printed all that was said and done. But now when this $165,000,000 goes behind the closed doors of the Treasury Department, who will know what is said and done when the consideration of its expenditure comes up? What stenographers will be there to take what is said? What record will be published and distributed of what is said? Mr. Speaker and gentlemen of the House, it is as plain and as open a question of representative Government versus unbridled bureaucracy as the history of the Nation affords. It is the most pronounced expression of the tendency to centralize and concentrate power, not only in the city of Washington but to concentrate that power in the hands of one administrative officer. History records the general tendency on the part of the Federal Government to absorb more and more of the power which was originally intended to be exercised only by the States, but in the last few years we who are here in Congress see the ever-increasing momentum of power from the Congress itself into the hands of mere administrative officers; into those few executives that constitute the official bureaucrats of the Federal Government.

DEMOCRATS TO THE HELP OF REPUBLICANS

Mr. Speaker, I can not properly complain of the attitude of the Republicans upon this tendency, not only to centralize all power but to place all power in the hands of a few bureaus. That is the traditional theory of the Republican Party. That was the ideal of Alexander Hamilton and all of his political heirs at law from that day to this.

Alexander Hamilton did not trust the people, and, consequently, he did not trust the Representatives of the people. He believed that the President should hold office for life, and that the President should appoint the governors of the States, and that the Members of the Senate should hold office for life, and that the Federal Government should have a veto power upon any law passed by a State legislature. That was the main outline of the plan proposed by Alexander Hamilton in the constitutional convention in Philadelphia. Hence, Republicans of this day can not be charged with inconsistency for having followed out, even in this public buildings bill, the fundamental conceptions of the Hamiltonian theory of government. But I do feel some justification for complaining that so many of our Democratic friends have rushed to the rescue of the Republicans to enable them to pass this rule and thus to shut off debate and to ram the bill itself down without a single word of argument. As already indicated, I would have voted for the bill if some such amendment as that proposed by the Hon. WILL TAYLOR could have been adopted by the House. But I could not vote for the rule, because it was not only undemo-

cratic and un-American but unfair and unjust. Democrats are supposed to draw their inspiration from those principles of government so fully elucidated by Thomas Jefferson. Thomas Jefferson trusted the people and trusted their Representatives, and believed that all the functions of government should be administered in the open, and that the people should have the right to make their own mistakes. Thomas Jefferson taught that a fair and just Government must rest upon the principle of equal rights to all and special privileges to none. Therefore, I feel that the principles of Jeffersonian Democracy have been violated by those who claim and profess to be his followers and yet voted for a rule that prevents debate and applies the gag to the throats of free Americans who wish to protest in the name of justice and fairness.

PROTESTS OF BOURKE COCKRAN

Members who were in the Sixty-seventh Congress surely can never forget the eloquence and learning and logic displayed by the late W. Bourke Cockran, of New York, in denouncing the method then being employed by the Republican Party to pass legislation by means of rules. In that Congress the Republicans had two-thirds within their own party ranks, and if they could muster them all by a caucus they could force anything down the throats of the Democratic minority. I can remember how under a rule the Fordney tariff bill was put through the House literally without a single amendment and, as they boasted, "without crossing of a 't' or the dotting of an 'i.'" I can hear to-day the thunderous tones of denunciation with which the rule to do this was assailed by the late Bourke Cockran. Surely his colleagues in the New York delegation can not so soon forget the statesmanship and political philosophy wrapped up in those magnificent arguments. Surely political principles, governmental principles, American principles, are something that do not rise and fall with the exigencies of each emergency. Surely our principles are to live and guide us through the mass and confusion and chaos and conflicts of daily duty.

Why could not Democrats, professing to be disciples of Thomas Jefferson, having confidence in their Representatives, say to the Republican leaders having this bill in charge something to this effect: "We are for the measure itself as written. We believe that the principle of permitting an executive department to pass upon the merits of the different cities and towns and upon the amounts to be spent in the different places, and we believe that this will make for efficiency and economy over the old omnibus public buildings bill. But we can not vote for a rule that will ram this bill down the throats of the House without permitting a word of protest from practically one-third of the Members of the House. We are for the bill but we are against the rule. Therefore, abandon the rule, bring the bill up for consideration on its merits, under the ordinary rules, and we will furnish you whatever votes you may lack on the Republican side to pass the bill."

But instead of this, Members professing to be followers of Thomas Jefferson, Members professing disagreement with the principles of Alexander Hamilton, Members representing constituencies that believe in the American principles of fairness and open discussion and full opportunity of amendment, have combined with the disciples of Alexander Hamilton to perpetrate an outrage upon the first principle of Americanism, to wit, free and full discussion.

Mr. Speaker, I am no keeper of the conscience of any man, and I am accountable only to my own conscience and to the constituents whose trust I am seeking to keep. It is a proud people that live in South Carolina. They are proud of the traditions of more than 150 years. They are proud that when principle was involved they have never taken council from expediency. They are proud never to have bent the knee before the god of Baal. They are a relatively poor people; they suffered the loss of their last dollar of property during the War between the States; they have labored and struggled and suffered since, and now the sunshine of prosperity begins to smile on every enterprise. But they would not respect me nor trust me if they found me throwing down every principle of Americanism to seek to curry favor with bureaucratic power in the distribution of public funds.

Mr. Speaker, this talk about "pork barrel" by those who are under this measure, not only seeking "pork," but see that by the way the dice are loaded they will get more than their proportionate share of "pork," is rather disgusting. Those of us who have seen tariff bills formulated realize that it is the lowest sort of "pork." It is a contest and a struggle between purely selfish interests. Every revenue or tax revision bill is indirect "pork." The fundamental proposition contained in the proposed amendment of the Hon. WILL TAYLOR of Tennessee to distribute this money amongst the States according to their needs and population has ample justification in the precedents of the Federal Government.

The number of persons that may be engaged in the civil service is prorated amongst the States according to their populations. The funds for aiding in the construction of public roads are prorated on about the same basis. Public funds for the building and repair of roads in national parks are prorated in about the same manner. Federal funds to aid in the support of what are called the "land-grant colleges" are divided amongst the States in the same way. Funds appropriated for the encouragement and development of agriculture are to be distributed against the States, and it would be unthinkable that the Secretary of Agriculture could allocate all the funds at his disposal to promote agriculture among the six States of New England. We do not believe that any Secretary of Agriculture would do such a thing. But to make the law fair upon its face we provide for an equitable and just distribution amongst the States.

Mr. Speaker, Alexander Hamilton was right when he said that if you will give to the Federal Government enough money, enough financial influence, all other power will gravitate to it. Alexander Hamilton advocated the redemption of the continental bonds at par, though many speculators had bought them at less than 10 per cent of par, in order to impress upon the people the financial power of the Federal Government. In like manner, Alexander Hamilton advocated the assumption by the Federal Government of all the State bonds issued to carry on the Revolution, and their payment by Congress at par, though speculators had bought most of these bonds at less than 10 per cent, in order to impress upon the States the financial power of the Federal Government. And so in the wake of this financial power all other power has followed. Constitutional power has been found by implication to follow financial power.

It may still be debatable whether the flag follows the Constitution or the Constitution follows the flag, but there seems no doubt that the Constitution follows and covers and protects the dollar wherever the dollar goes. So it seems Alexander Hamilton wins in this year of grace 1926, and he wins not by argument, and he wins not after debate, and he wins with the assistance of some of the professed followers of Thomas Jefferson, and he takes these Jeffersonians, blindfolds them, and leads them dumb and speechless and has them sacrificed upon the altar of American representative government, the first and simplest principle of the Jeffersonian philosophy of government.

So, Mr. Speaker, I conclude by reminding my colleagues and constituents that in view of the great urgency for public buildings I might have supported the bill if amended so as to provide for some fair and reasonable distribution of these funds among the States. But I would not support a rule to ram this bill without debate down the throats of the Members of this House. I would not support such a rule if the Democrats were in power. I would not support such a rule for any purpose and under any circumstances except in the event of war or of a dire national emergency. Because more important than public buildings just now, and more important than any particular legislation, in these days of shifting and shuffling and compromising, is the preservation of the pure unalloyed principles of the American representative government.

Mr. SWING. Mr. Speaker and Members of the House, I find it impossible to give my approval to the proposed bill, because I consider it wrong in principle and also fear that it will work out badly in practice.

The bill is wrong in principle because it constitutes an abdication of the powers and prerogatives conferred by the Constitution upon Congress and vests them in an executive branch of the Government. It is no answer to say that Congress retains a veto power through its Appropriation Committee. Congress is bound, under this bill, to appropriate $25,000,000 each year without knowing where it is going to be spent. This bill strips the Representatives elected by the people of their authority and vests it in a few bureau officials who are responsible only to some appointing power. Those of us who have been here any length of time realize the danger of the growth of bureaucracy in our Government.

Furthermore, it seems to me that the proposed plan is bound to work out badly in practice. Granting that the two or three officials who will have the actual working out of the details of this plan are honest and above influence and will be actuated solely by what they consider to be the best interests of the Government, still I fear that the Treasury Department's point of view will be governed almost entirely by the dollars and cents point of view, and that practically all of the money we are proposing to appropriate will go to the big cities where the highest rents are being charged, and that the smaller cities will get nothing. In other words, I fear

that in the administration of this law the important factor of service to the public will be ignored. The people in cities of from fifteen to twenty-five thousand population are entitled to the same quality of service as the people who happen to live in cities of from 150,000 to 250,000 population.

Out West, where I came from, there are cities which have furnished the Government splendid post-office quarters for a dollar a year. Will the public and patriotic spirit of these communities be rewarded? Not if the dollar policy prevails. On the contrary, the communities which are gouging the Government the hardest will be the first to be rewarded with new Federal buildings.

Why should we adopt the innovation proposed in this bill? Congress will not consent that the Navy Department shall determine the situation of the cost of the naval bases it will establish, nor will it consent that the Navy Department shall build ships of such kind, character, and number as it thinks necessary. Nor will Congress permit the War Department to establish permanent posts and camps where it sees fit. It has never been the policy of Congress to permit the Reclamation Service to establish projects when and where it pleased, and so, too, with the improvement of rivers and harbors. In all of these matters, Congress, while seeking the advice and recommendations of the proper Government experts, reserves to itself the right to finally determine whether any money shall be expended; and if so, how much, where, and for what purpose.

The argument is made that in the matter of public buildings Congress has abused the power in the past, and therefore the authority must be transferred to the Executive. This is the fallacy in the logic of the proponents of this bill, that we have only two choices; first, to continue the past abuses, or, second, to abdicate the exercise of the power.

But to me the remedy for an abuse of power is to cease the abuse by the exercise of greater care and judgment. This not only can be done, but it has been done. Congress created the Budget to correct an abuse which existed in the past. This was not an abdication of power. We retain the power of appropriation, but now seek, receive, and, in the main, follow the recommendations of the Budget as to the annual expenses of the Government. This has worked well.

For public buildings I could create a similar agency—a commission of experts who know the Government's building needs, and have this commission, like the Budget, recommend to each succeeding Congress the Federal needs for public buildings, and to this commission should be referred all building bills for report. I am sure it would be a very difficult matter, if not an impossibility, to thereafter get through Congress a proposal for building which had no merit. The recommendations of this commission would carry great weight, and would in the main be followed by this House, yet we would preserve to ourselves the prerogatives which the framers of the Constitution intended we should exercise, only we would exercise those prerogatives with discretion and sound judgment.

I am as much against the "pork barrel" system of building public buildings as anyone, but I deny that because this authority has been abused in the past we to-day should write ourselves down as incompetent and not trustworthy to exercise it. I shall, therefore, vote against the bill.

Mr. DICKINSON of Missouri. Mr. Speaker, a year ago I spoke and voted against the public buildings bill, practically the same as the one now up for passage. That bill in the Sixty-eighth Congress carried an authorization for $150,000,000. It passed the House, but failed of consideration in the Senate. This pending bill calls for the expenditure of $165,000,000, of which $50,000,000 is to be expended in the District of Columbia, $15,000,000 for bills heretofore authorized, as provided in section 3 of the bill, and $100,000,000 in the different States of the Union, not more than $25,000,000 to be expended annually—$10,000,000 in the District of Columbia and $15,000,000 in all the rest of the United States; of the $100,000,000, over the sum of $72,000,000 to be expended on new projects in six States—namely, New York, $21,170,000; Illinois, $15,530,000; California, $10,365,000; Massachusetts, $9,565,000; Pennsylvania, $9,260,000, and Connecticut, $6,530,000; total, $72,420,000—favored States, mainly in the large cities; and none of the $100,000,000 in the estimates in 20 States, to wit: Colorado, Delaware, Idaho, Iowa, Kansas, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, South Carolina, Oklahoma, South Dakota, Vermont, Washington, and Wyoming, all left out.

The bill seeks to take care of the large cities and let the small cities wait. Why should I not vote against this selfish, centralized, rank, bureaucratic bill sought to be passed under gag-rule methods, with only 25 minutes' debate permitted in opposition without right of amendment.

The needs of the District of Columbia are well cared for; the building projects authorized by former legislation long ago are looked after, but no assurance for building sites in small cities, while the big cities are liberally provided for and the smaller cities and towns are shut out. By the passage of this bill under pressure of the administration, Congress surrenders the power it has exercised since the adoption of our Federal Constitution, and this power with a lump-sum appropriation is turned over to subordinate officers in the Treasury Department. Debate on this bill, providing for expenditure of $165,000,000, limited by gag-rule methods to 50 minutes without power to amend or to recommit the bill. The administration says through its spokesman here, this or nothing. Surrender your power of control, so long exercised in the past by the representative branch of the Government, or a veto. The bill passed in 1913 carried $40,000,000. A failure to pass any general bill since that date, due in part to the war, and later to the surrender demand, has caused the needs of the Government to multiply, while millions of dollars are paid in rents.

This bill seeks to continue the policy of centralization. No further selection by Congress of the cities where Federal buildings should be built, no further limitation of the amount to be expended for such buildings and sites, but lump-sum appropriations to be made without the safeguards heretofore exercised. The net revenues gathered in the smaller cities go to the large cities and sections favored in the bill. It means an abject surrender by Congress to the executive department and a long delay, an increasing centralization of power and control of the purse of the Nation in order that bureaus of the departments may exercise a power not contemplated in the Constitution.

I owe it to my district and the cities therein needing these public buildings, to my State, to my country and representative Government, and to my oath of office to oppose this unjust bill called the Elliott public buildings bill, but written at the demand of the administrative department.

When this wrong act becomes a law the Public Buildings Committee should be abolished, having been robbed of all power except to register the orders of departments, no longer taking its orders from Congress but from the bureaus of the executive department. Clause 7 of section 8 of Article I of the Constitution provides that—

> The Congress shall have power to establish post offices and post roads.

This power, exercised from the beginning, Congress now surrenders under executive pressure, and representative government surrenders to increasing centralized authority—given lump-sum appropriations to use without the safeguards heretofore thrown around such expenditures.

Twenty-five million dollars annual rents, annual expenditures for building construction in the United States at large restricted to $15,000,000, and that in favored sections, nearly eight-year program—five-year program for the District of Columbia. It is estimated that the building construction in the entire United States for 1925 amounted to $6,600,000,000. The Government is collecting from the people annually over $4,000,000,000 in taxes and expending over 80 per cent for war purposes, past and to come, and, with the mails having increased 700 per cent in volume and weight, is unwilling to permit construction for reasonable accommodations for moderate buildings in the smaller cities, whose excess revenues are sent elsewhere, preferring to continue payment of millions in rents.

I must keep faith with those who have honored and trusted me. I refuse to support this bill so unjust—that refuses to meet the needs of 20 States and is to spend over 70 per cent in 6 States. If this bill becomes a law, I shall continue to press, with others, a demand for other legislation to care for these neglected smaller cities.

Since the passage of the last public buildings bill in 1913 the growth of the country in population, in wealth, and in business, has largely increased; also the demand for enlarged and better facilities of public business. The earnings of the Post Office Department in the last 10 years have more than doubled. The estimated aggregate wealth of the entire United States is $360,000,000,000, centered largely in great cities. Favored classes, sections, and cities, where the wealth of the country is so largely centered, seem willing that the will of the Secretary of the Treasury shall be substituted for the will of Congress.

The responsibility for this surrender rests largely with the majority party now in control. These public buildings bills are introduced by Members of Congress to meet the demands

and needs of the communities where public buildings should be erected, and the attempt to cast odium upon them is a reflection upon the citizenship to whom the Government owes a duty and whose wishes Congressmen seek to carry out.

The last general or omnibus bill passed Congress in 1913. No Member of Congress has been able to secure the enactment of any law providing for a public building in his district since that date. All individual bills of necessity must go into a general or omnibus bill. Prior to 1913, Congress every two years passed a general bill of about the same amount as in 1913. Just before the war, in January, 1917, the House passed an omnibus or general bill carrying $62,000,000. It died in the Senate. In February, 1919, just after the war ended, the Committee on Public Buildings and Grounds reported a similar bill, opposed by the executive department; it died on the calendar. These bills made provisions for buildings in all sections of the country, including my own State of Missouri, and the several districts therein. A bill similar to the pending bill passed the House in 1925 but failed of passage in the Senate. The fate of this pending bill will be finally determined in the Senate. The necessity for Federal buildings in all sections of the country has grown immensely by reason of a failure to pass a general bill for 13 years.

The pending bill is generous to the District of Columbia, but negligent of the rights of the United States outside of the District. A reasonable apportionment of the $100,000,000 among all the States should have been made in this bill. This pending bill is not the honest judgment of the House nor of the country, but the result of the pressure from Executive power that has been paying about 25 per cent of that amount each year for rents or in the aggregate in 13 years over $300,000,000 in rents to house the activities of the Government.

Private and corporate business own their own buildings. Why not the Government? Twenty million dollars annually expended for public buildings would have taken care of the demand and stopped the enormous rental expenditures. It is like perpetuating the public debt and paying far more in interest than the principal debt amounts to. Besides, you are breaking down representative government, saying to the people of the several States, "You shall not demand your rights through your representatives in Congress, but you must appeal with hat in hand to departmental officials for favors that you have a right to demand of Congress." They pay the taxes and they should have some say through their representatives as to the expenditure of public moneys.

I refuse to support any bill or measure so partisan in its nature and so antagonistic to the principles upon which our Government was founded and that invites support from favored sections and locations, failing to do justice to all sections, and that is so abject a surrender to the executive of a right wrung from reluctant royalty 300 years ago in old England, and reasserted time and again in our Republic of the United States. "Coming events cast their shadows before." Representative government is threatened by the ever-increasing executive power. The contest will go on between the followers of Jefferson, who believed in the right of the people to control the Government through a representative democracy, and those who follow the teachings of Hamilton, who did not believe that the people were capable of self-government and believed in a strong centralized Government.

Mr. WARREN. Mr. Speaker, this bill carries an appropriation of $165,000,000. Of that amount $50,000,000 is for the erection of public buildings in the District of Columbia and $15,000,000 is for unfinished projects. The remaining $100,000,000 is to be spent in the country at large, yet there are at least 20 States that will not receive any of it. A radical departure is made in the method of locating the cities where new buildings are to be erected. Under this bill the power of location is placed solely in the hands of the Secretary of the Treasury and the Postmaster General.

I would be opposed to this bill were it sponsored by a Democratic administration. It is an abject surrender on the part of Congress of a plain duty vested in it, and it is one of the last steps we can take in making centralization complete. We have become a Government of commissions and bureaus; and if Congress is as unpopular in the country as the press would have us believe, are we not responsible for that condition when we are continually abdicating every legislative function that we should jealously guard?

I know, Mr. Speaker, that it is not considered fashionable in this day and time to speak out against the trend that has almost engulfed us, but the Democratic Party loses its greatest opportunity when it fails to contest vigorously, inch by inch, this encroachment, and to smite it wherever it sticks up its head. And yet this bill is going to be possible to-day because of votes from my party, and because it contains a little sop for uncompleted projects that would have to be included in any bill that we might pass on the subject. Oh, they say the old method of letting Congress itself locate the cities in which buildings should be erected is "pork." That is the age-old cry when a bureaucrat desires more power. "Pork" they call it, and yet there has not been a public building bill passed in the last 13 years. As was so pointedly stated by the minority leader, is there a Member here with temerity enough to arise and say that any building located in his district under the old system ought not to have been placed there?

Like many other districts, there are towns in mine that are needing and demanding public buildings. I claim that I know more about their needs and conditions than either the Secretary of the Treasury or the Postmaster General. At Edenton, a growing and thriving little city, the Government purchased a site in 1916. Congress committed itself to erect a public building there, and its citizens are both demanding and expecting it. In any omnibus bill passed by this Congress, so strong are the claims of Edenton that a building would have been assured. And yet, if the pending bill becomes a law, then we must supplicate ourselves before another bureau and beg it to do something that we passed the buck on. Of course, Mr. Speaker, I am one of those who will swallow my pride and go down there with hat in hand and beg for something that, as a matter of right, I am entitled to.

I do not know of any measure it gives me greater pleasure to vote against than this bill. It is repugnant to my ideas of government; and if I know myself, I shall not be found voting to surrender the rights that the American people expect us to exercise.

Mr. GREENWOOD. Mr. Speaker, while we have under consideration the expenditure of millions of dollars for the construction of public buildings in the District of Columbia and throughout the United States it seemed to me most appropriate to call my colleagues' attention to the building qualities of Indiana limestone. This natural stone has been used quite extensively, and because of its great merit for durability, artistic elegance, and economy will be used more in the erection of public buildings. Oolitic of finest quality is one of the great natural resources of Indiana, located in Lawrence, Monroe, and Owen Counties, and is known as Indiana limestone, and sometimes called "Bedford stone." It takes its name, oolitic, from two Greek words meaning egg and stone; the little shells of which it is composed resemble fish eggs. It is the product of an age when Indiana was a great inland sea and these tiny oysters or clams died by the millions and their shells were deposited in stratas from 40 to 75 feet in depth, and from which the great blocks of stone are now sawed and then taken to the mills, where it is sawed, sized, and dressed by diamond-toothed saws.

Limestone from Indiana is 97 per cent pure in carbonate of lime and has but a small proportion of silica, magnesia, and oxide of iron, and this gives it almost perfect resistance of corrosive gases and acids contained in city smoke-laden air. This is a most valuable quality for permanence in buildings. It is because of the workability, the permanence and pleasing appearance of this stone, that it has held the leadership among building stone wherever it is available at all.

Since we are now entering upon a much-needed program of public building, why not utilize the experience of the past, and use a material that will stand the test of the centuries? Builders of all time have discovered that oolitic limestone meets the requirements for durability. Beginning with the Pyramids of Egypt, the Temples of Karnak, Greek, Roman, and modern structures have been erected from this stone. St. Paul's Catherdal of London, built of English limestone is historic, beautiful, and venerated, and a great creation of architecture, yet this English limestone is but a poor second in quality to the deposits found in Indiana.

Here in our Capital City we have several public buildings and many beautiful residences that are testimonials of the value and beauty of this stone. The interior walls of our office buildings, the chamber of commerce, Veterans' Bureau, and many bank buildings, along with many residences are monuments of the perfection of Indiana limestone. Among the many residences of this city, on Massachusetts Avenue is the Wilkins residence now occupied by Mr. Mellon, Secretary of the Treasury; also the beautiful residence on Sixteenth Street offered by Mrs. Henderson for the use of the Vice President. There are many more.

On Mount St. Albans there is under construction the great cathedral, one of the dreams of George Washington, a national religious shrine. This is a proper memorial to the religious spirit of our country and is built for the ages. According to the booklet describing its plan and purposes, it is said to be built to stand 10,000 years. It is being built of Indiana lime-

stone, a material upon which the climate, weather, or the elements have a very little appreciable deteriorating effect.

I am much interested in this building program to know that our country shall obtain value received in the material and construction of these public buildings. Also that these structures shall have beauty and qualities of permanence. On North Sixteenth Street, in this city, stands the elegant Scottish Rite Temple, also erected of Indiana limestone. This is an attractive edifice, being outstanding in magnificence, and in the words of Wordsworth may be described—

> Dull would be he of soul who could pass by
> A sight so touching in its majesty.

In the business world are many specimens of buildings erected for commercial purposes that have put Indiana limestone at the top of the list as a permanent and economical material for construction. The Grand Central Terminal Station of New York City is one of the greatest building projects of modern times. It was George W. Vanderbilt, a director, who became so interested in Indiana limestone as a building material in connection with this station, that he also erected his New York residence, named Biltmore, out of the same material. I can not recount all, but a few commercial buildings are the Cunard Building, Standard Oil Building, New York Cotton Exchange, and in Chicago is the Tribune Building, the Strauss Building, and the University Club. Of the 12 reserve banks 7 are housed in buildings constructed of Indiana limestone, and in one other it is used in connection with other material.

There are five State capitols constructed of Indiana limestone, including the one at Indianapolis, in the State where mother nature bestowed the blessing and material resource of this deposit of stone.

The capitol of Indiana was erected about the year 1880 at an approximate cost of 80 cents a cubic foot, and it is an outstanding circumstance that the same kind and quality of stone would cost no more to-day, and this in face of the facts that labor costs, freight, machinery, and all overhead charges have increased many times. The increased charges have been offset by the improvements in machinery and facilities to quarry, handle, saw, and dress this stone with an increased output that has taken care of these increases of cost. Thus the employees and the public get the benefit of these improvements of discovery, invention, and efficient management.

The aggregate output of these Indiana quarries is approximately 11,000,000 cubic feet, at an average cost of 65 cents per cubic foot, making a total annual value at the quarries of $7,000,000, and to which should be added for milling and shaping a cost of from $2 to $6 per cubic foot. There is much fine carving of stone that can not be calculated by the cubic foot. Indiana furnishes about 40 per cent of all exterior building stone in the United States. And this is another good and sufficient reason why the Representatives from Indiana believe that we should have a building program for the construction of Government buildings. We desire the public buildings to be erected of a material that will stand with good appearances. In the centuries that are to come they will be the monuments of this age. Of course, granite is as permanent and marble is as beautiful, and we admire these materials, but bear in mind they are much more expensive. With Indiana oolitic stone a century is more like a year to the softer stones and imitations that are being mistakenly used.

Think of a building stone that is thirty-five times as strong, as is necessary to bear the load. Indiana limestone has a strength of 7,000 pounds per square inch on 2-inch cubes, and more on larger stone, and this is twice the strength of the best quality of concrete. Washington's Monument has a pressure of but 313 pounds per square inch on its foundation, and Indiana limestone is possessed of twenty-three times the strength required in this monument, which is conceded to be the highest and greatest piece of solid masonry in the world.

Indiana limestone has great fire-resisting qualities. It can be heated to 1,000° F. and then drenched with water without any appreciable bad effect, and when stained by smoke or by smoke and water, can easily be restored to its original color by scouring and rubbing.

Oolitic limestone comes in three colors. The buff is of fine texture and used extensively. After standing a while it assumes a beautiful yellowish gray and continues to mellow with the years. This color comes from the upper strata of the ledge. At the lower portion of the ledge the gray limestone with depth of tone in the silvery hazy gray shade, which is also pleasing to the eye. Between these two extremes, and mixed with both, is the variegated limestone, which is also now being used extensively, depending upon the tastes of the builder and the nature of the building.

It seems a great pity that substitutes and imitations should be used when the Creator has given to man building material of rare beauty and permanence that has been under the tempering processes of the forces of nature for untold ages, and which can not be approached by man's mechanical processes.

Let the age in which we live be wise enough to avoid the mistakes of our fathers in building public buildings out of softer and inferior material, that will not stand. When we examine the original portions of the Capitol and the White House, and with remorse know they are but a trifle over a century in age, and see their deterioration, we appreciate what a disappointment it is that they were not constructed of granite, marble, or limestone. To oolitic limestone and the harder stones in comparison a century is more like a year to the softer stones. Indiana limestone was intended for the ages; it is the Nation's building stone.

Solomon in all his glory, when he built the temple, had no material superior, and most of it not so good, as what we have available to-day. Egyptian limestone contained chemical elements that reduced its resistive quality to moisture and acid-laden atmospheres. Yet the Great Sphinx, the Pyramids of Gizeh, the Sun Temple of Abusir, and the Temples of Karnak have been standing for thousands of years and are built out of limestone. The tomb of the Pharaoh Tut-ankh-amen is cut in the solid ledge of limestone; though inferior to Indiana limestone, it has preserved the buried treasure for 3,500 years. The purity of Indiana limestone makes it practically immune to the action of the frost, moisture, and other climatic and destructive elements.

I am for this public buildings bill because I see the Government departments here in the Capital and elsewhere scattered through houses that are unsightly, unhealthy, void of convenience and beauty, and which subject the life of employees and the public records to the hazard of fire. We are reputed to be the richest nation in the world and are engaged in constantly reducing taxes on the incomes in the higher brackets.

It strikes me that in this golden age of commercial supremacy, when gigantic fortunes are being accumulated, that the government which furnishes the protection, stability, and opportunity to this material progress should not be neglected and abandoned until its activities are more poorly housed than those of the private beneficiaries of America's material blessings. Furthermore, our Government is paying out immense sums for rent and getting poor returns for the money. We are sadly in arrears on our Government housing, and I approve the proposed program continued through the years. These buildings should be built where they are most needed and where the income, return, and service will justify. I believe that this is administrative function rather than a legislative one.

In this connection we might emphasize that this money spent will not only secure these necessary housing facilities, but the money spent will not be lost if American materials are used and American labor is employed. It will furnish employment in the quarries, the mills, the railroads, and on the construction, and will thereby be a clear accumulation of productive wealth. The spending of money for buildings that are needed to conduct the activities of our Government is a production of permanent value and wealth. The Government, like the people, should be well housed.

Indiana hopes to share in this great building project and wants to contribute of her natural resources to help enrich the Nation and also increase the comfort and happiness of her own people thereby. We can not believe that this is an unholy desire.

If these public buildings are constructed by virtue of the so-called Elliott bill, which I supported, then they should be built of a material of strength, durability, and beauty. To have all the elements of successful construction, to meet the requirements of not only this age but the future generations, to obtain the satisfaction of having buildings of which we can always be proud as to looks and permanence, and to do this at a reasonable cost, in which value is received for the expenditure, I would recommend that these Government buildings be constructed of Indiana limestone, the Nation's building stone.

Like the Constitution of the United States, we want to erect our buildings for the ages, and we can build the Nation securely and permanently with Indiana limestone in the Government's buildings. Indiana limestone is "The aristocrat of the building materials," and in the short space of one-half a century has become the Nation's building stone.

Mr. THATCHER. Mr. Speaker and gentlemen of the House, I earnestly favor the passage of the bill now under consideration, entitled "A bill (H. R. 6559) to provide for the construction of certain public buildings, and for other purposes."

I desire to indicate a few of the reasons why I am supporting this measure.

First. There have been no new public buildings erected for the past 10 years or more, and the great increase and extension of governmental activities—especially in postal operations—render imperative the need for the immediate enactment of a measure which will inaugurate a public-buildings program. This bill meets this situation.

Second. The methods provided for in this bill are similar to those now in effect as to river and harbor improvement. Certainly the present procedure as to river and harbor improvement is vastly superior to the old so-called "pork-barrel" plan, where Congress alone dealt with the subject. Of course, as no human device can be altogether ideal, the present measure, if enacted into law, may not prove ideal; yet I believe that it will constitute a great improvement over the old system. The determination of the relative needs concerning the construction of new Treasury and Post Office buildings should be largely an administrative matter; and the Secretary of the Treasury and the Postmaster General, in the very nature of the case, are in better position to determine which are the more emergent needs than are any other officials of the Government. This for the reason that their supervision and contact with Treasury and postal operations give them the intimate and constant touch so necessary to a wise decision in such matters.

Third. By the provisions of this bill Congress does not surrender its power or jurisdiction over the subject involved. By these provisions Congress only delegates a certain portion of its power to these Cabinet officials, and makes this delegation for the reasons just indicated, as well as for other related reasons. In the last analysis Congress must make the appropriations necessary to carry out the provisions of this act, and thus retains the power of approval and supervision which has always been inherent in Congress in dealing with this subject.

Fourth. Judging by the experience of the past 10 years, it is practically impossible to secure any public buildings bill of any adequate character under the old system. The plan embraced in the pending measure is certainly worthy of a trial. If the authority delegated by this act to the administrative officials involved should be abused, Congress can repeal or modify the act. The determination of where a public building is most needed is an administrative rather than a legislative function, though under this bill, in its practical effect, it is made a joint legislative and administrative function.

Fifth. The bill authorizes an expenditure of $165,000,000 for a public-building program to extend through the ensuing five years, $50,000,000 of which shall be available for projects in the District of Columbia, not more than $10,000,000 thereof to be expended annually. The remaining sum of $150,000,000 thus authorized is for construction of buildings in the country outside of the District of Columbia, and will be expendable at the rate of not exceeding $25,000,000 per year. Section 1, which outlines the general scope of the bill, is as follows:

That, to enable the Secretary of the Treasury to provide suitable accommodations in the District of Columbia for the executive departments, and independent establishments of the Government not under any executive department and for courthouses, post offices, immigration stations, customhouses, marine hospitals, quarantine stations, and other public buildings of the classes under the control of the Treasury Department in the States, Territories, and possessions of the United States, he is hereby authorized and directed to acquire, by purchase, condemnation, or otherwise, such sites and additions to sites as he may deem necessary, and to cause to be constructed thereon, and upon lands belonging to the Government conveniently located and available for the purpose (but exclusive of military or naval reservations), adequate and suitable buildings for any of the foregoing purposes, and to enlarge, remodel, and extend existing public buildings under the control of the Treasury Department, and to purchase buildings, if found to be adequate, adaptable, and suitable for the purposes of this act, together with the sites thereof, and to remodel, enlarge, or extend such buildings and provide proper approaches and other necessary improvements to the sites thereof. When a building is about to be constructed on a site heretofore acquired and such site is found by the Secretary of the Treasury to be unsuitable for its intended purpose, he is hereby further authorized and empowered to acquire a new site in lieu thereof by purchase, condemnation, exchange, or otherwise, and to dispose of the present site by public sale and to execute the necessary quitclaim deed of conveyance: *Provided*, That in carrying into effect the provisions of this act, in so far as relates to buildings to be used in whole or in part for post-office purposes, the Secretary of the Treasury, under regulations to be prescribed by him, shall act jointly with the Postmaster General in the selection of towns or cities in which buildings are to be constructed and the selection of sites therein.

The Secretary of the Treasury is authorized to carry on the construction work herein authorized by contract, or otherwise, as he deems most advantageous to the United States, and in case appropriations for projects are made in part only, to enter into contracts for the completion in full of each of said projects.

In all cases where the construction of buildings in the District of Columbia, under the provisions of this act, requires the utilization, in the opinion of the Secretary of the Treasury, of contiguous squares as sites thereof, authority is hereby given for closing and vacating such portions of streets as lie between such squares and such alleys as intersect such squares, and the portions of such streets and alleys so closed and vacated shall thereupon become parts of such sites.

Sixth. The bill fully conforms to the Federal Budget system now in force. Section 4 provides as follows:

The Secretary of the Treasury shall submit annually and from time to time, as may be required, estimates to the Bureau of the Budget, in accordance with the provisions of the Budget and Accounting Act, 1921, showing in complete detail the various amounts it is proposed to expend under the authority of this act during the fiscal year for which said estimates are submitted.

In turn, the Bureau of the Budget will submit to Congress these estimates in the usual way; and in the usual way they will go to the Appropriation Committees for consideration and for action thereon.

Seventh. Under the existing order of things there must be a special bill authorizing the appropriation of funds for the construction of any new Federal building, or a bill of omnibus character embodying in detail the authorizations for new Federal buildings. The pending bill obviates this necessity and permits the Secretary of the Treasury to initiate the work of providing for new construction as set forth in section 1, just quoted. Thereupon, Congress, agreeably to the provisions of this act, may provide, in the accustomed manner, for the necessary appropriations for such work. Thus is provided a quick and salutary method of handling a public building program.

Eighth. A commendable feature of the act is carried in the last paragraph of section 5. This paragraph reads as follows:

In carrying into effect the provisions of this act, if the Secretary of the Treasury deems it to be to the best interests of the Government to construct Federal buildings to take the place of existing Federal buildings, he is hereby authorized to cause the present buildings to be demolished, in order that the sites may be utilized in whole or in part for such buildings, or where in his judgment it is more advantageous to construct a Federal building on a different site in the same city, to sell any such building or buildings and the site or sites thereof, at such time and on such terms as he deems proper, and to convey the same to the respective purchasers thereof by the usual quitclaim deed, and to deposit the proceeds of the sales thereof in the Treasury as miscellaneous receipts.

By the provisions of this paragraph the Secretary of the Treasury will be enabled to make sale of present post-office and other Federal structures where, for reasons of greatly increased real-estate values and inadequacy of accommodations for Federal activities, such sales are desirable, and the purchase of new sites and the construction of new and adequate buildings thereon shall become necessary.

There are a number of places in the country at large where public buildings have become grossly inadequate because of greatly increased Federal activities; and where the present sites and structures, because of greatly increased real-estate values, may be sold at much more than the original cost thereof, and new sites and new and adequate structures erected at substantially the same amounts as will be thus derived from such sales. One of these places is Louisville, Ky., and this is cited as an instance in point.

The post-office building at Louisville is situated on Fourth Street, which is the principal retail street of the city. Real-estate values on this street have rapidly increased during the past several years, and this structure and the land on which it stands can be sold at a very high price—much more than the original cost to the Government. The present building is antiquated and wholly inadequate to meet the greatly increased demands imposed by present-day Federal activities at Louisville. Thus, the Federal Government is paying out more than $60,000 a year in rentals there for the housing of the Veterans' Bureau regional office, the parcel-post station, and other activities. This rental sum capitalized at 4 per cent would result in a capital of one and one-half million dollars

All of the Federal activities at Louisville, with the exception of the outlying postal stations—whose locations are determined by geographical and service considerations—should be housed in a single building. Thereby overhead or administrative costs will be saved, not to speak of the heavy rental costs involved by

separated activities. The present Federal building at Louisville, and the site on which it stands, will bring upon sale something between two and three millions of dollars. I recently filed with the Secretary of the Treasury a written upset offer for this property made by the Fidelity & Columbia Trust Co., of Louisville, one of the leading financial institutions of the South, of $2,000,000. This offer binds the trust company to purchase this property at this sum any time during the period of six months from the recent date of its filing, if the Government elects to accept it. On the other hand, the Government is not bound by the offer. It was made because the retail and shopping interests of Louisville would like to have this site utilized for strictly business purposes. In all probability the property will, if sold, yield a figure of more than $2,500,000. All near-by property on this street indicates that this valuation of the Federal property is not too high.

The Treasury Department, after a careful investigation of the situation, estimates that a new site can be purchased and a new Federal building can be erected at Louisville for the total cost of $2,600,000. Such new building would be conveniently located—though on a cheaper site—and would be sufficiently commodious to house all of the Federal activities there, including the Federal courts, and thoroughly sanitary in all respects. I recently introduced at this session a bill entitled "A bill for the purchase of a site and erection thereon of a public building at Louisville," known as H. R. 6517.

This bill authorizes the Secretary of the Treasury to sell the present post-office building and site, and to acquire a new site, and to erect thereon an adequate structure to provide therein for all of the necessary Federal activities in Louisville, at a limit of cost not to exceed $2,600,000. This bill is now pending before the House Committee on Public Buildings and Grounds. If the general public buildings bill, now under consideration by Congress, becomes a law, the Secretary of the Treasury will have the authority to act administratively as regards the Louisville situation; and will have the power to sell the present post-office property and to acquire a new site and build thereon a new and adequate structure. It is believed that the sale of the present property will fully pay the cost of a new site and structure. What is said of the Louisville situation is also true of situations of like character in other cities of the country. The Secretary of the Treasury, of course, will have to be governed by what these situations seem to require; but he can deal with them in a direct way, because by the terms of the bill they become administrative matters. Thus, will be simplified questions of this character, and thus will be obviated the necessity for consideration by Congress and its committees of special bills dealing with such situations where there is practically no net outlay to the Government involved.

These are some of the reasons why I am supporting the bill under consideration. I believe that it is possible to enact this measure into law at this session; and I do not believe that it will be possible to enact any different kind of measure providing for a public-buildings program at this session. The work of constructing new public buildings should begin at the earliest possible moment. The enormous total of rentals which the Government is now paying because present Federal buildings are wholly inadequate to house governmental activities renders the immediate inauguration of a comprehensive building program a matter of the strictest economy.

I trust and believe that this measure will soon be enacted into law.

Mr. LOZIER. Mr. Speaker, I regret that I can not consistently support the pending measure, known as the Elliott or administration public buildings bill. It is being forced through the House under a suspension of the rules, which only permits 50 minutes' debate, 25 minutes on each side, which, as everyone knows, is practically no debate at all, considering the fact that the bill authorizes an expenditure of $165,000,000 for public buildings within the next six years. As the 25 minutes for debate allotted to the opponents of this measure was consumed or controlled by members of the Public Buildings Committee, I will avail myself of the right given Members to extend their remarks and to state therein their views on this legislation.

The present bill is the worst "pork barrel" measure ever passed by the Federal Congress, because it makes no provision for any public buildings in Missouri and 19 other States, mostly in the Middle West.

It authorizes the expenditure of $165,000,000 in the next six years, but $50,000,000 of this amount must be expended in the District of Columbia, and the remaining $115,000,000 is to be spent in the big cities in 28 States. Of this last amount, $72,000,000 will be expended in six States. So this is not a nation-wide public buildings bill, but in the last analysis is a project to enable a few big cities and a half dozen States to "hog" all the building funds of the Government for the next six years.

I can scarcely find words to express my contempt for this obnoxious and discriminatory measure. It takes public funds, collected by taxation in 48 States, and spends the major portion of these funds in 6 States, and denies 20 sovereign States any participation in the public-buildings program for the next six years. As a result of this bill a few great cities in a few States will monopolize the $115,000,000 to be expended outside the District of Columbia. This bill is not fair to my district. It is not fair to any district in the State of Missouri. It is not fair to my State. It is not fair to 20 great sovereign States, in each of which the need for public buildings is as great as in the six States where this enormous fund is to be expended.

As a business proposition, and from the standpoint of economy, the Government should adopt a public-buildings program. According to the testimony of First Assistant Postmaster General John H. Bartlett, at the present time we are occupying 1,171 Government buildings and 4,720 leased buildings. The total rentals paid by the Government on these leased buildings amounts to about $25,000,000 annually. This rental represents more than 4 per cent interest on $600,000,000, while with about $200,000,000, the Government could own public buildings and get rid of a rental of $25,000,000 each year, and which rental is rapidly increasing from year to year.

The rent the Government is now paying on leased buildings will in eight years amount to a sum sufficient to construct Government buildings in practically every city in the United States where the postal receipts equal or exceed $10,000 annually.

I do not favor expensive, monumental buildings, but advocate practical commercial or utilitarian structures sufficient to supply the needs of a community. Instead of spending $100,000 for a monumental building in one city it would be better business to divide this sum among four cities, giving to each a building with sufficient space, light, and equipment to serve the public needs without wasting public money in extravagant ornamentation. Those engaged in industry and commerce erect structures for service and not for display. I think the Government should pursue this policy, and by so doing the Federal activities throughout the Nation can be comfortably housed and millions of dollars rental saved each year.

This bill is not based on a sound and wholesome policy. It represents a radical departure from the fundamental principles of our Government. It affords convincing evidence that we are drifting rapidly toward a bureaucratic form of government. It confers on Cabinet officers powers that our constitutional fathers would never have consented to vest in administrative officers. It stretches our organic law far beyond the breaking point. It rashly ignores and rudely defies the wise and wholesome checks and balances in our Federal Constitution which equalize and adjust with wonderful precision the respective powers of our legislative and executive departments.

George Washington, James Madison, and Alexander Hamilton would have been astounded and shocked beyond expression had such a proposition been suggested to them when they were formulating our Federal Constitution. The policy reflected in this bill is contrary to the spirit and genius of our institutions. It goes far beyond any of the implied constitutional powers on which Chief Justice Marshall bottomed his decisions which transformed a confederation of States into a strong National Government.

By this bill, Congress, one of the three coordinate branches of our Government, basely abdicates its constitutional functions and with unprecedented servility transfers to a Cabinet officer powers which the Constitution expressly conferred on the legislative branch of our Government.

Under our Constitution, we have three distinct and entirely separate departments of Government, the executive, the legislative, and the judicial. The Constitution confers certain specific powers on each department and protects each department in the exercise of its powers and from encroachment by either of the other departments. It is unthinkable that the executive powers should be usurped by either the legislative or judicial departments; or that the powers of the judiciary should be exercised by the executive of the legislative departments; or that the constitutional powers of the legislative department should be usurped by either the executive or judicial branches of our Government; and no man is a good citizen who justifies or advocates the encroachment by either one of these departments on the constitutional prerogatives of either of the other departments.

This bill drops into the hands of the Secretary of the Treasury $150,000,000 to spend in a few favored cities and States with practically no limitations or restraints. The principle embodied in this bill is that Congress shall levy and collect taxes and turn the proceeds over to a Cabinet officer to spend when and where he may deem proper. If this becomes a national policy, Congress will soon be called upon to turn over to the Cabinet officers funds sufficient to defray the governmental expenses for a year, to be expended by the Cabinet officers when, where, and how they may determine, without restraint or limitation.

Not one-fourth of the Members of this House favor this bill deep down in the secret recesses of their souls, but are privately opposed to this bill because it embodies a vicious principle.

Those who have this bill in charge tell us that we must take this bill or nothing, and that the President has announced that he will veto any other bill Congress may, in its judgment, enact. Since when, under our form of government, has the President been clothed with such autocratic and arbitrary powers? This bill gives my district nothing, although the project in Trenton, a city of 8,000 population, has been long approved, and where the Government has owned a lot for 16 years.

This bill gives nothing to any city in my district and nothing to any of the other districts in Missouri. It gives nothing to the States of Arizona, Colorado, Delaware, Idaho, Iowa, Kansas, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Vermont, Washington, or Wyoming—20 States in each of which there is great need for post-office buildings and in many of which there are numerous approved projects.

In the last analysis this is a bill to enable a few large cities to "hog" the funds appropriated for the erection of public buildings for the next six years. You Members from the rural communities, from the rapidly developing South, from the great Middle West, and from the Pacific coast, lay not the flattering unction to your souls that your district will get any part of the $115,000,000 to be expended outside of the District of Columbia under the provisions of this bill within the next six years, because the so-called approved projects in a few favored States will more than consume the funds carried by this bill.

If the constitutional powers of Congress are to be transferred to and exercised by Cabinet officers, then tear our Constitution to tatters, abolish Congress, and establish a bureaucratic form of government. If the Cabinet officers are to be given full power to spend the revenues raised by taxation, why not give these same Cabinet officers power to levy and collect the taxes which they are permitted to expend in their discretion? If Congress is to be shorn of all of its powers, there is no longer any excuse for its existence, and it should be abolished and the American people should pass under the rule of a benevolent despot. Why retain Congress after the Executive branch of our Government has usurped the substance and left only the shadow of its legislative power?

If the emasculation of our Federal Constitution continues; if the executive department continues to encroach on the prerogatives of the legislative branch of our Government, in no distant day some President of the United States will follow the example of Louis XIV, who in hunting costume, booted and spurred for the chase, with riding whip, entered the French Parliament and arrogantly informed the members that he sent his decrees to Parliament to be registered and not to be discussed or debated.

I appeal to the Members of this House to vote against this pernicious bill that strikes at the orderly administration of constitutional powers, renders impotent one of the coordinate branches of our Government, and violates the letter and spirit of our organic law.

Mr. MORROW. Mr. Speaker, public building bill H. R. 6559 places the selection of locations where public buildings shall be built in the hands of two members of the Cabinet; the Secretary of the Treasury and the Postmaster General.

At the first glance it would appear that this was in the interest of the economical policy of the Government by placing this power in the hands of officials who had to do with the expenditures on the one hand and the necessities for public buildings for the convenience and accommodation of the citizens on the other hand. Could this principle be carried forward successfully under this bill, to meet the two above-mentioned conditions, then this bill would be directly in the interest of the public. However, under political conditions and manipulations in use to-day, such results can not be expected. In the humble opinion of the Representative whose State will not receive one penny from this measure, it demonstrates again the growing power of bureaucracy in government. That is, that Congress no longer controls the exenditure of public money or the policy of the Government, but the functions of government are becoming more and more concentrated in the heads of the departments, and instead of being carried out as a function of government, and in the interest of all the people, the policy of the Government is now being exercised for some of the people, and those that the Government through its bureau heads shall select.

There could be no criticism of a public building bill that presented upon its face that the $100,000,000 to be expended would be expended in the proportion that each State should be entitled to. All the States must bear the burden necessary to repay the expenditures; then the question arises, Why impose this burden upon all in what is called a public building bill when, in fact, it is a bill to take care of the Government buildings in the District of Columbia and those centers where the congressional delegation has the votes to carry the program through Congress.

Of the bills introduced for post-office buildings in New Mexico, the receipts of each were as follows for the calendar year 1925: Clovis, $29,332.82; Silver City, $20,311.52; Deming, $16,756.18; Gallup, $28,180.90; Tucumcari, $15,154.83; Las Vegas, $26,564.64; and Raton, $30,884.34. New Mexico has had erected Federal buildings at Las Cruces, Albuquerque, Raton, Roswell, and Santa Fe. Three of these buildings are now inadequate and are demanding increase in size to meet the public necessities.

Indeed, it is enlightening to observe that the question of politics, whether it violated the question of necessity or not, is injected into this proposition to the extent that six States draw down $72,000,000 of the $100,000,000 to be appropriated under this act. The six States that I refer to are New York, which will receive $21,170,000; Illinois, which will receive $15,530,000; California, which will receive $10,365,000; Massachusetts, which will receive $9,565,000; Pennsylvania, which will receive $9,260,000; and Connecticut, which will receive $6,530,000. Now, mind you, six States are to get $72,420,000 of the proposed $100,000,000.

The talk of pork barrel upon the floor of the House has peculiar significance when it is seen that these six States furnished most of the votes necessary to pass the legislation and they get the pork in return. There can be little argument used against the building of public buildings in the congested centers of the country to relieve a bad situation, but to say that the bill should be confined to what is termed a general public building bill, and to have all the money spent in a few selected localities, the bill upon its face belies the title under which it is presented.

I want to quote a paragraph from the remarks of the chairman of the committee in his discussion of the bill on the floor of the House:

> Here is the situation with which we are confronted in the matter. It is either this bill or an old-fashioned pork barrel bill of $250,000,000, if you put enough pork in it to pass it, or nothing at all. That is the proposition. If you read the President's Budget message, you must know what he would do with an old-fashioned pork barrel bill. Consequently you will know what will be the end of that.

If $250,000,000 would have taken care of the needs of the Government throughout the United States, would it not have been much fairer, and in the end just as economical, to have brought in a measure with that figure and say this will be spent under proper supervision of the Government, and all present needs of public buildings will be met by such appropriation, and that each State will receive its proportionate share of same as the necessity is determined.

Mr. Speaker, this legislation, in my humble judgment, bespeaks special interest, and is in the interest of a certain class and certain localities of the country at the expense of all of its citizens; clearly class legislation and with the purpose of giving the dominant party the right to grant special privileges upon some of the citizens in the manner that it desires, and to use the same for political purposes at its dictation.

This Nation is not a nation for New York, Pennsylvania, and Connecticut, but it is a nation of 48 States of equal rights and equal privileges in proportion to their contribution to government, and should be so treated in legislation. Legislation of this class is what tends to cause a feeling of distrust between certain parts of the country. It should not be the East against the West, nor the East against the South and the West, as this bill apparently savors of that flavor.

The time is not far distant when the South and West might easily combine and put over a building bill which would care

for the needs of the public. If great necessity exists for public buildings in Washington and some of those heretofore carelessly built and poorly arranged are to be junked and discarded may be true, but the same necessity also exists in some of the States entirely forgotten in this public building bill just passed by this body, and I predict that this bill will be rebuilt in the other body of this Congress.

Mr. LANHAM. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Speaker, if I may, I wish to respond first to the remarks of my friend from Connecticut [Mr. TILSON] and say that his is one of those States mentioned by the gentleman from Texas that will obtain something out of this bill. [Applause.] The same thing is true as regards Massachusetts and as regards New York.

Now, Mr. Speaker, let us have clearly in mind what the exact parliamentary situation is. We are asked to vote to suspend the rules and pass this bill. That means that there is to be no opportunity for amendment, not even the poor opportunity of a motion to recommit the bill. Some Members may lack confidence in the wisdom of the Congress; some may feel that they are not able properly to select the places in their districts at which buildings should be constructed. But I do not think they ought to bind us who do feel able to do it by preventing at least an opportunity to amend or certainly one poor little motion to recommit. [Applause.]

The truth is, notwithstanding all of the sophistry that has been indulged here, this is an abdication of power by the Congress. [Applause.] It is an extension of bureaucracy. [Applause.] Why, this Committee on Public Buildings and Grounds is cutting its own throat to-day. What use will there ever be for a Committee on Public Buildings and Grounds hereafter? [Applause.] Gentlemen say that the bills of the past have been pork-barrel measures. What mistake has been made in the past? What gentleman is ready to rise here and say that there has been a building constructed in his district that ought not to have been constructed there? [Laughter and applause.] Where has the error been committed? Ah, gentlemen, you know, of course, that the passage of this bill means that in the future, no matter what the political complexion of the Secretary of the Treasury or of the Postmaster General may be, under such limited powers as are given to the Postmaster General, the individual Member must go hat in hand and appeal for that as a favor which he can have now as a right if he choose to exercise that right. [Applause.] It does seem to me—and I address this particularly to Members on my own side of the Chamber—that you ought to be willing to vote down this motion to suspend the rules and at least let this bill be further considered by the committee, to the end that there may be an opportunity to amend either by amendment on the floor or at least by a motion to recommit. [Applause.]

Mr. ELLIOTT. Mr. Speaker and gentlemen of the House, this debate upon the part of some of the Members of this House has reminded me a great deal of a moon-eyed horse we used to have that was eternally shying at things under the fence that were not there. [Laughter.] One of the propositions they seem to be worrying about in this bill is that we have allocated all of this $100,000,000 to a few States in the United States. We have allocated nothing to anything, except the whole United States. [Applause.] The fact is that this $100,000,000 will be allocated from time to time to the different parts of the United States over a period of seven and a half years. We may have another Secretary of the Treasury or two Secretaries of the Treasury, or, God forbid, we might even have a Democratic administration in that time. Which all goes to show that this story that this money is already allocated is simply poppy-cock. It can not be done under the terms of this bill at this time.

Mr. Speaker, I have been a member of this Public Buildings and Grounds Committee for almost nine years. When I went on the committee I went to the foot of the table, and now I am at the head of it; and I am the only man on that committee who was here at that time. I have seen two chairmen of that committee come and go who were absolutely wedded, boots, body, and breeches, to the old pork-barrel system, and yet during all of that time how many bills have they brought out, brought before this body, and gotten passed by the Congress? Not one.

Here is the situation with which we are confronted in the matter. It is either this bill, an old-fashioned pork-barrel bill of $250,000,000, if you put enough pork in it to pass it, or nothing at all. That is the proposition. If you read the President's Budget message, you must know what he would do with an old-fashioned pork-barrel bill. Consequently you will know what will be the end of that. [Applause.]

The SPEAKER. The gentleman's time has expired. All time has expired. The question is on the motion of the gentleman from Indiana to suspend the rules and pass the bill as amended.

The question was taken, and the Speaker announced that, in the opinion of the Chair, two-thirds had voted in the affirmative.

Mr. LANHAM. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 263, nays 120, answered "present" 1, not voting 47, as follows:

[Roll No. 35]

YEAS—263

Abernethy	Elliott	Kincheloe	Rubey
Ackerman	Ellis	Kindred	Sabath
Adkins	Esterly	King	Sanders, N. Y.
Aldrich	Evans	Kopp	Sandlin
Allen	Fairchild	Kunz	Scott
Anthony	Faust	Kurtz	Seger
Appleby	Fenn	LaGuardia	Shreve
Arentz	Fish	Lampert	Sinnott
Arnold	Fisher	Lea, Calif.	Smith
Ayres	Fitzgerald, Roy G.	Leatherwood	Smithwick
Bacharach	Fitzgerald, W. T.	Leavitt	Snell
Bachmann	Fort	Lehlbach	Somers, N. Y.
Bacon	Foss	Letts	Sosnowski
Bailey	Frear	Lindsay	Sproul, Ill.
Barbour	Free	Little	Sproul, Kans.
Barkley	Freeman	Lyon	Stedman
Beedy	French	McFadden	Stephens
Beers	Frothingham	McLaughlin, Mich.	Stevenson
Begg	Fuller	McLeod	Stobbs
Bixler	Funk	McSweeney	Strong, Pa.
Black, N. Y.	Gallivan	MacGregor	Strother
Bland	Gardner, Ind.	Magee, N. Y.	Sullivan
Bowman	Garrett, Tex.	Magee, Pa.	Swartz
Boylan	Gifford	Magrady	Sweet
Brand, Ohio	Glynn	Major	Taber
Brigham	Golder	Mapes	Taylor, Colo.
Browne	Goodwin	Martin, Mass.	Taylor, N. J.
Brumm	Gorman	Mead	Taylor, W. Va.
Buchanan	Graham	Menges	Temple
Burdick	Green, Iowa	Merritt	Thatcher
Burtness	Greenwood	Michaelson	Thayer
Burton	Griest	Michener	Tilson
Butler	Griffin	Miller	Timberlake
Campbell	Hadley	Mills	Tinkham
Canfield	Hale	Montague	Tolley
Carpenter	Hall, Ind.	Mooney	Treadway
Carss	Hall, N. Dak.	Moore, Ohio	Underhill
Celler	Hardy	Moore, Va.	Updike
Chalmers	Haugen	Morgan	Vaile
Chindblom	Hawes	Morin	Vestal
Christopherson	Hawley	Murphy	Vincent, Mich.
Clague	Hayden	Nelson, Me.	Voigt
Cleary	Hersey	Nelson, Wis.	Wainwright
Cole	Hickey	Newton, Minn.	Walters
Collier	Hill, Md.	Newton, Mo.	Wason
Connery	Hogg	O'Connell, R. I.	Watres
Cooper, Ohio	Holaday	O'Connor, La.	Watson
Corning	Hooper	Oliver, N. Y.	Weaver
Coyle	Houston	Parker	Wefald
Crosser	Howard	Parks	Welsh
Cullen	Hudson	Patterson	Wheeler
Curry	Hudspeth	Perkins	White, Me.
Darrow	Hull, Morton D.	Phillips	Whitehead
Davenport	Irwin	Porter	Whittington
Dempsey	Jenkins	Pratt	Williams, Ill.
Denison	Johnson, Ill.	Purnell	Williamson
Dickinson, Iowa	Johnson, Ind.	Quayle	Wilson, La.
Dickstein	Johnson, S. Dak.	Ragon	Winter
Douglass	Kahn	Ramseyer	Wolverton
Dowell	Kearns	Ransley	Wood
Doyle	Keller	Rathbone	Woodruff
Drane	Kelly	Reece	Woodrum
Drewry	Kerr	Reid, Ill.	Wurzbach
Driver	Ketcham	Robsion, Ky.	Wyant
Dyer	Kiefner	Rogers	Zihlman
Eaton	Kiess	Rowbottom	

NAYS—120

Allgood	Davis	Johnson, Tex.	Oldfield
Almon	Deal	Johnson, Wash.	Oliver, Ala.
Andresen	Dickinson, Mo.	Jones	Peery
Aswell	Dominick	Kemp	Pou
Auf der Heide	Doughton	Kvale	Quin
Bankhead	Edwards	Lanham	Rainey
Beck	Eslick	Lankford	Rankin
Bell	Fletcher	Larsen	Rayburn
Berger	Fulmer	Linthicum	Reed, Ark.
Black, Tex.	Furlow	Lowrey	Romjue
Blanton	Gambrill	Lozier	Rutherford
Boies	Garber	McClintic	Sanders, Tex.
Bowling	Garner, Tex.	McDuffie	Schafer
Brand, Ga.	Garrett, Tenn.	McKeown	Schneider
Briggs	Gasque	McLaughlin, Nebr.	Scars, Fla.
Browning	Gilbert	McMillan	Scars, Nebr.
Bulwinkle	Green, Fla.	McReynolds	Shallenberger
Busby	Hammer	McSwain	Speaks
Byrns	Hare	Manlove	Steagall
Cannon	Harrison	Mansfield	Strong, Kans.
Carter, Okla.	Hastings	Martin, La.	Summers, Wash.
Chapman	Hill, Ala.	Milligan	Swank
Collins	Hill, Wash.	Montgomery	Swing
Colton	Huddleston	Moore, Ky.	Taylor, Tenn.
Connally, Tex.	Hull, Tenn.	Morehead	Thomas
Cooper, Wis.	Jeffers	Morrow	Thompson
Crisp	Johnson, Ky.	Nelson, Mo.	Thurston

Tillman	Underwood	Vinson, Ky.	Williams, Tex.
Tucker	Upshaw	Warren	Wingo
Tydings	Vinson, Ga.	White, Kans.	Wright

ANSWERED "PRESENT"—1

Simmons

NOT VOTING—47

Andrew	Davey	Lee, Ga.	Rouse
Bloom	Flaherty	Lineberger	Sinclair
Bowles	Fredericks	Luce	Spearing
Box	Gibson	Madden	Stalker
Britten	Goldsborough	Norton	Sumners, Tex.
Carew	Hoch	O'Connell, N. Y.	Swoope
Carter, Calif.	Hull, William E.	O'Connor, N. Y.	Tincher
Connolly, Pa.	Jacobstein	Peavey	Vare
Cox	James	Perlman	Weller
Cramton	Kendall	Prall	Wilson, Miss.
Crowther	Knutson	Reed, N. Y.	Yates
Crumpacker	Lazaro	Robinson, Iowa	

So, two-thirds having voted in favor thereof, the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Madden and Mr. Vare (for) with Mr. Simmons (against).

Mr. Crumpacker and Mr. Connolly of Pennsylvania (for) with Mr. Peavey (against).

Mr. Reed of New York and Mrs. Norton (for) with Mr. Goldsborough (against).

Mr. Bloom and Mr. Jacobstein (for) with Mr. Cox (against).

Mr. Cramton and Mr. O'Connell of New York (for) with Mr. Wilson of Mississippi (against).

Mr. Bowles and Mr. Kendall (for) with Mr. Box (against).

Mr. Lazaro and Mr. Spearing (for) with Mr. Lee of Georgia (against).

General pairs:

Mr. Fredericks with Mr. Carew.

Mr. Knutson with Mr. Davey.

Mr. Swoope with Mr. O'Connor of New York.

Mr. Gibson with Mr. Weller.

Mr. Perlman with Mr. Sumners of Texas.

Mr. Crowther with Mr. Prall.

Mr. Robinson of Iowa with Mr. Sinclair.

Mr. Luce with Mr. Stalker.

Mr. CULLEN. Mr. Speaker, if Mr. O'CONNELL of New York, who is absent on account of serious illness in his family, were present, he would vote "aye."

Mr. TREADWAY. Mr. Speaker, if Mr. BOWLES of Massachusetts were present, he would vote "aye." He is absent on account of illness.

Mr. WINGO. Mr. Speaker, a parliamentary inquiry affecting the roll call.

The SPEAKER. The gentleman will state it.

Mr. WINGO. I would like to inquire if Mr. CAREW is recorded as voting?

The SPEAKER. He is recorded as voting "aye."

Mr. WINGO. I would like to ask if he is present?

The SPEAKER. The Chair is not aware if he were present on the roll call or not.

Mr. WINGO. I will state frankly, Mr. Speaker, the reason why I made the inquiry is that several gentlemen were aware of his absence and looked to see if he was here on the call, so I felt that probably some one answered in the confusion to his name, and, of course, if he is not here he ought not to be recorded.

Mr. OLIVER of New York. Mr. Speaker, I can certify that Mr. CAREW is not here.

Mr. LOZIER. Can the gentleman certify as to who answered to his name?

Mr. OLIVER of New York. No; I can not certify as to who answered to his name, but I know that his name was answered to as explained by the gentleman from Arkansas.

The SPEAKER. Under the statement of the gentleman from New York and the gentleman from Arkansas, without objection, the name of Mr. CAREW will not be recorded as voting.

There was no objection.

The result of the vote was announced as above recorded.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. BOWLES (at the request of Mr. TREADWAY), for three days, on account of illness;

To Mr. STRONG of Pennsylvania, for several days, on account of the very serious illness of his business partner;

To Mr. CROWTHER (at the request of Mr. SNELL), for one week, on account of illness;

To Mr. BOX (at the request of Mr. BLACK of Texas), for the day, on account of illness;

To Mr. YATES, indefinitely, on account of sickness in his family; and

To Mr. HOCH (at the request of Mr. WHITE of Kansas), for two days, on account of illness.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.) the House adjourned until to-morrow, Tuesday, February 16, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 16, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

District of Columbia (subcommittee).

COMMITTEE ON FOREIGN AFFAIRS

(10.15 a. m.)

To provide for the expenditure of certain funds received from the Persian Government for the education in the United States of Persian students (H. J. Res. 111).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

To permit the admission, as nonquota immigrants, of certain alien wives and children of United States citizens (H. R. 6544).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

The national-defense department.

COMMITTEE ON PENSIONS

(10 a. m.)

Consideration of individual special acts.

COMMITTEE ON ROADS

(10 a. m.)

To amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes (H. R. 3823), and other bills on road legislation.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

(10.30 a. m.)

To tender the thanks and appreciation of the Congress of the United States for heroic service rendered by the officers and crews of the steamships *President Roosevelt*, *President Harding*, *American Trader*, *Republic*, and *Cameronia* (H. R. 9272).

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Granting the consent of Congress to O. Emmerson Smith, F. F. Priest, W. P. Jordan, H. W. West, C. M. Jordan, and G. Hubard Massey to construct, maintain, and operate a bridge across the southern branch of the Elizabeth River, at or near the cities of Norfolk and Portsmouth, in the county of Norfolk, in the State of Virginia (H. R. 7093) (subcommittee).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

355. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Honga River and Tar Bay (Barren Island Gaps), Md.; to the Committee on Rivers and Harbors.

356. A letter from the chairman of the United States Shipping Board, transmitting a report of arbitration awards or settlements of claims agreed to since the previous session of Congress by the United States Shipping Board Emergency Fleet Corporation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WOOD: Committee on Appropriations. H. R. 9341. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1927, and for other purposes; without amendment (Rept. No. 285). Referred to the Committee of the Whole House on the state of the Union.

Mr. GARBER: Committee on Interstate and Foreign Commerce. H. R. 5691. A bill granting the consent of Congress

to Charles L. Moss, A. E. Harris, and T. C. Shattuck, of Duncan, Okla., to construct a bridge across Red River at a point between the States of Texas and Oklahoma where the ninety-eighth meridian crosses said Red River; with an amendment (Rept. No. 298). Referred to the House Calendar.

Mr. GARBER: Committee on Interstate and Foreign Commerce. H. R. 7190. A bill granting the consent of Congress to the Grandfield Bridge Co., a corporation, to construct, maintain, and operate a bridge across Red River and the surrounding and adjoining public lands, and for other purposes; with an amendment (Rept. No. 299). Referred to the House Calendar.

Mr. HILL of Washington: Committee on Irrigation and Reclamation. H. R. 8129. A bill authorizing the Secretary of the Interior to cooperate with the States of Idaho, Montana, Oregon, and Washington in allocation of the waters of the Columbia River and its tributaries, and for other purposes, and authorizing an appropriation therefor; without amendment (Rept. No. 300). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. UNDERHILL: Committee on Claims. H. R. 831. A bill for the relief of Levin P. Kelly; with an amendment (Rept. No. 286). Referred to the Committee of the Whole House.

Mr. MORROW: Committee on Claims. H. R. 965. A bill for the relief of C. B. Wells; with amendments (Rept. No. 287). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 1464. A bill for the relief of Charles C. Hughes; with an amendment (Rept. No. 288). Referred to the Committee of the Whole House.

Mr. SABATH: Committee on Claims. H. R. 1540. A bill for the relief of Luther H. Phipps; without amendment (Rept. No. 289). Referred to the Committee of the Whole House.

Mr. KELLER: Committee on Claims. H. R. 1669. A bill for the relief of Neffs' Bank, of McBride, Mich.; with an amendment (Rept. No. 290). Referred to the Committee of the Whole House.

Mr. THOMAS: Committee on Claims. H. R. 2209. A bill for the relief of C. T. Kitchen; with an amendment (Rept. No. 291). Referred to the Committee of the Whole House.

Mr. THOMAS: Committee on Claims. H. R. 2210. A bill for the relief of R. E. Neumann and wife; with an amendment (Rept. No. 292). Referred to the Committee of the Whole House.

Mr. KELLER: Committee on Claims. H. R. 2680. A bill for the relief of the estate of Charles M. Underwood; with an amendment (Rept. No. 293). Referred to the Committee of the Whole House.

Mr. CARPENTER: Committee on Claims. H. R. 2993. A bill for the relief of Harry McNeil; without amendment (Rept. No. 294). Referred to the Committee of the Whole House.

Mr. BULWINKLE: Committee on Claims. H. R. 3432. A bill for the relief of Joel C. Clore; with amendments (Rept. No. 295). Referred to the Committee of the Whole House.

Mr. KELLER: Committee on Claims. H. R. 6227. A bill for the relief of the estate of William P. Nisbett, sr., deceased; without amendment (Rept. No. 296). Referred to the Committee of the Whole House.

Mr. SEARS of Nebraska: Committee on Claims. H. R. 6696. A bill for the relief of Edward J. O'Rourke, as guardian of Katie I. O'Rourke; without amendment (Rept. No. 297). Referred to the Committee of the Whole House.

Mr. SPEAKS: Committee on Military Affairs. H. R. 3625. A bill for the relief of John Doyle, alias John Geary; with an amendment (Rept. No. 301). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WOOD: A bill (H. R. 9341) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1927, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

By Mr. BLACK of New York: A bill (H. R. 9342) requiring the President of the United States to attach the names of the indorsers of the candidates he submits to the Senate of the United States to his message of nomination; to the Committee on the Judiciary.

By Mr. BOYLAN: A bill (H. R. 9343) to provide for the acquisition of certain property in the District of Columbia for the park system of the District of Columbia; to the Committee on the District of Columbia.

By Mr. JOHNSON of Washington: A bill (H. R. 9344) to provide for the seizure and forfeiture of vehicles used in violation of the immigration laws; to the Committee on Immigration and Naturalization.

By Mr. O'CONNELL of Rhode Island: A bill (H. R. 9345) authorizing an appropriation of $5,000 for the erection of a monument, tablet, marker, or other suitable form of memorial at Providence, R. I., to commemorate the landing of Roger Williams in the State of Rhode Island; to the Committee on the Library.

By Mr. HUDSPETH: A bill (H. R. 9346) granting the consent of Congress to the construction of a bridge across the Rio Grande; to the Committee on Interstate and Foreign Commerce.

By Mr. GARBER: A bill (H. R. 9347) to provide for the acquisition by the city of Alva, Okla., of lot 19, block 41, the original town site of Alva, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. MURPHY: A bill (H. R. 9348) authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. LITTLE: A bill (H. R. 9349) to authorize the President of the United States to name the members of a national farm commission which will act for the interests of the farmers and livestock raisers; to the Committee on Agriculture.

By Mr. KUNZ: A bill (H. R. 9350) to amend section 28 of the immigration act of 1924; to the Committee on Immigration and Naturalization.

By Mr. HILL of Washington: A bill (H. R. 9351) extending the period of time for homestead entries on the south half of the diminished Colville Indian Reservation; to the Committee on Indian Affairs.

By Mr. WOODRUFF: Joint resolution (H. J. Res. 170) requesting the President of the United States to invite foreign governments to participate in the Seventh International Dental Congress to be held at Philadelphia, Pa., August 23 to 28, 1926, in conjunction with the sesquicentennial celebration of American independence; to the Committee on Foreign Affairs.

By Mr. FRENCH: Joint resolution (H. J. Res. 171) authorizing the Secretary of the Interior to approve the application of the State of Idaho to certain lands under an act entitled, "An act to authorize the State of Idaho to exchange certain lands heretofore granted to public-school purposes for other Government lands," approved September 22, 1922; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 9352) granting a pension to Katie Smith; to the Committee on Invalid Pensions.

By Mr. AYRES: A bill (H. R. 9353) granting an increase of pension to Ann J. Snow; to the Committee on Invalid Pensions.

By Mr. BECK: A bill (H. R. 9354) granting an increase of pension to Sarah E. McQueen; to the Committee on Invalid Pensions.

By Mr. BIXLER: A bill (H. R. 9355) granting an increase of pension to Edwin A. Smith; to the Committee on Pensions.

By Mr. BLOOM: A bill (H. R. 9356) for the relief of Mrs. Moore L. Henry; to the Committee on Claims.

By Mr. DOUGHTON: A bill (H. R. 9357) for the relief of W. L. Bryan; to the Committee on Claims.

By Mr. FENN: A bill (H. R. 9358) granting a pension to Mary Key McBlair; to the Committee on Pensions.

Also, a bill (H. R. 9359) granting an increase of pension to Delia J. McKeon; to the Committee on Invalid Pensions.

By Mr. FROTHINGHAM: A bill (H. R. 9360) granting a pension to Edith L. Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9361) granting an increase of pension to Susan L. Dean; to the Committee on Invalid Pensions.

By Mr. GALLIVAN: A bill (H. R. 9362) granting an increase of pension to Martha Baker; to the Committee on Invalid Pensions.

By Mr. GARBER: A bill (H. R. 9363) granting an increase of pension to Thresa Walsh; to the Committee on Invalid Pensions.

By Mr. GARRETT of Texas: A bill (H. R. 9364) to provide for examination and survey of the Brazos River with a view

to improvement for purposes of navigation from its mouth to Rosenberg, Tex.; to the Committee on Rivers and Harbors.

By Mr. GREENWOOD: A bill (H. R. 9365) granting a pension to Florence C. Woods; to the Committee on Invalid Pensions.

By Mr. KELLY: A bill (H. R. 9366) for the relief of James A. Davidson; to the Committee on Claims.

By Mr. LITTLE: A bill (H. R. 9367) granting a pension to Ben F. Whitney; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 9368) granting a pension to Ada A. Bryant; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 9369) for the relief of James F. Williams; to the Committee on the Civil Service.

By Mr. MOORE of Kentucky: A bill (H. R. 9370) granting an increase of pension to Martha E. Watson; to the Committee on Invalid Pensions.

By Mr. MORROW: A bill (H. R. 9371) for the relief of Merritt W. Blair; to the Committee on the Public Lands.

By Mr. OLDFIELD: A bill (H. R. 9372) granting an increase of pension to Lucy Davidson; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 9373) granting an increase of pension to Ellen J. Fuller; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 9374) granting an increase of pension to Isabella M. Ingham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9375) granting an increase of pension to Dell V. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9376) granting an increase of pension to Forrest E. Andrews; to the Committee on Pensions.

Also, a bill (H. R. 9377) granting an increase of pension to Susan Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9378) granting an increase of pension to Mary E. Perkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9379) granting an increase of pension to Fannie J. Shappee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9380) granting an increase of pension to Mary Cisco; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9381) granting an increase of pension to Sarah Kilpatrick; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 9382) granting an increase of pension to Adaline Neff; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 9383) granting a pension to Lucy Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9384) granting an increase of pension to Mary J. Rader; to the Committee on Invalid Pensions.

By Mr. VOIGT: A bill (H. R. 9385) granting an increase of pension to Anna Kress; to the Committee on Invalid Pensions.

By Mr. ZIHLMAN: A bill (H. R. 9386) granting a pension to James L. McChan; to the Committee on Pensions.

By Mr. BERGER: Joint resolution (H. J. Res. 172) readmitting Eugene V. Debs to the rights and privileges of citizenship; to the Committee on Immigration and Naturalization.

By Mr. MacGREGOR: Resolution (H. Res. 136) authorizing payment of six months' salary and funeral expenses to Daisy Rubelle Blanton on account of the death of William Walker Blanton, late employee of the House of Representatives; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

689. By Mr. ALLGOOD: Petition of eight members of the Senate of the State of Alabama, indorsing the action of the Senate in striking out the inheritance or estate-tax provision of the revenue bill; to the Committee on Ways and Means.

690. By Mr. BIXLER: Petition of residents of West Salem Township, Greenville, Mercer County, Pa., J. M. Hittle, et al., favoring House bill 71 regulating interstate shipment of black bass; to the Committee on Interstate and Foreign Commerce.

691. By Mr. CELLER: Petition of New York State Association of United Master Butchers of America (Inc.), favoring such amendments to the immigration laws that will permit unrestrained influx of female domestic help; to the Committee on Immigration and Naturalization.

692. By Mr. CURRY: Petition of certain residents of Byron, Calif., favoring reflooding of Lower Klamath Lake, Calif.; to the Committee on the Public Lands.

693. Also, petition of certain residents of Stockton, Calif., favoring reflooding of Lower Klamath Lake, Calif.; to the Committee on the Public Lands.

694. Also, petition of the Elk Grove National Farm Loan Association of Florin, Calif., opposing any legislation to broaden the powers of the Federal land-bank presidents; to the Committee on Banking and Currency.

695. By Mr. GALLIVAN: Petition of Maj. George F. H. Murray, 29 G Street, South Boston, Mass., recommending early and favorable consideration of legislation to increase the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

696. By Mr. JEFFERS: Petition of eight members of the Senate of the State of Alabama, indorsing the action of the Senate in striking out the inheritance or estate-tax provision of the revenue bill; to the Committee on Ways and Means.

697. By Mr. O'CONNELL of New York: Petition of New York State Fish, Game, and Forest League, favoring the passage of the Anthony bill (H. R. 7479), the migratory bird refuge and marsh land conservation act; to the Committee on Agriculture.

698. Also, petition of the Hawaii Education Association of the Territory of Hawaii, favoring the passage of House bill 5000 and Senate bill 291; to the Committee on Education.

699. Also, petition of H. H. Rice, of the General Motors Corporation, of Detroit, Mich., favoring the passage of the bill to provide more adequate accommodations for the United States embassies abroad; to the Committee on Foreign Affairs.

700. By Mr. PATTERSON: Resolution of the Haddon Fortnightly State Federation of Woman's Clubs, Haddonfield, N. J., for an appropriation of $10,000,000 for erection of a national gallery of art at Washington, D. C.; to the Committee on Public Buildings and Grounds.

701. By Mr. THOMPSON: Petition of the Men's Bible Class of Leipsic (Ohio) M. E. Church, protesting against any amendment that would weaken the provisions of the Federal prohibition law; to the Committee on the Judiciary.

702. By Mr. YATES: Petition of the H. C. Cole Manufacturing Co., of Chester, Ill., urging the repeal of the capital-stock and inheritance taxes, and also of the tax on stock transfers, and that the corporation tax be not increased; to the Committee on Ways and Means.

703. Also, petition of the W. D. Allen Manufacturing Co., of Chicago, Ill., urging that the corporation tax be left at 12½ per cent, and that the capital-stock tax, the inheritance tax, and the tax on stock transfers be repealed; to the Committee on Ways and Means.

704. By Mr. GRIEST: Petition of members of Post 84, Grand Army of the Republic, Department of Pennsylvania, of Lancaster, Pa., proposing amendments to Senate bill 61, granting pensions and increase of pensions to veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

SENATE

TUESDAY, *February 16, 1926*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

O Lord, our God, we draw near unto Thee this morning in the name of Jesus our Savior and Lord and humbly beseech Thee that our approach to the throne of grace may not be of the perfunctory order, but the breathings of our souls after Thee. Help us, we beseech Thee, to understand our dependence upon Thee and to realize continually that we are the children of the most high God. And in all our services may we recognize dependence upon Him from whom we derive life and in whom we find hope and confidence. We ask every blessing in Christ Jesus' name. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed without amendment the following bills of the Senate:

S. 1493. An act to provide for the inspection of the battle fields and surrender grounds in and around old Appomattox Court House, Va.; and

S. 2464. An act to amend section 95 of the Judicial Code, as amended.

The message also announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H. R. 186. An act authorizing the payment of tuition of Crow Indian children attending Montana State public schools;

H. R. 3833. An act to amend section 204 of an act entitled "An act to establish a code of law for the District of Columbia,"

approved March 3, 1901, and the acts amendatory thereof and supplementary thereto;

H. R. 3824. An act to amend section 65 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, and the acts amendatory thereof and supplementary thereto;

H. R. 3996. An act authorizing the Secretary of War to convey certain portions of the military reservation of Fort Sam Houston, Tex., to the city of San Antonio, Bexar County, Tex., for street purposes;

H. R. 5013. An act extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway;

H. R. 6261. An act to authorize the exportation from the State or Territory of timber lawfully cut on any national forest or on the public lands in Alaska;

H. R. 6374. An act to authorize the employment of consulting engineers on plans and specifications of the Coolidge Dam;

H. R. 6376. An act to amend the act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes, approved August 25, 1919, as amended by act of March 6, 1920;

H. R. 6384. An act to amend the acts of June 7, 1924, and March 3, 1925, granting certain public lands to the city of Phoenix, Ariz.;

H. R. 6536. An act to amend section 129 of the Judicial Code, relating to appeals in admiralty cases;

H. R. 6559. An act to provide for the construction of certain public buildings, and for other purposes;

H. R. 7019. An act to provide four condemned 12-pounder bronze guns for the Grant Memorial Bridge at Point Pleasant, Ohio;

H. R. 7173. An act authorizing the Secretary of the Interior to dispose of certain allotted land in Boundary County, Idaho, and to purchase a compact tract of land to allot in small tracts to the Kootenai Indians as herein provided, and for other purposes;

H. R. 7370. An act to amend an act entitled "An act to authorize the sale of burnt timber on the public domain," approved March 4, 1913;

H. R. 7482. An act to provide for conveyance of certain lands in the State of Michigan for State park purposes;

H. R. 7732. An act amending act of March 4, 1925, for the relief of employees of the Bethlehem Steel Co., Bethlehem, Pa.;

H. R. 7911. An act to authorize the exchange of certain public lands and the establishment of an aviation field near Yuma, Ariz.;

H. R. 8128. An act to punish counterfeiting, altering, or uttering of Government transportation requests;

H. R. 8184. An act to authorize the Secretary of the Interior to purchase certain land in California to be added to the Cahuilla Indian Reservation and authorizing an appropriation of funds therefor;

H. R. 8185. An act to amend sections 1, 5, 6, 8, and 18 of an act approved June 4, 1920, entitled "An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes";

H. R. 8652. An act to provide for the withdrawal of certain lands as a camp ground for the pupils of the Indian school at Phoenix, Ariz.; and

H. R. 8911. An act authorizing an appropriation of $11,000 for the purpose of aiding in the repair of damage done to roads, water systems, schools, and other public buildings in American Samoa.

PETITIONS

Mr. McKINLEY presented a resolution adopted by patients of the United States Naval Hospital, at Great Lakes, Ill., favoring the passage of legislation for the relief of sick and disabled veterans, which was referred to the Committee on Finance.

Mr. WILLIS presented a petition of members of Columbus Camp, No. 49, United Spanish War Veterans, of Columbus, Ohio, praying for the passage of Senate bill 93, granting increased pensions to veterans of the war with Spain and their widows, which was referred to the Committee on Pensions.

AIR DEFENSE

Mr. CAMERON. Mr. President, I present and ask unanimous consent to have inserted in the RECORD and referred to the Military Committee a letter from Lloyd J. Andrews, chairman of the American Legion State committee on aviation, which represents the sentiment of the American Legion of my State with reference to the air program of this country.

There being no objection, the letter was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

PHOENIX, ARIZ., *February 6, 1926.*

Hon. RALPH CAMERON,
Senator from Arizona, Washington, D. C.

DEAR SIR: At a meeting of the American Legion State committee on aviation, held in Phoenix, February 5, 1926, the seriousness of the aviation situation in the United States defense forces was reviewed at length.

This committee is composed of two reserve artillery officers and three reserve flying officers. All of these men on this committee, having kept in touch with their respective branches since the war, are, I believe, well qualified to make recommendations from a military standpoint, as well as from the Legion standpoint. After a careful review of the aviation situation it was decided by the committee to make the following recommendations to our Representatives in Congress: That the legionnaires of Arizona feel that the air defense of the United States is wholly inadequate; that in case of war the United States would be defenseless from an air attack and would be at the mercy of the attacking forces. It is impossible to put a fleet of serviceable airplanes in the air overnight under our present conditions. That the present defenseless condition of our country is inexcusable and should be corrected at once.

It is, therefore, recommended by the legionnaires of Arizona that the Arizona Representatives in Congress actively support the correction of the situation and indorse the adoption of some constructive air defense plan which will insure reasonable safety to our country in case of war.

AMERICAN LEGION STATE COMMITTEE ON AVIATION,
By LLOYD J. ANDREWS, *Chairman.*

REPORT OF DISTRICT COMMITTEE

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the bill (S. 1929) to provide home care for dependent children in the District of Columbia, reported it without amendment and submitted a report (No. 187) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 3154) recognizing the heroic conduct, devotion to duty, and skill on the part of the officers and crews of the United States steamships *Republic*, *American Trader*, *President Roosevelt*, *President Harding*, and the British steamship *Cameronia*, and for other purposes; to the Committee on Commerce.

By Mr. TRAMMELL:

A bill (S. 3155) for the relief of Edward B. Eppes; and

A bill (S. 3156) for the relief of Henry W. Reddick; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 3157) regulating Indian allotments disposed of by will; and

A bill (S. 3158) to provide for the leasing of allotted lands of Indians held in trust by the United States; to the Committee on Indian Affairs.

By Mr. BRATTON:

A bill (S. 3159) to authorize oil and gas mining leases upon unallotted lands within Executive Order Indian Reservations; to the Committee on Indian Affairs.

By Mr. WALSH:

A bill (S. 3160) for the relief of certain settlers on the Fort Peck Indian Reservation, State of Montana; to the Committee on Indian Affairs.

By Mr. McNARY:

A bill (S. 3161) to authorize the purchase by the city of Yamhill, Oreg., of certain lands formerly embraced in the grant to the Oregon & California Railroad Co. and revested in the United States by the act approved June 9, 1916; to the Committee on Public Lands and Surveys.

By Mr. BORAH:

A bill (S. 3162) granting an increase of pension to Benjamin Williams (with accompanying papers); to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 3163) to authorize the Secretary of War to exchange deteriorated and unserviceable ammunition and components, and for other purposes; to the Committee on Military Affairs.

By Mr. KENDRICK:

A bill (S. 3164) authorizing the Arapahoe and Cheyenne Tribes of Indians to submit claims to the Court of Claims; to the Committee on Indian Affairs.

By Mr. McKINLEY:

A bill (S. 3165) for the relief of Andrew J. Patrick; to the Committee on Military Affairs.

By Mr. SHORTRIDGE:

A bill (S. 3166) granting an increase of pension to Jesse R. Oastler; to the Committee on Pensions.

By Mr. STANFIELD:

A bill (S. 3167) to authorize the sale of certain lands to the city of Portland for the protection of the sources of its water supply; to the Committee on Public Lands and Surveys.

By Mr. NEELY:

A bill (S. 3168) for the relief of Benjamin F. Helmick; to the Committee on Military Affairs.

By Mr. NORBECK:

A bill (S. 3169) for the purchase of a site and the erection of a public building thereon at Milbank, S. Dak.; to the Committee on Public Buildings and Grounds.

By Mr. RANSDELL:

A joint resolution (S. J. Res. 57) to establish a national hydraulic laboratory; to the Committee on Commerce.

AMENDMENT TO URGENT DEFICIENCY BILL

Mr. BUTLER submitted the following amendment intended to be proposed by him to House bill 8722, the first deficiency appropriation bill, 1926, which was ordered to lie on the table and to be printed:

On page 5, line 14, after the figures "$3,500," insert: "To enable the Government of the United States to participate in the sesquicentennial celebration of the evacuation of Boston by the British, to be held in the city of Boston, Mass., on March 17, 1926, there is hereby appointed a Federal commission, to be known as the United States evacuation day sesquicentennial commission (hereinafter referred to as the commission), and to be composed of five commissioners, as follows: One person to be appointed by the President of the United States, two Senators by the President of the Senate, and two Members of the House of Representatives by the Speaker of the House of Representatives. The commission shall serve without compensation and shall select a chairman from among their number: *It is further provided*, That the sum of $2,500 be appropriated, to be expended by the commission for actual and necessary traveling expenses and subsistence while discharging its official duties outside the District of Columbia: *It is also further provided*, That the sum of $10,000 be appropriated, to be utilized in the discretion of the commission for the appropriate participation on the part of the United States in said celebration."

PROPOSED CONSOLIDATION OF RAILWAY PROPERTIES

Mr. WHEELER. Mr. President, I send to the desk a resolution which I ask may be read and lie on the table.

The VICE PRESIDENT. The clerk will read the resolution.

The Chief Clerk read the resolution (S. Res. 148), as follows:

Whereas there is now pending before the Interstate Commerce Commission the application of the New York, Chicago & St. Louis Railroad Co. and other common carriers, looking to their common control and consolidation; and

Whereas there are now before Congress for consideration certain amendments to the act to regulate commerce, dealing with the conditions under which consolidations of railway properties may be effectuated; and

Whereas decisions by the Interstate Commerce Commission on the above-mentioned application of the New York, Chicago & St. Louis Railroad Co. and others, prior to the expression of the will of the Congress may adversely affect the public interest: Therefore be it

Resolved, That the Interstate Commerce Commission be, and it is hereby, requested and directed to withhold decision on the said application or others of the same nature until Congress has, by amendments to the act to regulate commerce, resulting from pending bills, prescribed the conditions and means by which such consolidations may be effective.

Mr. CURTIS. I ask that the resolution may go over under the rule or that it be referred to a committee.

Mr. WHEELER. I had asked that it might lie on the table, but I now request that it be referred to the Committee on Interstate Commerce.

The VICE PRESIDENT. The resolution will be referred to the Committee on Interstate Commerce.

MULTIPLEX TELEGRAPHY AND TELEPHONY

Mr. WALSH. Mr. President, I send to the desk a resolution which I ask may be read.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 149), as follows:

Whereas the Congress of the United States for the fiscal year 1910 appropriated the sum of $30,000 for the development of wireless telegraphy and telephony by the Chief Signal Officer, Brig. Gen. James Allen; and

Whereas said Chief Signal Officer delegates the development of said wireless telegraphy and telephony as contemplated in said appropriation to his assistant, Maj. George O. Squier; and

Whereas pursuant to such designation the said Major George O. Squier discovered that multiplex telegraphy and telephony over wires could be accomplished by the application of radio to wires in the method commonly known as "wired wireless"; and

Whereas at the direction of said Chief Signal Officer, said Maj. George O. Squier applied for patents on the discoveries so by him made, pursuant to the terms of an act of Congress (act of March 3, 1883, U. S. Stat. p. 625) which provided that inventions patented thereunder "may be used by the Government of the United States or any of its officers or employees in the prosecution of work for the United States or by any other person in the United States without the payment of royalty thereon"; and

Whereas patents Nos. 980356, 980357, 980358, and 980359, covering such discoveries, duly issued to said George O. Squier; and

Whereas the said invention is being extensively used by the American Telephone & Telegraph Co.; and

Whereas it has recently been determined by the circuit court of appeals in the case of George O. Squier *v.* American Telephone & Telegraph Co. that said George O. Squier had given his said discoveries to the people of the United States and was not entitled to compensation for use thereof by the said American Telephone & Telegraph Co.: Now therefore be it

Resolved, That the Secretary of Commerce be, and he is hereby, directed, if not incompatible with the public interest, to report fully to the Senate the circumstances attending the discovery of the method of multiplex telegraphy and telephony described in United States Letters Patent Nos. 980356, 980357, 980358, and 980359, granted January 3, 1911, the extent to which this system is now used by the said American Telephone & Telegraph Co. in furnishing communication to the Government and to the public and the value of such use annually to the said American Telephone & Telegraph Co., and what reduction in rates, if any, has resulted from the free use of "wired wireless" by the said American Telephone & Telegraph Co.

Mr. WALSH. I ask for the present consideration of the resolution.

Mr. CURTIS. If the resolution were amended so as to read "if not incompatible with the public interest," I should not object to its consideration at this time.

Mr. WALSH. I will say to the Senator that that language is not ordinarily included in a resolution directed to a member of the Cabinet other than the Secretary of State.

Mr. CURTIS. There might be some suit pending or something else that might cause the Secretary of Commerce to deem it unwise to disclose the information requested.

Mr. WALSH. I have no objection to the amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. After the word "directed," add the words "if not incompatible with the public interest."

The amendment was agreed to.

The resolution as amended was agreed to.

FEDERAL AID FOR VOCATIONAL EDUCATION

Mr. SACKETT. Mr. President, I ask unanimous consent to have published in the RECORD an address by E. T. Franks, member of the Federal Board for Vocational Education, before the State Teachers' Association of Pennsylvania at Scranton, Pa., December 29, 1925, in which Mr. Franks replies to the speech of Hon. Albert C. Ritchie, Governor of Maryland, delivered before the Pennsylvania Chamber of Commerce at its annual meeting in Harrisburg.

The VICE PRESIDENT. Without objection, leave is granted.

The address is as follows:

VOCATIONAL EDUCATION AND NEED FOR FEDERAL AID

(By E. T. Franks, Member Federal Board for Vocational Education, before the State Teachers Association of Pennsylvania at Scranton, Pa., December 29, 1925)

On October 15 the distinguished Governor of Maryland, Hon. Albert C. Ritchie, delivered a speech in Harrisburg to the Pennsylvania Chamber of Commerce at its annual meeting, in which he dwelt at length on Federal aid, mentioning the Smith-Hughes Act, the Smith-Lever Act, the rehabilitation of persons disabled in industry or otherwise act, the good roads act, and the maternity act.

QUOTES THE GOVERNOR

The governor says:

"My purpose now is, first, to emphasize again the unsoundness of this species of Federal aid. The particular kind of Federal aid to which this address will be devoted is, as has been stated, the '50-50 system.' The 50-50 system is not explained anywhere better than in a paper by Ben A. Arneson, published in the American Political Science Review for August, 1922, pages 443–445," and then quotes the sentence, and this being his masterpiece against Federal aid I feel,

in justice to this audience, I should give it in full, which is as follows:

"The resemblance among the six acts establishing conditional subsidies are striking. Each one provides for close cooperation between the Federal Government and the State and gives the Federal officers great power over the cooperating State agency. In every case the statutes virtually declare certain State officials to be agents of the National Government to the extent that their relationship with national officials is defined and established. In no case is the State under any compulsion to accept the law, and the relationship is entered upon voluntarily. The requirement that the State must match the national appropriation from State or local treasuries is common to all the acts."

The governor continues:

"This system of Federal aid is unsound governmentally. From a governmental point of view, the unsoundness of the 50-50 system lies principally in the fact that it applies to purposes which are inherently local in their nature, and the Federal Government secures the right of supervision or control over these purely local functions by exacting it from the States as a condition to giving back to them some of the money which the Government taxed their people to raise, the Federal Government thus getting indirectly and by bargain a right of control over local affairs which it could not exercise directly under the Constitution. I have yet to hear any answer to this objection. Arguments of a practical nature are made in behalf of the 50-50 system, too, as will be shown, but, so far as I know, no one undertakes to contend that this system involves a sound governmental policy or principle. Indeed, no one can contend that it does, because it simply can not be argued that the Federal Government has any right to use Federal funds as a means of acquiring a control over local State purposes, which under the Constitution is not granted to the Government, but is reserved to the States. Such a thing strikes at the very heart of American institutions and destroys the American theory of local self-government. What excuse can there be for continuing longer the 50-50 system of Federal aid? The system ought to be abolished root and branch. The $94,000,000 which it entails ought to be stricken from the Federal Budget and this money ought to be left in the States for the States to use for their own local needs and purposes in such manner as their people will. They have no constitutional right to do these things. It is a waste of money and is undertaking to do things which are purely local and belongs to the States."

GOVERNOR COMPLAINS OF ALLOTMENT TO WESTERN STATES

The governor then mentions some six or seven Western States that receive a greater amount of Federal aid than some other richer States in proportion to Federal taxes paid by citizens of those States. The governor gives the amount appropriated under each of these acts.

GOVERNOR MENTIONS SPECIFIC ACTS

Highway construction	$80,447,423.88
Agricultural Smith-Lever Act	7,398,440.79
Vocational education act	5,023,257.61
Civilian vocational rehabilitation act	619,705.25

His figures are incorrect both as to the Smith-Hughes Act and the rehabilitation act. The present appropriation under the vocational education act should be $6,198,716.08 instead of $5,023,257.61, and the amount appropriated under the rehabilitation act should be $1,034,000 instead of $619,705.25, as he has it, and there are 39 States participating in the work instead of 36, as he has it.

The maternity and infant hygiene act, $925,041.18, making a total of $96,003,621.93 instead of $94,413,868.71, as he has it.

VOCATIONAL EDUCATION DEFENDED

It is not my purpose to undertake to defend any of these acts, except the vocational education act and civilian vocational rehabilitation of persons disabled in industry or otherwise, as I have nothing to do with administering any of the other three, though in the course of my remarks I may mention them.

IS THERE A NEED FOR VOCATIONAL EDUCATION?

Let us look at these questions in the light of the twentieth century without prejudice and with all the facts laid upon the table. The Federal board does not supervise a single school in a single State in the Union, and never has. That work is carried on by the States under the machinery set up by the State. First, is there a need and a demand for these things covered in the Federal acts about which the governor complains? We think there is both a need and a demand. Were the States meeting that demand; and if so, to what extent? They were supplying a student body of about 25,000 when 36,000,000 needed it. These people had waited on the States and local communities for 140 years without results. For years prior to the introduction of the first bill for vocational education, which was in the Sixty-second Congress, April 6, 1911, there had been a growing demand on the part of educators, business men, and labor organizations that those who labor with their hands might have a chance to educate themselves for the calling or vocation that they had selected as their life's work. Colleges and universities had been established all over the country to fully equip the men and women in the professions, but scarcely anything had been done for the boy and girl who labor with their hands, which compose 92 per cent of those who work in gainful occupations. The American Federation of Labor, in its national conventions of 1907, 1908, 1909, 1910, and 1911, had passed resolutions recommending some kind of legislation on the part of Congress to fill this long-felt want.

SOME OF THOSE ASKING CONGRESS TO ACT

The Metal Trades Association, the National Society for the Promotion of Industrial Education, National Child Labor Committee, National Committee on Prison Labor, American Association of Labor Legislation, the National Education Association, American Society for the Prevention and Study of Infant Mortality, Southern Commercial Congress, Southern Educational Association, General Federation of Women's Clubs, United Textile Workers of America, American Society of Equity, representing more than 6,000,000 farmers, National Farmers' Grange, National Farmers' Congress, Department of Superintendents, International Congress of Farm Women, American Foundrymen's Association, National Domestic Science Association, National Committee on Agricultural Education, American Education and Cooperative Farmers' Union, Chamber of Commerce of the United States of America, and many other organizations that I have not time to mention, were asking the Congress to do something for the boy and girl who labor with their hands.

THE LEGISLATION WAS NOT HURRIEDLY ENACTED

This question had been before the country for years before the law was finally enacted. The country was fully advised long before the law was passed by Congress without a dissenting vote. There must have been some reason for such an overwhelming demand for this kind of legislation. For nearly a century prior to the passage of the Morrill Act, in 1862, known as the land-grant college act, granting to the States 11,357,832 acres of land, these colleges did a great work in their field of endeavor, but they were not doing anything for the boy and girl who wanted to work with their hands. Forty-one other acts were passed by the Congress granting land or money to the States for educational purposes, and still there was very little being done for those who toil with their hands.

LABORING PEOPLE WERE NOT BEING REACHED

Only 8 out of the 48 States had established State systems for vocational education, and that system was not reaching 1 per cent of those who needed training, and yet the public had waited 140 years for some kind of relief from the States and local communities, with practically no results.

When the Smith-Hughes Act was passed there was probably a student body in the country attending vocational part-time and evening schools of 25,000. When the Census of 1910 (when this question was under consideration) showed that there were 26,920,579 men and women engaged in agriculture and manufacturing alone, with only 1 per cent of them technically and skillfully trained for the work they were doing.

FORCED TO ACCEPT CORRESPONDENCE SCHOOLS

They were so anxious to get some technical knowledge of the work they were trying to do that they were enrolling in correspondence schools (in one single school) at the rate of 100,000 annually. That school had enrolled in 22 years 1,651,765 pupils willing to pay out of their own money for something they could not get in the schools of their State.

ECONOMIC LOSS TO THE COUNTRY

The hearings before the congressional committee disclosed the startling facts that the country was losing more than a billion dollars annually working untrained labor. We were then shipping 14-cent cotton abroad to have it worked up into the finished product and shipped back when we paid 40 and 50 cents for what we had sold originally for 14 cents. The difference went into skilled labor. We shipped abroad iron at 1¼ cents per pound and bought it back at $5 and $10 per pound. The difference went into skilled labor and freight.

THE VISION OF BISMARCK

At the close of the Franco-Prussian War the far-seeing Bismarck saw that a battle royal was to be fought for the commerce of the world, and realizing that if Germany's products were to successfully compete with other leading countries of the world, they must be equal in workmanship to the competing nations, and in order to do that it was necessary to train her workers, began a system of vocational education. As early as 1908 Germany had 1,651 industrial schools with compulsory attendance and 327 commercial schools with compulsory attendance, besides her schools without compulsory attendance.

VOCATIONAL EDUCATION IN GERMANY

When the Smith-Hughes Act was passed there were more workers being trained at public expense in the city of Munich alone than in all of the larger cities of the United States, embracing a population of more than 12,000,000 people. There were more trade schools in the

little German Kingdom of Bavaria (not any larger in population than the city of New York) than were to be found in the United States with nearly 100,000,000 population.

RESULTS OF VOCATIONAL EDUCATION IN GERMANY

In the decade from 1901 to 1910 Germany increased the volume of her foreign trade; including imports for consumption and domestic exports of merchandise, from $2,344,939,000 to $4,238,175,000, an increase of 81 per cent. In the same period the foreign commerce of the United States increased from $2,318,499,000 to $3,591,480,000, an increase of 55 per cent. In 1901 the volume of our foreign commerce was very nearly equal to that of Germany. In 1911 Germany's foreign commerce exceeded ours by more than $646,695,000. In this period Germany increased the value of her imports from $1,290,254,000 to $2,309,756,000. In 1911 Germany imported from the United States 1,101,353,712 pounds of raw cotton valued at $156,796,596, or very nearly one-half of our exports to Germany. In 1911 our imports of manufactured cotton from Germany amounted to $13,549,882; of manufactured iron and steel, $8,528,083; of paper and manufactures of paper, $7,615,407; of toys, $7,078,880; of silk and manufactures of silk, $5,810,980; of manufactures of wool, $4,785,999; of china, $4,007,214; of gloves, $2,994,557; of glass and glassware, $2,181,640; of feathers and flowers, $1,831,884; of jewelry and manufactures of gold and silver, $1,226,089.

I mention these various items to show how universally Germany had trained her artisans, and if America is to compete in the markets of the world, our labor must be skilled equal to that of other countries with whom we must meet in the open market.

VOCATIONAL EDUCATION IN FRANCE

Prior to the passage of the Smith-Hughes Act Senator Page, of Vermont, on the floor of the Senate said: "There are now 45,000 agricultural schools in France. Every one of those schools has a little plot of ground around it where they not only teach the boys out of books but send them to the field to learn what must be done to make things grow under God's sunshine and rain." As a result of this far-seeing system France in 1924 produced 20.6 bushels of wheat per acre, 18 bushels of rye, and 156 bushels of potatoes; 1925, 24 bushels of wheat and 20 bushels of rye. While Germany in 1924 produced 24.6 bushels of wheat, 24 bushels of rye, and 196 bushels of potatoes; 1925, 28.5 bushels of wheat, 27.5 bushels of rye, and 213 bushels of potatoes; while the United States produced in 1924, 16 bushels of wheat, 15.0 bushels of rye, and 124 bushels of potatoes; 1925, 12.9 bushels of wheat, 12.4 bushels of rye, and 100 bushels of potatoes.

COMPARISON OF GERMANY, FRANCE, AND THE UNITED STATES

France's average yield in wheat for 1923–24 and 1925 was 21.5 bushels per acre; Germany's average in wheat for the same years was 24 bushels per acre; while the average yield in the United States was 14 bushels. France's average yield in rye for 1923–24 and 1925 was 18.4 bushels per acre; Germany's average yield for the same years was 26.6; while the average yield in the United States was 13.3. France's yield in potatoes for the years 1923–24 (not being able to get 1925) was 128.8 bushels per acre; Germany's yield for 1923–24 and 1925 was 198.8 bushels; while the average in the United States was 111 bushels per acre. Taking the average yield for France and Germany combined in wheat, rye, and potatoes for each of the years 1923–24 and 1925 and comparing it with the yield in the United States for the same period, taking the acreage of each for 1920 (the last Federal census), the United States lost each year in these three products alone, at present-day prices, $1,322,221,180, or enough to pay all the costs of Federal aid under the Smith-Hughes Act for 188 years.

So long as we are making comparisons we do not want to ignore the great State of Maryland. Maryland's yield in wheat in 1909 (Federal census) was 16.5 bushels per acre; in 1919 (Federal census) was 14.5, a loss of 2 bushels per acre. Maryland's yield in rye in 1909 was 12.6 bushels per acre; in 1919 it was 10.8 bushels per acre, a loss of 1.8 bushels per acre. Maryland's yield in potatoes in 1909 was 88 bushels per acre, while in 1919 it was 104 bushels per acre, a gain of 16 bushels per acre.

A FEW RESULTS IN THE UNITED STATES

All of the success of vocational training is not confined to France and Germany. In 1923, 100 vocational boys in Georgia contested for a $100 gold prize, and each boy planted 3 measured acres of lint cotton. When this cotton was produced, harvested, and marketed these boys went before a notary public and made affidavits that their average yield on the 300 acres was 282 pounds per acre, while the average for the State, as a whole, was only 82 pounds per acre. The boys did this while attending school, and they earned $1 per hour for every hour worked in the cotton field. If all the farmers of Georgia had made the same yield as the vocational students, the State of Georgia would be $259,000,000 richer than it is to-day. This increase in one crop, in one State, would pay all of the Federal aid under the Smith-Hughes Act for 37 years. Last year in the State of Arkansas 130 boys in vocational schools put on a cotton-growing contest. Each boy planted 3 measured acres of lint cotton. The winner raised 2,250 pounds on 3 acres, or 750 pounds per acre. The second boy produced 2,001 pounds, or 667 pounds per acre. The average for the 130 boys was 384 pounds per acre, or 130 per cent greater than the average for the State, which was 167 pounds. If the State, as a whole, had produced the same yield as the vocational students produced, the State of Arkansas would be $142,738,000 richer than it is to-day. The boys in the Central Vocational School of the city of Milwaukee, Wis., earn more money each year while attending school than the whole scheme of education costs the city of Milwaukee for all kinds of education.

The secretary of the Arkansas Lumbermen's Association states that the kiln-drying courses at Pine Bluff and Crossett, conducted under the auspices of the State board for vocational education, would result in a saving to the lumber companies of Arkansas of at least a half million dollars this year. As a result of foreman training in vocational education, the Northern Texas Traction Co., with headquarters at Fort Worth, won the 1924 prize given by the American Electric Railway Association, to the traction company which showed the best developments and improvements in equipment and methods of operation during the year 1924.

The Nashville Railway & Light Co., Nashville, Tenn., has for the last few years carried on a program of foreman training in which particular attention is given to training in accident prevention. The results of this accident prevention work showed, out of 154 companies, an average of 2,512 car-miles per accident. When Mr. Connors presented the records for his company, it was 3,775 car-miles per accident, or 50 per cent less, and through September 1 it was 46,370 car-miles per accident. The record was a tribute to the work of Mr. Connors and the company men. Mr. Connors received his training at a special training conference conducted at Minneapolis, Minn., by the Federal Board for Vocational Education. Instead of 10 accidents for 1 trip around the world, they now have 1 accident for each 2 trips around the world.

I could give many incidents where millions have been saved to employers, and millions gained by employees through vocational education, but I have not the time to mention them in detail.

REASONS FOR OUR SUCCESS IN MANUFACTURING

We have been, and we are to-day, the leading manufacturing Nation in the world, but it is because of the factors that entered into it, that other nations do not possess—

1. The abundance and cheapness of our raw material.
2. The inventive genius of our people.
3. The organizing ability leading to production on a large scale.
4. A great body of cheap foreign labor of the first generation working its way upward in our midst to civic and industrial worth.

Our raw material that we have had in such an abundance is not so plentiful, and much of it must be carried quite a distance to points of manufacture. Immigration laws and anticontract labor laws have closed the doors through that channel. The inventive genius of our people is even greater than in former years; combinations and consolidations are growing by leaps and bounds. In the absence of better trained workers we must depend, to a large extent, in the future, on the inventive genius of our people and the organizing ability leading to production on a large scale for our success as our raw material will continue to grow less each year.

ADVANTAGE OF VOCATIONAL TRAINING

When the Smith-Hughes law was enacted we were producing about 5,500,000,000 pounds of cotton. We manufactured only about 2,000,000,000 pounds of that cotton into the finished product. England produced in India 1,350,000,000 pounds of cotton, but she manufactured 2,250,000,000 pounds into the finished articles. Figuring raw cotton at that time at 15 cents per pound and finished cotton products at 30 cents per pound, we have a difference of $525,000,000 annually which might have been paid to skilled workers in the United States, which went to the skilled workers of England and other countries, which would have paid the cost of Federal aid paid under the Smith-Hughes Act for a period of 75 years.

Governor Ritchie says: "That there has not been and can not be any good reason offered for Federal aid." Against that statement I produce the statement of Dr. Charles A. Prosser, head of the Dunwoody Industrial Institute, of Minneapolis, Minn.

QUOTES DOCTOR PROSSER ON FEDERAL AID

"There is a crying economic need for vocational education. The two great assets of a nation which enter into the production of wealth, whether agricultural or industrial, are natural resources and human labor. The conservation and full utilization of both of these depend upon vocational training. This vocational training is required—

"1. To conserve and develop our natural resources.
"2. To prevent waste of human labor.
"3. To provide a supplement to apprenticeship.
"4. To increase wage-earning power.

"5. To meet the increasing demand for trained workmen.
"6. To offset the increased cost of living.
"7. As a wise business investment.
"8. Because our national prosperity is at stake."

I assume that no well-balanced mind will dispute those conclusions, however wide we may differ as to the best way to obtain them. The records disclose the fact that 40 out of the 48 States had failed to provide any kind of equipment, and the 8 only to a limited extent. The people who need this training (and they compose 90 and 92 per cent of those who work in gainful occupations) waited on the States and local communities for 140 years to supply this demand without any practical results. If the States and local communities fail there is but one other place to go, and that is to the Federal Government. Again, I quote Doctor Prosser on Federal aid:

"National grants are required for these purposes:
"1. To help solve a problem too large to be worked out extensively and permanently save by the whole Nation.
"2. To help the States to carry the cost of giving vocational education.
"3. To share with the States in the large task of preparing workers whose tendency to move from State to State is making training for a life work a National as well as a State duty.
"4. To provide national assistance in solving a problem too large to be worked out extensively and permanently save by the whole Nation.
"5. To give interest and prestige in the States to work of preparing our youth for useful and productive service.
"6. To secure expert information from the agencies of the National Government and thus insure a country-wide knowledge and viewpoint which will put the work of the States on a successful and businesslike basis."

SOME REASONS FOR A UNIFORM SYSTEM

The Federal Census of 1920 showed 20,274,450 people living in States other than the States in which they were born; the population living in some of the States who were born in other States runs as high as 52 and 72 per cent; but the country as a whole showed 17.6 per cent. The Census of 1910 showed 13.3 per cent. Our people are of a migrating nature. They are constantly changing from State to State. This is increasing with each decade. The chances are that if the States (alone) without Federal aid would take the same interest in vocational education that they are doing with Federal aid, they would teach as many systems as there are States in the Union, and with our ever-changing population a man moving from Georgia to New York or from Indiana to Oregon might find the system so different from the State in which he was trained that he would be untrained in his new location. If the Federal board had done nothing more with the Federal grant than to set up a uniform system of training for each of the 48 States, it would be worth all it has cost in Federal aid. Cotton produced in Mississippi is manufactured in Massachusetts and consumed in every State in the Union; tobacco produced in Kentucky is manufactured in New York, Virginia, and the Carolinas, and consumed in every State in the Union; iron ore produced on Lake Superior, manufactured in Pennsylvania, and consumed in every State in the Union; raw copper produced in Montana, Utah, and Wyoming is worked into the finished product in many States of the Union.

CHILDREN QUITTING SCHOOL

I could go on indefinitely giving reasons for Federal grants to vocational education. The census of 1920 showed 4,464,078 children between the ages of 14 and 18 out of school; that means that they have quit school; they expect to make their living with their hands. Few, if any, of them were trained for their life's work, because the States and local communities (except in a few cases) were not functioning, and the machinery of the Smith-Hughes Act had only fairly started to work. These four and a half million boys and girls going out into the world untrained, to try to work themselves up through the "pick-up" system, ready to take any job they could get regardless of whether or not they would like the work, or whether they would fit the job even after they had secured it; many of them would become disheartened and fall by the wayside. We have more than a million new workers entering this field every year. To let them go out into the world untrained because the States failed to provide the training is a crime that the American people must answer for in the cost of a Nation of untrained workers, or in a crime wave brought about by disheartened youngsters thrown upon their own resources, and are unable to make good because they have been unable to get the training needed, while heartless politicians are going over the country crying, "You are invading the rights of the States."

FEDERAL GRANTS TO EDUCATION

The Federal Government has since 1862 passed 42 statutes in which it appropriated in grants for education more than 149,000,000 acres of land, and more than $127,000,000 in money, and no lawyer has ever questioned the constitutionality of one of those acts, and every well-informed person knows the history of the suit brought against the maternity act, which involves the same legal questions.

QUOTES DECISION OF UNITED STATES SUPREME COURT

The court even refused to consider it. Justice Sutherland in rendering the opinion of the court said in part: "Probably it would be sufficient to point out that the powers of the State are not invaded, since the statute imposes no obligation but simply extends an option which the State is free to accept or reject, but we do not rest here." "If one taxpayer may champion and litigate such a cause, then every other taxpayer may do the same, not only in respect to the statute here under review but also in respect of every other appropriation act and statute whose administration requires the outlay of public money and whose validity may be questioned."

"The bare suggestion of such a result with its attendant inconveniences goes far to sustain the conclusion which we have reached, that a suit of this character can not be maintained." "It is of much significance that no precedent sustaining the right to maintain suits like this has been called to our attention, although, since the formation of the Government, as an examination of the acts of Congress will disclose, a large number of statutes appropriating or involving the expenditure of moneys for non-Federal purposes have been enacted and carried into effect."

The case was dismissed. No one now seriously argues that the Federal Government is invading the rights of the States when it appropriates money for vocational education.

AMERICA'S GREATEST ASSET

The greatest treasure which this country holds to-day is the undeveloped skill and vocational possibilities, not only of the millions of our workers everywhere but of the great army of our school children, hundreds of thousands of whom pass annually from the doors of our elementary schools to serve in shop, field, and office. Vocational education will reduce to a minimum the waste of labor power, the most destructive form of extravagance of which a people can be guilty. We shall give an impetus to this much neglected work which will enable it to move forward with that vigor and effectiveness which would be absolutely impossible under 48 movements in no way coordinated.

THE STATES ARE SATISFIED

When the Congress passed the Smith-Hughes Act it blazed a trail along the lines of industry, agriculture, home economics, and commercial education that all of the 48 States immediately accepted to the honor and glory of the Republic. It was notice to the world that this is a democracy with equal rights to all and exclusive privileges to none; that of all those who toil, the 92 per cent who toil with their hands, would have a chance in the race of life along with their neighbors who are more fortunately situated.

DANGEROUS NOT TO TRAIN OUR WORKERS

When this question was under consideration in the Senate, Senator Page, in addressing the Senate, said: "Practically all of these boys who are in the 92 per cent class are to-day deprived of any kind of vocational or industrial training, and because of this fact they are swelling the ranks of our outcasts and criminals and filling our jails and asylums with the flotsam and the jetsam of our social life. They form the very scum which rises to the top of the great seething caldron of uneducated humanity, and is forming that uncontrollable element which is the natural outgrowth of the kind of justice which is to-day being practiced on the sons of our toiling millions in the matter of withholding from them a decent measure of vocational and industrial training," while heartless politicians are crying "expense," "cost," "unconstitutionality," "you are invading the rights of the State."

BREADWINNERS

When this legislation was enacted the Republic was 140 years old, yet only 38 per cent of our population were breadwinners, while in Australia it was 55 per cent, in Italy 53 per cent, and 48 per cent in France.

Vocational education will transform the hundreds of thousands of the idlers of the cities of the Nation into producers.

HOME ECONOMICS

It is estimated that $10,000,000,000 is spent in this country for food, clothing, and shelter every year, the greater portion of this money by the women of the country. It is estimated that a half million lives are cut short and 5,000,000 people are made ill annually by preventable diseases. How important it is that the home builders of the country be trained to prevent this human waste. If a thorough training in home economics could be had in all of the 48 States of the Union much of this waste could and would be saved.

SOME THINGS YOUNG WOMEN SHOULD KNOW

The girl who would fit herself to be a true home maker should understand the selecton and preparation of food for invalids, first aid to the injured, the value of foods that enter into daily consumption, and how to buy them so as to eliminate waste. She should understand venitilation, hygiene, physiology, the prevention of preventable diseases, serving of dinners, laundry work, household decoration, and household bookkeeping. Indeed, her studies should cover that broad field which will fit the girl prudently and economically to manage household affairs when she becomes a wife and mother. A good, well-kept home, presided

over by an intelligent woman, educated along both general and practical lines, means health, happiness, and prosperity, with healthy children and all those essentials which make life worth living. The country is fast awakening to the fact that probably 50 per cent of all divorces would have been avoided had the girls been good cooks, good home makers, and good mothers, and it would go a long way toward reducing infant mortality. The future of our country depends upon the homes of the country, and well-regulated society will depend upon the number of well-regulated homes, from which society must come.

CIVILIAN VOCATIONAL REHABILITATION

What I have said of the welfare of our country being so dependent upon the training of youth and adults who labor with their hands applies with double force to the program established later by the Government for the promotion of the vocational rehabilitation of the disabled civilian. In 1920 Congress passed an act to provide through the States a service of readjustment of men and women to remunerative employment who had lost their ability to earn a living, not through the ravages of war, but, rather, through the hazards of our modern, industrial, and social organization. It is unnecessary for me to remind you that the industrial development of our country, despite great strides in prevention, has been responsible for the addition annually to our disabled population, a number far exceeding that of soldiers disabled throughout our participation in the World War. Many of these unfortunate victims of public and industrial accidents become dependent upon relatives, friends, charitable organizations, or upon the State.

STATES HAD FAILED TO ACT

Notwithstanding the rapid growth of the problem only six States had undertaken to provide a service of restoration for the vocationally disabled by the time the Federal civilian vocational rehabilitation act was put into operation in 1920. To-day 39 States have accepted it and annually thousands of disabled workers are being made productive workmen in all fields of industry.

The problem involved in the vocational rehabilitation of the disabled civilian does not differ essentially from that of vocationally training our citizens. In the former we have a retraining or reeducation program. In the former, also, we have the factor of conservation. If it is logical and necessary that we train our citizenship for manual or other labor, then it is equally true that we should retrain those who are so unfortunate as to have their former earning ability destroyed through accident or disease. The short time the Federal and State cooperative programs of rehabilitation have been in existence has provided abundant experience of the essential economic soundness of the work.

SOUND ECONOMICALLY

It has been repeatedly demonstrated that the actual costs of this retraining program fall short of the amount needed to maintain the disabled person in idleness in a State institution for a year. However, expenditures for rehabilitation of the individual are shown to be an investment by State and Federal Governments rather than a cost of service, when it is observed that the average life expectancy for the rehabilitated group covers a period of about 20 years.

With restricted immigration and constant demands for trained workmen, the Nation can not afford to neglect the retraining of the disabled workman to carry on the work upon which its prosperity is so dependent, and some of those who are loudest in their condemnation of Federal aid for rehabilitating these poor unfortunate handicapped people are not doing anything for them either with or without Federal aid. Among the nine nonparticipating States I find the great State of Maryland, of which Governor Ritchie is its chief executive, deaf to the appeals of suffering humanity as their cries for help rend the skies. Of the $2,400,000,000 spent in 1924 for all kinds of education, only $22,400,000, or nine-tenths of 1 per cent, was expended on vocational education. For every dollar spent by the Federal Government to teach boys and girls how to labor with their hands the States and local communities spent $2.90. It is no longer a 50-50 proposition, but it is 25 and 75. We now have a student body studying vocational education of 750,000.

Governor Ritchie says: "In actual operation the system is attended with the grossest inequalities and discriminations among the States. No argument can be made for it except that the States which other States carry want the money, and yet those are the very States which receive generous subsidies anyhow. They simply want more."

Federal aid is paid to the States from Federal taxes collected from its citizens who happen to be sojourning in that State at that particular time, who may be in some other State when taxes are collected the next time. No State pays taxes to the Federal Government. An individual files his income-tax return in the collection district in which his legal residence or principal place of business is located at that time, and a corporation files its income-tax return in the collection district in which its principal place of business or the principal office or agency is located at the time of payment. Consequently income reported by an individual or corporation in one State may have been derived from sources in other States. I am indebted to the American Association of State Highway Officials for some of the data that I am now using in this phase of the argument. In entering the protest against Federal cooperation with the various enterprises, tables have been widely published by those unfriendly to vocational education to prove that a few States really furnish more than 75 per cent of the entire amount collected by the Federal Government for these purposes, when in fact no State pays a dollar to the Federal Government in taxes, "and they receive in return but a very small portion of what they pay into the Treasury. At the same time other States are given sums far in advance of what they pay."

NOT CRITICIZING ANY STATE

Before going further into this argument I want to disclaim any intention upon my part to cast any reflection upon any State for its wealth or lack of wealth. Upon the other hand, I want to compliment the richer States of the Union upon the thrift, business ability of its citizens in being able to make use of the wonderful possibilities that have come to them and being able to profit thereby, having accumulated vast amounts of wealth and as a result pay large incomes to the local, State, and Federal Government.

NO STATE COULD LIVE LONG WITHIN ITSELF

No State liveth unto itself. There is not a State in the Union that could live a year without outside assistance. All the 48 States are linked together in one inseparable Union, each contributing its part to the best of its ability to the well-being of the whole. Our natural resources are not all to be found in any one State, but all of the 48 States contribute something. We do not want to invade the rights of the States in this or any other question, except in matters affecting the whole, in which individual States have been unable or unwilling to meet the problems, without which there is a broken link, and the whole country is affected and made to suffer thereby.

In collecting Federal taxes from its citizens the Government does not undertake to run down every piece of property in the country and see where it is located, but has ruled that tax returns be made from the collection district in which the head office of the person, firm, or corporation is located, without regard to where the property upon which the returns are made is situated, and it often happens (for convenience) that returns are made from States in which the taxpayer does not own one dollar's worth of property.

SOME ILLUSTRATIONS IN POINT

This is fully illustrated in the case of the Union Pacific Railroad and the Southern Pacific Railroad. The head offices of both of these roads are located in New York. The Union Pacific in 1923 paid an income tax in New York of $4,500,000, and yet this road has not a mile of line east of Omaha and Kansas City. The Southern Pacific paid a tax of $5,000,000 in the State of New York, when its nearest line to the State of New York is New Orleans. In 1922 the corporations in New York State paid 25.59 per cent of all the corporation tax of the United States and still were able to declare cash dividends to their stockholders of over $975,724,000, and also stock dividends of over $1,229,572,000. I am delighted at their wonderful prosperity, and no one begrudges it. The total number of corporations in the United States paying an income tax that year was 212,535. Of this number, 35,504 paid an income tax in New York. Nearly three times as many as Pennsylvania, and yet New York has only 11.7 per cent of the total national wealth, while Pennsylvania has 9.2 per cent of the total national wealth.

TAXES PAID BY CORPORATIONS

In 1922 the total corporation tax paid in the United States that year was $783,776,268, which was 47.6 per cent of the entire income tax. Manufacturing paid $389,776,280, or 40.9 per cent of all corporations, or 23.7 per cent of all income tax of the Nation. New York paid 22.8 per cent of all corporation tax paid by manufacturing, while Pennsylvania paid but 11 per cent. The same year manufacturing and equipment plants were valued in New York State at $2,133,897,000, while the same kind of property was valued by the Federal report at $2,193,873,000 for Pennsylvania. New York paid more than double the income paid by Pennsylvania on $60,000,000 less property valuation, which would indicate that New York is paying incomes on many corporations which have no property in the State.

NEW YORK AND PENNSYLVANIA

In 1921 manufacturing plants in New York State showed a production of $6,978,506,000 and those in Pennsylvania a total output of $5,059,000,000. At the same time the corporations under the head of manufacturing in New York State paid a Federal tax of $89,131,469, while those of Pennsylvania paid $42,992,178. This shows that the industries in Pennsylvania produced 72 per cent as much as New York, while the Federal tax paid was but 48 per cent as large as that of New York. Railroads and equipment in New York State have a value of $1,479,682,000, and street railways, shipping, water works, etc., are valued at $2,594,070,000, making a total for transportation and other utilities of $4,073,752,000. Pennsylvania for the same items has a value on railroads and equipment of $1,902,737,000 (exceeding that of New York) and $1,268,165,000 on street railways, shipping, etc., making a total of $3,170,902,000. These properties paid an income tax in New York of $40,459,465, while Pennsylvania paid but $9,920,949. At the valuation rate Pennsylvania should have paid around thirty million. The report would indicate that other transportation companies pay tax

in New York when their property is located elsewhere. The United States Steel Corporation in 1923 paid an income tax to the State of New York of $16,000,000. That company has 145 plants and warehouses, only two of which are located in New York State; it has 153,350 stockholders living in every State in the Union, including Alaska, Canal Zone, Hawaii, Philippine Islands, Porto Rico, and 2,716 stockholders in foreign countries. New York has 32,322 stockholders, while Pennsylvania has 41,917, yet all of its income tax is paid in New York.

NEW YORK CORPORATIONS

There are 64,800 corporations making reports to the Federal Government through New York State. I mention 24 of them in addition to the ones I have previously named. Their names are familiar, and State lines have no terror for them. The paid-up capital stock of these 24 corporations is $2,380,242,000, and their net income last year was $376,955,787, or 15.8 per cent. I mention only 24, leaving my audience to guess what the results would have been if I had mentioned the other 64,826.

American Railway Express, net income $2,950,000; operates in every State in the Union.

American Beet Sugar Co., net income $1,515,972.

American Can Co., net income $15,423,202.

American Locomotive Co., with 11,754 stockholders, plants in New York, Virginia, New Jersey, Pennsylvania, and Canada; net income $12,462,563.

American Radiator Co., net income $9,908,217.

American Smelting & Refining Co., with 12,807 stockholders located in all the States; plants in Colorado, Utah, Washington, California, Montana, Texas, Arizona, Maryland, Illinois, Nebraska, Oklahoma, New Jersey, also Mexico and South America; net income $22,471,506.

American Sugar Refining Co., number of stockholders 25,747, located in every State; its plants are located at Boston, Brooklyn, Philadelphia, Baltimore, and Chalmette, also own stock in beet-sugar plants in California, Michigan, Iowa, and Ohio; net income $8,557,724.

American Telephone & Telegraph Co., with 358,273 stockholders, located in every State in the Union; net income $144,954,889.

American Tobacco Co., net income $17,952,545.

Anaconda Copper Mining Co., plants in Montana and Wyoming; net income $18,589,971.

Buckeye Pipeline Co., pipe lines in Ohio; net income $1,041,571.

Indiana Pipeline Co., pipe lines in Indiana; net income $965,945.

National Biscuit Co., net income $12,092,828.

National Lead Co., with 49 plants scattered in various States; net income $5,296,413.

Nevada Consolidated Copper Co., mines and plants all in Nevada; stockholders in many States; net income $2,020,797.

Pan American Petroleum & Transport Co., no property in New York; net income $13,011,215.

Postum Cereal Co., plants at Battle Creek Mich., and Windsor, Canada; 1,500 stockholders scattered over the country; net income $2,881,466.

Sinclair Consolidated Oil Corporation, with 41,000 stockholders living in every State; has refineries and terminals; bulk or service stations in nearly every State east of the Rocky Mountains; pipe-line companies in Texas, Kansas, Oklahoma, Missouri, and Illinois; net income $29,737,887.

Tobacco Products Corporation, controls United Cigar Stores Co. and factories in Virginia; net income $4,529,556.

Union Tank Car Co., net income $1,101,717.

Utah Copper Co., owns 867,613 acres in Utah; owns Nevada Consolidated; net income $12,140,261.

Utah Securities Corporation, in Utah, Idaho, and Colorado; net income $135,606.

Woolworth Co., stockholders in ever State, with 1,356 stores; net income $20,608,180.

Western Union Telegraph Co.; its stockholders are all over the Union, with 25,000 offices throughout the country; has over 1,550,000 miles of wire; net income $15,915,756.

NEW YORK A MONEY CENTER

New York is the great money center of the world. On May 15, 1925, the statement of the United States Treasury Department showed $2,218,027,000 on deposit in New York City national banks; it also disclosed the fact that 38 per cent of those deposits were from banks and trust companies outside of the State of New York.

I could go on and mention many other things pertinent to the subject, but I have not the time. Those things are not alone confined to the State of New York; there are many other States that collect Federal taxes on property located in States other than the State in which the taxes are paid.

AUTOMOBILE TAX PAID IN MICHIGAN

Forty-three per cent of the total tax paid by Michigan last year was from excise tax on automobiles; the average was $31 per car; 73 per cent of all automobile excise tax of the United States was paid through the State of Michigan, and there were 2,735,449 cars sold in 1924. The tax was added to the price of the car, and the purchaser paid the tax. These taxes were not paid by the State of Michigan but by the States in which the cars were sold. The Fords alone paid $21,260,000 in income tax.

VIRGINIA AND NORTH CAROLINA

Federal taxes paid in the States of Virginia and North Carolina were increased by reason of the manufacture of tobacco. I do not understand that any of these States are complaining about Federal aid.

SOME OF MARYLAND'S CORPORATIONS

I must not leave this point without a word about the great State of Maryland. I have not time to go into these things at any great length; but as Governor Ritchie wants to stop at the State line in paying out money (except always the port of Baltimore), but is willing to follow the Southern Railway Co. from New York to New Orleans and from Kansas City to Jacksonville, Fla., when it comes to collecting income taxes. The Southern Railway Co. operates 6,800 miles of road and not one mile is in the State of Maryland. Yet Maryland collects income tax from the entire 6,800 miles. It has a capital of $187,457,703. Its net income for 1924 was $15,350,060. It paid an income tax in 1924 of $1,918,757. It was all paid in the State of Maryland. The Baltimore & Ohio Railroad Co., with 5,153 miles of trackage, with only 360 miles in the State of Maryland (or about 5 per cent), has a capital stock of $220,926,409; its net income in 1924 was $15,657,455, and paid an income tax of $1,957,181; and it paid it all through the State of Maryland. The Amer Wholesale Co. has a capital stock of $11,388,800; its net profits for 1924 were $1,238,405; it paid an income tax of $154,800. Its income tax was paid in the State of Maryland. The Bartlett Haywood Co., with a capital stock of $4,640,000; its net income for 1924 was $388,976; it paid an income tax in Maryland of $48,622. John E. Herst Co., with a capital stock of $3,058,000; its net profit in 1924 was $110,047. Emerson Drug Co.; among other things it manufactures is Bromo Seltzer, sold all over the world; capital stock, $4,404,252; its net income for 1924 was $1,650,604; it paid an income tax in Maryland of $200,552. Eastern Rolling Mill Co.; capital stock, $3,030,000; its net income for 1924 was $1,006,230; it paid an income tax through the State of Maryland of $125,778. The Securities Cement & Lime Co., with a capital stock of $1,950,000; its net income for 1924 was $1,055,830; it paid an income tax through the State of Maryland of $131,976. Maryland Car Wheel Co., with a capital stock of $1,000,000; its net profits for 1924 were $240,323; it paid an income tax through the State of Maryland of $30,040. The Arundel Corporation, with a capital stock of $5,929,261; its net income for 1924 was $1,257,577; it paid an income tax to the State of Maryland of $157,447. The stocks of these corporations are widely scattered, and they all do an interstate business. Time prevents me from giving others.

REFERS TO SOME WESTERN STATES

If the expenditures of Federal money is to stop at the State line, then there ought to be some way for the States in which the property is located to take credit for their share of the taxes paid. In one far Western State, Idaho (I can not mention them all), the total assessed valuation of property for 1925 taxes was $475,405,250.27. Included in this assessment were railroads, power-transmission lines, telephone lines, telegraph lines, private car lines, Pullman Car Co., assessed at $103,910,294.52, or more than 20 per cent of the total that paid their income taxes through other States. The Bunker Hill & Sullivan Mining & Concentrating Co., Federal Mining & Smelting Co., Callahan Zinc-Lead Co., Yukon Gold Co.—these mining companies are operating in the Coeur d'Alene district. The State mine inspector of Idaho is authority for the statement that these companies collectively pay more Federal income taxes than all Federal aid received by the State, exclusive of highway construction, and all their income taxes are paid through other States, while States having public domain receive for school purposes 5 per cent of sales of such land and certain royalties on minerals. Idaho has 53,887,139 acres of land. The State of Maryland has 7,889,280 acres; out of the 53,000,000 acres in Idaho, it has 9,887,139 acres of public domain that the State does not assess for taxes. In other words, Idaho has 1,997,859 more acres of public domain for which it collects no taxes than the State of Maryland has all told. Colorado has 7,464,208 acres of public domain, Arizona has 13,578,760 acres, Wyoming has 16,447,935 acres, and Nevada has 52,456,837 acres. The States can not access these public lands for taxes. Parties complaining that their State is being assessed by the Federal Government to give funds to some far-distant State ought not to forget that it is the natural resources of that far-distant State which enables the protesting citizens of the State to sit in their smug complacency. They forget that it is western copper that enters into the power plants and lighting systems that light their homes and their cities and turns the wheels of industry. That it is western lumber and shingles that protect them from the winter's chilling rains and snow; that it is western wool that goes into the necessities of the home, in clothing, blankets, carpets, etc.; makes possible the Boston wool market and furnishes raw material for the factories of the East; that it is western hides that go into their shoes and other necessities of life. They forget that the factories of the North and East rely

upon the prosperity of the South and West to furnish a market for the product of their factories, without which production would be curtailed and idleness and stagnation in business would follow; that it is western beef, mutton, and pork that feed the great manufacturing centers of the North, East, and Central West; that it is western grain that has built up the great milling interests of Minneapolis and the feed mills of the Central West; that it is the gold and silver of the far West that helps to make the $314,000,000 in Christmas savings clubs, and $20,000,000,000 in savings banks, the pay rolls, interest, and principal upon the public debt, that causes the American dollar to travel the world over, to be gladly accepted at its face value in every nation upon the earth. Large incomes are paid to the Federal Government from citizens and corporations located in the North, East, and Central West, which goes to swell the incomes credited to the richer States that is largely due from resources obtained from the far Western States, including railroads, mining, lumber, stock, wool, and grain.

I understand that the school law of Maryland provides equal opportunity for the boy and girl living in the rural sections of the State with the boy and girl that live in the richer sections, and if the levies in the poor counties are not sufficient to give those poor counties a nine-month school, then the State steps in and supplements an additional amount from money collected from the richer counties to equalize the counties so that all may have a nine-month school, which we think is entirely correct; but if the rich counties in Maryland are to be taxed an additional amount to provide for the poorer counties, then tell me why you object to a part of Henry Ford's income taxes, which happens to be paid through the collection district of Michigan, going to some poorer State to help train the boy that may seek a job in the Ford factory. The Government did not stop at State lines when it called the four and a half million boys to the colors in the World War, but it went to the poor sections along with the rich and drafted the poor boy just as it did the rich, and if any escaped the draft, it was more often the rich. If the Government has the right to call (if necessary) all of the boys of all the States, rich and poor alike, to the colors to defend the lives and property of the richer sections, along with the poor, and train them to fight for their country, and finally land them in some national cemetery to be eulogized on May 30 and November 11, the Government would be heartless, indeed, if it refused those same boys equal opportunity for training to fit them to carry on in time of peace. Few of us were ever consulted about where we would be born, whether in a rich or poor section of the country.

COST OF PORT OF BALTIMORE

The distinguished Governor of Maryland does not complain of the Federal money expended on the port of Baltimore, but he does complain about the money expended under the Smith-Lever Act that enables the farmers to increase their yield in farm products when the exporters of Baltimore send daily telegrams to the farmers of the West urging them to route their farm products for export through the port of Baltimore, and as a result in 1924 there was exported through the port of Baltimore in corn, wheat, wheat flour, leaf tobacco, rye, and barley $22,909,559 in value. The farmer frequently produces his products at a loss while the Baltimore exporter always charges a profit for handling them. The governor is opposed to giving any of the taxes collected from the exporters of Baltimore to aid the farmer to produce a greater yield, but he does not raise his voice against the farmer contributing to the profits of the exporters of farm products who ship through the port of Baltimore. I have no record of the governor raising his voice against the congressional appropriations of $11,274,287.46 to improve the channel of the port of Baltimore, but he protests vigorously against appropriations for public highways that link the North, South, East, and West together that make neighbors of us all.

"'Tis sweet to hear the watchdog's honest bark
Bay deep-mouthed welcome as we draw near home."

"FROM MAIN STREET TO WALL STREET" (S. DOC. NO. 65)

Mr. LA FOLLETTE. I ask unanimous consent to have printed as a public document an article appearing in the Atlantic Monthly for January, 1926, by William Z. Ripley, entitled "From Main Street to Wall Street."

The VICE PRESIDENT. Without objection, it is so ordered.

HOUSE BILLS REFERRED

The following bills were severally read twice by title and referred as indicated below:

H. R. 5013. An act extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway; to the Committee on Commerce.

H. R. 7732. An act amending act of March 4, 1925, for the relief of employees of the Bethlehem Steel Co., Bethlehem, Pa.; to the Committee on Claims.

H. R. 8911. An act authorizing an appropriation of $11,000 for the purpose of aiding in the repair of damage done to roads, water systems, schools, and other public buildings in American Samoa; to the Committee on Territories and Insular Possessions.

H. R. 6376. An act to amend the act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes, approved August 25, 1919, as amended by act of March 6, 1920; and

H. R. 6559. An act to provide for the construction of certain public buildings, and for other purposes; to the Committee on Public Buildings and Grounds.

H. R. 3996. An act authorizing the Secretary of War to convey certain portions of the military reservation of Fort Sam Houston, Tex., to the city of San Antonio, Bexar County, Tex., for street purposes; and

H. R. 7019. An act to provide four condemned 12-pounder bronze guns for the Grant Memorial Bridge at Point Pleasant, Ohio; to the Committee on Military Affairs.

H. R. 3833. An act to amend section 204 of an act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, and the acts amendatory thereof and supplementary thereto; and

H. R. 3834. An act to amend section 65 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, and the acts amendatory thereof and supplementary thereto; to the Committee on the District of Columbia.

H. R. 6536. An act to amend section 129 of the Judicial Code, relating to appeals in admiralty cases; and

H. R. 8128. An act to punish counterfeiting, altering, or uttering of Government transportation requests; to the Committee on the Judiciary.

H. R. 6261. An act to authorize the exportation from the State or Territory of timber lawfully cut on any national forest or on the public lands in Alaska;

H. R. 6384. An act to amend the acts of June 7, 1924, and March 3, 1925, granting certain public lands to the city of Phoenix, Ariz.;

H. R. 7370. An act to amend an act entitled "An act to authorize the sale of burnt timber on the public domain," approved March 4, 1913;

H. R. 7482. An act to provide for conveyance of certain lands in the State of Michigan for State park purposes; and

H. R. 7911. An act to authorize the exchange of certain public lands and the establishment of an aviation field near Yuma, Ariz.; to the Committee on Public Lands and Surveys.

H. R. 186. An act authorizing the payment of tuition of Crow Indian children attending Montana State public schools;

H. R. 6374. An act to authorize the employment of consulting engineers on plans and specifications of the Coolidge Dam;

H. R. 7173. An act authorizing the Secretary of the Interior to dispose of certain allotted land in Boundary County, Idaho, and to purchase a compact tract of land to allot in small tracts to the Kootenai Indians as herein provided, and for other purposes;

H. R. 8184. An act to authorize the Secretary of the Interior to purchase certain land in California to be added to the Cahuilla Indian Reservation and authorizing an appropriation of funds therefor;

H. R. 8185. An act to amend sections 1, 5, 6, 8, and 18 of an act approved June 4, 1920, entitled "An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes"; and

H. R. 8652. An act to provide for the withdrawal of certain lands as a camp ground for the pupils of the Indian school at Phoenix, Ariz.; to the Committee on Indian Affairs.

ALUMINUM CO. OF AMERICA

Mr. CUMMINS. Mr. President, yesterday morning I was not able to be here just at the opening of the session, but I understand that the Senator from Montana [Mr. WALSH] presented a report from the Judiciary Committee. My understanding also is that he did not present any resolution with the report.

Mr. WALSH. No; there was no resolution presented.

Mr. CUMMINS. An order was entered, so I am informed, providing for the filing of minority views. I am not sure whether under the order it will be necessary to file the minority views within a given time, for instance, this morning; but I desire to say that the Senator from Oklahoma [Mr. HARRELD] has prepared minority views which I think meet the concurrence of all the members of the Judiciary Committee not joining in the majority report. It was understood that I would prepare additional minority views. I have been so situated that I was not able to finish the work until last night at midnight. I have not had an opportunity to present to the dissenting members of the Judiciary Committee what I have prepared.

I want to have that opportunity. If there is anything in the order which would require the report to be filed this morning, I would like to have it so changed that I may have until Saturday morning to present the minority views. I ask the consent of the Senate for that postponement.

Mr. WALSH. I had intended to call up the report this morning and the motion to adopt the same, but I am advised by the Senator from Kansas [Mr. CURTIS] that the Senator from Pennsylvania [Mr. REED], who has evinced some interest in the subject, is ill and would like to have the matter continued for a few days. I believe everyone will realize that the proceedings ought to go forward with every possible speed. The complaint is that the matter has been delayed all too long already. I should like very much, indeed, to accommodate the chairman of the committee in the matter of the preparation of his views, but I think that another day or two ought to be quite adequate. I have suggested to the Senator from Kansas that I would ask that the matter be set down for consideration on Thursday of this week.

Mr. CUMMINS. One of the difficulties about the situation is the absence of, I think, three members of the Judiciary Committee, two of whom are the Senator from Oklahoma [Mr. HARREILD] and the Senator from Colorado [Mr. MEANS]. I am not sure whether there is another one absent or not. I would like to have an opportunity to submit my views to the absent members of the committee. No one of them has seen the report that I intend to make, although the general import of it was explained before the Judiciary Committee. I do not desire to prolong or postpone the consideration of the matter. It will take, in my judgment, a very considerable time to dispose of it. Inasmuch as the proposal of the majority is to authorize or direct the Judiciary Committee to enter upon an investigation that will consume a month or two months, or possibly a less time, but not very much less time, a postponement for a few days can make but little difference.

Mr. WALSH. Mr. President, I feel that I have been about as accommodating to Senators on the other side in this matter as the circumstances will fairly permit. Two weeks ago yesterday I presented to the Committee on the Judiciary what I conceived to be an accurate report of what was developed by the inquiry. It was then considered by the committee. Senators upon the committee desired an opportunity to consider the draft thus submitted, and possibly to submit some views of their own. An adjournment of the proceedings was had until Thursday of the same week, when, for one reason or another, the exact nature of which I do not now recall, a request for a further adjournment was presented. Somewhat reluctantly on my part the matter went over until Monday a week ago. Then there was some other reason presented why it could not be taken up and disposed of at that time, and an adjournment was again taken until Thursday of last week. It was then disposed of simply because the members of the committee who were favorable to the draft of the report prepared by myself signed a round robin, and it was thus gotten out of the committee.

Now, it does seem to me, inasmuch as I was prepared two weeks ago to put in a formal way my views upon the matter after the inquiry was had, that two weeks have been quite ample to permit any member of the committee to express himself in any way that he desired to do. I do not feel justified under these circumstances in conceding any further delay than that I have suggested, namely, until Thursday, owing to the illness of the Senator from Pennsylvania [Mr. REED].

Mr. KING. Mr. President, will the Senator yield to me?

Mr. WALSH. I yield.

Mr. KING. I wish to say to the Senator from Montana and also to the Senator from Iowa [Mr. CUMMINS] that Thursday at 3 o'clock has been appointed as the hour for the consideration of the nomination of Mr. Hunt for a place upon the Federal Trade Commission. I consented gladly to that date in view of the fact that, as I understood, the matter to which the Senator from Montana [Mr. WALSH] has just now called attention would be taken up for consideration to-day. The consideration of the nomination of Mr. Hunt will be related to the matter under discussion in the Aluminum case. A discussion of the Aluminum case will take out of the discussion of the Hunt case a considerable amount of matter, and, of course, will reduce the amount of time required for the discussion of the Hunt case. I want to say that if the Aluminum Co. matter goes over until Thursday or to a later period, then I would be constrained to ask that the nomination of Mr. Hunt go over to a later period, because I believe in the interest of time it will be better to have the Aluminum Co. discussion disposed of before we proceed with the discussion of the Hunt case.

Mr. CURTIS. I understood the Hunt case was set for Friday at 3 o'clock.

Mr. KING. Then that will be entirely satisfactory if the Aluminum Co. case shall be taken up on Thursday.

Mr. CUMMINS. Mr. President, I do not perceive any connection between the nomination of Mr. Hunt and the report of the Judiciary Committee upon the Aluminum Co. case. The Senator from Utah may be able to make it appear, but I can not now see it.

Mr. KING. If the Senator from Iowa will pardon me, I feel sure that before we dispose of the matter the Senator will be discussing the Aluminum Co. case in connection with the Hunt confirmation.

Mr. CUMMINS. No; I will not. I assure the Senator from Utah that I will not discuss the Aluminum Co. case when we come to the consideration of the confirmation of Mr. Hunt.

The Senator from Montana [Mr. WALSH], however, has correctly recited the proceedings before the Judiciary Committee, and he has been very obliging and very considerate; but, as I understand the parliamentary situation at the present time, the report made by the Senator from Montana is on the calendar. It will have to be taken up precisely as any other subject on the calendar is taken up; he can not call it up as though it were a privileged matter. While I have not the least desire to postpone the discussion of the Aluminum Co. case, I can not see that the Senator is likely to be delayed by allowing me until Saturday morning to file the additional minority views. I will ask the Senator from Montana if he understands the parliamentary situation as I do?

Mr. WALSH. No; I do not. The matter is not on the calendar at all. I submitted a report and moved its adoption, and, according to a precedent here, that takes exactly the same status as a resolution of the Senate. A resolution of the Senate does not go to the calendar; it comes up the following day.

Mr. CUMMINS. I made the inquiry this morning, and I was told that there had been no resolution offered.

Mr. WALSH. There is no formal resolution, but there is a motion to adopt the report——

Mr. CUMMINS. Certainly.

Mr. WALSH. Which is, in effect, a resolution.

Mr. CUMMINS. Therefore I will make a parliamentary inquiry. What is the parliamentary status of the report, Mr. President?

The VICE PRESIDENT. The Chair will read from the RECORD of yesterday, as follows:

> Mr. WALSH. Mr. President, I send to the desk a report (No. 177) from the Committee on the Judiciary, pursuant to Senate Resolution 109, directing an investigation concerning the diligence with which the Department of Justice has investigated the charge of violation by the Aluminum Co. of America of a decree of the United States District Court for the Western District of Pennsylvania. I move that the report be adopted by the Senate. I give notice that I shall call up the motion at the earliest possible moment.

Mr. CURTIS. Mr. President, may I suggest that on yesterday the Senator from Oklahoma [Mr. HARREILD], who, I understood, prepared the views of the minority, advised me that he was going to leave the city last night. I also had a communication to the effect that the Senator from Pennsylvania [Mr. REED], who desired to be here when this matter is taken up, was ill at home. I did not know at that time that the chairman of the committee intended to file additional minority views, and did not know of it until a few moments ago.

I called upon the Senator from Montana [Mr. WALSH], and he agreed to let the matter go over, because of the illness of the Senator from Pennsylvania, until Thursday, at which time I understood he intended to offer a resolution. I think that statement is correct. I hope, in view of the circumstances as I have stated them, the chairman of the committee may submit his report at least on Friday, and, if the Senator from Montana would agree, we might fix Friday as the day for the consideration of the subject, which would give the chairman of the committee a couple of days within which to submit his minority views.

Mr. CUMMINS. Mr. President, as I understand the Senator from Montana has not offered any resolution. He has presented a report and moved that it be adopted.

Mr. WALSH. Mr. President, the situation will be very much clarified if I make a brief statement. The report, after reciting the efforts made by the Department of Justice in the investigation, concludes with two recommendations: First, that the Federal Trade Commission be directed to transmit to the Senate the evidence taken by it relating to infractions by the Aluminum Co. of America of the provisions of the court decree of 1912; and, second, that a resolution be adopted by the Senate directing the Committee on the Judiciary to conduct an

investigation. The first part of the resolution has already been carried out.

Mr. CUMMINS. I myself offered the resolution.

Mr. WALSH. It has been carried out by order of the Senate, the resolution being tendered by the chairman of the committee by direction of the committee. We are, then, considering the report which has been submitted, namely, a recommendation to the Senate that a resolution be adopted by the Senate. I have moved the adoption of the report, and if the report shall be adopted I shall then tender a resolution in accordance with that report. I shall draft that resolution and offer it for the information of the Senate in connection with the consideration of the report now before the Senate. The question before the Senate now is the motion that the report be adopted by the Senate.

Mr. CUMMINS. Precisely.

Mr. WALSH. And that takes the form of a resolution which, coming over from yesterday, is before the Senate today for consideration. I am yielding to the request made on behalf of the Senator from Pennsylvania [Mr. REED], who is unable to be here, that the matter stand over without prejudice until Thursday.

Mr. CUMMINS. The reason I asked the parliamentary question was to know whether the report now stands as a resolution coming over from a previous day.

Mr. WALSH. It does.

Mr. CUMMINS. The Chair has not ruled upon that question.

The VICE PRESIDENT. The Chair rules that the report is on the table and that a motion to proceed to the consideration of the report should be made and adopted before a motion to adopt the report would be in order.

Mr. CUMMINS. Then, I understand that the motion lies on the table?

The VICE PRESIDENT. The report lies on the table, and the motion to proceed to the consideration of the report is in order.

Mr. CUMMINS. I do not wish to interfere in any way with the understanding had between the Senator from Kansas and the Senator from Montana. I am simply trying to secure an opportunity to ascertain how many members of the Judiciary Committee are willing to join in the additional minority views which I intend to present. If the Senator from Kansas thinks that good faith requires that the matter be set down for Thursday morning, I shall of course not object.

Mr. CURTIS. I do not want to be put in that position. I have not consulted the chairman of the committee. As the Senator knows, I myself have been ill. The Senator in charge of the preparation of the views of the minority called upon me and requested that I see if I could make some arrangement about the matter, which I did. I supposed, of course, that he alone would submit the views of the minority.

Mr. CUMMINS. I had stated to the Judiciary Committee during one of our meetings that I intended to present a minority report upon an entirely different ground from those chosen by the Senator from Oklahoma. I think the Senator from Montana will bear me out in that.

Mr. WALSH. My recollection is that the Senator said that he would either present a minority report or state his separate views on the floor.

Mr. CUMMINS. I, of course, shall not be able to consult certain members of the committee—although I think I know in a general way how they feel about it—before Saturday morning; but in view of what has been said I shall not press the matter, and you can take up the matter now if you desire.

Mr. WALSH. Mr. President, I feel as if I ought to say, in justification of what may appear to be obstinacy upon my part, that certain Senators are very desirous of being present at the time of the discussion, and it would be exceedingly inconvenient for them to postpone the matter longer than Thursday. It would suit me just as well to take it up on Saturday, and I do not mean to say that a matter of two days would make any difference; but in order to accommodate the Senator in the matter, I should be obliged to disappoint other Senators who can not possibly be here if the matter is postponed until later.

I ask unanimous consent, then, that this matter be set down as a special order after the conclusion of the morning business on Thursday.

The VICE PRESIDENT. Is there objection? Without objection, it will be so ordered.

Mr. CUMMINS. I make no objection, although I feel that it is not quite fair in the situation which exists. Pursuing this matter just a moment, may I have the privilege of filing the minority views by Thursday morning?

Mr. WALSH. I did not hear the Senator's remark.

Mr. CUMMINS. I asked for the privilege of postponing the filing of the minority views until Thursday morning.

Mr. WALSH. I have no objection.

The VICE PRESIDENT. Without objection, leave will be granted.

ADDITIONAL FEDERAL DISTRICT FOR NORTH CAROLINA

Mr. OVERMAN. From the Committee on the Judiciary I report back favorably with amendments Senate bill 2849, to provide for an additional Federal district for North Carolina. This is a local matter, and I ask unanimous consent for its present consideration. The bill is for the purpose of establishing another judicial district in my State, which has only two. I have here some letters from the judge of the circuit court, the judge of the superior court, and one judge who now is in a hospital, helpless, who recommends it. He says he will never be able to go into a court again; and this bill gives us the same number of judges when he retires or passes out, but another district.

The VICE PRESIDENT. The Secretary will read the bill.

The Chief Clerk read the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. KING. Mr. President, I shall not object to the consideration of the bill, but with my present views I shall be disposed to oppose the bill. I do not think we should now create new Federal judgeships and new Federal districts.

Mr. CURTIS. Mr. President, may I ask a question? Does the bill create another judgeship?

Mr. OVERMAN. I have just stated that there is one district there that has two judges. Here is a telegram from one judge who I know is about 80 years old, has not held court in a year, can not hold court, and says he can not. Here is a telegram from him. The man may die in a year, and then we shall have only two judges. The office of one of these judges was created on account of this judge's sickness. A similar bill as this passed the Senate in the last Congress. There is no objection to it. It does not mean any more judges when this man passes out.

Mr. KING. It means the creation of another district.

Mr. OVERMAN. Oh, yes; it changes the districts.

Mr. KING. It means dividing the State into three judicial districts, each one of which is entitled to a judge.

Mr. OVERMAN. Yes.

Mr. KING. There is no provision in the bill that though there are three districts, the number of judges shall be limited to two.

Mr. OVERMAN. Oh, no; there is a judge for each district.

Mr. KING. So it means the creation of another judicial district and the appointment of another judge. Why does not the man who is ill resign?

Mr. OVERMAN. Why, he will never resign in the world. We had to appoint a new judge because he would not. He is about 80 years old now, as I have said. He is in bed in the hospital.

Mr. KING. Then there are two judges now?

Mr. OVERMAN. Three.

Mr. KING. There are two in addition to the disabled judge?

Mr. OVERMAN. Yes.

Mr. KING. Mr. President, I dislike to combat the views of the Senator from North Carolina, because I am so fond of him; but I feel constrained to oppose this bill. I am opposed for the present to the creation of more Federal districts. My opinion is that some Federal judges are not exhibiting that zeal and earnestness in the dispatch of their work that the situation calls for. Our judges, both State and Federal, could learn much from English judges in the handling of cases and the discharge of their judicial duties. Our judicial procedure makes for delay in the hearing of cases; there are too many dilatory and technical pleadings and proceedings permitted and too much time consumed in the trial of many cases. The rules of practice should be altered, and the courts should act with greater promptness in disposing of matters before them. The situation in the Federal courts has been effected by the large number of police cases arising under the prohibition laws. It is to be hoped this situation is not a permanent or chronic one, and it should not be made the occasion for creating a large number of new judicial districts. Of course there will be need from time to time for additional judges. But only when the need is imperative should a new district be created.

I admit that there is a disposition upon the part of Congress to create more Federal offenses and to give to the Federal courts duplicate jurisdiction over acts denominated criminal, which ought to come exclusively within the cognizance of State courts. Congress recently enacted a law making it a felony to steal an automobile and transport it from one State to another,

notwithstanding the fact that every State in the Union has a comprehensive grand larceny statute. So we are increasing the number of criminal offenses, and this leads obviously to an increase in the work of the Federal courts; and of course the effect is to lessen the responsibility of the States in maintaining law and order within their borders.

Mr. CUMMINS. Mr. President——

Mr. KING. I yield.

Mr. CUMMINS. The two things are entirely disconnected from each other. The Congress may be altogether too free in creating jurisdiction in the Federal Government, but we have done it. The people of North Carolina can not secure the justice that we have agreed to render them. What does the Senator from Utah say to a condition of this kind? And I am familiar with it, because I have examined this matter not only at the present time but in a former session. With a docket crowded to overflowing, and the impossibility of disposing of the cases which have actually been brought and which are now pending in that State, it is a rank denial of justice to allow a condition of that kind to continue.

I am just as anxious to keep down the expenses of the Government and to limit the general Government to its proper functions and proper jurisdiction as can be the Senator from Utah, but here is a condition. It must be met in some way or other. We can not compel the aged judge, who has now long passed the age of retirement, to retire. We have no power to do that; and will the Senator from Utah tolerate a situation in which the people of North Carolina are denied the justice which comes from the prompt disposition of the cases that are brought before the court?

It seems to me that that is a condition which we must meet as best we can. If the Senator from Utah can institute a series of bills which will lessen the jurisdiction of the Federal courts, he will in very many instances have my hearty support; but the time at which we can accomplish anything of that kind is somewhat remote, and it is very uncertain whether we can accomplish it at all.

Mr. KING. The Senator knows that I now have pending before the Judiciary Committee and before a subcommittee, of which the Senator is chairman, a bill, which, if it is enacted into law, will deprive the Federal courts of jurisdiction of a large class of causes which now occupy much of their time.

Mr. SMITH. Mr. President, I should like to ask the Senator from North Carolina a question.

Mr. KING. I had not replied to the Senator from Iowa, but I will yield.

Mr. SMITH. I simply desire to ask the Senator if the business in his State has not grown to such proportions that this additional district and additional judge would help expedite the business that necessarily comes under the jurisdiction of the court?

Mr. OVERMAN. When the Senator interrupted me—and I did not object to his interruption—I was about to read these communications from the judges. I know that if the Senator hears the testimony of the judges themselves he will not object.

Mr. SMITH. I merely want to make the statement that even in my State the business has grown to such an extent that it is practically impossible, with two districts now in place of one, as we had before, to keep current the business that comes before us.

Mr. BLEASE. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from South Carolina?

Mr. OVERMAN. I do.

Mr. BLEASE. I should like to ask some questions of the chairman of the committee.

If it were shown to the Senator that the same conditions exist in other States that exist in North Carolina, would he be in favor of giving each one of them another district?

Mr. CUMMINS. Mr. President, there have been introduced during the present Congress, as I recollect, bills for 15 additional district judges.

Mr. OVERMAN. I want to say to the Senator from Iowa also that a few years ago he investigated the condition of the courts in this country in connection with a subcommittee. They established 28 judges, and the committee then found that North Carolina needed a judge more than any other State, but I did not ask it. The judge to whom I refer, however, is helpless. Will the Senator let me read this letter——

Mr. BLEASE. Mr. President, I am not opposing the bill at all, but here is what I want to know: The Senator from Iowa states that he favors this bill because of the existence of a certain condition. If the same condition is shown to him to exist in another State, I want to know if he is willing to give that State the same relief that he has offered North Carolina.

Mr. CUMMINS. Mr. President, I may speak, I suppose, without offense, about the situation in our committee. We have before us, I think, 11 bills for the creation of additional district judgeships. Bills have been introduced in the House that have not been introduced in the Senate. The subcommittee have agreed to consolidate those bills. We have not determined how many additional district judges we will favor, and the conditions in the other districts are just the same as they are in North Carolina, either on account of disability of the present judge or on account of the accumulation of business.

The reason why this matter was not put into the omnibus bill which we intend to consider presently is that this bill creates an additional district, not providing simply for the appointment of an additional judge. It divides the State into three districts instead of two, as formerly. We thought that that distinguished this bill from the bills I have already mentioned, which simply authorize the President to appoint an additional judge.

Mr. BLEASE. Mr. President, the conditions in South Carolina, as has just been stated by the senior Senator from that State, are almost exactly the same as the conditions in North Carolina, and there is pending a bill for an additional district in South Carolina. That is why I wanted to know why this North Carolina bill should be favored over the South Carolina bill.

Mr. OVERMAN. Judge Webb, the United States district judge, said in a telegram to me:

> The business in my district has doubled and trebled within the last five years. Judge Boyd has been an invalid and will never be able to even sign his name again, much less do any work. The burden is so heavy that I can not much longer stand up under it. Your report shows that I disposed of 1,560 cases last year and had 276 jury trials, while the average number of jury trials per Federal judge is around 65. I think the lawyers of the State are unanimous for an additional district. The State bar association has unanimously indorsed it, and I am informed that all 12 Members of Congress from North Carolina, including the 2 Senators, are in favor of an additional district. I regard the Overman-Bulwinkle bill as representing the fairest division of the State, based upon population, wealth, and business. This bill was indorsed by Judge Connor, immediate predecessor to Judge Meekins. Based on your report, it will still leave me much more work than either the eastern or the central district, but there is no other way to adjust the work under the circumstances. I earnestly hope that you will use your great influence in favor of this additional judicial district.

Judge Boyd is old. He has refused to retire; he does not want to retire. He would rather lie in bed in a hospital, where he is now, and be Judge Boyd, than to be a retired judge. Judge Webb said in a letter to Representative YATES:

> The report of the Attorney General shows that last year I disposed of 1,560 cases and had 276 jury trials, while the average number of jury trials for a Federal judge is 63.

Judge Webb tried 1,500 cases. He says that he can not stand that. He is not able to hold court under present conditions.

I ask that these letters and telegrams with reference to this matter be printed in the RECORD, and I trust that the bill may pass.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Carolina?

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

JANUARY 15, 1926.

Hon. LEE S. OVERMAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR OVERMAN: I understand that quite an effort is being made to have a third judicial district created for North Carolina. I am writing to give you the benefit of my views with regard to the matter and to say that in my opinion another judicial district is badly needed in the State. The Federal courts of the western district are fairly swamped with work. It is almost impossible for Judge Webb to keep up with the criminal dockets, and the civil dockets are badly behind. I practiced extensively in the Federal courts of the State prior to my appointment to the circuit bench, and since I have been judge I have had opportunity to observe conditions from an impartial viewpoint. I do not hesitate to say that in my judgment the public interest requires the creation of another Federal district for the State of North Carolina.

I am writing this letter to you instead of to the chairman of the Judiciary Committee, because I am so much better acquainted with you than I am with him, and because if you think that a letter from me will have any weight with the committee I am sure that a letter addressed to and presented by you will have more weight than one

written by me to the chairman. You are therefore authorized to make any use of this letter which you may think proper.

Trusting that you are enjoying your usual good health, and with best wishes and kindest regards, I am,

Sincerely yours,

JOHN J. PARKER.

UNITED STATES COURT CHAMBERS,
Western District, February 6, 1926.

Hon. LEE S. OVERMAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR OVERMAN: I received your letter a few days ago and thank you for introducing the bill to create a third Federal judicial district in North Carolina. On the 4th I received from the Attorney General a telegram asking my opinion as to the need of a new district, and I send you herein copy of my reply. I also inclose copy of the reply sent by Judge Boyd of a letter from R. L. Blaylock, clerk of court at Greensboro, to the Attorney General, and of a telegram which I to-day sent Hon. RICHARD YATES, Member of Congress.

I hope to be in Washington next week, and, if so, will come to see you at once. The Asheville Bar Association this week indorsed your bill, and I think has urged Mr. WEAVER to vote for it. The bar of the State, so far as I can learn, and particularly western North Carolina, strongly favor it. In spite of the fact that efforts are being made to create 17 new judges, your bill has the advantage of having already been passed once by the Senate, and I sincerely hope that it will become a law at this session. The congestion in my district is overwhelming and is getting worse daily. Already there are enough cases on the dockets to keep me busy a whole year.

Sincerely yours,

E. Y. WEBB.

SHELBY, N. C., *February 4, 1926.*

Attorney General SARGENT,
Washington, D. C.:

Replying to your telegram, beg to say that I regard creation of an additional Federal judicial district for North Carolina as imperative. The business in my district has doubled and trebled within the last five years. Judge Boyd has been an invalid, and will never be able to even sign his name again, much less do any work. The burden is so heavy that I can not much longer stand up under it. Your report shows that I disposed of 1,560 cases last year and had 276 jury trials, while the average number of jury trials per Federal judge is around 65. I think the lawyers of the State are unanimous for an additional district. The State bar association has unanimously indorsed it, and I am informed that all 12 Members of Congress from North Carolina, including the 2 Senators, are in favor of an additional district. I regard the Overman-Bulwinkle bill as representing the fairest division of the State, based upon population, wealth, and business. This bill was indorsed by Judge Connor, immediate predecessor to Judge Meekins. Based on your report, it will still leave me much more work than either the eastern or the central district, but there is no other way to adjust the work under the circumstances. I earnestly hope that you will use your great influence in favor of this additional judicial district.

E. Y. WEBB,
United States District Judge.

SHELBY, N. C., *February 6, 1926.*

Hon. RICHARD YATES, M. C.,
Washington, D. C.:

With reference to creation of additional Federal judicial district in North Carolina, I beg to say that I regard same as absolutely imperative. The business in my district has doubled and trebled within the last five years. Judge Boyd has been an invalid for two years, and will not be able to ever sign his name again, much less do any work. The burden is so heavy that I can not much longer stand up under the strain. The report of the Attorney General shows that last year I disposed of 1,560 cases and had 276 jury trials, while average number of jury trials per Federal judge is 63. I think the lawyers of North Carolina are unanimously in favor of an additional district. The State bar association has unanimously indorsed the proposition, and I am informed that all 12 Members of Congress from North Carolina, including the 2 Senators, are in favor of an additional district. I regard the Bulwinkle bill as representing the fairest division of the State, based on population, wealth, and business. This bill was indorsed by Judge Connor, immediate predecessor to Judge Meekins. This bill will still leave me more work than in either the central or eastern district, but it is the only possible way to fairly adjust the work under the present circumstances. Judge Boyd heartily indorses the Bulwinkle bill and has wired the Attorney General of the overwhelming necessity for another judicial district. The bill dividing the State into western, southern, and eastern districts would be most unfair, as it would leave in eastern and southern districts a total of only 247,000 voters, while it would leave in my district alone 230,000 voters. It would also leave me more than 1,000 cases to dispose of, based upon Attorney General's report, and leave the other two districts a combined total of only 1,200. Five years ago, when Judge Boyd was doing some work, he and I combined terminated a little over 500 cases and collected a total of $10,000 in fines, while I alone last year terminated 1,560 cases and levied and collected fines to the total of $73,000. I know you believe me when I tell you as my long-time friend that I can not long continue this work. There is pending now enough work in my district to occupy one judge for more than a year. The civil business has increased very rapidly, while the criminal business has bounded forward 300 or 400 per cent.

E. Y. WEBB,
United States District Judge.

GREENSBORO, N. C., *February 4, 1926.*

The ATTORNEY GENERAL,
Washington, D. C.:

Yours. I do no court work. Judge Webb overwhelmed. I favor Bulwinkle-Overman bill as public necessity and equal division of business in North Carolina.

JAMES E. BOYD,
United States District Judge.

GREENSBORO, N. C., *February 5, 1926.*

The ATTORNEY GENERAL,
Washington, D. C.

SIR: Judge Boyd wired you yesterday that he favored the Bulwinkle-Overman judicial bill as a public necessity and as an equal division of the work in North Carolina.

He asked me to write and tell you that he was not physically able to do any work at this time, and all the work in this district falls upon Judge Webb. There is more work than one judge can attend to; with all the cases coming up here the judge does not have the necessary time to give to important litigation that it deserves. He rarely has sufficient time to write an opinion in any case that he decides.

Judge Boyd requests that I call your attention to the fact that Judge Webb terminated during the last fiscal year 1,560 civil and criminal cases as compared with 747 of the same class terminated in the eastern district of North Carolina, which left pending 1,413 cases in this district and less than 700 in the eastern district. This left more than a year's work on hand for the one active judge in this district, and you will notice that it is more than double the number of cases terminated by the average judge.

The Bulwinkle-Overman bill divides the State into three equal divisions according to the work in United States court, and the proposal of three districts, which calls the third district the southern, divides the State equally as to counties, but it only takes from Judge Webb about 300 cases at Greensboro and 200 at Charlotte, which would leave him with about 1,000 cases to be tried per year and leave only about 1,200 cases in the State to be divided between the eastern and southern districts. You can readily see that this would not relieve Judge Webb, but he would still have the greatest amount of work of any one of the three and have more than one man can do with any sort of thought given the important cases.

Judge Boyd is very anxious that you add your support to the creation of a middle district, as provided in the Bulwinkle-Overman bill.

Confidentially, I will add myself that I do not think Judge Boyd will ever do any more court work, and none of the 1,560 cases tried in this district during the last fiscal year were terminated by him.

Yours respectfully,

R. L. BLAYLOCK,
Clerk United States District Court.

Mr. KING. Mr. President, I would like to ask the Senator a question.

Mr. OVERMAN. Very well. Permit me to say that the passage of this bill is recommended also by the bar association of our State.

Mr. KING. These telegrams seem to indicate that one of the judges of the three in that State is ill and unable to discharge the duties of his office. Would not the situation be met by passing a law authorizing the appointment of another judge, but with the proviso that on the death of the judge who is ill and unable to perform his duties no additional judge should be appointed to fill that vacancy caused by his death? I have no objection under the circumstances to the appointment of another judge, but with the understanding that upon the death of the one who is ill there shall be no appointment to fill the vacancy.

Mr. OVERMAN. There was a case very much like this in Oklahoma. The Senator from Utah was not present at the hearings before the committee, but those interested in Oklahoma came and asked us, instead of giving them an additional judge, to give them an additional district. Their reasons were impelling, and we gave them the district. The difficulty there came about from the fact that the judges had fallen out. They could not agree on receivers, they could not agree on clerks, they could not agree on deputies, they could

not agree on anything. They were at enmity, and the situation was terrible, so the committee gave them another district.

Mr. SIMMONS. Mr. President, may I ask the Senator whether he is asking for the consideration of a bill for the creation of a new district or for the appointment of another judge?

Mr. OVERMAN. It is a bill to create a new district.

Mr. SIMMONS. I hope my colleague will not press that bill to-day. I do not want to delay its consideration, but I would like to confer with my colleague a little further with reference to the change of the district, and I am now engaged practically all the working day in the committee of conference of the two Houses on the revenue bill.

Mr. OVERMAN. A similar bill passed the Senate at the last session, and the committee of the House recommended it unanimously, but there was trouble about some counties; it took unanimous consent, and, as it was late in the session, the bill was not passed on that account. Now, there is a bill pending before the Judiciary Committee of the House, and there is a dispute among the Members of the House as to the counties. The only way to get the opinion of the House on the matter is to pass the bill here and send it over there, and if they can not agree, no bill will pass. Let them agree on the counties, but if they can not agree, let the bill die.

Mr. SIMMONS. As I understand it, the district lines as now proposed are slightly different from those proposed in the bill at the last session.

Mr. OVERMAN. It is about the same bill.

Mr. SIMMONS. Anyway, there is a disagreement among the Members of our delegation in the House about the division of the State.

Mr. OVERMAN. Yes; that is what they are disputing about before the committee in the House.

Mr. SIMMONS. It may be that I shall agree with my colleague entirely about it, but I would like to have the bill go over for a day or two until I can have an opportunity to look into it. Up to this time, on account of my work on the pending revenue measure, I have not been able in the present session to give any personal attention to this judicial district problem.

Mr. OVERMAN. I have no objection, if my colleague desires that that course shall be taken, to have the bill go over.

The VICE PRESIDENT. The bill will be placed on the calendar.

ADMINISTRATION OF PACKERS AND STOCKYARDS ACT

Mr. KENDRICK. Mr. President, yesterday I introduced Senate Resolution 145, requesting the Secretary of Agriculture to publish a comprehensive report of the administration of the packers and stockyards act of 1921, covering the period since June 30, 1924, and asked for immediate consideration. The Senator from Kansas [Mr. CURTIS] asked that the resolution go over for one day. I assumed he wanted to introduce an amendment, and I gave notice at the time that at the first opportunity I would call the resolution up. In accordance with that notice, I now ask unanimous consent for the immediate consideration of the resolution.

Mr. ASHURST. Mr. President, I do not wish to object to the request of the Senator from Wyoming, but I am quite anxious that we shall have an hour on the calendar. I ask if we may not have an hour on the calendar?

Mr. CURTIS. As soon as we get through with the routine morning business, I intend to ask unanimous consent that an hour be given to the calendar. I hope we can go ahead and dispose of the routine business.

GOVERNMENT FUEL YARDS IN DISTRICT OF COLUMBIA

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from the previous day.

The CHIEF CLERK. A resolution (S. Res. 132) directing the Committee on the District of Columbia to provide for selling domestic coal to the citizens of the District of Columbia through the Government fuel yards.

Mr. CURTIS. Let that go over.

The VICE PRESIDENT. The resolution will go over.

INVESTIGATION OF WARD FOOD PRODUCTS CORPORATION

The VICE PRESIDENT. The next resolution coming over from the previous day will be stated.

The CHIEF CLERK. A resolution (S. Res. 138) to investigate the Ward Food Products Corporation and other corporations and companies controlled thereby.

Mr. LA FOLLETTE. Mr. President, I intend to ask that this resolution lie on the table, but, with the indulgence of the Senate, I would like to explain why I have decided to take that course with regard to the resolution.

At the time I introduced this resolution (S. Res. 138) providing for an investigation of the Ward Food Products Corporation, the National Food Products Corporation and all companies affiliated with them or controlled by the same interests, no action had been taken by the executive branch of the Government to halt these evident attempts to monopolize the food of the Nation, except a complaint by the Federal Trade Commission against the Continental Baking Corporation—one small segment of this gigantic combination.

The Ward Food Products Corporation—this gigantic $2,000,000,000 Food Trust—was merely the last of a series of colossal mergers engineered by William B. Ward with the obvious intent of monopolizing, first, the bread industry and eventually the entire food industry of the United States.

Let me briefly review these successive mergers. In 1922 Ward and his associates organized the United Bakeries Corporation of Delaware with a nominal capital of $70,000,000. Early in 1924 Ward acquired control of 51 per cent of the stock of the Ward Baking Co., a competing corporation, which had previously been controlled by another branch of the same family. This acquisition of control of these two great baking corporations was a clear violation of the antitrust laws, which should have been halted by the Government.

That was Senator La Follette's view when on February 16, 1924, he secured the adoption of a Senate resolution directing an investigation by the Federal Trade Commission of this movement for a monopoly of the Nation's bread. He saw this trust in process of formation and was determined, if possible, to halt it before it reached the monstrous proportions that it has now attained. With prophetic vision, based upon a life-long study of monopoly, he foresaw the ultimate objects of this conspiracy and sought to protect the American people from perpetual exploitation.

This was two years ago, and yet, in spite of this definite action by the Senate, Ward was permitted to pursue his plans without restraint from either the Federal Trade Commission or the Department of Justice. During this period Ward and his associates have organized and completed their monopoly. On November 6, 1924, they organized the Continental Baking Corporation, a $600,000,000 corporation. In October, 1925, they secured control of the old General Baking Co. of Delaware and organized the new General Baking Corporation of Maryland—a billion dollar holding company. And on January 31, 1926, they incorporated the Ward Food Products Corporation, a two billion dollar company, with unlimited charter powers to deal in every kind of food. This makes an aggregate of $3,750,000,000 of capital in this one branch of industry now controlled by the Ward interests. This is seven times the combined capital of the "Big Five" meat packers when they were at the height of their power. It is three times the capital of the Steel Trust. It is the most colossal monopolistic structure that has ever been assembled under the control of one man.

And yet while this monstrous trust was being built the arms of the Government were paralyzed. Until two weeks ago nothing had been done to halt this conspiracy except a secret complaint by the Federal Trade Commission against the Continental Baking Co., which was completely suppressed until Commissioners Nugent and Thompson defied the reactionary majority of the commission and made it public.

Since this resolution providing for a Senate investigation was introduced the Department of Justice has started two actions—one in Baltimore against the Ward Food Products Corporation and one in New York against the National Food Products Corporation. The Federal Trade Commission has also begun to take testimony in its complaint against the Continental Baking Corporation. I welcome these demonstrations of activity.

In view of the previous record of inactivity and complacent disregard of repeated monopolistic mergers, I can not, however, have full confidence in these two suits which the Department of Justice has now instituted.

Furthermore, I am of the opinion that the Baltimore suit against the Ward Food Products Corporation will prove abortive even if it is vigorously prosecuted, because it seeks merely to prevent a further merger and does not require Ward to abandon the control which he now has of the "big three," which alone is sufficient to insure his monopolistic position. I trust that the Department of Justice will speedily amend its petition to cure this fatal defect.

In view of these developments I shall not at this time press for the passage of my resolution. Instead, I shall ask that it may lie upon the table. But if the Department of Justice and the Federal Trade Commission do not prosecute the actions which they have instituted vigorously and in good faith, I shall amend my resolution to include an investigation of the

Federal Trade Commission and the Department of Justice and press for its adoption.

With this explanation I now ask that the resolution lie on the table subject to call, and to such perfecting amendments as I may hereafter offer.

Mr. CURTIS. Mr. President, I ask that the resolution go to the table calendar. It will then be subject to call at any time.

Mr. LA FOLLETTE. I am perfectly willing to have that course taken.

The VICE PRESIDENT. Without objection the resolution will go to the table calendar. The next resolution coming over from the previous day will be stated.

ADMINISTRATION OF PACKERS AND STOCKYARDS ACT

The CHIEF CLERK. The next resolution coming over from the previous day is the resolution (S. Res. 145) requesting the Secretary of Agriculture to publish a comprehensive report of the administration of the packers and stockyards act of 1921, covering the period since June 30, 1924, submitted by the junior Senator from Wyoming [Mr. KENDRICK].

Mr. CURTIS. Mr. President, it has been agreed that the resolution may be passed with the usual amendment providing that the words "not incompatible with the public interest" shall be inserted at the proper place. If that amendment is made, I have no objection.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 1 of the resolution, line 2, after the word "requested," insert the words "if not incompatible with the public interests."

The amendment was agreed to.

The resolution as amended was agreed to.

COST OF PRODUCTION OF DAIRY PRODUCTS

The CHIEF CLERK. The next resolution coming over from a previous day is the resolution (S. Res. 146), by Mr. LENROOT, directing the Tariff Commission to inquire into the cost of production of certain dairy products in the United States and in the countries from which the importation of such products come and report its finding to the President.

Mr. CURTIS. The Senator from Wisconsin asked me to request that the resolution may go over without prejudice.

The VICE PRESIDENT. The resolution will be passed over without prejudice.

THE CALENDAR

Mr. CURTIS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of unobjected bills on the calendar, beginning at the place we left off yesterday, Calendar No. 47, and continue the consideration of such bills until 2 o'clock.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The Clerk will state the first bill on the calendar.

The bill (S. 117) for the relief of the owner of the coast transit division barge *No. 4* was announced as first in order.

Mr. FESS. Mr. President, the author of the bill is not present. I think probably it had better go over until he is here. I ask that it be passed over without prejudice.

Mr. WILLIS. The Senator from New York [Mr. WADSWORTH], the author of the bill, has just entered the Chamber.

Mr. WADSWORTH. I have no objection to the bill going over temporarily. I would like to consult with the Senator from Delaware [Mr. BAYARD] who reported the bill from the Committee on Claims.

The VICE PRESIDENT. The bill will be passed over without prejudice.

STEAMSHIP "BRITISH ISLES"

The bill (S. 493) for the relief of the owner of the steamship *British Isles* was announced as next in order.

Mr. COPELAND. Mr. President, the bill just stated, together with the next bill on the calendar (S. 494), for the relief of all owners of cargo aboard the American steamship *Almirante* at the time of her collision with the U. S. S. *Hisko*, and the two bills following on the calendar, the bill (S. 508) for the relief of the owners of cargo laden aboard the United States transport *Florence Luckenbach* on or about December 27, 1918, and the bill (S. 530) for the relief of the owners of the steamship *Basse Indre* and all owners of cargo laden aboard said vessel at the time of her collision with the steamship *Housatonic*, are not unlike each other. Similar bills were passed by the Senate during the last Congress, and the matters have been reinvestigated by the Senator from Delaware [Mr. BAYARD]. I think there is no reason why they can not be acted upon favorably to-day.

Mr. KING. Mr. President, I would like to have the Senator briefly explain the facts, so we may determine whether or not there is any liability on the part of the Government.

Mr. BAYARD. Mr. President, all these bills merely relegate the cases involved to the United States district courts. They are all admiralty cases. I can go into detail if necessary. Similar bills passed the Senate during the last session of Congress. After the cases were minutely examined by the committee the bills were unanimously passed by the Senate, and then went to the House, but owing to the short time remaining they did not pass the House. The bills have been reintroduced at this session and approved by the Committee on Claims. They are all for the purpose of relegating the claims to the United States district court, where they will be passed upon in a judicial manner, rather than like we sit here as nisi prius judges hearing the cases.

Mr. WADSWORTH. The same may be said of the bill (S. 117) for the relief of the owner of the coast transit division barge *No. 4*.

Mr. WILLIS. Mr. President, I desire to submit an inquiry of the Senator from Delaware. I direct his attention to a paragraph of the departmental report which has just come to my attention. In the report the statement is made:

> It is pointed out in the department's report that the collision between the U. S. S. *Hisko* and the steamship *Almirante*, which resulted in the sinking of the latter vessel on September 6, 1918, off the coast of New Jersey, was an unavoidable accident, neither vessel being to blame, due to low visibility at the time, and expressed the opinion that bill S. 2126 should not receive favorable action.

I wonder whether that statement has been drawn to the attention of the Senator. I can not see why in a case of that kind there should be any implied obligation upon the United States.

Mr. BAYARD. There is no implied obligation on the United States, but the claimants in this case insist that they were not at fault. The report to which the Senator refers was made by one of the naval committees appointed in the Navy Department. May I say further that I think it was in this case, although I have not the report before me, that the accident arose during the war. One department of the Government would get hold of a boat and would lease it to another department, and it would be run by a third. Everyone of the departments, if I may use the expression, "passed the buck," and no one wanted to accept responsibility. Low visibility or any excuse of that kind was made use of all the way down the line to avoid responsibility; in other words, none of them wanted to admit the responsibility.

Mr. WILLIS. The Senator is now proposing in the face of that situation to permit claimants to bring their suits in the admiralty court?

Mr. BAYARD. Yes. It does not obligate the Government in any way.

Mr. WILLIS. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole, and was read as follows:

> *Be it enacted, etc.* That the claim of the British Petroleum Co. (Ltd.), owner of the steamship *British Isles*, against the United States of America, for damages and loss alleged to have been caused by collision between said vessel and the U. S. S. *Western Maid*, on the 10th day of January, 1919, upon the anchorage ground off Stapleton, Staten Island, in the harbor of New York, may be sued for by said British Petroleum Co. (Ltd.) in the District Court of the United States for the Southern District of New York, sitting as a court of admiralty, and acting under the rules governing such court; and said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of the owner of the said steamship *British Isles* or against the owner of said steamship in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties, and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. KING. Mr. President, I ask the attention of the chairman of the Committee on Naval Affairs if, in view of the frequency of collisions between naval vessels and craft controlled by the War Department and other executive departments and agencies and in view of the obligation which the Government, judged by the numerous bills presented to Congress for compensation growing out of such collisions, impliedly assumes

whether there should not be some legislation that will better protect the Government and enable it to take appropriate steps against the officials or officers who are guilty of these delicts and torts and who by their negligence occasion suits for damages and losses to the Government of the United States?

Mr. BAYARD. I answer the question of the Senator from Utah in part by stating that in the last session of Congress we passed an act, which was signed by the President, authorizing anybody having claims in admiralty which occurred since April 6, 1920, to proceed in the proper courts against the Federal Government for torts committed by our agents. In these cases, which have been upon the calendar for some time, the claims arose prior to April 6, 1920.

Mr. KING. That does not quite reach the situation. I am wondering what is being done by the Government to hold the officers and persons, its employees and officials, who are responsible for collisions, whose negligence cause damage to persons or property, responsible for the same. They should be called upon to meet the losses which the Government pays because of their torts. What steps are being taken to hold them responsible, because legally they are responsible for damages as well as the Government if the Government steps into the breach and consents to being sued.

Mr. BAYARD. There has been introduced in the House by Congressman UNDERHILL, of Massachusetts, chairman of the Claims Committee, a bill allowing the Government to be sued in torts. While I have not seen the present draft of the bill as reported, the original draft in consultation last spring covered that point, granting the Government the right to proceed against its several employees in the event of their being the cause of an accident and the Government having to pay damages. That is the only motion I know of being made on the part of the Government, or suggested to be made on the part of the Government, that vests responsibility in an employee and gives the Government a chance to recoup in the event the Government suffers damages. There is no present law covering the situation.

Mr. KING. Under the common law the sovereign was not liable for the torts of its officials. Even counties, municipalities, and political subdivisions of the State might not be sued, nor the State either, for the torts of officials. In view of the multitude of employees of the United States, numbering more than one-half million, to say nothing of the multitude of officials and the large personnel in the Army and Navy who do not come within the category of employees, and many of them act in such a manner as to cause damage to person or property, it may well occasion some concern to the Government and justify a different policy in dealing with the growing number of claims preferred against the United States for the alleged torts of its employees. A policy which assumes the liability of the United States for the torts of all employees—soldiers, sailors, marines, postal agents, and so forth—will subject the Government to thousands and tens of thousands of suits annually which will be brought in all parts of the United States. An army of lawyers and agents and employees will be required by the United States to defend such suits. It is a situation calling for earnest attention.

Mr. COPELAND. If the Senator will yield, I desire to ask if he thinks that it would be possible to collect any material sums from the employees of the Government?

Mr. KING. That is a different proposition. The point I had in mind was whether the Army and the Navy were taking appropriate steps in the event liability is found against the Government, or the Government is held for the torts of its officers, to discipline them or to punish them. I think that the Federal Government, when it consents to step into the breach and assume responsibility for such torts, ought to have such protection as may be afforded by a suit for damages against the delinquent employees or officers, and also such as will result from proper disciplinary measures.

Mr. BAYARD. Mr. President, may I say to the Senator that I think, so far as the Navy is concerned, in case of a maritime accident there is generally a court-martial held, and where the facts warrant it punishment is meted out under the rules and regulations of the Navy.

In regard to the Army, I do not know of any similar procedure. I do not think that they have it, although I suppose there would be something similar, so that an officer would have a black mark, so to speak, or something of that kind placed against his record, which would affect his advancement when the time should come for advancement, but not to punish him financially.

Mr. KING. Mr. President, anyone who is familiar with the recent casualties in the Navy, the destruction of submarines and airplanes, and the loss of life upon a number of our battleships, and is familiar with the whitewashing findings of some of the boards which have been appointed, will not have too great confidence in punishment being meted out to those whose torts and negligence cause the Government to pay hundreds of thousands of dollars in damages.

AMERICAN STEAMSHIP "ALMIRANTE"

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 494) for the relief of all owners of cargo aboard the American steamship *Almirante* at the time of her collision with the U. S. S. *Hisko*, which had been reported from the Committee on Claims with an amendment, on page 2, line 7, after the word "damages," to strike out the words "including interest," so as to make the bill read:

Be it enacted, etc., That the claims of all owners of certain shipments of merchandise which were laden on board of the American steamship *Almirante*, at the time hereinafter mentioned, against the United States of America for damages alleged to have been caused by collision between the U. S. S. *Hisko* and said American steamship *Almirante* on the 6th day of September, 1918, off the coast of the State of New Jersey, may be sued for by the said owners of cargo, in the District Court of the United States for the Southern District of New York sitting as a court of admiralty and acting under the rules governing such court; and said court shall have jurisdiction to hear and determine such suits and to enter judgments or decrees for the amounts of such damages and costs, if any, as shall be found to be due against the United States in favor of the owners of said cargo or against the owners of said cargo in favor of the United States, upon the same principles, and measures of liability as in like cases in admiralty between private parties, and with the same rights of appeal: *Provided*, That such notices of the suits shall be given to the Attorney General of the United States as may be provided by orders of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suits shall be brought and commenced within four months of the date of the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

U. S. TRANSPORT "FLORENCE LUCKENBACH"

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 508) for the relief of the owners of cargo laden aboard the U. S. transport *Florence Luckenbach* on or about December 27, 1918, which had been reported from the Committee on Claims with an amendment on page 2, line 5, after the word "damages" to strike out the words "including interest," so as to make the bill read:

Be it enacted, etc., That the claims of all owners of various shipments of merchandise which were laden on board of the U. S. transport *Florence Luckenbach*, at the time hereinafter mentioned, against the United States of America for damages alleged to have been caused by water used to extinguish fire on or about the 27th day of December, 1918, at Locust Point, Baltimore, Md., may be sued for by the said owners of cargo in the District Court of the United States for the Southern District of New York, sitting as a court of admiralty and acting under the rules governing such court; and said court shall have jurisdiction to hear and determine such suits and to enter judgments or decrees for the amounts of such damages, and costs, if any, as shall be found to be due against the United States in favor of the owners of said cargo, or against the owners of said cargo in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties, and with the same rights of appeal: *Provided*, That such notices of the suits shall be given to the Attorney General of the United States as may be provided by orders of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suits shall be brought and commenced within four months of the date of the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STEAMSHIP "BASSE INDRE"

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 530) for the relief of the owners of the steamship *Basse Indre* and all owners of cargo laden aboard said vessel at the time of her collision with the steamship *Housatonic*, which had been reported from the Committee on Claims with an amendment, on page 2, line 7, after the word "dam-

ages," to strike out the words "including interest," so as to make the bill read:

Be it enacted, etc., That the claims of the owners of the steamship *Basse Indre* and the claims of all owners of various shipments of merchandise which were laden on board of the steamship *Basse Indre* at the time hereinafter mentioned against the United States of America for damages alleged to have been caused by collision between the steamship *Basse Indre* and the steamship *Housatonic* on the 23d day of May, 1919, in the Bay of Biscay, may be sued for by the said owners of the steamship *Basse Indre* and by the said owners of cargo in the District Court of the United States for the Southern District of New York sitting as a court of admiralty and acting under the rules governing such court; and said court shall have jurisdiction to hear and determine such suits and to enter judgments or decrees for the amounts of such damages, and costs, if any, as shall be found to be due against the United States in favor of the owners of said steamship *Basse Indre* and in favor of the said owners of various shipments of merchandise which were laden on board of the steamship *Basse Indre*, or against the owners of said steamship *Basse Indre*, and the said owners of various shipments of merchandise which were laden on board of the steamship *Basse Indre* in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That such notices of the suits shall be given to the Attorney General of the United States as may be provided by orders of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suits shall be brought and commenced within four months of the date of the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. KING. Do I understand that the interest provision has been stricken out of the bills which have just been passed, so that the judgments shall not bear interest?

Mr. COPELAND. Yes. The words "including interest" were stricken out of the bills.

COAST TRANSIT DIVISION BARGE "NO. 4"

Mr. WADSWORTH. I ask to return to Order of Business No. 47, being the bill (S. 117) for the relief of the owner of the coast transit division barge *No. 4*, which the Senator from Ohio [Mr. FESS] asked to have passed over. This bill is in the same category with the four bills of the junior Senator from New York [Mr. COPELAND], which have just been passed.

The VICE PRESIDENT. Without objection, the request of the Senator from New York will be agreed to. The Chair hears none.

The Senate, as in a Committee of the Whole, proceeded to consider the bill (S. 117) for the relief of the owner of the coast transit division barge *No. 4*, which was read, as follows:

Be it enacted etc., That the claim of the Barrett Co., owner of the coast transit division barge *No. 4* against the United States of America for damages and loss alleged to have been caused by collision between said barge and the U. S. S. *Ball* on the 17th day of April, 1919, near Pennsylvania Railroad Pier F, Jersey City, N. J., may be sued for by the Barrett Co. in the District Court of the United States for the District of New Jersey, sitting as a court of admiralty, and acting under the rules governing such court; and the said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of the owner of the said coast transit division barge *No. 4*, or against the owner of the said coast transit division barge *No. 4* in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties, and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

THE P. DOUGHERTY CO.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1519) for the relief of the P. Dougherty Co., which was read, as follows:

Be it enacted, etc., That the claim of the P. Dougherty Co., a corporation created by and existing under the laws of the State of Maryland, owners of the barge *Maine*, against the United States, for damages alleged to have been caused by collision between the said barge and the U. S. S. *Lake Lida* in Elizabeth River on the afternoon of March 13, 1920, may be sued for by the said the P. Dougherty Co., or by S. G. Miller, the agent of said company, and master of the barge *Maine* at the time of said collision, in the District Court of the United States for the Eastern District of Virginia, sitting as a court of admiralty and acting under the rules governing such court; and said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of the said the P. Dougherty Co., or in favor of the company's agent, S. G. Miller, as master of said barge *Maine*, on behalf of said owner, upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court; and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months from the date of the passage of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

R. E. SWARTZ AND OTHERS

The bill (S. 1824) for the relief of R. E. Swartz, W. J. Collier, and others, was announced as next in order.

Mr. SHEPPARD. Let that bill go over for the present.

The VICE PRESIDENT. The bill will be passed over.

LIEUT. (JUNIOR GRADE) THOMAS J. RYAN, UNITED STATES NAVY

The bill (S. 1828) for the relief of Lieut. (Junior Grade) Thomas J. Ryan, United States Navy, was announced as next in order.

The bill was read, as follows:

Be it enacted etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,221.65, to reimburse Lieut. (Junior Grade) Thomas J. Ryan, United States Navy for the loss of uniforms, equipment, clothing, and personal effects of himself, as a result of the earthquake and fire disaster in Japan on September 1, 1923.

Mr. KING. I should like the reading of the report on this bill.

The report submitted by Mr. ODDIE on January 20, 1926, was read, as follows:

The Committee on Naval Affairs, to which was referred the bill (S. 1828) for the relief of Lieut. (Junior Grade) Thomas J. Ryan, United States Navy, having considered the same, report favorably thereon and recommend that the bill do pass.

The letter from the Secretary of the Navy with reference to this bill follows:

NAVY DEPARTMENT,
Washington, January 16, 1926.

The Hon. FREDERICK HALE,
Chairman Committee on Naval Affairs, United States Senate.

MY DEAR MR. CHAIRMAN: I have the honor to acknowledge receipt of a copy of bill (S. 1828) for the relief of Lieut. (Junior Grade) Thomas J. Ryan, United States Navy, now pending before the Committee on Naval Affairs, concerning the merits of which you request the views of this department.

The bill proposes an appropriation of the sum of $1,221.65, to reimburse Lieut. (Junior Grade) Thomas J. Ryan, United States Navy, for the loss of personal effects as a result of the earthquake and fire in Japan on September 1, 1923.

At the time of the earthquake disaster Lieutenant Ryan was attached to the American embassy at Tokyo, and the property for the loss of which he claims reimbursement comprised most, if not all, of his personal belongings, uniforms, equipment, civilian clothing, and other personal effects.

His claim as originally submitted to the department was for the sum of $1,372.80. It was adjusted by the department in the sum of $1,221.65, which is the amount named in the subject bill.

In connection with a similar bill for Lieutenant Ryan's relief, introduced in the Senate during the last session of the Sixty-eighth Congress and referred to the department for report by the Committee on Naval Affairs, a copy of Lieutenant Ryan's claim, itemized and verified, was furnished to the committee. The claim listed the articles lost, giving their original cost price, the approximate time in use, their estimated value when destroyed, and the amount claimed in reimbursement. In all probability the claim is now in the files of the committee.

The loss suffered being due to an act of God, the department is without authority to pay it, and there is no Government fund or appropriation from which it may be paid. The claimant was so informed and advised that relief might be obtained only by special legislation of the Congress.

In consideration of the foregoing it is recommended that bill S. 1828 receive favorable action.

Sincerely yours,

CURTIS D. WILBUR,
Secretary of the Navy.

A similar bill for the relief of Lieutenant Ryan passed the Senate on January 31, 1925 (68th Cong.), but did not become law prior to the termination of the Congress.

Mr. KING. May I say that unless there shall be some explanation which will justify this proposed legislation, I shall feel compelled to object to its consideration at this time. As I perceive its implications it means that if an employee of the Government or any officer or soldier or sailor in any part of the world is injured or damaged by an "act of God," to use the expression of the law, then the Government is to be responsible. It means that if "acts of God" occur, such as tornadoes, which destroy their property or life, the United States will be held responsible and must answer in damages. If persons are lost on the high seas through storms or acts of God, their families would be entitled to compensation at the hands of the Government. If we shall concede the liability of the Government for the loss of personal property arising out of the "act of God," we must concede liability in behalf of the family for the loss of services and the loss of support of decedents. There is no State in the Union and no municipality which subject themselves to liability for "acts of God." There is no private employer who is liable for the "acts of God." If we shall subject the Federal Government to liability beyond any rule that applies under the most liberal practices anywhere with respect to personal employees, it seems to me that we shall be going entirely too far.

As I have stated, I am unwilling to assent to this bill being passed with my present understanding of the facts.

Mr. RANSDELL. Mr. President, personally I know nothing in the world about this case, except that I was requested to introduce the bill for the relief of the beneficiary named in the bill, who is a young man from my State. He was an attaché of the American Embassy at Tokyo when the terrible disaster occurred there in September, 1923. Practically all of his effects were destroyed by that awful earthquake, which did such tremendous damage that the whole world contributed, I have no doubt—certainly a great deal was contributed by this country—to the relief of the distress and suffering caused by it. Lieutenant Ryan was in Tokyo in his capacity as attaché of the Navy Department, and, as I have said, practically all of his personal belongings, including uniforms, equipment, civilian clothing, and other personal effects, were destroyed. It seems to me, sirs, that it would be a terrible hardship to make this young officer suffer that loss. He was there in line of duty; he was sent there by this Government; he was one of our representatives; and as the loss occurred while he was acting in that capacity, it seems to me that every principle of fair dealing and justice requires us to pay the loss. The Secretary of the Navy reports the loss and says it was due to an act of God, and hence the department was without authority to pay it. The claimant was so informed and advised that relief might be obtained only by special legislation of the Congress. In consideration of the foregoing, the Secretary recommends that the bill receive favorable action.

I may say that it was passed by the Senate at the last Congress. I have not had an opportunity to look up the precedents for this case, but it seems to me this great Government is very much better able to pay a loss of that kind, incurred strictly in line of duty, than is this young officer to stand it himself. I sincerely hope the bill may be passed.

Mr. KING. Mr. President, I feel constrained to make the objection.

The VICE PRESIDENT. Under objection, the bill will be passed over.

DEVELOPMENT OF POWER ON IRRIGATION PROJECTS

The bill (S. 1856) amending further an act providing for the withdrawal from public entry lands needed for town-site purposes in connection with irrigation projects was considered as in Committee of the Whole.

The bill had been reported from the Committee on Irrigation and Reclamation with amendments on page 2, line 5, after the word "Interior," to insert "with the approval of the water users' association or associations under any such project, organized in conformity with the rules and regulations prescribed by the Secretary of the Interior in pursuance of section 6 of the reclamation act approved June 17, 1902"; in line 11, after the word "exceeding," to strike out "10" and insert "50"; and in line 17, after the word "project," to strike out "*Provided further*, That the Secretary of the Interior is authorized, in his discretion, to make such a lease in connection with the Rio Grande project in Texas and New Mexico and the Yuma project in Arizona and California for a longer period, not exceeding 50 years, with the approval of the water users' association or associations under any such project, organized in conformity with the rules and regulations prescribed by the Secretary of the Interior in pursuance of section 6 of the reclamation act approved June 17, 1902," so as to make the bill read:

Be it enacted, etc., That section 5 of an act entitled "An act providing for the withdrawal from public entry of lands needed for town-site purposes in connection with irrigation projects under the reclamation act of June 17, 1902, and for other purposes," approved April 16, 1906, and amended by the act of February 24, 1911 (36 Stat. L. p. 930), be further amended so as to read as follows:

"SEC. 5. That whenever a development of power is necessary for the irrigation of lands, under any project undertaken under the said reclamation act, or an opportunity is afforded for the development of power under any such project, the Secretary of the Interior, with the approval of the water users' association or associations under any such project, organized in conformity with the rules and regulations prescribed by the Secretary of the Interior in pursuance of section 6 of the reclamation act approved June 17, 1902, is authorized to lease for a period not exceeding 50 years, giving preference to municipal purposes any surplus power or power privilege, and the money derived from such leases shall be covered into the reclamation fund and be placed to the credit of the project from which such power is derived: *Provided*, That no lease shall be made of such surplus power or power privileges as will impair the efficiency of the irrigation project."

The amendments were agreed to.

Mr. KING. Mr. President, I should like to ask the Senator from Arizona if this bill imposes any liability upon the Government.

Mr. CAMERON. It imposes no liability whatever. The money is put in by the irrigation district itself. They have at the present time what is known as the Laguna Dam. The bill does not contemplate the construction of any new dam, but the drop in the intake will be used to establish the power plant and to create the power. The power is to be used for irrigation purposes solely on the lands that are in the project now already established by the Reclamation Service.

Mr. KING. The Reclamation Service has built the dam for the project?

Mr. CAMERON. Yes.

Mr. KING. Would not the funds of the Reclamation Service, which come out of the Treasury of the United States be liable for the authorization created by the bill?

Mr. CAMERON. The land will be liable. The settlers on the land, or those who own the land, will be liable for the money which will be required to establish this power plant.

Mr. KING. Can the Senator give assurance that there will be no ultimate obligation upon the Government?

Mr. CAMERON. There is no appropriation asked for.

Mr. KING. And the funds are to come out of the appropriations made for the reclamation project?

Mr. CAMERON. Absolutely; yes, sir.

Mr. ASHURST. That is correct.

Mr. KING. And is it a reclamation project that is a success and will not fail, as we are told some of the reclamation projects may?

Mr. CAMERON. It is one of the best reclamation projects in the United States. It is a going concern; and, as the Senator may have noticed if he has ever passed through Yuma, they have 365 days' sunshine every year.

Mr. KING. I thought they had 366.

Mr. CAMERON. No; but they do have 365.

Mr. KING. I have no objection to the bill.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for third reading, read the third time, and passed.

Mr. ASHURST. Mr. President, I ask that the report of the committee accompanying the bill may be printed in the RECORD at this juncture. It is very brief.

There being no objection, the report submitted by Mr. CAMERON on January 20, 1926, was ordered to be printed in the RECORD, as follows:

The Committee on Irrigation and Reclamation, to whom was referred the bill (S. 1856) amending further an act providing for the withdrawal from public entry lands needed for town-site purposes in connection with irrigation projects, having considered the same, report

unanimously in favor thereof, with the following amendments, and recommend that the bill as amended do pass:

On page 2, line 5, after the words "Secretary of the Interior," insert a comma and the following language: "with the approval of the water users' association or associations under any such project, organized in conformity with the rules and regulations prescribed by the Secretary of the Interior in pursuance of section 6 of the reclamation act approved June 17, 1902."

On page 2, line 6, strike out the word "ten" and insert the word "fifty."

On page 2, at the end of line 12, strike out the colon and in lieu thereof insert a period.

On page 2 strike out lines 13 to 21, inclusive.

There follows, as part of this report, a letter from the Secretary of the Interior to the chairman of the committee discussing the contents of S. 1856:

DEPARTMENT OF THE INTERIOR,
Washington, January 6, 1926.

Hon. CHARLES L. MCNARY,
Chairman Committee on Irrigation and Reclamation,
United States Senate.

MY DEAR SENATOR MCNARY: I have received your letter of December 24 transmitting with request for report a copy of S. 1856, entitled "A bill amending further an act providing for the withdrawal from public entry lands needed for town-site purposes in connection with irrigation projects."

The object of the bill is to amend section 5 of the act of April 16, 1906, so as to authorize the Secretary of the Interior to make a lease in connection with the Yuma project in Arizona and California for a period not exceeding 50 years, covering the disposition of any surplus power or power privileges, the maximum term before authorized in connection with the project, except the Rio Grande, being 10 years.

It is quite likely that if the Secretary is authorized to execute lease for a longer period, more favorable terms can be secured for the disposition of the surplus power or power privilege. I therefore recommend the favorable consideration of the bill.

Very truly yours,

HUBERT WORK, *Secretary.*

BILLS PASSED OVER

The bill (S. 2083) for the relief of Charles Wall was announced as next in order.

Mr. KING. I ask that that bill may go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2085) to correct the naval record of John Cronin was announced as next in order.

Mr. KING. I ask to have that bill go over.

The VICE PRESIDENT. The bill will be passed over.

WILLIAM W. DANENHOWER

The bill (S. 1452) to carry into effect the findings of the Court of Claims in the case of William W. Danenhower was considered as in Committee of the Whole.

The bill had been reported from the Committee on Claims with an amendment on page 1, line 6, after the words "sum of," to strike out "$42,260" and insert "$34,260," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William W. Danenhower, out of any money in the Treasury not otherwise appropriated, the sum of $34,260, for damages caused by the depreciation in value of his property situate in square 737 in the city of Washiugton, D. C., which said damages were caused by the elimination of the grade crossings of railroads in pursuance to the act of Congress approved February 12, 1901 (31 Stat. L. p. 774), and acts supplemental thereto, as found by the Court of Claims and reported in Senate Document No. 2, Sixty-seventh Congress, first session.

The amendment was agreed to.

Mr. KING. Mr. President, I should like to ask the Senator who has charge of this bill how there could be damages from the elimination of the grade crossings? One would suppose that the elimination of the grade crossings would enhance the value of the property.

Mr. BAYARD. Mr. President, I shall be glad to answer the question of the Senator.

When the Congress passed the act requiring the elimination of grade crossings, Mr. Danenhower owned two adjacent lots down alongside the railroad; and this change in connection with grade crossings made a change in the grade of the railroad beside his two lots which absolutely ruined his business. I think it dropped some 15 or 20 feet; it cut below that. The Congress thereafter passed a bill relegating this matter to the Court of Claims to find out what damage Mr. Danenhower had suffered to his property. The Court of Claims in its report said that the damage to the property was some $42,260. Thereafter a bill was introduced in this body to pay Mr. Danenhower that amount. I was appointed a subcommittee from the Committee on Claims to consider the bill; and I found, among other facts, that there had been a foreclosure against each one of these lots. Against one of the lots the matter paid out in full. Against the other lot there was a deficiency judgment in the amount by which I have reduced the claim. I came to the conclusion that in equity Mr. Danenhower was not entitled to that amount; that it should really go to the mortagee, who never made any claim. So I reported favorably upon the payment of the claim, less the amount of the deficiency judgment in the second mortgage.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1767) for the relief of Benjamin F. Spates was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

ELIZABETH WOOTEN

The bill (S. 612) for the relief of Elizabeth Wooten was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Elizabeth Wooten, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 as compensation for injuries received and expenses incurred by reason of having been struck by a United States Army motor truck in Jacksonville, Fla., on the 27th day of May, 1918.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF ZONING COMMISSION ACT

The bill (S. 1121) to amend an act of Congress approved March 1, 1920 (Public, 153, 66th Cong., H. R. 6863), entitled "An act to regulate the height, area, and use of buildings in the District of Columbia and creating a zoning commission, and for other purposes," was considered as in Committee of the Whole.

The bill had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 9, after the word "required," to insert "or authorized," so as to make the bill read:

Be it enacted, etc., That section 6 of the act of Congress approved March 1, 1920, being an act to regulate the height, area, and use of buildings in the District of Columbia, and to create a zoning commission, and for other purposes, be, and it is hereby, amended by striking out the first sentence of said section and substituting therefor the following language:

"SEC. 6. Any lawful use of a building or premises existing at the time of the adoption of orders and regulations made under the authority of this act may be continued, although such use does not conform with the provisions hereof or with the provisions of orders and regulations made hereunder, and such use may be extended throughout the building: *Provided, however*, That such continued or extended use shall not be permitted in any case where structural alterations are made (except those required or authorized by law and regulations) or a new building is erected."

The amendment was agreed to.

Mr. KING. Mr. President, I should like an explanation from the Senator from Kansas [Mr. CAPPER]. There is a bill pending now before the committee, and I am a member of the committee, looking to establishing better zoning regulations, and also limiting the height of buildings. The Senator knows that very many complaints have come to us, and they are just complaints, in regard to the zoning regulations, their inadequacy, and the fact that many of the best residential streets are being destroyed by not having proper zoning regulations and building restrictions. If the bill which is now before us tends to relax the present regulations, and to give more latitude and less restrictions to those who may be building, it seems to me it is a step in the wrong direction.

Mr. CAPPER. Mr. President, I do not think it has that effect at all. A paragraph in the letter from the District Commissioners, who prepared the bill at the request of the corporation counsel and asked for its passage, states that it is done simply to clarify section 6 of the existing law. I call the Senator's attention to this brief statement of the reasons for asking for the legislation in the letter from the Board of Commissioners, in which they say:

Since the adoption of the zoning regulations on August 30, 1920, the commissioners have required compliance with section 6 of the

law as contained in the proposed amendment, and it was only after a recent legal interpretation of the wording of this section that it was realized that it did not conform with the standard practice in zoning.

The proposed amendment of the zoning act is recommended for the purpose of preventing a nonconforming use from continuing if structural alterations are made, which is now possible because of incorrect punctuation of section 6 of the law.

It really has no more effect than to correct certain verbiage of the existing statute. I do not believe it has any bearing on the point that the Senator raises.

Mr. KING. Mr. President, I shall not object; but, after a further examination and conference with the city officials, if I find that there is any error in this matter as I understand it, I shall move to-morrow to reconsider it.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LANDS IN THE DISTRICT OF COLUMBIA

The bill (S. 1119) to transfer jurisdiction over United States reservation No. 248 from the Director of Public Buildings and Public Parks of the National Capital to the Commissioners of the District of Columbia was considered as in Committee of the Whole.

The bill had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 3, after the word "purposes," to insert a comma and the words "as appropriations may be made therefor," so as to make the bill read:

Be it enacted, etc., That jurisdiction and control over United States reservation No. 248, bounded by Potomac Avenue, First and O Streets SE., in the city of Washington, D. C., is hereby transferred from the Director of Public Buildings and Public Parks of the National Capital to the Commissioners of the District of Columbia and the said commissioners are hereby authorized to erect thereon such permanent structures as may be required for municipal purposes as appropriations may be made therefor.

The amendment was agreed to.

Mr. FLETCHER. Mr. President, may I ask the Senator what reservation 248 is? What does it cover?

Mr. CAPPER. The Senator will find that information in the letter from the Commissioners of the District of Columbia, on the second page of the report, in which they state:

Reservation No. 248 is located at First and O Streets SE., adjoining the sewage pumping station of the District of Columbia. Blue print showing this reservation is attached hereto. The activities of the sewer division have so increased that it is found necessary to acquire additional land.

Mr. FLETCHER. Mr. President, I do not care to have any more of the letter read.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FLAG FOR THE DISTRICT OF COLUMBIA

The bill (S. 1115) creating a commission to procure a design for a distinctive flag for the District of Columbia, and for other purposes, was considered as in Committee of the Whole.

The bill had been reported from the Committee on the District of Columbia with amendments, on page 1, line 3, after the word "That," to strike out "the President of the United States," and in line 4, after the word "War," to insert "the Secretary of the Navy," so as to make the bill read:

Be it enacted, etc., That the Secretary of War, the Secretary of the Navy, and the president of the Board of Commissioners of the District of Columbia be, and they are hereby, created a commission to procure a design for a distinctive flag for the District of Columbia, the seat of the capital of the Nation: *Provided*, That in the selection of such design the commission hereby created shall have the advice of the Commission of Fine Arts.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1456) authorizing the Court of Claims of the United States to hear and determine the claim of H. C. Ericsson was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

NEW JERSEY SHIPBUILDING & DREDGING CO.

The bill (S. 2324) for the relief of the New Jersey Shipbuilding & Dredging Co. was considered as in Committee of the Whole.

The bill had been reported from the Committee on Claims, with an amendment.

Mr. KING. Mr. President, I shall be glad to get an explanation of that bill. As I understand it—my attention has just been called to it, of course—this is for work of a contractual nature which was done and which was within the terms of the contract; and because some more difficult work had to be done—harder rock had to be removed or something of that nature—additional compensation is sought. I may be in error. I have only had a chance to look at one paragraph of the report.

Mr. WADSWORTH. Mr. President, the New Jersey Shipbuilding & Dredging Co. made a contract with the War Department to do certain dredging in the East River at New York. In the vicinity of this dredging there was at that time, and still is, a tunnel used for the transportation of passengers. It is a tunnel under the surface. The dredging work had to be carried out very close to this tunnel, which lay beneath the area to be dredged. Great nervousness made itself felt among the public who had to use this tunnel for transportation purposes; and the division engineer of the War Department who had supervision of the work and who supervised the operations of the contractor, in order to satisfy public opinion and make the thing absolutely safe, imposed upon the contractor additional engineering precautions, resulting in considerably larger expenditures on the part of the contractor over and above the terms of the contract. He had to change the method of doing a good deal of his work.

The contractor asked to be reimbursed to the extent of about $114,000, if my recollection is correct; but upon the case being reviewed and examined by the division engineer at New York and by the War Department here, the Government authorities agreed that the sum of $41,320.25 mentioned in the bill was the amount actually due to the contractor as the result of the additional expense to which he was put on the direction of the Government. The Secretary of War agreed to that figure, and the committee has reported the bill at that figure.

Mr. KING. The Senator thinks this work was not contemplated in the contract?

Mr. WADSWORTH. No; it was not. It was imposed upon the contractor afterwards.

Mr. KING. There is no interest, and this is in full settlement?

Mr. WADSWORTH. Yes; and, incidentally, this was approved by the Budget. It has gone through all the checks and balances.

The VICE PRESIDENT. The amendment of the committee will be stated.

The amendment was, on page 1, line 5, to strike out "$114,917.25" and to insert "$41,320.25," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $41,320.25, to reimburse the New Jersey Shipbuilding & Dredging Co. for extraordinary work required by the War Department in connection with deepening the channel in East River, New York City.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ISABELLE R. DAMRON

The bill (S. 1520) for the relief of Isabelle R. Damron, postmaster at Clintwood, Va., was considered as in Committee of the Whole.

The bill had been reported from the Committee on Claims, with an amendment.

Mr. ODDIE. Mr. President, after the disposition of this bill I shall ask the reconsideration of Order of Business 61, Senate bill 1767, for the relief of Benjamin F. Spates. I was out of the Chamber when that bill came up.

Mr. SWANSON. Let this bill be disposed of first.

The VICE PRESIDENT. The amendment of the committee will be stated.

The bill has been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$695.03" and insert "$439.98," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Isabelle R. Damron, post-

master at Clintwood, Va., the sum of $439.98, the same being the amount of money stolen from the safe in the post office at Clintwood, Va., on July 25, 1923, by persons unknown.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. KING. Mr. President, I should like to ask the Senator from Virginia a question. I see that Secretary New, with respect to the bill just passed, says:

The loss thus appearing to have resulted from negligence within the meaning of the statute above cited, settlement of the claim was made by disallowances under date of January 31, 1924.

Mr. SWANSON. Mr. President, if the Senator will read further the very voluminous affidavits in which this matter is discussed, he will see that the committee reached the conclusion that every possible care had been taken by this woman. She had a safe, and she was completely exonerated, as the Senator will see if he will read the evidence. The department simply did not make an adequate investigation. The department could have paid up to a certain amount.

Mr. KING. Postmaster General New says:

It is further shown that the burglary occurred between 12 noon and 1 p. m., while the office was closed temporarily and unoccupied, and that the funds and stamps were taken from a cash drawer and from the safe, both of which were left unlocked, contrary to the following regulations:

"1. Postmasters must exercise all possible care for the protection of the public funds and property in their custody.

* * * * * * *

"2. When funds or postage stamps are left at night in offices unprovided with iron safes, they must be kept in strong drawers or other fixed receptacles, which must be securely fastened with good locks. The doors and windows of the office should be made as secure as possible. The same precautions shall be taken when the post office is closed temporarily during the day."

It does seem to me, if those are the facts, that this is an improper claim, and that the Government ought not to be called upon to meet it.

Mr. SWANSON. There were two boys who it was afterwards thought went in there and took this money. This woman had taken care of it. Nobody thought there was any chance of theft. A store was adjoining the post office, and she went to get her dinner. Of course, if the safe had been locked there would not have been any doubt about it unless a burglar had gotten in; and the impression was that the two boys got these stamps. Nobody ever knew the stamps to be used or resold.

The Government, I think, did not lose anything. I think after the boys got the stamps they were afraid ever to distribute them. The committee heard the postmaster and other people. The ordinary precautions were taken in this connection. It does seem hard that this woman should lose this money when the Government practically has not lost anything. I do not think these stamps were ever distributed. They might have been, but it was thought that two boys got them, and I have an idea that they were afraid ever to distribute them for fear they might be detected.

Mr. KING. Mr. President, we have many hard cases, undoubtedly, which appeal to our charity and to our sympathy, cases which, if we were rich men, we would be glad to go down into our pockets and relieve. But we are guardians of the Public Treasury, and we might be willing to do many things with our own money, when, under our oaths of office, we would be compelled to oppose the payment out of the Treasury of the United States.

There are thousands of postmasters, and rules have been laid down for their guidance and for the protection of public funds intrusted to their care. When they deliberately violate those rules, when they leave the post offices unlocked, and put money or stamps in safes and do not lock them, they must anticipate that there may be losses, through theft or otherwise; when they fail to take the precautions which the law enjoins upon them I submit it is unfair to place the burden upon the Government.

If I have to move to reconsider, I shall do so. I hope the Senator will let the bill go over.

Mr. SWANSON. Then the Senator will have to move to reconsider.

Mr. KING. I give notice that on to-morrow I shall move to reconsider.

BENJAMIN F. SPATES

Mr. ODDIE. Mr. President, I ask that we recur to Order of Business 61, Senate bill 1767.

The VICE PRESIDENT. The Senator from Nevada asks unanimous consent that we recur to Senate bill 1767, for the relief of Benjamin F. Spates. Is there objection? The Chair hears none.

Mr. ODDIE. Mr. President, this is a very meritorious case. A similar bill passed the Senate at the last session.

Mr. KING. What is the calendar number?

Mr. ODDIE. Calendar No. 61. I was out of the Chamber when this was considered a short time ago.

This man, Benjamin F. Spates, was injured in 1885 while in the employ of the Government, the injury being absolutely due to negligence on the part of the Government. The case has been passed on favorably during many sessions, and it is meritorious. It would be merely an act of honesty for the Government to allow this claim. I hope the objection made will be withdrawn and that we may consider the bill.

Mr. KING. The objection still stands.

The VICE PRESIDENT. The bill will go over.

Mr. TRAMMELL. Does the Senator from Utah insist on his objection to Senate bill 1767?

Mr. KING. I do.

Mr. TRAMMELL. If this is not a meritorious claim, the Senate has never passed on one. So any Senator who objects to this should object to everything on the calendar, and should have objected to everything that has been done in the past.

Mr. KING. The Senator must not get angry. I felt that there should be some statute of limitations, and this is a claim 40 years old. The man was hurt 40 years ago and presents his claim to the Government now, and I think it is entitled to very serious consideration. I insist on my objection.

Mr. TRAMMELL. This man is still hobbling around, a cripple, as a result of that accident 40 years ago. Instead of $800 or $1,000, he ought to have $10,000. He has been a cripple for life as the result of that accident. He is now an old man, in decrepitude, almost in his grave, and the Government withholds from him a little pittance of a thousand dollars. I believe that is about the sum asked for.

Mr. ODDIE. Mr. President, this is as meritorious a case as ever came before Congress, and if the claim is not allowed the Government will stand in the position of having committed a dishonest act. I hope the Senator from Utah will reconsider his objection.

Mr. KING. With all of the obloquy which that threat implies, I still insist on my objection.

The VICE PRESIDENT. The bill will be passed over.

W. H. PRESLEIGH

The bill (S. 74) for the relief of W. H. Presleigh was considered as in Committee of the Whole. The bill had been reported from the Committee on Claims with an amendment, on page 1, line 3, to strike out the words "That there be paid," and to insert in lieu thereof the words "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to W. H. Presleigh, of Meadow Creek, Wash., out of any money in the Treasury not otherwise appropriated, the sum of $900 for damages suffered by him on account of injuries received while performing his duties as janitor of the North Yakima, Wash., office of the United States Reclamation Service on October 1, 1907.

The amendment was agreed to.

Mr. KING. Let the bill go over.

Mr. JONES of Washington. Mr. President, I hope the Senator will withhold his objection. A similar bill has passed the Senate once, and I read from the report of Secretary Lane on the case:

As the injury to the claimant occurred in October, 1907, prior to the passage of the act for compensation of injury to employees of May 30, 1908 (35 Stat. 556), his claim for compensation could not be considered thereunder. It was found, however, that this claimant was injured in the performance of a duty required by his superior officers, and there is no showing of any contributory negligence on his part. No treatment was given the injured employee at the expense of the United States, since there was no authority for such treatment in view of his refusal to pay the required hospital fees to entitle him to such service. He, however, upon his injury, was admitted to a hospital in North Yakima, where he received attention for a considerable period.

The particular facts are pointed out by Mr. Finley, of the Reclamation Service. It seems that Mr. Presleigh was employed continuously for three years as janitor or caretaker in

connection with the Yakima project, and that when the accident happened everybody was out of the camp with the exception of the watchman and the cook. Mr. Finley states that—

Mr. Presleigh told me about three years ago that the accident happened while everybody was out of camp with the exception of Watson and the cook, and that as he was mounting the horse to go back to town Watson shot off some firearms and frightened the horse, and the horse in turn jumped, which threw Presleigh half off, and that frightened the animal still more, and he began kicking and bucking.

Mr. Presleigh broke his leg. I think this is a very meritorious case. As I said, a similar bill passed the Senate once before, and I hope the Senator will withdraw his objection.

Mr. KING. I withdraw the objection.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HEIRS OF GEORGE E. TAYLOR, DECEASED

The bill (S. 1531) for the relief of the heirs of George E. Taylor, deceased, was considered as in Committee of the Whole. The bill had been reported from the Committee on Claims with an amendment, on page 1, line 7, to strike out "$13,793.47" and to insert "$4,000, said sum to be in full and final settlement of all claims for," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to M. H. Taylor and Vertner Tate, children and heirs of George E. Taylor, deceased, out of any money in the Treasury not otherwise appropriated, the sum of $4,000, said sum to be in full and final settlement of all claims for salary he would have received had he not been unjustly arrested and dismissed from the Postal Service on May 11, 1911, to the date of his reinstatement on November 16, 1921, by Executive order.

The amendment was agreed to.

Mr. KING. I would like to have an explanation of this matter.

Mr. SWANSON. Mr. President, if an injustice was ever perpetrated upon an individual, one was perpetrated on Mr. Taylor, in whose behalf this bill was introduced. He had served for years and years in the Postal Service when a charge was made against him of embezzlement in the Richmond post office. As soon as the charge was made he was dismissed from the service. He went to trial, was promptly acquitted of having any connection with the embezzlement, and the judge, the jury, and everybody connected with the matter said that he had been treated with the grossest injustice.

The time within which a man who had been separated from the Postal Service could be reinstated had expired. About four or five years afterwards Congress passed a law authorizing the Postmaster General to reinstate him after investigation. That was passed after the usual delay in Congress incident to the consideration of such measures. Postmaster General New investigated the matter and recommended that Mr. Taylor be reinstated and stated that as gross an injustice had been done him as had ever been done a man in the public service.

At that time Mr. Taylor had reached the age of 65, and under the law it was impossible for the Postmaster General to reinstate him. He died about a year ago. Last year the Senate, after an explanation of the matter, unanimously passed a bill for the relief of the old man. The press of the country has contained very pathetic accounts of this old man insisting on being exonerated and being reinstated, and everybody who has ever investigated it has reached the conclusion that a gross, glaring injustice was done him, as Postmaster General New stated.

The amount of money to which Mr. Taylor would have been entitled had he continued in the service would have been $13,000. He was deprived of that sum. He fought for his honor, which was vindicated, and the committee recommended the payment of $4,000 as fair compensation for the injustice done him. The Senate passed the bill at the last session, and I have not seen anyone who, having read these papers, did not think this was a case of injustice. He really will not receive full compensation if he gets $4,000.

Mr. KING. I would like to ask the Senator whether this is for malicious prosecution, for false imprisonment, or for loss of salary. If it is for loss of salary, for how long a period is it? Then, if I may ask another question in connection with those two or three, would the bill establish a precedent which would subject the Government to liability whenever a person was discharged, though improperly, from the Government service?

Mr. SWANSON. It would establish no precedent, except so far as it might establish a precedent of Congress doing justice and trying to right wrongs done. We do not grant authority to the department to correct such wrongs as this. The Postmaster General can not do it. After a limited time, he can not reinstate persons separated from the service. But when the department has illegally removed a man on short notice, without justification, and without waiting for his trial—in which, by the way, there was complete exoneration—it is left to Congress, in its spirit of justice, in its spirit of right, to state whether it will establish a precedent or not, and mete out justice to somebody who has been done a wrong by the Government. No precedent will be established. When cases like this come before us, they appeal to our spirit of justice and fair dealing.

Mr. KING. I do not think I made my question clear. The point I am making is this: Does this mean that it is an act upon the part of the Government which is unmoral or immoral when it discharges a person, and therefore gives a person a moral claim if not a legal claim to appeal for compensation?

Mr. SWANSON. This man was under civil service; he was entitled to continue in the service of the Government until he died. He was removed simply on a charge of embezzlement, before the charge had been investigated, before he had been tried. He was summarily removed before the law was passed requiring the giving of notice of charges before a man could be discharged. After Mr. Taylor was acquitted it was found that the Postmaster General could not reinstate him within a year. Consequently an act of Congress was necessary in order that he might be reinstated. Postmaster General New recommended that he be reinstated, stating in his letter that he never knew of a more unjust case than this. After the delay incident to such matters Congress passed a law providing for Mr. Taylor's reinstatement, but he had passed the age of 65, and another law prevented his reinstatement. If he had gotten the salary to which he would have been entitled, he would have received $13,000. This compromises the claim. Four thousand dollars is small compensation, considering the injustice done this man.

Mr. BRUCE. Mr. President, I happen to recall at the moment a case somewhat in point which arose in England a few years ago. A man was convicted of supposed crime and was imprisoned for life, as I recollect. His conviction was brought about entirely by evidence relating to his identity; afterwards it was discovered that the crime was committed by a man who looked enough like him to be his twin brother. The English Parliament passed an act stating that a terrible wrong had been done, released the prisoner, and conferred upon him a handsome sum of money.

I see that the Senator from Virginia is growing very impatient and beckoning to me nervously for fear that 2 o'clock, which is only two minutes away, may come before I am through. He reminds me of a thing that happened in the Agricultural Committee room a few days ago. The Senator from Arkansas [Mr. CARAWAY], one of the members of the committee, was supporting a bill of which the Senator from Nebraska [Mr. NORRIS], another member of the committee, was an ardent advocate in a manner that was not entirely satisfactory to the latter Senator. "You should remember," said the Senator from Arkansas, "that I am the only friend that you have with you on this proposition." "I am beginning to think," replied the Senator from Nebraska, "that I would be better off if I did not have any." [Laughter.]

Mr. KING. I withdraw the objection.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HARRY SCOTT

The bill (S. 871) for the relief of Harry Scott was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Harry Scott, of Opheim, Mont., out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to reimburse him for the loss of a valuable registered Percheron stallion, the death of which was caused by a test for dourine made by Dr. Perry Zenor, a veterinarian and representative of the Department of Agriculture.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ESTATE OF CLINTON G. COLGATE, DECEASED

The bill (S. 105) for the relief of Arthur E. Colgate, administrator of Clinton G. Colgate, deceased, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay to Arthur E. Colgate, administrator of Clinton G. Colgate, deceased, out of any moneys not otherwise appropriated, the sum of $50,000, the amount due him as shown by findings of the Court of Claims in the case of Arthur E. Colgate, administrator of Clinton G. Colgate, deceased, *v.* The United States, Congressional, No. 6063, Senate Document No. 703, Sixty-fourth Congress, second session.

Mr. KING. I would like to have an explanation of the bill.

Mr. BAYARD. This case was originally brought to Congress and referred to the Court of Claims. The Court of Claims found damages against the United States in the sum of $50,000 because the Federal Government had taken over certain patent rights of Colgate's decedent—this is an administrator's claim—and they found that the Government of the United States had used the patent for 10 years without paying anything to the decedent's estate. The Court of Claims found this amount of $50,000, based upon patent rights issued to other licensees. It seems to be a just claim, and a similar bill was passed at the last session of Congress or the session before last.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the morning hour is closed.

CALL OF THE ROLL

Mr. KING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Bayard	Edwards	Keyes	Sackett
Blease	Ferris	King	Sheppard
Bratton	Fess	La Follette	Shortridge
Brookhart	Fletcher	McKellar	Smith
Broussard	Frazier	McKinley	Stanfield
Bruce	George	McNary	Stephens
Butler	Gillett	Mayfield	Swanson
Capper	Goff	Metcalf	Trammell
Copeland	Gooding	Neely	Tyson
Couzens	Hale	Norbeck	Underwood
Cummins	Harris	Nye	Wadsworth
Curtis	Harrison	Oddie	Walsh
Dale	Heflin	Overman	Warren
Deneen	Howell	Phipps	Wheeler
Dill	Jones, Wash.	Pittman	Williams
Edge	Kendrick	Ransdell	Willis

Mr. CURTIS. Mr. President, I wish to announce that the Senator from Utah [Mr. SMOOT], the Senator from Connecticut [Mr. MCLEAN], the Senator from Pennsylvania [Mr. REED], the Senator from North Carolina [Mr. SIMMONS], and the Senator from Rhode Island [Mr. GERRY] are absent on business of the Senate as conferees on the tax bill.

I also wish to announce that the Senator from Pennsylvania [Mr. PEPPER] and the Senator from Virginia [Mr. GLASS] are likewise absent on official business, being engaged in the Committee on Banking and Currency.

I was requested to announce that the Senator from California [Mr. JOHNSON] is absent because of illness.

The PRESIDING OFFICER (Mr. WILLIS in the chair). Sixty-four Senators having answered to their names, there is a quorum present.

NAVY DEPARTMENT APPROPRIATIONS

Mr. HALE. Mr. President, I move that the Senate proceed to the consideration of House bill 7554, the naval appropriation bill.

The motion was agreed to, and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 7554) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

CHUNKY RIVER (MISS.) BRIDGE

Mr. STEPHENS. Will the Senator from Maine yield for just one moment? There are two little bridge bills on the calendar, and it will take only a second to pass them.

Mr. HALE. If it will not take any time, I will yield.

Mr. STEPHENS. They will take no time.

I ask unanimous consent for the consideration of the bill (H. R. 4440) granting the consent of Congress to the board of supervisors of Clarke County, Miss., to construct a bridge across the Chunky River, in the State of Mississippi.

Mr. CURTIS. Let the bill be read.

The bill was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the board of supervisors of Clarke County, Miss., to construct, maintain, and operate a bridge and approaches thereto across the Chunky River at a point suitable to the interests of navigation at or near Enterprise, Clarke County, State of Mississippi, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

By unanimous consent, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PEARL RIVER BRIDGE, MISSISSIPPI

Mr. STEPHENS. I ask unanimous consent for the consideration of the bill (H. R. 4441) granting the consent of Congress to the board of supervisors of Neshoba County, Miss., to construct a bridge across the Pearl River in the State of Mississippi.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the board of supervisors of Neshoba County, Miss., to construct, maintain, and operate a bridge and approaches thereto across the Pearl River at a point suitable to the interests of navigation at or near Burnside, Neshoba County, Miss., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MADDEN, Mr. VARE, and Mr. BYRNS of Tennessee were appointed managers on the part of the House at the conference.

TREASURY AND POST OFFICE APPROPRIATIONS

Mr. WARREN. I ask that the action of the House on the Treasury and Post Office appropriation bill may be laid before the Senate.

The PRESIDING OFFICER (Mr. WILLIS in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WARREN. I move that the Senate insist on its amendments, that the invitation of the House for a conference be accepted, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WARREN, Mr. MOSES, Mr. PHIPPS, Mr. OVERMAN, and Mr. HARRIS conferees on the part of the Senate.

NAVY DEPARTMENT APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7554) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes.

Mr. HALE. Mr. President, the House report shows the figures with reference to the amounts appropriated in the bill, the amounts appropriated as the bill passed the House, the Senate committee changes, and so forth. I want to address the Senate briefly in regard to the figures.

The naval appropriation act approved February 11, 1925, appropriated $287,402,328. Of this amount $7,444,000 was appropriated for an increase of the Navy, leaving $279,958,328 for the current running expenses of the Navy, including about $2,500,000 for public works under the Bureau of Yards and Docks and ordinary provisions that we were making at that time for airplanes. Under the deficiency act of March 4, 1925, $21,000,000 was appropriated for increase of the Navy, $4,000,000 for river gunboat and cruisers, $14,000,000 for the *Lexington* and *Saratoga*, aircraft carriers, and $3,000,000 for aircraft equipment, making in all, as I said, $21,000,000. Also there was appropriated in the same bill for a special additional expense $9,000,000 for modernizing six of our battleships, making a total of $30,000,000 included in the deficiency bill. I am giving the figures in round numbers.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Tennessee?

Mr. HALE. Will the Senator allow me to finish my statement about the figures before he interrupts me?

Mr. McKELLAR. I just want to ask one question about the modernizing of the six battleships. Did that include elevating the guns, so they could shoot as far as other guns of our Navy?

Mr. HALE. No; Mr. President, it did not include the elevation of the guns. Modernizing of the ships, I might say, included their conversion from coal burners to oil burners, the putting on of blisters, and the putting on of deck protection.

The naval appropriation act approved February 11, 1925, as I said, amounted to $287,402,328. This, with the $30,000,000 for increase of the Navy, including the $9,000,000 for the modernizing of battleships, brought up the appropriations really expendable during the current fiscal year to a total of $317,402,328.

The naval appropriation bill as presented to the Senate today, including an item of $4,962,500 for the purchase of airplanes, which item was included in the House bill when it was reported to the House and was stricken out on the floor on a point of order and which we are putting back, amounts to $320,395,940. For increase of the Navy—that is, for new ships this year—the appropriations are $28,275,000. Deducting the latter from the total amount proposed in the bill, $321,395,940, we have left $283,120,940.

Mr. KING. Mr. President, will the Senator permit me to interrupt?

Mr. HALE. Will the Senator wait until I finish my statement?

Mr. KING. I wanted to see if the figures correspond with the $300,402,328 stated in the report as the total appropriation.

Mr. HALE. In the figures the Senator gives the appropriation for aircraft carriers and for airplanes for the Navy, amounting to $17,000,000, was not included. Including that it makes up the figure I have given. That amount was not included because it went into a deficiency bill in 1925 and there was no limitation that it could not be expended until the following year.

If we take from $283,120,940 the $4,140,000 which was authorized last year for new planes for the Navy, and for which we appropriate herein and which is therefore an additional expense over the normal aviation expense of the Navy, we have left $279,020,940 this year for the current expenses of the Navy, as against $279,958,328 last year, a difference of less than $1,000,000. In other words, we are getting now to a condition where, to run the Navy in substantially its present state, we will have to appropriate, regardless of expenditures for new ships or for new projects of any kind, about $280,000,000 annually. I do not see how we can go very much below that figure and still keep the Navy up to its present state of efficiency.

In the bill as reported by the Senate Committee on Appropriations we have made very few changes in the text as it came to us from the House.

The House of Representatives reduced the Budget estimate on seven important items and made slight reductions on others. Three of these items are pay of Navy, transportation and recruiting, and provisions for the Navy. These items have to do with the personnel of the Navy. The House of Representatives decided that we could get along this year with 1,000 fewer men in the Navy than the number recommended by the Budget. The Budget recommended appropriations to take care of 83,000 men, and the House of Representatives appropriated, as I have stated, for 82,000; that is, for an average of 82,000 men during the year. The Budget based their reduction from 86,000, the number which we have been allowing of late years, to 83,000, on the ground that three of the older battleships of the Navy are being put out of commission to be modernized, and that when they shall have been modernized and take their places back in the Navy three more battleships will go out of commission. While these ships are being modernized they will have on board a complement of 300 men apiece, instead of the 1,200 men which form the average crew of a battleship. On the three ships that are being modernized at one time, therefore, 2,700 men will be saved, and deducting that number from 86,000 leaves substantially 83,000, which the Budget estimated would be necessary for carrying on the work of the Navy during the year.

Your committee has gone over these questions very carefully; we have had full hearings on the matter and we have decided that that change should not be made; that the ships of the Navy are not being run now with their full complement, and that they can not be run with their full complement with an average of 82,000 men for the year.

Mr. KING. Is the Senator from Maine speaking of battleships, or cruisers and submarines?

Mr. HALE. That includes all ships, Mr. President. At the present time we have 81,400 enlisted men in the Navy. At the beginning of the fiscal year we had somewhat over 85,000—very nearly 86,000. Of course, the number varies from time to time during the year, as the enlistments expire and new enlistments are made, but the number has fallen to the present low figure because there was not a sufficient appropriation under last year's appropriation bill to keep the number up to where it should be to average 86,000 during the year. Now, the House of Representatives proposes to reduce the number, as I have stated, below the 83,000 men, which we think are required, to 82,000. If we wish to have 83,000 men on an average and start at the beginning of the fiscal year with 81,000 and have 85,000 later on in the year, the average between those figures would be 83,000 men. We think that that will not any more than take care of the ships of the Navy and maintain their present efficiency.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. HALE. Yes.

Mr. McKELLAR. How many men has Great Britain in her navy?

Mr. HALE. Great Britain has now 95,000 men in her navy to our 81,400, or, as we ask to have provided under this bill, 83,000.

Mr. KING. Will the Senator from Maine yield?

Mr. HALE. I yield.

Mr. KING. The Senator, though, will agree, I think, that Great Britain employs in auxiliary craft a larger proportion of the full complement than those employed by the United States, and, of course, she has many transports and auxiliary craft to convoy her troops and supplies to all parts of the earth.

Mr. HALE. Of course, as the Senator from Utah states, Great Britain has a great many colonies and has to keep up a large transport service; but I do not think that takes up all of the slack. In Great Britain there are 4,100 civilian employees, who are employed on the different transports and auxiliaries, that I have included in the 95,000 men in the British Navy. I have so included them because the men who do that same sort of work in our Navy are our enlisted men.

Mr. KING. I think the Senator will agree, Mr. President, that when we speak of available men for what might be called the combative service, we have as many with our 81,000 to 83,000 as Great Britain has with her 95,000.

Mr. HALE. I think we have not nearly as many. Of course, our men who are doing the work in our Navy which is done by civilians in the British Navy can not do any combative work at the same time.

Mr. President, as I have stated, the three items of pay of the Navy, transportation and recruiting, and provisions, Navy, all have to do with the reduction of 1,000 men made by the House bill. The Senate committee has restored the Budget figures on these three items.

The other items have to do with engineering, construction and repair, fuel and transportation, and the lighter-than-air station at Lakehurst.

The House, with a very commendable desire to cut down the expenses of the Government, has figured out that by putting a certain number of vessels out of commission a certain saving could be made in the expense of the Navy. While the vessels which it is proposed shall be put out of commission have not specifically been named, the figures show that the intention is to cut out 19 of the destroyers.

Mr. KING. Did the Senator say 19 or 90?

Mr. HALE. Nineteen.

Mr. KING. Out of 300?

Mr. HALE. No, Mr. President; we have 106 destroyers in commission.

Mr. KING. But the Senator knows we have little more than 300 in all.

Mr. HALE. We have 287 in all, but 181 of them are out of commission at the present time.

Mr. KING. They are simply tied up at the docks.

Mr. HALE. It is a very expensive matter to put them in commission.

As I was saying, the House had planned to put 19 of the destroyers out of commission. They figured that by doing so $770,000 could be saved under the engineering item and $320,000 under the construction and repair item. The Senate committee have gone over this question, as I have said, very thoroughly, and we do not believe that that can feasibly be done.

We have in active service 106 destroyers. At the present time two are experimental ships, which are not being used with the fleet, and three others are being used in connection with the

Naval Reserve, making 101 destroyers that are used actively with the fleet. Of the 101 we have 19 in the Asiatic Squadron, which looks after our interests in the East. It is based on the Philippine Islands. The ships of the squadron are constantly being sent back and forth on duty in connection with the interests of our citizens and their protection in the East.

Aside from these destroyers there is one cruiser stationed there as a flagship and there are a number of minor ships. The main force of the Asiatic Squadron is made up of destroyers. It will be impossible to reduce the number there and give effective service. We should have cruisers which we could send there, but, unfortunately, we are short of light cruisers, and their place must be taken by the destroyers.

In the Mediterranean we have six destroyers and one light cruiser. They form the European or Mediterranean Squadron. As in the case of the Asiatic Squadron, it would be of advantage if we could have cruisers there instead of having practically altogether destroyers, but we have not the cruisers to put there. It would be impossible to cut down the number in that squadron.

Mr. McKELLAR. Are we having any cruisers built?

Mr. HALE. Oh, yes, Mr. President, we are building a certain number of light cruisers, although not as many as I should like to see built.

Mr. KING. We have authorized 8 or 10, I think.

Mr. HALE. As a matter of fact, we have authorized eight new light cruisers of 10,000 tons each. Last year we appropriated a small amount of money for starting work on two of these cruisers, and this year we are appropriating a larger sum to go ahead with their construction. Also this year we are appropriating a small amount of money, $1,200,000, to start three more cruisers, which will give us five in all. I assume that next year Congress will carry out its intention, as already expressed by the law authorizing the building of eight of these cruisers, and will put a provision in the 1928 appropriation bill that the last three shall be started and that they shall be started before the 1st day of July, 1927, as the law provides. With these cruisers and the 10 which we already have of 7,500 tons, we shall have 15 modern cruisers of 7,500 tons and over. This does not compare favorably with the cruiser forces of some of the other nations of the world. That, however, is a matter which I will take up at another time.

As I have said, Mr. President, it is not feasible to cut down our Mediterranean Squadron.

With the fleet in American waters we have on the Pacific coast two squadrons of 19 destroyers each. Incidentally, I may say that a squadron is made up of three divisions of six destroyers each and a flagship to go along. In the navies of other countries they have flagships that are larger destroyers, called "destroyer leaders," but we have no such type in our service. There are on the Pacific coast with the Battle Fleet two of these squadrons of 19 destroyers, making 38 destroyers there. The war plans contemplate a force there of at least four squadrons with the Battle Fleet. I say "the war plans"; I mean the plans that we would use in case of war and that we use in connection with fleet maneuvers. The Battle Fleet should have more destroyers than they now have.

The Scouting Fleet, which is stationed on the Atlantic coast, also has two squadrons of 19 destroyers each. That is 38 destroyers on the Atlantic coast. Under the war plans and for maneuvers they should have at least twice as many as they now have. It is absolutely impossible to cut down the number that we have with the fleet in the Atlantic or the Pacific if we are going to keep up any kind of an organization with which we can practice maneuvers.

Another matter, Mr. President, which is of importance in connection with these destroyers which it is proposed to lay up is this: They are the vessels upon which the younger officers of the fleet get most of their training and their opportunity to learn to command. We have, as I say, 106 of these destroyers in commission. They are constantly filled with a shifting force of young officers who get training in command on them. If we cut them down by 19, that will reduce the efficiency of the fleet by just so much and the efficiency of the training of our officer force.

Later on, Mr. President, when the aircraft carriers go into commission, we shall have to have an increased force of destroyers. We shall have to have a greatly increased force to make up for our lack of battle cruisers. Under the terms of the Conference on Limitation of Armament we lost the six battle cruisers which we had building at that time. At least, we had to scrap four of them; and two others which were being built were converted into aircraft carriers.

Mr. KING. Does the Senator mean that we shall have to have more than the two hundred and eighty-odd destroyers which we now have in commission and out of commission?

Mr. HALE. Oh, no, Mr. President. I mean we shall have to have more in commission than the 106 that we now have; and I am using that as an argument in favor of keeping up what we now have, because we shall have an increased number in the future and we shall have to have our personnel trained before we can use them.

Mr. KING. But those that are out of commission can be quickly put into commission.

Mr. HALE. Not very quickly.

Mr. KING. The Senator does not mean that we shall have to construct new ones?

Mr. HALE. Those ships have been out of commission a number of years, and, of course, while out of commission improvements have not been made on them. They do not now conform to the standard of equipment on the other destroyers of the fleet. In other words, they have been going behind all the time; and putting them into condition for active service is a more or less lengthy and very expensive thing to do. I do not mean that we shall have to build any more destroyers for the present. This happens to be a type of ship in which we are very far ahead of any other power.

Mr. KING. I examined a number of the destroyers which the Senator says are out of commission on the Pacific coast, and I consider that they are kept in admirable condition.

Mr. HALE. They are kept in very good condition.

Mr. KING. I think the department is entitled to credit for the care which it is bestowing upon those which are out of commission.

Mr. HALE. I agree with the Senator.

Mr. KING. And they can be made available, so that when more go into commission we will not be forced to construct additional ones?

Mr. HALE. Yes; but there will have to be a good many improvements made on them in order to conform to the standard of a modern destroyer. Of course, they have gone back, as I have said before.

Another feature, Mr. President, in regard to this $770,000 cut of the House on engineering, is this: We would not save $770,000 if we put these 19 destroyers out of commission. It costs, to operate a destroyer under engineering, substantially $41,000 a year. It costs, to put a destroyer out of commission, substantially $34,000—that is, to put her out of commission in proper shape to stay out of commission—which would mean a saving of only $7,000 on each ship, or a total saving of something over $130,000, instead of $770,000, as the House provided. If this reduction is made, very necessary improvements to the fleet in engineering could not be made; and the same thing applies to the item for construction and repair. It would not cost, under construction and repair, much to put these 19 vessels out of commission, but it would prevent the repairs that should be made and the improvements that should be made on other vessels of the fleet. Therefore, as I say, the committee has reported the bill with the $770,000 and the $320,000 put back to the Budget estimates.

On fuel and transportation the House has made a cut of $1,750,000. I have had prepared a statement explaining the effect of that cut:

The effect of the proposed reduction of $1,750,000 in the appropriation "Fuel and transportation" for the fiscal year 1927 has been developed along the following lines:

The appropriation for "Fuel and transportation" provides for a number of items which can be reduced but slightly and it is only what is left that can be used for cruising by vessels of the United States Fleet, which includes the Battle Fleet and the Scouting Fleet. Those items of "fixed charges" are:

(a) Items other than fuel for vessels (this includes power of all sorts supplied ships at yards, expenses in connection with oil storage, maintenance of fuel plants, etc.)		$2,140,161.40
(b) District craft		916,275.15
(c) Port consumption by fleet vessels for entire year		5,097,840.19
Total		8,154,276.74
(d) Needed for cruising for year in excess of port consumption:		
European	$347,143.31	
Asiatic	1,129,717.14	
Naval transport service	448,504.58	
Special service squadron	106,785.73	
Special duty	89,533.06	
		2,121,693.82
Total		10,275,960.56
Appropriation as recommended by Budget		14,750,000.00
Available for United States Fleet cruising under Budget estimate		4,474,039.44
Appropriation in H. R. 7554 as passed by House		13,000,000.00
Available for United States Fleet cruising under H. R. 7554		2,724,039.44

The last item, which covers fleet cruising, is a little more than half what was provided under the Budget estimate; and the Budget estimates, I may say, were cut down considerably below what the Navy Department estimated it would need for fleet cruising for the year.

Substantially $10,000,000 of these charges under fuel and transportation, as I have just read, are fixed charges which can not be much, if any, changed. The only changes that may possibly be made are in the item for fleet cruising. If we cut down the fleet cruising as the House has done in its appropriation, the fleet will not be able to make the Atlantic cruise during the next year as planned, nor to hold its maneuvers in Atlantic waters. For the past two years the maneuvers have been held in the Pacific Ocean. The maneuvers this year are also being held in the Pacific Ocean. If we do not provide for the fleet to come to the Atlantic next year, that will mean that the Battle Fleet will have been in the Pacific for four years without visiting the Atlantic at all. It is a part of the training of the United States fleet to give a general training with the units of the fleet altogether, both in the Atlantic and in the Pacific, so that the officers and men may become familiar with conditions in both oceans, and this would have to be stopped under the provisions made by the House.

Under these provisions the total fleet cruising for the year would be cut down from 16,750 miles to 12,033 miles, or a reduction of 28.2 per cent in mileage.

Mr. KING. And how much in cost in dollars?

Mr. HALE. The House cut down $1,750,000 on this item, and it all has to come out of the cruising of the fleet.

Mr. McKELLAR. Mr. President, what is the difference between having the annual formations or practice in the Pacific Ocean and in the Atlantic Ocean? How do they differ?

Mr. HALE. It is important, Mr. President, for the navigating officers and the other officers of the Navy to know the Atlantic coast and to know the Pacific coast, and to know the harbors, and have practice in cruising up and down both coasts. The Pacific coast training, of course, is getting very much more than its share now. It gets practically three to one now, and this will make it four to one, and the department concluded in their plans that this was not advisable.

Mr. McKELLAR. Mr. President, while the Senator has already been interrupted, let me ask him another question. How does our total appropriation for naval purposes compare with the total appropriations of Great Britain?

Mr. HALE. Our total annual appropriation is very much the same as the total annual appropriation of Great Britain.

Mr. McKELLAR. Yet she has many more vessels in commission and out of commission, too, and also has 95,000 men as compared with our 80,000.

Mr. HALE. I do not think she has many more fighting vessels than we have. The number is substantially the same.

Mr. McKELLAR. She has 22 battleships to our 18, and I was wondering what the proportion of expense was.

Mr. HALE. The pay of her men is not anywhere near as high as the pay of our men.

Mr. McKELLAR. Does the Senator recall what the appropriations for the British Navy were last year?

Mr. HALE. I have here a statement of the appropriations. The navy estimates for Great Britain for the year 1924–25 were £55,800,000; appropriations in aid, £3,893,251; civil service and others, £705,216. They have different terminology than we have. The total is £60,398,467.

Mr. McKELLAR. That is about $300,000,000. Their appropriations for their larger navy are less than our appropriations for a smaller navy.

Mr. HALE. That was in 1924–25. At that time they were not building many vessels. They were finishing up a few of the light cruisers.

Mr. McKELLAR. At that time our appropriations were about $350,000,000, as I recall.

Mr. HALE. No; our 1925 appropriation bill provided $270,887,107. For 1925–26 the appropriation in Great Britain is £65,000,000, which includes for new construction £6,000,000.

Mr. McKELLAR. About like ours.

Mr. HALE. So that theirs is very much the same as our own. As I said, Mr. President, the Senate committee decided to put back the item on fuel and transportation.

The last item of any size that we changed had to do with the lighter-than-air station at Lakehurst. Everybody, of course, has the keenest regret over the recent accident to the *Shenandoah*. Everybody is more or less at sea as to just what the policy of this country will be in the future in regard to lighter than air. A bill has been introduced in the House of Representatives providing for the construction of new dirigibles of larger size even than the *Shenandoah* and the *Los Angeles*. That bill is now being considered by the House Naval Affairs Committee, and they have not yet made their report on it to the House of Representatives.

In the Senate the Senator from Utah has introduced a resolution asking that the accident to the *Shenandoah* be investigated, and that the whole question of lighter-than-air activities be determined. That matter is now before the Naval Affairs Committee, and a subcommittee has been appointed to study the question. Later on the results of the study of that subcommittee will be given to the Naval Affairs Committee, and I think we shall have their report when we take up the House bill providing for the construction of a new dirigible, provided that such a bill passes the House.

Mr. KING. Mr. President, will the Senator yield?

Mr. HALE. I yield.

Mr. KING. I am very glad to know that the committee has taken cognizance of my resolution.

Mr. HALE. I think the Senator's resolution was excellent, especially the part which deals with the future policy of this country as to lighter-than-air craft. As far as the *Shenandoah* accident is concerned, I think that has been very thoroughly investigated already, and I doubt if the committee will deem it advisable to hold another investigation.

Mr. KING. In view of the fact that I had no opportunity to appear before the committee in behalf of my resolution, I hope the subcommittee may give it due consideration and try to get at the facts.

Mr. HALE. The committee wants the information just as much as does the Senator.

Mr. McKELLAR. Does the Senator expect to have a report of that subcommittee at the present session of Congress?

Mr. HALE. The bill that is now before the House for the construction of a new dirigible will undoubtedly be acted upon by the House, and if favorably acted on will come over to the Senate.

Mr. McKELLAR. Even if it should not, will there be a report of this committee? I think the country is very much interested in the subject.

Mr. HALE. This subcommittee will report to the Committee on Naval Affairs, without any question.

Mr. McKELLAR. And the Naval Affairs Committee will report to the Senate, I assume?

Mr. HALE. That has not been determined. There is nothing secret about the matter at all.

Mr. McKELLAR. I want to express the very lively hope that it will report its conclusions after the investigation. It is a matter of very great importance, and of very live interest to the people of the country.

Mr. HALE. I think the matter will come up on the question of legislation before the end of the session.

What I am driving at is that until the future policy of the country is settled in regard to lighter-than-air craft, it seems to me it is up to the Navy to keep up its station at Lakehurst in the condition in which it is at the present time. Since the loss of the *Shenandoah* we have nothing there with the exception of the *Los Angeles*, which ship, under treaty, we are not allowed to use for military purposes. We can, however, use it for training purposes, and we do use it for such purposes.

Mr. McKELLAR. That is the only dirigible we have now, is it not?

Mr. HALE. That is the only large rigid dirigible that we have. The Army has some smaller nonrigid dirigibles.

Mr. McKELLAR. I would like to have the Senator explain why America should have a dirigible the purpose of which naturally is for use in war, under a contract by which it can not be used for war purposes? Why should we want to train men for dirigible service in this dirigible when we have no other dirigible in which they could be used?

Mr. HALE. I have just explained the reason for keeping up the station at Lakehurst—that if we are to go on with lighter-than-air craft we do not want to give up and disband the personnel we now have. We want to keep them in training.

Mr. McKELLAR. What did we pay for this dirigible? We bought it from Great Britain, I believe?

Mr. HALE. This dirigible was turned over to us under the treaty.

Mr. McKELLAR. The dirigible we now have was?

Mr. HALE. Yes.

Mr. McKELLAR. Then we have it as a plaything.

Mr. HALE. It came to us with the understanding that it should not be used for military purposes.

Mr. McKELLAR. We have no battleships of that kind in our Navy, have we?

Mr. HALE. Not that I am aware of.

Mr. McKELLAR. I am glad to hear that.

Mr. EDGE. Mr. President, will the Senator yield for a question?

Mr. HALE. With pleasure.

Mr. EDGE. As I understand, the investment in the Lakehurst station represents something over $6,000,000 of Government funds, does it not?

Mr. HALE. Yes; it represents a very large sum.

Mr. McKELLAR. We have an investment there of $6,000,000 to house or anchor an airship which we can not use for war purposes.

Mr. HALE. We can not use it for war purposes, but we can use it for experimental purposes, and we can use it for training purposes.

Mr. McKELLAR. But we have no other. Just offhand, it would seem like a reckless waste of the people's money to have a $6,000,000 investment in a station where we anchor a balloon, which can not be used for war purposes.

Mr. HALE. We are not in a war at the present time, and we can use it to train men so that they will be able to go in dirigibles for war purposes. Therefore, the committee has reinserted the Budget estimates for keeping up Lakehurst.

Provision was also made in the House for the expenditure of $300,000 for an experimental metal airship. That appropriation we have stricken out. For the same reason that we do not believe we should give up Lakehurst and change the present conditions until we know what the future of lighter-than-air development will be, we do not believe we should go ahead with these experiments on the smaller dirigibles until a definite policy has been determined.

Mr. McKELLAR. Is that the so-called "tin Lizzie" project?

Mr. HALE. I think I have heard of it under that name. The changes to which I have referred are the only ones of any moment the Senate committee has made in the bill. In no case have we increased the Budget estimates, with one exception, and that is in the case of an appropriation that was changed over from the "Naval Reserve" item to the "pay of the Navy" item. In that case, while the item was changed over, proper provision was not made in the bill as it passed the House, under the total "pay of the Navy," to take care of this transfer, and we have increased the item. In that one case we are above the Budget estimates.

I am speaking of amendments we have made to the bill as it came over from the House. We have approved small items amounting to $363,000, which the House itself had increased over the Budget estimates. With these small items amounting to $368,000 and with the increase of $113,500, which we made in this one item to which I have referred, minus a few small items that were in the Budget which we have not approved, we exceeded the Budget this year by $440,910.

Mr. McKELLAR. To what amount did the Budget reduce the estimates of the department? Has the Senator the figures?

Mr. HALE. In computing the figures, we should add to $312,312,287, the amount in the bill as it passed the House, the sum of $4,962,500 recommended for aviation. That was intended to go in the bill as it passed the House and simply went out on the floor on a point of order, on account of a disagreement. With that included, the House went below the Budget by $3,680,243. We have restored that $3,680,243 and have gone above the Budget estimates $440,910.

Mr. McKELLAR. I think the Senator misunderstood my question. I wanted to know how much the Budget reduced the estimates of the department.

Mr. HALE. Between forty-one and forty-two million dollars.

Mr. President, I now ask that the formal reading of the bill be dispensed with, and that the bill be taken up for amendment, committee amendments to be first considered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine? The Chair hears none, and the clerk will read the bill for action on the amendments of the committee.

Mr. KING. Mr. President, before the reading is begun I would like to ask the Senator from Maine, the chairman of the Committee on Naval Affairs, a few questions.

Is it the policy of the administration to keep in Chinese waters a large number of submarines, destroyers, and other naval craft?

Mr. HALE. I think during the last 15 or 20 years we have always had an Asiatic Squadron. I do not think it is any larger now than it has been in the past. In fact, I do not think it is quite as large at the present time as it has been.

Mr. KING. Is it the purpose of the administration, and, so far as that purpose is reflected in the policy of the Navy Department, is it the plan, to maintain a naval base indefinitely at Manila Bay or some other port or harbor in the Philippine Islands?

Mr. HALE. I can not speak for the administration. So far as I know the Navy intends to keep up its present establishment at Manila. We are not allowed to fortify under the terms of the treaty, but we can and do keep up what we have there.

Mr. KING. What is the cost of our maintaining a naval station or base in the Philippine Islands, including the additional civilians and officers and men and ships?

Mr. HALE. We have a very large trade with China and the east, and where we have a large trade it is customary to keep our ships to a certain extent to represent us and to protect our interests. We keep a fleet in the Mediterranean at the present time. That custom has no reflection on the people living on the Mediterranean. Wherever the flag flies the ships of the country at some time will presumably go.

Mr. KING. We have more trade with Great Britain—and I use that term as meaning only England, Scotland, and Wales—than we have with any other country in the world. Next to Great Britain our greatest trade is with Canada. We do not keep our fleets there. We do not consider it necessary to have our ships convoy our trading vessels and our commercial vessels in our trade with those countries.

Mr. HALE. The Senator must know that conditions in the Far East are not the same as conditions in the Atlantic as between Europe and ourselves. It is necessary to keep a force there. We have always so considered it. Other countries, such as Great Britain and France, do the same, and the Germans formerly did likewise.

Mr. KING. Mr. President, the chairman of the Naval Affairs Committee [Mr. HALE] has explained in a general way the important provisions of the pending bill. Doubtless his explanations will satisfy some Senators and the Navy Department. In my opinion they will not satisfy a majority of the American people, and will come as a surprise to those who have proclaimed as the principal virtue of the present administration, that it is practicing economy and reducing governmental expenditures.

We have not escaped from the days of myths or from the atmosphere of fictions. The most stupendous myth and the most unfounded if not absurd fiction that have been speciously and adroitly, and in some instances dishonestly propagated during the past three years, is that the present administration has inaugurated great reforms and introduced economies which have greatly reduced the expenses of the Government. It has been said that the repetition of an untruth with sufficient earnestness will sooner or later bring conviction to the people of its verity.

The Republican Party came into power following the war, promising that it would promptly reduce expenses, reorganize departments of the Government and abolish unnecessary boards, bureaus, and executive agencies, and separate from the service unnecessary employees. This program, of course, proved acceptable to the American people and they assumed that the promises made would be fulfilled.

Republican officials and propagandists knew that with the termination of the war and the payment of claims due American citizens for work which they had performed for the Government and materials and supplies which they had furnished it during the war the expenses of the Government would be materially reduced and the annual appropriations greatly lessened. That this would be the case was inevitable, and that automatically governmental expenditures would be reduced was obvious, and yet administration officials and apologists loudly and falsely proclaimed such reductions resulted from Republican efficiency and economy.

The fact is that during 1918, when the United States had nearly 5,000,000 men under arms and was carrying on a mighty contest across the sea, the expenditures of the Government approximated $12,500,000,000, and in 1919, when many obligations incurred in 1918 for ships and munitions and war supplies matured and were paid, appropriations were made amounting to $18,514,000,000. In 1920, with demobilization practically complete and a peace status reached in the Army and the Navy, and substantially all obligations for war materials and supplies discharged, the appropriations by the Government dropped to $6,403,000,000. In these figures I have not included expenditures on account of the Postal Service other than salaries and expenses of the Post Office Department in Washington and postal deficiencies, together with items appropriated by Congress payable from the general fund of the Treasury Department.

In 1921 there should have been a far greater reduction in the expenses of the Government than actually occurred. The appropriations for the fiscal year ending June 30, 1921, with the exceptions which I have just enumerated, amounted to about $5,538,209,189.

The numerous organizations created during the war and which were necessary for some time after the war in order to liquidate the important matters devolved upon them, at the close of the fiscal year 1921 had no longer reason for their existence, and tens of thousands of employees who had been brought into the Government service during the war, and the retention of many of whom was necessary while the work of liquidation referred to was in progress, were no longer needed by the Government. There was no reason therefore why a drastic reduction in all departments of the Government should not have been made, if not prior to the fiscal year 1921 certainly immediately thereafter. It is to be observed that the war not only brought into existence numerous organizations but it also increased the functions of most of the departments of the Government, as well as the number of employees therein. But in all such cases, with the termination of the war or within a short time thereafter, there was no necessity for such organizations and executive agencies to continue along the expansive lines developed by the war. They should have promptly been reduced to a peace-time status, and thousands of employees should have been separated from the Government pay rolls. But there seemed to be a conspiracy in all departments to maintain the powers and status which they had assumed and reached and to retain the additional personnel, which numbered many thousands.

Senators will recall that after the Republicans obtained control of the Senate and House on the 4th of March, 1919, the Democratic minority in Congress insisted that war legislation be repealed, that many of the organizations and agencies created during the war be abolished, and that a return to a peace-time basis be speedily effected. The Republican Congress refused to act upon the demand of the Democrats and also declined to carry out the wise recommendations of President Wilson when he, in his message, made similar recommendations and urged the repeal of war-time enactments. Republican leaders cynically and in a partisan spirit declared that they would ignore the recommendations of President Wilson and would take no steps to repeal war legislation or restore peace conditions until they had control of all branches of the Government. They loudly proclaimed that it was their purpose to consolidate agencies, organizations, and departments when they had full control of the Government, and to then inaugurate reforms in all executive departments of the Government. They have kept none of their promises. President Harding selected Mr. Brown, of Ohio, to represent him upon the commission created to reorganize the departments of the Government. Nothing was done; no reorganization was effected; the efforts of Democrats to secure economies, retrenchment, and reform were blocked and thwarted by the reactionary and obstinate attitude of the party in power.

In 1916 the expenses of the Government were less than a billion dollars. For the fiscal year ending June 30, 1926, the cash expenditures of the Government, including those of the Post Office Department, were considerably more than $4,000,000,000. And that is not the entire picture. There will be presented within the next day or two a deficiency bill carrying more than $400,000,000 to meet additional expenses of the Government incurred during this present fiscal year. I make the prediction that before we adjourn in June there will be another deficiency appropriation to meet further expenditures of the Government during this fiscal year of more than $200,000,000, or such deficiencies will be carried in general appropriation bills for the next fiscal year. It will thus be seen that the total expenses of this so-called economic administration for the fiscal year ending June 30, 1926, will total nearly $5,000,000,000.

Mr. President, the attention of the country should be called to the fact that the present administration is entitled to no credit for reforms or for economy. It has added many to the pay rolls in some departments, 20,000 in the aggregate during the past year, while there have been some separations from the service in others. But in the District of Columbia alone there are more than 80 per cent as many employees in the Government service as there were before the war. My recollection is that there were approximately 37,000 persons in the Government employ in the District at the beginning of 1917, whereas there are now approximately 65,000.

Salaries and compensation have been increased to the extent of scores of millions of dollars, and, as I have already stated, additional units and organizations have been attached to existing departments, or independent agencies have been created, all adding to the expense of the Government and calling for additional employees. The ease and facility with which the administration has "put over," to use the language of the street, this inaccurate and unjustifiable propaganda that economies have been effected in the Government service under the present administration is not only surprising, but it almost compels one to believe that many of the people are not conversant with public affairs or that they are so gullible and complacent that they can easily be misled by audacious and flamboyant statements or subtle and untruthful representations.

It is time to destroy this myth and evaporate this silly talk that the Republican Party is the party of reform and economy, and that this administration has accomplished important and remarkable governmental reforms. The report submitted by the Senator from Maine, accompanying the naval bill, calls for more than $321,395,940 for the fiscal year 1927, and we know that the House is now considering a bill which will carry nearly $100,000,000 for aviation. A part of this huge sum will, of course, be chargeable to the Navy Department, and will thus swell the naval appropriations for the next fiscal year far beyond the sum which I have just given. In addition, there will be other appropriations made for the Navy before Congress adjourns in June, and when Congress convenes in December deficiency bills will be presented, so that it is almost certain that before the expiration of the fiscal year 1927 the naval appropriations will be between $350,000,000 and $375,000,000.

And I might add, Mr. President, that within a few days we will be called upon to approve an Army bill carrying more than $325,000,000 for the coming fiscal year. Undoubtedly that stupendous sum will not meet all obligations that will be incurred by the War Department for 1926-27. Deficiencies aggregating millions of dollars will be presented to Congress before the expiration of the fiscal year 1927. The plain fact is, Mr. President, that the appropriations for the War and Navy Departments for the next fiscal year will amount to approximately $700,000,000. And yet we are told that the Coolidge administration is a business administration; that it practices economy and applies the highest standards of efficiency.

Mr. President, in my opinion, the departments of the Government were never less efficient or more wantonly extravagant. The investigations made by the Couzens committee reveal the chaotic, disordered, and inefficient administration of the Internal Revenue Bureau, as well as the gross incompetency of many employees therein. We know that the Navy Department is demoralized. It is lacking in morale and is poisoned by jealousies and controversies and suffers from an inertia that weakens the entire Navy as a fighting unit. The *Shenandoah* disaster, the numerous "accidents," so called, to ships upon the seas, the sinking of submarines, the destruction of seaplanes—all of these things and many others which I could enumerate conclusively demonstrate the unsatisfactory, not to say deplorable, condition of the Navy.

No department of the Government is more sadly in need of reform than the Navy Department. There are brilliant and able officers who are competent to meet every responsibility. There are some misfits. There is, in my opinion, not sufficient unity and cooperation. Consideration is not always given to men of merit and to young men of superior technical and scientific knowledge. The system prevailing makes for mediocrity. Tens of millions of dollars are wasted in unnecessary navy yards and stations and in overhead. The civilian personnel greatly exceeds any legitimate requirements. The result is that, though for the fiscal year 1926 the Navy Department has spent and will spend more than $325,000,000, its condition is far from satisfactory. It is lacking in seaplanes, in fleet submarines, airplane carriers, in light cruisers, and other forms of auxiliary craft. With the billions spent upon and for the Navy since 1917, a fair and dispassionate examination of its present condition will prove most distressing to those who desire that our Navy shall be modern and efficient and consistent and harmonious in its proportions and physical features.

To show the enormous drain upon the Public Treasury which the Army and the Navy make, it is only necessary to call attention to the appropriations of the Federal Government in 1916. As I stated a few moments ago, the ordinary expenses of the Government then were less than a billion dollars.

In 1916 the entire appropriations for the Navy Department were $154,000,000. In 1913 they were but $123,000,000. Between those dates the construction of naval craft had been undertaken. In 1917, when we were in the midst of the war, appropriations for the fiscal year, ending in June of that year, amounted to $317,000,000. The appropriations in 1918 when hundreds of vessels were purchased for transport and other purposes, and many war vessels were constructed and others were in process of construction, the appropriations were $1,783,000,000. It should be remembered too, that the enlisted personnel and officers of the Navy numbered more than 500,-

000. The appropriations for 1919 amounted to $1,882,000,000. The Government was then paying for many ships which had been purchased, and completing many which were being constructed. A considerable part of this amount was used in paying for guns, munitions, and war material and supplies. Nor must it be forgotton that the increase in the compensation allowed the naval personnel greatly augmented the expenses in both the War and Navy Departments.

The naval appropriations for the fiscal year 1922 were $410,000,000; in 1923, $318,000,000; and in 1924, $291,000,000. The Senator from Maine states that for 1925 there were more than $317,000,000 appropriated. I have already shown the increase above this sum for the fiscal year 1926, and also that for the fiscal year 1927 the Navy Department will cost the American people between $350,000,000 and $375,000,000.

Mr. President, an examination of the Budget presented by the President for the fiscal year 1927 will reveal that in other departments larger appropriations are asked than those made for the present fiscal year. A few days ago we passed the Treasury appropriation bill, and I recall that the appropriation for the tax unit alone was slightly less than $40,000,000, a sum as large as the appropriation for the same organization at a time when excess profits were taxed and the revenues collected were more than double those that will be collected during the present or the coming year.

An examination of the Department of Commerce will show that its appropriations have been increasing for several years last past, and the demands for the next fiscal year will exceed those of any previous year. Some of the work of that department duplicates work performed by the Consular and Diplomatic Service, and some of its expansions are unwarranted and are encroachments upon States or upon other departments of the Government. It is a charge which can be supported that nearly every department of the Government is seeking to expand its authority and power and to increase its personnel. There seems to be a rivalry as to which can get the largest appropriations and command the greatest number of employees. Schemes are being constantly devised for the purpose of seducing the States into abdicating some of their functions under the guise of cooperating with the Federal Government in the performance of duties and responsibilities which appertain to the States or subdivisions of the States alone.

The Agricultural Department has doubled its appropriations within a comparatively few years and has advocated improvident measures and extravagant salaries. The administration is urging the creation of at least one more department and is seeking to add thousands of additional employees to the already long, long list, and will ask further appropriation to meet their salaries and this additional machinery.

Mr. President, there is no hope of reform in the Federal service under Republican administration. The people may look for further extensions of Federal authority, further infringements upon the rights of the States, further interference with local self-government, further control of individuals and interference with individual rights by the National Government. The centripetal force of the Federal Government was never stronger, and never before were there being drawn into the voracious jaws of Federal authority and power so many rights of the States, or rights and liberties of individuals.

I have heretofore said that there is a dangerous malady afflicting the American people. They protest their belief in democracy and affirm their competency to govern themselves, and yet daily refute these protestations by their persistent and clamorous appeals for Federal intervention in matters belonging exclusively to the States and national interference with purely individual and personal concerns.

If the Constitution restrains these destructive centralizing movements which rob the people of liberty and the States of sovereignty, then demands are made for constitutional amendments under which there is to be transferred to the Federal Government authority and power which rest with the people or with the States, and the retention of which by the States and the people is indispensable to the preservation of this Republic.

This centralizing movement results in national aggrandizement, increases paternalism, and diminishes individual rights and local authority. And as the Federal Government widens its field of activity, it challenges genuine democracy, and with each successful victory its authority is increased until it threatens an omnipotence crushing to the sovereignty and independence of the States.

No one can deny the symptoms of paternalism and Federal autocracy which exist in our country to-day. The growth of bureaucracy is conceded by all students of our Government, and the disorganizing and destructive results of the same are universally admitted. The States have been so weakened by Federal infringements that there is scarcely a duty which they should perform that is not in part performed by the Federal Government. Acts and omissions which are denominated crimes under State statutes are made Federal offenses, and Federal courts take cognizance of them.

The eighteenth amendment drew to the Federal Government a vast authority which under our form of government belonged to the States. Public health, the construction of local and State roads, provisions for education, these and many other matters reserved by the people for their own control are now the subjects of legislation by the Congress.

No one can foretell the end, but already serious students of history and of political and economic problems see the threatening evils arising from consolidated government, particularly in a country with so great an area and with resources so varied and with local conditions so different in character.

Many Americans are forgetting that the ideal of local self-government is the most precious heritage from the past. "It is the school in which self-control, independence, and liberty are bred." The physical conditions in the United States—traditions, diversity of custom, manner, thought, and speech, as well as occupations—make for differentiation, and, as has been well stated, this very diversity makes local self-government essential to justice.

Prof. Harold J. Laski has pointed to the fact that Germany before the war was proud of the complete absence of differences among her citizens; that in that country there was a "sacrifice of right to authority." He also states that we prefer a country where the sovereignty is distributed; where the "richness of corporate lives is insurance against such sterility of outlook." "The price of liberty is exactly divergence of opinion upon fundamental questions."

We can turn with profit again and again to the words of Jefferson:

> It is not by the consolidation of concentration of powers, but by their distribution, that good government is effected. * * * It is by this partition of cares, descending in gradation from general to particular, that the mass of human affairs may be best managed for the good and prosperity of all.

Mr. President, the most important issue before the American people is that involved in the preservation of local self-government. The centralizing tendencies are expressed in the mergers of capital, consolidations of corporations, growth of combinations and monopolies, and in the aggrandizement of the Federal Government. It is proper that we discuss doctrinaire theories of government, but it is important that we apply common sense in determining the power and rights of government and rightly interpret the lessons of history and apply them to our political and economic life. Uniformity is the catchword of little minds. It leads to intolerance and bigotry. In private life and private contacts, it leads to a petty and debasing servility and to paternalistic oppression in governmental and political affairs. What is needed is more clear thinking and independent thinking. The heresy that happiness and prosperity result from greatness and power and stupendous wealth finds too many supporters.

Judge Henry Wade Rogers has said that—

> We are threatened with a revival of federalism—federalism that is more extreme and radical than the leaders of the old Federal Party ever countenanced.

This doctrine has so undermined many of our citizens that they do not contend for an indestructible Union of indestructible States, but would view with complacency, if not with satisfaction, the absorption of the States through the exercise of greater power by the National Government. The Austinian theory finds supporters in this Republic.

But I shall return to the remarks of the Senator from Maine. He states in substance that we have reached that condition where there will be no "further reduction in the cost of maintaining the Navy." He stated, as I recall his words, that the Government will be compelled hereafter to expend approximately $280,000,000 annually "for the ordinary expenses of the Navy" alone, and that would not include new construction or new projects of any kind or description. In other words, the bare cost of maintaining the Navy will be between $280,000,000 and $300,000,000 annually, without building additional submarines or cruisers or airplane carriers or seaplanes or any naval craft or any stations or bases.

It will thus be seen that the future expenses of the Navy will be increased if the program and policy of the administration are to be followed. We will be required to appropriate approximately $300,000,000 to meet only ordinary and current naval expenses. But it has been determined that we must

have more cruisers, submarines, airplane carriers, airplanes, and other auxiliary craft, together with a comprehensive aviation program—all of which will require very large annual appropriations. We know that the department is demanding another naval base on the Pacific coast, which will cost, if the plans of the Navy are carried out, from $50,000,000 to $100,000,000.

It is also a matter of common knowledge that the Navy Department requires an enormous sum for claimed "needed improvements" in the Hawaiian Islands. The American people should be advised as to this ambitious program and be prepared to meet the increasing costs which the policies of the administration will require if they are to support Mr. Coolidge.

I think I have not overstated the situation when I say that the appropriations for the next fiscal year will be approximately $375,000,000 for the Navy, and there is nothing to indicate a reduction in future appropriations below that amount. Indeed, unless there is a disarmament conference, it is certain that for a number of years there will be demanded by the naval authorities between $325,000,000 and $400,000,000 annually.

The Senator from Maine has referred in a rather general way to our naval policy in the Pacific, and has emphasized the necessity of maintaining naval craft in Chinese waters. Mr. President, I take this occasion to express my regret that our Government and other great powers who claim important interests in the Pacific have not pursued a more just and rational policy toward China. The Washington disarmament conference, in my opinion, did not sufficiently recognize the sovereignty and the territorial integrity of the Chinese Government. Treaties were formed at this conference which abridged the rights of China and restricted her sovereign authority to control her domestic affairs, particularly those relating to exports and imports.

There were many patriotic Chinese who believed their country had been humiliated, and that the great powers were seeking to enlarge their spheres of influence upon Chinese soil and to further abridge the sovereign rights of China as well as the freedom of her inhabitants. This situation was taken advantage of by the communists of Russia, who sedulously carried on their destructive propaganda and attempted to poison the minds of the Chinese against all other countries and against what they call the "bourgeois governments." Undoubtedly the chaotic conditions in China to-day are in part attributable to bolshevik activity and to the extensive propaganda of Russian communists.

It would be a calamity the seriousness of which can not be fully comprehended if the Orient should be drawn under the influence of Russian communists and a billion orientals united under the leadership of the Soviet Russian Government. And yet that is the ambition of Russian communists. Now, more than ever, China needs steadfast and sincere friends. She needs the friendship and generous support of this Nation as well as of European powers in order that her internal wounds may be healed and peace and orderly government restored. Her disturbed and weakened condition must not be taken advantage of, but rather it should result in a more generous attitude by other nations and a modification of treaties which abridge the sovereign rights of the Chinese nation.

Mr. President, the Senator's speech indicates that we are to continue to expend large sums in maintaining control over the Philippine Archipelago. Some of our greatest naval authorities have recognized, from a military point of view, the unwisdom of the United States retaining the Philippine Islands. To fortify them would cost tens of millions of dollars. To make them invulnerable to attack by any great naval power would require enormous forts and the expenditure of hundreds of millions of dollars. I believe the majority of the American people have not desired that the United States should retain control over the Philippines. I think the best thought in our country is that a solemn promise has been made by the United States to withdraw its authority and permit the Filipinos to establish a government according to their own desires. The question was debated at length when the Jones Act was passed. The American people approved the legislative declaration made therein, that when a stable government was established the United States would withdraw from the Philippine Islands. That pledge, Mr. President, we have not kept. No sufficient reason has been assigned for its violation. That there is a stable government in the islands can not be successfully challenged. That the Filipinos have made great progress and have shown a capacity for self-government I think must be admitted by all dispassionate observers of conditions in the Philippine Islands.

I do not contend that they are as competent for self-government as some European nations or as the people of the United States. For centuries they were exploited by Spain and subjected to her retrogressive and oppressive rule.

There were many just and liberal persons in America and Europe who believed that the people of South and Central America, when they attempted to secure their independence from Spanish rule, were not capable of establishing and maintaining governments in which liberty and justice would prevail, and that they would be unable to meet their international obligations or prove worthy to enter into the family of nations. There have been disappointing conditions in some of the South and Central American states. There have been unfortunate revolutions and often military dictators have risen to power over the prostrate form of justice; but the Latin Republics have made great progress. They have developed in a material as well as in a cultural and moral way, and have justified the revolution which brought them into existence. Comparisons between countries and governments are of but little advantage. To say that because a people are not as well governed as the inhabitants of some other state means but little. It is conceded that individuals differ in intellectual and moral capacity. These differences do not justify discriminatory legislation or the denial of equal rights or of justice and liberty to each.

Mr. President, I regret the apparent purpose of the administration to ignore the solemn act of Congress which promises independence to the Filipinos. The evidences are unmistakable that the Republican leaders have repudiated the provisions of the Jones Act and are determined to retain the Philippine Islands, not so much for humanitarian reasons as for the purpose of trade and commerce.

Mr. President, our duty is clear. We should promptly pass a measure authorizing the Filipinos to hold a constitutional convention for the purpose of framing an organic act under which the Philippine Archipelago would emerge as a free and independent state. We should further provide that upon the formulation of a constitution and the election of officers and the setting up of the necessary governmental machinery, that the United States should then withdraw, leaving the people of those far-off islands to work out their own salvation in their own way. It would be wise if a treaty should be negotiated between the United States and China, Japan, and European nations having interests in the Pacific, under the terms of which the territorial integrity and political independence of the Philippine state should be respected. Such a treaty would meet the apprehensions of some patriotic Americans, who desire that the Filipinos have their independence, but who entertain fears that some Pacific power might interfere with the new state or seek to control its political destinies.

Mr. SHORTRIDGE. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield?

Mr. KING. I yield.

Mr. SHORTRIDGE. May I ask the Senator a question? Quite apart from the merits of the subject matter, namely, whether it is wise or otherwise to pass some act giving, as it is claimed, independence to the Philippine Islands, I wish to ask the Senator this question, for his reflection, if not for immediate and definite reply or response: Is it competent for the Congress of the United States to surrender or alienate our sovereignty over the Philippine Islands?

Mr. KING. I have given the question some attention and have no hesitancy in saying that Congress can relinquish or surrender whatever authority the United States have over the Philippine Islands.

Mr. SHORTRIDGE. Of course the Senator is aware that there are those who have devoted some thought to the question who raise the point that the Congress is without power to surrender or alienate our sovereignty; that we could not do it if we undertook to do it—meaning we could not constitutionally do it.

I merely rose for the purpose of getting the view of the Senator as to the constitutional power of Congress to surrender our sovereignty, for when that matter comes on, if it ever does come on, for discussion—apart from the merits or whether it is wise for us or wise and helpful and right to the Philippine people for the United States to retire—I may have something to say with regard to the power of the United States to pull down the flag and retire from those islands. I am very glad to learn at this early day that the Senator has considered the legal or constitutional proposition suggested and to know his views.

Mr. KING. I respect the opinion of the Senator from California. He is a lawyer of ability and his views upon legal or constitutional questions merit due consideration. I know that the position which he indicates he occupies upon this question has been expressed by various persons, including thoughtful lawyers. I confess that I have been unable to find any valid

arguments to sustain such position. The Constitution of the United States declares that Congress shall have "the power to dispose of territory or other property belonging to the United States."

The Senator will remember the series of debates which occurred in the Senate when the disposition of the Philippine Islands was under consideration during and immediately following the Spanish-American War. The treaty of Paris was submitted by President McKinley for ratification and at that time as well as immediately prior thereto, Senator Hoar and other great constitutional lawyers explored this subject, and they had no difficulty in reaching the conclusion that the policy of the United States then being pursued, and which as announced by many Americans, contemplated the permanent annexation of the Philippine Islands and the holding of them as colonial possessions, was morally wrong, politically inexpedient and dangerous, and violative of the spirit if not the letter of the Constitution. Accordingly they protested against this policy which as I stated contemplated that this Republic should hold colonies and distant territorial possessions inhabited by alien people, who would be denied constitutional rights or the protection which the Constitution gives to American citizens. These debates showed how dangerous it was for a Republic such as this to embark upon an imperialistic career; to take by conquest foreign territory, and rule alien people by military forms, and to deny them the constitutional rights which belong to American citizens. And by implication, if not by direct statement, these debates also demonstrated the constitutional power of Congress even if it should hold the Philippine Islands for any period of time to withdraw therefrom and to surrender whatever rights the United States acquired under the treaty of Paris, or by military conquest. Mr. President, I have no doubt that Congress has plenary power over this question.

Mr. McKELLAR. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield?

Mr. KING. I yield.

Mr. McKELLAR. The constitutional provision to which the Senator referred is that Congress shall have the power to dispose of and make all needful rules and regulations with respect to territory or other property belonging to the United States.

Mr. KING. Exactly.

Mr. McKELLAR. In other words, it is exact, specific, and expresses authority to do that very thing.

Mr. KING. Manifestly the Senator from California and those who may entertain his view regard the Philippine Archipelago as American territory; and yet the Supreme Court has held that its relation to the United States is entirely different from that of the territory out of which States have been carved and to which constitutional guaranties and protections apply even prior to statehood. The anomalous position has been taken by the Supreme Court that the inhabitants of the Philippine Islands have only such rights as may be conferred upon them by Congress; that the Constitution of the United States does not apply to them or any of its provisions unless Congress shall so determine.

If time permitted, I could, I think, convince the Senator from California that not only territory acquired by conquest, such as the Philippine Islands, but territory upon the mainland and which has been brought within the provisions of the Constitution, may be alienated by Congress and the sovereignty of the Federal Government withdrawn therefrom and extinguished therein. A fortiori, the principle has greater force with respect to territory remote from the mainland obtained by conquest and specifically declared not to be within the protection and guaranties of the Constitution of the United States. It would seem as if Congress intended that the sovereignty of the United States should be limited, and that its authority over the Filipinos should be of a different character and of a more tenuous nature. If Congress has the power to "dispose of," to "make all needful rules and regulations with respect to territory or other property belonging to the United States," it follows that it may alienate the territory within the Philippine Archipelago; that it may withdraw and surrender to the inhabitants of the islands control over the same. Who can doubt the power of Congress to negotiate a treaty with Great Britain by which the boundary line between Alaska and Canada can be changed or shifted in such manner as a strip, concededly within the boundaries of Alaska, may be transferred to Canada? Such a treaty would be the "supreme law of the land" when ratified in the constitutional way. By such treaty Congress would have disposed of territory over which the United States has unchallenged sovereignty; and yet, under the Senator's view, this Republic would be impotent to make such a treaty.

Suppose it were of advantage to the United States to exchange some portion of Alaska which is inaccessible and of little value to the United States or the residents of Alaska for a portion of Vancouver or Alberta or some other part of the Dominion of Canada, the possession of which would be of utility and benefit to American citizens or to one or more of the States of the Union bordering upon Canada. Can any one doubt the power of the Federal Government to make a treaty with Great Britain and Canada which would accomplish that result? Indeed, there are many eminent lawyers who contend that the Federal Government may by treaty, alienate land within a sovereign State and withdraw the control of the State as well as the sovereignty of the United States. As to this view, I make no comment. I have no doubt that, if the United States desired to dispose of the Virgin Islands or exchange them for other islands in the Caribbean Sea, no constitutional objection could be urged thereto.

There are some Americans undoubtedly who regard the Federal Government as the possessor of what might be called general or national powers, under which it may adopt policies in harmony with monarchies and governments of the Old World; that it may possess colonies and subject the people thereof to a military rule and deny them all political rights. They take the position that the treaty of Paris between the United States and Spain ipso facto transferred the Philippine Archipelago to the United States; that it became an indissoluble part of the territory of this Republic and can not be disposed of or turned over to the inhabitants of the islands.

Mr. SHORTRIDGE. I remark that I do not care to enter into a discussion of the matter at this time, but the question is not to be so lightly and cavalierly disposed of as the Senator from Tennessee appears to think. My friend might well consider what certain great statesmen and great jurists have said on this subject. There have been some very learned articles and legal arguments written and published concerning this very point, notably by Daniel R. Williams, author of an instructive book on the Philippine Islands. I invite the Senator's attention to a discussion of this question in the article written by that learned gentleman which appeared in the Virginia Law Review.

I apologize to everybody for interrupting if it delays the consideration of the bill before us. I only wished to get, as I stated, the view of the Senator from Utah, and I now understand his position. I am satisfied for the present, though I do not wholly agree with him.

Mr. KING. Mr. President, there are imperialists in the United States, or at least persons who would like to see this Republic embark upon a colonial policy and acquire additional territory. They desire the United States to become the most dominant material, if not military power, in the world, and they approve of schemes and plans for the exploitation of countries not under our flag. They speak more of physical strength and material forces than they do of moral and spiritual forces. They rejoice when large appropriations are made to strengthen the Army and to increase our naval power.

There is much vanity and boasting upon the part of some Americans, and they deem it necessary in order to prove their patriotism, to avow policies which have guided monarchical and imperialistic nations. They think that nationalism means hatred of other peoples and an arrogant and bellicose attitude toward other nations of the earth. I am afraid there is some of the military spirit in our midst that found expression in Germany under the Kaiser. Of course, I do not attribute to my friend from California the possession of that spirit or anything akin to it, but we find some Americans loudly shouting that wherever the flag goes up it must never come down.

Mr. SHORTRIDGE. I say so.

Mr. KING. I regret to say that I believe the Senator has some company, but I should be sorry if the majority of the American people entertained that view. The Stars and Stripes floated over the capital of Mexico, but our flag came down. From the ramparts of Cuban forts when Spanish armies were defeated the American flag floated, but it came down. Our national ensign was carried beyond the northern boundary line of what is now the State of Washington and floated over territory which is now recognized as Canadian soil, but it came down. It appeals to the imagination of people when we declare that the flag of this mighty Nation represents liberty and freedom and justice, and wherever it floats it must never be lowered. When the treaty of Guadalupe Hidalgo was signed there were Americans who protested the surrender of Chihuahua and Sonora and other territory occupied by American troops, but which had for centuries been Mexican soil, and which is still Mexican soil.

The mission of this Republic is not to make conquest or to subjugate and rule alien peoples. It was founded upon the principles of freedom and justice. It recognized the rights of weak peoples and small states, and it has contended for that exalted principle of international law which accords to the weakest nation of the world the proud distinction of sitting as an equal with the greatest nation in the world. This Republic will best serve the millions within its borders, as well as the peoples of the world, if it remains true to the precepts of the fathers and to that fine and noble spirit of democracy and equality and liberty which animated the founders of this Republic and which has with but slight deviation guided this Republic until this hour.

Mr. SHORTRIDGE. May I say that I did not rise to pronounce a eulogy upon my country, but I venture to assert that wherever the American flag has been lifted it has blessed the victor and the vanquished.

Mr. KING. That may be.

Mr. SHORTRIDGE. I am not a militarist. I am not one who believes in aggressive war. I am not one who believes in forcing our institutions upon any other people. But in respect to the Philippines, we have blessed them morally, intellectually, and materially. We have lifted them up. We have helped them to stand. We have been an unmixed blessing for the people of those islands.

As for me, I see nothing inconsistent with the fundamental principles of our Government when I say that the time is not yet ripe, the time has not yet come, if it ever shall come, when we should retire from that country. Moreover, we are rightfully there. We freed them from three centuries of tyranny. We have given them within a few years all the blessings for which our ancestors fought for centuries. The Senator and I evidently are far apart as to what is wise and right and righteous for this Nation to do.

Mr. KING. Mr. President, the Senator declares that whenever we have vanquished a people the conquest has blessed us as victors as well as the vanquished. Perhaps that may be true, and yet the accuracy of the statement will be challenged by many. Every imperialistic nation that has subjugated a people loudly proclaimed its high purposes and its altruistic designs; and yet history is replete with examples where conquest, even when inspired by honorable motives, has corroded the victor, dulled its conscience, and roused ambitions harmful to its own moral and material progress.

The Senator disclaims imperialistic tendencies and yet he in effect declares that we shall not retire from the Philippine Islands. He states that he is opposed to forcing our institutions upon any other people, and yet he favors a policy of compulsion under which freedom and independence are to be denied to the Filipinos. Concede the Senator's statement to be true that they have been blessed materially, intellectually, and morally by reason of the overthrow of their government by the United States, and the assertion of authority by this Government over their territory; does that mean that inherently and intrinsically our act is less immoral? But even if we were justified in taking possession of the islands and overthrowing the government which the Filipinos had established after they had defeated the Spanish forces, can we justify our position if we declare that this republic will retain for an indefinite period its control over the islands though the inhabitants desire their own rule, their own government? The Senator knows that pious protestations have usually accompanied military conquest and the enforcement of imperialistic policies.

The conquering nation usually declares that its purposes are lofty and altruistic and that it only desires the moral and material welfare of the subjugated people. And doubtless many military conquerors have sincerely believed that the vanquished people would derive abundant blessings under the military rule of the triumphant forces. Undoubtedly there are instances where progress has come to conquered peoples—contacts with higher forms of civilization have sometimes brought temporary if not permanent benefits—but as a broad generalization I think it may be said that military rule superimposed upon a conquered and defeated race has brought woe and sorrow and resentment and ineffaceable injuries. Perhaps the evil fruits were not manifest in one generation, but repercussions existed long after the conqueror had passed away.

Rome exploited her colonies. Spain's rule from the days of her zenith until she lost her possessions beyond the seas was one of tragedy and oppression and misrule, though always she declared it her purpose to carry the cross and to ameliorate the condition of the people.

I repeat that the rule has been that where territory has been annexed by conquest and the conquering nation has superimposed its power upon the subjugated people there has been the pretext and the pious expression that the act of conquest was designed for the benefit of the conquered race and to improve their morals and promote their material welfare. I admit that this Nation may not be wholly judged by the conduct of the nations of the past. This Republic has been animated by the ideals of Jefferson and the founders of this Republic, and it has sought to bring all nations into concord and to establish world peace. The spirit of Jefferson as reflected in the Declaration of Independence and his immortal writings, as well as the spirit of Lincoln, the great emancipator, demand that this Nation shall carry high the standard of righteousness and justice; that it shall not be actuated by unworthy motives or influenced by unworthy ambitions or lust for territorial conquest. And yet who can say that the American people are so different from the rest of the world? Sociologists and great philosophers like Herbert Spencer perceive the binding ties among peoples and see even in the most enlightened races atavistic propensities and century-old characteristics. The old Adam still persists, and there are pathetic ancestralisms in our behavior.

If it had not been for the vision and high patriotism of Senator Teller, of Colorado, and those who fought with him against the aroused spirit which often takes possession of the conqueror, Cuba would not have been an independent nation, but would now be under the American flag.

It was when millions of thoughtful and patriotic American people opposed the policy of the party in power which overturned the Philippine Republic and forced the people of the Philippine Islands under American rule, that there was a moral protest against what was regarded as an imperialistic policy. And later President McKinley and President Taft unmistakably indicated that the United States would not permanently control the Filipinos. We are still in control, and there are some who, like the Senator from California, declare that the time has not yet come, and it may never come, when we shall retire from that far-off land. There are business interests in the United States who see in the Philippine Archipelago a field for investment and opportunity for exploitation. There are Americans who reside in the Philippine Islands who are there for profit and gain and who believe that their material interests will best be subserved if the Philippines are held as a colonial possession who are bitterly hostile to the United States redeeming its promise and discharging its moral as well as its political duty. They are joining with selfish forces in the United States and seeking to influence American sentiment in opposition to the desires of the Filipinos that they shall have independence.

Our military forces took possession of Haiti. They are still there, though the Haitian people regard them with displeasure and feel that we are their oppressors. It may be, Mr. President, that we can govern the Filipinos and Haitians and other peoples in other lands, and who are not of our race, better than they can govern themselves. Yet that is not the test by which to determine what the demands of duty are. Undoubtedly there may be conditions which justify an advanced state which is governed by just laws and whose interests are closely linked with weak and backward races, exercising control over the latter for a limited, perhaps for an indefinite, period, but such a situation is not presented when we come to deal with the Filipinos. They are many thousand miles distant from our shores. They are separated from us by an immeasurable gulf. Applying the standards which determine whether a situation exists calling for our control and sovereignty over the Filipinos, it must be conceded that we are not justified in longer imposing our authority over them.

Moreover, Mr. President, they are a unit in their desire for independence. They have men of ability and learning who have evinced their capacity to lead and guide. The islands possess important resources which are not monopolized by the few, but are widely diffused among all classes.

The overwhelming majority of the people are agriculturists, and by their industry and thrift they are able to maintain a stable and progressive government and to erect and maintain a commonwealth or nation that will maintain itself in the family of nations. The progress of the Filipinos culturally and materially may not be as rapid as that which has characterized the people of the United States. No invidious comparisons are to be drawn, but Senators will readily recall the struggling nations of the earth and the slow, very slow, progress which is being made by many countries. Progress which is permanent and enduring is a plant of slow growth. The law of evolution finds application in the social and political world as it does in the biological world. This is one of the profound conceptions of Spencer, and he has elaborated it with infinite care and detail. The Filipinos when set free will encounter many difficulties. They may stumble and sometimes fall, even as chil-

dren do, but they will gain strength and confidence and competency as they conquer their defeats, and the tissues of their national life will be healthier and stronger by reason of the evolutionary processes through which they will pass. The hundreds of islands which dot the Pacific in that far-off archipelago belong to them, not to us. They and their fathers have lived there for centuries.

These islands are their homes. To them each one is sacred, and the aspirations which they have for national existence, for political independence may not be quenched by this great Nation. Indeed, we should remember when there were but 3,000,000 colonists upon the Atlantic shore. They sought independence as other peoples have done. This Republic should be an example to all the world. Its voice should be lifted wherever there is oppression and its influence exerted in behalf of freedom.

Mr. ODDIE. Will the Senator yield?

Mr. KING. I yield to the Senator from Nevada.

Mr. ODDIE. I beg leave to make the observation that from my knowledge of conditions in Haiti, the Senator from Utah [Mr. KING] has been very much misinformed.

Mr. KING. Mr. President, I have been in Haiti and know something of its history and of conditions there existing. I wish the Senator had time to read the letters and communications which I have received from Haiti, some of which I have here upon my desk, revealing conditions there and the feelings of the people. They show a spirit of resentment, indeed, of hostility, toward the United States because of the military control which we exercise over them and the military conflicts which have ensued, resulting in the death of more than 3,000 of the Haitian people.

Mr. ODDIE. I presume that the letters to the Senator then are written in the French language, because French is the only language spoken by the natives of Haiti; and furthermore, only about 2 per cent of the people in Haiti can either read or write.

Mr. KING. Mr. President, I am not certain of the point which the Senator is attempting to make. I am sure he does not mean that many Haitians have not communicated their views to me as well as to others. He can not mean that none but the 2 per cent, whom he declares can read and write, desire the withdrawal of the United States from Haiti, or that the rest of the people have not indicated, if not in writing at least by other means, their disapproval of the course of our Government. If he means that the people of Haiti are satisfied to have their country under the control of this Government and for hundreds of marines to be quartered in their towns and cities, then I am compelled to sharply dissent from that view. The Senator must not arrogate to himself the possession of all knowledge respecting Haiti. He was a member of the committee of the Senate several years ago that made an investigation of affairs in Haiti. For a short time I was a member of the same committee, and undoubtedly the Senator obtained information as to the industrial and political conditions in that country. But, Mr. President, other Senators have attempted to familiarize themselves with Haitian affairs.

They are opposed to the United States spending millions of dollars annually to keep armed forces in Haiti; nor did they approve the course of the administration in sending to Haiti General Russell, who is exercising almost dictatorial powers over that country and its people.

Mr. President, I have insisted for a number of years that the course of this Republic in dealing with Haiti was reprehensible, that it was unjust to the Haitians, and contrary to the principles and policies which should govern this Republic. I have repeatedly offered resolutions calling for the withdrawal of our war vessels from Haitian waters and our marines from Haitian soil. I shall, before this bill passes the Senate, offer an amendment calling for the withdrawal of our military forces from Haiti.

Mr. President, if a plebiscite were held in Haiti to-morrow, or at any time within the near future, I am confident that 99 per cent of the Haitian people would vote for the immediate withdrawal of American marines and for the restoration of the government to the Haitian people. And may I say to the Senator from Nevada that the control of Haiti by this Government and the evident purpose of this administration not to relinquish that control, at least for a number of years, affects, if it does not imperil, the good relations which should exist between the United States and all Latin-American republics. Our southern friends look with disfavor upon any policy which places the United States in control of any Latin-American republic.

There are some Latin-Americans who are not entirely satisfied with the professions of this Nation that it has no imperialistic designs and does not desire a single foot of territory belonging to other nations upon this hemisphere. And they affect to see in the military occupation of Haiti, as they did when the United States controlled Santo Domingo, a purpose upon the part of this Republic to extend its authority and dominion over weak states and to bring additional territory under the flag of this Republic. There are some Americans, as there are some persons in South and Central America, who do not approve of some of the loans made by American bankers to countries in Central and South America, including Haiti, the payment of which, many believe, is guaranteed by the United States; that is, they believe that loans have been made to Haiti and to some South American, if not Central American, states by financial interests in the United States with the approval of our State Department, and with the tacit understanding that the United States is to be looked to by the banks to see that full payment is made at maturity.

Mr. President, this rather extended discussion concerning the Philippine and Haitian questions led me far afield but were precipitated by the Senators from California and Nevada.

Mr. SHORTRIDGE. I disavow responsibility for the elaborate response of my friend from Utah.

Mr. KING. Notwithstanding the disavowal of my friend, it is apparent that the questions propounded by him require more than a passing consideration. The Senator impliedly justifies appropriations for naval activities in the Philippine Islands and he took the view that the United States could not surrender to the Filipinos the control of their own territory, and therefore a policy must be adopted by this Republic contemplating the perpetual retention of that territory by the United States. The Senator, by inference at least, declares that it is our duty to retain the Philippine Islands and deny the Filipinos the right of self-government.

If my friend will concede that the Filipinos are entitled to independence and to establish a government which meets their wishes, I shall quickly proceed to a consideration of other matters. Will my friend from California make such concession?

Mr. SHORTRIDGE. Not 5 per cent of those people want to see the American flag hauled down—but I beg pardon for having opened up this subject.

Mr. KING. I am confident the Senator is mistaken. I challenge the Republicans, including General Wood, and the officials of the War Department who are justifying the maintenance of American troops in the Philippine Islands, to permit the more than 10,000,000 inhabitants of the Philippine Islands to have a plebiscite upon the question of independence or control by the United States. I assert that 99 per cent of all of the Filipinos of voting age would vote for the immediate independence of the Philippine Islands and the withdrawal of the United States; and, of course, all children, sufficiently mature to have opinions, would register the same view.

Recently the Philippine Legislature passed a bill providing for such plebiscite, but it was promptly disapproved by General Wood. I have received resolutions from many Philippine municipalities approving the bill which I have offered, and which is now pending in the Senate providing for the political independence of the Filipinos. Every member of the Philippine Legislature for years has favored the withdrawal of the United States from the Philippines. There is no faction of any political party favorable to further control of the islands by the United States.

There is not a single member of the Philippine Assembly, even from the remotest part of the archipelago, who does not insist upon the immediate withdrawal of the United States from their territory. It might be supposed that among the eight or nine hundred thousand Mohammedans residing in the Philippine Islands there would be a few who would support a different policy, but the fact is that they are unanimously in favor of independence and immediate withdrawal of the United States.

The Senator declared that we freed the Filipinos. May I respectfully dissent from that view? The Filipinos by their own valor and efforts won their freedom. When the United States and Spain were engaged in war our naval forces in the Pacific were hurriedly ordered to Manila Bay for the purpose of intercepting and, if possible, destroying the Spanish fleet. With its defeat we landed troops upon Philippine soil, but not for the purpose of conquering the islands or interfering with the Philippine Government, which was then functioning as a de facto, if not a de jure, government. The Filipinos, under General Aguinaldo, defeated the Spanish military forces, organized a republic, and set up a government of their own. Later the administration, then in power in the United States, determined to take possession of the Philippine Islands. This precipitated a conflict between the Filipinos and the American

military forces. Eventually the Filipinos were defeated, and we set up a military government over the people whom we had conquered.

In the treaty of Paris it was provided that the United States should pay Spain $20,000,000 for the Philippines. In my opinion, it was a cynical and sordid transaction. It ignored the rights and aspirations of the Filipinos. From time to time they have been led to believe that our occupancy of their territory was but temporary, but now the Republican Party gives every evidence of a design to hold these islands, which belong to other people, indefinitely, perhaps forever.

Mr. President, I repeat, we did not free the Filipinos; they freed themselves from Spanish rule, and we, by force of arms, destroyed their government and imposed upon them our will and our rule. That is the situation and these are the facts. The party in power is encouraging, in my opinion, the propaganda which they can use as a pretext to hold the Philippine Islands under the authority of the United States.

Mr. Hoover, the Secretary of Commerce, and others are supporting this propaganda by pointing to the Philippine Islands as our future source of rubber, and some business organizations in the United States are emphasizing the great resources of the Philippines, and how important it is for the benefit of Americans that the sovereignty of the United States should not be extinguished but the islands held for American exploitation.

Mr. President, I am afraid some of this altruism referred to by the Senator from California, and this great love which we have for the Filipinos, have been in part due to financial considerations, and the prospects which the Philippines hold out for American investments and American exploitation.

Mr. President, after this long diversion, I return to the bill, but I shall conclude as soon as possible.

In my opinion, the appropriation carried by the bill is greatly in excess of the needs of the Government. A reduction should be made so that the aggregate sum will be but $250,000,000. Indeed, I believe that if there were proper retrenchments a reduction below that figure could be made. A careful study of the bill and the testimony before the House Naval Committee will disclose enormous sums appropriated for civilian employees, many of whom are unnecessary, and for naval bases, navy yards, stations, and so forth, which should be abolished. It is iteration, indeed reiteration, but I want the RECORD to show that I protest against the enormous overhead and the millions of dollars expended in useless and unnecessary agencies and activities in the Navy Department. I shall ask the Senate, before the bill is passed, for its recommitment, with instructions to reduce the amount carried by the bill to $250,000,000.

Mr. President, I call attention of the Senate to the fact that nothing has been done, either by the War Department or the Navy Department, relative to aviation or a proper unified Air Service, notwithstanding the testimony given in various military and naval hearings, and particularly in the Mitchell controversy. We are making no progress toward a solution of the Air Service either in the Army or in the Navy. This bill carries several million dollars for aviation, but with no suitable plans for its expenditure or for a proper development of naval aviation. I observe that the action of the House, in practically abandoning the dirigible station at Lakehurst, has been reversed, and the Senate committee demands a large appropriation for the maintenance of that unnecessary and costly station.

Mr. HALE. The appropriation contained in the bill as reported is the one recommended by the Budget Bureau.

Mr. KING. That would not control my action. The House had the Budget estimates before it, and the members of the House committee, after a more thorough inquiry into the subject than that made by the committee of the Senate which has just reported this bill, reported against an appropriation for the continuance of the Lakehurst dirigible station. I am not condemning the Budget Bureau for its recommendation, unwise as I believe it to be.

Undoubtedly the officials in charge of this station, and those who desire several millions of dollars for the construction of another dirigible, appeared before the Budget Bureau and urged the appropriation which was recommended in the report of that bureau. Moreover, the President and Secretary Wilbur supported this view and undoubtedly influenced the bureau in making the recommendation. However, as I have stated, the House committee, upon rather mature consideration, have taken a different view, and I think that there is not sufficient reason for our rejecting their action.

Mr. HALE. Yes, Mr. President; but all their records are available to the Senate committee.

Mr. KING. Certainly the hearings before the House committee were available to the Senate committee, and undoubtedly the Senate committee gave due consideration to the same; but nothing has been presented since, either to the Senate committee or to the Senate, justifying repudiation of the House action.

Mr. HALE. The House committee, however, recommended the building of a new $300,000 metal-clad dirigible, but we have cut that out and have provided for the keeping up of Lakehurst.

Mr. KING. Mr. President, I concur in the action of the Senate committee in striking out the provision for the metal-clad dirigible. I believe that further information should be obtained before we formulate a plan with respect to dirigibles. The tragic and melancholy fate of the *Shenandoah* is a lesson which should not be ignored. The testimony given in the various investigations as to the cause of that disaster may not be satisfying, but it should admonish Congress to adopt no definite plan until a most searching investigation has been made into the entire question, dealing with it from a scientific as well as from a practical and utilitarian standpoint.

Senators will remember, in addition to the *Shenandoah* disaster, the fate of the *Roma*, which was destroyed and more than 30 men killed. I might add in passing that the Secretary of War never mentioned it in his report.

Mr. HALE. Mr. President, I think that was not mentioned because the accident happened in England before the dirigible was turned over to our people.

Mr. KING. If the Senator will pardon me, it happened not in England but in Newport News, Va. If any report has been made by the Secretary in regard to this catastrophe, I have not seen it. I repeat it would be most unwise to make an appropriation for the construction of another dirigible until we have further information upon the matters relating to cost, safety, and utility.

Mr. McKELLAR. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee.

Mr. KING. I yield.

Mr. McKELLAR. Mr. President, I have very much the same view that the Senator has just expressed; but in view of the fact that the report of this committee had not been made, it seems to me to be best to let it go this year with an amendment of this kind, which the chairman of the committee has accepted:

Provided further, That no part of any appropriation authorized under this bill shall be used for the purchase of a dirigible or dirigibles from foreign governments or citizens of foreign governments without the approval of Congress by bill or resolution; and *Provided further*, That no part of this appropriation or any other appropriation in this bill shall be used for building dirigibles until a specific bill therefor is passed by the Congress.

That would stop the matter as it is until we can get a report; and it seems to me that under the peculiar circumstances surrounding the situation perhaps we ought to stop there at this time.

I submit that to the Senator for his consideration.

Mr. KING. I think the amendment improves the bill and hope it will be accepted. However, I should be glad to have the advantage of the view of the chairman of the committee as to the wisdom of reinserting this item, calling for several hundred thousand dollars.

Mr. HALE. As to the proposition of keeping up Lakehurst?

Mr. KING. Yes.

Mr. HALE. I shall be very glad to give the Senator my view.

Mr. KING. I yield for that purpose.

Mr. HALE. Before I do so, however, I desire to say that when the Senator asked me about the *Roma* the information I gave him was about the *ZR–1*, which we were to acquire from a foreign government.

Mr. KING. Oh, yes; we got one from Italy and one from England.

Mr. HALE. The *Roma* was not a Navy dirigible at all. It was an Army dirigible. That is the reason why nothing was said about it by the Secretary in the list of accidents to the Navy.

As far as giving up Lakehurst is concerned, I believe that it would be a very unwise thing to do at the present time. Lakehurst is the sole rigid airship nucleus that we have in this country. Our officers and men who have charge of the dirigibles are all trained at Lakehurst. That is the only place where they can get their training. If these men who are now training at Lakehurst and the officers who are there stationed should be disbanded, they would have to go into other units of the Navy. All experiments would stop, and all of the advantages that they have gained from their past experiences would very shortly be forgotten and wiped out. I think that until we

decide that we want to give up lighter-than-air activities, if we are going to do so, it is really important to keep this nucleus together.

Furthermore, at Lakehurst we have the only plant for the repurification of helium that there is in the world, and we not only purify the Navy's helium there but we purify the helium for the Army as well. As I say, we are making experiments there all the time in connection with the *Los Angeles*, which if we are going ahead later on can not fail to be of great advantage to us in the future in lighter-than-air activities.

For these reasons, Mr. President, as I have said, the committee felt that this appropriation should be restored.

Mr. KING. The Senator having referred to the resolution which I offered on the 8th of last December, I shall ask that the resolution be read.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Senator asks for the reading of the joint resolution.

The legislative clerk read Senate Joint Resolution No. 12, introduced by Mr. KING on December 28, 1925, as follows:

Joint resolution (S. J. Res. 12) appointing a joint committee to investigate the cause or causes of the wreck of the Navy dirigible *Shenandoah*

Whereas the Navy dirigible *Shenandoah* was wrecked over Caldwell, Ohio, on September 3, 1925, while being navigated under orders of the Secretary of the Navy, resulting in the death of 14 officers and members of the crew and the total destruction of said dirigible, at great loss to the Government; and

Whereas it is imperative in the public interest that the responsibility for the wreck of said dirigible and the casualties resulting therefrom should be clearly ascertained, and that for this purpose a thorough, impartial, and unrestricted investigation thereof should be made by an agency independent of the Navy Department and having plenary authority to conduct such investigation; and

Whereas the Army dirigible *Roma* was wrecked at Norfolk, Va., on February 21, 1922, while being navigated under orders of the Secretary of War, resulting in the death of 34 officers and members of the crew and in the total destruction of said dirigible, at great loss to the Government; and

Whereas the Secretary of War in his annual report to Congress for the fiscal year 1922 omitted any mention of the destruction of the *Roma;* and

Whereas the dirigible is a costly form of aircraft and entails great expenditure in its proper housing and maintenance and requires an extensive staff of technicians and numerous personnel for its proper care and navigation; and

Whereas the utility of the dirigible for military or naval purposes is open to question; and

Whereas Congress should become fully advised in the premises in order that proper and intelligent direction shall be given to the military and naval air policy, and that the appropriations made therefor shall be expended in conformity to the directions of Congress: Now, therefore, be it

Resolved, etc., That a joint committee to consist of four Senators to be appointed by the President of the Senate and four Members of the House of Representatives to be appointed by the Speaker of the House, be, and is hereby, authorized and directed to investigate the cause or causes of the wreck of the naval dirigible *Shenandoah* on September 3, 1925, and the wreck of the Army dirigible *Roma* on February 21, 1922, to fix the responsibility for the same, to inquire generally into the question of the utility of dirigibles in the Army and Naval Establishments, and to make recommendations to Congress with respect to the future policy of the Government as affecting dirigibles for military and naval purposes.

Such committee, as a whole or by subcommittee, is authorized to hold hearings, to sit during the sessions or recesses of the Sixty-ninth Congress at such times and places, to employ such experts and accountants and clerical and other stenographic assistants as it may deem advisable. The committee is further authorized to send for persons and papers; to require by subpœna or otherwise the attendance of witnesses, the production of books, papers, and documents; to administer oaths and to take testimony, as it may deem advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. Subpœnas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized shall be liable to the penalties provided by section 102 of the Revised Statutes of the United States.

Mr. KING. I am glad to learn that a subcommittee has been appointed for the purpose of considering the resolution. How far it will go in making the investigation called for I can not say. In my opinion, it is important that the entire question comprehended by my resolution be fully investigated. The President of the United States, as well as the Secretary of the Navy, as I am advised, are insisting upon an appropriation of approximately $6,000,000 to build another dirigible. I repeat that in my opinion it will be most unwise to accept the views of the President or the Secretary at the present time. The experience of the belligerent nations in the World War does not furnish satisfying evidence that justifies the United States in constructing a mammoth dirigible at a cost of more than $6,000,000.

Let us get the facts, the scientific facts, before responding to these demands for entering upon the construction of dirigibles. The resolution just read suggests that Congress be advised in the premises in order that proper and intelligent direction may be given to the military and naval air policies to be adopted by the United States. Senators will perceive that the resolution asks also in addition to fixing the responsibility for the disasters of the *Shenandoah* and the *Roma*, to make recommendations to Congress with respect to the future policy of the Government as affecting dirigibles for military and naval purposes.

I regret that a committe such as is called for in the resolution has not been appointed. However, if the subcommittee appointed by the Senate Naval Affairs Committee shall make a thorough and exhaustive investigation of this important matter, I shall not complain because the personnel of the committee is different from that which I sought in my resolution. I believe, and still believe, that it would have been better to have a joint committee of the House and Senate, appointed by the Speaker of the House and the Vice President, respectively, with full authority to investigate this entire subject. It is apparent that such an investigation is necessary, and the necessity is emphasized because of the ill-advised recommendation of the President and the Secretary of the Navy.

Mr. President, there are many provisions in this bill which I should like to discuss, but the lateness of the hour and the fact that I have consumed considerable time in the discussion of matters which may be deemed extraneous but which were brought to our attention by Senators, I shall not occupy further time.

In conclusion I want to state that this bill has most of the evils and defects found in other naval appropriation bills presented for our consideration during the past four or five years. There is nothing constructive in it, and nothing progressive. It is molded in the same old fashion, and perpetuates the old defects and archaic methods which so often have been condemned by students of naval affairs and those acquainted with the condition of our Navy.

There is no satisfactory program for submarines, notwithstanding the caustic criticisms which have been made by Admiral Coontz in his report following the Pacific maneuvers when he was the commanding officer.

But the bill will be passed because few Senators are familiar with its provisions and because we are in the habit of accepting measures prepared and presented by executive departments. We perform the functions of rubber stamps in dealing with these great appropriation bills. They are drafted by officials who are naturally desirous of obtaining large appropriations and of extending their authority. And so year after year we give support to ill-digested and ill-considered measures—measures which fail to satisfy thinking people and which do not meet the needs of the Government or keep it in its constitutional orbit.

The VICE PRESIDENT. The clerk will proceed to read the bill.

The reading of the bill was proceeded with.

The first amendment of the Committee on Appropriations was, under the subhead "Salaries, Office of Secretary of the Navy," on page 2, line 11, after the word "grade," insert "unless in unusually meritorious cases the Personnel Classification Board shall otherwise direct," so as to read:

Secretary of the Navy, $15,000; Assistant Secretary, and other personal services in the District of Columbia in accordance with the classification act of 1923, $146,400; in all, $161,400: *Provided,* That in expending appropriations or portions of appropriations contained in this act for the payment for personal services in the District of Columbia in accordance with "the classification act of 1923," the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, and in grades in which only one position is allocated the salary of such position shall not exceed the average of the compensation rates for the grade unless in unusually meritorious cases the Personnel Classification Board shall otherwise direct.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses, Navy Department," on page 3, line 17, after the word "books," to strike out "for department library; for"; and in line 19, after the word "expenses," to strike out "in connection with the preparation for publication of the naval records of the war with the Central Powers of Europe" and insert "for department library," so as to read:

For professional and technical books and periodicals, law books, and necessary reference books, including city directories, railway guides, freight, passenger, and express tariff books, purchase of photographs, maps, documents, and pictorial records of the Navy, photostating, and other necessary incidental expenses for department library; for stationery, furniture, newspapers, plans, drawings, and drawing materials; purchase and exchange of motor trucks or motor delivery wagons, maintenance, repair, and operation of motor trucks or motor delivery wagons, and one motor-propelled passenger-carrying vehicle, to be used only for official purposes; garage rent; street-car fares not exceeding $500; freight, expressage, postage, typewriters, and computing machines and other absolutely necessary expenses of the Navy Department and its various bureaus and offices, $80,000; it shall not be lawful to expend, unless otherwise specifically provided herein, for any of the offices or bureaus of the Navy Department in the District of Columbia, any sum out of appropriations made for the naval service for any of the purposes mentioned or authorized in this paragraph.

The amendment was agreed to.

The next amendment was, under the subhead "Pay, Miscellaneous," on page 5, line 23, after the word "exceed," to strike out "$170,000" and insert "$195,000"; and on page 6, at the end of line 6, to strike out "$1,550,000" and insert "$1,575,000," so as to read:

For commissions and interest; transportation of funds; exchange; for traveling expenses of civilian employees; for the expenses of the attendance of representatives of the Navy Department who may be designated as delegates from the United States to attend the meetings of the International Research Council or of its branches; for the expenses for the attendance of representatives of the Navy Department who may be designated as delegates of the United States to attend the International Hydrographic Conference; actual expenses of officers while on shore patrol duty; hire of launches or other small boats in Asiatic waters; for rent of buildings and offices not in navy yards; expenses of courts-martial, including law and reference books, prisoners and prisons, and courts of inquiry, boards of inspection, examining boards, with clerks, and witnesses' fees, and traveling expenses and costs; expenses of naval defense districts; stationery and recording; religious books; newspapers and periodicals for the naval service; all advertising for the Navy Department and its bureaus (except advertising for recruits for the Bureau of Navigation); copying; ferriage; tolls; costs of suits; relief of vessels in distress; recovery of valuables from shipwrecks; quarantine expenses; reports; professional investigation; cost of special instruction at home and abroad, including maintenance of students and attachés; information from abroad and at home, and the collection and classification thereof; all charges pertaining to the Navy Department and its bureaus for ice for the cooling of drinking water on shore (except at naval hospitals), and not to exceed $195,000 for telephone rentals and tolls, telegrams and cablegrams; postage, foreign and domestic, and post-office box rentals; for necessary expenses for interned persons and prisoners of war under the jurisdiction of the Navy Department, including funeral expenses for such interned persons or prisoners of war as may die while under such jurisdiction, and for payment of claims for damages under naval act approved July 11, 1919; and other necessary and incidental expenses; in all, $1,575,000.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Navigation," on page 11, at the end of line 10, to increase the appropriation for transportation and recruiting from "$4,594,000" to "$4,700,000."

The amendment was agreed to.

The next amendment was, under the subhead "Naval Reserve," on page 15, line 9, after the word "than," to strike out "$509,245" and insert "$520,720"; and at the end of line 11 to strike out "$1,015,870" and insert "$1,124,252," so as to read:

For expenses of organizing, administering, and recruiting the Naval Reserve and Naval Militia, for maintenance and rental of armories, including pay of necessary janitors, and for wharfage, $160,000; for pay and allowances of officers and enrolled and enlisted men of the Naval Reserve when employed on authorized training duty; mileage for officers while traveling under orders to and from training duty; transportation of enrolled and enlisted men to and from training duty, and subsistence and transfers en route, or cash in lieu thereof; subsistence of enrolled and enlisted men during the actual period of training duty; subsistence of officers and enrolled and enlisted men of the Fleet Naval Reserve while performing authorized training or other duty without pay; pay and allowances of officers of the Naval Reserve, and pay, allowances, and subsistence of enrolled and enlisted men of the Naval Reserve when ordered to active duty in connection with the instruction, training, and drilling of the Naval Reserve; pay of officers and enrolled and enlisted men of the Fleet Naval Reserve for the performance of drills or other equivalent instruction or duty, or appropriate duties, and administrative duties, $3,660,860; in all, $3,820,860, of which amount not more than $520,720 shall be available, in addition to other appropriations, for aviation material, equipment, fuel, and rental of hangars, and not more than $1,124,252 shall be available in addition to other appropriations for fuel and the transportation thereof and for all other expenses in connection with the maintenance, operation, repair, and upkeep of vessels and aircraft assigned for training the Naval Reserve.

The amendment was agreed to.

The next amendment was, under the subhead "Naval Reserve Officers' Training Corps," on page 17, line 17, after the words "operation of" to insert "motor-propelled," and, in line 18, after the word "vehicles," to strike out "$40,000" and insert "$45,000," so as to read:

For the procurement, maintenance, and issue, under such regulations as may be prescribed by the Secretary of the Navy, to institutions at which one or more units of the Naval Reserve Officers' Training Corps are established, of such means of transportation, books, supplies, tentage, equipment, and uniforms as he may deem necessary, and all other miscellaneous items, including cleaning and laundering of uniforms and clothing at camps or on board ship; and to pay commutation in lieu of uniforms at a rate to be fixed annually by the Secretary of the Navy; for transporting supplies and equipment from place of issue to the several institutions, training camps, and ships, and return of same to place of issue when necessary; for the establishment and maintenance of camps of instruction, and schools on ships for the further practical instruction of members of the Naval Reserve Officers' Training Corps, and for transporting members of such corps to and from such camps or ships and to subsist them while traveling to and from such camps or ships and while remaining therein so far as appropriations will permit or, in lieu of transporting them to and from such camps or ships and subsisting them while en route, to pay them travel allowance at the rate of 5 cents per mile for the distance by the shortest usually traveled route from the places from which they are authorized to proceed to the camp or ship and for the return journey thereto, and to pay the return travel pay in advance of the actual performance of the travel; for pay for students attending advanced camps or advanced schools on ships at the rate prescribed for enlisted men of the seventh pay grade; for the payment of commutation of subsistence to members of the senior division of the Naval Reserve Officers' Training Corps, at a rate not exceeding the cost of the commuted ration of the Navy; for medical and hospital treatment, subsistence until furnished transportation, and transportation when fit for travel to their homes of members of the Naval Reserve Officers' Training Corps injured in line of duty while at camps of instruction or on ships; and for the cost of preparation and transportation to their homes and burial expenses of the remains of the members of the Naval Reserve Officers' Training Corps who die while attending camps of instruction or on ships; and for the cost of maintenance, repair, and operation of motor-propelled passenger-carrying vehicles, $45,000, to remain available until December 31, 1927.

The amendment was agreed to.

The next amendment was, under the subhead "Naval Home, Philadelphia, Pa.," on page 18, line 21, after the figures "$66,850," to strike out the colon and the following proviso:

Provided, That the rates of pay prevailing on the date of approval of this act for inmates of the home employed in various capacities shall not be increased during the fiscal year 1927.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Engineering," on page 24, line 12, after the word "all," to strike out "$18,730,000" and insert "$19,500,000," so as to read:

For repairs, preservation, and renewal of machinery, auxiliary machinery, and boilers of naval vessels, yard craft, and ships' boats, distilling and refrigerating apparatus; repairs, preservation, and renewals of electric interior and exterior signal communications and all electrical appliances of whatsoever nature on board naval vessels, except range finders, battle order and range transmitters and indicators, and motors and their controlling apparatus used to operate machinery belonging to other bureaus; searchlights and fire-control equipments for anti-aircraft defense at shore stations; maintenance and operation of coast signal service; equipage, supplies, and materials under the cognizance of the bureau required for the maintenance and operation of naval vessels, yard craft, and ships' boats; care, custody, and operation of the naval petroleum reserves; purchase, installation, repair, and preservation of machinery, tools, and appliances in navy yards and stations, pay of classified field force under the bureau; incidental expenses for naval

vessels, navy yards, and stations, inspectors' offices, the engineering experiment station, such as photographing, technical books and periodicals, stationery, and instruments; services, instruments and apparatus, supplies, and technical books and periodicals necessary to carry on experimental and research work; in all, $19,500,000.

The amendment was agreed to.

The next amendment was, on page 26, at the end of line 13, to increase the appropriation for construction and repair of vessels from "$16,789,000" to "$17,100,000."

The amendment was agreed to.

The next amendment was, under the subhead "Pay of the Navy," on page 30, line 2, after the word "competitions," to strike out "$66,186,727" and insert "$66,686,727," so as to read:

For pay and allowances prescribed by law of officers on sea duty and other duty, and officers on waiting orders—pay $26,818,377, rental allowance $5,463,032, subsistence allowance $8,422,573, in all $35,703,982; officers on the retired list, $4,314,900; for hire of quarters for officers serving with troops where there are no public quarters belonging to the Government, and where there are not sufficient quarters possessed by the United States to accommodate them, and hire of quarters for officers and enlisted men on sea duty at such times as they may be deprived of their quarters on board ship due to repairs or other conditions which may render them uninhabitable, $1,000; pay of enlisted men on the retired list, $1,465,326; extra pay to men reenlisting after being honorably discharged, $2,474,100; interest on deposits by men, $4,500; pay of petty officers, seamen, landsmen, and apprentice seamen, including men in the engineer's force and men detailed for duty with the Fish Commission, enlisted men, men in trade schools, pay of enlisted men of the Hospital Corps, extra pay to men for diving, and cash prizes for men for excellence in gunnery, target practice, and engineering competitions, $66,686,727.

The amendment was agreed to.

The next amendment was, on page 30, line 17, to increase the total appropriation for the pay of the Navy, from "$119,613,500" to "$120,113,500."

The amendment was agreed to.

The next amendment was, under the subhead "Provisions, Navy, Bureau of Supplies and Accounts," on page 32, at the end of line 17, to increase the appropriation for provisions and commuted rations for enlisted men of the Navy, etc., from "$19,114,000" to "$19,300,000."

The amendment was agreed to.

The next amendment was, under the subhead "Naval working fund," on page 35, line 4, after the word "delivery," to insert the word "of," so as to read:

Naval working fund: Hereafter any executive department or independent establishment of the Government ordering materials or services from the Navy shall pay promptly by check upon written request from the Paymaster General of the Navy, either in advance or upon completion of the work, all or part of the estimated or actual cost thereof, as the case may be, and bills rendered in accordance herewith shall not be subject to audit or certification in advance of payment: *Provided*, That proper adjustments on the basis of the actual cost of delivery of work paid for in advance shall be made.

The amendment was agreed to.

The next amendment was, under the subhead "Fuel and Transportation, Bureau of Supplies and Accounts," on page 35, at the beginning of line 14, to strike out "$13,000,000" and insert "$14,750,000," so as to read:

For coal and other fuel for steamers' and ships' use, including expenses of transportation, storage, and handling the same; maintenance and general operation of machinery of naval fuel depots and fuel plants; water for all purposes on board naval vessels, and ice for the cooling of water, including the expense of transportation and storage of both, $14,750,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Aeronautics," on page 42, line 26, after the word "planes," to strike out "$6,278,686" and insert "$6,928,686," so as to read:

AVIATION, NAVY

For aviation, as follows: For navigational, photographic, aerological, radio, and miscellaneous equipment, including repairs thereto, for use with aircraft built or building on June 30, 1926, $605,814; for maintenance, repair, and operation of aircraft factory, air stations, fleet, and all other aviation activities, testing laboratories, and for overhauling of planes, $6,928,686.

The amendment was agreed to.

The next amendment was, on page 43, line 2, after the word "exceed," to increase the appropriation for the procurement of helium from the Bureau of Mines, from "$300,000" to "$500,000."

The amendment was agreed to.

The next amendment was, on page 43, line 6, to reduce the appropriation for continuing experiments and development work on all types of aircraft, from "$1,928,000" to "$1,628,000."

The amendment was agreed to.

The next amendment was, on page 43, at the end of line 7, to increase the appropriation for drafting, clerical, inspection, and messenger service, Bureau of Aeronautics, from "$608,000" to "$675,000."

The amendment was agreed to.

The next amendment was, on page 43, line 12, to increase the total appropriation for Aviation, Navy, from "$13,520,560" to "$13,937,509."

The amendment was agreed to.

The next amendment was, under the subhead "Pay, Marine Corps," on page 47, at the end of line 11, to strike out "$55,000" and insert "$84,653," and at the end of line 13 to strike out "$305,480" and insert "$335,133," so as to read:

For pay and allowances of the Marine Corps Reserve (a) excluding transferred and assigned men, $84,653; (b) transferred men, $185,480; (c) assigned men, $65,000; in all, $335,133.

The amendment was agreed to.

The next amendment was, on page 47, line 21, to increase the total appropriation for the pay of the Marine Corps from "$14,970,347" to "$15,000,000."

The amendment was agreed to.

The next amendment was, on page 51, after line 7, to insert:

Marine Corps Reserve Officers' Training Corps: For clothing, subsistence, miscellaneous supplies, incidental expenses, pay and allowances of members of the Marine Corps Reserve Officers' Training Corps, including authorized travel allowance to and from training camps, $12,500.

The amendment was agreed to.

The next amendment was, under the heading "Increase of the Navy," on page 53, line 17, after the word "letters," to strike out "patent" and the comma and insert "patent" without a comma, so as to read:

The appropriations made in this act for the purchase or manufacture of equipment or material or of a particular class of equipment or material shall be available for the purchase of letters patent, applications for letters patent, licenses under letters patent and applications for letters patent that pertain to such equipment or material for which the appropriations are made.

The amendment was agreed to.

The reading of the bill was concluded.

The VICE PRESIDENT. This completes the committee amendments which appear in the printed bill.

Mr. HALE. I have some amendments to offer from the floor.

Mr. McKELLAR. I have an amendment to offer which relates to what has just been read, and I should like to proceed with it.

Mr. HALE. Very well; I have no objection.

The VICE PRESIDENT. The clerk will read the amendment submitted by the Senator from Tennessee.

The CHIEF CLERK. On page 43, after the word "airplane," in line 21, insert:

Provided further, That no part of any appropriation authorized under this bill shall be used for the purchase of a dirigible or dirigibles from foreign governments or citizens of foreign governments without the approval of Congress by bill or resolution: *And provided further*, That no part of this appropriation or any other appropriation in this bill shall be used for building dirigibles until a specific bill therefor is passed by the Congress.

Mr. HALE. I have no objection to the amendment.

The amendment was agreed to.

Mr. HALE. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The clerk will read the amendment.

The CHIEF CLERK. On page 10, in line 6, after the word "and," insert the word "hereafter."

The amendment was agreed to.

Mr. HALE. I offer another amendment, which I send to the desk.

The VICE PRESIDENT. The clerk will read the amendment.

The CHIEF CLERK. On page 38, in line 1, after the word "enlistment" and the comma, insert the words "also retired officers and enlisted men of the Navy and Marine Corps and transferred members of the Fleet Naval Reserve and Fleet Marine Corps Reserve who die in naval hospitals (including St. Elizabeths Hospital)."

The amendment was agreed to.

Mr. HALE. I send another amendment to the desk.

The VICE PRESIDENT. The Clerk will state the amendment.

The CHIEF CLERK. On page 39, in line 1, after the word "the," insert the words "Navy Department, not to exceed nine in number, and the."

The amendment was agreed to.

Mr. HALE. I offer another amendment, which I ask to have read.

The VICE PRESIDENT. The Clerk will state the amendment.

The CHIEF CLERK. On page 43, line 12, strike out "in all, $13,937,500," and insert in lieu thereof the words, "for new construction and procurement of aircraft and equipment, $4,962,500; in all, $18,900,000."

The amendment was agreed to.

Mr. HALE. I offer the amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 43, line 21, after the word "airplanes," insert the following:

Provided further, That in addition to the amount herein appropriated and specified for expenditure for new construction and procurement of aircraft and equipment, the Secretary of the Navy may enter into contracts for the production and purchase of new airplanes and their equipment, spare parts, and accessories, to an amount not in excess of $4,100,000.

The amendment was agreed to.

Mr. HALE. I send to the desk another amendment, which I offer.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 43, line 21, after the amendment just agreed to, insert the following additional proviso:

Provided further, That the Secretary of the Navy is hereby authorized to consider, ascertain, adjust, determine, and pay out of this appropriation the amounts due on claims for damages which have occurred or may occur to private property growing out of the operations of naval aircraft, where such claim does not exceed the sum of $250: *Provided further*, That all claims adjusted under this authority during the fiscal year shall be reported in detail to the Congress by the Secretary of the Navy.

The amendment was agreed to.

Mr. HALE. I send to the desk another amendment which I offer.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 47, line 17, after the word "that," insert the word "hereafter."

The amendment was agreed to.

Mr. HALE. I send to the desk the following amendment.

The VICE PRESIDENT. It will be stated.

The CHIEF CLERK. On page 54, in line 19, after the word "plant," insert:

and no part of the moneys herein appropriated for the Naval Establishment or herein made available therefor shall be used or expended under contracts hereafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article, or articles that at the time of the proposed repair, purchase, or acquirement can be repaired, manufactured, or produced in each or any of the Government navy yards or arsenals of the United States, when time and facilities permit, and when, in the judgment of the Secretary of the Navy, such repair, purchase, acquirement, or production would not involve an appreciable increase in cost to the Government.

The amendment was agreed to.

Mr. HALE. That completes the committee amendments.

Mr. KING. Mr. President, I would like to ask the chairman of the committee if the committee considered the measures which are now pending and the many suggestions which have been made by competent aeronautical engineers for a unified Air Service?

Mr. HALE. The committee has not made any investigation of the subject in view of the fact that it is a matter of legislation. Being a matter of legislation, it is not before the Appropriations Committee. The matter is now before the House of Representatives, as I understand it, and it is also before the Senate Committee on Military Affairs. The Appropriations Committee is clearly not the proper committee for the consideration of the matter of a unified Air Service.

Mr. KING. Is it before the Committee on Naval Affairs; and can the chairman of the Committee on Naval Affairs advise us whether his committee is considering the question of a unified Air Service?

Mr. HALE. I do not think we have a bill before us to that effect.

Mr. KING. Yes; there is, because I have introduced one which is before the committee.

Mr. HALE. I think it is before the Committee on Military Affairs and not the Committee on Naval Affairs.

Mr. KING. It may have gone to the Committee on Military Affairs.

Mr. HALE. I think so. Every member of the Naval Affairs Committee has doubtless considered the question.

Mr. KING. The Senator knows also that bills are pending for the establishment of a department of public defense, with an assistant secretary of war, an assistant secretary of the Navy, and an assistant secretary of aeronautics. May I ask the chairman whether that subject has received attention at the hands of the Committee on Naval Affairs?

Mr. HALE. I think that all questions concerning aviation are being considered, though not officially, by the committee.

Mr. KING. I am sure that no one is satisfied, unless it is some of the officers of the Army and the Navy, with the record of those departments in aeronautics or in aviation. We have squandered millions of dollars in our aviation policy, and it has proven highly unsuccessful, if not disastrous. I sincerely hope attention will be given to this very important matter.

I want to ask the Senator one other question, if I may have his further attention. Admiral Coontz reported when commander of the fleet that in the maneuvers in the Pacific Ocean there was only one submarine which could accompany the fleet. I have been told, and the information was conveyed to me when I was a member of the Committee on Naval Affairs, that we had taken some designs from German submarines which were created during the war and were improving our submarines and would soon have some fleet submarines. I would like to ask the Senator what is the fact in regard to the matter?

Mr. HALE. I do not think there was even one submarine that could accompany the fleet and do the real work of a fleet submarine. In the maneuvers to which the Senator refers we had no fleet submarines. We were using the S boats and doing the best we could with them. They never were built for the purpose and never were satisfactory as fleet submarines. We are now constructing six submarines. The *V–1*, *V–2*, and *V–3* are fleet submarines. The *V–1* and the *V–2* have already been put in commission, and the *V–3* will shortly go into commission. The *V–4* is a mine-laying submarine, and for the *V–5* and *V–6* we have just started the plans. When we have all of these completed—they are very large and very fast submarines—I think we shall be pretty well fixed for fleet submarines, though we will not have as many in number as other countries who are parties to the treaty. I think they will be finer boats than any submarines that are being built, according to my information.

Mr. KING. The submarines are wholly inadequate for our fleet.

Mr. HALE. Oh, no. The submarines that were used in the maneuvers to which the Senator referred were not fleet submarines, and therefore were inadequate as such. The V boats which are now coming out, and which are up to date, have made a very good record.

Mr. KING. Does the Senator mean that those which have been constructed and are in contemplation will be all that are necessary for a fleet of the magnitude that we have?

Mr. HALE. No; but I think in the future we will probably, in order to keep up the ratio, as far as Japan is concerned, and possibly as far as France is concerned, have to build additional fleet submarines. Japan has a very extensive fleet-submarine program. It is purely experimental, and no one knows what success they will have. Very few countries have had success up to date with their fleet submarines.

Mr. KING. Does the Senator think we know how to build submarines that are capable of accompanying the fleet?

Mr. HALE. I think we can build submarines that will be capable of doing 18 knots an hour, which is the speed of the fleet. Whether they could get up to 21 knots and keep it up I can not say. Certainly in rough water they could not do so.

Mr. KING. Has the latest type of submarine been submerged yet?

Mr. HALE. The *V–2* has been been submerged; yes.

Mr. KING. When?

Mr. HALE. I understand during the past month. The *V–1* has not been submerged.

Mr. KING. I referred to the *V–1*. That has not been submerged?

Mr. HALE. No; I understand not. She came out a number of months ago and then had to go back for repairs to her

storage batteries. I think she is just getting in condition again.

Mr. KING. Does the Senator know whether the V-2 is available for the service?

Mr. HALE. I do not think any of them are yet entirely available for service.

Mr. KING. Can he say that it will be successful as a submarine?

Mr. HALE. I can not; because I do not know. I think she will be successful—perhaps not entirely so, but more successful than any fleet submarine we know anything about.

Mr. KING. We have spent nearly $200,000,000 on submarines. We have not one, unless one of the recent V's, that can accompany the fleet.

Mr. HALE. The S boats were not built to go with the fleet. The fleet submarine is an entirely modern innovation.

Mr. KING. The engines were poorly constructed or were inadequate. Many of them had to go back to the shop before their trial trip. Generally speaking, they were a disappointment. It is to be hoped that we have learned something from the expenditure of nearly $200,000,000 in submarines.

Mr. HALE. I think, generally speaking, our S boats and the O's and R's are very successful. When they first started they had engine trouble and other trouble, but those troubles have been corrected. I think, now, in this type of ships we are ahead of any country in the world.

Mr. KING. Mr. President, I offer the amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 51, after line 7, insert the following proviso:

Provided, That no part of this sum and no part of any amount carried in this bill shall be used to keep or maintain any marines in the Republic of Haiti.

Mr. KING. The purpose is to give the Haitians their independence and withdraw our troops and our marines from Haiti so that those people may have a government of their own.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Utah.

The amendment was rejected.

Mr. KING. I move that the bill be recommitted to the appropriate committee with instructions to report back a bill reducing the aggregate appropriation to $250,000,000. Let us see how much economy our brethren on the other side of the Chamber are in favor of.

The VICE PRESIDENT. The question is on the motion of the Senator from Utah to recommit the bill.

The motion was rejected.

The VICE PRESIDENT. The bill is still as in Committee of the Whole and open to amendment.

Mr. SHORTRIDGE. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. Insert in the proper place the following:

Naval base, San Diego, Calif., water-front development (limit of cost, $1,010,000), $100,000.

Mr. SHORTRIDGE. Mr. President, I shall detain the Senate but a moment to explain the proposed amendment and to suggest the propriety of its adoption. The committee is entirely familiar with conditions prevailing in the Bay of San Diego. The matter of the improvement of the bay for commercial and defense purposes is understood generally.

During the last session of Congress the omnibus naval bill dealt with the problem, and in section 20 of that act it was provided that the Secretary of the Navy was authorized among other things to proceed with improvements to the channel and harbor of the naval station Pearl Harbor, Territory of Hawaii, at a cost not to exceed $5,982,000, and with the water-front development at the naval base, San Diego, Calif., to consist of the construction of a pier and sea wall, dredging, extension of railway connections, and other work incident thereto, at a cost not to exceed $1,010,000.

Mr. HALE. Mr. President, if the Senator will pardon me for interrupting him, I am very familiar with the situation in San Diego, as I made a visit to that place last summer. I know the difficulties they are in with reference to a pier there. I had hoped that the Bureau of the Budget would make an estimate with reference to the appropriation, but apparently they have not done so. However, I shall be very glad to accept the amendment of the Senator, so that the proposed appropriation may go to conference.

Mr. SHORTRIDGE. Very well.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from California.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

CONSIDERATION OF BRIDGE BILLS

Mr. CURTIS obtained the floor.

Mr. JONES of Washington. Mr. President——

Mr. CURTIS. I yield to the Senator from Washington, who, I understand, desires to have considered certain bridge bills.

Mr. JONES of Washington. There are several bridge bills which have been on the calendar for some time. They are House bills and are in the ordinary form. I refer to Orders of Business Nos. 81, 82, 83, 86, and 88, being, respectively, House bills Nos. 172, 173, 3852, 5027, and 5565. I ask unanimous consent that they may be considered in the order indicated.

The VICE PRESIDENT. Is there objection? The Chair hears none.

MISSISSIPPI RIVER BRIDGE AT CLEARWATER, MINN.

The bill (H. R. 172) to extend the time for the construction of a bridge across the Mississippi River at or near the village of Clearwater, Minn., was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

RAINY RIVER BRIDGE, MINN.

The bill (H. R. 173) to extend the time for the construction of a bridge across the Rainy River between the village of Spooner, Minn., and Rainy River, Ontario, was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

COLUMBIA RIVER BRIDGE, WASHINGTON

The bill (H. R. 3852) to authorize the construction of a bridge over the Columbia River at a point within two miles downstream from the town of Brewster, Okanogan County, State of Washington, was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

OHIO RIVER BRIDGE IN BEAVER COUNTY, PA.

The bill (H. R. 5027) authorizing the construction of a bridge across the Ohio River between the municipalities of Rochester and Monaca, Beaver County, Pa., was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BRIDGE OVER RED RIVER OF THE NORTH, IN NORTH DAKOTA.

The bill (H. R. 5565) granting the consent of Congress to the Civic Club of Grafton, N. Dak., to construct a bridge across the Red River of the North, was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

Mr. FESS. Mr. President——

Mr. CURTIS. I yield to the Senator from Ohio?

Mr. FESS. I ask unanimous consent for the present consideration of Senate Joint Resolution 41. It proposes to fill a vacancy in the Board of Regents of the Smithsonian Institution.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 41) providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress. It proposes that the vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress that will occur March 19, 1926, by reason of the expiration of the term of Charles F. Choate, jr., of Massachusetts, shall be filled by the reappointment of the said Charles F. Choate, jr., for the ensuing term.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 25 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, February 17, 1926, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 16, 1926

FOURTH JUDGE, CIRCUIT COURT, FIRST CIRCUIT

John R. Desha, of Hawaii, to be fourth judge, circuit court, first circuit, Territory of Hawaii. (A reappointment, his term having expired.)

POSTMASTERS

CALIFORNIA

Philip C. Scadden to be postmaster at Nevada City, Calif., in place of P. C. Scadden. Incumbent's commission expired February 16, 1926.

COLORADO

Richard G. Dalton to be postmaster at La Junta, Colo., in place of R. G. Dalton. Incumbent's commission expired February 10, 1926.

CONNECTICUT

James E. Usher to be postmaster at Plainville, Conn., in place of J. E. Usher. Incumbent's commission expires February 17, 1926.

Charles E. Burnham to be postmaster at Hampton, Conn., in place of C. E. Burnham. Incumbent's commission expires February 20, 1926.

DELAWARE

James E. Willey to be postmaster at Seaford, Del., in place of J. E. Willey. Incumbent's commission expires February 20, 1926.

Edward H. Naylor to be postmaster at New Castle, Del., in place of E. H. Naylor. Incumbent's commission expires February 20, 1926.

Howard Rash to be postmaster at Cheswold, Del., in place of Howard Rash. Incumbent's commission expires February 20, 1926.

FLORIDA

Pearl E. Graham to be postmaster at Orange City, Fla., in place of P. E. Graham. Incumbent's commission expires February 17, 1926.

Elmer J. Roux to be postmaster at Fernandina, Fla, in place of E. J. Roux. Incumbent's commission expires February 17, 1926.

Effie M. Robinson to be postmaster at Coleman, Fla., in place of E. M. Robinson. Incumbent's commission expires February 17, 1926.

William B. Wingate to be postmaster at Callahan, Fla., in place of W. B. Wingate. Incumbent's commission expires February 17, 1926.

IDAHO

Ross J. Pettijohn to be postmaster at Melba, Idaho, in place of R. J. Pettijohn. Incumbent's commission expires February 20, 1926.

ILLINOIS

Lillian M. Dilg to be postmaster at Morton Grove, Ill., in place of L. M. Dilg. Incumbent's commission expires February 17, 1926.

INDIANA

John R. Kelley to be postmaster at National Military Home, Ind., in place of J. R. Kelley. Incumbent's commission expired December 22, 1925.

IOWA

Frerich O. Christoffers to be postmaster at Palmer, Iowa, in place of A. A. Kime, resigned.

Ross G. Hauser to be postmaster at Union, Iowa, in place of R. G. Hauser. Incumbent's commission expired January 17, 1926.

Fred E. Bourgeois to be postmaster at Kalona, Iowa, in place of F. E. Bourgeois. Incumbent's commission expires February 20, 1926.

Inga E. Cheely to be postmaster at Hornick, Iowa, in place of I. E. Cheely. Incumbent's commission expires February 20, 1926.

Eva Keith to be postmaster at Goldfield, Iowa, in place of Eva Keith. Incumbent's commission expired January 17, 1926.

William R. Prewitt to be postmaster at Forest City, Iowa, in place of W. R. Prewitt. Incumbent's commission expires February 20, 1926.

KANSAS

Howard B. Demuth to be postmaster at Ellsworth, Kans., in place of H. B. Demuth. Incumbent's commission expired February 14, 1926.

Henry A. Lacerte to be postmaster at Collyer, Kans., in place of H. A. Lacerte. Incumbent's commission expired December 21, 1925.

LOUISIANA

Solomon C. Knight to be postmaster at Elizabeth, La., in place of S. C. Knight. Incumbent's commission expired February 14, 1926.

MAINE

Alonzo F. Flint to be postmaster at West Buxton, Me., in place of A. F. Flint. Incumbent's commission expires February 20, 1926.

Leon M. Small to be postmaster at Ridlonville, Me., in place of L. M. Small. Incumbent's commission expires February 20, 1926.

Ida P. Stone to be postmaster at Oxford, Me., in place of I. P. Stone. Incumbent's commission expires February 20, 1926.

Eugene H. Lowe to be postmaster at Gray, Me., in place of E. H. Lowe. Incumbent's commission expires February 20, 1926.

Henry W. Bowen to be postmaster at Chebeague Island, Me., in place of H. W. Bowen. Incumbent's commission expires February 20, 1926.

MASSACHUSETTS

Beulah Hartwell to be postmaster at South Attleboro, Mass., in place of Beulah Hartwell. Incumbent's commission expires February 20, 1926.

Otis E. Hager to be postmaster at North Dana, Mass., in place of O. E. Hager. Incumbent's commission expires February 20, 1926.

Carl E. Brown to be postmaster at Lunenburg, Mass., in place of C. E. Brown. Incumbent's commission expires February 20, 1926.

Charles K. Houghton to be postmaster at Littleton Common, Mass., in place of C. K. Houghton. Incumbent's commission expires February 20, 1926.

MICHIGAN

Ellen M. Ray to be postmaster at New Era, Mich., in place of Jennie Hesselsweet. Incumbent's commission expired October 4, 1925.

E. Harold Ormes to be postmaster at Marenisco, Mich., in place of E. H. Ormes. Incumbent's commission expires February 17, 1926.

MISSISSIPPI

Sue W. Mott to be postmaster at Yazoo City, Miss., in place of L. S. Jones, removed.

Charles P. Chappell to be postmaster at Tupelo, Miss., in place of C. P. Chappell. Incumbent's commission expires February 17, 1926.

Henry Boswell to be postmaster at Sanatorium, Miss., in place of Henry Boswell. Incumbent's commission expires February 17, 1926.

Etoyle S. Countiss to be postmaster at Pittsboro, Miss., in place of E. S. Countiss. Incumbent's commission expires February 17, 1926.

Charles J. Hyde to be postmaster at Meridian, Miss., in place of C. J. Hyde. Incumbent's commission expires February 17, 1926.

Walter T. Heslep to be postmaster at Indianola, Miss., in place of W. T. Heslep. Incumbent's commission expired February 7, 1926.

Maude D. Montgomery to be postmaster at Hermanville, Miss., in place of M. D. Montgomery. Incumbent's commission expires February 17, 1926.

Edward A. Kernaghan to be postmaster at Hattiesburg, Miss., in place of E. A. Kernaghan. Incumbent's commission expires February 17, 1926.

Richard K. Haxton to be postmaster at Greenville, Miss., in place of R. K. Haxton. Incumbent's commission expires February 17, 1926.

Clara L. Wright to be postmaster at Enterprise, Miss., in place of C. L. Wright. Incumbent's commission expires February 17, 1926.

Andrew McD. Patterson to be postmaster at Como, Miss., in place of A. M. Patterson. Incumbent's commission expires February 17, 1926.

Georgia A. McCuen to be postmaster at Brookville, Miss., in place of G. A. McCuen. Incumbent's commission expires February 17, 1926.

Charles F. Harris to be postmaster at Bentonia, Miss., in place of C. F. Harris. Incumbent's commission expires February 17, 1926.

MISSOURI

Benjamin F. Northcott to be postmaster at Sumner, Mo., in place of B. F. Northcott. Incumbent's commission expires February 17, 1926.

John S. Dickey to be postmaster at Sugar Creek, Mo., in place of J. S. Dickey. Incumbent's commission expired January 17, 1926.

Harland F. Kleppinger to be postmaster at Rockville, Mo., in place of H. F. Kleppinger. Incumbent's commission expires February 17, 1926.

James D. A. Hood, jr., to be postmaster at Republic, Mo., in place of J. D. A. Hood, jr. Incumbent's commission expires February 17, 1926.

John E. Swearingen to be postmaster at New Bloomfield, Mo., in place of J. E. Swearingen. Incumbent's commission expires February 20, 1926.

Frank J. Black to be postmaster at Meadville, Mo., in place of F. J. Black. Incumbent's commission expires February 17, 1926.

John A. Jones to be postmaster at Marshall, Mo., in place of J. A. Jones. Incumbent's commission expires February 17, 1926.

Charles B. Genz to be postmaster at Louisiana, Mo., in place of C. B. Genz. Incumbent's commission expires February 17, 1926.

Leonard Ancell to be postmaster at Higbee, Mo., in place of Leonard Ancell. Incumbent's commission expires February 17, 1926.

Ralph E. Carr to be postmaster at Eminence, Mo., in place of R. E. Carr. Incumbent's commission expires February 20, 1926.

Alfred G. Neville to be postmaster at Eldon, Mo., in place of A. G. Neville. Incumbent's commission expires February 17, 1926.

Elias K. Horine to be postmaster at Cassville, Mo., in place of E. K. Horine. Incumbent's commission expires February 17, 1926.

Colmore Gray to be postmaster at Billings, Mo., in place of Colmore Gray. Incumbent's commission expires February 17, 1926.

William H. Lerbs to be postmaster at Berger, Mo., in place of W. H. Lerbs. Incumbent's commission expires February 17, 1926.

Omar M. Drysdale to be postmaster at Amoret, Mo., in place of O. M. Drysdale. Incumbent's commission expires February 20, 1926.

MONTANA

Harvey T. Eastridge to be postmaster at Stevensville, Mont., in place of H. T. Eastridge. Incumbent's commission expires February 20, 1926.

Earle H. Miller to be postmaster at Melstone, Mont., in place of E. H. Miller. Incumbent's commission expires February 20, 1926.

Ralph H. Bemis to be postmaster at Belt, Mont., in place of R. H. Bemis. Incumbent's commission expires February 20, 1926.

NEBRASKA

George W. Miller to be postmaster at Harvard, Nebr., in place of G. A. Herzog, resigned.

John D. Ringer to be postmaster at Omaha, Nebr., in place of C. E. Black. Incumbent's commission expired November 23, 1925.

NEW HAMPSHIRE

Natt A. Cram to be postmaster at Pittsfield, N. H., in place of N. A. Cram. Incumbent's commission expires February 20, 1926.

NEW JERSEY

Frank Wanser to be postmaster at Vineland, N. J., in place of Frank Wanser. Incumbent's commission expires February 20, 1926.

Loretta Conrow to be postmaster at Oceanport, N. J., in place of Loretta Conrow. Incumbent's commission expires February 20, 1926.

David C. Bush to be postmaster at Oakland, N. J., in place of D. C. Bush. Incumbent's commission expires February 20, 1926.

Jeanette H. Claypoole to be postmaster at Cedarville, N. J., in place of J. H. Claypoole. Incumbent's commission expires February 17, 1926.

NEW YORK

John T. Hoffman to be postmaster at Madalin, N. Y., in place of J. T. Hoffman. Incumbent's commission expired November 9, 1925.

Charles H. Whitson to be postmaster at Briarcliff Manor, N. Y., in place of C. H. Whitson. Incumbent's commission expired January 30, 1926.

NORTH DAKOTA

Marvin Broton to be postmaster at Petersburg, N. Dak., in place of Marvin Broton. Incumbent's commission expires February 20, 1926.

Alf J. Dunnum to be postmaster at Kensal, N. Dak., in place of A. J. Dunnum. Incumbent's commission expires February 20, 1926.

Estelle A. Kingery to be postmaster at Forbes, N. Dak., in place of E. A. Kingery. Incumbent's commission expires February 20, 1926.

Olof O. Bjorke to be postmaster at Abercrombie, N. Dak., in place of O. O. Bjorke. Incumbent's commission expires February 20, 1926.

OHIO

Benjamin S. Dillehay to be postmaster at Waterford, Ohio, in place of B. S. Dillehay. Incumbent's commission expires February 17, 1926.

Edwin E. Cook to be postmaster at Huron, Ohio, in place of E. E. Cook. Incumbent's commission expires February 17, 1926.

Roy G. Sutherin to be postmaster at East Palestine, Ohio, in place of R. G. Sutherin. Incumbent's commission expires February 20, 1926.

Myrtle M. McCreery to be postmaster at Brecksville, Ohio, in place of M. M. McCreery. Incumbent's commission expires February 17, 1926.

OREGON

Henry N. Tohl to be postmaster at Nehalem, Oreg., in place of H. W. Tohl. Incumbent's commission expired October 6, 1925.

PENNSYLVANIA

Anthony D. Pietranton to be postmaster at Lewis Run, Pa. Office became presidential April 1, 1924.

Benjamin S. Davies to be postmaster at West Brownsville, Pa., in place of B. S. Davies. Incumbent's commission expires February 20, 1926.

Margaret B. Hill to be postmaster at Saltsburg, Pa., in place of M. B. Hill. Incumbent's commission expires February 20, 1926.

Raymond J. Fisher to be postmaster at Robesonia, Pa., in place of R. J. Fisher. Incumbent's commission expired January 30, 1926.

Samuel G. Garnett to be postmaster at Parkesburg, Pa., in place of S. G. Garnett. Incumbent's commission expired November 23, 1925.

Thomas B. Conrad to be postmaster at Lilly, Pa., in place of T. B. Conrad. Incumbent's commission expires February 20, 1926.

Samuel M. Lamble to be postmaster at Ambridge, Pa., in place of S. M. Lamble. Incumbent's commission expired January 30, 1926.

Jay E. Brumbaugh to be postmaster at Altoona, Pa., in place of J. E. Brumbaugh. Incumbent's commission expires February 20, 1926.

SOUTH DAKOTA

Amandus A. Breihan to be postmaster at Tyndall, S. Dak., in place of M. A. Pike. Incumbent's commission expired November 22, 1925.

Henry W. Knutson to be postmaster at Leola, S. Dak., in place of H. W. Knutson. Incumbent's commission expired February 10, 1926.

TENNESSEE

Terrell McIlwain to be postmaster at Parsons, Tenn., in place of H. G. Roberts. Incumbent's commission expired October 4, 1925.

TEXAS

William E. Shields to be postmaster at Grand Saline, Tex., in place of E. G. Fletcher, resigned.

William B. Lee to be postmaster at Wortham, Tex., in place of W. B. Lee. Incumbent's commission expires February 20, 1926.

Tom Hargrove to be postmaster at Woodsboro, Tex., in place of Tom Hargrove. Incumbent's commission expires February 20, 1926.

Emanuel T. Teller to be postmaster at Westhoff, Tex., in place of E. T. Teller. Incumbent's commission expires February 20, 1926.

Walter M. Hudson to be postmaster at Weatherford, Tex., in place of W. M. Hudson. Incumbent's commission expires February 20, 1926.

Mamie Dyer to be postmaster at Tolar, Tex., in place of Mamie Dyer. Incumbent's commission expires February 20, 1926.

Homer B. Young to be postmaster at Shiro, Tex., in place of H. B. Young. Incumbent's commission expired February 14, 1926.

Charles L. Wiebusch to be postmaster at Riesel, Tex., in place of C. L. Wiebusch. Incumbent's commission expires February 20, 1926.

John W. Neese to be postmaster at Pflugerville, Tex., in place of John W. Neese. Incumbent's commission expires February 20, 1926.

Isidore Newman to be postmaster at Mexia, Tex., in place of Isidore Newman. Incumbent's commission expires February 20, 1926.

Ora R. Porterfield to be postmaster at Lott, Tex., in place of O. R. Porterfield. Incumbent's commission expires February 20, 1926.

Maggie R. Hopkins to be postmaster at Lone Oak, Tex., in place of M. R. Hopkins. Incumbent's commission expires February 20, 1926.

Herman H. Duncan to be postmaster at Kaufman, Tex., in place of H. H. Duncan. Incumbent's commission expires February 20, 1926.

Joe C. Hailey to be postmaster at Hughes Springs, Tex., in place of J. C. Hailey. Incumbent's commission expired February 6, 1926.

Okey B. Cline to be postmaster at Emory, Tex., in place of O. B. Cline. Incumbent's commission expired February 9, 1926.

Dave C. Dodge to be postmaster at Claude, Tex., in place of D. C. Dodge. Incumbent's commission expires February 20, 1926.

VIRGINIA

Alexander L. Martin to be postmaster at Catawba Sanatorium, Va., in place of A. L. Martin. Incumbent's commission expired October 20, 1925.

VIRGIN ISLANDS

Albert Pfaus to be postmaster at St. Thomas, Virgin Islands, in place of D. D. Hoover, resigned.

Bartholin R. Larsen to be postmaster at Christiansted, Virgin Islands, in place of B. R. Larsen. Incumbent's commission expired December 21, 1925.

WASHINGTON

Henry R. James to be postmaster at Rochester, Wash., in place of H. R. James. Incumbent's commission expires February 20, 1926.

William H. Padley to be postmaster at Reardan, Wash., in place of W. H. Padley. Incumbent's commission expires February 16, 1926.

Harry L. Bras to be postmaster at Centralia, Wash., in place of H. L. Bras. Incumbent's commission expired February 10, 1926.

WISCONSIN

Henry W. Lemmenes to be postmaster at Cedar Grove, Wis., in place of H. W. Lemmenes. Incumbent's commission expired December 22, 1925.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 16, 1926

DISTRICT JUDGE

Gudbrand J. Lomen, second division, district of Alaska.

UNITED STATES ATTORNEYS

Charles B. Kennamer, northern district of Alabama.
William Fred Harrison, second division, district of Alaska.
Edward J. Bowman, western district of Michigan.

UNITED STATES MARSHALS

Harvey Sullivan, third division, district of Alaska.
Lynn Smith, fourth division, district of Alaska.
Rippon W. Ward, eastern district of North Carolina.
William Robert Rodman, district of Rhode Island.

APPOINTMENTS IN THE ARMY

Harold Willis Kohl, to be first lieutenant, Medical Corps.
Robert Frame Woods, to be colonel, Coast Artillery Corps.
Frank Blair Kobes to be lieutenant colonel, Infantry.
Emmet Crawford Morton to be major, Finance Department.
James Dallace Bender to be captain, Infantry.
Louis Howard Thompson to be captain, Coast Artillery Corps.
Ellis Bates to be captain, Infantry.
George Pryor Johnson to be captain, Air Service.
Clyde Virginius Finter to be captain, Air Service.
George Huston Bare to be first lieutenant, Infantry.
Morris Haslett Marcus to be first lieutenant, Cavalry.
Frank Zea Pirkey to be first lieutenant, Corps of Engineers.
Karl William Hisgen to be first lieutenant, Field Artillery.
Joseph Patterson Wardlaw to be first lieutenant, Field Artillery.
James Harry Marsh to be first lieutenant, Infantry.
Francis Warren Crary, to be first lieutenant, Field Artillery.
John Baylis Cooley to be first lieutenant, Cavalry.
Mariano Santos Sulit to be first lieutenant, Philippine Scouts.
John Henry Sherburne to be brigadier general, reserve.
Fremont Swift Tandy to be second lieutenant, Corps of Engineers.
Fritjof Arestad to be first lieutenant, Medical Corps.

PROMOTIONS IN THE ARMY

Richard Kerr Cravens to be colonel, Adjutant General's Department.
Hans Oscar Olson to be lieutenant colonel, Infantry.
Alfred Brandt to be lieutenant colonel, Infantry.
Harold George Salmon to be major, Finance Department.
Archie Henry Willis to be major, Finance Department.
Michael Condon Shea to be captain, Field Artillery.
Paul Dillard Carter to be captain, Infantry.
Charles John Wynne to be captain, Quartermaster Corps.
Paul Henry Weiland to be captain, Field Artillery.
Selby Francis Little to be first lieutenant, Field Artillery.
Milo Glen Cary to be first lieutenant, Coast Artillery Corps.
Harold Joseph Conway to be first lieutenant, Coast Artillery Corps.
Gustin MacAllister Nelson to be first lieutenant, Infantry.

PROMOTIONS, BY TRANSFER, IN THE ARMY

Arthur Charles Boll to be second lieutenant, Signal Corps.
Charles Howard Valentine to be second lieutenant, Cavalry.
Joseph Kerr Gibson to be second lieutenant, Field Artillery.
Frederick Raymond Keeler to be second lieutenant, Coast Artillery Corps.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

TO BE COMMANDERS

John C. Cunningham.
Karl F. Smith.
Ernest W. McKee.

TO BE LIEUTENANT COMMANDERS

Frederick D. Powers.
Vincent H. Godfrey.
Myron J. Walker.

TO BE LIEUTENANTS

Irving B. Smith.
Haskell C. Todd.
Morton B. Sterling.
John T. Bottom, jr.
Jim T. Acree.
Edwin C. Bain.
Edward H. Doolin.
William Hibbs.
Marvin H. Grove
Clayton S. Isgrig.
James A. Crocker.
Charles L. Hutton.
Allan D. Blackledge.

TO BE LIEUTENANTS (JUNIOR GRADE)

William E. Brice.
Harry B. Jarrett.

TO BE SURGEONS

Edwin D. McMorries.
Page O. Northington.
Carlton L. Andrus.
John R. Poppen.

TO BE DENTAL SURGEONS

William T. Davidson.
John A. Walsh.

Elliott Snow to be naval constructor.
Leonard D. Douglas to be chief boatswain.
Louis Frommer to be chief boatswain.
Robert Odening to be chief machinist.
Henry F. Rodner to be chief pay clerk.
Louie L. Lindenmayer to be chief pay clerk.

POSTMASTERS

PENNSYLVANIA

Fred J. Kintner, Mehoopany.

WASHINGTON

Julius O. Byron, Selah.
Frank Hurst, Washtucna.

WISCONSIN

Edwin E. Weinmann, Iola.
Hartvig J. Elstad, Whitehall.

HOUSE OF REPRESENTATIVES

TUESDAY, *February 16, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, the Father of us all, we praise Thy holy name for the beauty, the simplicity, and the comfort of the Christian's faith. Also, blessed Lord, we thank Thee for the incomparable life, example, and precept of Him who purifies, ennobles, and dignifies human life. Help us with faithfulness to duty and unyielding devotion to all things good and wise to be worthy of such love and sacrifice. Bless our country, and may the genius of representative government continue to hold its place of wisdom in the minds of our fellow citizens. As we pass on through the days, toward the home of the soul, may we leave a pathway that is brighter for others to follow. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed with amendments the bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 5959. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 516. An act for the relief of Margaret B. Knapp;

S. 589. An act for the relief of Clotilda Freund;

S. 977. An act for the relief of A. V. Yearsley;

S. 978. An act for the relief of Horace G. Knowles;

S. 1035. An act relating to contempts;

S. 1170. An act to provide for the appointment of a commissioner of reclamation, and for other purposes;

S. 1481. An act to authorize the President to appoint Capt. Curtis L. Stafford a captain of Cavalry in the Regular Army;

S. 1482. An act to authorize the Secretary of War to grant easements in and upon public military reservations and other lands under his control;

S. 1661. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Mrs. Patrick H. Bodkin;

S. 1904. An act extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway;

S. 2005. An act for the enlargement of the Capitol Grounds;

S. 2037. An act to amend that provision of the act approved March 3, 1879 (20 Stat. L. p. 412), relating to issue of arms and ammunition for the protection of public money and property;

S. 2038. An act to amend the provision relating to the sale of ordnance and ordnance stores to the Republic of Cuba contained in the act of August 29, 1916 (39 Stat. L. p. 643);

S. 2274. An act providing for the promotion of a professor at the United States Military Academy;

S. 2298. An act to amend section 3 of the act approved September 14, 1922 (ch. 307, 42 Stat. L., pt. 1, pp. 840–841);

S. 2475. An act to amend an act entitled "An act to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia," approved June 7, 1924; and

S. J. Res. 9. Joint resolution proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress.

TREASURY-POST OFFICE APPROPRIATION BILL

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table House bill 5959, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection.

The SPEAKER. The Chair appoints the following conferees: Messrs. MADDEN, VARE, and BYRNS.

PERMISSION TO ADDRESS THE HOUSE

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Iowa asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. GREEN of Iowa. Mr. Speaker, the morning papers, or, I should say, one of them, at least, carried the statement that in the conference between the House and the Senate I had stated that if certain things were not done I proposed to introduce a bill for an inheritance tax in the District of Columbia. Of course, it is entirely unnecessary that I should state to the House that I would not take up the time of the conferees, who are under urgent pressure to dispose of the matters before them, by bringing before the conferees matters which are entirely irrelevant and with which they have nothing to do. While it is not necessary that I should deny the statement, I will state, while I am on my feet, that such statement had no foundation whatever. Nothing of the kind occurred, and I will further state that the conferees are under agreement not to give out anything that has been done, and, therefore, reporters sometimes have to depend on their imagination. I make this statement so the Members of the House will understand the situation.

Mr. WOODRUFF. Will the gentleman yield?

Mr. GREEN of Iowa. I will yield to the gentleman.

Mr. WOODRUFF. I would like to ask this question of the chairman of the Committee on Ways and Means: In the event the conferees agree on the Senate provision relative to the estate tax, will the Members of this House have an opportunity to vote upon it?

Mr. GREEN of Iowa. Well, I hardly think this is the proper time and place for me to answer that matter.

Mr. MADDEN. Of course, if the conferees agree, the House will not have a chance to vote on it.

Mr. WOODRUFF. I will say that my opinion is that the House conferees will not agree to that Senate provision. That is my opinion because I know the attitude of the chairman of the committee; but in the event the conferees do agree upon the Senate provision with reference to the estate tax, I believe this House ought to have the opportunity to go on record as to that particular thing.

Mr. GREEN of Iowa. I think what the gentleman has in mind is such a remote possibility that it is hardly necessary for me to say anything in reference to it, or for him to concern himself about it.

Mr. WOODRUFF. I am glad to hear the gentleman say that.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa may proceed for two additional minutes.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the gentleman from Iowa may proceed for two additional minutes. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Will the gentleman yield to me?

Mr. GREEN of Iowa. I always yield with pleasure to the distinguished leader of the minority.

Mr. GARRETT of Tennessee. I read the article which appeared in one of the morning papers, but, perhaps, not with as great care as I usually read articles which carry statements from the gentleman from Iowa. The impression which I drew from it was that if the Senate amendments as to the inheritance tax or estate tax, whichever we may choose to call it, should prevail the gentleman from Iowa would then consider it quite proper—in view of the insistence that has been placed on the question of State rights—to bring to the attention of the House the possibility of laying a District inheritance tax. That was the impression which I got from it. Now the gentleman says it is without any foundation whatever; but I hope the gentleman will think it over, because the impressions given were such that I think they are worthy of very fine attention. [Applause.]

Mr. GREEN of Iowa. I will say to the gentleman that when I said there was no foundation whatever for the statement I had in mind the fact that the statement which appeared in the paper referred to what occurred in conference. There was not the least reference to any such matter either by myself or by anybody else in the conference. There was no allusion to it directly or indirectly, and that is what I was objecting to.

Mr. GARRETT of Tennessee. I can understand perfectly that it could not have occurred in conference, because that question was not in any way involved in the conference. But if the Senate amendments upon this question prevail upon the theory that has been laid down I think we might very well consider the matter of laying an inheritance or estate tax in the District of Columbia.

Mr. GARNER of Texas. May I say to the gentleman from Tennessee that the House has expressed itself on the inheritance tax, and, in my judgment, the House conferees will never yield on that proposition. [Applause.]

CALENDAR WEDNESDAY

Mr. TILSON. Mr. Speaker, I ask unanimous consent that the business in order to-morrow, Calendar Wednesday, be in order on next Tuesday. I make this request after conference with the chairman of the Committee on Interstate and Foreign Commerce and the ranking minority member of that committee which has the call on Calendar Wednesday. I do this that the business to be taken up by that committee may be considered for two days consecutively rather than be separated by an entire week. It is a fair exchange by which to-morrow will be used for the consideration of an appropriation bill and next Tuesday as well as the following Wednesday will both be Calendar Wednesdays under the rules.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that next Calendar Wednesday be dispensed with and that business in order on that day may be in order on the following Tuesday. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, I understand this is entirely agreeable to the gentleman from Kentucky [Mr. BARKLEY].

Mr. TILSON. Yes; I conferred with the gentleman from New York [Mr. PARKER] and the gentleman from Kentucky [Mr. BARKLEY] in regard to the matter and they have assented.

Mr. GARRETT of Tennessee. Can the gentleman tell us what business will be taken up in the House on those days?

Mr. TILSON. I am not entirely sure, but, as I understand, it is a matter that it is expected will require the two days.

Mr. CONNALLY of Texas. Mr. Speaker, further reserving the right to object, do I understand that there is coupled with this request the understanding that Tuesday shall be regarded as Calendar Wednesday, and therefore the rules effective on Calendar Wednesdays will apply on that day?

Mr. TILSON. Yes.

Mr. MOORE of Virginia. May I inquire of the gentleman from Illinois [Mr. DENISON], if the gentleman from Connecticut will yield to him, what bills are expected to be taken up on next Tuesday and the following Wednesday?

Mr. DENISON. While I am not authorized by the chairman, my understanding is it is the bill to abolish the Railroad Labor Board and provide another means of settling industrial disputes between employers and employees in the transportation business.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

WAR DEPARTMENT APPROPRIATION BILL

Mr. ANTHONY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8917) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes.

Mr. BANKHEAD. Will the gentleman from Kansas, before that motion is put, yield to me for a moment so that I may submit an inquiry to the chairman of the Committee on Rules?

Mr. ANTHONY. I yield to the gentleman.

Mr. BANKHEAD. The announcement was made several days ago that immediately after the reading of the Journal on to-day the special rule with reference to the sesquicentennial celebration at Philadelphia would be the order of business. The chairman of the committee spoke to me about it a few moments ago, inasmuch as I will have charge of the time on this side, and stated that they wanted to take up the Army bill and finish that bill.

Mr. SNELL. I will state in reply to the question of the gentleman from Alabama that it will only require a few moments to complete the Army appropriation bill and I thought it better to finish that bill at this time and then immediately take up the sesquicentennial resolution.

Mr. BANKHEAD. I understood there might be a separate vote demanded on one of the proposed amendments to the Army bill.

Mr. SNELL. Well, some one would probably make a point of no quorum when the rule was taken up, so we will not lose any time in that way.

Mr. BANKHEAD. Then it will be taken up immediately after the Army bill is finished?

Mr. SNELL. Yes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of H. R. 8917, the War Department appropriation bill, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8917, the War Department appropriation bill, which the Clerk will report by title.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

For maintenance and operation of the Panama Canal; salary of the governor, $10,000; purchase, inspection, delivery, handling, and storing of materials, supplies, and equipment for issue to all departments of the Panama Canal, the Panama Railroad, other branches of the United States Government, and for authorized sales, payment in lump sums of not exceeding the amounts authorized by the injury compensation act approved September 7, 1916, to alien cripples who are now a charge upon the Panama Canal by reason of injuries sustained while employed in the construction of the Panama Canal; in all, $5,986,094, together with all moneys arising from the conduct of business operations authorized by the Panama Canal act.

Mr. LEATHERWOOD. Mr. Chairman, after conferring with the chairman of the subcommittee in charge of the bill, I ask unanimous consent to return to page 54, line 2, for the purpose of offering a slight amendment, if consent is granted.

The CHAIRMAN. Without objection, the Clerk will report the amendment for the information of the House.

The Clerk read as follows:

Amendment offered by Mr. LEATHERWOOD: Page 54, after line 2, add the following paragraph:

"The Secretary of War is authorized in his discretion to permit the Davis school district of Farmington, Utah, to secure water for use at the South Weber School from the water supply of the Ogden ordnance reserve depot: *Provided*, That the United States shall incur no expense under this authorization, and the Secretary of War may revoke this permission, either temporarily or permanently, at any time that the entire water supply may be needed for use of the Ogden ordnance reserve depot."

The CHAIRMAN. The gentleman from Utah asks unanimous consent to return to the proper place in the bill for the purpose of offering the amendment just read for information. Is there objection?

There was no objection.

Mr. CONNALLY of Texas. Mr. Chairman, I do not object to returning to the proper place in the bill for the purpose of offering the amendment, but I want to make a point of order against the amendment, or reserve a point of order.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Utah.

The amendment was again reported.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. CONNALLY of Texas. Mr. Chairman, I reserved a point of order.

The CHAIRMAN. Does the gentleman wish to make his point of order?

Mr. CONNALLY of Texas. I am willing to reserve it, so that the gentleman may speak upon his amendment.

Mr. LEATHERWOOD. Will the gentleman reserve it for a moment?

Mr. CONNALLY of Texas. Yes.

Mr. LEATHERWOOD. Mr. Chairman and gentlemen of the committee, there is nothing intended by this amendment that would in any way prejudice the interests of the Government. I concede, of course, that it is subject to a point of order if the gentleman insists upon it. The situation, if I may state it briefly, is simply this: During the war the Government constructed the Ogden Arsenal. At the same time they purchased some very valuable springs of pure water in the foothills about a mile from the site of the arsenal. Within a very few feet of the pipe line which they constructed to conduct this water from the springs to the arsenal there is a large public school. This school now has no source of water supply except ditch water, which has become contaminated by sewage, and it has been condemned by the State board of health. The Government, and the War Department particularly, is perfectly willing

that a connection may be made at or near the school grounds so that these children may have fresh water, subject, of course, to the paramount right of the Government to terminate this arrangement at any time without notice if the Government should need it. The water from these springs now is going to waste. This is merely to relieve the situation to protect the health of two or three hundred children. I offer it now, I may say to the gentleman from Texas, because of the urgency of the situation and to save time that would be lost by bringing in a separate bill.

Mr. CONNALLY of Texas. Has not the Secretary of War the authority to do what the gentleman wants to do?

Mr. LEATHERWOOD. No; I have taken the matter up with the War Department, and they say that they have no authority without an act of Congress.

Mr. CONNALLY of Texas. I withdraw the reservation of the point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For maintenance and operation of the Panama Canal; salary of the governor, $10,000; purchase, inspection, delivery, handling, and storing of materials, supplies, etc.

Mr. BARBOUR. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 100, line 16, after the word "prisoners," strike out the figures $999,980 and insert in lieu thereof $1,050,000.

Mr. BARBOUR. Mr. Chairman, this amount will enable the Governor of the Canal Zone to pay all of the civil employees of the Panama Canal the 25 per cent additional salary that some of them are now receiving. Under the present arrangement the employees are supposed to receive the same rate of wages paid in the United States for similar employment and 25 per cent additional. Under the appropriation carried in this bill the police, firemen, school-teachers, and postal employees would not receive more than 16 per cent additional, and the amendment will permit the Governor of the Canal Zone, in his discretion, to pay them 25 per cent additional.

Mr. MADDEN. Mr. Chairman, I regret to differ with the gentleman from California on this amendment. I do not think the amendment ought to be adopted. We have gone as far as we ought to go. There is no mandatory provision of law that requires the payment of 25 per cent additional to these men, never has been. It is simply permissive. They are getting more facilities now than they ever had before. Their compensation is adequate. There is no just complaint that could be made as to their compensation which they are now receiving, and I think that this amendment certainly ought not to be adopted.

Mr. BARBOUR. Mr. Chairman, I dislike very much to disagree with other members of the committee, but it seems to me from the testimony of the Governor of the Canal Zone that this would be a proper amendment. There is an apparent discrimination between the civil employees of the Panama Canal, and the governor testified that they had pledged themselves in a way to pay the additional 25 per cent to all employees. It is for that reason that I offer this amendment, to do away with that apparent discrimination.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. BLACK of Texas. What right had the Governor of the Canal Zone to make a pledge of that kind until first authorized by Congress?

Mr. BARBOUR. There is no guaranty of the additional 25 per cent, but the law provides that they may pay not to exceed 25 per cent in addition to the wages paid in lines of similar endeavor in the United States.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. BARBOUR. Certainly.

Mr. NEWTON of Minnesota. Upon what theory was the original estimate made; why did they allow one class 25 per cent and another class 16 per cent?

Mr. BARBOUR. Before the war they all got 25 per cent additional, and following the war there was a readjustment, and there was not enough to give them all the additional 25 per cent. The police and the firemen and the school-teachers and postal employees have not been paid the 25 per cent, and the amount carried in the bill would only allow them 16 per cent additional.

Mr. NEWTON of Minnesota. The only reason then was an arbitrary one, and they took it out of the firemen, the police, and the teachers.

Mr. BARBOUR. Whether it was arbitrary or not, there was not enough to pay them all this 25 per cent.

Mr. DENISON. Mr. Chairman, I would like to explain a little bit more in detail the statement made by the gentleman from California. The Panama Canal act passed by Congress in 1912 authorized the President or the Governor of the Canal Zone to pay a rate of wages on the Canal Zone not to exceed 25 per cent above the rate of wages paid in this country for similar employment. From the beginning the government down there adopted the policy of paying the full 25 per cent addition. When Congress passed the Panama Canal act the government was paying for wages as high as 70 per cent above what was paid for similar employment in this country. So the canal act amounted to a reduction in the wages paid. After the passage of the act they paid them 25 per cent additional. In 1922 the President issued an Executive order which took from the canal employees certain benefits they had been receiving—for instance, quarters, fuel, light, and hospital benefits.

They had been receiving those benefits free up to that time; so that when the President put that Executive order into effect, it amounted to a substantial reduction in the wages being paid to certain of the classes of employees down there. The appropriations here authorized are not sufficient to continue paying this full 25 per cent that has been heretofore paid, and the result is that our 44 firemen——

Mr. MADDEN. Sixteen per cent is all that they ever got.

Mr. DENISON. I am sorry to differ with my colleague.

Mr. MADDEN. We know that that is all they got.

Mr. DENISON. Of course, I am sorry to differ with my friend, but I have this information direct from the governor.

Mr. MADDEN. We make a study of the problem, and we undertake to say, without fear of successful contradiction, that 16 per cent is all that they ever got.

Mr. BARBOUR. Since the war?

Mr. MADDEN. Yes; that is what I mean.

Mr. DENISON. At any rate, here is the situation. They are all now receiving that 25 per cent additional wage, with the exception of 44 firemen, 173 policemen, and 136 school-teachers, and 25 post-office clerks. Those 25 clerks are very heavily worked. They deliver all of the mail delivered on the Panama Canal Zone. The 136 teachers are looking after the 14 grammar schools and 2 high schools, and they can not reduce the teaching force any further than they have reduced it, because there are over 600 pupils down there now who are not receiving any instruction at all because of lack of facilities. The teachers employed in the Canal Zone are splendidly equipped for their work and are really underpaid. I think it is only just to make the appropriation sufficient to treat all of these employees alike, and that is the purpose of this amendment. Let us treat them all alike; let us not discriminate. These employees are just as worthy as the others who are receiving the 25 per cent above the standard paid in this country. There is a good reason for that difference in wage scale. Those people go down there and they are employed far from home, and they do not have many of the advantages, of course, that people would have in similar employments in this country. I think it is but just to those employees to remove that discrimination, and this slight increase in the amount of the appropriation will permit the governor to treat them all alike. Let me read what he said to the committee at the hearings. Mr. ANTHONY asked him the following questions, and he made the following replies:

Mr. ANTHONY. Will this decreased amount of the appropriation for 1927, making a total of $983,000, enable you to operate?

Colonel WALKER. That will enable me to operate unsatisfactorily in one respect, sir, in that we really have, in a way, pledged ourselves to the Panama Canal employees to pay them 25 per cent over the corresponding rates for Government employment in the United States. At the present time, with that expenditure of practically $1,000,000, I will only be able to pay the police, fire, post-office employees, and teachers, 16 per cent over the rates prevailing in the United States.

Mr. ANTHONY. So that with the amount of money that is before us in this item here for 1927, if you are forced to get along on it, you will have to either cut down the number of police, firemen, or teachers or other people connected with the civil government, or else deprive them of the 25 per cent additional pay which is guaranteed them.

Colonel WALKER. Yes, sir; I will have to deprive a portion of them of the 16 per cent which we are giving them now.

And again—

Colonel WALKER. It has been the policy of the canal, recognized by Congress for a good many years, and recognized by the Secretaries of War, that we would pay the full 25 per cent, and this was particularly stressed when the matter of charging rentals came up in 1922.

We have that statement of the governor who has charge down there, and it is upon that statement that I based my statement. This is only a small amount, but I think the gentleman from California [Mr. BARBOUR] is right, and that we ought to remove this discrimination.

Mr. BLACK of Texas. Why not remove it in the interest of the taxpayer and bring all of these gentlemen down to 16 per cent above the rates paid in the United States?

Mr. DENISON. If the gentleman from Texas were familiar with the conditions under which these men and women have to remain there and work so far from home, I think he would agree that we ought to pay them 25 per cent above what is paid for similar work in this country. They have no one to speak for them here. The Governor of the Canal Zone has done all he can do. He has said the Government has pledged them the full 25 per cent increase. I think we ought to make the pledge good.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] asks for a division of the question, but under the rule it is indivisible. It is to strike out and insert. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. DENISON) there were—ayes 23, noes 85.

So the amendment was rejected.

The Clerk concluded the reading of the bill.

Mr. ANTHONY. Mr. Chairman, I ask unanimous consent that the Clerk be authorized to correct the totals in the bill, due to certain changes that have been made.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that the Clerk be empowered to correct the totals. Is there objection?

There was no objection.

Mr. FISH. Mr. Chairman, I move to strike out the first three words. I rise for the purpose of stating that I intend to vote for the so-called Reece amendment, which I opposed in the committee a few days ago. I do that for this reason: Although I do not think that $176,000 is required or that more than half of that amount is required for traveling expenses for regular officers attached to the Officers' Reserve, I do believe that a certain amount is required. The gentleman who introduced that amendment is willing now, I understand, to halve the total amount by unanimous consent, but he understands, and some of us understand, that if he makes that request it will be objected to upon principle. Therefore, believing as I do that a certain amount of money—at least half of this amount, say, $88,000—is required, I intend to vote for the Reece amendment. All of this money that will be expended under the Reece amendment will have to be expended by order from the War Department and on vouchers. Therefore that which is not expended will be returned, under the paragraph that has just been read, into the Treasury.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. BYRNS. Is the gentleman so sure of that? When Congress appropriates money, is it not the gentleman's observation that usually all of the money is expended? What assurance has the gentleman, if he comes here and knowingly votes for $2, when he thinks that $1 is all that is necessary, that all of the money will not be paid?

Mr. FISH. I have no assurance.

Mr. BYRNS. I think the gentleman from Tennessee [Mr. REECE] ought to have known what he was doing when he offered his amendment and should not have proposed an amendment carrying twice more than is necessary.

Mr. FISH. I quite agree with that, and I also want to say to the gentleman and to the gentleman who is at the head of the subcommittee, and to myself as well, that it is partially our fault. After that amendment was agreed to we should have offered another amendment to provide for $75,000 instead of $176,000, which amendment I believe would have prevailed.

But inasmuch as we failed to do that, I think our only recourse is to vote for the Reece amendment and the unexpended balance will be returned to the Treasury.

Mr. REECE. The gentleman who offered the amendment has not admitted as yet that the amount is too large. But he was willing to compromise on a less amount in order to make sure of getting it through. He is not compromising on the amount.

Mr. BYRNS. I understood the gentleman from New York to say the gentleman would compromise.

Mr. FISH. He will do it now, he just said so, that he would compromise, but he does not admit a change of his position. He says he is willing to compromise on a smaller amount. In view of the very generous attitude of the gentleman from Tennessee I think all of us should support his amendment who think that more money is required to carry on this reserve work.

Mr. BYRNS. I understand the gentleman's position, regardless of the position of the author of the amendment, is that only about half of this money is needed.

Mr. FISH. Certainly.

Mr. BYRNS. That being so, and this appropriation having to go before another body before it finally becomes a law, why does not the gentleman leave something to the Senate of the United States and permit them to correct it instead of voting for a proposition which he knows is twice too much?

Mr. FISH. Exactly. I think the other body will reduce this probably down to $75,000 or $88,000.

Mr. BYRNS. Then let us defeat the amendment here and let the other body take action.

Mr. FISH. In view of the generous attitude of the gentleman who introduced the amendment I think it is our duty to support it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BARBOUR. I would ask that the time of the gentleman be extended for one additional minute.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BARBOUR. Is it not a fact the bill does carry $800,000 mileage to be paid to Regular Army officers who are sent away by the War Department and——

Mr. FISH. But it does not provide for money for traveling expenses of regular officers detailed to the Officers' Reserve Corps.

Mr. BARBOUR. Can the gentleman give any reason why it is not enough? It is all the War Department asks for.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. FISH. I ask for three minutes. I want to answer the question.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. FISH. The amendment of the gentleman from Tennessee is based on the fact that he believes that $300 is needed for the 500 Regular Army officers attached to the reserve.

Mr. BARBOUR. What is there to show that that amount is needed?

Mr. FISH. My contention is that at least half of these officers are stationed in big cities where they do not need any appropriation whatever, and the other half in the rural districts in the West, the Middle West, and even in the rural districts of New York, who require at least $300 annually for traveling expenses to properly carry out their assignments.

Mr. BARBOUR. What does the gentleman base his estimate on that it requires the $300?

Mr. FISH. Because they have to travel a great deal throughout rural districts——

Mr. BARBOUR. They have 80 automobiles.

Mr. FISH. But there are probably 250 officers detailed to rural districts, and about 200 of these officers have no automobiles at all, and they have to travel around at their own expense, if at all.

Mr. BARBOUR. How do we know; where is the evidence before the committee showing these 250 have to travel?

Mr. FISH. I believe the trouble is that no one appeared before the gentleman's committee asking for this traveling allowance. It was brought up afterwards, and therefore had no consideration in the committee, but that does not change the aspect of the amendment. If it is needed to carry on the splendid work of the Officers Reserve Corps, or half of that amount, we should give it willingly, especially in view of the very generous attitude taken by the author of the amendment. I can not see any other way but to support that amendment, or else have nothing at all and leave these regulars without any traveling expenses.

Mr. BARBOUR. I submit to the gentleman there is absolutely nothing before the House to show that any part is needed——

Mr. FISH. The gentleman heard the debate, and the committee sustained the contention by voting for the amendment.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MADDEN. Mr. Chairman, I rise in opposition to the pro forma amendment. To begin with, now, we have 11,750 officers and 125,000 men in the Regular Army. We will have about 1,141 cadets in the Military Academy. We have about 96,000 reserve officers, almost half of whom are not subject to military training, because they belong to the staff corps. This bill provides for training about 16,931 reserve officers in addition to those who receive training as National Guard officers. It provides for 692 enlisted reservists to receive

training. We are appropriating money to maintain a National Guard of 186,000 men.

Then we are doing Reserve Officers' Training Corps training, including about 120,000 students. We will train over 35,000 men in the citizens' military training camps. If you add all of these, you will find we are training what is equivalent to an army of 500,000 men, and we are paying for it.

About 500 of the Regular Army officers are assigned to the so-called division and regimental headquarters. To do what? First, to keep out of mischief, because they have nothing else to do. Second, to try to organize the so-called reserve forces, and to do all this we spend about $35,000 a year for gasoline. They have established 230 headquarters for the reserve officers throughout the United States, for about 90 of which the Government of the United States is paying rent.

They have assigned many of these reserve officers to active duty, for which they are being paid.

It seems to me, Mr. Chairman, the time has come when Congress should be more concerned about the men who pay the bills rather than be everlastingly concerned about the men who are trying to get their hands into the Treasury. This is one of such cases.

The Reserve Officers' Association came before the Committee on Appropriations, and they offered estimates superimposed upon the estimates made by the War Department and the President, and they asked that we add $176,000 for travel allowance to the regular officers assigned to these—what shall I say? Oh, play jobs—on top of the $800,000 that is already assigned for the travel pay of regular officers.

It seems to me all you have to do is to tell the country the story in order to have them rise up on their hind legs and protest against the continuation of the everlasting extravagant waste of public money, and I protest against this amendment. [Applause.]

The pro forma amendment was withdrawn.

Mr. ANTHONY. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 8917) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. ANTHONY. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. MADDEN. Mr. Speaker, I demand a separate vote on the amendment increasing the travel pay of regular officers on duty with reserve forces.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which the gentleman from Illinois demands a separate vote.

The Clerk read as follows:

Page 71, line 2, after the word "headquarters," insert a new paragraph to read as follows:

"For travel of officers and noncommissioned officers of the Regular Army in connection with the Organized Reserves, $176,000."

The question was taken; and on a division (demanded by Mr. REECE) there were—ayes 55, noes 145.

Mr. REECE. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty gentlemen are present, a quorum.

So the amendment was rejected.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. BROWNE. Mr. Speaker, I move to recommit the bill.

The SPEAKER. The gentleman from Wisconsin offers a motion to recommit, which the Clerk will report.

The Clerk read as follows:

Mr. BROWNE moves to recommit the bill by inserting on page 97, line 8, after the figures "$7,685,100," the following:

"That no money herein appropriated shall be used for the purchase of oleomargarine or any substitute for butter to be used in any national home for disabled volunteer soldiers."

Mr. CONNALLY of Texas. Mr. Speaker, I make the point of order that the amendment is not germane.

Mr. CHINDBLOM. And the further point of order, Mr. Speaker, that it is legislation.

Mr. BROWNE. Mr. Speaker, if there is any question about the point of order, I want to call the Speaker's attention to section 825 of the Rules of the House relating to limitations on appropriation bills. I read as follows:

Although the rule forbids on any general appropriation bill a provision "changing existing law," which is construed to mean legislation generally, the House's practice has established the principle that certain "limitations" may be admitted. It being established that the House under its rules may decline to appropriate for a purpose authorized by law, so it may by limitation prohibit the use of the money for part of the purpose while appropriating for the remainder of it. The language of the limitation provides that no part of the appropriation under consideration shall be used for a certain designated purpose.

I think it has been held repeatedly by various speakers that on appropriation bills, for instance, like an appropriation bill for the support of the Navy, amendments are in order where the effect of the amendment is to provide that no part of the appropriation shall be used if a stop watch is used or a time study is made. That limitation has been held to be in order several times, and I think the rulings of the Speakers have universally been that where it does not increase the appropriation, but places a limitation upon it, that the amendment is in order.

The CHAIRMAN. Does the gentleman from Texas desire to be heard?

Mr. CONNALLY of Texas. I just want to suggest, Mr. Speaker, that there is nothing in the paragraph or in that portion of the bill to which this proposed amendment is at all germane. It is not germane either to the bill generally or to the particular portion of the bill where it is offered.

The SPEAKER. The Chair is ready to rule. The amendment is offered to the line which provides the total amount of expenditure for all purposes of the National Homes for Disabled Soldiers. The Chair is inclined to think the amendment is germane to that paragraph, and is inclined to think also it is a limitation and not legislation. The Chair therefore feels constrained to overrule the point of order. The question is on the motion to recommit.

Mr. CONNERY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CONNERY. If this motion to recommit is adopted, does that stop them from feeding oleomargarine to the old soldiers in the soldiers' homes?

The SPEAKER. That is not a parliamentary inquiry.

Mr. CONNERY. If it does, I will vote to recommit the bill.

Mr. TILSON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The question was taken; and on a division (demanded by Mr. BROWNE) there were—ayes 17, noes 155.

Mr. BROWNE. Mr. Speaker, the vote shows there is not a quorum present, and I raise that point.

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty-eight Members are present, a quorum.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

On motion of Mr. ANTHONY, a motion to reconsider the vote by which the bill was passed was laid on the table.

PUBLIC BUILDINGS BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CANNON. Mr. Speaker, this bill is revolutionary. It takes from the legislative branch of the Government a prerogative vested in it by the Constitution and exercised for the last hundred and fifty years. It transfers to executive bureaus a function which adds to their ever-growing power, and to that extent further disturbs the balance which the founders of the Constitution intended should be maintained between the legislative, executive, and judicial branches of the Government. It proposes to supersede the method which has been followed in authorizing and locating public buildings since the administration of Washington.

From the foundation of the Government Congress has authorized the erection of post offices and other public buildings and determined their location. It is now proposed to take from Congress the right to select the cities in which public buildings shall be erected and place that power in the Treasury and Post Office Departments, where it will be administered by bureau chiefs and departmental clerks. Neither the Secretary of the Treasury nor the Postmaster General can give personal attention to such details and the actual choice of towns which are to have Federal buildings must necessarily be delegated to subordinates.

Civil-service employees in a bureau in Washington a thousand miles away, and with no direct responsibility to the patrons of the office or the citizens of the district for which they legislate will authorize or refuse Federal buildings at will. Under the proposed law these bureau officials will have the power to authorize the expenditure of all available funds in the erection of buildings in one favored section of the country, or may peremptorily refuse to permit the erection of post-office buildings in any city of less than 25,000 population. In fact, it is intimated that this is just what they will do. In either event, other States and smaller towns with equal right to adequate mail service, and equally taxed to provide the funds, will be without recourse or right of appeal.

The practical effect of this new scheme for locating public buildings is apparent in the bill now before us. The bill authorizes an appropriation of $165,000,000 to be expended in the erection of public buildings in the United States. How is this enormous sum to be distributed? Will each State and each congressional district gets its proportionate share? That would be the fair way, but that is not the method of distribution to be followed if this bill becomes a law. Fifty million dollars will first be set aside for buildings in the District of Columbia, and fifteen millions more will be allocated for the completion of projects already authorized. Seventy-two millions will then be spent in six States—New York, Massachusetts, Connecticut, Illinois, and Pennsylvania. The remaining $28,000,000 will be expended for buildings in 22 other States of the Union, and 20 States, including the State of Missouri, will not get a building or a dollar.

Although the revenues of the Post Office Department have doubled in the last 10 years and the volume of mail handled to-day is seven times as great as it was prior to the war, not a single new post-office building has been authorized since 1913. The ninth district of Missouri, in which half a dozen post offices have advanced to second class since the last public buildings bill was passed, would not get a Federal building in the next 50 years. In other words, if this bill becomes a law all the money available for public buildings in the United States will be used in erecting gigantic bronze and granite edifices in the large cities, and no second or third class post office, however congested its mail service or however urgent its need for adequate quarters, need hope to get a building of any character for years to come.

It is not only a proposition to centralize the powers and functions of government in executive bureaus here in Washington, but it is another step in the steady centralization of wealth and commerce in the great cities at the expense of the country and the smaller towns.

Even if there were no discrimination in favor of these congested centers of population, where voters are congregated in such large numbers as to often control elections in the entire State in which they are situated, this plan is subject to other serious objections. It places in the hands of the administration, whether Democratic or Republican, the power to favor its friends and punish its enemies.

Under these provisions the political agents of the party in power may dispense or deny favors which may be made controlling considerations to vast constituencies in pivotal States. It reduces to the level of political patronage the distribution of post-office buildings or to the still more sinister level of Government graft the allocation of millions of dollars from the Federal Treasury.

I appreciate the protests of those who advocate the passage of this bill when they indignantly assert that these funds will be administered by men who are above suspicion and whose official conduct is beyond reproach. I sincerely believe that is true of 99 per cent of the men who administer the affairs of our Government. But what about the other 1 per cent? We have but recently been subjected to the humiliation of seeing three members of the Cabinet, men serving under both President Harding and President Coolidge, and, next to the President, the highest officials in the executive branch of the Government, forced to resign because of maladministration in office. If a member of the President's Cabinet would accept as small a bribe as $100,000, what is to be expected of department clerks when $165,000,000 is to be dispensed without let or hindrance? Mr. Speaker, $165,000,000 is too much money to be placed in the hands of any man or any two men. However able and honest he may be, no one man can personally superintend the disbursement of so stupendous a sum. And with the inevitable division of responsibility among departmental subordinates, many of whom are purely political appointees, holding bureau jobs solely by virtue of services rendered the dominant political party at the polls, what is to be expected when vast sums are to be dished out for public buildings just prior to national elections? I think you will agree that it is not calculated to have a wholesome effect upon American politics.

But that is the least important consideration. This bill abrogates the authority of Congress. It substitutes government by bureaus. It is another step in the vicious trend toward Federal centralization. It is the system of government desired by the great business interests of the country who prefer to come down to Washington and quietly secure what they want from some obliging bureau official instead of having to get legislations through both branches of Congress, elected by the people and responsible to their constituents.

We have already surrendered too many legitimate functions of local and State government. The Federal Government is beginning to monopolize the entire field of executive jurisdiction. Our emigrant forefathers came to America to escape centralized government, but Congress is abandoning the principles of local self-government reserved by the Constitution to the States and the people. It is driving back toward centralized government as fast as whip and spur can take us.

The enactment of the Esch-Cummins law transferred from the Congress to a Federal commission its jurisdiction over rates and transportation on interstate carriers. By the passage of the Fordney-McCumber tariff bill the Congress delegated to the Tariff Commission its power to regulate excise duties. The submission of the child labor amendment afforded an opportunity to extend immeasurably the scope of Federal jurisdiction and bureaucratic government. The Dyer antilynching bill proposing to extend Federal sovereignty over every State and local officer from constable to governor, and subjecting counties to a fine of $10,000 to be collected by a Federal tax, is Federal centralization in its worst form. The McFadden bill, authorizing the establishment of banking monopolies reaching from a few large cities throughout the Nation, indicates a purpose to centralize wealth and financial control coincident with the centralization of political power.

The tendency of the times is from State and local self-government to Federal paternalism. We are rapidly developing a government of commissions and bureaus. And each new bureau established at Washington involves the employment of more high-salaried employees to operate it, and an additional burden upon the taxpayers of the country to pay its expense account and salary bill. This process of centralization is proceeding at a surprisingly rapid rate. Twenty years ago there were but 14 bureaus at Washington. To-day there are 94. If we continue at this rate, there will soon be a bureau to supervise and direct from Washington every interest and activity of society at a corresponding expense to the taxpayer. Approximately 600,000 people are already engaged in Government service in the United States. There are now 11 officeholders for every 100 inhabitants, and 11 tax eaters for every 100 taxpayers.

This situation is reflected in the ever-increasing cost of government. While the population of the United States increased 200 per cent between 1885 and 1925, the cost of government during that period increased 1,300 per cent. And cost of government and taxes continue to rise as bureaucratic government is augmented by such legislation as that proposed by the bill now under consideration.

While the present administration affects to be reducing expenditures, and the President has made economy his chief issue, his own figures just submitted to Congress in the Budget show that the appropriations for 1925 were $23,000,000 more than those for 1924, and the appropriations for 1926 are $89,000,000 more than the appropriations for 1925. This surprising increase in the expenses of the Government in time of peace is, of course, primarily due to extravagance, such as the expenditure of $17,500,000 on one bridge in the city of Washington at a time when they were refusing the farmers an appropriation to finance the marketing of his surplus crops abroad.

But a large part of this increased cost of government is directly due to centralizing in the Federal Government powers and authority formerly exercised by Congress or the States. This process has naturally been attended by a large increase in the number of Government employees. Although the war had left a great surplus of clerks in all departments when President

Coolidge came into office, the number of clerks has been increased more than 20,000 during his administration. According to the report of the Civil Service Commission, there were 544,671 civilian employees on the pay roll on December 31, 1923, and on June 20, 1925, the number had been increased to 564,718.

The country is being governed more and more by bureaucrats and department clerks, and at a corresponding increase in waste and expense to the taxpayers. The time has come to call a halt. Federal bureaus are already too numerous and too expensive without further increasing their prerogatives as proposed in this bill. We must get back to the principles of self-government and the practice of real economy, and this bill is a good place to start back.

THE COLORADO RIVER PROBLEM

Mr. HAYDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an extract from a hearing before the Committee on Irrigation and Reclamation of Arid Lands, containing some remarks of my own.

The SPEAKER. The gentleman from Arizona asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The remarks and extract are as follows:

THE COLORADO RIVER PROBLEM

Mr. HAYDEN. Mr. Chairman, I should like to submit some observations. I first desire to comment upon the report on the Swing bill by the Secretary of the Interior, with particular reference to this sentence, which appears on page 13 of the press release of his letter to you of January 18:

"I suggest for consideration, amendment to the effect that the benefits to be derived from this development shall be available only to those States or the citizens of those States which have ratified the compact."

I have great respect for Secretary Work. It is his ambition to make the Interior Department a great constructive arm of the Government for the development of the West. He is a man of high purpose and splendid courage. In seeking to accomplish good results he expects to be criticized but is not deterred from going ahead by any fear of what may be said about him.

Like every other man who accomplishes anything the Secretary is liable to make mistakes. I have seen him make more than one, but he is brave enough to admit that he may have been wrong and wise enough to rectify the error. Knowing Doctor Work as I do, I am certain that his suggestion that any State which has not ratified the Colorado River compact shall be denied the benefits of the proposed development was not based upon mature consideration. Its position in the text of his letter shows that it was a mere afterthought, or, as the Mexicans say, a "pelon," thrown in for good measure. It is a proposal upon which, after reflection, I am sure he will not insist.

I observe that those who redrafted the Swing bill to conform to the recommendations of the Secretary of the Interior have not accepted that bit of gratuitous advice. The bill, in its latest form, however, is based upon the fallacious idea that Arizona can be absolutely ignored; that my State has no rights which must be recognized.

ARIZONA WILL RESIST COERCION

In all candor I ask each and every one of the gentlemen around this table to take home to himself the situation thus created. Would any Member of Congress remain content to see such discrimination practiced against his State and its citizens? The people of Arizona have the independence of character possessed by all true Americans. We are your own flesh and blood and will be just as quick to resent any attempt at coercion as you yourselves would be. I have no fear that Congress will adopt such a proposal, but I say to you with earnestness and sincerity that if enacted into law it will be strenuously resisted by the people of Arizona by any and every means.

Either Arizona has rights in and to the Colorado River or she has no rights. The Swing bill is obviously predicated upon the theory that Arizona has none. That may be true, but there are only nine men in the world who have the authority to say that it is true, and they have not spoken. No number of men in the President's Cabinet, or of this committee, or in Congress can be sure that such an assertion is true; nor will Arizona accept it as the truth until the final argument in opposition has been presented to the nine who constitute the court of last resort, the Supreme Court of the United States.

Those who seek delay can find it in such a lawsuit, for they may be sure that the people of Arizona will exhaust every resource before submitting to an act of Congress passed under the assumption that they have no rights which need to be respected.

Mr. SWING. What is it that you suggest be added to this bill?

Mr. HAYDEN. I shall discuss that question at the proper time.

Just as certain as this legislation is enacted there will be an interstate lawsuit. There is no way of escaping that consequence. One does not have to be a very profound student to recognize what will be the principal issues to be determined. The question of the ownership of the bed and bank of the Colorado River at the dam site named in this bill will surely have to be considered by the Supreme Court. I have never laid great stress upon the navigability of the Colorado River, but that stream has been declared to be navigable by an international treaty which is recognized to be the highest kind of law. It is also true that at one time steamboats carrying passengers and freight regularly passed up and down Black Canyon, where this bill says a dam is to be built. Iron rings are there in rocks now which were once used to aid the boats in going up to old Callville.

If the Colorado River is navigable, in the customary sense of that term, then the State of Arizona owns the bed within its boundaries and can not be either lightly or wantonly deprived of all the benefits which inure to the State by reason thereof. Certainly Arizona can not be expected to remain content and silent when it is proposed to build a dam, one-half of which will be located on property belonging to the State, not only without its approval but by openly and completely disregarding its ownership.

STATE JURISDICTION OVER APPROPRIATIONS OF WATER

Then there is another question, which to my mind is of much greater importance, that will also have to be decided by the Supreme Court—the question of the jurisdiction of the States over appropriations of water within their limits. I doubt very much whether Representatives in Congress from the arid West, where the doctrine of riparian rights does not and has never prevailed, will be in any hurry to accept the theory of this bill that Congress can make appropriations of water; that Congress, without the consent of the State, can take water for beneficial use for power or irrigation or other purposes.

Mr. LEATHERWOOD. Without the consent of the State?

Mr. HAYDEN. Not only without the consent of the State but utterly ignoring the State, yet such are the terms of this bill. It represents the first attempt to pass legislation by Congress whereby the Federal Government is assumed to have that power.

Members of Congress from the West have always contended that the United States has no jurisdiction over appropriations of water for irrigation, power, or other uses. There is no law upon the Federal statute books asserting such a right, and Congress has in many instances declined to interfere with the laws of any State relating to the appropriation, use, or distribution of water. Two good examples of an acknowledgment that the States, and the States alone, have control over appropriations of water are to be found in the reclamation act and the Federal water power act.

Jurisdiction over appropriations of the waters of streams is one of the highest attributes of sovereignty in the States of the arid region. Water to them means life. Their entire future is bound up in its conservation and beneficial use. To strip them of their exclusive control over it by a transfer of authority to the Federal Government would leave the States of the West a mere aggregation of dependencies subject to the whims of Congress controlled by a majority membership from States where the value of water for irrigation is little known and slightly appreciated.

AN EVIL PRECEDENT

I am sure that the serious-minded Congressmen from the West will not fail to realize that the passage of a law which denies the right of Arizona to control appropriations of water within her borders would be but the first step toward the nationalization of every stream where the Federal Government may desire to take charge. Self-protection will compel everyone who is jealous of the rights of his State to oppose the adoption of so far-reaching and such an evil precedent. After the Colorado River is nationalized, what river in the West will next be arbitrarily taken over from the States?

Mr. WINTER. Has not the Supreme Court spoken on the question of the right of the States to regulate appropriations of water and the necessity of obtaining the State's consent?

Mr. HAYDEN. That issue has not been definitely determined by the Supreme Court. In the case of Wyoming against Colorado briefs were filed by authority of the Attorney General of the United States admitting that Congress has for many years affirmatively consented to the adoption of the doctrine of appropriation throughout the West, but contending that at any time the Federal Government could resume its rights as a riparian landowner and take charge of the remaining unappropriated waters.

Mr. LEAVITT. Who represented the Department of Justice in that case?

Mr. HAYDEN. There were two briefs filed in Wyoming against Colorado, one by John W. Davis, as Solicitor General, and another by his successor, James M. Beck. In each instance the same contention was made.

Mr. LEATHERWOOD. Is it not true that the United States Supreme Court in both the Colorado against Kansas case and in the Wyoming against Colorado case, while not directly passing upon the question which you have raised did decide both cases by accepting the doctrine of appropriation as existing at that time?

Mr. HAYDEN. That is true. The court in each instance disregarded the representations made by the Department of Justice and left undetermined the question as to what jurisdiction Congress has over unappropriated waters. I can assure you that that is an issue which will have to be determined if the Secretary of the Interior attempts to proceed in accordance with the terms of this bill.

THE COLORADO RIVER COMPACT

I speak as one who has consistently advocated the settlement of all disputes over the waters of the Colorado River by friendly agreements rather than by appeals either to the courts or to Congress. I have done so from the conviction that the best way to avoid the nationalization of the river was to proceed by compacts which acknowledge and confirm to the States their rights over appropriations of water. I have long insisted, and still contend, that the Colorado River compact should be adopted as the best available means of promoting development and preventing litigation between the seven States having an interest in that stream. I have urged its approval many times as an agreement under which the people of Arizona could live and prosper.

My position has always been that whenever the Colorado River compact is approved by my State, Arizona should insist that there be no development on that river in the lower basin until a supplemental compact had been agreed to by the States of Arizona, California, and Nevada. The compact contemplates and provides a means for the negotiation of just such agreements. Arizona stands in even greater need for protection against prior appropriations in California than do the States of the upper basin and has the same reasons for blocking development until her future is provided for and protected.

The negotiation of such a tri-State agreement is now under way. Commissions have been appointed to arrange for an equitable apportionment of the waters of the Colorado River among the States of the lower basin. Meetings have been held and proposals have been submitted, which are now under consideration. Certainly it is better to try to do justice by mutual accord than to await the long delays which are always incident to interstate lawsuits.

There are those whose impatience prompts them to seek a short cut to accomplish the ends they seek, but where the future welfare of entire Commonwealths are involved, we must allow time for the people concerned to understand the plan proposed and to reach a sane and sensible decision which will be fair to themselves and to their neighbors. It will be impossible to gain any time by waiving aside the necessity for an agreement among the three States of the lower basin or by refusing to acknowledge the rights of any one State of the seven.

INTIMIDATION WILL FAIL

Arizona has a well-established tradition of resistance to coercion. Two Presidents have tried intimidation and both failed. Theodore Roosevelt sought to club us with his big stick into joint statehood with New Mexico, but, powerful and aggressive as he was, his command was vehemently repudiated. President Taft endeavored to tell us what kind of a constitution we should adopt, but all his efforts came to naught. And so it will be with every other outside attempt to interfere with the will of a free and courageous people. The only way to accomplish anything with Arizona is to first acknowledge its equality with every other State in the Colorado River Basin, and, with that as a basis, to deal fairly and justly in a spirit of helpfulness and cooperation. I know that I speak for my people when I say that they will resist compulsion, such as is proposed in this bill, every inch of the way.

Mr. SWING. I am sure that the California representation are willing to go more than half way to bring Arizona into the friendly family of States. We hope to succeed in that. In the meantime the consideration of a very urgent necessity which, as you know, is just as urgent for thousands of people on the Arizona side of the river for flood protection as it is on the California side, can be moving ahead and can be whipped into shape, and in some way, in the event of failure to arrive at an agreement that is fair and just, at least, the homes and lives of those who are not at fault may be protected. I join with you in thinking that an agreement will be reached, but this meeting is for a discussion of the bill. I suggest, Mr. Chairman, that since Doctor Mead is here that we hear him. There are some things that I will desire to say in reply to Mr. HAYDEN's position when we come to a discussion of the bill.

Mr. LEAVITT. I would like to ask Mr. HAYDEN a question. Suppose Arizona should never ratify this agreement, would the theory be that the dam never could be built?

Mr. HAYDEN. The chief difficulty in Arizona is that we have been unable to obtain an understanding with California. The Governor of California at first refused to appoint anyone to meet with the representatives from Arizona and Nevada to negotiate a supplemental agreement. That led many people in Arizona to at least temporarily support the position of those who are violently opposing the Colorado River compact. It was perfectly evident that without any previous negotiations with Arizona California hoped to secure the enactment of legislation by Congress in violation of Arizona's rights. It was proposed to take away whatever privileges Arizona might have without even talking with my State about it. I am glad to say that California has changed its attitude. Nevada has always been willing to confer. Commissioners have been appointed from the three States and they are now functioning.

Mr. LEAVITT. Does it look as though an agreement will be reached?

Mr. HAYDEN. The signs are very encouraging. What, then, is the necessity for discussing the question of constructing any dam until ample opportunity has first been given to work out a satisfactory agreement between the three States of the lower basin?

Mr. ARENTZ. If the opposition should be confined to the idea that this dam site was the wrong one, and instead of the Boulder Canyon Dam there should be a series of dams beginning at Lees Ferry and continuing downstream, how could we arrive at any conclusion?

Mr. HAYDEN. I am not one who is cock-sure as to just how the Colorado River should be developed. I do believe that no dam should be built which does not fit within a well-considered plan for the highest and best utilization of that stream for irrigation and power. It has always been my contention that neither the general public nor Congress, speaking for the public, was the most competent authority to designate where the first dam on the Colorado River should be built, as is proposed in this bill. That is an engineering question which should properly be left to those best qualified to pass upon it. Engineers, like all other professional men, are sure to disagree about the details, but they are generally in accord with the idea that a complete development of the Colorado River will require storage above the Grand Canyon, power dams within the canyon region, and reservoirs below to reregulate the water for irrigation. The great majority of people in Arizona ask for nothing more than fair and impartial consideration of the merits of the various dam sites within the States, a consideration which this bill denies.

Mr. LEAVITT. The bill leaves some leeway as to where the dam should be located.

Mr. HAYDEN. No, sir. The bill specifically provides for the construction of a dam at Black Canyon, otherwise known as the lower Boulder Canyon dam site.

Mr. LEATHERWOOD. Mr. HAYDEN has raised a question to which every member of the committee, every western Representative who hails from a Simon Pure appropriation State, should give very careful consideration and study. Without expressing any views whatever with reference to the bill, because I have not had time to form any conclusions as to that, the State of Utah will not surrender, and I think rightly so, to the theory that the State does not control the unappropriated waters within her boundaries. I think it is a matter which we all ought to consider very carefully and seriously.

Mr. SINNOTT. What would be the position of your State, Mr. HAYDEN in case this bill was predicated upon the improvement of navigation?

Mr. HAYDEN. The decisions of the Supreme Court lean much more toward the authority of Congress to do almost as it pleases with a river in improving navigation. Perhaps Arizona would not have as good standing in court under that theory as under the bill here presented.

Mr. SINNOTT. Then to advance a little further, could the bill be predicated honestly upon the improvement of navigation?

Mr. HAYDEN. I think not. There is no navigation of any practical consequence on the Colorado River at this time. There was until the transcontinental railroads were constructed, and then the business did not pay, and the boats ceased to operate.

Mr. SINNOTT. Of course, if it were predicated upon navigation, then the Federal Government would be supreme.

Mr. HAYDEN. My good friend from Oregon knows that the Constitution of the United States gives Congress much greater jurisdiction over river improvements for navigation than for any other purpose.

Mr. ARENTZ. Do you see any reason why Doctor Mead and these other gentlemen can not be heard on this bill at this time?

Mr. HAYDEN. None at all. I shall be glad to extend every courtesy to those who are here to appear before the committee.

Mr. ARENTZ. There is a long distance between the hearing on this bill and the passage of the bill.

Mr. HAYDEN. I am sure that the gentleman from Nevada is correct in that statement, and I did not want to let this opportunity pass without pointing out some of the difficulties which will be encountered.

Mr. WINTER. I want to state just in one sentence the position of Wyoming in this matter on the point raised by Mr. HAYDEN. We are firmly standing on the rights of the State to control the waters within its boundaries and shall insist upon the necessity of securing the consent of the State in any appropriation thereof.

SESQUICENTENNIAL CELEBRATION

Mr. SNELL. Mr. Speaker, I call up House Resolution 132, a privileged report from the Committee on Rules; and, pending the reading of the resolution, I desire to see if I can make an agreement with the gentleman from Alabama [Mr. BANKHEAD] as to time of discussion. How much time does the gentleman think will be necessary in the discussion of the rule proper?

Mr. BANKHEAD. I will say to the gentleman from New York we certainly will not ask for any more time than the amount permitted under the general rule, 20 minutes to a side. It is barely possible all that time may not be consumed.

Mr. SNELL. I do not think I will need all of that time. Mr. Speaker, I ask unanimous consent that debate on the rule be limited to 20 minutes on a side, and at the conclusion of the debate the previous question shall be considered as ordered on the resolution.

The SPEAKER. The gentleman from New York asks unanimous consent that debate on the resolution be confined to 40 minutes, 20 minutes of which shall be controlled by himself and 20 minutes by the gentleman from Alabama [Mr. BANKHEAD], and that at the conclusion of the debate the previous question shall be considered as ordered. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 132

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. J. Res. 153, providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes. That after general debate, which shall be confined to the resolution and continue not to exceed three hours, and shall be equally divided and controlled by those favoring and opposing the resolution, the resolution shall be read for amendment under the five-minute rule. At the conclusion of the reading of the resolution for amendment the committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage.

Mr. SNELL. Mr. Speaker, the resolution itself needs very little explanation. It provides simply for consideration under the general rules of the House Joint Resolution 153, which provides for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, a celebration that is to be held during the coming summer. The rule provides for three hours of general debate on the resolution proper. After the general debate the resolution is to be considered under the five-minute rule.

We are simply giving the House the opportunity of considering at this time this important measure. I want to take the time of the House to explain just what the legislative situation is up to the present moment with respect to this matter. In the Sixty-seventh Congress we passed a resolution unanimously through both bodies which provided that Congress should give its sanction to this exposition and authorized the President of the United States to take such steps as he might deem proper to invite participation and cooperation of the States of the Union and the nations of the world in the sesquicentennial to be held in Philadelphia during the coming summer. By this resolution Congress assumed a certain amount of responsibility with respect to the sesquicentennial by directing the President to issue these invitations. Two years later, or a little more than that, in the latter part of the Sixty-eighth Congress, we went on record again in the following manner:

That there should be established a commission to be known as a Sesquicentennial Exhibition Commission, composed of the Secretary of State and the Secretary of Commerce.

In addition thereto, that each governor of the States should appoint members of an advisory commission to act in cooperation with the regular commission in planning for this exposition.

Accordingly we have gone on record unanimously on two separate occasions favoring the holding of this exposition during the coming summer and for holding it under sanction and approval of the Federal Government. Therefore I believe we are morally bound in every respect to give our cooperation toward making this a successful exposition.

Mr. McKEOWN. Will the gentleman yield?

Mr. SNELL. In just a moment. Wait until I complete my statement, please.

I want to place this proposition before the Members of the House and let them decide for themselves what should be done under the existing conditions. And the very least we can do is that Congress should make a reasonable authorization for a Federal exhibit at this exposition. If you will read the first part of the minority report that was prepared by the gentleman from Virginia [Mr. WOODRUM] you will find that the gentleman himself is not opposed to making a reasonable Federal exhibit at this exposition. The gentleman states in this report:

I believe this celebration should receive the official sanction of the Government and the American people through congressional action and that the achievements and ideals of America should be adequately and fittingly represented at the exposition by suitable displays and exhibits of the various governmental departments.

I can not see how anyone could possibly be opposed to the Government making a fitting Federal exhibit at this time. This is the most important date in all American history; this is the one date every man, woman, and child remembers and knows what it means. It represents something in the development of the life and character of our people. If we can do something at this time that even for a moment will turn the minds of our people to the thoughts that governed the early pioneers of this country and the fundamental principles they expressed at that time, we will not only do a service to ourselves but to the world at large. [Applause.] I can not see how it can be possible that one should object to the Federal Government making a reasonable contribution to this exposition. And it is necessary if we are to do that to adopt this resolution now, because the element of time is the most important thing to be considered. And it should be done now or not at all. I do not believe that any Member of the House is absolutely opposed to making a reasonable exhibit at an exhibition celebrating the one hundred and fiftieth anniversary of American independence.

Mr. BEEDY. Will the gentleman yield?

Mr. SNELL. I will.

Mr. BEEDY. Nobody will object to the last statement of the gentleman as to making a reasonable exhibit, but do I understand the gentleman from New York to recommend to this House that we now adopt a resolution carrying $4,189,000 and that that is what is required for a reasonable exhibit?

Mr. SNELL. I recommend that the House adopt the resolution to consider this proposition in the House and that is all I am recommending. The House itself must decide for itself what it will do.

Mr. BEEDY. I did not want the House to get the impression that the gentleman favored the amount named in the resolution.

Mr. McKEOWN. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. McKEOWN. If I remember correctly, representations were made that we were not to be asked to make any appropriation.

Mr. SNELL. That is not before the House at the present time; that will be discussed on the resolution itself. Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from New York has used seven minutes.

Mr. BANKHEAD. Mr. Speaker and gentlemen of the House, I would like to have your attention for a few moments because I do not want unduly to trespass in presenting my personal views and the views of the minority upon the Committee on Rules with reference to the adoption of this resolution. I do think it is important that all Members of the House who will vote upon it shall clearly and definitely understand exactly what is involved in this proposition before they vote affirmatively for the adoption of this resolution.

There is nothing unusual in the resolution itself; it is the ordinary rule providing for the consideration of a bill, for three hours of general debate, and then consideration under the five-minute rule with the previous question considered as ordered.

I am absolutely opposed to the joint resolution which is sought to be brought into the House for consideration, and therefore in order to be consistent I am opposed to the vehicle that is offered to make it in order, to wit, the resolution which has been proposed.

In opposing this joint resolution I do not think it necessarily follows that one is opposed to a proper celebration of the sesquicentennial celebration of the Declaration of Independence. That, of course, is a matter of very vital living concern to all patriotic Americans, but I venture to suggest that even though the centennial in Philadelphia were not held, and certainly if the appropriation of $4,186,000 were not granted, that the Declaration of Independence itself would long survive in the hearts of the people in this country.

What is the proposal that is before you with reference to this appropriation? I heard the able and much beloved chairman of the Committee on Appropriations [Mr. MADDEN] stand in your presence only a few moments ago, with his consistent regard for the proper expenditure of the revenues of this Government, with his abiding and faithful interest in the concern and welfare of the taxpayers of America who have to foot the bill, he opposed successfully before the House a few moments ago and defeated an amendment involving an unnecessary expenditure of $175,000 only. He made a successful appeal to the House to preserve that amount of money in the

Treasury of the United States. You will in a few moments, if you adopt this rule, have submitted for your consideration a proposal to take out of the Treasury of the United States, as proposed in this bill, if adopted, not $175,000 but the sum of $4,186,000.

Mr. McKEOWN. Will the gentleman yield?

Mr. BANKHEAD. If my friend will let me make a connected statement, then I will yield. Now, let us see what the facts are with reference to this matter. Are we under any obligations, as the chairman of the Committee on Rules said, by prior legislation to vote for this bill or vote for the rule which makes it in order?

I ask your serious consideration of the facts in this case. When this proposition was first submitted to the Congress of the United States in a message from President Harding, who recommended the recognition of this very meritorious matter on the part of the citizens of Philadelphia, there was solemn assurance given by the President of the United States at that time with reference to this question of the probable expenditure of public funds. When my friend talks about a moral obligation resting upon the Congress of the United States to take care of this situation, I think that these remarks submitted by the lamented President Harding in connection with the affair are peculiarly and strikingly appropriate. Here is his language, and it will not be challenged:

> There is every assurance that necessary additional funds for the general expenses of construction and operation will be assured by the public-spirited citizens of Philadelphia through the Sesquicentennial Exhibition Association, which is now organized and heartily committed to the task of making the occasion in every way worthy of the great event it will celebrate.

President Harding at that time, before he delivered that message, must have had reliable and binding assurance from those who were promoting this enterprise that the Government of the United States would not be expected to make an appropriation, and he gave to the Congress, before we authorized the establishment of this commission, solemn assurance that we would not be called upon to appropriate money out of the Treasury for this purpose.

Mr. RATHBONE. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I ask the gentleman to defer at present. I do not wish to appear discourteous, but I shall yield later. I want to present the facts with as much coherence as possible. As far as any obligation is concerned, instead of its being proven here with any degree of force or argument that we are under moral obligation, the proof is entirely to the contrary—that there is no binding obligation, either by inference or directly, that this Congress is under any duty to make this appropriation. What are they asking this $3,000,000 for, as proposed in this resolution? Bear in mind that there have been already raised by these generous-hearted and public-spirited citizens of Philadelphia the tremendous sum, I think, of nearly $14,000,000, already underwritten and in hand, for the purpose of conducting this great centennial. They now come to Congress and say that they want $3,000,000 out of the Treasury of the United States for the purpose of constructing temporary buildings in Philadelphia to house these exhibits. Only yesterday there were a great many of us in this House who were seeking to impress upon the majority our great necessity for a few public buildings scattered in some sections of the country where they are needed, of a permanent character, to be paid for out of the Treasury of the United States for the general benefit of the people of the country. You know the result. We could not get them, and probably will not get anything along that line for a great number of years; but here they are proposing to take out of the Treasury of the United States for the purpose of an exhibition in Philadelphia the sum of $3,000,000, which would build permanently in the United States 60 public buildings, costing $50,000 each; and when the money is spent over yonder at Philadelphia and the entertainments are over, the $3,000,000 will go into the scrap heap. I know that gentlemen feel as I do when I say that in a measure I regard myself as a trustee of the funds that have been collected from the people of America, and that are now deposited in the Treasury, in respect to how they shall be expended. I think it reasonable for us to recall that obligation occasionally in this Chamber. I do not believe the people whom I represent directly, and I do not believe that the people whom you in large measure represent, my friends, if they knew the facts and circumstances behind this proposition, would justify us in voting for this appropriation of $3,000,000.

Moreover, here in another thing that has been disclosed by the evidence. They have invited the Government of the United States to make appropriate exhibits there, and I feel assured that if this rule is adopted and you get an opportunity to consider this, that provision will be made for a proper exhibit upon the part of the Government of the United States; and I join with my friend from Virginia in this position. I am not so opposed to that proposition. Probably we may be in a measure bound by sentiment and precedent to make this expenditure for this purpose, but here is a proposition involved in that that meets with my entire disapproval. I think some provision ought to be placed in the resolution to prevent it. After inviting the Government to expend $1,186,000 for the purpose of getting our exhibits over there, they are deliberately proposing that the Government shall pay out of that appropriation the sum of $186,000 for rent, for the privilege of exhibiting their own governmental exhibits. It seems to me that there is one of the most preposterous propositions ever submitted to the Congress of the United States.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. If I am going to yield, I must first yield to the gentleman from Oklahoma [Mr. McKEOWN].

Mr. McKEOWN. The thing that I am interested in is not so much at this time the appropriation, but why is it necessary to bring a rule in here for the consideration of this resolution, when many other matters of legislation of great importance are awaiting consideration?

Mr. BANKHEAD. To be entirely candid, this centennial is supposed to open on the 1st of June, and if any action of this character is to be taken by the Congress, it must be taken quickly. That is the logical and fair statement of the facts with reference to that. I yield now to the gentleman from Illinois.

Mr. RATHBONE. Referring back to what the gentleman said in connection with President Harding's message, I call the gentleman's attention to the word "additional." The word "additional," it seems to me, would not have been in there if funds from the United States Government had not been contemplated. In other words, if the President had been expecting it to be all by private subscription, he would not have used that word.

Mr. BANKHEAD. In that connection, let us go a little further and read what assurance we had when the bill was under consideration upon the floor of the House. Mr. Bland, of Indiana, one of our former colleagues, had charge of the bill at that time, when it was proposed to establish this Sesquicentennial commission which has been referred to. Here is what he said, as shown in the minority report:

> No doubt but that the great State of Pennsylvania will come forward with any finances that are necessary to take care of the exposition.

I assume that the gentleman from Indiana, Mr. Bland, being in charge of the bill, had probably conferred with the President of the United States and no doubt with some delegations of citizens from Philadelphia, and not only the President but the gentleman in charge of the bill at the time the resolution was under consideration assured us that the State of Pennsylvania and the city of Philadelphia would raise all the necessary funds.

They have done most handsomely in that connection. I yield to the gentleman from Texas.

Mr. BLANTON. A great many Members on both sides of the aisle believe just like the gentleman from Alabama on this question, but when it comes to voting with the influence so great here, how does the gentleman expect to outvote this Vare-Welsh combination. They are going to put this thing over. [Applause.] We can not defeat it.

Mr. BANKHEAD. Well, I do not know anything about the combination to which my friend from Texas refers. I know he is referring to two very adroit Members of this House when it comes to securing benefits for the people in whom they are interested, and we can not blame them for that. But we have heard a good deal here about pork in the last few days. That phrase was bandied about here rather freely in the last few hours with reference to appropriations out of the Treasury of the United States, and we have heard a great many appeals made here on the floor of the House to conserve the money of the taxpayers of this country; not to pass any pork-barrel legislation. Well now, I would like some ingenious friend of mine in the art of phraseology to designate this proposition.

Mr. JONES. I would like in that connection to read from the message of President Harding in 1922:

> There is every assurance that necessary additional funds for the general expenses of construction and operation will be assured by the public-spirited citizens of Pennsylvania through the Sesquicentennial Exhibition Association.

Mr. BANKHEAD. I just read that; perhaps the gentleman was not in the Chamber.

Gentlemen, that is about all I would like to say about this, and I rather apologize for taking up so much time, because there is no request for time on my side. But, in conclusion, seriously, gentlemen, I want to ask you to think about this proposition. As has been suggested, the powers that be and the influences that dominate the House and the patriotic appeals that no doubt will be made here when the bill comes up for consideration they will get enough support probably to get this money out of the Treasury of the United States. Gentlemen, although there have been some precedents for this sort of thing in the past——

Mr. VARE. Will the gentleman yield?

Mr. BANKHEAD. In a moment—and although it may be argued that other appropriations for expositions in the past have been made—for which I am in no way personally responsible, because I was not here—but I say I feel the time has come in the American Congress that if the membership really and earnestly desire to embark upon a real program of economy, and we have in mind the real interests of the taxpayers of the country, we ought to set our faces like flint against every proposition to bestow an absolute gratuity out of the Treasury of the United States.

Mr. VARE. Will the gentleman now yield?

Mr. BANKHEAD. With pleasure.

Mr. VARE. Is the gentleman aware of the fact that for the exposition of 1907 at Jamestown Congress appropriated $2,667,000?

Mr. BANKHEAD. Yes. The truth of the business is that it practically had to take charge of the Jamestown Exposition, and that is just another illustration of the proposition I have been trying to present here. They come in here with a bill to authorize a commission and ask the President to invite somebody to come here and participate with us, and on getting the nose of the camel under the tent, on a show-down, in the home stretch, when finances are getting tight, they come and ask the taxpayers of the country to contribute to the support of their enterainment.

Mr. VARE. Is the gentleman further aware that in the New Orleans Exposition we contributed $1,650,000?

Mr. BANKHEAD. I certainly am, and I am surprised it was so small; I thought it was larger.

Mr. VARE. Is the gentleman aware of the fact that there has never been a refusal on the part of the American Congress to recognize a great public event? In other words, the American Congress has made appropriations to every one of these international celebrations.

Mr. BANKHEAD. I will say to my friend from Pennsylvania I am not going to oppose the recognition by Congress. I am not going to oppose the proposition to provide a Government exhibit there; but I think it ought to be cut down, and I do say this Congress ought not to appropriate $3,000,000 or any other sum for temporary buildings for that exposition——

Mr. VARE. May I suggest to the gentleman that item of $3,000,000 has been cut to $2 000,000?

Mr. BANKHEAD. By whom?

Mr. VARE. By the Committee on the Centennial Exposition.

Mr. BANKHEAD. I did not know anything about that. I heard it intimated it might be, but remembering Pennsylvania folks, I do not know what is going to happen. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SNELL. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. BURTON].

Mr. BURTON. Mr. Speaker, I must dissent from the opinion expressed by my good friend from Alabama [Mr. BANKHEAD]. I regard differently the proper operation of the rules of this House and the functions of the Committee on Rules. Both should unite not in suppressing discussion but in promoting it. Whenever there is wide interest in a bill proposed here, and whenever it is of national importance, even though apparently it is supported by only a minority of the House, we should give opportunity for its discussion and give the House a chance to decide. It is the prerogative of democracies and of legislative bodies to make mistakes, and there should be no hard-and-fast rule on the part of those who have control of the business of the House to suppress what they do not approve.

I very cordially favor that part of this resolution brought up by the rule which provides for a governmental exhibit. It would be a reproach to the country if on the one hundred and fiftieth anniversary of the Declaration of Independence we should fail to make such an exhibit. There is no more public-spirited city in the world and not one more abounding in patriotism than the city of Philadelphia. It is a city that is full of historical monuments, and it commemorates the two greatest events in our early history, the Declaration of Independence and the framing of the Constitution, and I must add that it is with some reluctance that I oppose the second part of this resolution. I have a record on this subject, and I will repeat briefly something I said in this House 22 years ago. I am hardly bold enough to say, in the language of Dean Swift, "How well I could write when I was a young man," but I wish to bring before the House some things I stated at that time. This was an address on the growth of national expenditures:

> A statement forwarded me by the bookkeeping department of the Treasury shows that the sum of $25,717,752.85 has been appropriated for expositions. This amount includes the cost of representation in foreign countries, for which inconsiderable sums were expended 20 and even 40 years ago; but more than half of the total has been appropriated within the last 6 years. I am unable to state how much has been or will be repaid. Some of these expositions have commemorated great events of universal interest to all the people, and all of them are associated with occurrences or enterprises more or less interesting, but the disposition to seek national aid has become more and more manifest, so that it will not be long before an exposition in every State will have preferred its demand for an appropriation from the National Treasury. It will be easy to find in each some historical incident so notable as to furnish a basis for the claim that its anniversary should be elaborately celebrated and the National Government bear a large share of the cost. It is well to consider whether the inevitable magnitude of these demands should not cause the abandonment of this class of appropriations, or at least their limitation to an amount sufficient for a suitable governmental exhibit.

I think the forecast expressed then has been amply fulfilled, and there has been this experience: An exposition had been started with the promise that it would be provided for by subscriptions in the locality. Indeed, the argument was made on behalf of one city for its selection in preference to another—I will not name the city—that the city preferring its claim would provide for all the expense, while the other would not.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. SNELL. Mr. Speaker, I yield the gentleman one additional minute.

Mr. BURTON. But before they were through the city which made that promise came here and obtained a very large appropriation. Gentlemen, there is no limit to the claims for appropriations which may be made for such enterprises. That applies not merely to expositions; it applies to memorials and monuments, and it applies to other similar projects commenced in localities from which after a time an appeal is made to Congress for aid. Thus, I say, we should be very careful about the second appropriation proposed in this resolution. [Applause.]

Mr. SNELL. Mr. Speaker, I yield four minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. RANSLEY. Mr. Speaker and Members of the House, this resolution, introduced by the gentleman from New York [Mr. SNELL], provides for bringing before the House for consideration, and under debate for three hours, a joint resolution introduced by the gentleman from Pennsylvania [Mr. WELSH]. The resolution is based on the necessity for the participation of the United States Government in the sesquicentennial celebration in the city of Philadelphia and authorizing an appropriation. In a preceding Congress a resolution authorized participation by the United States. The project has had the indorsement of President Harding and President Coolidge. This, however, is the first request for the authorization of money.

The citizens of Philadelphia, out of their private purse, have pledged $2,900,000; the city of Philadelphia, through its city councils, have appropriated $10,000,000; and the State of Pennsylvania has appropriated $750,000.

The joint resolution passed by the Committee on Industrial Arts and Expositions will, after committee amendments are offered and adopted, ask for only $3,186,500. This resolution passed the committee in its present shape with only two dissenting votes.

We find some disposition against giving Government aid in celebrating the one hundred and fiftieth anniversary of the birth of this great Nation. Why this should be is hard to explain, for the honor of the Nation is involved. It is not Philadelphia's celebration; it belongs to this the greatest and richest nation in the world. Call it sentiment, if you will, but surely the sesquicentennial of this your country should be celebrated in a worth-while manner. [Applause.]

I ask for the passage of the rule.

Mr. SNELL. Mr. Speaker, I do not intend to take any more time of the House. The only gentleman who has spoken anything against the adoption of this rule, if I understand his remarks correctly, said he himself was not opposed to the Government making a reasonable exhibit at this exposition. The only possible way you can make that exhibit is to adopt this rule and consider H. J. Res. 153, which is now before you.

That is the only way we have of authorizing this exhibit; otherwise, we can not make it. For that reason I ask the Members of the House to adopt this rule and place the proposition squarely before the House and let the House decide what it wants to do with regard to it.

Mr. BANKHEAD. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. BANKHEAD. I hope the gentleman did not entirely misunderstand my position. I said I was not so violently opposed to a governmental exhibit as I was to the appropriation, but I reserved the right to vote against the whole resolution.

Mr. SNELL. I understood that, but I did not understand that the gentleman was especially opposed to a governmental exhibit. Am I correct in that?

Mr. BANKHEAD. Yes.

Mr. SNELL. Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. BANKHEAD and Mr. BLANTON) there were—ayes 95, noes 16.

Mr. BLANTON. Mr. Speaker, I object to the vote on the ground there is not a quorum present, and I make the point of order.

The SPEAKER. The Chair will count. [After counting.] One hundred and twenty Members present; not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 248, nays 99, answered "present" 2, not voting 82, as follows:

[Roll No. 36]

YEAS—248

Ackerman	Fitzgerald, Roy G.	Leatherwood	Scott
Adkins	Fitzgerald, W. T.	Leavitt	Sears, Nebr.
Aldrich	Flaherty	Lehlbach	Seger
Andresen	Fort	Letts	Shreve
Andrew	Foss	Lindsay	Simmons
Appleby	Free	Linthicum	Sinclair
Arentz	Freeman	Luce	Sinnott
Bacharach	French	McDuffie	Smith
Bachmann	Frothingham	McLaughlin, Mich.	Smithwick
Bacon	Funk	McLaughlin, Nebr.	Snell
Bailey	Furlow	McLeod	Somers, N. Y.
Barbour	Gallivan	McMillan	Sosnowski
Beers	Garber	McSweeney	Speaks
Begg	Gasque	MacGregor	Sproul, Ill.
Berger	Gifford	Magee, N. Y.	Sproul, Kans.
Bixler	Glynn	Magee, Pa.	Stobbs
Black, N. Y.	Golder	Magrady	Strong, Kans.
Bowman	Goldsborough	Manlove	Strother
Boylan	Goodwin	Martin, La.	Sullivan
Brand, Ohio	Gorman	Martin, Mass.	Summers, Wash.
Brigham	Graham	Mead	Swartz
Browne	Green, Fla.	Menges	Sweet
Brumm	Greenwood	Merritt	Swing
Buchanan	Griest	Michener	Taber
Burdick	Griffin	Miller	Taylor, Tenn.
Burton	Hadley	Mills	Taylor, W. Va.
Butler	Hale	Montague	Temple
Campbell	Hall, Ind.	Montgomery	Thatcher
Canfield	Hall, N. Dak.	Mooney	Thayer
Carpenter	Hardy	Moore, Ohio	Thomas
Carss	Hastings	Moore, Va.	Thompson
Carter, Okla.	Hayden	Morgan	Tilson
Celler	Hersey	Morin	Timberlake
Chalmers	Hickey	Murphy	Tinkham
Chapman	Hill, Md.	Nelson, Me.	Tolley
Chindblom	Hogg	Newton, Minn.	Tydings
Clague	Holaday	Newton, Mo.	Underwood
Cleary	Hudson	Norton	Updike
Cole	Hull, Morton D.	O'Connell, R. I.	Upshaw
Colton	Irwin	O'Connor, La.	Vaile
Connery	Jacobstein	Parker	Vare
Cooper, Ohio	James	Patterson	Vestal
Coyle	Jenkins	Peery	Vincent, Mich.
Crosser	Johnson, Ill.	Perkins	Vinson, Ga.
Cullen	Johnson, Ind.	Perlman	Wainwright
Curry	Johnson, Ky.	Phillips	Walters
Darrow	Johnson, Wash.	Porter	Watres
Davenport	Kahn	Prall	Watson
Davey	Kearns	Pratt	Wefald
Dempsey	Kelly	Purnell	Welsh
Denison	Kemp	Quayle	Wheeler
Dickstein	Kendall	Rainey	White, Kans.
Drane	Ketcham	Ramseyer	White, Me.
Dyer	Kiefner	Ransley	Whittington
Elliott	Kiess	Rathbone	Williams, Ill.
Ellis	King	Reece	Wilson, La.
Esterly	Kopp	Reid, Ill.	Winter
Evans	Kurtz	Robsion, Ky.	Wolverton
Fairchild	Kvale	Rogers	Woodruff
Faust	LaGuardia	Rouse	Woodrum
Fenn	Lanham	Rowbottom	Wurzbach
Fish	Lea, Calif.	Sanders, N. Y.	Wyant

NAYS—99

Abernethy	Bankhead	Blanton	Byrns
Allgood	Barkley	Bowling	Cannon
Almon	Beck	Brand, Ga.	Christopherson
Arnold	Bell	Briggs	Collins
Aswell	Black, Tex.	Browning	Connally, Tex.
Ayres	Bland	Busby	Cooper, Wis.
Davis	Howard	Mapes	Sandlin
Dickinson, Iowa	Huddleston	Milligan	Schafer
Dickinson, Mo.	Hudspeth	Moore, Ky.	Sears, Fla.
Dominick	Jeffers	Morehead	Shallenberger
Dowell	Johnson, Tex.	Morrow	Steagall
Drewry	Jones	Nelson, Mo.	Stedman
Edwards	Kerr	Oldfield	Stevenson
Eslick	Kincheloe	Oliver, Ala.	Swank
Fisher	Lankford	Parks	Tucker
Fletcher	Larsen	Pou	Underhill
Frear	Little	Quin	Vinson, Ky.
Fulmer	Lowrey	Ragon	Warren
Gardner, Ind.	Lozier	Rankin	Weaver
Garrett, Tenn.	Lyon	Rayburn	Whitehead
Gilbert	McClintic	Reed, Ark.	Williams, Tex.
Hare	McKeown	Romjue	Williamson
Harrison	McReynolds	Rubey	Wingo
Hill, Ala.	McSwain	Rutherford	Wright
Hill, Wash.	Major	Sanders, Tex.	

ANSWERED "PRESENT"—2

Beedy Mansfield

NOT VOTING—82

Allen	Doughton	Johnson, S. Dak.	Spearing
Anthony	Douglass	Keller	Stalker
Auf der Heide	Doyle	Kindred	Stephens
Bloom	Driver	Knutson	Strong, Pa.
Boies	Eaton	Kunz	Sumners, Tex.
Bowles	Fredericks	Lampert	Swoope
Box	Fuller	Lazaro	Taylor, Colo.
Britten	Gambrill	Lee, Ga.	Taylor, N. J.
Bulwinkle	Garner, Tex.	Lineberger	Thurston
Burtness	Garrett, Tex.	McFadden	Tillman
Carew	Gibson	Madden	Tincher
Carter, Calif.	Green, Iowa	Michaelson	Treadway
Collier	Hammer	Nelson, Wis.	Voigt
Connolly, Pa.	Haugen	O'Connell, N. Y.	Wason
Corning	Hawes	O'Connor, N. Y.	Weller
Cox	Hawley	Oliver, N. Y.	Wilson, Miss.
Cramton	Hoch	Peavey	Wood
Crisp	Hooper	Reed, N. Y.	Yates
Crowther	Houston	Robinson, Iowa	Zihlman
Crumpacker	Hull, Tenn.	Sabath	
Deal	Hull, William E.	Schneider	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Connolly of Pennsylvania (for) with Mr. Peavey (against).
Mr. Strong of Pennsylvania (for) with Mr. Mansfield (against).
Mr. Green of Iowa (for) with Mr. Garner of Texas (against).
Mr. Treadway (for) with Mr. Collier (against).
Mr. Bloom (for) with Mr. Box (against).
Mr. O'Connell of New York (for) with Mr. Wilson of Mississippi (against).

General pairs:

Mr. Swoope with Mr. Garrett of Texas.
Mr. Anthony with Mr. Carew.
Mr. Stalker with Mr. Lazaro.
Mr. Wood with Mr. Crisp.
Mr. Cramton with Mr. Hawes.
Mr. Lampert with Mr. Oliver of New York.
Mr. Madden with Mr. Hammer.
Mr. Stephens with Mr. Corning.
Mr. Crowther with Mr. Gambrill.
Mr. Fredericks with Mr. Kindred.
Mr. Crumpacker with Mr. Deal.
Mr. Gibson with Mr. Sabath.
Mr. Johnson of South Dakota with Mr. Kunz.
Mr. Knutson with Mr. Doyle.
Mr. McFadden with Mr. Doughton.
Mr. Michaelson with Mr. Weller.
Mr. Zihlman with Mr. Auf der Heide.
Mr. Fuller with Mr. Cox.
Mr. Reed of New York with Mr. Tillman.
Mr. Wason with Mr. Douglass.
Mr. Bowles with Mr. Hull of Tennessee.
Mr. Eaton with Mr. O'Connor of New York.
Mr. Hawley with Mr. Taylor of Colorado.
Mr. Boies with Mr. Driver.
Mr. Yates with Mr. Spearing.
Mr. Carter of California with Mr. Lee of Georgia.
Mr. Britten with Mr. Bulwinkle.
Mr. Hoch with Mr. Sumners of Texas.

The result of the vote was announced as above recorded.

Mr. WELSH. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the joint resolution (H. J. Res. 153) providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes.

Mr. GARRETT of Tennessee. Mr. Speaker, may I venture a suggestion about control of the time before the vote is taken?

Mr. SNELL. The control of the time is provided for in the resolution.

Mr. GARRETT of Tennessee. As between those for and those against. I think it would be wise now to put the control in the hands of individual Members, if that agreement can be entered into.

The SPEAKER. If the gentleman from Tennessee will indulge the Chair, the Chair would think it proper to recognize in control of the time in opposition to the bill, the gentleman from Texas [Mr. LANHAM].

Mr. GARRETT of Tennessee. The rule provides that if the gentleman from Texas is recognized to control the time, then he will have the division of the time.

The SPEAKER. The Chair would recognize the gentleman from Texas to control one-half of the three hours in opposition to the resolution.

Mr. SNELL. That is the understanding, Mr. Speaker.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 153, with the gentleman from Michigan [Mr. MAPES] in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 153, which the Clerk will report.

The Clerk read the title of the resolution.

Mr. WELSH. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

Mr. GARRETT of Tennessee. Mr. Chairman, this is not a very long bill, and I think it might be well to have it read into the RECORD.

The CHAIRMAN. The gentleman from Tennessee objects, and the Clerk will read the bill.

The Clerk read the bill, as follows:

Joint resolution (H. J. Res. 153) providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes

Resolved, etc., That in order that there may be exhibited at the sesquicentennial exhibition to be held in the city of Philadelphia, Pa., 1926, by the Government of the United States from its executive departments, independent offices, and establishments such articles and materials as illustrate the function and administrative faculty of the Government tending to demonstrate the nature of our institutions and their adaptation to the wants of the people and the progress of our people in the advancement of peace, arts, and industries, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,186,500 for the selection, purchase, preparation, transportation, arrangement, safekeeping, exhibition, and return of such articles and materials as the heads of the several departments, independent offices, and establishments may, respectively, decide shall be included in said Government exhibit; rent and use of such space and construction of such buildings or other structures as may be necessary; payment of salaries and actual and necessary traveling expenses of officers and employees of the Government detailed to such commission; for such further participation by the several executive departments and establishments as the heads thereof may deem advisable; and such other expenditures as may be deemed necessary by the National Sesquicentennial Exhibition Commission as may be considered proper to commemorate the one hundred and fiftieth anniversary of the birth of the Nation: *Provided*, That not more than $250,000 of the aforesaid sum shall be allocated to the Department of War and not more than $350,000 of said sum be allocated to the Department of the Navy, of which later sum $250,000 shall be used for making the necessary repairs and improvements at the Philadelphia Navy Yard incident to holding this exposition.

SEC. 2. That for the purpose of further participation by the Government of the United States in such exhibition, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the further sum of $3,000,000; such sum to be expended by the Sesquicentennial International Exposition, upon the written approval of the National Sesquicentennial Exhibition Commission, exclusively for the construction of four or more buildings for exhibition purposes in connection with such sesquicentennial exhibition.

SEC. 3. That for the purposes of more effectively carrying out the provisions of this resolution there is hereby created a commissioner of sesquicentennial exposition to be appointed by the National Sesquicentennial Exhibition Commission whose duty it shall be to carry out the provisions of this resolution. Said commission shall be paid, out of the amount authorized by this resolution, such a salary as the National Sesquicentennial Exhibition Commission shall authorize: *Provided*, That such salary shall not be in excess of $10,000 per annum and that the term of office shall not be extended beyond one year from the date of the approval of this resolution.

The CHAIRMAN. In accordance with the statement of the Speaker, the Chair will recognize the gentleman from Pennsylvania [Mr. WELSH] to control one hour and a half, and the gentleman from Texas [Mr. LANHAM] to control an hour and a half.

Mr. WELSH. Mr. Chairman and my colleagues of the House, this is the first time it has been my pleasure to take the floor since my election. [Applause.] It is rather embarrassing to find yourself chairman of a committee and responsible for a bill that so vitally affects not only the Nation but your own home town as well. I think you can all sympathize with my position. Through circumstances not of our making I was chairman of the committee that brought this bill in. Voluntarily I was the author of the bill, because, notwithstanding I come from Philadelphia, I thoroughly believe in the bill, and I am going to advocate its adoption with all my power and ingenuity.

Those of you who were present during the discussion of the rule heard the general terms of and reasons proposed for the bill, but for the benefit of those who were not here at that time I am going to briefly review them so that they will understand why we are taking this particular step at this time which is ordinarily out of the routine of legislative procedure.

In 1920 or thereabouts there were certain patriotic citizens of the city of Philadelphia who were looking forward to the year 1926, and the year 1926 was brought to their mind because on that date there would occur one of the greatest events in the Nation's history, the one hundred and fiftieth anniversary of the Nation's birth.

Those of you in this Congress do not need to be told that this great Nation of ours had its birth in the city of Philadelphia 150 years ago. Therefore is it not natural to suppose that the patriotic citizens of Philadelphia in 1920, looking forward to 1926, would consider that Philadelphia and the Nation would be lacking in patriotism if they permitted the occasion to go by without some mark or sign on the part of the Nation or the State or the city?

That is the question I am able to answer, and that is why 1926 was chosen as the time of celebrating this great event. Why was Philadelphia chosen as the place? Philadelphia itself did not make that choice. That choice was made by the Congress of the United States after a message was received on the subject from the late lamented President Harding, dated in March, 1922. President Harding called attention to the fact that in 1926 this event would occur and in his letter to Congress recommended that 1926 be designated as the time and the city of Philadelphia be designated as the place for the proper and fitting recognition of this great event.

It has been said on the floor of the House that nothing was said at that time which would lead the citizens of Philadelphia to believe that Federal aid would be forthcoming for this celebration. Gentlemen, that is true. You can realize that when that resolution of recognition passed Congress at that early day neither the House nor Congress could commit itself to any expenditure, because no one had shown in good faith any proposition by coming forward with a substantial sum for properly recognizing the event. Philadelphia did not come before the Congress until it had shown its good faith, and that good faith Philadelphia has shown. Philadelphia, by a vote of its city council, has appropriated $10,000,000 for this event—$10,000,000 from the taxpayers of the city of Philadelphia. There can not be any better evidence of the intention of Philadelphia to make good the statement that appears in Sherman Bland's report that further sums would undoubtedly be voted by the patriotic citizens of Philadelphia.

In addition to that, there has been raised by private subscriptions nearly $3,000,000, which, if the exhibition is a success, will be returned to the investors. I can tell you, however, that those men, to the number of more than 7,000, who put up the $3,000,000 consider that as a patriotic contribution to this enterprise that they do not expect one dollar returned.

What they are concerned with is the success of this enterprise, and not a return of 6, or 7, or 8 per cent on the money that they have put into it. Therefore the city of Philadelphia and its citizens have put into this enterprise, which received national recognition four years ago, the sum of $13,000,000. That is part of the legislative background, but it is not all. Just about one year ago—it was in the latter part of February, 1925—this House was asked to give further recognition to the sesquicentennial exhibition in Philadelphia, and how did it do it? By resolution in the Sixty-eighth Congress the House created a commission known as the National Sesquicentennial Exhibition Commission. That commission was for the purpose of carrying out the participation by the United States Government in the Philadelphia sesquicentennial celebration, and consists of Secretary Hoover and Secretary Kellogg. In addition, the same resolution created what was called the National Advisory Commission. Do not get these commissions mixed, because if you do you will not be able to understand the full significance of their relative standing and duties.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. WELSH. Yes.

Mr. HUDSPETH. What time is this centennial exhibition supposed to open?

Mr. WELSH. It is going to open on the 1st of June, 1926. The Congress created the National Advisory Commission, whose

function was to advise and confer with the international exposition in Philadelphia, which is a corporation created under the laws of Pennsylvania for the immediate and direct carrying out of the work. That advisory commission consists of two members from each State, 96, appointed by the President of the United States. They have been appointed and their chairman has been selected. He is the Hon. James M. Beck, former Solicitor General of the United States. He has been functioning with his commission. That commission met in Philadelphia four weeks ago on the very important matter of fixing the time at which the celebration should be held. The 96 members of the commission were represented by members coming from 35 States of the Union. Many of the States of the Union, seven of them in number, have voted direct appropriations. Other States have raised sums of money by private subscription. For instance, the State of Florida has raised by private subscription, because they had not the time in which to do it in their legislature, $500,000. Another State, Oklahoma, has raised $350,000 by private subscription. I cite these facts to show you the widespread interest that there is in this national celebration, and we want to bring home to you the fact that this is not a local celebration.

The gentleman from Alabama [Mr. BANKHEAD] said that there ought not to be any appropriation other than is required for the participation by the Federal bureaus, and if you will indulge me for a few moments I shall explain to you the situation in which we are in the city of Philadelphia. We have expended every dollar of the money raised for the legitimate purposes of this exhibition, and up to the present point we are in the position where we can carry on in Philadelphia a local exposition.

Mr. WYANT. Mr. Chairman, will the gentleman yield?

Mr. WELSH. Yes.

Mr. WYANT. Do I understand that the city of Philadelphia has raised approximately $13,000,000 and that that money has been expended?

Mr. WELSH. Yes.

Mr. WYANT. And that you will need several additional millions of dollars to complete the work?

Mr. WELSH. Yes. We are in a position now where we can carry on a first-class local exposition, but in order that the exposition may take on the character of an international exposition there must be certain features present which justify its consideration as an international exposition. In order to establish that status we must erect a building for the fine arts. Imagine an international exposition to which the President of the United States has invited the nations of the world not having a building in which to house the thousands of beautiful works of art that already have been solicited by the director general to be exhibited there. We have not the money to build that. Imagine an international exposition without a great transportation building—transportation which has worked its wonders through civilization in the last 50 or 100 years. Could the United States as a participating party in an exposition justify an invitation to the nations of the world without recognizing the transportation facilities of the world to-day? There is no money to construct an educational building—and education is the pride of America. The little schoolhouse on the corner we have always pointed to with pride; it is upon it that the foundation of the Nation rests. There is no other building that we can raise in honor of the progress this Nation has made in the last 150 years like an educational building.

Mr. SCHAFER. Has the invitation been extended by the President to these foreign nations to participate in this matter of education?

Mr. WELSH. We have extended an invitation to the nations of the world to participate in the manner they think best. We could not very well in our invitation ask them to participate except in certain lines. The United States Government by its invitation has made itself a party to this exposition.

Mr. SCHAFER. That is what I am trying to get at. Then the President has extended this invitation?

Mr. WELSH. Yes.

Mr. SCHAFER. And at that time the President knew that the buildings had not been provided?

Mr. WELSH. When the invitation was presented, no buildings had been provided. It was expected that the necessary buildings for creating a proper exposition would be constructed by somebody, and I do not say that that somebody had to be the United States of America.

Mr. MOREHEAD. Did I correctly understand the gentleman to say that the city of Philadelphia had raised and paid out $32,000,000?

Mr. WELSH. No; $13,000,000. I wish we had $32,000,000, and then we probably would not be asking you for anything.

Mr. MOREHEAD. And no buildings have been constructed.

Mr. WELSH. Yes. We have constructed several of them. We have four buildings, which will be completed within the the next 60 days. Two of them are under roof, one great big building 750 feet long. Great works are already under way, I can tell the gentleman. I am not insensible of my responsibility in connection with this matter.

I would not stake my reputation as a Member of this House by advocating the expenditure of $1 of Federal money if I did not actually believe and have the very best reason for believing that these buildings for which we are asking could be constructed. We have the most positive statements from men who are competent to pass upon that subject that those buildings can be ready, can be built on time, and, as an evidence of the good faith of those builders, they will enter into a penal bond conditioned for the faithful performance of their contracts on time. I will state that of record, because, if anything should happen in the future, I want the Congress to know just where we stand in advocating this appropriation. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. WELSH. I do not desire to monopolize the time, because I desire to yield to members of my committee.

Mr. LANHAM. Mr. Chairman, I yield 20 minutes to the gentleman from Virginia [Mr. WOODRUM]. [Applause.]

Mr. WOODRUM. Mr. Chairman and gentlemen, the present resolution presents two separate and distinct ideas. The first, embodied in section 1, provides for a Government participation in the Sesquicentennial Exposition to be held in Philadelphia, meaning to send exhibits from various governmental departments, and reasonable and adequate detachments of militia, and naval exhibits to show the interest of the Government in this great patriotic event and to keep good faith with what the Congress, I believe, is virtually committed, certainly that far. The second feature of this bill is contained in the second section that calls upon Congress to appropriate out of the Public Treasury $3,000,000 as a gift to that exposition for the purpose of building exposition buildings. So far as I am personally concerned my position in this committee is the same as it was in the Industrial Arts and Exposition Committee. I believe the Government should reasonably participate in this great event. I do not think we could with good grace refuse officially to recognize the sesquicentennial in some pretty substantial way, by way of participation, but as I have studied the matter and investigated it, to my mind there is absolutely no justification under high heaven that any Member of this House will be able to give to his constituents for appropriating one single dollar out of the Public Treasury as a subsidy or gift to this enterprise. Now gentlemen, I want to say to my friends on this side of the House, the Republican side, and they are—I can call you my friends because yesterday I walked over and voted with you because I thought it was right to vote that way—but to-day, my friends, I want to challenge you as members of the Republican Party who have been disporting yourselves before the people of America as economists and wanting to cut down every useless expenditure, and wanting to give back to the people of the United States a substantial tax reduction, I say I challenge you to rally to the cause of economy espoused by your President, and if you will, in a substantial number and want to carry out the Coolidge policy of economy, I will promise you enough Democrats on this side of the House to save two or three millions dollars for the taxpayers of America when we come to vote upon this bill. Now, gentlemen, hearings were had on this bill, various representatives from the departments came before the committee to bring estimates of what would be a proper governmental participation. The Secretary of Commerce came presenting estimates for various executive departments of the Government, the Treasury Department, the Post Office Department, the Agricultural Department, the Departments of Commerce, Labor, Interior, Smithsonian Institution, the Shipping Board, and the Department of State. And Mr. Hoover estimated it would take $586,000 to enable those departments properly and adequately to participate in this celebration by sending exhibits of the Government's activities to Philadelphia.

In those items, and you will find them set out in the minority report, there is an item of $187,000 for rent of floor space in exhibition buildings. There is an item of $50,000 to pay for the additional departmental clerks that would be necessary to put in the Washington Government departments to relieve the experienced men whom they will send to Philadelphia. The committee in considering the bill virtually adopted Mr. Hoover's idea as to what would be a proper participation by those departments, and in making up this sum of $1,186,500 found in section 1 that item of $586,000 is a component part. Then there came before the committee a representative from

the War Department to present estimates of what the War Department thought would be a proper participation, and he asked for the modest sum of $1,404,532.50 for the purpose of sending an Army down to Philadelphia to stay there six months in this great exposition of peace and progress. [Applause.] They have suggested to the American Congress that in these days of peace, in these days when America in a belated fashion has stepped out before the world as the great exponent of peace and progress, that as a part of this exposition there would be a detail of 1,774 enlisted men with 119 officers to represent the United States Army and stay there from June until December with all of their paraphernalia, their cannon, their guns, their balloons, their airships, their tanks, and everything else.

Not only that, but there should be the Corps of Cadets from West Point, along with their paraphernalia and regalia. There should be the Army Band, and, possibly, the Marine Band. In addition to that there should be established there, at a cost of more than $100,000, a citizens' military training camp, so that, forsooth, the world may understand that not only is America proud of her war trappings of to-day but she proposes that the coming generation shall be trained in the way of arms and warfare.

Now, my friends, when the committee came to consider that item of cost, of course, it pared it down; it pared it down to $250,000, feeling that $250,000 would be abundantly ample to allow the Government to send a proper and adequate military escort to the centennial, there to take part in patriotic celebrations, in parades, and give some color and some sentiment to this great affair, but the committee refused to be a party to the making of this exposition a great militaristic display.

A representative of the Navy Department came before the committee and asked for the very modest sum of $100,000 for a Navy exhibit. In addition to that they wanted $830,500 for the purpose of reconditioning the Philadelphia Navy Yard. And may I stop for a moment to call your attention to the fact that since the time that Congress last considered this proposition, when the gentlemen from Philadelphia were all enthused over the wonderful site they had selected for this exposition, it has been deemed advisable and expedient to change the site. I do not know why they changed it, but I do know that in changing it they now have 450 acres in the exposition grounds, 150 acres in the aviation field, and 1,000 acres in the Philadelphia Navy Yard, so that when the exposition comes off the United States Government will be furnishing 1,150 acres and the city of Philadelphia, within the exposition grounds proper, 450 acres. The representative of the Navy Department suggested it would be necessary to build new streets, additional buildings, gate-houses, and benches for the pedestrians, upon which to rest their weary bones, and that it would be necessary to have an additional personnel in the navy yard, the purpose being, gentlemen—and I especially call your attention to this—to throw that 1,000 acres of the navy yard, with all of its activities, the aircraft factory, the ships, and everything, wide open for the visitors at the exposition from June until December. Of course, I need not suggest to any Member of this House that if that is done you have absolutely stopped all of the usual activities of the Philadelphia Navy Yard during that period of time.

Mr. WINGO. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. WINGO. This is the first information I have had that they had changed the site. When did we amend the law, because we specifically limited it to Fairmount Park in Resolution No. 170?

Mr. WOODRUM. I am sorry I can not give the gentleman that information, but I had thought you did not limit the site. There was a discussion of it, I will say to the gentleman, when Resolution 170 was under consideration.

Mr. WINGO. If the gentleman will get that resolution, I think he will find that Fairmount Park was specifically specified in the resolution.

Mr. WOODRUM. That may be, but I can not answer the gentleman on that point. The proposition was to give $830,000 to rebuild the Philadelphia Navy Yard for the exposition. I want to be perfectly frank and say it was shown pretty conclusively before the committee that some of those repairs would be in the nature of permanent additions to the navy yard. So the committee considered that $350,000 for the Navy's participation would be adequate and proper, giving $100,000 for an exhibit and $250,000 with which to fix up the Philadelphia Navy Yard for the exposition. You will find that is the way the committee arrived at the amount of $1,186,000 for the participation of America in the Sesquicentennial Exposition. I want to say to you gentlemen that so far as I am concerned I have not any complaint to make with that part of the bill, and if it stopped there I could support it, and would support it, but I can not and will not vote for the bill if section 2 is carried in it.

Mr. BEEDY. Right at that juncture, if the gentleman will permit and if the gentleman wants the information called for by the inquiry of the gentleman from Arkansas, let me call attention to the fact that in the RECORD of the Sixty-seventh Congress, page 8201, appears the resolution which provides that the exposition should be in the city of Philadelphia upon the Fairmount Park and Parkway site selected by the Sesquicentennial Exposition Association and lands contiguous thereto which may be acquired for the purpose, and so forth. That is where they got the joker in. Now, the question is, Are these lands contiguous to Fairmount Park?

Mr. WOODRUM. I can not yield any further. Now, gentlemen, why should the United States Government give $3,000,000 to the sesquicentennial? What gentleman can suggest a good reason for it? My friends say it is a great outburst of patriotic fervor. Of course it is, and therefore I say let us participate, but do not be deceived by thinking it is a patriotic demonstration that is going to take money out of the pockets of the splendid citizens of Philadelphia. Do not be deceived about that for a moment. I asked a gentleman who appeared before our committee how many people he expected to visit this exposition during the six months' period, and he said 12,000,000 people, 12,000,000 people who could be counted upon to visit the exposition during the six months' period, or 2,000,000 people a month. Let us say that half the population of Philadelphia will go out there every month, which would mean 1,000,000 visitors from the city itself, which would leave 1,000,000 people living outside the city of Philadelphia who would go to that exposition every month. Suppose each one of those persons coming from outside the city of Philadelphia spends $25 in Philadelphia, and I believe any visitor would be glad to get off with $25.

Of course, I mean $25 outside of what is spent in the exposition inclosure. I am talking about what would be paid to the hotels, the taxicabs, the restaurants, clothing stores, theaters, and various places of amusement. Every nonresident of Philadelphia who visits that exposition will certainly spend $25 and leave it inside the corporate limits of the great and splendid city of Philadelphia. That would mean $25,000,000 a month, gentlemen, coming to the citizens of Philadelphia, and during the six months' period that will mean $150,000,000, as I figure it, which would be a pretty good return for that great patriotic outburst. I say that is a pretty good return for patriotism, gentlemen, and I do not think the city of Philadelphia is straining itself very much when it makes an investment of $12,000,000 or $14,000,000 and expects to get back into the coffers of its citizens $150,000,000. I really believe the amount will be more nearly in the neighborhood of $300,000,000, because you know what these expositions mean in the way of spending money.

Therefore I say there is absolutely no justification for asking this Government to make this gift. Not only that, but, gentlemen, so far as I am concerned, as a very humble and inconspicuous Member of this great body, I propose with my vote, as long as I am here, to make gentlemen and communities and organizations keep faith with the American Congress when they come here and ask us to pass legislation for their benefit.

The people of Philadelphia—an entirely different crowd from our friends who are coming here to-day, let me say, because there has been trouble from the very beginning, and there has been internal trouble and dissension and reorganization, and now an entirely different crowd are coming here knocking at the doors of the Congress from the crowd that came here originally. They have changed the site, they have changed directors, and not, let me remind you, until about the first of this present year was it definitely determined that the exposition would even be held the 1st of June, and even now only a few of the buildings are being erected over there; but this crowd that came to Washington and asked the Congress to instruct the President—President Harding—to invite the nations of the earth to participate in this demonstration gave the most positive assurance, assurance as positive as it would be possible for gentlemen to give to a legislative body and an executive, that the Congress would not be called upon to do anything more than a possible participation by sending exhibits to the exposition. Ah, there can be no question about it. The language of President Harding when he addressed the Congress was emphatic and specific and guarded, and I want to direct your attention again to it. He said:

> There is every assurance that additional funds for general expenses of construction and operation will be provided.

My friend asked what he meant by additional funds. If you will read the entire letter which you will find set out in the minority report, you will find in the paragraph preceding the one I have cited the President had recited the fact that Philadelphia had already raised certain funds, and then comes the next paragraph, which says, "there is every assurance." Who was it that assured President Harding, if he would ask the Congress to pass this legislation, the Congress would not be called upon to make a great big appropriation for this exposition? Somebody did it. I know who assured the Members of this House that they would not be asked to make a great big gift. It was the gentleman from Indiana, former Representative Bland, the patron of the bill, who assured the Members of this House they would not be called upon to do that; and not only that, but the distinguished leader of your side, gentlemen—and I am here to-day to call upon you members of the Republican Party to keep faith with the people of this country and to vindicate and back up what your leader said to the people of this country when they passed this bill—Mr. Mondell, the distinguished gentleman who was then your leader, said:

> The Government will certainly desire to make an exhibition at this very splendid exposition. At the same time, the passage of the resolution, I am sure, does not bind this Congress or anyone to vote for any appropriation or expenditure for buildings or for a cash appropriation to the exposition.

I call upon you, gentlemen, to keep faith with this House and with the people of this Nation.

Mr. RATHBONE. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. RATHBONE. The language in it does not bind the Congress. Is there anything in the language to say that this Congress shall be prohibited or prevented in any way from making this appropriation?

Mr. WOODRUM. Oh, there was no written contract under seal or with all that formality; but if my friend will go back and read the hearings before the committee and read the proceedings upon the floor of the House, the gentleman will see that a number of gentlemen were upon their feet asking the gentleman from Indiana and asking the Republican leader if this was not just a stepping-stone and if they would not come back later for a great big appropriation, and the Members of the House were given every assurance that this was not the case, and that all the Government would ever be asked to do would be to provide reasonable participation by way of sending exhibits.

Gentlemen, when the time comes to consider amendments, I expect to offer an amendment to the bill striking out the second paragraph.

Mr. CARTER of Oklahoma. The gentleman means the second section?

Mr. WOODRUM. Yes; the second section; and I call upon the Members of this House to back up their boasted and much-talked-of policies of economy.

Mr. BERGER. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. BERGER. The gentleman is aware, of course, that the Congress voted $5,000,000 for the Chicago Exposition and $5,000,000 for the St. Louis Exposition. Is the gentleman aware of that?

Mr. WOODRUM. Oh, the gentleman is quite aware of that, and the gentleman is not here to-day to criticize what his colleagues have done in days gone by. Thank the Lord, the gentleman has not got on his shoulders all the things done by the Congress in the days that have passed. The gentleman is trying to do to-day what he thinks ought to be done to-day, and the gentleman, while he is a Member of this House, is not going to vote for an improper measure because, perhaps, some other Congress has voted for a similar one. [Applause.]

Mr. WELSH. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. RATHBONE].

Mr. RATHBONE. Mr. Chairman, I rise to give my most hearty and earnest support to this measure. I deny that this question should be judged or decided upon a purely dollar basis. I believe in economy in governmental expenditures, but economy is not parsimony. Patriotism can not be measured by dollars.

I firmly believe that this exhibition will be of incalculable benefit, not only to this Nation but to the civilized world. It should not be regarded as a matter of sectional or even purely national interest. I hope and believe that it will mean consecration anew to the ideals of the fathers of this Republic.

The memory of the past is the inspiration of the present. It is well that we should always keep before our eyes and never lose sight of the great principles of the men who proclaimed the Declaration of Independence.

One hundred and fifty years ago in Philadelphia these men gave to an astonished world the new and startling truths embodied in that first great charter of our liberties:

> We hold these truths to be self-evident; that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness; that to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed.

By these immortal words our fathers wrought the most fundamental revolution in political thought in the history of the world. In the Declaration of Independence we find the germ of the greatest political documents and proclamations of human liberty made in after times—the motto of the French revolution "Liberty, equality, and fraternity," "The right of national self-determination," and many other utterances which have been the inspiration of men and nations down to the present day.

I appeal to my Democratic colleagues to lend their aid to this most fitting tribute to the memory and services of the great leader and founder of their party. It was his pen which wrote the Declaration of Independence and which proved mightier than the most eloquent utterances in that assemblage of brilliant intellects. It was he who was the first in history to base a great political document on eternal principles; whose words "a decent respect for the opinions of mankind" were the first true recognition of the overmastering power of public opinion; who, in indicting a sovereign, voiced the political ideals of countless millions since born; who, in the midst of the turmoil of the present, could see far into the future and visualize its demands; who secured for this Nation its vast trans-Mississippi domain, the twice-elected President of the United States, and one of the greatest of political philosophers, the immortal Thomas Jefferson.

I appeal to my fellow Republicans to support this measure, because we believe in the principles of the Declaration of Independence as firmly as do our brethren across the aisle. Let us recall that it was our first and greatest leader, Abraham Lincoln, who uttered these words as he stood upon the steps of old Independence Hall in 1861 on his way to his first inauguration at Washington:

> There was something in the Declaration of Independence giving liberty not only to the people of this country but hope to the world for all future time. It was that which gave promise that in due time the weights should be lifted from the shoulders of all men and that all should have an equal chance. * * * Now, my friends, can this country be saved upon that basis? If it can, I will consider myself one of the happiest men in the world if I can help to save it. But if this country can not be saved without giving up that principle, I was about to say I would rather be assassinated upon the spot than to surrender it. I have said nothing but what I am willing to live by and, if it be the pleasure of Almighty God, to die by.

Let us feel that in the Declaration of Independence we all have a common heritage, and that this great inheritance is ours to preserve, ours to protect, ours to transmit unimpaired to future generations.

Mr. LANHAM. Mr. Chairman, I yield 15 minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Chairman and gentlemen of the committee, it has been a great pleasure for me to listen to the eulogy delivered upon the great statesmen, Jefferson and Lincoln, and to listen to a review of the history of the Revolution and the defense of our Declaration of Independence and the Constitution of the United States. If it will not be too violent a transition, I should like now for a very few moments to direct the attention of the House to some of those considerations which are pertinent to the resolution under consideration. Let it be understood once and for all the Declaration of Independence needs no defense here; the principles embodied in the Constitution of this Nation need no defense here. Nobody denies or depreciates the value of historic associations of Philadelphia, and nobody denies that we ought in some suitable way to commemorate the one hundred and fiftieth anniversary of the birth of this Nation, but let us stop taking the time of the House talking about those matters for the moment.

We have been assured here in the last 10 minutes that this is no small-money proposition. A reading of the resolution assures us that that is the truth. Four million or more of dollars is not a small-money proposition. There is, however, a principle at stake here, if I may presume to call it to the attention of the committee. To bring out the point that I have in my mind, I would like you to consider with me the spawn of this proposition, which somehow in the course of its bio-

logical or political evolution became innoculated with the disease known as elephantiasis, and now confronts us with an elephantine presence in this resolution of a four million and odd dollars appropriation.

Mr. WELSH. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. Yes.

Mr. WELSH. Does the gentleman know that the sum of $3,000,000 mentioned in the second section of the resolution has been cut down to $2,000,000 by committee action?

Mr. BEEDY. I say yes to the gentleman. Since I took my seat in this body I was assured by two of the members of the delegation from Pennsylvania, the blushes from whose former immodest demands were not yet faded from their cheeks, that they had receded from the $3,000,000 and that now it is but a $2,000,000 demand in section 2, plus the $1,186,000 request in section 1. I am aware of that.

The original resolution which asked the Congress for the authority necessary to hold the exhibition was adopted in the Sixty-seventh Congress. Some reference has been made by the astute gentleman from Virginia [Mr. WOODRUM], whose remarks I particulary enjoyed, to the debate, or a portion of it, that took place on the floor of this House in 1922, and I want specifically to read to Members here from that debate. And I pause here to say that it is unfortunate that great issues involving millions of dollars must be considered here with only 100 or 125 Members present, the rest scattered hither and yon, rushing in on the bell call at the last moment to vote, asking what it is all about, and then voting irrespective of the merits, according to instruction from a messenger at the door, to stand by the commitee. I regret the absences because this is an important matter.

When the resolution was originally debated, here are some of the considerations which induced us to take the first step. Mr. Bland was chairman of the committee which reported the bill. Some question arose as to what this might lead to if the original authority was granted. In response to inquiries—and I am reading now from page 8201 of the reports of the Sixty-seventh Congress—Mr. Bland refers to the amount of money that the city of Philadelphia had then appropriated, some $5,000,000. He refers to the fact, however, that the Legislature of the State of Pennsylvania had approved it and had passed memorials favoring it, and it was also brought to the attention of the committee in the course of that debate that the State legislature not then in session was to be subsequently convened, and was expected to, and assurances were given that the legislature would, appropriate liberally for this exposition. So far as I am aware, no appropriation by the State has yet been made, and if I am wrong I would like to be corrected.

Mr. WELSH. The State of Pennsylvania has appropriated $750,000 of the State's money for this exposition. They are constructing a building now, and it will be completed and in readiness for occupation by June 1.

Mr. BEEDY. A very reasonable sum to be appropriated for such a purpose by the State in which this exposition is to be held.

Then said Mr. Bland, continuing:

> And there is no doubt but that the great State of Pennsylvania will come forward with any finances that are necessary to take care of the exhibition.

And no man on the floor of this House from the State of Pennsylvania rose and cautioned Congress that the contrary might be true. They sat here silent and allowed that assurance to be given. Then later the floor leader, Mr. Mondell, arose, and he said:

> I assume we all understand that by giving national sanction to this exhibition we shall be expected at the proper time to make whatever appropriations may be necessary for a Government exhibit at this exposition.

No other purpose for Federal appropriations was ever suggested when the original resolution was adopted. Mr. Mondell continued:

> I think we all realize that that will be the outcome. The Government will certainly desire to make an exhibition at this very splendid exhibition. At the same time the passage of the resolution, I am sure, does not bind the Government or this Congress or anyone to vote for any appropriation or expenditure for buildings or a cash contribution to the exposition.

In addition, the gentleman from Texas [Mr. LANHAM], in dwelling upon this very point, said:

> Even if we should be called upon later to make some reasonable appropriation, though we do not regard this resolution as a moral obligation along that line, and so stated very frankly to the gentlemen who appeared before us.

So that the gentleman from Texas understood that somebody might feel there might be a moral obligation to do something further in the way of financing this exposition. But he said that it was understood that there would not be even a moral obligation, and every Member of the Pennsylvania delegation (and I am fond of all of them, there is no State in the Union with a finer body of men representing them in the Congress, but somebody here must stand against purely local consideration and for the welfare of the whole), not one of the Pennsylvania delegation arose here to inform the House that, perhaps, they would ask for an appreciable appropriation. I remember later in the course of the debate the suave gentleman from Pennsylvania [Mr. DARROW] arose and soothed the House by saying jokingly that the only thing that worried him would be the task of restraining the generosity of the Congress later on.

In private dealings there are those of us who believe that in going after anything we should lay the cards on the table from the outset and make no disguise in our demands from the outset. I do not like the way this original proposition was passed through this House. I do not like the attitude of the Members interested in it. This assurance that was given! The attention of the House has been called to the assurance given Members that they never would be called upon to appropriate any appreciable sums of money, but that any further demands would be confined to a request for such money as was necessary for a Government exhibit only. Now, I want Philadelphia to have a reasonable sum. There is not a Member of this House who underestimates the importance of this sesquicentennial; we would be willing to vote for an appropriation of a million or a million and a quarter of dollars. But we believe that the proponents of this resolution should stand by their original representations that this exposition would be financed by the city of Philadelphia and the State of Pennsylvania. Now we learn that their own State has appropriated only $750,000.

What can the Federal Government exhibit? The Army and Navy can give an exhibit; the Bureau of Standards can make an exhibit; so, too, can the Agricultural Department, and we can make an educational exhibit. We do not need separate buildings for each exhibit. We are told that three or four buildings have already been started. What are they? What are they to be used for? What has become of the $18,000,000 raised by the city of Philadelphia?

Mr. VARE. Will the gentleman yield?

Mr. BEEDY. Yes.

Mr. VARE. Will the gentleman say on the floor of the House that the farmers of the country ought to be excluded from bringing their exhibits there?

Mr. BEEDY. No; I had not finished what I was about to say. Of course, the farmers ought to have an exhibit. The Department of Agriculture will represent them also.

Mr. VARE. Will the gentleman go further——

Mr. BEEDY. I yielded for an answer to my question.

Mr. VARE. Will the gentleman go further and say you ought to put livestock into one of the buildings devoted to education?

Mr. BEEDY. No; of course not. I asked the gentleman if he would explain to the House, if he knew, what the buildings under construction were for, but he has not done that. Will he do that out of courtesy to the House?

Mr. VARE. I will be glad to do it.

Mr. BEEDY. Does the gentleman want to do it now? The gentleman does not answer. He evidently does not know what they are for, and we will let it go at that. I want the farmers to have an exhibit there, and I am willing to go to the extent of $1,000,000, and I will not quibble over it. I will vote for the bill if it carries $1,186,000, as provided in the first section, to assist in similar exhibits.

Mr. WELSH. Will the gentleman yield?

Mr. BEEDY. I will.

Mr. WELSH. I will inform the gentleman and the House that one of the buildings that was necessary was the building devoted to the interests of dairying and livestock, which costs $750,000, one of the largest buildings in the exposition.

Mr. BEEDY. I commend the committee having the matter in charge for having provided such a building. It is clear then there is no necessity for any Federal appropriation for such a purpose as that. That is what I am asking: What can the Government build over there for the purpose of using it as an exposition building?

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. BEEDY. I yield to the gentleman from Virginia.

Mr. MOORE of Virginia. Does the gentleman think there is the slightest reason to believe that the original action in the

Sixty-seventh Congress would have been taken if it had then been avowed that there was to be an appropriation of $2,000,000 requested for buildings?

Mr. BEEDY. I am exceedingly glad the gentleman asked that question, because I had it in mind to say before I concluded, that if these figures had appeared, or even been suggested when the original assurances that no such appropriation would be sought, was given the House, I do not believe the original authority would have been given.

Mr. SCHAFER. Will the gentleman yield?

Mr. BEEDY. Yes.

Mr. SCHAFER. Does not the gentleman think the Government could exhibit something which would be of great benefit to the Nation and the people if they would place on exhibition there information and literature as to the Democratic principles of Jefferson and the Republican principles of Lincoln?

Mr. BEEDY. The answer to that question will help us very much in determining what we ought to do here, and so I answer it in the way I answer it. Now, I would have moved myself to strike out section 2.

Mr. LANHAM. Will the gentleman yield?

Mr. BEEDY. Yes.

Mr. LANHAM. I would like to call the gentleman's attention to the fact that in the item carried in the first section of this bill, as estimated by Secretary Hoover, $187,000 of the amount therein authorized is for the rental of space in exposition buildings for the Government. In view of that fact, would it be proper for the Government to construct buildings and then pay $187,000 to rent space in them?

Mr. BEEDY. Well, that is a real contribution to this discussion, and I thank the gentleman. I rarely rise here to object to any legislation. I have been in this House five years, and I do not think I have taken up very much of the time of this House.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. LANHAM. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. BEEDY. My conception of a Member's duty may vary from that of others. I think he ought at times to restrain himself, so that when he rises it will be understood he has some ideas which he seriously entertains and wishes to get before the House.

Mr. LINTHICUM. Will the gentleman yield?

Mr. BEEDY. Yes.

Mr. LINTHICUM. Is it proposed to appropriate this money to construct buildings and then open the exposition on June 1?

Mr. BEEDY. It is so intended.

Mr. LINTHICUM. How in the world can they do it?

Mr. BEEDY. That is a matter I am not prepared to discuss here. But I want to force home this thought: That representations were made originally that we were not to be called upon to make any such appropriations as would mount into the realm of $3,000,000, allowing for the cut to which the gentleman has called my attention. I do not think the proponents of this legislation now find themselves in a particularly enviable position coming here, in the face of those former assurances, and asking us to do that which we were assured we would not be asked to do.

I shall defer to the gentleman from Virginia, a member of the committee, in offering the amendment I had in mind. Had he not stated his intention of moving to strike out section 2 of the resolution I should have moved to do so. I hope there are enough of us on both sides of this House to take a sane and yet liberal view as to this proposition. We ought to appropriate $1,000,000 or more, as provided in the earlier section of the resolution, for a Government exhibit, but we ought not, in my opinion, to vote to appropriate $2,000,000 additional.

Now, then, I want to call your attention to one other proposition. I just read to you the original resolution, which limited the land area to which this exposition was to be confined. I called attention to the phrase "and territory contiguous thereto," which I understand the proponents of the original resolution did not want included. They wanted a chance to hold this exposition in Fairmount Park, and then go off into other areas without limit and stake out exhibition grounds ad infinitum. There were various reasons, I understand, why that was desirable from the point of view of certain gentlemen interested in this legislation.

Now, we find the exhibition grounds to be stretched into the navy yard and the exhibition scattered all over the city of Philadelphia. There has doubtless been some money spent in renting land and buying land, which they ought not to have spent and which was not contemplated originally.

Mr. WELSH. Will the gentleman yield?

Mr. BEEDY. Yes; I yield to the gentleman.

Mr. WELSH. Will the gentleman point out any fact that was brought out before the committee, or anywhere else, where a dollar was spent in the buying of land?

Mr. BEEDY. I can not point that out because——

Mr. WELSH. Then will the gentleman withdraw the statement?

Mr. BEEDY. Because I sent for a report of the hearings on this bill and there was none here on the floor available. Then I sent a messenger over to the House Office Building and to the committee room, and he reported it was locked up. I have therefore been unable to procure a copy of the hearings on this resolution. I accept the information of the gentleman as the fact. The gentleman is always ready to give us information, and this is one way to bring out the information for the benefit of the House. I am proceeding in good faith, I will say to the gentleman from Pennsylvania. Now, we are in possession of the fact that no land has been bought. Is there any intention of spending any of this additional requested appropriation in the purchase of land?

Mr. WELSH. I can say to the gentleman and to the House that absolutely not one dollar has been spent for land and absolutely not one dollar will be spent for land.

Mr. BEEDY. How much will be spent, or how much is it contemplated should be spent, in the rental of land?

Mr. WELSH. Not one dollar has been spent in the renting of land and not one dollar will be spent in the renting of land, and if the gentleman will yield just a few seconds, I will explain the land proposition to him. The only consideration——

Mr. BEEDY. Will not the gentleman excuse me, please, from yielding, and explain that in his own time?

Mr. WELSH. The gentleman, I know, wants to be fair and does not want an improper impression left on the House about this important matter.

Mr. BEEDY. Then will the gentleman give me three minutes when my time expires?

Mr. WELSH. I will give the gentleman two minutes. [Laughter.] That is fair. The only consideration passing to the owners——

Mr. BEEDY. I wish the gentleman would be as economical in his asking as he is in his giving. [Laughter.]

Mr. WELSH. There is perhaps a difference in the point of view. Maybe in the gentleman's district $2,000,000 seems more than it would in my district.

Mr. BEEDY. It is a large amount with us in Maine.

Mr. WELSH. Down with us we do not consider this sum particularly extravagant in the way of a request.

Mr. BEEDY. All right; then why do you not ask your own State legislature to give it?

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. WELSH. Mr. Chairman, I yield the gentleman two minutes at his request, and if the gentleman will yield I will make clear the question of the land.

Mr. BEEDY. Then the gentleman yields two minutes to himself; is that the idea? [Laughter.]

Mr. WELSH. No; I will say to the gentleman and to the House that the only consideration passing to the landowners is this: During the time of occupancy of sesquicentennial purposes the land occupied is exempt from taxation by State and municipal authorities. They have donated the land free, so far as that is concerned.

Mr. BEEDY. And there are no rentals of buildings on this land?

Mr. WELSH. Not a dollar.

Mr. BEEDY. Then what in the world are you going to spend $3,000,000 for in addition to the $18,000,000 already spent? You have given us very few items here.

Mr. WELSH. Again I recur to that change.

Mr. BEEDY. I am talking about the $2,000,000 in addition to the $1,186,000. You have also spent already $15,000,000, and I have heard of but four buildings that are being built. With the land donated and with nothing to be paid in the way of rentals, how are you going to spend $18,000,000, together with the sum which I hope at the last minute will be appropriated by your own State. Surely your own State should contribute liberally, inasmuch as you tell us that in the State of Pennsylvania $2,000,000 means nothing.

Mr. WELSH. Will the gentleman yield?

Mr. BEEDY. I yield to the gentleman.

Mr. WELSH. I extend an invitation to the gentleman to be my guest and I will show him. I think I can convince him.

Mr. BEEDY. I should be delighted to be the gentleman's guest, because I am very fond of him, but I think there are

men from his own State who feel that this Congress, in view of the assurances originally given, should not now be asked to appropriate $3,186,000 for this sesquicentennial, and I am opposed to it.

The gentleman from Pennsylvania [Mr. WELSH] has been very courteous to me and I thank the members of the committee. [Applause.]

Mr. WELSH. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman and gentlemen of the committee, I have been listening very interestedly this afternoon to all the arguments pro and con on this matter, and as a Member of the House from Massachusetts it is a peculiar pleasure for me to-day, one of the times I have real pleasure, to address the House and say that I am in favor of this joint resolution.

I have no axe to grind whatsoever. There is nothing in this appropriation that is going up to the seventh Massachusetts district. I listened to one of the gentlemen here, my distinguished colleague, the gentleman from Maine, who said that the remarks of one of the previous speakers were irrelevant in reference to the Constitution and the Declaration of Independence, and that we ought to get down to money matters. It seems to me there are times when money matters should not be the paramount issue. The Declaration of Independence was a pretty important document in the history of the United States. The Constitution of the United States——

Mr. BEEDY. Will the gentleman please yield to me, because I know he is always very fair.

Mr. CONNERY. I yield to the gentleman from Maine with pleasure.

Mr. BEEDY. I know the gentleman wants the record right. I said that I wanted to direct the attention of the House to some of the considerations which should influence us, and the main point I made was with respect to the assurance that was given the House that no appropriation would be asked for. That sets it right on the record.

Mr. CONNERY. I am glad to afford my friend this opportunity to clear the record.

The Constitution of the United States and the Declaration of Independence are very important documents in the history of the United States. The gentleman from Tennessee, the distinguished Democratic leader [Mr. GARRETT], wondered if in the city of Philadelphia the Sesquicentennial Exposition might create some interest in the principles of Jefferson, the great leader of the Democratic Party. If it did not do anything else but that, I would be glad to vote for this resolution. [Applause.] And I am sure it will do just that.

The gentleman from Maine, of whom I am very fond, as he knows, seemed to lay great stress on the fact that some gentlemen came in here in the Sixty-seventh Congress and did not tell the Congress that some time in the future they were going to ask them for an appropriation for the sesquicentennial celebration. That is all in the past. If I should go back into the past and begin to figure out the terrible deal the Congress gave the soldiers of the United States in respect to the soldiers' bonus, you would all stand up and say, "That has gone by, CONNERY; let it alone." Now, gentlemen, we are not dealing with the Sixty-seventh Congress. We are dealing with this Congress. Are we or are we not willing to show the people of Philadelphia and the people of the United States that we have some regard for the principles of the Declaration of Independence and for the Constitution of the United States by a fit celebration of the one hundred and fiftieth birthday of the Nation where this Nation had its birth in the great city of Philadelphia? [Applause.]

As I have said, I have no axe to grind in this matter whatsoever. If something were coming up in reference to the State of Massachusetts, if it were a Lexington proposition or a Concord proposition or a Bunker Hill proposition, I would feel a little constrained to stand on the floor of the House and ask you to vote for my proposition lest you might think me unduly prejudiced, but this has nothing to do with the State of Massachusetts from an appropriation standpoint, except that as a Massachusetts man I am proud to stand up here to-day and ask the Congress of the United States to do justice to that wonderful city of Philadelphia, the birthplace of the American Nation, a city which is associated with our famous city of Boston, with our Concord, our Bunker Hill, our Lexington, and all those famous historical places in Massachusetts which brought out the great ideals for which the United States stands.

Some of the gentlemen have asked, Do you think this exposition is going to do anything for the people of the United States, or do you think the people of the United States would forget the Declaration of Independence if we did not have this exposition at Philadelphia? No; of course, they would not, but to the little children in the schools who are studying the Declaration of Independence, to the little children in the schools who are studying the Constitution of the United States—and, by the way, they do not study the Constitution of the United States or the Declaration of Independence as much as they should in the schools—these things are never stressed and brought out as they should be. They do not teach the children the respect they should have for the Congress of the United States, nor explain to them fully how their Government functions. If they did, when these children grew up they would know—and I say this, gentlemen, and mean it absolutely—that the best friend of the people of this country is the Congress of the United States. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CONNERY. Can the gentleman give me two minutes more?

Mr. WELSH. I yield to the gentleman two minutes more.

Mr. CONNERY. I will yield now to the gentleman from Illinois.

Mr. RATHBONE. I was going to ask the gentleman, in view of the statements that have been made here that this is all unnecessary and that no one needs instruction as to the Declaration of Independence—I will ask the gentleman if it has not been repeatedly called a glittering set of generalities and been abused in this country, and is not it time that we decided whether we are for the Declaration of Independence or against it?

Mr. CONNERY. I think the gentleman is right, and I think the gentleman from Illinois in his speeches throughout the country has done much to stop such abuse of the Declaration of Independence.

Mr. BERGER. Will the gentleman yield?

Mr. CONNERY. I gladly yield to the gentleman from Wisconsin.

Mr. BERGER. Is it not a fact that a good many people have been arrested or were arrested during the war for reading the Declaration of Independence?

Mr. CONNERY. If that is so, I think that was a very bad condition of affairs.

Mr. BLACK of New York. Will the gentleman yield?

Mr. CONNERY. Gladly to the distinguished gentleman from New York.

Mr. BLACK of New York. Does not the gentleman think that it would be a good thing for the American Constitution to be again shown in its original form?

Mr. CONNERY. Yes. I think it would be a great thing to show the Constitution in its original form, and to show also the Liberty Bell to the American people, and I am pleased to favor this resolution, and I hope it will pass, because it will be a great thing not only for the city of Philadelphia but for the American people, because this celebration belongs not only to Philadelphia but to every man, woman, and child of the Nation, and should be properly and fittingly observed. [Applause.]

Mr. WINGO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. Will we be called upon for a vote of confidence in the Declaration of Independence or only for an appropriation for this centennial? [Laughter.]

The CHAIRMAN. The Chair does not think that is a parliamentary question.

Mr. LANHAM. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, I am in favor of a celebration of the one hundred and fiftieth anniversary of the independence of the United States. I am in favor of making the celebration July 4, 1926, a real Independence Day celebration, with all the joy and the festivities and the ceremony that one day can contain.

I also think it fitting and proper that this celebration should be held in Philadelphia, the birthplace of the Nation, with all the glory and all the charm with which history and lore surround that place.

As I understand the purpose and aim of the celebration, it is to commemorate the adoption of the Declaration of Independence and through that commemoration to bring its importance and true significance to as many as possible of the citizens of the United States, and perhaps indirectly to other peoples of the earth. But I do not believe that this can be accomplished, at any rate not to the extent I would like to see it done, by the kind of celebration that is being planned.

I favor the participation of our Government. I favor an appropriation for Government exhibits, and I supported it in committee, and would even be willing to vote for a sum in

addition to the appropriation for exhibits if I could be convinced that it would be used in an appropriate manner.

I can not understand the logic of the position of some Members of the House who complacently voted an hour ago for $261,000,000 for the Army, for what is called national defense, and are unwilling to vote even a small sum for such a project as this. I can not understand it.

One great trouble with us is that we are slaves of precedent and tradition. We are all ultraconservative, even those who are classed as radicals. Just because something has been done for 50 or 100 years we think we must continue to do it, and to do it in the same way. It is the goose step of civilization, and we are all marching in the columns. Out of step, out of luck, ostracized. Because great historic events have been celebrated with expositions, fairs, military parades, shooting, fireworks, merchants' display of wares, a desperate attempt, more or less successful, to provide good times for those who could afford it, and for some who could not—because these things have been done in the past we must necessarily do the same things now and do them in the same way. Do not misunderstand me. I have no objection to the merchants displaying their wares, from this country or from foreign countries; the more the better. Let us have all that industry and science and art can show of true progress in the world. I have no objection to people having a good time, always provided it is kept within proper bounds. But all this will accomplish little or nothing in a proper celebration of the birthday of the Nation, in bringing home to the citizens of the country the real significance of the Declaration of Independence. To accomplish this, our Government must do something more, something else.

I want to see the buildings erected at Philadelphia, and I am satisfied that if my suggestions are acted upon it will tend to augment the interest in the celebration to such a degree that it will increase the attendance by many millions of people, and correspondingly swell the gate receipts by more than the $2,000,000 involved.

Briefly, my suggestions are as follows: Let the President issue a proclamation about the Fourth of July similar to the one issued every year with respect to Thanksgiving.

Let a pamphlet be prepared containing the Declaration of Independence, with a brief summary of the main events leading up to its creation, and a short biographical sketch of the principal characters involved in the great drama. I have consulted the superintendent of that department of the Government Printing Office, and he informs me that a pamphlet could be issued of about eight pages, of beautiful white paper, with covers artistically and ornamentally designed in the national colors, possibly with the Liberty Bell or some other appropriate emblem, and that it could be issued to the number of 25,000,000 or 30,000,000 copies at an expenditure not to exceed $200,000. Cut the appropriation for the Army and Navy exhibits from $600,000 to $400,000, and you have a sufficient amount. Then on Thursday, Friday, and Saturday, July 1, 2, and 3, I would have the Government send by mail a copy of this pamphlet to every family in the country, so far as practicable. I would have the Government frank it. Better still, I would have the Government issue a special postage stamp of 1-cent denomination commemorating the event, to be used for the purpose. In this way every family in the Nation would receive from their Government a personal greeting, a personal message, a worth-while message.

Another feasible method of distribution would be through the teachers of the Nation to place a copy of the pamphlet in the hands of every pupil and student in every public and private school, college, and university in the land.

Mr. Chairman, July 4, aside from being the one hundred and fiftieth anniversary of the Nation's birth, this year comes on Sunday, and for that reason would lend itself to a celebration somewhat different in character from our usual Fourth of July celebrations. It might conceivably take on some of the characteristics of the independence day celebrations in some other countries. I want to maintain and cherish the unique manner of our celebrations, except that I want to add to it the appeal, nation-wide, to a little reflection and gratitude brought into the happiness, the laughter, and the noise and frenzy of our typical American Fourth of July. Take Norway as an instance. They have had an independence day in that country for more than 100 years. I have never seen the country, I regret to say, but I know something about its customs. Whether the 17th of May in Norway is on a Sunday or on a week day, the people gather in their churches on that day for divine service; and on that day the churches are filled to overflowing. In the afternoon they have monster parades in every city in the country—not parades showing their military strength, with soldiers and guns and tanks; oh, no; but with children. Children, all the school children, thousands of them, march through the streets of the cities, each carrying the national emblem, and singing to the accompaniment of bands the national anthems, "Ja vi elsker" and "Gud signe vort dyre fedreland." I ask you, gentlemen, in all seriousness, do you not believe that this kind of a celebration is better adapted to instill into the minds and hearts of the children true patriotism than is the frenzied celebration that we sometimes give to our children?

Let the President of the United States in his proclamation request the American people on that day to repair to their places of worship, either in temples made with hands or in the groves which were God's first temples, and each in his own way and to his own God, whoever or whatever he may be, render thanks for the blessings enjoyed in the land of freedom.

I take it for granted that every Sunday school teacher in the land will devote some time to explaining to his or her pupils the significance of the day. I assume—I know—that in every pulpit in the land some allusion, however brief, will be made to the event of 150 years ago. And we might well borrow from our already accepted manner of observing armistice day the beautiful two-minute ceremony. Beginning at 12 o'clock noon I would have all the bells of the country ring for two minutes. Let every bell become in very truth a liberty bell, pealing forth its message of freedom from every tower and steeple in the land. During these two minutes I would have every train, every public carrier, every automobile, every vehicle come to a halt, a standstill, with every man, woman, and child in silent meditation. At the conclusion of the two minutes I would have America's beautiful Te Deum, Our Fathers' God to Thee, resound from every throat as a united anthem of praise and thanksgiving to the God of nations. [Applause.]

In the afternoon and evening I would have young and old enjoy themselves to their heart's content, as their conscience may dictate, with a due regard for the rights and privileges of their fellow men. During the afternoon I see airplanes winging over all of the large cities of the country, scattering, not bombs and explosives, but leaflets, like snowflakes in summer, drifting down from the heavens with their message of freedom for humanity. And possibly during the remainder of the week it might be found feasible to extend that to every city and village in the land. I feel assured that every airplane in the United States, whether publicly or privately owned, would be placed at the disposal of the Government.

Again, beginning the evening of July 4, and every afternoon and evening of the six remaining days of independence week, I would broadcast from every radio station in the country appropriate programs. Let 15 minutes or a half hour be set aside at every woman's club meeting, every theater, every gathering of every description, wherever held. Prominent men and women of the Nation would give brief addresses. Bands, orchestras, choruses, individual musicians would contribute. Here, too, I feel confident that these would all donate their services freely, gladly. In this way worth while messages touching every phase of the event we are celebrating would be brought to almost every home in the land during this eventful week. Can you not vision the deeper, much deeper appreciation of our Nation's history and principles after such a celebration; the better spirit it would engender, the pride, the influence in our national life?

In conclusion, at a specified hour on Saturday evening of independence week, at 8 o'clock, or 9 o'clock, or 10 o'clock, depending on whether you live in the East or the West, I would have the American people rise and let the heavens resound with the singing of the Star-Spangled Banner; and as a grand finale once more lift their united voices in the anthem of praise:

Our Father's God to Thee,
Author of Liberty,
To Thee we sing:
Long may our land be bright,
With freedom's holy light.
Protect us by Thy might,
Great God our King.

That would be a celebration worthy of a free nation, worthy of Christian civilization in the twentieth century. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. WELSH. Mr. Chairman, I ask that unanimous consent be given to every Member who speaks to extend and revise his remarks, including only matters which are germane.

The CHAIRMAN. The Chair will say that that can not be done in Committee of the Whole House.

Mr. GARRETT of Tennessee. Mr. Chairman, I think it is in violation of the custom if not of the rule to permit a general extension of remarks in Committee of the Whole House.

The CHAIRMAN. The Chair so stated and did not put that request.

Mr. WELSH. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. BOYLAN]. [Applause.]

Mr. BOYLAN. Mr. Chairman and gentlemen of the House, we are asked to participate in the passage of this joint resolution to commemorate the one hundred and fiftieth anniversary of the signing of the Declaration of Independence. I ask you, gentlemen, how many of us do you think will inhabit this mundane sphere when the aniversary comes around for the two hundredth celebration of the Declaration of Independence? In the ordinary course of human events by far the greatest majority of us will have been gathered to the bosom of our fathers, and history will know but very little of the individual Members of the Sixty-ninth Congress, but if the Sixty-ninth Congress, by passing a resolution of this kind and erecting a beautiful memorial in the city of Philadelphia, the birthplace of our Nation, we will at least have left something to distinguish this particular Congress.

Mr. ALLGOOD. Will the gentleman yield?

Mr. BOYLAN. I will.

Mr. ALLGOOD. From that character of reasoning do you not think that we should make this celebration every 10 years instead of every 25 or 50 years?

Mr. BOYLAN. Yes; and I will say to the gentleman if it were in my power I would compel every Member of Congress, before he has assumed his seat in this body, to visit the city of Philadelphia and go through Liberty Hall there. [Applause.] I say it would be an incentive to his patriotism.

Mr. ALLGOOD rose.

Mr. BOYLAN. I have only a few minutes. After I make my preliminary remarks, I will answer the gentleman. Now, in these days we hear too much criticism of the conduct of the fathers and the founders of this Republic. A man gets great public notice because he said that George Washington, exercising the hospitable instincts of a gentleman, entertained his guests by serving them with wine and whisky, and then, forsooth, because he did that, he was rough and uncouth. Why, gentleman, we are told on the other hand that George Washington did not chop down the cherry tree, and that it was a mere myth, and so on. We are living in an age that would like to shatter the very idols of American youth, the very stories of truth and fact, published and printed to inculcate in the minds and hearts of the youths of America a love and a reverence for the founders and the traditions of our country. I believe that the Congress—I would like to go further and say that I believe the Congress ought to make an appropriation to pay the transportation charges of the graduate of every high school in the United States to the city of Philadelphia in order to teach them a lesson in patriotism.

Now, gentlemen, by passing an appropriation for this celebration we do not give it to the city of Philadelphia or to the State of Pennsylvania as we would give funds for a post office, we give it because the Declaration of Independence was signed there and because we will raise up an additional monument to the illustrious fathers of our country.

As a member of the oldest patriotic society in the United States, The Tammany Society, founded in New York City in 1789, I take great pleasure in supporting this resolution.

In our society every year since it was founded we hold patriotic exercises which include the reading of the Declaration of Independence on the Fourth of July.

In the name of, and to the honor of, the illustrious patriots, members of that society who participated in the heroic struggles of the Republic, I will vote for this resolution that will provide funds for a fitting celebration of the one hundred and fiftieth anniversary of the signing of that immortal God-inspired document—the Declaration of Independence.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LANHAM. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. WINGO].

Mr. WINGO. Mr. Chairman, I had no intention of discussing this matter and should not if I did not feel in a small way some sense of responsibility for the passage of the original legislation, House Resolution 170, in the Sixty-seventh Congress. While at that time I thought some of my colleagues were a little severe in their strictures in that they accused me of putting that resolution through, but I should not be content if I did not state some facts in connection with the original legislation. The gentleman from Indiana, Mr. Bland, who is now judge of the Court of Customs Appeals, I believe, was chairman of the committee. I was not the ranking Democratic member, as I recall, but the ranking Democrat was absent from the city when these gentlemen came over from Philadelphia, and to my lot was assigned the rôle of ranking Democratic member of the committee, and the gentlemen took the matter up with us.

I have some very clear and distinct recollections as to what assurances were given us and the terms upon which we even agreed to consider the resolution. I remember very distinctly stating to a very warm friend of mine from the city of Philadelphia who was on the delegation, and I think was a member of our committee, that I believed there ought to be a celebration; that I was perfectly willing for the Federal Government to make an exhibit over there; but that the people were sick and tired of the waste of Federal moneys upon these expositions throughout the country and that the House would not stand for a proposition of that kind. They all agreed that was true. I stated to these gentlemen at the time that I would not even go into the matter and consider the proposition unless there was an assurance upon their part that they would ask for nothing except a reasonable amount for a Government exhibit at their exposition. Now, gentlemen, that assurance was given us before we even went into it.

Then we went over to Philadelphia, and we had the customary luncheon that is generally accorded members of a congressional committee. They treated us nicely. This thing was discussed, and in the course of the discussion over there those gentlemen were given to understand the position of Congress; that we could not, as their friends, possibly put a resolution through the House if it were thought that the custom which had grown up and the precedents which had been established were going to be followed in this instance. It was stated they understood that and how the people of the country were disgusted with the spending of millions for subsidizing these expositions that had been held. We were given solemn assurances that all they would expect would be a reasonable amount for a Government exhibit.

Now, gentlemen, if you will get the debate and read the assurances which the gentleman from Indiana, Mr. Bland, gave the House and the assurances that I gave my Democratic colleagues—a good many of them protesting against my favoring the resolution—you will find that the House was frankly informed that there would be an appropriation later on. In the course of my remarks I said that we would have to make an exhibit commensurate with the event, as had always been done. In other words, gentlemen, it was distinctly understood that we would not follow the precedents which have been referred to here to-day—the precedents relating to New Orleans, Frisco, St. Louis, and Yorktown. It was fully understood that we should not follow those precedents, but that we should be content with an appropriation for exhibit purposes. I am willing to do that, and I am willing to keep faith. I think you ought to have the celebration, and I am willing to vote for a reasonable and proper amount to have the Government participate in the way of proper exhibits, but I am not willing to vote for one dollar of subsidy for that celebration.

Mr. BEEDY. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. BEEDY. And there is a reason, is there not, why those precedents of former days ought not to serve as a precedent now—that we were then not attempting to recover from the effects of a Great War and to cut down our expenditures?

Mr. WINGO. Yes; there were several reasons. There is another thing to which I want to call your attention. I find that, in violation of the law, they have really changed the major part of this exposition. When we got to Philadelphia we found people in the city of Philadelphia who were opposed to House Resolution 170 if the celebration of a great, historic, and sentimental event in the history of America was to be prostituted for commercial purposes, as was being sought to be done by some gentlemen who wanted the exposition held near some property which, it was whispered around, they were interested in. That is the reason why the committee put in the resolution the restriction that it should be held in Fairmount Park and contiguous territory. Now, can they say contiguous territory includes all this other territory? No; because the House was told that contiguous territory meant land adjoining Fairmount Park, and that, as a matter of fact, the contiguous territory referred to was already owned by the city and was a part of Fairmount Park; in fact, the House was told that. We declined to go into that matter at all. I said, "You people ought to be united and I think the exposition ought to be held, and you have plenty of room to hold the exposition." They showed us the park, and after seeing it I said, "I am in favor of putting a restriction on it," and the committee did put on such a restriction. Now, gentlemen, I do not care to go into that matter very fully. I am a friend of the city of Philadelphia and I am a friend of the exposition.

Mr. VARE. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. VARE. Does not the gentleman believe that a change of location which involves the expenditure of not one dollar for the purchase of land and the expenditure of not one dollar for the rental of land, and instead of being in a congested area it is to be held in an area where you will have parking space for 100,000 automobiles, where you will have the river front for ocean steamers to come in, where you will avoid excessive hotel prices——

Mr. WINGO. Just ask me a question, please.

Mr. VARE. Does not the gentleman feel that the location of the exposition within five minutes of the city hall, the center of the city, is far more advantageous for the holding of this wonderful exposition than anywhere else?

Mr. WINGO. Oh, no. The men who were back of that exposition convinced me when I was over there that they thought the site which Congress finally located was far superior to the site that the gentleman who has just queried me was supposed to be fighting for at that time.

Mr. VARE. Will the gentleman yield further?

Mr. WINGO. Yes.

Mr. VARE. Did the gentleman ever see this site?

Mr. WINGO. Which site?

Mr. VARE. The site that has now been selected.

Mr. WINGO. No; because the people of Philadelphia were up in arms at the suggestion. It may have been an unjust suspicion and I am not talking about it; I am just saying there was a suspicion that some gentlemen wanted to have this exposition held in another territory because of the permanent improvements which would be made, such as the grading of streets, curbing, and everything else of that kind, which would make their adjoining property very valuable. Some of the best citizens of Philadelphia said they would not be for the exposition unless we specifically limited it to Fairmount Park. They showed us that fine park; we rode over it all day, and it occurs to me you could very well hold the exposition there.

Now, another thing. They have not carried out their further agreement. The chairman of the committee left the impression that Congress originated this, but the fact is that a year before the resolution was passed the Legislature of Pennsylvania and the city of Philadelphia had adopted this project.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. LANHAM. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. WINGO. Let me finish this statement.

Mr. WELSH. Will the gentleman yield for a question as to who originated this?

Mr. WINGO. Oh, yes. I know who originated it. You have the official record of it, and you can read the preamble to Resolution 170. I was on the committee, and I fought to put it through. I am a friend of a bona fide exhibit at Philadelphia, but I am not going to join you when you lay down on the assurances given to us, by which we put it through the House over the protest of some of the conservative men upon both sides. I am not going to help you subsidize that exposition over there out of the Federal Treasury at a time when we ought to economize in our expenditures. I will help you with an exhibit.

Now, what is the history of this exposition? Philadelphia and the legislature of Pennsylvania had already acted upon this. They came down here and said, "We can not have this exposition unless you authorize the President to invite other nations to participate." We said, "Yes; we ought to do that," and we said, "We will go further. We will put an exhibit over there, but we will put restrictions around it." They agreed to that. They had already appropriated, they said, $5,000,000. Gentlemen, the city of Philadelphia has only put up a little over $2,000,000 actually for this exposition. Oh, they have spent more money, but over $6,000,000 of the money they have spent has been spent for permanent improvements that will enhance the value of all the property in the city of Philadelphia. They have one of the greatest stadiums, and they ought to have it, and I am not complaining about it——

Mr. WELSH. Will the gentleman yield?

Mr. WINGO. But we were led to believe that the State of Pennsylvania and the city of Philadelphia would provide over $20,000,000 to cover the estimated expenses of this exposition, and now the State of Pennsylvania has appropriated $750,000, which is a mere peanut sum, according to my friend from Pennsylvania, because he says $2,000,000 is a small amount in Philadelphia. The city of Philadelphia has appropriated only a little over $2,000,000 for actual exhaustible expenditures, you might say, that will be exhausted in the exposition.

I will give you an appropriation for an exhibit, but I am not willing to subsidize the exposition. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WELSH. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. BERGER]. [Applause.]

Mr. BERGER. Mr. Chairman and gentlemen, after all the poetry and oratory that you have heard this afternoon I am going to tell you in plain prose that I am for this bill. I am going to vote for it and I do so gladly. [Applause.]

I will give you the reasons for my decision. I would rather vote for 10 world fairs or vote for 10 international industrial expositions than to vote for one battleship. I believe international fairs help international relations a good deal more than any number of battleships.

Some gentlemen have asked why we did not have an exhibition every 10 years. Well, I would rather have an exposition of that kind every 10 years than add to the Army appropriations every year. It would be cheaper and more effective.

A world's fair is a sort of international competition in the achievements of civilization. Every nation participating in it is striving to show the progress it has made in industry, art, science, and culture.

And therefore I am opposed to any show of militarism at this world's fair, as was originally contemplated by some people who wanted to appropriate $1,500,000 for the Army and about $750,000 for the Navy to show them off in Philadelphia.

A world's fair is not a place to display our military strength, however, or to prove our preparedness for war.

I can not see the necessity for a demonstration of our Army in Philadelphia. All we need is a couple of music bands and a few airplanes to add to the cheer and the spectacular, and we ought to devote the rest to exhibits of agriculture and science and industry.

In this morning's Washington Post I read a report of a speech of a gentleman about the Spanish War. He claimed that the Spanish-American War made America a great Nation and put the United States on the map as a world power.

I absolutely deny that any war has ever made this Nation great or even helped it to any perceptible degree. And I am also prepared to prove that every war in which we have participated during the short time of our existence as a Nation could really have been avoided with a little foresight and good will.

The most excusable of all our wars was the Revolutionary War. That was really unavoidable in order to make us a Nation.

But the War of 1812 could have been avoided, and did bring us neither honor nor profit. While school histories make much of General Jackson's defense of New Orleans, and of the battles on Lake Erie, this is simply a camouflage in order to avoid telling the school children that in that war we were licked practically all the time. Such knowledge might be detrimental to their childish war patriotism.

The historical fact is that our troops ran away in Indiana, ran away in Michigan, and they finally, in 1814, ran away at Bladensburg, right near here, although our soldiers outnumbered the British six to one. And our "Anglo-Saxon, white, and Protestant" (Nordic) brothers took Washington and burned the Capitol. The British soldiers held a mock meeting of Congress and declared the United States dissolved, and America a British colony. Great Britain was very busy all that time with Napoleon—otherwise we might have fared very badly.

The war with Mexico in 1846 was surely inexcusable. It was opposed by all the best men in Congress. It was a war favored by the South to extend black slavery. It surely did help the United States only in one way—it added to our territory. But wars for the sake of adding territory are not favored much among civilized nations in our time.

Then we had the Civil War. That war also could have been prevented and would have been prevented, if our leading men had followed the advice of Henry Clay. He wanted the Government of the United States to buy the slaves at their full value and liberate them. The slavery question could then have been solved without any bloodshed or waste of treasure.

The extremes on both sides, however, would not listen to that proposition. Nevertheless I deny that the Civil War solved even the Negro question, or any other question for that matter. All it did was to add a few dead-letter amendments to our Constitution. And, of course, the Civil War helped neither the North nor the South.

And now as to the Spanish War. That war also could have been avoided. It was opposed by most of the big men of that time—even by the conservatives. President McKinley was opposed to it. Mark Hanna was opposed to it. Speaker Reed

was opposed to it. The Army and the Navy, and the war patriots, however, wanted to try out our big Navy.

Then came the explosion of the *Maine*. I do not believe that the Spaniards blew up the *Maine*. I do not believe that there is any intelligent man in the Navy to-day who believes it. If the Spaniards had any intention to blow up the *Maine*, they would not have chosen the time when most all of the officers were on land, as was the case that night. Everything points to the fact that the explosion was the result of spontaneous combustion in the coal bunkers of the ship.

The glory that was achieved in the Spanish-American War was cheap enough. The Spanish wooden tubs could not and would not stand up, and even their so-called battleships did not amount to much. And we won great naval battles, like the Battle of Manila, without losing a single man, and the Battle of Santiago, in which we lost one.

What did we achieve by that war that we could not have achieved without war?

The freeing of Cuba and Porto Rico could have been accomplished without war and with less expense by handing Spain a piece of money which that kingdom needed badly. And as for the Philippine Islands, you know what Speaker Thomas B. Reed said about the acquisition of those islands.

Now, as for the World War.

The less said about that the better. And I am not going to say much. Most of the intelligent British opinion of to-day agree that the world would have been better off and that the European countries would have gone back to normalcy after the war if we had not joined as the twentieth nation to bring about a complete knockout of Germany.

The World War would otherwise have been a "partie remis"—a battle in which neither side was a victor—and Europe would have peace now instead of being an armed camp of hate with a half dozen dictators.

And what did we get out of it? Let us see.

Our share was 123,000 dead, about 200,000 maimed, an expenditure of about $40,000,000,000—if we figure in what the All-Lies will not pay—prohibition, the "flu," the American Legion, and the Ku-Klux Klan. Fine things to go to war for.

Now let me tell you what really made this Nation great.

We got one of the richest continents on this globe—perhaps the richest—as a gift and practically free of charge.

We had a continuous stream of the most intelligent, best trained, cheap, and willing labor coming here for 250 years.

We had some of the best inventive geniuses the world has ever produced, and we also made free and full use of all the inventions made by the geniuses of other countries.

We applied the motive power of steam and of electricity as early as any other nation.

It is the railroad systems of this country, the telegraph, the telephones, the steam shovels, the modern plows, the harvesting machines, and appliances of that kind that made this a great nation—not the Spanish-American War.

That war simply started us on the road to imperialism.

I consider the World's Fair in Chicago a greater achievement than the Battle of Manila, and the architect, Burnham, in Chicago, who planned it, a greater man than Admiral Dewey, who was supposed to have started the battle with the famous sentence, "Let her go, Gridley."

I am glad to state that this country has never produced a great, shining military genius like Hannibal, Cæsar, Frederick the Great, or Napoleon.

From the days of George Washington to the days of Pershing our generals were not much above the average in the galaxy of military leaders. We have a right to claim a number of American inventors of world-wide renown, however.

From the days of the spinning jenny, which made cotton king, to the time of steam as motive power for railroads and ships, down to the days of Graham Bell, who utilized the telephone, and Henry Ford, who sells us flivvers, America's inventive genius was always in the front rank.

This is what our exposition is to show, and this is what I hope it will show.

I am very sorry that President Coolidge practiced his economy stunt in cutting down the allowance from $3,000,000 to $2,000,000, as was originally intended by the committee. The President could have, with a great deal more justification and consistency, compelled the paring down of $100,000,000 each from the Army and Navy appropriations. The $200,000,000 could have been used to help education or road building or for the advancement of public-health work in our country.

Mr. Chairman, ladies, and gentlemen, I shall vote for this appropriation. Every world's fair, to my mind, tends to create an era of good feeling among the nations that participate in it and a sort of holiday atmosphere in the country that is arranging it.

But I have said enough. I hope that this appropriation for the world's fair to be held in Philadelphia will be accepted by an overwhelming majority. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. LANHAM. Mr. Chairman, I yield five minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I want to congratulate the House on the apparent revival of patriotic sentiment in this body within the last year. Just how much this $3,000,000 provided in this proposed appropriation has contributed to that condition I am unable to say; but it is certainly encouraging to note the improvement that has apparently been made since February 22, 1925, when this House, for the first time in its history, so far as I know, refused to read, or to have read to it Washington's Farewell Address on the anniversary of his birth. The only exception I know of was in 1921, when the gentleman from Kansas, Mr. Campbell, presumed to read in its stead a speech of his own writing.

Next Monday will be Washington's Birthday, and I am going to renew my effort to reestablish that time-honored custom with which this body had honored itself for more than 100 years. [Applause.]

I hope that every man, and especially my eloquent friend from Illinois [Mr. RATHBONE], who has spoken in behalf of this measure here this afternoon, will help me, in order that that custom may be reestablished, and throughout the centuries that are to come there will never again pass the birthday of the Father of our Country without Congress having read in both Houses that great message—the greatest contribution to America's store of patriotic literature. [Applause.]

Mr. RATHBONE. If the gentleman will yield, I will say that I will be glad to assist the gentleman in having read one of the greatest documents given to man.

Mr. RANKIN. I am delighted, indeed. I think the gentleman's remark expresses what the average American feels.

But, gentlemen, I just wanted to call this matter to the attention of the House again in the hope that next Monday we may redeem ourselves and redeem the House from its shortsightedness a year ago, when it failed and refused to read, or have read to it, the Farewell Message of the Father of his Country. [Applause.]

Mr. LANHAM. Mr. Chairman, I yield nine minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, it is almost a hopeless task for one to attempt to help defeat a bill sponsored by the Vare-Welsh combination. I am for a proper exposition. I have a definite recollection when I was a lad of 4 years of age of the return of my mother and father from the Centennial of 1876. It is an exposition to which the people all over the United States will go; but is there anything connected with this celebration besides patriotism? Is there any money-making scheme connected with it? I have been keeping my ears open and I have been keeping my eyes open and listening and seeing. The people who have tried to get concessions—and there are always concessions connected with such expositions—relate to us that they can not get fair concessions on fair terms unless they will agree to give up most of the probable profits to the business interests of Philadelphia.

Now, when I speak of business interests I mean that same administration there that first employed an Army officer to enforce the law and then when they found out that the commander of the marines meant business and really intended to enforce the law they kicked him out and sent him home, when they thought he was out of a job. It is that administration I have in mind.

Mr. VARE. Will the gentleman yield?

Mr. BLANTON. I yield to the head of that administration. [Laughter.]

Mr. VARE. For the benefit of the distinguished gentleman from Texas and for the benefit of the House in regard to concessions I want to say that the question of concessions is in the hands of the commissioners, John Fisher, president of the Manufacturers' Club; Mr. Caldwell, president of the Corn Exchange National Bank; and Mr. Jordan, of the Keith-Albee Theatrical Co.

Mr. BLANTON. I hope the dictator of Philadelphia will not take up all my time.

Mr. VARE. So I can assure the House there will be no money-making scheme.

Mr. BLANTON. I want to compliment our distinguished colleague, for there is not in Italy to-day a dictator with more power in his baliwick than our distinguished colleague from Pennsylvania now exerts in his home city of Philadelphia.

Mr. WELSH. Will the gentleman yield?

Mr. BLANTON. Not now. The gentleman is one of his lieutenants. [Laughter.] But I want to say this: I have been watching and noticing my friends, and they have been most amusing. He [Mr. VARE] has exhausted the parliamentary rules of this House in an attempt to get this resolution appropriating over $4,000,000 attached to the recent deficiency bill. But he could not do it. There was no parliamentary way by which he could do it. But when he failed there, through the instrumentality of his colleague from Pennsylvania, the old generalissimo of the steering committee [Mr. DARROW], he gets a rule brought in to make in order this $4,000,000 proposition.

There is no such thing as economy in this administration when certain men want certain money for certain parts of the country. When the Vare-Welsh-Darrow combination gets into action they can get $4,000,000 for Philadelphia. I want this exposition, but Herbert Hoover says that $586,000 is enough when you leave the Navy and the Army expenses out of it. I am not for any Army exhibit, I am not for any Navy exhibit. I am for peace-time exhibits only in Philadelphia, and we ought to send only those.

Mr. BERGER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I do not know how on God's earth they roped in the gentleman from Wisconsin, but they have got him. [Laughter.] I can not understand how they did it. [Laughter.]

Mr. BERGER. Mr. Chairman——

Mr. BLANTON. Mr. Chairman, I am sorry I can not yield.

The CHAIRMAN. The gentleman from Texas declines to yield.

Mr. BERGER. Just for one question.

Mr. BLANTON. I yield to the gentleman for that.

Mr. BERGER. Now, of course——

Mr. BLANTON. Oh, do not go into any philosphical dissertation.

Mr. BERGER. Oh, no, no. I would only say that the gentleman is, of course, aware that no great idea was ever contemplated or born, no savior really was ever born without an ox standing nearby chewing his cud, but what I am interested in——

Mr. BLANTON. I can not yield for all that. [Laughter.]

The CHAIRMAN. The gentleman declines to yield.

Mr. BLANTON. I want to tell you what we ought to do, and it would be fair to our friend from Pennsylvania, Mr. VARE; fair to our friend from Pennsylvania, Mr. WELSH; and fair to our friend from Pennsylvania, Mr. DARROW, and what I have said about them has been only in the way of pleasantry——

Mr. WELSH. We take it in that way.

Mr. BLANTON. These gentlemen deserve great credit for what they are doing along certain lines, but in certain other lines I can not give them credit.

Mr. WELSH. What we want is cash, not credit.

Mr. BLANTON. We ought to give this exposition the amount of money that Herbert Hoover said was necessary, and we ought to stop there. We ought to keep these $3,000,000 and the other part of it in the Federal Treasury and not have to take it out of the people's pockets in taxation. You know that is what ought to be done, and that is what you believe ought to be done, but under the whip and spur and lash of the influence that these gentlemen can bring to bear on you you will go along and vote for this, because you think they will help you to get something else through.

Mr. BEEDY. Tell them how much Mr. Hoover said.

Mr. BLANTON. It was a little over $586,000, and that is what we ought to limit them to. That is the way these trades are made here, and these trades ought to stop. The other day when I made a proposal that the $340,000 for bathing beaches ought to be taken out of the revenues of the District—and I offered a motion to recommit—one of my friends came to me and said, "BLANTON, if you will help us put something else over we will give you 20 solid votes for your motion." I said, "What on earth do I care for that? I make no trades of that kind. If this motion of mine appeals to you, vote for it. It is nothing to me whether it passes or not. It is my judgment that it ought to pass, and I am offering this in all sincerity. If it appeals to you, all right; but if you want to vote against it, vote against it; it is your own responsibility." This trading on the floor, Mr. Chairman, ought to stop, and we ought to vote on these matters according to their individual merits, and nothing else. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WELSH. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. UPSHAW].

Mr. UPSHAW. Mr. Chairman and gentlemen, it seems to me that in the discussion of a lofty proposition like this it is a rather material suggestion to come in the form of a question from any of my honest, patriotic colleagues that if we fail to vote governmental aid to this exposition in Philadelphia we are in danger of forgetting the Declaration of Independence. Such a caustic question to those of us who favor an adequate appropriation to the sesquicentennial, it seems to me, is an unjust indictment of the loyal sentiment that controls us. According to that doctrine, if we were to throw down Washington's Monument and blot out Mount Vernon we would forget the Father of His Country, who was "first in war, first in peace, and first in the hearts of his countrymen." According to that doctrine, if we were to grind to ashes those statues out there in our hall of fame we would forget the words and the work of those immortal builders of this Republic.

> Ill fares the land to hastening ills a prey,
> Where wealth accumulates and men decay.

We might change that word "men" to "ideals" and say that it is a dangerous thing for our youth, who are the "to-morrow of this Republic," to hear that a Congress of the United States that expended $5,000,000 to encourage a great exposition in Chicago and $5,000,000 to help encourage a great exposition in St. Louis has quibbled over a matter of two or three million dollars in order that we may properly celebrate the one hundred and fiftieth anniversary of the birth of this Nation in Philadelphia, the very cradle of this Republic. I am uneasy about men who find themselves inveighing against sentiment. "It was sentiment that bathed Marathon and Platæa in blood. It was sentiment that gave Sparta her living souls. It was sentiment that moved Luther to preach and Wyckliffe to die. It was sentiment that rung the Liberty Bell and fired the shot at Lexington." It was sentiment that made your fathers and mine, whether wearing the blue from the wind-swept North or the gray from the sun-kissed South, obey the convictions and follow the ideals that led them toward victory or death; and that, according to Warren G. Harding at the dedication of the Lincoln Memorial, furnished that baptism of blood which united our once-sundered people by "wiping out the ambiguities in the Constitution" of our country.

Mr. Chairman, as a Representative from Georgia, one of the original thirteen Colonies, I do not want the archives of history, nor the records of this House, to find my name recorded in a vote that would cause people across the seas to wonder if the United States is about to forget the day of its birth. [Applause.]

I am glad to remember that I had the honor of standing with our former colleague, Hon. J. Hampton Moore, when he was the mayor of Philadelphia, when that great democrat of the universe, Lloyd-George, came forward and received the liberty of the city.

It was a priceless privilege to stand by that great Christian commoner when, in Liberty Hall, he declared that, "When you did this great thing on this historic spot for yourselves in America, you did even more for my people in England in helping to free them from the mastery and the mandates of kingcraft. [Applause.]

It will be a great stimulus to freedom—the kind of freedom that was born in Liberty Hall—the kind of freedom that we enjoy in America to-day, to have the forward-looking peoples of all the nations of the earth make their pilgrimages of investigation and veneration to this sacred mecca of liberty and light.

And if this sesquicentennial is to attract and impress the foreign nations that have been invited by two Presidents of the United States, there must be imposing buildings, with everything else in keeping with the expectation of our visitors, and the glory of the land we love.

Let no man hurl the charge of commercialism at such a majestic project as this. Of course, no progressive exposition was ever held anywhere without some enterprising business venders making good use of their opportunity. But the great cause to be commemorated is not dimmed by gilded trappings or the "yellow glare of gold."

It is the great fountain of freedom upon whose crystal waters the thirsty peoples of earth will drink, while the ringing tones of the Liberty Bell, sounding down the radiant years since the Fourth of July, 1776, will inspire all who hear and see, to carry American truth and American ideals wherever the God of Nations is speaking to the heart and thought of upward-reaching humanity. [Applause.]

Mr. LANHAM. Mr. Chairman, I yield the remaining 10 minutes to the gentleman from Tennessee [Mr. GARRETT]. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman, I am opposed to this resolution in toto, but I think the prevailing sentiment in the House is for such an amendment of it as will restrict the

appropriation to a Government exhibit. I may be in error about that. That can only be told when the final vote shall come in the Committee of the Whole House. But I do not favor even that, and I am not embarrassed at all personally in stating that position because when this matter originated in the House in the Sixty-seventh Congress I really anticipated that that would occur which has occurred, except that, if I may paraphrase Lord Clive, considering the opportunities of these gentlemen from Philadelphia, I am amazed at their moderation.

The idea of this exposition did not spring, as my dear friend from Georgia has conceived, out of patriotic impulse alone. Philadelphia needs no appropriation from any source whatsoever in order to exhibit the historical places which must inspire patriotism on the part of every person who thinks back over history. If this were an appropriation which provided a way whereby opportunity would be given to people to go to Independence Hall and absorb the spiritual feeling which necessarily ought to be inspired by the very atmosphere of that place I should look with some favor upon it, but that is not the purpose. This is a commercial proposition.

Mr. UPSHAW. Will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. UPSHAW. Could not that indictment be laid at the door of every exposition that reveals the commercial progress of a community?

Mr. GARRETT of Tennessee. Probably my friend is right as to that, but I object to it being done in the name of the Declaration of Independence. [Applause.] My friend from Georgia knows we are not going to forget the Declaration of Independence even if we do not have an exposition over there which will enable people to visit the midways and attend upon whatever form of physical activity has become successor to the "hootchy-kootche" dance of earlier expositions. The idea of this exposition did not spring out of purely patriotic impulse on the part of citizens of Philadelphia. The movement for the exposition sprang, in the main, from commercial desire. For that reason and anticipating that the very situation would arise which has now arisen here, I opposed the original resolution in the Sixty-seventh Congress. It had its beginning along the same lines that so many of these expositions have had, starting in the name of patriotism, and eventually calling upon the Federal Government to contribute in large measure to their financing. Of course, we are not asked in this bill to take over and finance this exposition, but God knows what may happen next year when the deficit occurs. So I intend to vote against the entire bill.

Now, there in another thing. As a legislator of some years' experience, I can not fail to take into consideration what will happen in the Senate if we strike out all except this proposition for a Government exhibit. I know some very influential and splendid gentlemen in that body, and what they may put back into this bill, thus bringing about a parliamentary situation under which we will have to vote the conference report up or down without the slightest opportunity of amending, is not now possible to tell, but it is easily possible for my friend from Massachusetts [Mr. GALLIVAN], for instance, to guess at, because he has served so often on conference committees on appropriation matters between the two bodies. I think we ought to defeat the entire proposition.

Now, I do not know whether it is desired—I have concluded my statement so far as debate upon the bill is concerned—I do not know whether it is desired to undertake to press this matter to a vote this afternoon or not, or whether the gentleman desires to say anything concerning that on the floor now. I will be perfectly plain and frank with the gentleman——

Mr. WELSH. I desire to say to the gentleman I am curtailing my time very materially in order that we may get a vote this afternoon. A lot of gentlemen have made requests for time, which I can not give, because I do not want to hold the House too long.

Mr. GARRETT of Tennessee. I desire to say to the gentleman, if I may, that I have made no effort to keep anyone here or to keep anyone away.

I do not believe the bill will get to a final vote this afternoon, but——

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WELSH. Mr. Chairman, I yield three minutes to the gentleman from Pennsylvania [Mr. VARE].

Mr. VARE. Mr. Chairman and gentlemen of the committee, it is not my purpose to take up the time of the committee as to any reasons that may have been advanced for the passage or nonpassage of this resolution. To my mind the reasons are obvious as to why the resolution should be passed. I am not going to discuss the question as to the extent of patriotism involved, because it seems almost impossible for men to get in their minds the idea that there is other than a patriotic thought behind the passage of this resolution. I want rather in the short time allotted to me to answer some of the suggestions which have been made by those opposing the bill. May I ask this question: What Member of this body would want to see an international exposition without a building for livestock, dairy, and food? What Member would want to see an international exposition without an educaticual building? Who would want to see an exposition without a fine arts building? In these great modern days of progress who would want to see an exposition without a building for transportation?

Some one has asked: How can these buildings be erected? My answer is: I saw the ground on the 1st day of December when it was absolutely vacant; yet, on the 1st day of February there was a great building erected covering seven and a half acres. That has been done in 60 days' time. Surely that eliminates any possibility that the buildings can not be erected.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WELSH. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. VARE. Pennsylvania furnishes one-tenth of the revenues of this country and Philadelphia is the one city in this great country of ours that prior t 1876 ever returned dollar for dollar to the American Government. Surely you men of this great Congress, with this great patriotic idea behind this proposition, would not deny Philadelphia the right to successfully carry on this exposition, not as a municipality, but in such a manner as shall be fitting to the great shrine of our country; an international exposition, if you please, backed by two Presidents of the United States, who have invited the foreign nations of the world to participate.

Where is the Member who would care to discredit this great country of ours, having in mind the fact that you have passed, first, a resolution of Congress inviting the foreign nations of the world to participate and, second, that you made an appropriation of $25,000? You have authorized the governors of the 48 States to appoint two commissioners and they have met. The President of the United States has appointed former Solicitor Gen. James M. Beck as president of the advisory commission.

In this short space of time I submit these few observations, and I hope the Members of this House will rise on this patriotic occasion and give this resolution their hearty support. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. WELSH. Mr. Chairman, I yield myself five minutes. [Applause.]

Mr. Chairman and gentlemen, I want to apologize for having had to refuse time to many Members on both sides of the House, who requested permission to speak in favor of this resolution. We want to get through to-day, and I do not want to keep the Members of the House any longer than necessary.

Now, gentlemen, much has been said here which I would like to answer, but it is impossible, in the short space of time at my command, to answer the various questions that have been raised here by Members who have spoken in opposition to this measure. But I can say this, and I think everyone who has had experience in the House will understand me; your committee, consisting of 15 members, carefully considered this proposition. There were only two dissenting votes, and one member did not vote. However, your committee went into this whole question with the greatest amount of detail. I have here facts, figures, statements, plans, proposals, drafts, and pictures covering 150 pages, which were submitted to your committee. So that every phase, as suggested by the questions raised here to-day, has been gone into by your committee. The result was that your committee voted overwhelmingly in favor of this resolution and instructed the chairman of the committee to take the proceedings which are now being taken.

I will not attempt to answer seriatim the various questions which have been raised. I will rely on that general statement, trusting that you will have confidence enough in your committee to believe that it considered all of these matters intelligently and fairly. I am going to ask you to back your committee in this case as you generally do when a committee has done its full duty and made a favorable report to the House.

Mr. RATHBONE. Will the gentleman yield?

Mr. WELSH. I will.

Mr. RATHBONE. I will state that I have seen these grounds myself, and I will ask the gentleman if it is not a

fact that there is already constructed there, and practically completed, one of the greatest stadiums in all the world? We thought we had a large one in Chicago, but this far eclipses it. Am I correct in that statement?

Mr. WELSH. The gentleman is correct. That stadium is 85 per cent completed and will be ready for occupancy on the 15th of April.

I want to call this particularly to the attention of the House, because it will answer many of the thoughts that may be in the minds of Members: The money we are asking, $2,000,000, is for the construction of the four buildings which Congressman VARE has spoken about. If any Member feels that those buildings can not be constructed in time—notwithstanding the expert advice and bond I explained to you before—I will say that we have provided in the bill for that very contingency, and the committee was unanimous in this, that not one dollar of that money could be expended for the erection of buildings without the written approval of the national commission, that national commission consisting of the Secretary of State and the Secretary of Commerce. The two men who constitute that commission are sure to see that the money is expended wisely and properly, and they will not give their written approval of the expenditure unless that is done. Can you imagine that any Cabinet officer would jeopardize his reputation and his record by approving the expenditure of money on a building that he knew could not be built?

Now, one word with reference to what our friend from Tennessee [Mr. GARRETT] has said. He said this was not conceived in patriotism. Gentlemen, with all due respect to the Democratic leader—and nobody in this House respects him more than I do—I want to give you the opinion of a man in Philadelphia, who has lived there all his life and who knows the men who are back of this proposition. If the gentleman from Tennessee knew those men as I know them and would read the list of names of those men, he would understand that they stand for everything that the people of Philadelphia have stood for in the past 150 years in the way of human advancement, in the way of liberty, in the way of peace, and in the way of everything that makes for humanity. He might search these United States far and wide, and I challenge him to find men and women who stand for anything that is higher in the way of human progress and human development than the men and women whose names were and are on the list of those who are back of this proposition.

Gentlemen of the House, I ask you to pass this bill. [Applause.] Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in order that there may be exhibited at the sesquicentennial exhibition to be held in the city of Philadelphia, Pa., 1926, by the Government of the United States from its executive departments, independent offices, and establishments such articles and materials as illustrate the function and administrative faculty of the Government tending to demonstrate the nature of our institutions and their adaptation to the wants of the people and the progress of our people in the advancement of peace, arts, and industries, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,186,500 for the selection, purchase, preparation, transportation, arrangement, safekeeping, exhibition, and return of such articles and materials as the heads of the several departments, independent offices, and establishments may respectively decide shall be included in said Government exhibit; rent and use of such space and construction of such buildings or other structures as may be necessary; payment of salaries and actual and necessary traveling expenses of officers and employees of the Government detailed to such commission; for such further participation by the several executive departments and establishments as the heads thereof may deem advisable; and such other expenditures as may be deemed necessary by the National Sesquicentennial Exhibition Commission as may be considered proper to c mmemorate the one hundred and fiftieth anniversary of the birth of the Nation: *Provided,* That not more than $250,000 of the aforesaid sum shall be allocated to the Department of War and not more than $350,000 of said sum be allocated to the Department of the Navy, of which latter sum $250,000 shall be used for making the necessary repairs and improvements at the Philadelphia Navy Yard incident to holding this exposition.

Mr. WOODRUM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: Page 2, line 8, after the word "the," strike out the rest of line 8 and line 9, through and including the word "respectively," and insert in lieu thereof the following: "National Sesquicentennial Exhibition Commission may."

Mr. WOODRUM. Mr. Chairman, may I ask the attention of the gentleman from Pennsylvania?

Mr. WELSH. Can we arrive at an understanding as to the time we shall vote on this amendment?

Mr. WOODRUM. I think it will only take a moment to dispose of this amendment. I would like the gentleman to follow me just a moment. It is provided in the first section of the bill that the character and extent of the exhibits are to be decided by the heads of the several departments. The gentleman will see in line 8 the language, "as the heads of the several departments, independent offices, and establishments may respectively decide." Then similar language occurs in line 16, giving the power to the several departments to decide the extent and nature of exhibits. The purpose of my amendment is to put the power in the hands of the National Sesquicentennial Exhibition Commission, which is the Secretary of State and the Secretary of Commerce, so that they will make the decision. If in its final form the bill should merely carry an appropriation for exhibition purposes, according to my judgment it would not be wise or expedient to allow the different heads of the departments to make this decision. There would be a great deal of confusion if each one was undertaking to determine what kind of exhibit should be made. This amendment merely gives the commission which the Congress has created the power to determine the nature and extent of these exhibits.

Mr. WELSH. Mr. Chairman, I am sure the gentleman has offered his amendment in perfect good faith, but I would not want to take any action which would result in impairing the bill in any way; and in order that I may confer with the gentleman, in view of the fact that we evidently can not get through to-day, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration H. J. Res. 153 had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment bills of the following titles:

H. R. 4440. An act granting the consent of Congress to the board of supervisors of Clarke County, Miss., to construct a bridge across the Chunky River, in the State of Mississippi; and

H. R. 4441. An act granting the consent of Congress to the board of supervisors of Neshoba County, Miss., to construct a bridge across the Pearl River, in the State of Mississippi.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 5959) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes" disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. WARREN, Mr. MOSES, Mr. PHIPPS, Mr. OVERMAN, and Mr. HARRIS as the conferees on the part of the Senate.

SENATE BILLS REFERRED

Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 516. An act for the relief of Margaret B. Knapp; to the Committee on Claims.

S. 589. An act for the relief of Clotilda Freund; to the Committee on Claims.

S. 977. An act for the relief of A. V. Yearsley; to the Committee on Claims.

S. 978. An act for the relief of Horace G. Knowles; to the Committee on Claims.

S. 1035. An act relating to contempts; to the Committee on the Judiciary.

S. 1170. An act to provide for the appointment of a commissioner of reclamation, and for other purposes; to the Committee on Irrigation and Reclamation.

S. 1481. An act to authorize the President to appoint Capt. Curtis L. Stafford a captain of Cavalry in the Regular Army; and

S. 1482. An act to authorize the Secretary of War to grant easements in and upon public military reservations and other lands under his control; to the Committee on Military Affairs.

S. 1661. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Mrs. Patrick H. Bodkin; to the Committee on the Public Lands.

S. 2005. An act for the enlargement of the Capitol Grounds; to the Committee on Public Buildings and Grounds.

S. 2037. An act to amend that provision of the act approved March 3, 1879 (20 Stat. L. p. 412), relating to issue of arms and ammunition for the protection of public money and property; to the Committee on Military Affairs.

S. 2038. An act to amend the provisions relating to the sale of ordnance and ordnance stores to the Republic of Cuba contained in the act of August 29, 1916 (39 Stat. L. p. 643); to the Committee on Military Affairs.

S. 2274. An act providing for the promotion of a professor at the United States Military Academy; to the Committee on Military Affairs.

S. 2298. An act to amend section 3 of the act approved September 14, 1922 (chap. 307, 42 Stat. L., pt. 1, pp. 840–841); to the Committee on Military Affairs.

S. 2475. An act to amend an act entitled "An act to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia," approved June 7, 1924; to the Committee on Military Affairs.

Joint resolution (S. J. Res. 9) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress, and fixing the time of asembling of Congress; to the Committee on the Election of President, Vice Prsident, and Representatives in Congress.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 6515. An act granting the consent of Congress to the Gateway Bridge Co. for construction of a bridge across the Rio Grande between Brownsville, Tex., and Matamoros, Mexico;

H. R. 4032. An act granting consent of Congress to the Brownsville & Matamoros Rapid Transit Co. for construction of a bridge across the Rio Grande at Brownsville, Tex.;

S. 2464. An act to amend section 95 of the Judicial Code, as amended; and

S. 1493. An act to provide for the inspection of the battle fields and surrender grounds in and around old Appomattox Court House, Va.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FREDERICKS, from February 5, indefinitely, on account of illness.

Mr. BOX (at the request of Mr. BLACK of Texas), for two days, on account of illness.

Mr. LAZARO (at the request of Mr. SANDLIN), on account of illness.

SESQUICENTENNIAL CELEBRATION

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the sesquicentennial resolution.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. PATTERSON. Mr. Speaker, I am in favor of this bill, because it will give the Members of this representative body of American citizens, as well as millions of others, not only an opportunity to visit the sesquicentennial celebration in Philadelphia and renew their patriotism on the one hundred and fiftieth anniversary of the signing of the immortal Declaration of Independence but it will also allow them the pleasure of viewing one of the wonders of the world, and by means of that wonder visit my home city—the magic city of Camden, N. J. The wonder that I refer to is the great bridge being completed between Camden and Philadelphia across the historic Delaware River, at a cost of approximately $30,000,000, and which will be dedicated on July 4 next. It is the longest suspension bridge in the world—the realization of a dream of 100 years—and will always remain a monument to the genius of that great engineer, Ralph Moyeski, its designer.

Its great piers on one side rest in the heart of the city of Camden, which in the last two years has had a wonderful awakening. There are 22 municipalities in as many States in this Union named Camden, but Camden, N. J., claims the distinction of being the oldest and largest of them all. During the past year it has enjoyed a real estate boom that has only been rivaled by that in Florida—land that was formerly held at $100 a front foot has increased in value to $5,000 a front foot—and this modest city of 120,000 population promises in a few years to become a teeming metropolis of half a million. A new hotel, named after Walt Whitman, the "good, gray poet," who lived and did his best work in Camden, was opened six months ago, and is already paying dividends. During the past year the city has erected and opened the tenth largest convention hall in the United States. Camden workmen build our battleships, and the largest airplane carrier in the world—the *Saratoga*—costing $30,000,000, is nearing completion there at the yards of the New York Shipbuilding Co. Camden also makes all our pens at the Easterbrook and Hunt factories. It is the home of "His Master's Voice"—the wonderful orthophonic Victor talking machine—and it feeds the world with billions of cans of Campbell's soups. The largest furniture store in the world—Van Scivers—is located in Camden, and it has also realized the dream of the late lamented Vice President Marshall in the manufacture of a good 5-cent cigar. Camden is the home of many other bustling industries; it is a city of great historic interest and filled with energetic, enterprising citizens—the equals of any in America. It is hoping for a new post office under the Elliott bill, and a 40-foot channel along its river front so that it may become a port of entry. The city and its residents will warmly welcome you when you visit the sesquicentennial in Philadelphia. They hope you will cross the wonder bridge and visit them and the south Jersey exposition, to be held there next summer, under the auspices of the chamber of commerce, at the new civic center, which promises to be an exhibition equally as attractive as the Philadelphia sesquicentennial, but in no sense to be considered a rival or in any way to detract from the prestige or glory of that rededication of the flag that made us free.

ADJOURNMENT

Mr. WELSH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 7 minutes p. m.) the House adjourned until to-morrow, Wednesday, February 17, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 17, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON AGRICULTURE

(10 a. m.)

Authorizing an appropriation to be expended under the provisions of section 7 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers" as amended (H. R. 271).

COMMITTEE ON APPROPRIATIONS

(10 a. m.)

District of Columbia appropriation bill (subcommittee).

COMMITTEE ON FOREIGN AFFAIRS

(10.15 a. m.)

To provide for the expenditure of certain funds received from the Persian Government for the education in the United States of Persian students (H. J. Res. 111).

For the acquisition or erection of American Government buildings and embassy, legation, and consular buildings (H. R. 6771).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

Department of National Defense.

COMMITTEE ON MINES AND MINING

(10.30 a. m.)

Providing for a mine-rescue station and equipment at Madisonville, Ky. (H. R. 3879).

COMMITTEE ON THE POST OFFICE AND POST ROADS

(10 a. m.)

Declaring pistols, revolvers, and other firearms capable of being concealed on the person nonmailable and providing penalty (H. R. 4502) (subcommittee).

Bills relating to the Railway Mail Service (subcommittee).

COMMITTEE ON WAYS AND MEANS

(10.30 a. m.)

To amend sections 2804 and 3402 of the Revised Statutes (H. R. 8997) relating to the importation of cigars.

COMMITTEE ON NAVAL AFFAIRS
(10.30 a. m.)

Proposed five-year aviation program for the Navy Department.

COMMITTEE ON IRRIGATION AND RECLAMATION
(10 a. m.)

Adjustment of water charges on reclamation projects.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

357. A letter from the Secretary of the Navy, transmitting a proposed draft of a bill "To amend the act entitled 'An act making appropriations for the naval service for the fiscal year ending June 30, 1911, and for other purposes,' approved June 24, 1910"; to the Committee on Naval Affairs.

358. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination of Nantucket Harbor, Mass., with a view to securing a channel from the head of the harbor to the ocean; to the Committee on Rivers and Harbors.

359. A communication from the President of the United States, transmitting a proposed draft of legislation submitted by the legislative establishment, Government Printing Office (H. Doc. No. 256); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SCOTT: Committee on the Merchant Marine and Fisheries. H. R. 9272. A bill to tender the thanks and appreciation of the Congress of the United States for heroic service rendered by the officers and crews of the steamships *President Roosevelt, President Harding, American Trader, Republic,* and *Cameronia;* without amendment (Rept. No. 302). Referred to the House Calendar.

Mr. ARENTZ: Committee on the Public Lands. H. R. 8590. A bill granting certain lands to the city of Sparks, Nev., for a dumping ground for garbage, and other like purposes; with amendments (Rept. No. 305). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 290. A bill to amend section 99 of the act to codify, revise, and amend the laws relating to the judiciary, and the amendment to said act approved July 17, 1916 (39 Stat. L. ch. 248); without amendment (Rept. No. 306). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WALTERS: Committee on Claims. H. R. 815. A bill for the relief of O. H. Lipps; with an amendment (Rept. No. 303). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 1465. A bill for the relief of Arthur F. Swanson, and for other purposes; with an amendment (Rept. No. 304). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 579) granting a pension to Harriet L. Messenger; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 8473) granting a pension to William Petzold; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARBOUR: A bill (H. R. 9387) to revise the boundary of the Sequoia National Park, Calif., and to change the name of said park to Roosevelt-Sequoia National Park; to the Committee on the Public Lands.

By Mr. EDWARDS: A bill (H. R. 9388) for establishing a forestry experimental station and national park at the Old Stockade, near Millen, in Jenkins County, Ga., and for other purposes; to the Committee on Agriculture.

By Mr. SINCLAIR: A bill (H. R. 9389) to provide for the establishment of a dairying and livestock experiment station at Mandan, N. Dak.; to the Committee on Agriculture.

By Mr. TIMBERLAKE: A bill (H. R. 9390) to eliminate certain privately owned lands from the Rocky Mountain National Park and to transfer certain other lands from the Rocky Mountain National Park to the Colorado National Forest, Colo.; to the Committee on the Public Lands.

By Mr. PERLMAN (by request): A bill (H. R. 9391) to further railroad construction in Alaska and to secure the Government the use of the same for postal, military, telegraph, and other purposes; to the Committee on the Territories.

By Mr. TYDINGS: A bill (H. R. 9392) granting the consent of Congress to the State Roads Commission of Maryland, acting for and on behalf of the State of Maryland, to alter and widen the bridge, and alter, widen, and reconstruct the draw span of the present highway bridge across the Susquehanna River, between Havre de Grace, in Harford County, and Perryville, in Cecil County; to the Committee on Interstate and Foreign Commerce.

By Mr. COOPER of Wisconsin: A bill (H. R. 9393) authorizing the construction of a bridge across Rock River at the city of Beloit, county of Rock, State of Wisconsin; to the Committee on Interstate and Foreign Commerce.

By Mr. VARE: A bill (H. R. 9394) to amend the national prohibition act, as supplemented, in respect of the definition of intoxicating liquor; to the Committee on the Judiciary.

By Mr. BACON: A bill (H. R. 9395) to provide a permanent government for the Virgin Islands of the United States, and for other purposes; to the Committee on Insular Affairs.

By Mr. TINCHER: A bill (H. R. 9396) to prevent discrimination against farmers' cooperative associations by boards of trade and similar organizations, and for other purposes; to the Committee on Agriculture.

By Mr. NEWTON of Minnesota: A bill (H. R. 9397) to provide for an inventory of the water resources of the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ZIHLMAN: A bill (H. R. 9398) to amend an act regulating the height of buildings in the District of Columbia, approved June 1, 1910; to the Committee on the District of Columbia.

By Mr. FREE: A bill (H. R. 9399) to amend section 2 of an act entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to the Committee on the Merchant Marine and Fisheries.

Also, a bill (H. R. 9400) to amend section 313 of the tariff act of 1922; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALDRICH: A bill (H. R. 9401) granting a pension to Emma E. Chase; to the Committee on Invalid Pensions.

By Mr. ALLGOOD: A bill (H. R. 9402) for the relief of Martha Andrew Virginia Johnson; to the Committee on Military Affairs.

Also, a bill (H. R. 9403) granting a pension to Mary Suttan; to the Committee on Invalid Pensions.

By Mr. BEERS: A bill (H. R. 9404) granting a pension to Martha E. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9405) granting an increase of pension to Rebecca Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9406) granting an increase of pension to Sidney Morgan; to the Committee on Invalid Pensions.

By Mr. BLACK of New York: A bill (H. R. 9407) granting a pension to Oskar Hofstrand; to the Committee on Pensions.

Also, a bill (H. R. 9408) granting a pension to Thomas Keenan; to the Committee on Pensions.

By Mr. BOWMAN (by request): A bill (H. R. 9409) for the relief of the widow and minor children of Gordon H. Meek, deceased; to the Committee on the Post Office and Post Roads.

By Mr. BRIGHAM: A bill (H. R. 9410) granting a pension to Nellie J. Brown; to the Committee on Invalid Pensions.

By Mr. DEMPSEY: A bill (H. R. 9411) granting a pension to Jennie E. Benedict; to the Committee on Invalid Pensions.

By Mr. EDWARDS: A bill (H. R. 9412) for the return of certain documents and minutes to Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., now in the collection of Georgia manuscripts in the Library of Congress, said lodge

being the rightful owner thereof; to the Committee on the Library.

By Mr. ROY G. FITZGERALD: A bill (H. R. 9413) granting a pension to Daniel Heistand; to the Committee on Pensions.

By Mr. FREE: A bill (H. R. 9414) granting an increase of pension to Juliette Emberson; to the Committee on Invalid Pensions.

By Mr. GARDNER of Indiana: A bill (H. R. 9415) granting a pension to Carrie Barbara Hartwick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9416) granting a pension to Joseph Conrad Hartwick; to the Committee on Invalid Pensions.

By Mr. GLYNN: A bill (H. R. 9417) to correct the military record of Owen McCuen; to the Committee on Military Affairs.

Also, a bill (H. R. 9418) granting a pension to Frank G. Lind; to the Committee on Pensions.

By Mr. LEHLBACH: A bill (H. R. 9419) for the relief of John N. Bassin; to the Committee on Naval Affairs.

By Mr. LONGWORTH: A bill (H. R. 9420) granting a pension to Emma B. Weaver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9421) granting an increase of pension to Mary Collins; to the Committee on Pensions.

Also, a bill (H. R. 9422) granting an increase of pension to John C. Ballman; to the Committee on Pensions.

By Mr. LOZIER: A bill (H. R. 9423) granting an increase of pension to Elizabeth E. Switzer; to the Committee on Invalid Pensions.

By Mr. MENGES: A bill (H. R. 9424) granting an increase of pension to Rebecca Kraft; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9425) granting an increase of pension to Catharine Smyser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9426) granting an increase of pension to Catharine B. Swartz; to the Committee on Invalid Pensions.

By Mr. MORIN: A bill (H. R. 9427) for the relief of Gilbert B. Perkins; to the Committee on Claims.

By Mr. OLDFIELD: A bill (H. R. 9428) granting an increase of pension to Josie Brown; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 9429) granting a pension to Margaret McMurray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9430) granting an increase of pension to Susan Denison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9431) granting an increase of pension to Sabrina E. Ide; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9432) granting an increase of pension to Mary Emily Hulet; to the Committee on Invalid Pensions.

By Mr. PERKINS: A bill (H. R. 9433) for the relief of Alexander Edward Metz; to the Committee on Naval Affairs.

By Mr. RAGON: A bill (H. R. 9434) granting a pension to Alice E. Howsley; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 9435) granting a pension to Charles Henry Pope; to the Committee on Pensions.

Also, a bill (H. R. 9436) granting a pension to Charles T. Lefler; to the Committee on Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 9437) granting a pension to William Hibbard; to the Committee on Pensions.

Also, a bill (H. R. 9438) granting a pension to Allie Gregory; to the Committee on Pensions.

By Mr. ROUSE: A bill (H. R. 9439) providing for a survey of a route for a military road between Camp Knox Military Reservation in Hardin County, Ky., and Fort Thomas Military Reservation in Campbell County, Ky.; to the Committee on Military Affairs.

By Mr. ROWBOTTOM: A bill (H. R. 9440) granting a pension to Elmer G. McAllister; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9441) granting an increase of pension to Sophonia A. Wade; to the Committee on Invalid Pensions.

By Mr. SEARS of Florida: A bill (H. R. 9442) granting an increase of pension to Margaret Sweet; to the Committee on Invalid Pensions.

By Mr. SEGER: A bill (H. R. 9443) granting an increase of pension to Martha Bogert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9444) granting an increase of pension to Bessie M. Trenor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9445) granting an increase of pension to Mary Pierce; to the Committee on Invalid Pensions.

By Mr. SPEAKS: A bill (H. R. 9446) granting a pension to Margaret Drummond; to the Committee on Invalid Pensions.

By Mr. TINCHER: A bill (H. R. 9447) granting an increase of pension to Sarah E. Emery; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 9448) for the relief of John Hughes; to the Committee on Military Affairs.

By Mr. WOODRUFF: A bill (H. R. 9449) granting a pension to David Tazeler; to the Committee on Pensions.

By Mr. ZIHLMAN: A bill (H. R. 9450) to authorize the refund of $25,000 to the Columbia Hospital for Women and Lying-in Asylum; to the Committee on the District of Columbia.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

705. By Mr. BARBOUR: Resolution adopted by California Federation of Women's Clubs, reaffirming belief in prohibition and the Volstead Act; to the Committee on the Judiciary.

706. Also, resolution adopted by United Veterans Council, San Francisco, Calif., indorsing Reed-Johnson bill, providing that quota restrictions be suspended for one year for persons residing in foreign countries who were in the military service of the United States during World War; to the Committee on Immigration and Naturalization.

707. By Mr. BURTON: Petition adopted by the Ohio Seed Improvement Association, Columbus, Ohio, favoring the passage the so-called Ketcham bill, requiring the distinctive marking by color of all imported red clover and alfalfa seed; to the Committee on Agriculture.

708. By Mr. FULLER: Memorial of the city of Morris, Grundy County, Ill., for a Federal post-office building; to the Committee on Public Buildings and Grounds.

709. By Mr. GALLIVAN: Petition of William Coakley, commander Major O'Connor Camp, No. 4, United Spanish War Veterans, Dorchester and Fourth Streets, South Boston, Mass., recommending early and favorable consideration of legislation to increase the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

710. Also, petition of Massachusetts Society, Dames of the Loyal Legion, protesting the turning over to the Daughters of the Confederacy of the house known as the Robert E. Lee Mansion in Arlington as a memorial to Gen. Robert E. Lee; to the Committee on the Library.

711. By Mr. GARBER: Resolution by the Pencil Makers Association, in re antitrust laws, and favoring remedial legislation for the correction of present conditions; to the Committee on Interstate and Foreign Commerce.

712. Also, resolution by the Hawaii Educational Association, indorsing the Curtis-Reed education bill (S. 291 and H. R. 500); to the Committee on Education.

713. Also, resolutions adopted by the American Supply & Machinery Manufacturers Association, urging that legislation for the modification of the Clayton Act and the Federal Trade Commission act be considered; to the Committee on Interstate and Foreign Commerce.

714. By Mr. HOOPER: Petition of Anthony Gavin and 12 other citizens of Kalamazoo, Mich., in favor of an increase in the rates of pension of Indian wars survivors; to the Committee on Pensions.

715. By Mr. KINDRED: Resolution by the American Legion of Kings County, N. Y., urging the Congress of the United States to support a measure for the relief of Alonzo Campbell, captain of the Twenty-fourth United States Infantry; to the Committee on World War Veterans' Legislation.

716. By Mr. McDUFFIE: Memorial of Charles S. McDowell, lieutenant governor and president of the State Senate of the State of Alabama, and the following senators from said State: B. de G. Waddell, twenty-seventh district; Robert H. Jones, seventeenth district; A. A. Carmichael, twenty-third district; A. L. Hardlan, tenth district; R. H. Powell, twenty-sixth district; Leon G. Brooks, twenty-first district; G. E. Jones, twenty-fourth district; H. M. Caffry, sixteenth district; J. M. Bonner, twenty-second district; Charles B. Teasley, twenty-first district; John W. Overton, ninth district; John Craft, Mobile district; A. A. Griffith, Cullman district; S. C. Oliver, Talladega district, indorsing the action of the United States Senate in striking out the inheritance or estate-tax provision of the revenue bill; to the Committee on Ways and Means.

717. Also, memorial of the following representatives in the legislature of the State of Alabama: R. T. Goodwyn, Montgomery County; R. H. Arington, Montgomery County; J. G. Hubbard, Pike County; T. M. Gaines, Houston County; James A. Smith, Clay County; H. A. Terrell, Russell County; H. M. Sessions, Coffee County; John A. Dickinson, Autauga County; O. D. Sanders, Conecuh County; J. W. Le Maistre, Covington County; H. Grady Tiller, Geneva County; J. Lee Long, Butler County; W. D. Graves, Tallapoosa County; William Vernen, Macon County; O. W. Melton, Elmore County; Lee Hornsby,

Elmore County; E. G. Glover, Henry County; J. N. Poole, Butler County; W. O. Walton, Chambers County; Y. L. Burton, Chambers County; D. T. Ware, Randolph County; J. P. Hall, Bullock County; S. M. Dunwoody, Henry County; R. C. Smith, Lee County; J. A. Walker, Lee County; J. B. Moxley, Crenshaw County; R. M. Guy, Lounds County; A. M. Tunstall, Hale County; J. C. Lee, Perry County; W. C. Christian, Hale County; Fred Fite, Jefferson County; Henry Hawze, Jefferson County; M. L. Jeter, Jefferson County; R. E. Smith, Jefferson County; W. G. Allen, Marengo County; Henry McDaniel, Marengo County; V. F. Kilborne, Mobile County; W. H. Holcombe, jr., Mobile County, indorsing the action of the United States Senate in striking out the inheritance or estate-tax provision of the revenue bill; to the Committee on Ways and Means.

718. By Mr. O'CONNELL of New York: Petition of the Disabled American Veterans of the World War, located in Tupper Lake, N. Y., Federal Hospital, favoring the proposed amendment to the present Reed-Johnson bill; to the Committee on World War Veterans' Legislation.

719. By Mr. RATHBONE: Petition of the city of Morris, Ill., for the construction of a new post-office building and that it be referred to the Committee on the Post Office and Post Roads; to the Committee on the Post Office and Post Roads.

720. By Mr. THOMPSON: Petition of Scott Corps No. 18, Woman's Relief Corps of Van Wert, Ohio, favoring the passage of a bill for the relief of Civil War soldiers and their widows; to the Committee on Invalid Pensions.

721. Also, resolution of the Ohio Brotherhood of Threshermen, favoring the proposed amendment to the food and drug act making provision for the use of domestic corn in the manufacture of sugar; to the Committee on Interstate and Foreign Commerce.

722. By Mr. WATSON: Petition of the voters of the ninth congressional district of Pennsylvania, urging strict enforcement of the eighteenth amendment; to the Committee on the Judiciary.

SENATE

WEDNESDAY, *February 17, 1926*

Rev. Wallace Radcliffe, D. D., of the city of Washington, offered the following prayer:

Almighty God, we thank Thee for the light and for our eyes that see the light. Crown us this day with Thy continuous loving kindness and tender mercy, and especially bless those to whom the morning comes with special distress and anxiety and burden. We remember especially Thy servant, the Chaplain of the Senate, to whom Thou hast come with sore bereavement, and pray that by Thy Spirit Thou wilt grant to him comfort and consolation as he has brought to others and bring to him the joyous hope of resurrection and the life.

Make Thy presence here manifest to the Senate that Thou wouldst guide them in Thy loving providence and protect them by Thine angels from danger and burden and undue care and anxiety, and especially endow them with wisdom that through their consultation and by their enactment there may prevail truth and justice, goodness and mercy, and piety and the fear of God, that through them there may come to this Nation freedom from national sin, peace and prosperity, and the fear of God in all our borders, to the blessedness of the Nation and to the glory of Thy name. In Jesus Christ. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

JAMES O. WILLIAMS

The VICE PRESIDENT laid before the Senate a communication from the Assistant Secretary of Commerce, transmitting draft of a proposed bill authorizing the Comptroller General of the United States to relieve James O. Williams, former special disbursing agent of the Bureau of the Census, in the settlement of his account, that the department recommends be enacted into law during the present session of Congress, which, with the accompanying papers, was referred to the Committee on Claims.

THE AGRICULTURAL SITUATION

Mr. BROOKHART. Mr. President, the financial writers are having much to say about the condition of agriculture in these times. I find that Mr. Hinman has figured out that the prosperity of agriculture is not necessary any longer to the prosperity of the Nation. In an article recently published he has given some figures and some of the logic of the situation which tend to prove that conclusion. It is ruthless in its attitude toward agriculture and amounts practically to a statement that the other business of the country does not any longer care whether the farmer is prosperous or bankrupt. I ask unanimous consent that the article may be inserted in the RECORD as a warning of the situation that is coming and the attitude toward agriculture.

The VICE PRESIDENT. Without objection, it is so ordered. The article is as follows:

[From the Washington Herald, February 4, 1926]

RELIEF FOR FARMERS NOT VITAL TO CONTINUED PROSPERITY OF NATION, IS HINMAN'S BELIEF

(By George Wheeler Hinman)

CHICAGO, February 3.—If the farmers prosper, the country is prosperous. If the farmers are not prosperous, the prosperity of the country is blighted.

Statements of this sort have met the eye every day for a month in reports of farm conventions, in the pages of the CONGRESSIONAL RECORD, and in business predictions for this year, 1926. They met the eye to-day; if they were true, the outlook for the American people and their business occupations in 1926 would be gloomy enough. But the statements are not true.

Farm conditions have been out of joint in the United States, as in most other countries, for the last five years. Yet United States business has carried the handicap and mounted to the greatest heights in its history. Would the Nation's business have mounted higher if the farmers had been more prosperous? Undoubtedly. But that is not the point.

The point—the big and important point—is that this Nation's business can prosper, has prospered, and is prospering even though farming suffers reverses and, in some places, is blighted by misfortune.

How does this come to pass?

It comes to pass because a multitude of giant enterprises and industries have arisen in the United States. It comes to pass because, instead of being largely a farmers' country, this is to-day largely a manufacturers' country, an industrialists' country, a workingmen's country. How is the change working out in business just now? Let us see.

The building business this year is expected to produce about $1,800,000,000 worth of homes in the United States. The figures are not exact but not far from right. In this vast sum at least 16 different classes of workingmen and managers and a vast army of materials men will have their shares.

For example, something like $400,000,000 will go for foundations and masonry and the stonemasons' wages; about $400,000,000 more for carpenters' materials and carpenters' wages; some $140,000,000 for lathing and plastering and lathers' and plasterers' wages; nearly $120,000,000 for plumbing and plumbers' wages, besides other millions for painting, hardware, and so on and so on.

So much for the home-building industry and the vast variety of labor and materials among which it will dispense money and prosperity. But home building is to be only a fraction of the whole building industry.

Home building may distribute its $1,800,000,000 in the Nation, but the building industry as a whole is expected to distribute three times that amount, perhaps even $6,000,000,000. Nor is that the end, for the building industry is part of what is known as the great construction industry, and the Nation's construction industry is likely to add some $2,000,000,000 or $3,000,000,000 to the total.

So here is one single industry which, with its enterprise and expenditures, will occupy at least 3,000,000 men, support 12,000,000 population, and keep the machinery of productive enterprise moving in scores of remote places all the way from Oregon to Pennsylvania.

The construction industry is given simply as an example. The iron and steel industry, the automobile industry, the petroleum industry, and half a dozen other industrial giants are bound to operate, ramify, occupy men, consume raw materials, and circulate capital throughout the Nation. In addition, of course, there are to be reckoned the countless enterprises of moderate size that operate in their train.

What does all this come to in reckoning the prosperity of the Nation? To this—that industrially the United States has grown to such size that its mines and factories produce nearly $50,000,000,000 a year compared with perhaps a quarter of that amount produced on farms, and that, therefore, as much as farm depression is to be deplored, and desirable as it is to relieve that depression, the fact remains that the Nation's industry is powerful enough to create and continue prosperity, even though agriculture lag behind.

Important as farm relief may be, there is only foolishness in the prediction that unless relieved at once the troubles of the farmers mean general business disaster and prosperity's collapse.

The Nation's business has passed out of the stage where such predictions prove true. In fact, the whole business history of the last three years shows that they belong to a period which, for good or evil, this country has left behind.

Mr. BROOKHART. Mr. President, again in an article this morning Mr. Hinman sizes up the situation in the West and attributes all agricultural troubles to the automobile. That is an old argument that we have heard for a long time. I am not blaming the Senator from Michigan [Mr. COUZENS], as he will see in a moment. Mr. Hinman gives the figures relative to the number of automobiles that have been bought in the 12 Western States that are now saying so much about the condition of agriculture, but he does not show any knowledge of the necessity for the use of the automobile. He does not seem to know that a Ford car is as much a utility for the farmer in these times as a driving team was in the old days. The ordinary farm can not be operated without that service. It costs less to buy a Ford car from the Senator from Michigan [Mr. COUZENS], when he made them, and costs less even now, than it does to own a driving team and a proper vehicle for the team, and it costs less to maintain the Ford. The service that a farmer gets out of his car is very much greater than it would be from a team. Yet the financial writers describe the purchases of automobiles by farmers and those in the farming States as an evidence that they are in a state of prosperity, notwithstanding the fact that mortgages are being foreclosed in Iowa, I believe he said, on 165,000 acres of land.

Mr. HARRISON. May I ask who was the writer of the article to which the Senator has referred?

Mr. BROOKHART. George W. Hinman.

Mr. HARRISON. I would like to say that I expect if the truth were known about this writer it would disclose that he is riding around in either a Lincoln or a Packard, and he is finding fault with the farmer for using a Ford.

Mr. BROOKHART. I can not say that his attitude is wholly hostile toward the farmer. I would rather say he is stating some of the facts, but in reference to the automobiles he has no knowledge of their utility. I desire that the article be inserted in the RECORD.

The VICE PRESIDENT. Without objection, the article will be printed in the RECORD.

The article is as follows:

[From the Washington Herald, February 17, 1926]

MILLIONS SPENT FOR AUTOMOBILES BELIE WAIL OF POVERTY IN FARMING STATES, HINMAN SAYS

(By George Wheeler Hinman)

CHICAGO, February 16.—A new call for farm relief comes from a farm organization which represents 12 farm States.

The States are Ohio, Minnesota, Iowa, Missouri, North and South Dakota, Nebraska, Kansas, Indiana, Illinois, Wisconsin, and Michigan. This is the usual list. These are the States which are supposed to suffer most from the collapse of farm values, from lack of credit to carry farm mortgages, from too low prices for crops, from too high taxes, and too many foreclosures.

In several respects the farm conditions are even more distressing than stated in this latest call for farm relief. In Iowa, for example, one authentic report is that 165,000 acres have been foreclosed on and taken away from the men who once owned them and are in the hands of the Iowa banks. This Iowa story alone is a business tragedy, and there are others.

Many reasons are given every day for such business tragedies in the 12 farming States. One of the plainest and simplest is lack of money or credit, or both.

There are deeper and remoter reasons, but lack of money and credit is the surface reason commonly given. It seems plain and exact, and yet it isn't. There are complications.

For example, an automobile review came to hand yesterday with the automobile registrations of all the States. What do these registrations show for the States where there is supposed to be a famine of money and credit for farm relief? They show that in Ohio the people have nearly 250,000 more motor vehicles than two years ago; in Minnesota, 120,000; in Iowa, 92,000; in Missouri, 130,000; in North Dakota, 35,000; in South Dakota, 37,000; in Nebraska, 50,000; in Kansas, 85,000; in Indiana, 135,000; in Illinois, nearly 300,000; in Wisconsin, 140,000; in Michigan, 275,000.

In the last two years, then, there has been enough loose money and credit in those 12 States to enable the people to own and operate nearly 1,700,000 more machines than they formerly owned and operated. Or, in other words, the people of those 12 States alone have to-day something like a billion and a half more money and credit invested in machines than they had two years ago.

In Iowa, for instance, where at present the distress is keenest and loudest, the people put something like $90,000,000 new money and credit into machines while the 165,000 acres of farm lands were being foreclosed on for lack of money and credit to carry them through the present farm emergency. In North and South Dakota together the new investment of money and credit in machines has been about $70,000,000. In Wisconsin, from which many bitter complaints come to this office, the new investment of money and credit in machines has amounted probably to $140,000,000 in the last two years.

If the cost of operating all the new machines in the 12 States since 1923 were to be added, the total would be an amount almost beyond belief. As it is, the increased investment in machines for the two years comes to a far larger amount of money and credit than the whole annual wheat crop of the whole United States would come to if sold for $2 a bushel, cash in hand.

Do these figures suggest that there is no real farm distress in the 12 farm States that are calling for help? No; but they suggest several other things. They suggest that these States still have a lot of loose money to spend; that there is in them no general famine of money, credit, or fluid capital; that they are not wholly dependent on either the United States Treasury or the "money lenders of Wall Street" for funds for farm relief; that, however distressed in spots, their people as a whole are probably not unprosperous, and surely at worst are very far from being dead beat or dead broke.

Of course, the automobile is not an exact measure of prosperity. Yet it is not a necessary of life or even of business. For example, the 44,000,000 British still live and transact a great amount of business, although they own only one-fourth the number of machines that are owned in the 12 States in question. And for this very reason—that it is not a necessary of life—the automobile, in this case, at least, indicates a fair degree of prosperity, even if it fails to measure that prosperity accurately.

What is the lesson? In the turmoil and outcry of the present a lot of persons elsewhere seem to be getting the idea that large parts of the Middle West are being harrowed with hard times, or, if not harrowed already, are about to be harrowed. The foregoing figures are given merely to shed a little light upon this idea—to suggest that even if a minority suffer and need relief, the majority seem to be moving along prosperously and optimistically—perhaps even too optimistically.

THE PARTY OF LINCOLN

Mr. BROOKHART. Mr. President, I ask unanimous consent that there may be inserted in the RECORD an address by the junior Senator from Missouri [Mr. WILLIAMS] at the Lincoln day banquet in Springfield, Mo. I think it is rather a notable speech and deserves publication in the CONGRESSIONAL RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

ADDRESS OF SENATOR GEORGE H. WILLIAMS AT THE LINCOLN DAY BANQUET, SPRINGFIELD, MO., FEBRUARY 12, 1926

THE PARTY OF LINCOLN

America started her career on virgin soil. She was the child of the fullness of time. Out of the experiences of the ages of human life she drafted a new political philosophy. She stated a national ethic of the natural equality of all men. She was the only daughter of freedom. Her fame extended to the ends of the earth and from her the human race took hope. Her inheritance included all that was good and noble and inspiring of the past. She renounced and disclaimed all kinship with monarch and aristocrat. Her only hereditary stain was slavery.

In 1772 the Legislature of Virginia petitioned the British King to stop the slave trade because it was of "great inhumanity" and was opposed to the "security and happiness" of his constituents and "would in time have a most destructive influence and endanger their very existence." The King answered that "upon pain of his highest displeasure the importation of slaves should not be in any respect obstructed."

In 1773 Patrick Henry said: "A serious view of this subject gives a gloomy prospect to future times."

In the same year George Mason said to the Virginia Legislature: "The laws of impartial Providence may avenge our injustice upon our posterity."

In the Continental Congress Jefferson branded the slave trade as piracy; he wrote into the Declaration of Independence that "all men are created equal"; he placed a proviso in the ordinance that dedicated the entire Northwestern Territory to the labor of free men; and after vain efforts at measures of emancipation, he said: "I tremble for my country when I reflect that God is just and his justice can not sleep forever."

George Washington proposed that Virginia should abolish slavery by a public act, but all he could do was to bequeath freedom to his own slaves.

Madison opposed the annexation of Texas lest his countrymen fill it with slaves and he went to his death with the cheerless words that "No satisfactory plan has yet been devised for taking out the stain."

That group of great Virginia sages, statesmen, and patriots passed away. The cotton gin had been invented and the labor of the slave became of great profit. The new generation which followed was impatient that the institution of slavery should be regarded as unwise or unjust. They adopted the theory that it was good and not evil. They insisted it was a blessing to the slave and to the master and they determined to keep it and extend it. The philosophy of man accommodates itself to his desires and purposes.

The new school of the South determined to secure an equality of representation for their States in the United States Senate. New territories were annexed—Louisiana, Florida, Texas, and half of Mexico. Then came Missouri and the great struggle over her admission into the Union, the Missouri compromise, the Kansas-Nebraska act, the Dred Scott decision, the Republican Party, and Abraham Lincoln.

New States had entered the Union with alternate regularity as slave and free. Kentucky had offset Vermont; Tennessee—Ohio; Louisiana—Indiana; Mississippi—Illinois; Alabama—Maine; Arkansas and Michigan were in sight. There was, however, no Northern State or free Territory ready to enter the Union as an offset to Missouri and her entrance as a slave State would not only break the routine as it had been kept up, but at no distant time might turn the scale in favor of the slave-holding States. Missouri knocked at the door for admission into the Union in January, 1818. The fire was kindled which all the waters of the ocean could not extinguish. This generation has forgotten even the echoes of the passion which told the story of the storm which raged over the whole country. The combat raged day by day and from year to year. Every foot of the ground was hotly contested. The scriptures were invoked to sustain slavery and humanity was invoked to condemn it. The Constitution was analyzed and the Ordinance of 1787 was dissected. The eloquence of the orators on both sides was impassioned. The hostility of the two sections of our country was confirmed and intensified. The opposing sides in the Congress participated in three great struggles before our State was admitted into the Union. A struggle for the restriction of slavery was the central theme in our political history during the nineteenth century. It culminated in the greatest civil war of human history. All other subjects in our congressional history had sunk into a place of secondary importance. The admission of Missouri into the Union involved the merits of the whole controversy. It resulted in the admission of Missouri with the proviso that slavery should be forever excluded from all the Louisiana purchase north of 36 degrees and 30 minutes, which was the southern boundary of Missouri. This is a brief statement of the Missouri compromise. It was the adjustment of one of the most violent political struggles and was the outcome of one of the ablest, most prolonged and startling debates in the annals of the American Congress. The Fifteenth Congress had left Missouri without authority to organize as a State and this fact was the occasion for great excitement among our people. In July, 1820 a constitutional convention was held at St. Louis and in a feeling of deep resentment by the members of that convention they inserted a proviso into the constitution which declared that "it shall be the duty of the general assembly as soon as may be to pass such laws as may be necessary to prevent free negroes or mulattoes from coming to or settling in this State under any pretext whatsoever." This proviso added fuel to the flames. Missouri finally agreed to the fundamental condition of her admission and she was admitted by proclamation of the President on the 10th of August, 1821. The significance of Missouri and the Missouri compromise in this struggle was the notable change in the Southern mind on the slavery question; it gave evidence of the first clear demarcation between the Northern and Southern sections of our country; and in this controversy we stand at the threshold of the struggle which produced the Civil War. The issue was here defined. Missouri played the most significant part in that great issue and the Missouri compromise was the first great incitation point of the drama for which Abraham Lincoln was to be the climax.

Washington and Jefferson and Madison had died despairing of the abolition of slavery. Calhoun died in despair at the growth of freedom, and upon his deathbed he advised the secession of the Southern States. California had determined to be admitted as a free State, and the death struggle for her was followed by an effort on the part of the South to recover what had been lost. In the confidence that they could secure Kansas, they demanded that the line 36—30 be abolished and that there should be no line established between freedom and slavery. In 1854 the Kansas-Nebraska bill was passed by the Congress. It repealed the Missouri compromise. The vast regions of the Northwest were opened to slavery. The conscience of America was again awakened. All efforts to silence the rising voice proved futile. All the good that had been accomplished by the compromises of former years was undone. The strife which Calhoun had foreseen was imminent. The vision which he had shuddered at was soon to be realized. The doctrine of squatter sovereignty, as announced by Douglas, proved a delusion and a snare. When the South demanded that the Kansas-Nebraska Territory be admitted with the right on the part of the people in those territories to determine whether they should have slavery, the country answered let it be so; let freedom and slavery compete for the Territories on equal terms, but let the competition be in a fair field, with no favors. The South knew that fair competition meant its defeat. It was necessary that an ally should be found. Successful attempts to destroy a Republic are usually found in the cooperation of one of its departments. The South found such an ally in the Supreme Court of the United States. The proposed admissions of Kansas and Nebraska would normally have caused no ripple on waters otherwise untroubled. It was because the act repealed the Missouri compromise that the waters were lashed into a fury. This act was the second great incitation point in the drama of the nineteenth century.

Dred Scott was a slave who had been taken by his master from Missouri into free territory, and after several years spent there had been brought back to Missouri. He instituted a suit for his freedom in the Circuit Court of the City of St. Louis, and the case went to the Supreme Court of the United States. The court decided that Scott was not a citizen within the meaning of the Constitution of the United States, and had no right, therefore, before the court. The court then volunteered to come to the rescue of the new theory of slavery, and from its decision there lay no appeal but to the bar of humanity. Both Congress and the Territorial legislatures were declared to be impotent to prohibit slavery in the national domain. The Chief Justice declared that there are slave races, and that the slave is property, and that slave property is entitled to all the protection given by the Constitution to any other class of property. We are not concerned to-night with the soundness of that decision, and nothing is further from our purpose than to revive old issues. We are reciting the historical facts which contributed to the development and emergence of one who now belongs to the ages and is honored and loved throughout our land. It was believed in the North that the Dred Scott decision was against the Constitution, against the memory of the Nation, and against the rights of free labor.

One more step was to be taken. The South resolved to establish a new government, with slavery as its corner stone. The old Whig Party failed to appear in the political contest. Lincoln was a Whig, but joined the new Republican Party, which succeeded to the traditions of the Whigs. The statesmen of experience in the country had failed to stem the tide. To whom should the people turn? Could they trust one whose wisdom was as the wisdom of little children—this child of nature, child of the West, child of America?

He told the people:

"This Union can not permanently endure half slave and half free. The Union will not be dissolved, but the United States will cease to be divided."

When he assumed office the States were flying from their orbits and wise men knew not where to find counsel. The Confederate States met and adopted their constitution. With his head above the clouds reflecting eternal sunshine he declared the Union unbroken and perpetual, and said he was undertaking "the simple duty of taking care that the laws be faithfully executed in all the States."

He died a tragic death, a martyr on the altar of freedom, and how strange and good it is that the story of his wonderful character and life so thoroughly submerges all the circumstances of that death.

The political philosophy of Lincoln comes straight from John Marshall. Lincoln was the successor in thought to Marshall.

In the case of Cohens against Virginia, Marshall had said:

"Instructed by experience, the American people in the conventions of their respective States adopted the present Constitution. The people made the Constitution and the people can unmake it. It is the creature of their will and lives only by their will. But this supreme and irresistible power to make or to unmake resides only in the whole body of the people, not in any subdivisions of them."

The first great article in the statement of the political creed of those who follow in the train of Lincoln is: We believe in the indivisibility of the citizenship of all the people of the United States. We believe in a national citizenship in which the unlimited power of national government resides.

Justice Waite said in United States against Cruikshank:

"We have in our political system a government of the United States and a government of each of the several States. Each one of these governments is distinct from the others, and each has citizens of its own who owe it allegiance, and whose rights within its jurisdiction it must protect. The same person may be at the same time a citizen of the United States and a citizen of a State, but his rights of citizenship under one of these governments will be different from those he has under the other. * * * Experience made the fact known to the people of the United States that they required a national government for national purposes. * * *

"The people of the United States resident within any State are subject to two governments—one State and the other National—but there need be no conflict between the two. Powers which one possesses the other does not. They are established for different purposes and have separate jurisdictions. Together they make one whole and furnish the people of the United States with a complete Government, ample for the protection of all their rights at home and abroad."

The second article of our political faith is: We believe that every citizen of the United States is entitled to life, liberty, and the pursuit of happiness. This is not a meaningless phrase. Eternal vigilance is the price of liberty, and we must ever be on the alert and prepared to pay the price. The third article of our political faith is: We believe with Washington that "it is our true policy to steer clear of permanent alliances with any portion of the foreign world."

Mr. Toastmaster, what is the basic reason in the minds of the American people against alliances with foreign countries? It is not that we shall have no foreign relations because we have always had and must always have such relations. It is not that we desire to be isolated, because in the nature of the organizations and activities of States and of peoples on the earth we have never been and can never be isolated. It is futile to talk of isolation or of any desire on our part for it. It is not that we desire not to be an instrument for good among the nations of the earth. We have never had such desire. Our record is good and not bad. We made Texas free; we gave freedom to Cuba; we returned to China the indemnity in money which we received on account of the Boxer uprising; our gifts to sufferers abroad have been spontaneous and generous; we arranged peace between Russia and Japan; we protected Venezuela from the designs of England; we pronounced the Monroe doctrine; and we built the Panama Canal. No; it is for none of these reasons. What then is the reason? The reason is found in our most precious heritage and our most revered tradition. It is something we all understand, but rarely express. May I attempt to interpret it?

Lincoln said, "This is a Government of the people, by the people, and for the people." There lies the reason. In this country we have the spirit of democracy. In this spirit of democracy there is the feeling of equality. In this feeling of equality there is the consciousness of sovereignty. Sovereignty of the people. In this consciousness of the sovereignty of the people a Government for the people is worked out by the people—of the people, by the people, for the people. Sovereignty is underived, unlimited, and indivisible power. It exists in every state on earth and must reside somewhere in every state. In America only does sovereignty reside in the people. So long as this unlimited power of government is distributed equally among all the people the people will be free. Whenever this great power resides in an emperor or a king or an oligarchy or a parliament or in any branch or branches of government the people will not be free. In Japan they have an Emperor, and the people worship his person, and sovereignty resides in him. We wish the Japanese people were free, even as we are free. We will always have respect for the international rights of Japan, but we will never so far forget ourselves—forget the genius of our political institutions—forget our history and our traditions—forget Washington, Jefferson, Madison, Webster, Clay, and Lincoln—as to make an alliance with Japan in the League of Nations for the stifling of freedom in the hearts and lives of other members of the human race.

Jesus said, "Ye shall know the truth and the truth shall make you free," and we have learned the truth of God in our consideration of the rights of man. Again, he said, "And I, if I be lifted up, will draw all men unto me"; and so we say that God has given America to the world as a hope for the aspirations of all the people of the earth and has set her as a watch tower among the nations. If all the people of the earth were free, even as we are free, there would be no occasion for alliances among governments to enforce peace. With our hopes and prayers for all the people of the earth, we can not "undertake to respect and preserve the territorial integrity and existing political independence of all the members of the League of Nations," as article 10 of the covenant of the League of Nations binds its members to do. Such an alliance would make us false to every article of our political faith. We believe also that we should not enter a court which is the creature of such an agreement and which is bound to interpret and apply the provisions of such a contract. We can not consort nor make common cause with foreign nations in alliances which admit of equality of political ideals with our own. We can not accept nor tolerate such unions. It would be political debasement which those who love America are not ready to accept and, under God, will never be. Have I correctly sensed and stated the basic reason for our desire and purpose to maintain our independence and abstain from entangling alliances? This is part of the creed of the party of Lincoln. Friendly alliances of governments in which some of the people are sovereign and free and some of them are slaves is just as great a fallacy as it was for America to be and continue half slave and half free.

Finally, we believe that the Republican Party, if it is to continue worthy of the high calling whereunto it was called by Lincoln, and worthy to conduct the affairs of government under the Constitution of the United States, must never forget that this is a Government of the people, by the people, and for the people.

PREPARE NOW FOR THE NEXT STRIKE

Mr. HARRISON. Mr. President, I ask unanimous consent to have inserted in the RECORD and referred to the Committee on Mines and Mining an editorial from the New York Evening World of Monday, February 15, 1926, entitled "Prepare now for the next strike."

There being no objection, the editorial was referred to the Committee on Mines and Mining and ordered to be printed in the RECORD, as follows:

PREPARE NOW FOR THE NEXT STRIKE

The coal strike is over, but it will be near the 1st of March before the effect can be felt on the market, and nothing has been done thus far, through proper legislation, to prevent a repetition of the gouging and suffering to which the public has been subjected.

The strike was ended without the intervention of the President, who expressed his indifference within a week of the settlement. It would require no little temerity to credit him with any part of the triumph. Had he not made it clear in the beginning that he considered the strike a purely private quarrel of miners and operators with which the public had no right to interfere there would have been a settlement long ago.

In the distribution of credit no little part of it should go to Senator COPELAND for his persistency in fighting for his resolution, despite defeats, until he had mobilized his party behind his demand for governmental action. The final adoption of his resolution was the most notable personal triumph of the session.

The moment it became clear through the vote on that resolution that legislation, drastic enough to meet the intolerable situation, was inevitable, the anthracite industry saw the handwriting on the wall and acted.

Even so, the public's fight has not yet been won, nor will it be won until there is legislation to meet such a situation in the future. The Democrats in the Senate are to caucus on coal legislation, and they should go ahead regardless of the settlement. Preparedness is just as important where the pocketbooks and the health and even the lives of the people are concerned as where the remote possibility of the attack by a foreign foe is involved.

The way to prevent a repetition of the suffering and loss of the entire winter of 1925–26 is to enact legislation now to prevent it. The sooner the coal industry knows that no one is a "trustee under God" to do with coal as he sees fit, the sooner the callous indifference to the public's right to fuel will be ended.

UNRESTRICTED RAILROAD CONSTRUCTION

Mr. MAYFIELD. Mr. President, I give notice that on Friday next, after the morning hour, I shall address the Senate on the question of unrestricted railroad construction.

PETITIONS AND MEMORIALS

Mr. WARREN presented a memorial of the Woman's Club, of Greybull, Wyo., remonstrating against any extension of the boundaries of the Yellowstone National Park, which was referred to the Committee on Public Lands and Surveys.

Mr. KENDRICK. Mr. President, I ask unanimous consent to present a petition signed by 1,691 people of my town and community earnestly requesting a modification of the Volstead Act. The signers of this petition are from every walk of life and engaged in every vocation, and it would be difficult to find a more representative group of people than those who have signed this petition. There is a short statement forming the body of the petition which I ask to have read, and I also ask that the petition be appropriately referred.

The VICE PRESIDENT. Without objection, the body of the petition will be read.

The petition was read and referred to the Committee on the Judiciary, as follows:

SHERIDAN, WYO., *December 28, 1925.*

Hon. JOHN B. KENDRICK,
Hon. FRANCIS E. WARREN,
Hon. CHARLES E. WINTER,
Washington, D. C.

GENTLEMEN: We, the undersigned citizens of the United States of America and of the State of Wyoming, do hereby most earnestly petition and request that you employ your most strenuous efforts in the enactment of legislation which will tend to correct the present deplorable condition of crime and disrespect for law which is so general and which is in part, if not entirely, due to the experiment of prohibition.

The undersigned persons do not favor a return to old conditions. They do not ask, and would not favor, the reestablishment of the open saloon. But they do feel that it has now been demonstrated that the American people are not ready to accept prohibition and that no law is enforceable without the moral sanction of the people, especially when such law attempts to prohibit something that is not inherently evil.

We most respectfully direct your honorable attention to the regulation and control of the liquor traffic in the various provinces of Canada and generally to conditions in the Old World, where long experience has taught that it is impracticable to regulate the human diet by legislation.

The jails and penitentiaries of the country are filled to capacity. Lawlessness was never more widespread. Certainly these conditions are attributable, in part at least, to the unsatisfactory Volstead Act. We urge on behalf of the free American people that you endeavor to find a remedy for this unhappy situation which, we believe, finds its root in sumptuary legislation which interferes with the originary course of human conduct and breeds a disregard for all constituted authority.

We, therefore, favor the modification of the Volstead Act to permit, under proper regulations, the use of light wines and beer.

Mr. CAMERON. Mr. President, I present eight telegrams from officers and members of the railway brotherhoods in the State of Arizona, protesting against any amendment of the Federal employers' liability act, which I ask to have printed in the RECORD and referred to the Committee on the Judiciary.

There being no objection, the telegrams were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

PHOENIX, ARIZ., *February 3, 1926.*

Senator RALPH CAMERON,
Washington, D. C.:

We are opposed to amending Federal employees' liability law. Please use your influence against same.

H. A. WRIGHT,
Chairman State Legislative Board Brotherhood of Locomotive Firemen and Enginemen.

TUCSON, ARIZ., *February 2, 1926.*

Hon. RALPH H. CAMERON,
United States Senate, Washington, D. C.:

Please oppose any amendments to Federal liability act that will in any way restrict employees' rights to file damage suits as at present. Present law satisfactory as it is.

CECIL RICHARDSON,
Chairman Arizona State Legislative Board, Brotherhood Locomotive Engineers, Tucson, Ariz.

DOUGLAS, ARIZ., *January 29, 1926.*

Hon. RALPH CAMERON,
Capitol Building, Washington, D. C.:

Trainmen of 868 protest any changes Federal employees' liability act.

C. M. GRAY.

WINSLOW, ARIZ., *January 30, 1926.*

The Hon. RALPH H. CAMERON,
United States Senate, Washington, D. C.:

Representing all locomotive engineers in Arizona, ask that you oppose any amendments to Federal employees' liability act that will tend to weaken same.

M. J. PHARES,
Secretary Engineers' Legislative Board.

WINSLOW, ARIZ., *January 30, 1926.*

Hon. SENATOR CAMERON,
Washington, D. C.:

Protesting against changes in Federal employees' liability act. Represent 700 trainmen in Arizona.

G. W. NELSON,
Vice Chairman B. R. T. Legislative Board.

PHOENIX, ARIZ., *January 28, 1926.*

Senator RALPH CAMERON,
Senate Building, Washington, D. C.:

Representing 700 Arizona trainmen, protest proposed changes Federal employees' liability act.

V. A. WOOD,
Secretary Arizona Legislative Board.

GLOBE, ARIZ., *January 30, 1926.*

Hon. RALPH CAMERON,
Senate Building, Washington, D. C.:

Arizona legislative board Brotherhood of Locomotive Firemen and Enginemen, State of Arizona, protest proposed changes Federal employees' liability act.

ARIZONA LEGISLATIVE BOARD, BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN,
ROY KIRKPATRICK, *Secretary and Treasurer.*

WINSLOW, ARIZ., *February 1, 1926.*

Hon. SENATOR CAMERON,
Washington, D. C.:

Representing Locomotive Firemen, Arizona, protest proposed changes in Federal employees' liability act.

J. D. WILEY,
Member Arizona Legislature Board.

THE WORLD COURT

Mr. ASHURST. I ask unanimous consent to have printed in the RECORD a letter sent to me from the Women's World Court Committee in this city, and I also ask that it may lie on the table.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

FEBRUARY 13, 1926.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

DEAR SIR: The members of the Women's World Court Committee, representing the organizations whose names are listed below, wish to express their cordial appreciation of your support of the resolution for the entrance of the United States into the Permanent Court of International Justice.

The women of these organizations believe that the Senate has acted with wisdom and foresight in making clear the desire of this Nation to share in the establishment of legal methods for the settlement of international disputes.

Sincerely yours,

Mrs. Raymond Morgan, for the American Association of University Women; Selma Borchardt, for the American Federation of Teachers; Helen Atwater, for the American Home Economics Association; Lucy Minnigerode, for the American Nurses' Association; Florence E. Quinlan, for the Council of Women for Home Missions; Kate Trenholm Abrams, for the General Federation of Women's Clubs; Louise Tayler-Jones, for the Medical Women's National Association; Mrs. George Hyman, for the National Council of Jewish Women; Mrs. Glen Levin Swiggett, for the National Council of Women; Charl O. Williams, for the National Education Association; Mary F. Thompson, for the National Federation of Colored Women; Maud Wood Park, for the National League of Women Voters; Cora W. Baker, for the National Service Star Legion; Lenna Louie Yost, for the National Woman's Christian Temperance Union; Elizabeth Eastman, for the National Board of Young Women's Christian Associations; Florence V. Watkins, for the National Congress of Parents and Teachers; Margaret C. Maule, for the National Council of Girls' Friendly Societies in America.

REPORTS OF COMMITTEES

Mr. BROOKHART, from the Committee on Claims, to which was referred the bill (S. 492) for the relief of Swend A. Swendson, reported it with an amendment and submitted a report (No. 188) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 867) authorizing the Secretary of the Treasury to pay the Columbus Hospital, Great Falls, Mont., for the treatment of disabled Government employees, reported it with an amendment and submitted a report (No. 189) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 1047) to reimburse the State of Montana for expenses incurred by it in suppressing forest fires on Government land during the year 1919 (Rept. No. 190); and

A bill (S. 1463) to provide relief for the victims of the airplane accident at Langin Field (Rept. 191).

Mr. NORBECK, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2607) for the purpose of more effectively meeting the obligations of the existing migratory bird treaty with Great Britain by the establishment of migratory bird refuges to furnish in perpetuity homes for migratory birds, the provision of funds for establishing such areas, and the furnishing of adequate protection of migratory birds, for the establishment of public shooting grounds to preserve the American system of free shooting, and for other purposes, reported it with amendments and submitted a report (No. 192) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CUMMINS:

A bill (S. 3170) to provide compensation for employees injured and dependents of employees killed in certain maritime employments, and providing for administration by the United States Employees' Compensation Commission; to the Committee on the Judiciary.

By Mr. LENROOT:

A bill (S. 3171) granting a per capita payment of $100 to the Menominee Indians of Wisconsin; to the Committee on Appropriations.

By Mr. EDGE:

A bill (S. 3172) to amend and supplement the merchant marine act, 1920, and the shipping act, 1916, and for other purposes; to the Committee on Commerce.

By Mr. BRUCE:

A bill (S. 3173) granting the consent of Congress to the State Roads Commission of Maryland, acting for and on behalf of the State of Maryland, to alter and widen the bridge, and alter, widen, and reconstruct the draw span of the present highway bridge across the Susquehanna River, between Havre de Grace in Harford County and Perryville in Cecil County; to the Committee on Commerce.

By Mr. JONES of Washington:

A bill (S. 3174) for the relief of the Alaska Steamship Co.; to the Committee on Claims.

A bill (S. 3175) granting an increase of pension to John W. Garner (with accompanying papers); to the Committee on Pensions.

By Mr. PHIPPS:

A bill (S. 3176) to eliminate certain privately owned lands from the Rocky Mountain National Park and to transfer certain other lands from the Rocky Mountain National Park to the Colorado National Forest, Colo.; to the Committee on Public Lands and Surveys.

A bill (S. 3177) to establish a fish-cultural station in the State of Colorado as an auxiliary to the Leadville (Colo.) fisheries station; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 3178) to extend the time for the construction of a bridge across the Rio Grande between Eagle Pass, Tex., and Piedras Negras, Mexico; to the Committee on Commerce.

A bill (S. 3179) to extend the benefits of the employers' liability act of September 7, 1916, to Alton Harwell; to the Committee on Claims.

By Mr. DALE:

A bill (S. 3180) regulating the use of the Custis Mansion House in Arlington National Cemetery, and for other purposes; to the Committee on Military Affairs.

By Mr. WADSWORTH:

A bill (S. 3181) to amend the act entitled "An act to establish a Bureau of Immigration and Naturalization, and to provide for a uniform rule for the naturalization of aliens throughout the United States," approved June 29, 1906; to the Committee on Immigration.

By Mr. SHEPPARD:

A bill (S. 3182) for a survey of the waterway between Jefferson, Tex., and Red River; to the Committee on Commerce.

By Mr. GEORGE:

A joint resolution (S. J. Res. 58) authorizing the Librarian of Congress to return to Solomon's Lodge, No. 1, Ancient Free and Accepted Masons, of Savannah, Ga., the minute book of the Savannah (Ga.) Masonic Lodge; to the Committee on the Library.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. LENROOT submitted an amendment intended to be proposed by him to House bill 6707, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 63, after line 25, insert the following:

"So much as may be necessary of the tribal funds of the Menominee Indians of Wisconsin arising under the act of June 12, 1890 (26 Stat. L., p. 146), and March 28, 1908 (35 Stat. L., p. 51), is appropriated to enable the Secretary of the Interior to make therefrom a per capita payment or distribution of not to exceed $100 to such Indians entitled thereto under such rules and regulations as he may prescribe."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had temporarily excused Mr. HAWLEY from service as a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to House bill 1, the tax reduction bill, and that Mr. BACHARACH was appointed in his place.

The message also announced that the House had passed an act (H. R. 8917) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were thereupon signed by the Vice President:

S. 1493. An act to provide for the inspection of the battle fields and surrender grounds in and around old Appomattox Court House, Va.;

S. 2464. An act to amend section 95 of the Judicial Code, as amended;

H. R. 4032. An act granting the consent of Congress to the Brownsville & Matamoros Rapid Transit Co. for construction of a bridge across the Rio Grande at Brownsville, Tex.; and

H. R. 6515. An act granting the consent of Congress to the Gateway Bridge Co. for construction of a bridge across the Rio Grande between Brownsville, Tex., and Matamoros, Mexico.

GOVERNMENT FUEL YARDS IN THE DISTRICT OF COLUMBIA

The VICE PRESIDENT. Resolutions coming over from the previous day are in order, and the Clerk will state the first one.

The CHIEF CLERK. A resolution (S. Res. 132) submitted by the Senator from Nebraska [Mr. HOWELL] on the 1st instant, directing the Committee on the District of Columbia to provide for selling domestic coal to the citizens of the District of Columbia through the Government fuel yards.

Mr. CURTIS. I ask that the resolution may go over.

The VICE PRESIDENT. The resolution will be passed over, and the next one will be stated.

COST OF PRODUCTION OF DAIRY PRODUCTS

A resolution (S. Res. 146) submitted by the Senator from Wisconsin [Mr. LENROOT] on the 15th instant, directing the Tariff Commission to inquire into the cost of production of certain dairy products in the United States and in the countries from which the importation of such products come and report its finding to the President.

Mr. CURTIS. I have not had time to read the resolution. I wish the Senator from Wisconsin would let it go over until to-morrow.

Mr. LENROOT. The Tariff Commission have been engaged for a year and a half in the investigation of butter. The dairy interests of the country are very anxious that they shall institute an investigation with reference to cream and milk in connection with it.

Mr. CURTIS. Has the Senator talked with members of the commission about it?

Mr. LENROOT. I have not, but representatives of the dairy interests have done so, and I understand the commission have no objection.

Mr. CURTIS. With the understanding that the matter has been presented to the commission and that they have no objection, I have no objection.

Mr. LENROOT. I can only say that it was reported to me by others that the commission have no objection.

Mr. CURTIS. If the matter may go over until to-morrow morning, I will take it up with the Tariff Commission in the meantime.

Mr. LENROOT. If the Senator has any doubt about it——

Mr. CURTIS. I am perfectly willing to take the Senator's word for it.

Mr. LENROOT. I can not give my personal assurance.

Mr. CURTIS. I wish the Senator would let the resolution go over until to-morrow.

Mr. JONES of Washington. Mr. President, may I ask the Senator from Wisconsin if the commission have not authority to take up such a matter without the adoption of a resolution?

Mr. LENROOT. I think so; but they are very much disinclined to take up anything, even though it is supplemental to something they are now investigating, without a resolution.

The VICE PRESIDENT. The resolution will go over without prejudice. Morning business is closed. The Chair lays before the Senate a bill from the House of Representatives for reference.

HOUSE BILL REFERRED

The bill (H. R. 8917) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

THE CALENDAR

Mr. CURTIS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of unobjected bills on the calendar, beginning at Calendar No. 73, and so continue until 2 o'clock.

The VICE PRESIDENT. Without objection, it is so ordered. The Clerk will state the first bill on the calendar.

Mr. FLETCHER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Brookhart	Copeland	Dill
Bayard	Broussard	Couzens	Edge
Bingham	Bruce	Cummins	Edwards
Blease	Butler	Curtis	Ernst
Borah	Cameron	Dale	Fernald
Bratton	Capper	Deneen	Ferris

Fess	Howell	Norbeck	Smoot
Fletcher	Jones, Wash.	Nye	Stephens
Frazier	Kendrick	Oddie	Swanson
George	King	Overman	Trammell
Gerry	La Follette	Phipps	Tyson
Gillett	Lenroot	Pittman	Underwood
Glass	McKellar	Reed, Pa.	Wadsworth
Goff	McKinley	Robinson, Ind.	Walsh
Gooding	McLean	Sackett	Warren
Greene	McMaster	Sheppard	Watson
Hale	McNary	Shipstead	Wheeler
Harris	Mayfield	Shortridge	Williams
Harrison	Metcalf	Simmons	Willis
Heflin	Neely	Smith	

Mr. JONES of Washington. I desire to announce the absence of the Senator from California [Mr. JOHNSON] and the Senator from Minnesota [Mr. SCHALL] on account of illness.

Mr. EDGE. I desire to announce that the Senator from Pennsylvania [Mr. PEPPER] is absent on business of the Senate.

The VICE PRESIDENT. Seventy-nine Senators having answered to their names, a quorum is present.

INQUIRY INTO COST OF PRODUCING MILK AND BUTTER

Mr. CURTIS. Mr. President, some time ago I asked that Senate Resolution No. 146, submitted by the Senator from Wisconsin [Mr. LENROOT], go over without prejudice. I have telephoned the Tariff Commission, and I think, in view of the status of the investigation, which they are at present conducting, that the resolution may be acted upon at this time. I ask unanimous consent that it may be considered.

Mr. KING. Let the resolution be read.

The Chief Clerk read the resolution (S. Res. 146) submitted by Mr. LENROOT on February 15, 1926, as follows:

Whereas for nearly two years the United States Tariff Commission has been conducting an investigation into the cost of production of butter in the United States and in those countries from which our importations of butter come that it might report its findings to the President, who might, if the facts found warrant, increase the duty on imported butter; and

Whereas many facts of great value to the butter industry of the United States have been adduced by this inquiry, and the report of the commission, not yet made, irrespective of the action of the President thereon, is expected to be of very considerable additional value; and

Whereas the same general reasons for the investigation of butter apply with at least equal force to a like investigation of cream and of milk, sweet, sour, or buttermilk; and

Whereas, also, for the month of December, 1924, the importations of cream into the United States amounted to 286,195 gallons of the value of $384,836; for the month of December, 1925, the importation of cream into the United States amounted to 257,987 gallons of the value of $452,435; for the year 1924 the importations of cream amounted to 4,197,449 gallons of the value of $6,141,133; and the importations for 1925 amounted to 5,171,788 gallons of the value of $7,391,930; for the month of December, 1924, the importations of milk, sweet, sour, or buttermilk, into the United States amounted to 393,587 gallons of the value of $75,457; and for the same month of 1925 the importations amounted to 576,078 gallons of the value of $102,995; and for the year 1924 the importations amounted to 5,192,344 gallons of the value of $827,586; and for the year 1925 the importations of milk, sweet, sour, or buttermilk, amounted to 7,422,133 gallons of the value of $1,242,063; and

Whereas the large, rapidly increasing importations of these dairy products have resulted in a decline in their prices in many portions of the United States, so that now these prices are but little, if any, above the reasonable normal cost of production: Therefore be it

Resolved, That the United States Tariff Commission be, and it is hereby, requested forthwith, under the provisions of section 315 of the act approved September 21, 1922, to make an inquiry into the cost of the production of cream and of milk, sweet, sour, or buttermilk, in the United States and in those countries from which our importations of these dairy products come and to report its findings to the President of the United States with the purpose that under this finding the President may be warranted in determining and in proclaiming an increase in the duties on cream and on milk, sweet, sour, or buttermilk.

Mr. KING. Mr. President, do I understand that action is desired on this resolution now?

Mr. LENROOT. I should like to have action upon the resolution now.

Mr. KING. The resolution involves a very important matter. I think it had better go over until to-morrow.

Mr. LENROOT. The resolution has been pending for three days and has previously gone over. May I say to the Senator from Utah that the Tariff Commission has been engaged for more than a year and a half in the investigation of the cost of butter and that the commission is almost ready to make its report. The commodities covered by the pending resolution, especially cream, are very closely related to butter, and it is very desirable that the commission shall include cream in its report. It is demanded by the dairy interests all over the country, and I sincerely hope that the Senator from Utah will not object to the present consideration and adoption of the resolution.

Mr. KING. Mr. President, as I understand, the Tariff Commission has already been making extensive investigations in regard to this matter?

Mr. LENROOT. In relation to butter which, of course, would involve milk and cream.

Mr. KING. I shall not object to the consideration of the resolution. It does seem to me, though, that the consuming public, especially in the large cities, are deeply interested in this matter. Thousands of little children are getting an inadequate supply of milk and cream and butter, and thousands of poor people in the industrial sections are denied such food products as butter, cream, and milk. It seems to me as though we are interested too much in our legislation in affording protection to various industries and that too little interest is being given to the consumer. I understand the movement which is on in our country to-day is toward monopolies and trusts and combinations to keep up prices and to enhance prices, all to the disadvantage of the consumer. I do not know whether that movement can be stopped. This seems to be along the same line of the general movement.

Mr. SMITH. Mr. President, I desire to ask the Senator from Wisconsin if the object of the resolution is merely to authorize the Tariff Commission to investigate as to cream as it has investigated as to butter?

Mr. LENROOT. Yes; it is to authorize the Tariff Commission to investigate as to cream and milk. That is all. It determines nothing, but merely requests the Tariff Commission to make this investigation, which is really supplemental to the investigation they have been conducting.

Mr. SMITH. And to report the facts as they will do in reference to butter.

Mr. LENROOT. Exactly.

Mr. COPELAND. Does not the very last line of the resolution say that the material gathered is to be used with a view to an increase in the tariff duties?

Mr. LENROOT. It recites that the finding shall be reported to the President of the United States—

with the purpose that under this finding the President may be warranted in determining and in proclaiming an increase in the duties on cream, and on milk, sweet or sour, or buttermilk.

Of course, that is the purpose of the investigation if the findings of the commission shall warrant such action, but that will depend wholly upon the facts. I am perfectly willing, however, to strike that out. It means nothing.

Mr. COPELAND. I think it should be stricken out.

Mr. LENROOT. I am perfectly willing to have it stricken out.

Mr. COPELAND. Further, I should like to ask: Does the resolution apply also to sweet milk that is shipped in from Canada?

Mr. LENROOT. Yes.

Mr. COPELAND. Is the Senator aware of the fact that the city of New York has a very considerable quantity of milk shipped in from Canada?

Mr. LENROOT. Yes; and I expect that will continue; but I will say to the Senator, and in response to what the Senator from Utah [Mr. KING] has said, that the users of milk and cream in this country are more interested in keeping up the dairy herds within our own borders than they are in importations of cream and milk from Canada. I may add that this is demanded by the entire dairy interests of the country.

Mr. COPELAND. I agree with the statement of the Senator. Regardless of price, milk is the cheapest food to be had by the people, and it is necessary to encourage the dairy industry in every way possible; and yet, after all, I am sure the Senator would not wish to impose any unnecessary burden upon the people of what might be called the border States.

Mr. LENROOT. No.

Mr. COPELAND. And I assume that the Senator has no such thought in mind.

Mr. LENROOT. All I ask is that the dairy interests may be put upon an equality with other interests; that is all.

Mr. COPELAND. That is perfectly reasonable, and, having stricken out the lines to which I have called attention I have no objection.

Mr. LENROOT. I ask to modify the resolution by striking out, on page 3, all after the words "United States," in line 6, being the words:

with the purpose that under this finding the President may be warranted in determining and in proclaiming an increase in the duties on cream, and on milk, sweet or sour, or buttermilk.

Mr. DILL. Mr. President, what is the present tariff on cream and milk, I will ask the Senator from Wisconsin?

Mr. LENROOT. Under the present tariff act the duty on fresh milk is 2½ cents a gallon; on sour milk and buttermilk 1 cent a gallon; and on cream 20 cents a gallon.

The VICE PRESIDENT. Without objection, the resolution will be modified as requested. The question is on agreeing to the resolution as modified.

The resolution as modified was agreed to.

CAPT. EDWARD T. HARTMANN AND OTHERS

The VICE PRESIDENT. The calendar under Rule VIII is in order. The first bill on the calendar will be stated.

The Senate as in Committee of the Whole proceeded to consider the bill (S. 1631) for the relief of Capt. Edward T. Hartmann, United States Army, and others, which was read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, directed to pay to Capt. Edward T. Hartmann the sum of $272.50; Capt. Frederick G. Lawton, the sum of $1,400; Capt. Frank B. Watson, the sum of $1,500; and Capt. James Ronayne, United States Army, the sum of $1,658, which sums, or so much thereof as may be necessary, are hereby appropriated, out of any money in the Treasury not otherwise appropriated, said sums to be payment in full for all losses of personal property incurred by them by reason of the sinking of the U. S. transport *Meade* in the harbor of Ponce, P. R., on or about May 16, 1899: *Provided*, That the accounting officer of the Treasury shall require a schedule and affidavit from each, such schedule to be approved by the Secretary of War.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

WILLIS B. CROSS

The bill (S. 2127) for the relief of Willis B. Cross was announced as next in order.

Mr. KING. Mr. President, that bill has been reported adversely from the committee. In view of that fact, I move that its consideration be indefinitely postponed.

Mr. NEELY. Mr. President, will the Senator repeat his statement?

Mr. KING. I say, the bill having been reported adversely, I move its indefinite postponement.

The VICE PRESIDENT. The question is upon the motion of the Senator from Utah.

The motion to postpone indefinitely was agreed to.

BILL PASSED OVER

The bill (S. 575) to amend section 4 of the interstate commerce act was announced as next in order.

Mr. WILLIS (and other Senators). Let that go over.

The VICE PRESIDENT. The bill will be passed over.

CITY OF BALTIMORE, MD.

The bill (S. 451) for the relief of the city of Baltimore was announced as next in order.

Mr. LENROOT. Let that go over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

Mr. BRUCE. Mr. President, I trust the Senator from Wisconsin will allow me to express the hope that he will withdraw that objection. This bill has passed the Senate twice. Twice have favorable reports on it come up from the Senate Committee on Claims, and twice has it been passed by the Senate.

Mr. LENROOT. May I ask the Senator when it was passed?

Mr. BRUCE. During the Sixty-seventh and Sixty-eighth Congresses. I am sure that if I can say just a few words in explanation of the bill, the Senator from Wisconsin will see the justice of it.

Mr. LENROOT. Before the Senator does that, will he give the reason why it was not brought before the Congress prior to the Sixty-seventh Congress?

Mr. BRUCE. I will.

Down to a decision of the Supreme Court of the United States, New York *v.* The United States (160 U. S.), the principal amounts of debts incurred by various communities in the United States in aiding the national defense during the Civil War were allowed to be refunded to the States, but not interest on those amounts. Then the Supreme Court of the United States held, in the case that I have just mentioned, in which the State of New York had incurred a considerable indebtedness for the purpose of arming the militia of that State during the Civil War, that there was no more reason why the Federal Government should refund principal amounts contributed by the States to the Union cause during the Civil War than there was why it should refund the interest on those amounts; and after that decision of the Supreme Court was written no less than 17 States of this Union secured the relief the way for which was smoothed by it. Only very recently no less a sum than two hundred and some thousand dollars was refunded to the State of Massachusetts.

Before that decision of the Supreme Court the principal amount of the indebtedness incurred by the city of Baltimore during the Civil War for the purpose of aiding the Federal Government in establishing proper defenses at the city of Baltimore was refunded to the city of Baltimore pursuant to an act passed by Congress, but no interest on that sum was refunded. The amount of principal refunded was some $96,000. Then, of course, interest accumulated on that sum. It ran along for many years at 6 per cent, and then there was this decision of the Supreme Court of the United States saying that the National Government was under just as much of an obligation to refund interest as to refund principal in those cases where local communities of the country during the Civil War had come to the succor of the Federal Government.

The city of Baltimore now asks Congress to authorize the payment to it of the interest on that principal sum of $96,000. As I have said, similar relief has been granted by Congress in the case of 17 States of the Union, as the report connected with this bill will show.

Mr. WILLIS. Mr. President, I desire to ask the Senator whether he knows what the practice is in this behalf touching private claims—that is to say, the claims of individuals? Does the same rule obtain?

Mr. BRUCE. No; I should not think it would.

Mr. WILLIS. Why should it not?

Mr. BRUCE. It does not seem to me that it is necessary for me to go into that question. That is irrelevant to the question I am discussing now. In this case the city of Baltimore incurred a bonded indebtedness for the purpose of raising the money with which to assist the Federal Government to establish defensive works at Baltimore.

Mr. WILLIS. Mr. President, I am not assailing the Senator's position nor his bill. I am simply calling attention to a fact, which perhaps was impressed upon my mind because a very meritorious claims bill that I had here in the last Congress was rejected, so far as the interest item was concerned, upon the statement, as I recall, by the committee—a statement which I accepted, of course, at its face value—that in claims of this character the Government never would allow interest. So that seems to be the rule: If the individual has something coming to him from the Government, the Government will not permit interest to be paid; but, as the Senator has explained, in numerous instances where municipalities and States have incurred debts they are permitted to have interest.

It seems to me what is sauce for the gander ought to be sauce for the goose. I do not complain about the Senator's bill, but I do complain about the rule that is enforced as to private individuals.

Mr. BRUCE. Abstractly, there may be a considerable measure of justice in the view that the Senator is taking of the matter; but in point of fact all the precedents since that decison of the Supreme Court of the United States have been uniformly in favor of the refund of interest to the States or the cities of the Union on amounts of indebtedness incurred by the States or the cities of the Union in aid of the Federal Government during the war.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. BRUCE. Yes.

Mr. LENROOT. I have just hastily glanced at the report, and I find that reference is made to Exhibt B as to 17 States which have received a reimbursement; but I find this in the report:

In the matter of reimbursement for interest paid on bonds issued with which to raise funds——

Evidently that means to reimburse the States for money actually paid by the States as interest upon their bonds, which is not this case.

Mr. BRUCE. Yes; it is.

Mr. LENROOT. The Senator would not say that the city of Baltimore has paid 6 per cent on this principal sum from the date of the Civil War to this time?

Mr. BRUCE. I can not speak with exactitude about that, but I think it is fair to infer that it has done so. This bonded indebtedness, mind you, was put out during the Civil War, at a time, of course, when interest rates were very high.

Mr. LENROOT. Does the Senator think the city of Baltimore has paid 6 per cent on that fund up to this time?

Mr. BRUCE. Why should it not do so if the indebtedness continued?

Mr. LENROOT. I am speaking of the fact, because I know of no city that has paid a rate of 6 per cent during all this time.

Mr. BRUCE. Not on indebtedness incurred during the Civil War?

Mr. LENROOT. I mean, they have refunded their bonds and issued them at a very much lower rate.

Mr. BRUCE. Yes; but these bonds ran for only 30 years. The Senator knows that it is no uncommon thing for a municipal bond to run for a period of 30 years; so there could not be any change in the rate of interest during that time. The bonds were held by bondholders who were only too glad, of course, to hold them at such a rate of interest.

Mr. LENROOT. What does the Senator say about what happened when the bonds became due?

Mr. BRUCE. As I tell the Senator, I can not tell and the report here does not show exactly when those bonds became due; but I think it is highly probable that they, being put out during the exigencies of the Civil War, ran for a long period. Sometimes the bonds of the city of Baltimore run for a period of 80 or 90 years.

Mr. LENROOT. I hope the Senator will get that information. I think the city of Baltimore ought to be repaid every dollar of principal and interest that it has had to pay; but if the city of Baltimore has been able during all this time to borrow money for 4 per cent, I do not think the Senator would say that the United States Government should pay it 6 per cent.

Mr. BRUCE. Of course, if the bonds have continued down until a recent time——

Mr. LENROOT. I say, if they paid that amount of interest, I would agree with the Senator.

Mr. BRUCE. They would continue at the same rate of interest that was fixed when the bonds were issued, because, of course, no bondholders who had their wits about them would surrender bonds bearing 6 per cent interest for bonds bearing a lower rate of interest. I do think, if I may be allowed to say so, that it would be the most invidious discrimination, the grossest injustice, after refunds of this kind have been made to so many States in the Union, and after the State of Massachusetts within the last year or so has had a refund of some $233,000, for this refund to be denied to the city of Baltimore.

Mr. WILLIS. Mr. President, as I understand the Senator's bill, it proposes to reimburse simply the amount of the interest. Am I correct in that assumption?

Mr. BRUCE. That is all.

Mr. WILLIS. I call the Senator's attention to the fact that the principal sum of $96,152 raised as a result of this bond issue was reimbursed to the city of Baltimore in 1879.

Mr. BRUCE. Yes; I stated that.

Mr. WILLIS. I did not hear the Senator. What I was about to ask the Senator was this: I have not had time to compute it, but it seems hardly possible that from 1863 to 1879 such an amount of interest as $173,000 could have accumulated.

Mr. BRUCE. It is so stated there.

Mr. WILLIS. I know it is stated there.

Mr. BRUCE. The interest had not run simply from 1879. The interest would run from the date of the issue of the bonds.

Mr. WILLIS. But the Government repaid the principal sum.

Mr. BRUCE. Yes.

Mr. WILLIS. There is no reason why the United States should be compelled to pay interest since 1879.

Mr. BRUCE. Yes, there is. If it was a proper thing that the Government should refund the interest at all, it should refund it from the very beginning; not simply from the time when its policy in reference to interest changed.

Mr. LENROOT. Does not the Senator think the United States should be allowed interest upon the sum that it paid from the time it was paid?

Mr. BRUCE. I take it for granted that due credit was made for the partial payment.

Mr. WILLIS. That does not show.

Mr. BRUCE. I do not know. I have not gone into any calculation about it. It was not my business to do that.

Mr. WILLIS. The principal sum having been repaid in 1879, it obviously would be entirely unfair to require the Government of the United States to pay interest on a debt which it had already paid.

Mr. BRUCE. The interest, of course, was calculated—must have been calculated—by the committee. The bill has been under consideration in the Committee on Claims twice, and twice has the committee reported it favorably to the Senate, and twice has this body passed it. It just happens that I have not gone into an arithmetical calculation to see whether that calculation of interest is correct or not. I assume it is.

Mr. WILLIS. The Senator agrees with me, does he not, that there should not be any interest paid by the United States for any period subsequent to 1879? He agrees with that statement, does he not?

Mr. BRUCE. I do not know that that is correct.

Mr. WILLIS. The principal was paid them. Why should the Government of the United States be compelled to pay interest on a debt after it has paid the debt?

Mr. BRUCE. It has not paid the whole debt.

Mr. WILLIS. It paid the principal in 1879.

Mr. BRUCE. The principal commenced to run, and interest commenced to run on the principal at the same time the principal commenced to run, of course. The Government has never done anything except refund the principal. Of course, after the Government refunded the principal, interest on the debt due by the city of Baltimore kept on running.

Mr. WILLIS. That is the business of the city of Baltimore. There is no reason why the Government of the United States should continue indefinitely to pay interest on a debt the principal of which it paid in 1879. If the Senator can convince me that this amount of interest is due for the period from 1863 to 1879, I shall be entirely agreeable to his bill. Will not the Senator let the matter go over temporarily?

Mr. BRUCE. Why should the right of the city of Baltimore to a refund of the interest on the amount for which it was liable cease simply because the Government paid back the principal?

Mr. WILLIS. It would be unfair to require the Government to pay interest on a debt it had already paid.

Mr. BRUCE. The indebtedness of the city of Baltimore kept on running.

Mr. WILLIS. That is not the fault of the Government when the Government has paid its debt.

Mr. BRUCE. I take it for granted, and it seems to me the Senator from Ohio should take it for granted, that when this calculation was twice made by the Committee on Claims and twice approved by this body the calculation was correct.

Mr. WILLIS. Mr. President, I think that is sometimes a rather violent assumption. I ask the Senator to let the bill go over and to look into that matter; and if no mistake has been made, I shall not object.

The VICE PRESIDENT. Does the Senator from Ohio object?

Mr. WILLIS. I object at this time.

The VICE PRESIDENT. The bill will be passed over.

CLARA E. NICHOLS

The bill (S. 2096) to extend the benefits of the United States employees' compensation act of September 7, 1916, to Clara E. Nichols was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

TRAVEL PAY AND ALLOWANCES FOR PHILIPPINE SCOUTS

The bill (S. 2658) to authorize the Secretary of War to fix all allowances for enlisted men of the Philippine Scouts; to validate certain payments for travel pay, commutation of quarters, heat, light, etc., and for other purposes, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the last sentence of the second paragraph of section 36 of the act entitled "An act to increase the efficiency of the permanent Military Establishment of the United States," approved February 2, 1901 (31 Stat. L. p. 757), be, and the same is hereby, amended to read as follows:

"The pay and allowances of whatever nature and kind to be authorized for the enlisted men of the Philippine Scouts shall be fixed by the Secretary of War and shall not exceed or be of other classes than those now or which may hereafter be authorized by law for enlisted men of the Regular Army: *Provided*, That payments of travel pay and of commutation of quarters, heat, and light heretofore made to enlisted men of the Philippine Scouts, if not in excess of those authorized at the time for enlisted men of the Regular Army, be, and the same are hereby, validated: *And provided further*, That any such payments of travel pay and commutation of quarters, heat, and light which have been collected back from enlisted men of the Philippine Scouts to whom originally paid shall be refunded to them."

Mr. KING. I would like to have some explanation of this.

Mr. WADSWORTH. Mr. President, back in 1901, when the body of troops known as the Philippine Scouts was organized by authority of Congress, the law provided that the Secretary of War should fix the pay and allowances of those troops, to correspond, not in amount but as to pay and privileges, with

the pay and allowances of the troops of the Regular Army of the United States. That was done.

It was deemed, from 1901 to 1922, that the word "pay" included travel pay and commutation of quarters in the form of cash payments. In 1922, or thereabouts, after 21 years had gone by, the comptroller ruled that the word "pay" in the act of 1901 did not include travel pay; that every time a Philippine Scout soldier had been discharged at the expiration of his enlistment and given travel pay to go back to his home, that had been given to him illegally; that the officers in the Philippines must attempt to find every such soldier and make him pay back that money; that the officers who had paid it out had done so illegally and should be held responsible for illegal payments. I need not say that such a construction of the statute by the comptroller is certainly very finely drawn.

Mr. KING. The books of the War Department show the transactions, that the payments were made of certain amounts, and the appropriations were made by Congress of the amounts?

Mr. WADSWORTH. That is correct.

Mr. KING. I have no objection.

Mr. WADSWORTH. This validates those payments and relieves these soldiers of having to pay the money back.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PERLEY MORSE & CO.

The bill (S. 519) for the relief of Perley Morse & Co. was considered as in Committee of the Whole. The bill had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$882.50," and to insert in lieu thereof "$859.39," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Perley Morse & Co., out of any money in the Treasury not otherwise appropriated the sum of $859.39 in settlement of the claim of said company for overtime work performed in connection with services rendered the Federal Trade Commission in its investigation of the newsprint-paper industry during the month of May, 1918, in order to complete the work in time to be of practical use to the commission.

The amendment was agreed to.

Mr. KING. Mr. President, I have been advised that this work was done under contract. My informant may be in error, and I should like to know from the Senator from New York whether it was done under contract, and if so, then why the Government should be called upon to pay an additional sum.

Mr. COPELAND. Mr. President, at the time this work was done the Federal Trade Commission was making an investigation of the newsprint paper industry, and it was very important, or seemed so to the commission, to have an immediate report. So, in spite of the contract they had with Perley Morse & Co. the commission asked this concern of auditors to work overtime in order that the report might be made available at once. It will be seen that this work had the approval of the Federal Trade Commission, the employers of this firm of auditors. I remind the Senator from Utah that we went into this matter quite extensively last year, and after some discussion the Senate agreed unanimously to the justice of the bill.

I call the attention of the Senator to page 2 of the report, where it is said:

The claim upon transmittal to the Auditor for the State and Other Departments was approved by the commission in the sum of $859.39, the difference, $23.11, being deducted because the statement of time accompanying the claim did not agree with the daily report cards submitted to the commission in connection with the individual employees' work, and it is recommended that the amount provided for in the bill be reduced accordingly.

In other words, the commission recognizes the justice of the bill and the propriety of its payment, with the correction which has been made in the measure presented to us now.

Mr. KING. I have given some little attention to this claim. I do not think it is absolutely just, and yet I shall not object to its consideration, provided the Senator will accept an amendment to the effect that the amount shall be paid out of any fund or appropriation made to the Federal Trade Commission. They have an appropriation every year of from $750,000 to nearly $1,000,000. They know just what Congress gives them. They must cut their suits from the cloth which is given to them by Congress. If they think this is such a just claim, then let them pay it out of any fund we appropriate for that organization.

Mr. COPELAND. I have no objection to such an amendment, provided the amendment carries with it, in a sense, the demand that the bill shall be paid.

Mr. KING. It would be the law.

Mr. COPELAND. I am not interested in the fund from which it comes.

Mr. KING. I suggest the following amendment: On page 1, line 5, after the word "money," to strike out the words "in the Treasury not otherwise appropriated" and insert "appropriated for the Federal Trade Commission by Congress."

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NORFOLK & WESTERN RAILWAY CO. BRIDGE, WEST VIRGINIA

The bill (S. 2448) to authorize the Norfolk & Western Railway Co. to construct a bridge across the Tug Fork of Big Sandy River at or near a point about 2½ miles east of Williamson, Mingo County, W. Va., and near the mouth of Lick Branch, was announced as next in order.

Mr. BINGHAM. Mr. President, I ask unanimous consent that Order of Business 129, House bill 6740, be taken up instead of Senate bill 2448. The House bill is identical with the Senate bill, and has been passed by the House.

The VICE PRESIDENT. Is there objection to the request of the Senator from Connecticut?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 6740) granting the consent of Congress to the Norfolk & Western Railway Co. to construct a bridge across the Tug Fork of Big Sandy River at or near a point about 2½ miles east of Williamson, Mingo County, W. Va., and near the mouth of Lick Branch, which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Norfolk & Western Railway Co., a corporation organized under the laws of the State of Virginia and authorized to do business in the State of West Virginia and operate railways in Kentucky, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Tug Fork of Big Sandy River at a point suitable to the interests of navigation at or near a point about 2½ miles east of Williamson, Mingo County, W. Va., and near the mouth of Lick Branch, in Mingo County, W. Va., where the said Tug Fork forms the boundary line between the States of West Virginia and Kentucky, in accordance with the provisions of the act to regulate the construction of bridges over navigable waters, approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. BINGHAM. I move that Senate bill 2448 be indefinitely postponed.

The motion was agreed to.

DULUTH & SUPERIOR BRIDGE CO. BRIDGE

The bill (S. 2281) to authorize the maintenance and renewal of a timber frame trestle in place of a fixed span at the Wisconsin end of the steel bridge of the Duluth & Superior Bridge Co. over the St. Louis River between the States of Wisconsin and Minnesota, was considered as in Committee of the Whole. The bill had been reported from the Committee on Commerce with an amendment, on page 2, after line 18, to insert a new section, as follows:

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

So as to make the bill read:

Be it enacted, etc., That the Duluth & Superior Bridge Co., a corporation organized under the laws of the State of Wisconsin, and its successors in interest, be, and they are hereby, authorized to replace the 300-foot steel span of the bridge of the said Duluth & Superior Bridge Co. across the St. Louis River between Rices Point, Minn., and Connors Point, Wis., built pursuant to acts of Congress, approved, respectively, April 24, 1894, and August 4, 1894, which 300-foot steel span adjoined the Wisconsin end of the draw span of said bridge and was heretofore destroyed by a steamship collision, with a 22-span frame trestle, which has now been erected under temporary permit from the Secretary of War of the United States; and to maintain said 22-span frame trestle in place of the said metal span and as a part of the bridge provided for in said acts of Congress; and to replace the said 22-span frame trestle from time to time as the same may be required with a like or similar structure or structures of similar type, notwithstanding any provision to the contrary in the said acts of Con-

gress: *Provided, however,* That the said present 22-span frame trestle shall not be renewed or replaced until detailed plans and specifications for such renewal or replacement shall have been submitted to and approved by the Secretary of War.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ESTATE OF ROBERT DILLON

The bill (S. 69) for the relief of the legal representatives of Robert Dillon, deceased, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the claim of the legal representatives of Robert Dillon, deceased, for the net proceeds of the cotton purchased, or turned over to him, or owned by him, taken by United States officers, sold, and the net proceeds thereof placed in the United States Treasury be, and the same is hereby, referred to the Court of Claims of the United States for determination of the law and the facts, under the act of Congress approved March 12, 1863 (12 Stat. L. p. 820), any statute of limitations or the act of July 2, 1864 (18 Stat. L. p. 376), and all other nonintercourse laws or section 179 of Judicial Code to the contrary notwithstanding, and report to Congress.

Mr. KING. I would like to ask the Senator from Washington [Mr. JONES], who is the author of the bill, to state the amount which it is alleged was placed in the Treasury of the United States for Mr. Dillon.

Mr. JONES of Washington. It was $20,532.60.

Mr. KING. I shall not object to the bill if the Senator will accept the following amendment:

Provided, That the sum so paid shall be in full settlement of all claims and demands whatsoever growing out of any judgment so rendered in said claim of Robert Dillon, deceased, and in full of all claims and demands whatsoever growing out of said transaction, and that no interest shall be paid thereon.

Will the Senator accept the amendment?

Mr. JONES of Washington. I see no objection to the amendment.

Mr. KING. Then I have no objection to the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BELLE H. WALKER AND FRANK E. SMITH

The bill (S. 453) for the relief of Belle H. Walker, widow of Frank H. Walker, deceased, and Frank E. Smith was announced as next in order.

Mr. KING. I object to the present consideration of the bill.

Mr. BAYARD. I hope the Senator will withdraw his objection.

Mr. KING. I would like to have it go over.

The VICE PRESIDENT. The bill will go over.

R. CLYDE BENNETT

The bill (S. 1059) for the relief of R. Clyde Bennett was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to R. Clyde Bennett the sum of $10,000, in full satisfaction of all his claims against the United States on account of permanent bodily injuries sustained by him as the result of his having been accidentally shot by a soldier who at the time of the accidental shooting was in the service of the United States, guarding Baltimore & Ohio Railroad property in the State of West Virginia.

Mr. NEELY. Mr. President, this bill was passed by the Senate during the Sixty-eighth Congress, but the House failed to consider it. The Committee on Claims has twice unanimously recommended its passage. A more meritorious case has never been before the Senate. I sincerely hope that no one will prevent favorable action here to-day. The beneficiary, R. Clyde Bennett, was properly performing his usual duties in the operation of a Baltimore & Ohio Railroad train. A soldier in the service of the United States Government, who was guarding railroad property, accidentally discharged his rifle and shot Bennett, who was entirely free from fault.

As a result of the accident, Bennett is maimed and half of his body is paralyzed for life. The relief proposed by the bill should be granted at once.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

REFUNDING CERTAIN ESTATE TAXES

The bill (S. 2526) to extend the time for the refunding of taxes erroneously collected from certain estates was announced as next in order.

Mr. KING. Mr. President, the bill has just been brought to my attention. It seems to me it ought to have been referred to the Committee on Finance. In the revenue bill which has just been passed the question of refunds and extension of time for the bringing of suits and presenting claims was considered. There is very much legislation in the bill now on the calendar dealing with that very subject. I would not want to consent to a consideration of the bill until the Treasury Department could be communicated with and could inform us whether the bill which passed the Senate a few days ago cares for any conditions which ought to be cared for. I object to the consideration of the bill.

The VICE PRESIDENT. The bill will be passed over.

HERMAN SHULOF

The bill (S. 2616) for the relief of Herman Shulof was considered as in Committee of the Whole. The bill had been reported from the Committee on Claims with an amendment, on page 1, in line 9, to strike out the words "who was thereafter on June 2, 1919, a few days after his arrival at Atlanta prison, pardoned by the President," and to insert in lieu thereof the words "subsequently pardoned by President Wilson," so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Herman Shulof, of New York City, which sum was paid by him to the United States by reason of the forfeiture of the bail bond of William Kahn, who was afterwards taken into custody and convicted, but subsequently pardoned by President Wilson.

Mr. KING. Mr. President, I would like the Senator from New York [Mr. WADSWORTH] to explain the case and also whether the costs of apprehending the defendant who was subsequently, as the bill said, convicted, are to be deducted from any payment and any provision as made. The rule generally is in the States, and it ought to be in the Federal Government, that expenses incurred in apprehending a fugitive who is under bail shall be paid by the person who furnished the bail bond.

Mr. WADSWORTH. The man, Herman Shulof, was a surety on the bail bond of a man named William Kahn. Kahn disappeared. Incidentally it may be of interest to know that Shulof and Kahn were brothers-in-law. The bail bond was for $10,000. The evidence shows that after a good deal of investigation Shulof himself became exceedingly active in assisting in the apprehension of Kahn. He cooperated with the agents of the Department of Justice and traced Kahn from place to place and finally, largely through his efforts, Kahn was rearrested and brought into court. The evidence shows that Shulof spent about $2,500 in doing this work. Of course, it is fair to say that he had an interest in it, because he was held for $10,000, but he was largely responsible for the return of the prisoner. That being the case, the Committee on Claims thought he might well be reimbursed the $10,000 which he paid at the time.

Mr. KING. I feel constrained to object unless a proviso is attached, reading as follows:

Provided, That any sum expended by the United States in the apprehension of said Kahn shall be deducted from said $10,000.

Mr. WADSWORTH. Will the Senator add after the word "bond" the words "as ascertained by the Attorney General"?

Mr. KING. Yes.

Mr. WADSWORTH. I do not know whether it will be possible for the Attorney General to estimate the expenses in apprehending Kahn. The men who cooperated with Shulof were the regular paid agents of the Department of Justice. It might be possible to look up some of their expenses when traveling, if they did any traveling. I do not know what the outcome of such an amendment would be, but I have no objection to it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah to the amendment of the committee, which will be stated.

The CHIEF CLERK. Add at the end of the bill the following proviso:

Provided, That any sum expended by the United States in the apprehension of said Kahn, as ascertained by the Attorney General, shall be deducted from said $10,000.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JAMES DOHERTY

The bill (S. 1131) for the relief of James Doherty was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,250 to James Doherty, of Metaline Falls, Wash., for the destruction of his residence and household effects by fire while being occupied by employees of the Bureau of Public Roads, Department of Agriculture.

Mr. KING. I would like to have an explanation of the bill.

Mr. DILL. A similar bill was passed by the Senate at the last session of Congress. It simply provided for paying $2,250 to Doherty for the loss of his cabin or building, with his household equipment, which at that time was being used by employees of the Bureau of Public Roads. The bill was first introduced providing for a larger sum, but the department report suggested that it was rather a liberal amount, and the Committee on Claims cut it to $2,250. The bill as thus framed has been reported twice by the Committee on Claims, and, as I said, a similar bill passed the Senate in the previous session of Congress.

Mr. KING. Will the Senator permit an inquiry?

Mr. DILL. Certainly.

Mr. KING. Did the Department of Public Roads authorize the occupancy of the house and the use of the personal property, or did the employees of the Bureau of Public Roads make some private arrangement for the use of the premises?

Mr. DILL. I do not know that the authorities in Washington authorized it, but the representatives of the Bureau of Public Roads had to have a place to stay and made arrangements to use the cabin and were simply permitted to use it. It was up in the timber, and there was no other place for them to stay, and rather than build a cabin they used this one.

Mr. KING. Did they have exclusive occupancy of the premises?

Mr. DILL. Yes; they had exclusive occupancy of the premises. The origin of the fire was unknown, and the department report said that it is probable it occurred as a result of their occupancy. There was no one else there, and certainly Mr. Doherty had no way of guarding his property when he permitted them to use it.

Mr. KING. I shall not object, but it does seem to me this is a very bad precedent. If employees of the Government go and occupy premises—good, bad, or indifferent; premises that are of great value—and then the Government of the United States, because of the employees temporarily occupying them by reason of having duties in that vicinity, becomes responsible for fires, casualties, tornadoes, and what not, there is no limit to the liability which the Government will be compelled to meet. I think that the Bureau of Public Roads or any agency of the Government is guilty of culpable negligence if they occupy premises which may be destroyed by fire and do not make provision to protect the Government of the United States.

Mr. DILL. Of course, any premises might be destroyed even if they were built by the Government. This arrangement saved the building of similar premises by the Government, because employees were lodged there for some time.

Mr. KING. If the Government occupies such premises for any considerable length of time and fails to take out insurance for its protection, or if any department should fail to do such a thing, it is guilty of culpable negligence. I think the Bureau of Public Roads, in taking possession of premises in this way, with no guaranty against the occurrence of fire or other loss, is guilty of great laxity of duty and ought to be censured for it.

Mr. FLETCHER. There was no insurance on the building?

Mr. DILL. No; there was no insurance.

Mr. FLETCHER. So the owner has not received any compensation from any source?

Mr. DILL. None at all.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

IMMACULATO CARLINO

The bill (S. 1160) for the relief of Immaculato Carlino, widow of Alexander Carlino, was considered as in Committee of the Whole. The bill had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$5,000" and insert "$2,000," so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Immaculato Carlino, widow of Alexander Carlino, the sum of $2,000 as compensation for the death of her husband, who died as a result of injuries received when he was struck by a truck operated by an employee of the Bureau of War Risk Insurance.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ARCHIBALD L. MACNAIR

The bill (S. 613) for the relief of Archibald L. Macnair was considered as in Committee of the Whole and was read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay Archibald L. Macnair, out of any moneys in the Treasury not otherwise appropriated, the sum of $1,530.10 as damages for the destruction of his Sopwith airplane by an Army service airplane, March 12, 1922, at Daytona Beach, Fla.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

WYNONA A. DIXON

The bill (S. 1351) for the relief of Wynona A. Dixon was considered as in Committee of the Whole and was read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $7,666.67 to Wynona A. Dixon, that being the value of certain of her property seized and appropriated by the military forces of the United States during the late Civil War, as found by the Court of Claims and reported in Senate Document No. 333, Sixty-first Congress, first session.

Mr. KING. Mr. President, this is a case hoary with age. I would like to have some explanation of it. It goes away back to 1863. Why has it not been paid, if it is a valid claim, years and years ago, before the Senator from Texas [Mr. SHEPPARD] was born?

Mr. SHEPPARD. The Court of Claims did not pass on the matter until 1908. The claim would have been embodied in the last omnibus claims bill but for an oversight on the part of a member of the committee who had the claim in charge. He afterwards told me that he would have incorporated it in the last omnibus claims bill which was passed before Congress discontinued the jurisdiction of the Court of Claims but for an oversight on his part. For that reason I have since reintroduced the bill.

Mr. KING. Why should the claim not be sent to the Court of Claims?

Mr. SHEPPARD. It has been sent to the Court of Claims, and the Court of Claims has made a finding sustaining the amount recommended in the bill, about $7,000 out of a total claim for a much larger amount. The particular amount proposed to be paid by this bill is for supplies which it was shown the Army actually used and which were furnished by a loyal claimant.

Mr. KING. Was the claim considered years ago in the seventies or eighties and never presented?

Mr. SHEPPARD. The claim was presented to the Court of Claims and a finding made in 1908.

Mr. KING. But it has been passed upon by the Court of Claims?

Mr. SHEPPARD. It has been passed upon by the Court of Claims.

Mr. KING. Does the amount carried in this bill represent the judgment of the court?

Mr. SHEPPARD. It represents a finding of the court. The claim was referred to the court under the Tucker Act, which requires findings of fact for report to Congress.

Mr. KING. Was Wynona A. Dixon the claimant to whom the award was made?

Mr. SHEPPARD. She was the claimant, to whom the amount carried in this bill was awarded after an investigation by the court.

Mr. KING. And it amounts to $7,600?

Mr. SHEPPARD. It amounts to $7,666.67.

Mr. KING. Then the judgment docket of the Court of Claims would show that a judgment was rendered in behalf of this claimant for that amount?

Mr. SHEPPARD. The docket will show a finding for this amount.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

FRAUDULENTLY ENLISTED SOLDIERS OF THE WORLD WAR

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1343) for the relief of soldiers who were discharged from the Army during the World War because of misrepresentation of age, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 6, after the word "was," to strike out the word "discharged" and insert the word "enlisted," and in line 8, after the word "inclusive," to insert the words "and who was discharged," so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon honorably discharged soldiers of the United States Army, their widows and dependent children, a soldier who was enlisted between April 6, 1917, and November 11, 1918, both dates inclusive, and who was discharged for fraudulent enlistment on account of misrepresentation of his age, shall hereafter be held and considered to have been discharged honorably from the military service on the date of his actual separation therefrom, if his service otherwise was such as would have entitled him to an honorable discharge: *Provided,* That no back pay or allowances shall accrue by reason of the passage of this act.

Mr. KING. I should like an explanation of the bill and its implications and possibilities.

Mr. SHEPPARD. Mr. President, this is a bill relating to young men who were so desirous of fighting for their country in the World War that they misrepresented their ages at the time of their enlistment. Many of them made splendid records. However, they were discharged on account of fraudulent enlistment through misrepresentation of age. This bill is to put them on an equal basis with all others who were honorably discharged from the Army, provided their records were satisfactory in every other respect.

It seems to me that a young man who is so desirous of fighting for his country that he would misrepresent his age in order to be enlisted, and whose record after that is unobjectionable and praiseworthy, certainly ought to be relieved of any handicap that might attach to him by virtue of having so enlisted.

Mr. KING. Has the Senator included in the bill the recommendation of the War Department to the effect that no pay or allowances shall accrue in the cases of these former soldiers by reason of this proposed legislation?

Mr. SHEPPARD. That is embodied in the bill. A similar bill passed the Senate during the last Congress, but did not reach the House of Representatives in time for proper consideration before final adjournment of Congress.

Mr. KING. The Senator thinks that the bill as now drawn would guard the Government against cases where after these men entered the Army they were discharged because of some misconduct in the Army?

Mr. SHEPPARD. The bill specifies that their records must be satisfactory in all other respects.

Mr. FLETCHER. As I understand the bill, it merely relieves them of the charge of fraudulent enlistment?

Mr. SHEPPARD. Exactly.

Mr. KING. I have no objection to the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the Committee on Military Affairs.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LANDING FIELD NEAR LITTLE ROCK, ARK.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1144) authorizing the Secretary of War to acquire a tract of land for use as a landing field at the air intermediate depot, near the city of Little Rock, in the State of Arkansas; which had been reported from the Committee on Military Affairs with amendments on page 1, line 7, after the word "and," to strike out the words "to pay"; line 8, after the word "land," to insert the words "shall be paid by the Attorney General"; on page 2, before the word "said" at the beginning of line 1, to strike out the word "which"; and in the same line, after the word "property," to strike out the word "includes" and to insert the word "comprising," so as to make the bill read:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to acquire, at a cost not to exceed $100,000, a tract of land, 66⅔ acres in area, for use as a landing field at the air intermediate depot, near the city of Little Rock, in the State of Arkansas, and the purchase price of said land shall be paid by the Attorney General out of the proceeds of the sale of the Government property at Picron, said property comprising 400 acres of land heretofore donated to the Government by the citizens of Little Rock at a cost of approximately $300,000.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AVIATION FIELD AT TUCSON, ARIZ.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2029) authorizing the withdrawal of certain public lands in Arizona for use as a municipal aviation field by the city of Tucson, Ariz., which had been reported from the Committee on Public Lands and Surveys with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of the Interior be, and he hereby is, authorized to lease to the city of Tucson, Ariz., for the establishment and maintenance of a municipal aviation field, sections 26 and 27 in township 14 south of range 14 east, G. and S. R. B. and M., Pima County, Ariz., containing 1,280 acres, more or less.

SEC. 2. That said lease shall be for a period of 20 years, and be subject to renewal for a like period, on condition that the city pay to the United States a rental of $1 per year for the use of the said land: *Provided,* That Government departments and agencies operating aircraft shall always have free and unrestricted use of said field and the right to erect and install upon said land such structures and improvements as the heads of such departments and agencies may deem advisable, including facilities for maintaining supplies of fuel, oil, and other materials for operating aircraft, and that in case of emergency, or in event it shall be deemed advisable, the Government of the United States may assume absolute control of the management and operation of said field for military purposes.

The amendment was agreed to.

Mr. ASHURST. Mr. President, I call attention to line 24 on page 2 of the bill. It will be observed that in that line the bill reads "G and S. R. B. and N." The letter "N" should be "M." Those letters stand for "Gila and Salt River Basin Meridian." I move that amendment.

The amendment was agreed to.

Mr. KING. I ask the Senator from Arizona if it is fully understood by the municipal authorities of Tucson that there is no obligation whatever on the part of the Government to utilize this field for governmental purposes? I understand that the municipality wants an aviation landing field, and I am interested to know whether they expect that the passage of this legislation will imply any obligation upon the part of the Government to utilize it either by the Post Office or by the War Department or by any other agency in the Government that may use airplanes.

Mr. ASHURST. The able Senator has asked me a question that I frankly say I can not answer. I am unable to state what some one else may expect. Let us see, however, from reading the bill.

Mr. KING. What I desire to be certain about is that there is no commitment of the Government.

Mr. ASHURST. First let me read from section 1:

That the Secretary of the Interior be, and he hereby is, authorized to lease to the city of Tucson, Ariz., for the establishment and maintenance of a municipal aviation field—

Then the sections of land are designated, following which section 2 provides:

SEC. 2. That said lease shall be for a period of 20 years, and be subject to renewal for a like period, on condition that the city pay to the United States a rental of $1 per year for the use of the said land—

Now, this seems to answer the Senator's question:

Provided, That Government departments and agencies operating aircraft shall always have free and unrestricted use of said field and the right to erect and install upon said land such structures and improvements as the heads of such departments and agencies may deem advisable, including facilities for maintaining supplies of fuel, oil—

And so forth.

I will say to the able Senator that undoubtedly the Federal Government will have the right to the free use of the field at any time for aviation purposes.

Mr. KING. The reason I propounded the question was that I have been told of two instances where municipal fields were set apart, much as this field is proposed to be set apart, as to which it was insisted later on that the Government should pay for them, and, secondly, that there was an implication that the fields should be used indefinitely by Post Office Department and Army planes.

Mr. ASHURST. I do not want even to appear to deceive the Senator. The bill does say this:

The Government of the United States may assume absolute control of the management and operation of said field for military purposes.

I will say that the Government arm is not to be paralyzed in any way and prevented from taking charge.

Mr. KING. I have no objection to that, but I want it understood that the Government of the United States shall not be bound to any obligation either to maintain this field or to use it for any purpose, unless it shall take charge of it, of course.

Mr. ASHURST. I am anxious to have this bill passed, but I am not going to be foreclosed from asking for adequate appropriations if military necessities shall require. I want it understood that I am not to be foreclosed from doing that.

Mr. KING. The Senator and I will not disagree.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was recommended by the committee to be amended so as to read: "A bill to authorize the use by the city of Tucson, Ariz., of certain public lands for a municipal aviation field, and for other purposes."

Mr. FLETCHER. Mr. President, the title should be amended, it seems to me, so as to state that the land is to be leased for the purpose indicated. I think it ought to read: "Authorizing the leasing of certain public lands to the city of Tucson, Ariz., for a municipal aviation field, and for other purposes." As the bill has been amended it authorizes the Secretary of the Interior to lease certain public lands to the city of Tucson.

Mr. ASHURST. Let me say to the Senator that I think the title as proposed to be amended by the committee covers that.

Mr. FLETCHER. Very well. I presume the title as recommended to be amended is all right.

Mr. ASHURST. I think it is ample to cover the amendment of the committee.

Mr. FLETCHER. Very well.

The VICE PRESIDENT. Without objection, the title will be amended as recommended by the committee.

AVIATION FIELD AT YUMA, ARIZ.

The bill (S. 2307) authorizing sale of certain lands to the Yuma Chamber of Commerce, Yuma, Ariz., was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands and Surveys with an amendment to strike out all after the enacting clause and to insert:

That in order that the entire southeast quarter of section 9, township 9 south of range 23 east of the Gila and Salt River meridian, Arizona, may be reserved for an aviation field, the Secretary of the Interior is hereby authorized to issue unrestricted patent for any public land in said section 9 in exchange for the east half of the southeast quarter and the northwest quarter of the southeast quarter of said section 9.

SEC. 2. That upon the exchange being completed, the entire southeast quarter of said section 9 shall be reserved as a field for the landing and taking off of aircraft of all descriptions: *Provided*, That the Board of County Commissioners of Yuma County, Ariz., shall by resolution agree to assume the expense of clearing and maintaining the field, and that the following conditions are agreed to: (1) That operators of Government-owned aircraft shall always have free and unrestricted use of said field; (2) that rules and regulations governing the operation of aircraft upon said field shall include and coincide with rules and regulations prescribed and promulgated by the War Department; (3) that Government departments and agencies operating aircraft shall have the right to erect and install upon said land such structures and improvements as the heads of such departments and agencies may deem advisable, including facilities for maintaining supplies of fuel, oil, and other materials for operating aircraft; (4) that in case of emergency, or in the event that it shall be deemed advisable by the Secretary of War, the War Department may assume absolute control of the management and operation of said field.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the Secretary of the Interior to exchange certain lands in order to acquire land for a municipal aviation field at Yuma, Ariz."

FORFEITURE OF PAY IN MILITARY AND NAVAL SERVICES

The bill (S. 2828) to provide for forfeiture of pay of persons in the military and naval services of the United States who are absent from duty on account of the direct effects of the intemperate use of alcoholic liquor or habit-forming drugs or because of venereal disease was considered as in Committee of the Whole.

The bill had been reported from the Committee on Military Affairs with amendments, on page 2, line 2, after the word "absence," to strike out the colon, the word "*Provided*," and the comma, and insert a period; at the beginning of line 3 to insert "SEC. 2."; in line 9, after the word "*Provided*," to strike out the word "*further*"; in line 14, after the word "service," to strike out the colon, the words "*Provided further*," and the comma, and insert a period; at the beginning of line 15 to insert "SEC. 3."; in line 20, after the word "purposes," strike out the colon, the words "*Provided further*," and the comma, and to insert a period; at the beginning of line 21 to insert "SEC. 4."; on page 3, line 1, after the word "forfeited," to strike out the colon, the words "*And provided further*," and the comma, and insert a period, so as to make the bill read:

Be it enacted, etc., That hereafter no person in active service in the military or naval service who shall be absent from his regular duties for more than one day at any one time on account of the effects of a disease, as distinguished from injury, which is directly attributable to and immediately follows his own intemperate use of alcoholic liquor or habit-forming drugs, shall, except as hereinafter provided, be entitled to any pay, as distinguished from allowances, for the period of such absence.

SEC. 2. That hereafter no person in active service in the military or naval service who shall be absent from his regular duties for more than one day at any one time on account of the direct effects of a venereal disease due to his own misconduct, shall, except as hereafter provided, be entitled to any pay, as distinguished from allowances, for the period of such absence: *Provided*, That such absence is within a period of one year following the appearauce of the initial symptoms of such venereal disease and regardless of whether the appearance of the initial symptoms occurs prior or subsequent to the date of entry into the service.

SEC. 3. That for all purposes within the scope of this act the period of absence and the cause thereof shall be determined under such procedure and regulations as may be prescribed by the Secretary of War or the Secretary of the Navy, and such determination shall be final and conclusive for all purposes.

SEC. 4. That each person whose pay, as distinguished from allowance, is forfeited for a period in excess of one month at any one time pursuant to the provisions of this act shall be paid for necessary personal expenses the sum of $5 for each full month during which his pay is so forfeited.

SEC. 5. That the acts approved April 27, 1914 (38 Stat. L. pp. 353, 354), August 29, 1916 (39 Stat. L. p. 580), and July 1, 1918 (40 Stat. L. p. 717), so far as relates to forfeiture of pay on account of absence from duty due to injury, sickness, or disease resulting from the intemperate use of drugs or alcoholic liquors, or other misconduct, are hereby repealed.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS ARISING FROM OPERATION OF ARMY TRANSPORT SERVICE

The bill (S. 2854) to authorize payment of claims in admiralty arising from operation of Army transport service was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the first section of an act entitled "An act to give indemnity for damages caused by American forces abroad," approved April 18, 1918 (40 Stat. L. p. 532), be, and the same is hereby, amended to read as follows:

"That claims, including claims in admiralty arising from operation of the Army transport service in connection with American forces abroad, of the nationals of any foreign government not an enemy or ally of an enemy, for damages caused by American military forces, may be presented to any officer designated by the President and when approved by such officer shall be paid under regulations made by the Secretary of War."

Mr. KING. Mr. President, I should like an explanation of this bill from the Senator from New York; and I am particularly anxious to know whether it gives authority to the War Department, or any officer designated by it, to pay claims which may be presented under the provisions of the bill without limitation as to the amounts which they may pay.

Mr. WADSWORTH. Mr. President, this is an exceedingly interesting and important matter. It may attract the attention of the distinguished Vice President, who bore such an important part in the American Expeditionary Forces and is pretty familiar with the matter of settling claims with French citizens.

Shortly after the conclusion of the war or shortly before its conclusion—I forget which—the Congress passed an act authorizing the Secretary of War to settle all claims coming from contractors of the United States who were furnishing materials or services in connection with the prosecution of the war; and the Senator from Utah will recollect that a board of contract review was set up in the War Department which passed upon the claims and checked them up in the most careful manner, and that those claims were paid by the Secretary of War out of appropriations made by the Congress. The Senator from Utah will also recollect, probably, that prior to or coincident with the withdrawal of the main portions of the American Expeditionary Forces from France, and by authority of the Congress, arrangements were made with the French Government which involved the sale to the French Government of American surplus supplies which our authorities believed should not be brought back to the United States and also the sale to the French Government of the great installations put up in France by our military authorities for the conduct of the war. One feature of that settlement with the French was that the French Government assumed responsibility for claims for damages done by American forces in the territory of France, so that by that settlement America settled her claims, as it were, with individual French claimants, doing it through the instrumentality of the French Government as a part of the consideration in this transaction.

No provision was made, however, for the settlement of claims against the United States arising from the operations of the Army transport service. Of course, our transports, both troop and cargo, entered the harbors of France and other countries in great numbers, and inevitably certain accidents occurred, collisions with ships or boats belonging to our allies or citizens of our allies; and not one step has been taken, although eight years have gone by, for the settlement of any of those just claims for damages. This bill gives to the Secretary of War the same authority with respect to claims arising from the operation of the Army transport service that he would have in connection with any other kind of claim.

The War Department estimates—and it is a rough estimate, of course—that the claims which are pending can be settled for approximately $794,000. Now, certainly the United States should settle those claims. It is rather a pity for our own good name that we have not done it before this. We must delegate to some one the authority to fix upon the proper amounts; and, of course, the Secretary of War is the best-equipped official of our Government to conduct those negotiations and reach the settlements. The purpose of this bill is to permit us, through the Secretary of War, to pay our just debts.

Mr. BAYARD. Mr. President——

Mr. WADSWORTH. I yield.

Mr. BAYARD. Can the Senator tell us about what the gross amount of these claims is?

Mr. WADSWORTH. The War Department estimates roughly that all the claims can be settled for an aggregate amount of $794,000. We have owed the money for eight years.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

JOHN FRAZER, DECEASED, AND OTHERS

The bill (S. 2656) for the relief of the estates of John Frazer, deceased; Zephaniah Kingsley, deceased; John Bunch, deceased; Jehu Underwood, deceased; and Stephen Vansandt, deceased, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That jurisdiction be, and hereby is, given to the United States Court of Claims (notwithstanding any bar arising from the statute of limitations or otherwise, and notwithstanding any decisions, rulings, or orders heretofore rendered or made by executive officers of the United States) of the claims of the estates of said John Frazer, Zephaniah Kingsley, John Bunch, Jehu Underwood, and Stephen Vansandt, deceased, known as the East Florida claims, for unpaid balances due on awards made by the Superior Court of the Territory of Florida at St. Augustine, under the treaty of 1819 between the United States and Spain with respect to property of said decedents taken or destroyed by the military forces of the United States; and said court is hereby directed to make findings of fact and enter judgment in relation to each of said claims: *Provided*, That from the judgments of said court on said claims either party shall have the right to appeal to the Supreme Court of the United States.

SEC. 2. That in adjudicating said claims said Court of Claims shall consider all findings of fact and all other evidences relative to the same, respectively, which is on file of the records of the United States or the State of Florida.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

C. C. SPILLER, DECEASED

The bill (S. 1632) for the relief of the estate of C. C. Spiller, deceased, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of C. C. Spiller, deceased, late of Hamilton County, Tenn., the sum of $8,000, found to be due him by the Court of Claims, in congressional case No. 10549 as appears by Senate Document No. 173, Fifty-ninth Congress, second session, being his share of the reasonable charter value, together with the destruction thereof, of a small steamboat, known as the *Paint Rock*, taken and used by the United States, and while in their possession accidentally destroyed and never paid for, all while the said C. C. Spiller, deceased, was a loyal citizen of the United States, as evidenced by the findings or report, dated June 27, 1864, of a board of claims designated by the commanding officer of the Department of the Cumberland, by Special Field Orders, No. 104, dated April 12, 1864, still of record in the War Department.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

LANDS IN WYOMING

The bill (S. 1462) permitting Leo Sheep Co., of Rawlins, Wyo., to convey certain lands to the United States and to select other lands in lieu thereof, in Carbon County, Wyo., for the improvement of the Medicine Bow National Forest, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That upon delivery to the Secretary of the Interior by Leo Sheep Co., of Rawlins, Wyo., of its properly executed deed or deeds conveying to the United States of America the lands of Leo Sheep Co. in sections 11 and 15, the north half of section 23, and the north half of the south half of section 23, township 18 north, range 82 west of the sixth principal meridian, containing approximately 1,760 acres, within the Medicine Bow National Forest, Wyo., the said company shall be authorized and permitted to select not to exceed an equal value of public lands of the United States within townships 13, 14, and 15, in range 90 west of the sixth principal meridian, in Carbon County, Wyo.: *Provided*, That in the opinion of the Secretary of Agriculture the interests of the United States will be benefited by such exchange of lands: *And provided further*, That the lands proposed to be conveyed to the United States are found by the Secretary of Agriculture to be chiefly valuable for national forest purposes.

SEC. 2. That when the title to the lands herein described shall have revested in the United States pursuant to the foregoing provisions, and selection of lands in lieu thereof has been made as above by Leo Sheep Co., the Secretary of the Interior shall cause a patent to issue conveying such selected lands to Leo Sheep Co.; but in such patent there shall be reserved to the United States all oil, coal, and other mineral deposits within said lands and the right to prospect for, mine, and remove the same.

SEC. 3. That lands conveyed to the United States under the provisions of this act shall, upon acceptance of title, become a part of the national forest within the exterior boundaries of which they are situated, and shall be subject to the control of the Secretary of Agriculture.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

LYN LUNDQUIST

The bill (S. 1896) for the relief of Lyn Lundquist was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he hereby is, authorized and directed to issue patent for the west half of the northeast quarter and the east half of the northwest quarter of section 15, township 44 north, and range 3 east, Boise meridian, in the

State of Idaho, to Lyn Lundquist, who settled and established residence thereon in 1902, when unsurveyed, upon which he put $3,000 worth of improvements and fully complied with the homestead law prior to its withdrawal in 1906 for forestry purposes, which claim was canceled March 26, 1914, and motion for the exercise of supervisory authority denied January 21, 1920.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

LANDS IN WISCONSIN

The bill (S. 1876) providing for the sale and disposal of public lands within the area heretofore surveyed as Booth Lake, in the State of Wisconsin, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That on the survey of any public lands found to exist within the area heretofore surveyed as Booth Lake, in section 13, township 4 north, range 17 east, fourth principal meridian, in the State of Wisconsin, the village of East Troy, the town of East Troy, and the town of Troy, all in Walworth County, Wis., shall have a preference right to purchase such lands so surveyed for a period of 60 days after the filing of the official plats of such surveys, at $1.25 per acre, to have and to hold same as joint tenants for park purposes: *Provided*, That nothing herein contained shall have the effect of defeating the legal rights of any other person or persons which may have attached to such lands or any part thereof.

The Secretary of the Interior is authorized to make all necessary rules and regulations to carry this act into effect.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

HANGARS AND FLYING FIELDS FOR AIR MAIL SERVICE

The bill (S. 776) to authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the air mail service of the Post Office Department was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Postmaster General is hereby authorized and directed to adjust, reimburse, and pay to municipalities and citizens entitled thereto the proper and just amounts heretofore expended in the construction of hangars and the maintenance of flying fields, including the lease and clearing of fields therefor, insurance, and other necessary expenses incurred in connection therewith, at Reno, Nev.; Salt Lake City, Utah; Cheyenne, Wyo.; North Platte, Nebr.; Omaha, Nebr., or elsewhere, for the use of the air mail service of the Post Office Department, where such hangars were constructed and such flying fields maintained under an understanding with an officer or agent of the Post Office Department that reimbursement therefor would be made.

SEC. 2. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $175,000, or so much thereof as may be necessary to carry out the provisions of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM RUSCH, DECEASED

The bill (S. 1920) for the relief of the devisees of William Rusch, deceased, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 1, after the word "east," to insert "fourth principal meridian," so as the make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue a patent conveying all the right, title, and interest of the United States to the east half of the northeast quarter, and the northeast quarter of the southeast quarter of section 6, township 13 north, range 9 east fourth principal meridian, in Columbia County, Wis., to William Rusch, upon payment in his behalf to the United States of the sum of $1.25 per acre therefor.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOHN H. BOLTON

The bill (S. 1933) to issue a patent to John H. Bolton was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands and Surveys with an amendment, on page 1, line 7, after the word "east," to insert "upon payment thereof at the rate of $1.25 per acre," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue a patent to John H. Bolton, of Cowley County, Kans., the following described property, to wit: The southeast quarter of the northwest quarter of section 3, township 33 south of range 6 east, upon payment thereof at the rate of $1.25 per acre.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LANDS IN CALIFORNIA

The bill (S. 2266) granting certain public lands to the city of Stockton, Calif., for flood control, and for other purposes, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That lots 3 and 8, section 17, the southeast quarter of the northeast quarter section 18, township 3 north, range 11 east, and the west half of the southwest quarter section 21, township 4 north, range 11 east, Mount Diablo meridian, California, be, and the same are hereby, granted to the city of Stockton, Calif., for flood-control purposes, upon condition that the city shall make payment for the land at the rate of $1.25 per acre within six months after the approval of this act: *Provided*, That there shall be reserved to the United States all oil, coal, or other mineral deposits found at any time in the land and the right to prospect for, mine, and remove the same under such rules and regulations as the Secretary of the Interior may provide: *Provided further*, That the grant herein is made subject to any valid existing claim or easements and that the lands hereby granted shall be used by the city of Stockton, Calif., only for flood-control or incidental purposes, and if the said land or any part thereof shall be abandoned for such use said land or such part shall revert to the United States; and the Secretary of the Interior is hereby authorized and empowered to declare such a forfeiture of the grant and to restore said premises to the public domain if at any time he shall determine that the city has for more than one year abandoned the land for the uses herein indicated, and such order of the Secretary shall be final and conclusive, and thereupon and thereby said premises shall be restored to the public domain and freed from the operations of this grant.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

SAMUEL SPAULDING

The bill (S. 2128) for the relief of Samuel Spaulding was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That in the administration of the pension laws Samuel Spaulding, late of Captain Kirk's company, Fifth Regiment Virginia Foot Volunteers, which subsequently became Company F, Fifth Regiment Virginia Volunteer Infantry, and later became Company F, Fifth West Virginia Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of said regiment on the 30th day of April, 1864: *Provided*, That no back pay, bounty, pension, or allowance shall accrue prior to or by reason of the passage of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

NELLIE KILDEE

The bill (S. 1093) for the relief of Nellie Kildee was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue patent for the east half of the southwest quarter, and the west half of the southeast quarter of section 15 in township 44 north and range 3 east, Boise meridian, in the State of Idaho, to Nellie Kildee, who settled and established residence thereon in 1901, when unsurveyed, upon which she has put valuable improvements and fully complied with the homestead law prior to its withdrawal in 1906 for forestry purposes, and whose entry was canceled by the Department of the Interior and motion for the exercise of supervisory authority denied.

The bill was reported to the Senate without amendment ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM P. NISBETT, SR., DECEASED

The bill (S. 1360) for the relief of the estate of William P. Nisbett, sr., deceased, was announced as next in order.

Mr. KING. Let that go over.

Mr. FERRIS. Mr. President, may I ask the Senator why he makes that request?

Mr. KING. I will hear the explanation of the Senator.

Mr. FERRIS. This post office was burglarized in 1922. The postmaster has since died. The bill has been reported unanimously, and the Postmaster General has given it his approval. If there ever was a just claim, this claim of the heirs of William P. Nisbett, sr., is a just claim. I can not see the slightest reason for holding it up.

Mr. KING. Let me ask the Senator, in view of the fact that so many claims are being presented by postmasters for remuneration because of burglaries, whether there was any negligence upon the part of this postmaster in caring for the funds?

Mr. FERRIS. Absolutely none. It happened while I was in the city, and I am perfectly familiar with all the details.

Mr. KING. The Senator knows that the department has provided certain regulations——

Mr. FERRIS. Yes, sir.

Mr. KING. And that many of the postmasters depart from those regulations, and are careless in protecting the funds, as a result of which the Government sustains losses in the amount of thousands of dollars.

Mr. FERRIS. This case is absolutely right.

Mr. KING. I have not had time to read the report.

Mr. FERRIS. I am perfectly familiar with the facts.

Mr. KING. The Senator is familiar with the facts and states that there was no negligence whatever?

Mr. FERRIS. Absolutely none.

Mr. KING. I will not object to the consideration of the bill, then.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit the legal representatives of the estate of William P. Nisbett, sr., deceased, formerly postmaster at Big Rapids, Mecosta County, Mich., in the sum of $20,530.52, due to the United States on account of postal stamps, war-saving stamps, and money-order funds which were lost as the result of burglary on the night of November 19, 1922.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF LAND GRANT COLLEGE ACT

The bill (S. 1250) to amend the act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, as amended by the act approved March 3, 1883, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the fourth section of the act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, as amended by the act approved March 3, 1883, be, and the same is hereby, amended so as to read as follows:

"SEC. 4. That all moneys derived from the sale of lands aforesaid by the States to which lands are apportioned and from the sales of land scrip hereinbefore provided for shall be invested in bonds of the United States or of the States or some other safe bonds; or the same may be invested by the States having no State bonds in any manner after the legislatures of such States shall have assented thereto and engaged that such funds shall yield a fair and reasonable rate of return, to be fixed by the State legislatures, and that the principal thereof shall forever remain unimpaired: *Provided*, That the moneys so invested or loaned shall constitute a perpetual fund, the capital of which shall remain forever undiminished (except so far as may be provided in section 5 of this act), and the interest of which shall be inviolably appropriated by each State which may take and claim the benefit of this act to the endowment, support, and maintenance of at least one college where the leading object shall be, without excluding other scientific and classical studies and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts, in such manner as the legislatures of the States may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PATRICK C. WILKES

Mr. HARRIS. Mr. President, I ask the consideraton of Order of Business 182, Senate bill 1859, for the relief of Patrick C. Wilkes, alias Clebourn P. Wilkes. It is a bill to which there can be no objection.

Mr. KING. Does the Senator think we ought to depart from the regular order?

Mr. HARRIS. I will ask the Senator if departures have been made from the regular order at the request of other Senators?

Mr. KING. There have been no exceptions, so far as I know. I do not know of any.

Mr. HARRIS. I withdraw the request, then.

PAUL B. BELDING

The bill (S. 2197) for the relief of Paul B. Belding was considered as in Committee of the Whole.

The bill had been reported from the Committee on Claims, with amendments, on page 1, line 5, after the word "Arkansas," to insert "out of any money in the Treasury not otherwise appropriated"; and on the same page, line 6, to strike out "$10,000" and insert "$5,000," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Paul B. Belding, of Hot Springs, Garland County, Ark., out of any money in the Treasury not otherwise appropriated, the sum of $5,000 for injuries received while serving as a member of the Reserve Officers' Training Camp at Fort Sheridan, Ill., on the 24th day of June, 1921, due to the explosion of a rifle.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (H. Con. Res. 4) providing for a joint committee to conduct negotiations for leasing Muscle Shoals was announced as next in order.

Mr. JONES of Washington. That, I think, will have to go over. It could not be disposed of under this order.

The VICE PRESIDENT. The concurrent resolution will be passed over.

AMERICAN TRANSPORTATION CO.

The bill (S. 104) to carry out the decree of the United States District Court for the Eastern District of Pennsylvania in the case of United States of America, owner of the steam dredge *Delaware*, against the steamship *A. A. Raven*, American Transportation Co., claimant, and to pay the amount decreed to be due said company, was considered as in Committee of the Whole and was read, as follows:

Whereas by final decree of the District Court of the United States for the Eastern District of Pennsylvania, entered December 21, 1916, in an action in admiralty known as No. 4 of 1914, wherein the United States, as owner of the steam dredge *Delaware*, was libellant, and the steamship *A. A. Raven*, whereof American Transportation Co. was owner, was respondent, which action arose out of a collision between the said dredge and the said steamship, occurring in the Delaware River on December 1, 1913, it was adjudged, ordered, and decreed that both the dredge *Delaware* and the steamship *A. A. Raven* were in fault as to said collision; that the damage, costs, and interest accruing to each party in said cause be equally divided; and that said damages, interest, and costs were found to be as follows: To the libellant, $8,507.34 and to the respondent $14,883.82; and

Whereas upon dividing the damages of the said dredge *Delaware* and steamship *A. A. Raven*, as decreed by the court, it appears that there is due from the United States to said American Transportation Co., as owner of said steamship, the sum of $3,158.24: Therefore

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay to the American Transportation Co., out of any money in the Treasury not otherwise appropriated, the sum of $3,158.24, in full settlement and discharge of the sum found due to said American Transportation Co. by the decree of the United States District Court for the Eastern District of Pennsylvania as hereinbefore recited.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

AUGUST MICHALCHUK

The bill (S. 521) for the relief of August Michalchuk was considered as in Committee of the Whole.

The bill had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "Michalchuk," to insert "as guardian of his infant daughter, Lizzie Michalchuk"; and on page 2, line 3, after the word "body," to insert, "Said payment to be taken in full and final settlement of any claim against the United States by both the said

August Michalchuk and Lizzie Michalchuk," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to August Michalchuk as guardian of his infant daughter, Lizzie Michalchuk, the sum of $3,000 for injuries sustained by his daughter, Lizzie, an infant now about 6½ years old, who, without negligence on her part or on the part of her parents, was run over July 4, 1920, by a United States mail truck, No. 2290, in charge of Joseph Tembone, causing a compound fracture of the left leg and severe lacerations of the forehead, with bruises and contusions covering the left side of her body. Said payment to be taken in full and final settlement of any claim against the United States by both the said August Michalchuk and Lizzie Michalchuk.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DAMAGES SUSTAINED BY CITIZENS OF NEW MEXICO

The bill (S. 545) for the payment of damages to certain citizens of New Mexico caused by reason of artificial obstructions to the flow of the Rio Grande by an agency of the United States was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed (1) to cause a survey to be made in such manner and under such regulations as he deems necessary for the purposes of this act to determine the property loss by flood by reason of the overflow of the Rio Grande River on August 17, 1921, sustained by Lucas Trujillo, Juan Blans, Mariano P. Padillo, Bruno Perea, Juan Jose Trujillo, Miguel Trujillo, Francisco Saiz, Antonio Provencio, B. R. Carreros, Santiago Serna, Roman M. Herrera, and other property owners who are citizens of the United States residing at or in the vicinity of Hatch and Santa Teresa, N. Mex.; and (2) to pay such losses in full if the amount appropriated in section 2 of this act is sufficient or, if such amount is insufficient, to pay to each person such percentage of the amount of his property loss as the amount appropriated bears to the amount determined by the Secretary as the property loss sustained.

SEC. 2. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $75,000 or so much thereof as may be necessary for the purposes of this act.

Mr. KING. Mr. President, let me ask the Senator for an explanation of that case. Seventy-five thousand dollars seems to be provided here. I will ask the Senator from New Mexico [Mr. BRATTON] to explain it.

Mr. BRATTON. Mr. President, this is a bill introduced by the senior Senator from New Mexico [Mr. JONES]. I may say that it has passed twice before, in the Sixty-seventh and the Sixty-eighth Congresses. It provides for the relief of persons who suffered loss as the result of the Government operation in constructing the Elephant Butte Reservoir in southern New Mexico. Certain artificial things were placed in arroyos there that resulted in practically wiping out the town of Hatch, and its entire citizenship lost practically all of their holdings. This bill authorizes the Secretary of the Interior to ascertain the amount of the loss sustained by each person, and to pay the entire loss if the amount appropriated, $75,000, is sufficient; and if insufficient, that the claimants prorate and accept payment on the pro rata basis.

Mr. KING. Will the Senator permit an inquiry?

Mr. BRATTON. Yes.

Mr. KING. I should like to know whether the Government was engaged in any reclamation project there.

Mr. BRATTON. Yes; it was engaged in the construction of the Elephant Butte Reservoir.

Mr. KING. The reclamation projects are paid for out of the reclamation fund, which is receiving accretions from the sale of public lands and from the oil receipts derived from leases upon public lands. It seems to me, and I shall be glad to be advised if I am in error, that the item under consideration ought to be charged against that reclamation project.

Mr. BRATTON. I am sure the senior Senator from New Mexico [Mr. JONES] would have no objection. I understand that that fund has adequate money, and it is immaterial to him from what source the money comes.

Mr. KING. I think the Senator will agree with me that if Congress sets aside a certain fund for the construction of a project, any collateral or extraneous charges ought to be paid out of that fund; and I suggest to the Senator that he accept this amendment.

Mr. BAYARD. Mr. President, will the Senator allow me to say this: I was appointed a subcommittee on this bill over a year ago, when this matter first came up, and made a favorable report, and the bill passed the Senate. My distinct recollection of the fact is—and the Senator from New Mexico will bear me out—that the project under construction by the Government was only partially completed. Possibly, had it been completed, this damage would not have occurred; but, because it was only partially completed when this flood came, the Government project was only sufficiently developed to hold the waters for a certain time, and then, when they broke through this partially developed construction of the Government, they came with a rush and drowned out these people down below.

Surely no provision is made in the reclamation project as a whole for intermediate damages, so to speak, or damages occurring in the intermediate period, during construction.

Mr. KING. Oh, yes.

Mr. BAYARD. Damages may occur thereafter, or a return may be made after the completion, but there is certainly in the reclamation project nothing allowing for damages to people who are injured through faulty construction or the lack of completion during the flood period.

Mr. KING. I do not know that I understand the Senator——

Mr. BAYARD. Permit me to state it again. Here is an operation being carried on by the Government——

Mr. KING. For a reclamation project.

Mr. BAYARD. For a reclamation project. It is incomplete, but it is so complete that when it breaks away because it is not complete it has banked up water to such a degree that is thrown over on innocent people below and washes them and their property away.

Mr. KING. I say the project is responsible for that, not the Treasury of the United States.

Mr. BAYARD. Is there any law or any provision in connection with this project making the fund responsible for damages?

Mr. KING. All costs incident to the building of the project are to be paid. If we destroy property, if we have to exercise the right of eminent domain in order to carry out the project, all of those charges are put upon the fund.

Mr. BAYARD. May I state to the Senator that when this matter was taken up with the department, the department made no mention of anything being assessed against the project. I assume the department would interpret the law, as the law really reads in regard to this project, and it did not relegate the claim to the fund.

Mr. BRATTON. I do not understand that the Senator from Utah desires that this be charged against any particular project, but that he thinks it should be charged generally against the reclamation fund, which is administered by the Interior Department. That fund, of course, is a revolving fund, and always has ample money with which to pay this or a much larger claim. That is my understanding.

Mr. KING. I want to be entirely frank with the Senator. I think this ought to be a direct charge against the Elephant Butte project. To illustrate the point I am making, in my State we have one reclamation project, the Strawberry Valley project, which has been, may I say, a very successful one. In the completion of that project it was necessary to condemn land, and my recollection is that some contingencies not foreseen called for expenditures, and property losses were sustained. The fund was charged with those, and the people who will have the project when it is ultimately completed will have to meet those charges. I think that is just and right.

Mr. BRATTON. I do not know the condition of the Rio Grande fund, but the Reclamation Bureau as a whole, separate from the Rio Grande project, was operating this project, and the Rio Grande project was not a completed entity at the time this occurred. If it is charged against the entire fund, the burden falls upon the taxpayers of the United States as a whole, as it should be. If it is taken out of the Rio Grande fund, it still comes out of the revolving fund. It is just as broad as it is long, and it winds up at the same point. I do not understand that the Senator is contending that the people under the project should bear the burden.

Mr. KING. Yes; I am.

Mr. BRATTON. For the Government wrongfully wiping out their property?

Mr. KING. Mr. President, the Reclamation Bureau is authorized by legislation of Congress from time to time to enter upon some irrigation or reclamation project. They entered upon the construction of a project in my State and several

in Idaho. Each project is a separate entity and is responsible for all costs incident to its completion. That has been the policy from the beginning. I recall one project in Idaho which I visited about the time of its completion. Those in charge encountered difficulties not anticipated. They had incompetent engineers, and the result was that though they told the settlers it would cost only $30 an acre, it cost them $70 an acre. The project is charged with all the expenditures and costs which have occurred, and that swelled the charge from $30 an acre to $70 an acre. It would be unfair to charge those mistakes and losses to the project in my State or the project in the Senator's State.

Mr. BRATTON. Surely the Senator will not analogize that kind of a situation to an open tort on the part of the Government in the course of constructing a project which had not been turned over to the people. They did not buy any such tort as that. In erecting certain structures there the Government created an artificial dam, which backed water up, the water breaking through the artificial dam and rushing down upon these people, while the Elephant Butte Reservoir was in process of construction, and these people were completely wiped out. Their houses, their homes, their stores, and everything went.

Mr. KING. Mr. President, the Senator must not misunderstand me. I am not objecting to compensation. The only question is the fund from which the compensation shall be drawn. Though I am from the West, and my constituents are beneficiaries from these projects, I do not think it is fair to take money out of the Treasury of the United States to pay for what the Senator calls torts, but which I do not call torts. The officials in charge were performing the work there, and, as the Senator knows, frequently mistakes are made in the construction of these dams. When the Government by legislation has said that the funds derived from the sale of public lands shall go into this fund, and the amounts received from the sale of oil which comes to the Government on leased premises shall go into these funds for these irrigation projects, now to come to the General Treasury of the United States to pay for any of these irrigation projects, or for incidental expenses such as those involved here, does seem to be to be unfair, and certainly would be against the understanding of Congress when it set apart these funds and consented that the funds derived from the sale of public lands and the funds derived from the leasing of oil projects owned by the Government should go into this fund.

Mr. BRATTON. To my notion, it would be immeasurably more unfair to say to those people whose houses and homes and stores went out in a flood which was due to the mistakes of the Reclamation Bureau that they should pay for the mistakes the Government made. I can not understand that. The bill has passed the Senate on two former occasions.

Mr. KING. Mr. President, I have not made myself clear; but I shall object to this unless there is a provision that the amount shall be paid from the reclamation fund. I think it would be a breach of faith with the people of the United States if we should adopt the policy which I understand the Senator is contending for.

Mr. BRATTON. Possibly the Senator and I have not understood each other. Does the Senator merely want a provision inserted in the bill to the effect that any money paid out under the provisions of this bill shall be paid from the reclamation fund?

Mr. KING. Yes.

Mr. BRATTON. I have no objection to that.

Mr. KENDRICK. Mr. President, I want to ask the Senator from Utah, if I may, if it is not true that the reclamation fund is essentially a Government fund; and, if that be true, what material difference does it make whether this money is drawn from the reclamation fund or directly from the Treasury?

Mr. KING. I can not answer that categorically. If by the Senator's question he means to indicate that this reclamation fund is analagous to the general funds in the Public Treasury, I say there is a great difference. I say that when Congress agreed by legislation that the moneys derived from the sale of public lands should go into a special fund called the reclamation fund, and that we in the West should have the benefit of the money coming from the leasing of oil lands, and that that should go into that fund, then that fund is to be distinguished from the general funds in the Treasury. I do not think we ought to call upon the people of Massachusetts and of Maryland to pay for these reclamation projects, so long as this reclamation fund has been set apart, and there is money in it for the meeting of the expenses incurred in the construction of reclamation projects.

Mr. KENDRICK. There would be more merit in the Senator's argument, from my viewpoint, if this fund, which we might say is for the time allotted to the purpose of reclamation, were not to be ultimately returned to the Treasury; but that is the case, as the Senator knows. Therefore, the only difference it could make to the Government would be in the loss of interest on the money for a time, because we of the West who are the advocates of reclamation have not only insisted on the floor of the Congress that the funds should be returned, but we have been certain that they would be returned. I for one believe that provision of law is to be fulfilled.

Mr. KING. The Senator and I agree.

Mr. KENDRICK. I still have faith in reclamation. I did not hear just what the Senator had to say with reference to the project, but my impression is that this is not altogether a reclamation project. It is under the direction of the Reclamation Bureau, but if I am not mistaken it is constructed in part by funds contributed either by private individuals or corporations and from funds drawn from the reclamation fund.

Mr. KING. Would the Senator consent to this, so that there will be no doubt——

Mr. KENDRICK. Just one word further.

Mr. KING. I beg the Senator's pardon; I thought he had concluded.

Mr. KENDRICK. The senior Senator from New Mexico [Mr. JONES] is unavoidably absent. This bill has been passed upon twice by the Senate and, of course, twice by the committee. I believe there was no objection raised to it on the Senate floor when it was passed by this body. I hope the Senator will not further delay action on the bill.

Mr. McKELLAR. Mr. President, will the Senator permit me to make a suggestion about section 2. The bill provides that the money is "hereby appropriated." It must be authorized to be appropriated.

Mr. KENDRICK. That is all right.

Mr. McKELLAR. I suppose the Senator will accept an amendment of that kind, because this committee had no right to appropriate the money. In line 10, after the word "hereby," I propose to insert the words "authorized to be." I suppose the Senator will accept the amendment?

Mr. BRATTON. That is entirely acceptable.

Mr. BAYARD. Mr. President, may I suggest one other matter to the Senator from Utah? If a reclamation project is undertaken and completed, all the money contributed by the United States, in the first place, from the sale of the various public properties is put into what is called a revolving fund, which eventually is to be paid back by the settlers on the project. So the money comes back into the United States Treasury in the end, does it not?

Mr. KING. Well——

Mr. BAYARD. It necessarily does. That being true, it goes back to the United States Treasury. What difference can it possibly make, when the eventual working out of the project means that the United States will get its money back, whether it appropriates money out of the Treasury at this time or not? I can not see the difference.

Mr. KING. The people of the United States, especially of the East and South, do not take that view. They regard the reclamation fund as a separate fund, and we in the West must keep faith with them. That is the only point I am making. The people of the East have consented that we may have the funds derived from the sale of these lands and these oil funds. We have now spent $170,000,000, according to my recollection, which we hope some time will be returned to the Treasury of the United States. The understanding is that the cost of these various projects shall be met out of the revolving fund. If the Senator will consent to this amendment, then the matter can go to the House; and if upon further investigation the view of the Senator from Wyoming shall be found to be correct, the matter can be handled in conference.

Mr. BRATTON. I consent that there may be added at the conclusion of section 2 a proviso that any funds expended under the provisions of this act shall be drawn from the reclamation fund.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. Mr. President, I ask unanimous consent that we may proceed with the calendar for 15 minutes.

The VICE PRESIDENT. Is there objection?

Mr. WARREN. The Chair had not yet announced that the morning hour was closed, but it was the intention of the chairman of the Committee on Appropriations to call up the deficiency appropriation bill at 2 o'clock. If it be the wish

of the Senate, however, to proceed as the Senator from Mississippi has requested, I have no objection.

Mr. HARRISON. We are just at a point where the clerk is about to call a bill which I am exceedingly anxious to have passed.

The VICE PRESIDENT. Without objection, the time for the consideration of the calendar is extended 15 minutes.

Mr. JONES of Washington. With reference to the bill just pending, the Senator from Tennessee suggested an amendment which I think is very important. This ought not to be an appropriation. He suggested the insertion of the words "there is hereby authorized to be appropriated." Was that amendment agreed to?

The VICE PRESIDENT. Without objection, the amendment is now agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHARLES M. RODEFER

The bill (S. 835) for the relief of Charles M. Rodefer was considered as in Committee of the Whole. The bill had been reported from the Committee on Claims with an amendment, on page 1, line 4, to strike our "Charles M. Rodefer" and insert in lieu thereof the words "the Rodefer Glass Co., a corporation of the State of Ohio," and on page 2, line 5, after the word "coupon," to insert the words "attached to or belonging to said certificate," and in line 7, after the word "paid," to strike out the words "Charles M. Rodefer" and insert in lieu thereof the words "the Rodefer Glass Co., a corporation of the State of Ohio," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of the Rodefer Glass Co., a corporation of the State of Ohio, United States Treasury certificate of indebtedness No. 11227, in the denomination of $10,000, dated September 15, 1919, matured September 15, 1920, series T-10, with interest from March 15, 1920, to September 15, 1920, at the rate of 4½ per cent per annum, without presentation of the said certificate or the coupon representing interest thereon from March 15, 1920, to September 15, 1920, the certificate having been lost, stolen, or destroyed: *Provided*, That the said certificate of indebtedness shall not have been previously presented and paid, and that payment shall not be made hereunder for any coupon attached to or belonging to said certificate which shall have been previously presented and paid: *And provided further*, That said the Rodefer Glass Co., a corporation of the State of Ohio, shall first file in the Treasury Department of the United States a bond in the penal sum of double the amount of the principal of the said certificate of indebtedness and the interest which had accrued when the principal became due and payable, in such form and with such sureties as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the lost, stolen, or destroyed certificate of indebtedness and coupon hereinbefore described.

The amendments were agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read "A bill for the relief of the Rodefer Glass Co."

ESTATE OF HALLER NUTT

The bill (S. 1425) for the relief of the legal representative of the estate of Haller Nutt, deceased, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Sergeant Prentiss Knut, administrator de bonis non cum testamento annexo of the estate of Haller Nutt, deceased, late of Natchez, Miss., out of any money in the Treasury not otherwise appropriated, the sum of $131,328, due the estate of the said Haller Nutt for 1 mill and 700 bales of cotton taken for use by the United States military authorities, in compliance with the findings of the Court of Claims reported to Congress February 18, 1915.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM ZEISS, ADMINISTRATOR

The bill (S. 1646) for the relief of William Zeiss, administrator of William B. Reaney, survivor of Thomas Reaney and Samuel Archbold, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Zeiss, administrator of William B. Reaney, survivor of Thomas Reaney and Samuel Archbold, the sum of $34,161.63, being the amount found due by the Court of Claims, as reported to Congress in Senate Document No. 146, Fifty-ninth Congress, second session.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

HILBERT EDISON AND RALPH R. WALTON

The bill (S. 726) for the relief of Hilbert Edison and Ralph R. Walton was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Hilbert Edison, of Astoria, Oreg., the sum of $231, and to Ralph R. Walton, of Portland, Oreg., the sum of $238.70, for loss of personal effects in the sinking of the United States concrete ship *Captain French*, the said Hilbert Edison and Ralph R. Walton having been seamen on the *Captain French*, and reimbursement for their loss of personal effects as aforesaid having been refused by the War Department because of their alleged failure to sign shipping articles prior to the voyage.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2336) to reimburse Commander Walter H. Allan, civil engineer, United States Navy, for losses sustained while carrying out his duties, was announced as next in order.

Mr. JONES of Washington. I ask that the bill may go over.

The VICE PRESIDENT. The bill will go over.

The bill (S. 2173) for the relief of employees of the Bureau of Printing and Engraving, who were removed by Executive order of the President, dated March 31, 1922, was announced as next in order.

Mr. CURTIS. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

EMILY L. HOFFBAUER

The bill (S. 590) for the relief of Emily L. Hoffbauer was considered as in Committee of the Whole. The bill had been reported from the Committee on Claims, with an amendment in line 4, to strike out "$25,000" and insert in lieu thereof "$10,000," so as to read:

Be it enacted, etc., That there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $10,000, which shall be paid by the Secretary of the Treasury to the said Emily L. Hoffbauer for all injuries and damages and moneys expended growing out of injuries and damages received on August 25, 1924, at Point Pleasant, N. J., caused by being struck with the antenna wire and "fish" fastened to said wire attached to United States Navy plane *IT-7* while in official flight, consisting of wounds to the head and body, the breaking of the left leg, and nervous shock to the said Emily L. Hoffbauer.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF LANDS IN POWELL TOWN SITE, WYO.

The bill (S. 1169) authorizing the Secretary of the Interior to convey certain lands in Powell town site, Shoshone reclamation project, Wyoming, to Park County, Wyo., was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 14, to strike out the words "Attorney General of the United States shall institute suit in the proper court for the recovery of said land," and insert in lieu thereof "title shall revert to the United States, and the Secretary of the Interior is hereby authorized and empowered to determine the facts and declare such forfeiture and such reversion and restore said land to the public domain, and such order of the Secretary shall be final and conclusive," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to cause a patent to issue conveying blocks 3, 4, 5, 14, 15, 16, and the east half of blocks 6 and 13, town site of Powell, on the Shoshone reclamation project, Wyoming, to

Park County, Wyo., in trust for use as a county fair grounds; but in said patent there shall be reserved to the United States all oil, coal, and other mineral deposits within said lands and the right to prospect for, mine, and remove the same.

SEC. 2. The conveyance herein is made upon the express condition that within 30 days of the receipt of any request therefor from the Secretary of the Interior the county clerk of Park County, Wyo., shall submit to the Secretary of the Interior a report as to the use made of the land herein granted the county during the preceding period named in such request, showing compliance with the terms and conditions stated in this act; and that in the event of his failure to so report, or in the event of a showing in such report to the Secretary of the Interior that the terms of the grant have not been complied with, the grant shall be held to be forfeited, and the title shall revert to the United States, and the Secretary of the Interior is hereby authorized and empowered to determine the facts and declare such forfeiture and such reversion and restore said land to the public domain, and such order of the Secretary shall be final and conclusive.

The amendment was agreed to.

The bill was reported to Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

R. P. RUETH

The bill (S. 2533) for the relief of R. P. Rueth, of Chamita, N. Mex., was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to R. P. Rueth, of Chamita, N. Mex., the sum of $350, to reimburse him for money advanced in the year 1922 to repair a bridge over the Rio Grande River near Chamita, N. Mex., at a point where said river traverses Indian lands, and said bridge being primarily for travel and use by Indians.

Mr. KING. May I ask if that money should not be charged to the Indian fund?

Mr. BRATTON. I do not understand that these Indians have any funds.

Mr. KING. Why should the Federal Government pay it?

Mr. BRATTON. If the Senator will turn to the report, he will find that the bridge is used almost entirely by the Indians. It was suddenly washed out and they had no funds with which to replace it. The county paid one-half of the cost, and the local agency assured these people that if they would pay the balance of the cost they would be reimbursed. They advanced the amount, $350, and the commissioners have recommended that they be reimbursed.

Mr. KING. The Senator knows that the Navajos and various other tribes have funds, and I was wondering, if it should so happen that this tribe had funds, why they should not pay this amount.

Mr. BRATTON. I do not think they have any funds. I would have no objection to authorizing the reimbursement out of any private funds that they may have, of course.

Mr. KING. I shall let the matter pass, but if the Senator will look into it, and if he finds that they have funds out of which the amount could be paid and will have an amendment made in the House to cover it I shall be satisfied.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

FORE RIVER SHIPBUILDING CO.

The bill (S. 1886) to carry out the findings of the Court of Claims in the case of the Fore River Shipbuilding Co. was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, the sum of $106,521.12 to the Fore River Shipbuilding Co., successor of the Fore River Engine Co. and the Fore River Ship & Engine Co., being the difference between the actual cost of the construction of two torpedo-boat destroyers and the amount paid under the contract entered into for the building of the said boats, as found by the Court of Claims and reported in Senate Document No. 170, Sixty-sixth Congress, second session.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

FLORENCE PROUD

The bill (S. 2091) for the relief of Florence Proud was considered as in Committee of the Whole. The bill had been reported from the Committee on Claims with an amendment, in line 4, after the word "pay," to insert the words "out of any money in the Treasury not otherwise appropriated," so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Florence Proud, widow of Thomas Proud, formerly a carpenter employed in the construction of the Coast Artillery cantonment, Fort Winfield Scott, Calif., and who was killed while inside the Fort Scott Reservation, the sum of $5,000.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SOUTH PLATTE RIVER COMPACT

The bill (S. 2825) to grant the consent and approval of Congress to the South Platte River compact was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the consent and approval of Congress is hereby given to the compact signed by the commissioners for the States of Colorado and Nebraska at the city of Lincoln, State of Nebraska, on the 27th day of April, A. D. 1923, and thereafter approved by the Legislature of the State of Colorado by an act approved February 26, 1925 (Session Laws, Colorado, 1925, ch. 179, pp. 529–541), and by the Legislature of the State of Nebraska by an act approved May 3, 1923 (Session Laws, Nebraska, 1923, ch. 125, pp. 299–310), which compact is as follows:

"The State of Colorado and the State of Nebraska, desiring to remove all causes of present and future controversy between said States, and between citizens of one against citizens of the other, with respect to the waters of the South Platte River, and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and, through their respective governors, have named as their commissioners:

"Delph E. Carpenter, for the State of Colorado, and Robert H. Willis, for the State of Nebraska, who have agreed upon the following articles:

"ARTICLE I

"In this compact—

"1. The State of Colorado and the State of Nebraska are designated, respectively, as 'Colorado' and 'Nebraska.'

"2. The provisions hereof respecting each signatory State shall include and bind its citizens and corporations and all others engaged or interested in the diversion and use of the waters of the South Platte River in that State.

"3. The term 'upper section' means that part of the South Platte River in the State of Colorado above and westerly from the west boundary of Washington County, Colo.

"4. The term 'lower section' means that part of the South Platte River in the State of Colorado between the west boundary of Washington County and the intersection of said river with the boundary line common to the signatory States.

"5. The term 'interstate station' means that stream-gauging station described in Article II.

"6. The term 'flow of the river' at the interstate station means the measured flow of the river at said station, plus all increment to said flow entering the river between the interstate station and the diversion works of the western irrigation district in Nebraska.

"ARTICLE II

"1. Colorado and Nebraska, at their joint expense, shall maintain a stream-gauging station upon the South Platte River at the river bridge near the town of Julesburg, Colo., or at a convenient point between said bridge and the diversion works of the canal of the western irrigation district in Nebraska, for the purpose of ascertaining and recording the amount of water flowing in said river from Colorado into Nebraska and to said diversion works at all times between the 1st day of April and the 15th day of October of each year. The location of said station may be changed from year to year as the river channels and water flow conditions of the river may require.

"2. The State engineer of Colorado and the secretary of the department of public works of Nebraska shall make provision for the cooperative gauging at and the details of operation of said station and for the exchange and publication of records and data. Said State officials shall ascertain the rate of flow of the South Platte River through the lower section in Colorado and the time required for increases or decreases of flow, at points within said lower section, to reach the interstate station. In carrying out the provisions of Article IV of this compact, Colorado shall always be allowed sufficient time for any increase in flow (less permissible diversions) to pass down the river and be recorded at the interstate station.

"ARTICLE III

"The waters of Lodgepole Creek, a tributary of the South Platte River, flowing through Nebraska and entering said river within Colorado, hereafter shall be divided and apportioned between the signatory States as follows:

"1. The point of division of the waters of Lodgepole Creek shall be located on said creek 2 miles north of the boundary line common to the signatory States.

"2. Nebraska shall have the full and unmolested use and benefit of all waters flowing in Lodgepole Creek above the point of division and Colorado waives all present and future claims to the use of said waters. Colorado shall have the exclusive use and benefit of all waters flowing at or below the point of division.

"3. Nebraska may use the channel of Lodgepole Creek below the point of division and the channel of the South Platte River between the mouth of Lodgepole Creek and the interstate station for the carriage of any waters of Lodgepole Creek which may be stored in Nebraska above the point of division and which Nebraska may desire to deliver to ditches from the South Platte River in Nebraska, and any such waters so carried shall be free from interference by diversions in Colorado and shall not be included as a part of the flow of the South Platte River to be delivered by Colorado at the interstate station in compliance with Article IV of this compact: *Provided, however*, That such runs of stored water shall be made in amounts of not less than 10 cubic feet per second of time and for periods of not less than 24 hours.

"ARTICLE IV

"The waters of the South Platte River hereafter shall be divided and apportioned between the signatory States as follows:

"1. At all times between the 15th day of October of any year and the 1st day of April of the next succeeding year Colorado shall have the full and uninterrupted use and benefit of the waters of the river flowing within the boundaries of the State, except as otherwise provided by Article VI.

"2. Between the 1st day of April and the 15th day of October of each year Colorado shall not permit diversion from the lower section of the river to supply Colorado appropriations having adjudicated dates of priority subsequent to the 14th day of June, 1897, to an extent that will diminish the flow of the river at the interstate station on any day below a mean flow of 120 cubic feet of water per second of time, except as limited in paragraph 3 of this article.

"3. Nebraska shall not be entitled to receive, and Colorado shall not be required to deliver, on any day any part of the flow of the river to pass the interstate station as provided by paragraph 2 of this article, not then necessary for beneficial use by those entitled to divert water from said river within Nebraska.

"4. The flow of the river at the interstate station shall be used by Nebraska to supply the needs of present perfected rights to the use of water from the river within said State before permitting diversions from the river by other claimants.

"5. It is recognized that variable climatic conditions, the regulation and administration of the stream in Colorado, and other causes will produce diurnal and other unavoidable variations and fluctuations in the flow of the river at the interstate station, and it is agreed that, in the performance of the provisions of said paragraph 2, minor or compensating irregularities and fluctuations in the flow at the interstate station shall be permitted; but where any deficiency of the mean daily flow at the interstate station may have been occasioned by neglect, error, or failure in the performance of duty by the Colorado water officials having charge of the administration of diversions from the lower section of the river in that State, each such deficiency shall be made up, within the next succeeding period of 72 hours, by delivery of additional flow at the interstate station, over and above the amount specified in paragraph 2 of this article, sufficient to compensate for such deficiency.

"6. Reductions in diversions from the lower section of the river, necessary to the performance of paragraph 2 of this article by Colorado, shall not impair the rights of appropriators in Colorado (not to include the proposed Nebraska canal described in Article VI), whose supply has been so reduced, to demand and receive equivalent amounts of water from other parts of the stream in that State according to its constitution, laws, and the decisions of its courts.

"7. Subject to compliance with the provisions of this article, Colorado shall have and enjoy the otherwise full and uninterrupted use and benefit of the waters of the river which hereafter may flow within the boundaries of that State from the 1st day of April to the 15th day of October in each year, but Nebraska shall be permitted to divert, under and subject to the provisions and conditions of Article VI, any surplus waters which otherwise would flow past the interstate station.

"ARTICLE V

"1. Colorado shall have the right to maintain, operate, and extend, within Nebraska, the Peterson Canal and other canals of the Julesburg irrigation district which now are or may hereafter be used for the carriage of water from the South Platte River for the irrigation of lands in both States, and Colorado shall continue to exercise control and jurisdiction of said canals and the carriage and delivery of water thereby. This article shall not excuse Nebraska water users from making reports to Nebraska officials in compliance with the Nebraska laws.

"2. Colorado waives any objection to the delivery of water for irrigation of lands in Nebraska by the canals mentioned in paragraph 1 of this article, and agrees that all interests in said canals and the use of waters carried thereby, now or hereafter acquired by owners of lands in Nebraska, shall be afforded the same recognition and protection as are the interests of similar landowners served by said canals within Colorado: *Provided, however*, That Colorado reserves to those in control of said canals the right to enforce the collection of charges or assessments, hereafter levied or made against such interests of owners of the lands in Nebraska, by withholding the delivery of water until the payment of such charges or assessments; provided, however, such charges or assessments shall be the same as those levied against similar interests of owners of land in Colorado.

"3. Nebraska grants to Colorado the right to acquire by purchase, prescription, or the exercise of eminent domain such rights of way, easements, or lands as may be necessary for the construction, maintenance, operation, and protection of those parts of the above-mentioned canals which now or hereafter may extend into Nebraska.

"ARTICLE VI

"It is the desire of Nebraska to permit its citizens to cause a canal to be constructed and operated for the diversion of water from the South Platte River within Colorado for irrigation of lands in Nebraska; that said canal may commence on the south bank of said river at a point southwesterly from the town of Ovid, Colo., and may run thence easterly through Colorado along or near the line of survey of the formerly proposed Perkins County Canal (sometimes known as the South Divide Canal) and into Nebraska, and that said project shall be permitted to divert waters of the river as hereinafter provided. With respect to such proposed canal it is agreed:

"1. Colorado consents that Nebraska and its citizens may hereafter construct, maintain, and operate such a canal and thereby may divert water from the South Platte River within Colorado for use in Nebraska in the manner and at the time in this article provided, and grants to Nebraska and its citizens the right to acquire by purchase, prescription, or the exercise of eminent domain such rights of way, easements, or lands as may be necessary for the construction, maintenance, and operation of said canal; subject, however, to the reservations and limitations and upon the conditions expressed in this article which are and shall be limitations upon and reservations and conditions running with the rights and privileges hereby granted, and which shall be expressed in all permits issued by Nebraska with respect to said canal.

"2. The net future flow of the lower section of the South Platte River which may remain after supplying all present and future appropriations from the upper section and after supplying all appropriations from the lower section perfected prior to the 17th day of December, 1921, and after supplying the additional future appropriations in the lower section for the benefit of which a prior and preferred use of 35,000 acre-feet of water is reserved by subparagraph (a) of this article, may be diverted by said canal between the 15th day of October of any year and the 1st day of April of the next succeeding year, subject to the following reservations, limitations, and conditions:

"(a) In addition to the water now diverted from the lower section of the river by present perfected appropriations Colorado hereby reserves the prior, preferred, and superior right to store, use, and to have in storage in readiness for use on and after the 1st day of April in each year an aggregate of 35,000 acre-feet of water to be diverted from the flow of the river in the lower section between the 15th day of October of each year and the 1st day of April of the next succeeding year, without regard to the manner or time of making such future uses, and diversions of water by said Nebraska canal shall in no manner impair or interfere with the exercise by Colorado of the right of future use of the water hereby reserved.

"(b) Subject at all times to the reservation made by subparagraph (a) and to the other provisions of this article, said proposed canal shall be entitled to divert 500 cubic feet of water per second of time from the flow of the river in the lower section, as of priority of appropriation of date December 17, 1921, only between the 15th day of October of any year and the 1st day of April of the next succeeding year upon the express condition that the right to so divert water is and shall be limited exclusively to said annual period and shall not constitute the basis for any claim to water necessary to supply all present and future appropriations in the upper section or present appropriations in the lower section and those hereafter to be made therein as provided in subparagraph (a).

"3. Neither this compact nor the construction and operation of such a canal nor the diversion, carriage, and application of water thereby shall vest in Nebraska, or in those in charge or control of said canal or in the users of water therefrom, any prior, preferred, or superior servitude upon or claim or right to the use of any water of the South Platte River in Colorado from the 1st day of April to the 15th day of October of any year or against any present or future

appropriator or user of water from said river in Colorado during said period of every year, and Nebraska specifically waives any such claims and agrees that the same shall never be made or asserted. Any surplus waters of the river, which otherwise would flow past the interstate station during such period of any year after supplying all present and future diversions by Colorado, may be diverted by such a canal, subject to the other provisions and conditions of this article.

"4. Diversions of water by said canal shall not diminish the flow necessary to pass the interstate station to satisfy superior claims of users of water from the river in Nebraska.

"5. No appropriations of water from the South Platte River by any other canal within Colorado shall be transferred to said canal or be claimed or asserted for diversion and carriage for use on lands in Nebraska.

"6. Nebraska shall have the right to regulate diversions of water by said canal for the purposes of protecting other diversions from the South Platte River within Nebraska and of avoiding violations of the provisions of Article IV; but Colorado reserves the right at all times to regulate and control the diversions by said canal to the extent necessary for the protection of all appropriations and diversions within Colorado or necessary to maintain the flow at the interstate station as provided by Article IV of this compact.

"ARTICLE VII

"Nebraska agrees that compliance by Colorado with the provisions of this compact and the delivery of water in accordance with its terms shall relieve Colorado from any further or additional demand or claim by Nebraska upon the waters of the South Platte River within Colorado.

"ARTICLE VIII

"Whenever any official of either State is designated herein to perform any duty under this contract, such designation shall be interpreted to include the State official or officials upon whom the duties now performed by such official may hereafter devolve, and it shall be the duty of the officials of the State of Colorado charged with the duty of the distribution of the waters of the South Platte River for irrigation purposes to make deliveries of water at the interstate station in compliance with this compact without necessity of enactment of special statutes for such purposes by the General Assembly of the State of Colorado.

"ARTICLE IX

"The physical and other conditions peculiar to the South Platte River and to the territory drained and served thereby constitute the basis for this compact and neither of the signatory States hereby concedes the establishment of any general principle or precedent with respect to other interstate streams.

"ARTICLE X

"This compact may be modified or terminated at any time by mutual consent of the signatory States, but, if so terminated, and Nebraska or its citizens shall seek to enforce any claims of vested rights in the waters of the South Platte River, the statutes of limitation shall not run in favor of Colorado or its citizens with reference to claims of the western irrigation district to the water of the South Platte River from the 16th day of April, 1916, and as to all other present claims from the date of the approval of this compact to the date of such termination, and the State of Colorado and its citizens who may be made defendants in any action brought for such purpose shall not be permitted to plead the statutes of limitation for such periods of time.

"ARTICLE XI

"This compact shall become operative when approved by the legislature of each of the signatory States and by the Congress of the United States. Notice of approval by the legislature shall be given by the governor of each State to the governor of the other State, and to the President of the United States, and the President of the United States is requested to give notice to the governors of the signatory States of the approval by the Congress of the United States.

"In witness whereof the commissioners have signed this compact in duplicate originals, one of which shall be deposited with the secretary of state of each of the signatory States.

"Done at Lincoln, in the State of Nebraska, this 27th day of April, in the year of our Lord 1923.

"DELPH E. CARPENTER.,
"ROBERT H. WILLIS."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

JOHN H. WALKER

The bill (S. 549) for the relief of John H. Walker was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,690.52 to John H. Walker, of Pasadena, Calif., as compensation in full for services rendered by him in the matter of the survey of public lands under contract No. 385, New Mexico.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

FRED V. PLOMTEAUX

The bill (S. 553) for the relief of Fred V. Plomteaux was considered as in Committee of the Whole and was read.

Mr. BRATTON. At the request of the senior Senator from New Mexico [Mr. JONES], the author of the bill, I move to amend in line 5 by striking out the numerals "$200" and inserting in lieu thereof "$125."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 1, line 5, strike out "$200" and insert "$125," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, the sum of $125 to Fred V. Plomteaux, of Espanola, N. Mex., as reimbursement for the loss of two horses, one having died while in use on official business on May 12, 1916, and the other being killed on account of an injury sustained while in official use on July 8, 1914; said horses being the personal property of Fred V. Plomteaux and used by him in the performance of his duties as forest ranger.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRANK GRYGLA

The bill (S. 554) for the relief of Frank Grygla was considered as in Committee of the Whole and read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the heirs of Frank Grygla, deceased, out of any money in the Treasury not otherwise appropriated, the sum of $669.71, for salary as special agent of the General Land Office for the period October 15, 1901, to May 3, 1902, being at the rate of $1,200 per annum, such salary having been withheld on account of his suspension from duty by an order of the department to investigate charges against him which were not sustained and from which he was entirely exonerated.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

FIRST LIEUT. HARRY L. ROGERS, JR.

The bill (S. 37) for the relief of First Lieut. Harry L. Rogers, jr., was considered as in Committee of the Whole. The bill had been reported from the Committee on Claims with an amendment on page 1, line 6 to strike out "$902.53" and insert "$700," so as to read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Harry L. Rogers, jr., first lieutenant, Infantry, United States Army, out of any money in the Treasury not otherwise appropriated, the sum of $700, as reimbursement for the loss sustained by him as commanding officer of the Twenty-fifth Recruit Company, Fort Slocum, N. Y., when such amount was stolen on or about April 1, 1921, by his company clerk, who immediately thereafter deserted.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JAMES W. LAXSON

The bill (S. 547) for the relief of James W. Laxson was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $182 to James W. Laxson for a refund covering timber taken from his homestead entry.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

COMPILATION OF INDIAN LAWS AND TREATIES

The resolution (S. Res. 57) authorizing the preparation of compilation of Indian laws and treaties was announced as next in order.

Mr. JONES of Washington. I ask that the resolution may go over.

The VICE PRESIDENT. The resolution will go over.

WIDENING OF FIRST STREET NE.

The bill (S. 2041) to provide for the widening of First Street between G Street and Myrtle Street NE., and for other purposes, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That under and in accordance with the provisions of subchapter 1 of Chapter XV of the Code of Law for the District of Columbia, the Commissioners of the District of Columbia be, and they are hereby, authorized and directed to institute in the Supreme Court of the District of Columbia, within six months after the passage of this act, a proceeding in rem to condemn the land that may be necessary for the widening of First Street between G and Myrtle Streets NE., along the eastern boundaries of squares Nos. 675, 676, and 677, said street to be widened on such lines and to such a width as said commissioners may deem best for the public interest: *Provided*, That if the amount found to be due and awarded by the jury in such proceeding as damages for and in respect of the land condemned for such widening, plus the costs and expenses of the proceeding hereunder, is greater than the amount of benefits assessed, then the amount of such excess shall be paid out of the revenues of the District of Columbia.

SEC. 2. That there is hereby authorized to be appropriated, out of the revenues of the District of Columbia, an amount sufficient to pay the necessary costs and expenses of the condemnation proceeding hereunder, and for the amounts awarded as damages; and the amounts assessed as benefits, when collected, shall be covered into the Treasury to the credit of the revenues of the District of Columbia.

SEC. 3. That the act approved March 3, 1923, entitled "An act to authorize the widening of First Street NE., and for other purposes," be, and the same is hereby, repealed, and the Commissioners of the District of Columbia are authorized and directed to discontinue and abandon the proceeding heretofore instituted by them under said act for the widening of the said First Street, known as District Court Cause No. 1594.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ACQUISITION OF LANDS IN DISTRICT OF COLUMBIA

The bill (H. R. 4785) to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of the land authorized to be acquired by the public buildings appropriation act approved March 4, 1913, for the connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of the land authorized to be acquired by section 22 of the public buildings appropriation act approved March 4, 1913 (Stat. L., vol. 37, p. 885), for the connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park, there is hereby authorized to be appropriated, out of the surplus revenues of the District of Columbia made available by Public Law 358, Sixty-eighth Congress, approved February 2, 1925, in addition to the sum authorized by said act of March 4, 1913, the sum of $600,000.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BLACK RIVER BRIDGE, LOUISIANA

The bill (S. 2784) granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Black River at or near Jonesville, La., was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State Highway Commission of Louisiana to construct, maintain, and operate a bridge and approaches thereto across the Black River, at a point suitable to the interests of navigation, at or near Jonesville, La., and in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

OUACHITA RIVER BRIDGE, LA.

The bill (S. 2785) granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Ouachita River, at or near Harrisonburg, La., was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State Highway Commission of Louisiana to construct, maintain, and operate a bridge and approaches thereto across the Ouachita River, at a point suitable to the interests of navigation, at or near Harrisonburg, La., and in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1544) to amend section 202 of the act of Congress approved March 4, 1923, known as the agricultural credits act of 1923, was announced as next in order.

Mr. KING. I ask that the bill may go over.

The VICE PRESIDENT. The bill will be passed over.

RELIEF OF MEMBERS OF MARINE CORPS BAND

The bill (S. 2058) for the relief of members of the band of the United States Marine Corps who were retired prior to June 30, 1922, and for the relief of members transferred to the Fleet Marine Corps Reserve was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the provisions of section 11 of the act of March 4, 1925, an act providing for sundry matters affecting the naval service, establishing the pay and allowances authorized for the second leader and musicians of the band of the United States Marine Corps, shall apply in computing the pay of all former members of the band now on the retired list, including those former members transferred to the Fleet Marine Corps Reserve and who are now on the active and retired lists of the Fleet Marine Corps Reserve.

Mr. KING. Mr. President, I would like to have an explanation of the bill.

Mr. COPELAND. The report makes its purpose very clear. It is to relieve certain of the enlisted men affected by the previous legislation relating to matters of pay and allowances. These are the only enlisted men in the Army, Navy, and Marine Corps who have not been allowed the benefits under the retired pay act. The others when they were transferred were given the benefit of increased pay. The Secretary of the Navy has said that it is simply a matter of equity that these men be granted relief, and that was the feeling of the committee.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1040) concerning actions on account of death or personal injury within places under the exclusive jurisdiction of the United States was announced as next in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1885) for the relief of James Minon was announced as next in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will go over.

PUBLIC LIBRARY IN DISTRICT OF COLUMBIA

The bill (S. 2873) to amend the act approved June 3, 1896, entitled "An act to establish and provide for the maintenance of a free public library and reading room in the District of Columbia," was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the act approved June 3, 1896, entitled "An act to establish and provide for the maintenance of a free public library and reading room in the District of Columbia," be, and the same is hereby, amended so as to read as follows:

"SECTION 1. That a free public library is hereby established and shall be maintained in the District of Columbia, which shall be the property of the said District and a supplement of the public educational system of said District. Said library shall consist of a central library and such number of branch libraries so located and so supported as to furnish books and other printed matter and information service convenient to the homes and offices of all residents of the said District. All actions relating to such library, or for the recovery of any penalties lawfully established in relation thereto, shall be brought in the name of the District of Columbia, and the commissioners of the said District are authorized on behalf of said District to accept and take title to all gifts, bequests, and devices for the purpose of aiding in the maintenance or endowment of said library; and the commis-

sioners of said District are further authorized to receive, as component parts of said library, collections of books and other publications that may be transferred to them.

"SEC. 2. That in order to make the said library an effective supplement of the public educational system of the said District and to furnish the system of branch libraries provided for in section 1 hereof, the board of library trustees, hereinafter provided, is authorized to enter into agreements with the Board of Education of the said District for the establishment and maintenance of branch libraries in suitable rooms in such public-school buildings of the said District as will supplement the central library and branch libraries in separate buildings. The board of library trustees, hereinafter provided, is authorized to rent suitable buildings or parts of buildings for use as branch libraries and distributing stations.

"SEC. 3. That all persons who are permanent or temporary residents of the District of Columbia shall be entitled to the privileges of said library, including the use of the books contained therein, as a lending or circulating library, subject to such rules and regulations as may be lawfully established in relation thereto. Persons living outside of the said District but having regular business or employment or attending school in the said District shall, for the purpose of this act, be deemed temporary residents. Other persons residing in counties of Maryland and Virginia adjacent to the said District may gain the privilege of withdrawing books from the said library by the payment of fees fixed by the board of library trustees hereinafter provided. Said fees shall be expended by the board of library trustees, hereinafter provided, for the support of the said library.

"SEC. 4. That the said library shall be in charge of a board of library trustees, who shall purchase the books, magazines, and newspapers and procure the necessary appendages for such library. The said board of trustees shall be composed of nine members, each of whom shall be a taxpayer in the District of Columbia, and shall serve without compensation. They shall be appointed by the Commissioners of the District of Columbia and shall hold office for six years: *Provided*, That at the first meeting of the said board the members shall be divided by lot into three classes. The first class, composed of three members, shall hold office for two years; the second class, composed of three members, shall hold office for four years; the third class, composed of three members, shall hold office for six years. Any vacancy occurring in said board shall be filled by the District Commissioners. Said board shall have power to provide such regulations for its organization and government as it may deem necessary.

"SEC. 5. That the said board shall have power to provide for the proper care and preservation of said library, to prescribe rules for taking and returning books, to fix, assess, and collect fines and penalties for the loss of or injury to books, and for the retention of books beyond the period fixed by library regulations, and to establish all other needful rules and regulations for the management of the library as the said board shall deem proper. All fines and penalties so collected shall be expended by the said board for the support of the said library. The said board of trustees shall appoint a librarian to have the care and superintendence of said library, who shall be responsible to the board of trustees for the impartial enforcement of all rules and regulations lawfully established in relation to said library. The said librarian shall appoint such assistants as the board shall deem necessary to the proper conduct of the library. The said board of library trustees shall make an annual report to the Commissioners of the District of Columbia relative to the management of the said library.

"SEC. 6. That said Commissioners of the said District are authorized to include in their annual estimates for appropriations such sums as they may deem necessary for the proper maintenance of said library, including branches, for the purchase of land for sites for library buildings, and for the erection and enlargement of necessary library buildings."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF CERTAIN DISBURSING OFFICERS, DEPARTMENT OF THE INTERIOR

The bill (S. 2993) to allow credits in the accounts of certain disbursing officers of the Department of the Interior was considered as in Committee of the Whole. The bill had been reported from the Committee on Claims with an amendment on page 2, after line 4, to strike out the following:

2. In the accounts of George W. Evans, late chief disbursing clerk, Department of the Interior, for payment made by him from the appropriation "Contingent expenses, Department of the Interior, 1923," to George & Co., Washington, D. C., in the sum of $19.50.

3. In the accounts of R. Depue, special fiscal agent, Bureau of Reclamation, for payment made by him in 1923 from the reclamation fund (special fund) to S. Livingston & Son, Washington, D. C., in the sum of $11.40.

So as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed, in the settlement of the accounts of the following-named disbursing officers of the Department of the Interior to allow credit in the sums herein stated, now standing as disallowances in said accounts on the books of the General Accounting Office:

1. In the accounts of George W. Evans, late chief disbursing clerk, Department of the Interior, for payments made by him to the Sanitarium Co., Portland, Oreg., in the total sum of $35,434.59, from the appropriations for "Care and custody of insane, Alaska," for the fiscal years 1921, 1922, and 1923, which sum shall not be recovered from said company.

2. In the accounts of Joseph P. Siebeneicher, special disbursing agent of Indian funds, Flathead irrigation project, Montana, for payment made by him to Mary Beauchemin from the appropriation "Irrigation systems, Flathead Indian Reservation, Mont., reimbursable" (42 Stat. p. 571), in the sum of $100.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRANCIS J. YOUNG

The bill (S. 1755) for the relief of Francis J. Young was considered as in Committee of the Whole and read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to Francis J. Young, father of Wallace J. Young, late consul at Bradford, England, $4,500, being one year's salary of his deceased son, who died of illness incurred in the Consular Service; and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

TENA PETTERSEN

The bill (S. 959) for the relief of Tena Pettersen was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Tena Pettersen, former widow of Niles Alvin Trulson, the sum of $375, the proceeds of certain timber cut upon the southwest quarter northeast quarter, northwest quarter southeast quarter, northeast quarter southwest quarter, and lot 3, section 18, township 159 north, range 28 west, fifth principal meridian, Minnesota, homestead entry Cass Lake 01351, which was paid into the Treasury of the United States on or about August 30, 1912, pending final proof upon the homestead entry on said land to which said Tena Pettersen now has patent.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

GLADYS L. BROWN

The bill (S. 1794) to extend the benefits of the employers' liability act of September 7, 1916, to Gladys L. Brown, a former employee of the Bureau of Engraving and Printing, Washington, D. C., was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission shall be, and it is hereby, authorized and directed to extend to Gladys L. Brown, a former employee in the Bureau of Engraving and Printing, Washington, D. C., the provisions of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PHILIP T. POST

The bill (S. 2887) for the relief of Philip T. Post was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $383.63 to Philip T. Post in compensation for the reporting of Army general courts-martial.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

URGENT DEFICIENCY APPROPRIATIONS

The bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, was announced as next in order.

Mr. WARREN. Mr. President, I shall wish to take up the bill in a few moments, but under the unanimous-consent agreement we were to consider unobjected bills on the calendar until 2.15, and it is not yet quite that time.

The VICE PRESIDENT. Is there objection to proceeding with the regular order of business? The Chair hears none, and the bill will be proceeded with.

Mr. KING. Mr. President, before the deficiency bill is taken up for consideration, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dill	Lenroot	Sackett
Bayard	Edge	McKellar	Sheppard
Bingham	Ferris	McKinley	Shipstead
Blease	Fess	McMaster	Smith
Borah	Frazier	McNary	Stanfield
Bratton	George	Mayfield	Stephens
Brookhart	Gerry	Metcalf	Swanson
Broussard	Goff	Neely	Trammell
Bruce	Gooding	Norbeck	Tyson
Butler	Hale	Norris	Underwood
Cameron	Harris	Nye	Wadsworth
Capper	Harrison	Oddie	Walsh
Copeland	Heflin	Overman	Warren
Couzens	Howell	Pepper	Watson
Cummins	Jones, Wash.	Phipps	Wheeler
Curtis	Kendrick	Pittman	Williams
Dale	King	Ransdell	Willis
Deneen	La Follette	Robinson, Ark.	

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Seventy-one Senators having answered to their names, a quorum is present. The deficiency appropriation bill will be proceeded with.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. WARREN. Mr. President, I think it proper that I should state before the Senate proceeds to the consideration of the bill that it is rather extraordinary that, owing to the very important matters which engaged the attention of the Senate in the early part of this session, the so-called deficiency bill, which usually receives the consideration of Congress in the first week or two of the session, has not been prepared and presented to the Senate at an earlier date. Consequently there are included in this deficiency bill all of those items which have come up, and for which provision had to be made, subsequent to the time when the regular appropriation bills for the current fiscal year were enacted. Of course, the matters which have come up in the interim and which necessitate the expenditure of public money are very numerous. Therefore the bill carries $423,527,162.07.

In preparing the bill the Senate committee had to consider those items of expense which were incurred yesterday and day before and at other very recent dates, so that the Senate committee had to make additions to the bill over the amounts carried by the House. Those additions, less the subtractions made by the committee, amount to nearly $42,000,000.

As the reading of the bill proceeds, it will be noticed that there are various amendments; and I now wish to make the usual request in the case of appropriation bills, that the formal first reading of the bill may be dispensed with, that the bill may be read for amendment, and that the committee amendments shall be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Secretary will proceed to read the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the heading "Legislative," on page 2, after line 1, to insert:

SENATE

Salaries: For compensation of Senators, for the fiscal years that follow:

For 1925, $75,000;

For 1926, $240,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 6, to insert:

For compensation of the Vice President, for the fiscal years that follow:

For 1925, $975;

For 1926, $3,275.

The amendment was agreed to.

The next amendment was, on page 2, after line 10, to insert:

To pay Ruth Hanna McCormick, widow of Hon. Medill McCormick, late a Senator from the State of Illinois, $7,500.

The amendment was agreed to.

The next amendment was, on page 2, after line 13, to insert:

To pay to Belle Case La Follette, widow of Hon. Robert M. La Follette, late a Senator from the State of Wisconsin, $10,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 16, to insert:

For payment to Susan B. Spencer, widow of Hon. Selden P. Spencer, late a Senator from the State of Missouri, $10,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 19, to insert:

For payment to Jennie C. Ralston, widow of Hon. Samuel M. Ralston, late a Senator from the State of Indiana, $10,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 22, to insert:

To pay to Rizpah S. Ladd, widow of Hon. Edwin F. Ladd, late a Senator from the State of North Dakota, $10,000.

The amendment was agreed to.

The next amendment was, at the top of page 3, to insert:

For the purchase and exchange of an automobile for the Vice President, $5,135.75.

The amendment was agreed to.

The next amendment was, on page 3, after line 2, to insert:

For stationery for Senators, committees, and officers of the Senate, $2,500.

The amendment was agreed to.

The next amendment was, on page 3, after line 4, to insert:

Hereafter, in event of the death, resignation, or disability of the Secretary of the Senate, the financial clerk of the Senate shall be deemed his successor as a disbursing officer, under his bond as financial clerk, and he shall serve as such disbursing officer until the end of the quarterly period during which a new Secretary shall have been elected and qualified, or such disability shall have been ended.

The amendment was agreed to.

Mr. KING. Mr. President, we have been hearing a great deal about the economies of Mr. Coolidge, and our Republican friends have boasted about the reduction in the appropriations for the present fiscal year. As a matter of fact there was no reduction, but the appropriations exceeded those for the preceding year, as I now recall. However, the bill which has just been presented is a deficiency bill carrying $423,577,162.07. As I understand, the bill is intended to cover deficiencies for the fiscal year which will end on June 30, 1926. It means that, notwithstanding the enormous appropriations of practically $4,000,000,000 made for the current fiscal year, there is a deficiency already of $423,500,000, to be followed before the adjournment of Congress by another deficiency bill totaling, perhaps, tens if not hundreds of millions of dollars more. Will the Senator from Wyoming explain why we did not make sufficient appropriations at the last session and why there were so many boasts by our Republican friends of economy, when we are now confronted with this enormous deficiency bill, to be followed by another?

It does seem to me, Mr. President, that instead of cutting down expenses the Republican administration is increasing expenses; and if we appropriate four and a half billion dollars—and it will amount to that for the fiscal year 1926—and that is the measure of Republican economy, what may we hope for for the next fiscal year and for succeeding fiscal years under Republican administration?

Mr. WARREN. Mr. President, there is not and should not be any politics in considering the appropriations of Congress, and I rather dislike at any time to allude to parties, as such, rather than to the Government of the United States; but a large proportion of the appropriations in this bill is caused by legislation which was enacted when the Democratic Party had control of the Government, and much of it is to provide for objects which they inaugurated while they were conducting the affairs of the Government and before they surrendered control to the Republican Party. Items of that character have come up from time to time.

So far as this bill is concerned, a very small proportion of the appropriations carried by it can properly be considered to be deficiencies in the ordinary and usual acceptation of that term. In other words, the word "deficiency" may strike everyone as meaning that we have heretofore failed to appropriate sufficient amounts for certain work of the Government, and it has subsequently been found necessary to increase the appropriation. There are such items found in this bill to a limited degree; but, on the other hand, there are obligations created under legislation by Congress which involve expenditures that it is necessary to meet. Many laws are enacted by Congress subsequent to the time when the annual appropriation bills are considered and acted upon, consequently they must be provided for in some general measure, and they are provided for, and have been in the past, by deficiency bills. Such items come up at every session, year after year.

To refer to specific items, I may say that for the Veterans' Bureau there are carried in this bill at one place one hundred and sixty-odd million dollars in addition to about $40,000,000 at another place.

The items under the Treasury Department call for appropriations of over $200,000,000. I will give some of the larger items for the information of the Senator from Utah.

For the Veterans' Bureau there is an appropriation direct of $38,000,000 in one part of this bill, and some $160,000,000 more in another portion of the bill.

The bill also makes provision to pay judgments of the Court of Claims. It is beyond our control to exercise economy in regard to those judgments. They come here from the court as judgments; we have to make appropriations to meet them; and for that item the sum of $1,121,000 is carried by the bill.

The bill also appropriates several hundred thousand dollars for the payment of audited claims, which are in the nature of judgments against the Government.

There are also additional appropriations for the Post Office Department. The law which was enacted at the last session in relation to the Post Office Department employees was supposed to carry, and in fact did carry, something over a hundred million dollars. It was assumed that the increased postal charges made by that bill would pay some portion of the increase. The Postmaster General estimated that they would provide probably for 40 or 50 per cent of the increased amount made necessary for the Post Office Department, and that has proved true. On the other hand, however, the Post Office Department is being constantly loaded down with additional duties and responsibilities, especially along the line of what may be called the transportation of freight—that is, parcel-post matter. That has to be provided for, because the country is growing. I know the Senator from Utah does not wish to impede the growth of the country in any way. So there are additional appropriations that are made necessary in all departments of this Government when the country is prosperous, as it has been and as we hope it may continue to be. Under such conditions appropriations are bound to grow.

On the other hand, I may say to the Senator, large economies and practices tending toward economy have been initiated, as the appropriation bills have shown. For instance, this year the estimates of the Bureau of the Budget have been cut down in various ways and manners in reference to the amounts called for by the departments, and many of the appropriation bills that have been passed have carried appropriations less than the amounts recommended by the Budget. For instance, the bill that we passed two days ago is between four and five million dollars less in amount than was called for by the Budget estimates. These matters are too numerous and large perhaps to go any further with at this moment, but there are the claims, for instance, of overassessments, refunds, and so forth, in the Internal Revenue Service. That is very heavy at the present time, because they have a large number of men at work, and they are rapidly undertaking to bring up all of that work, which has been accumulating from 1917, to date. There is about $150,000,000 in this bill to cover that, and we can not know the amount of those matters beforehand. They can only reach us after the calculations have been made and passed upon.

There is, too, the so-called bonus bill. It was entirely uncertain a year ago how much that would take. I say "entirely uncertain"—it was really uncertain, because a great many of the soldiers would not apply for the bonus; a great many more had already died, and they or their families were to receive the regular insurance; and, of course, others living would only receive the amounts of their time certificates. But nothing could be decided. That has to come in a so-called deficiency bill, although it is in nowise a deficiency in the term as generally applied that gave this bill the name.

Mr. KING. Mr. President, the Senator from Wyoming stated, as I understood his remarks, that these deficiencies, aggregating more than $413,000,000, are the result of Democratic legislation, or were created when the Democrats were in power. I am not quite sure as to the phraseology the Senator used.

Mr. WARREN. Mr. President, the Senator would not do me an injustice, I am sure.

Mr. KING. Certainly not.

Mr. WARREN. I said that a great part of them were that, and others, of course, have been incurred since; but very largely these are matters that are the result of the war, and many of them, as I say, as, for instance, these judgments of the court, date back many years.

Mr. KING. The Senator can not blame the Democratic Party, because it was not in power, nor can he give it praise, if it is a matter of praise, for the bonus bill. That bill was passed under a Republican administration, with the support of both Republicans and Democrats. I was opposed to the bill, however, and voted against it. But, as I understand the Senator, a large amount is carried in this bill to meet the bonus legislation. The Senator can not attribute the expenditures of the Veterans' Bureau solely to the Democrats. Both parties have supported measures to provide for ex-service men, and the bill before us, I understand, carries a considerable amount for this bureau. The Senator must remember that the Democratic Party went out of power in 1920; indeed, it lost control of the House and Senate March 4, 1919.

Mr. WARREN. I hope the Senator is not undertaking to say that his party was against supplying the Veterans' Bureau. Surely he claims no credit for that. That is one of the consequences of the war. That is why I named it as one of the consequences of the war, in which we are all interested.

Mr. KING. If the Senator means that some of these appropriations are the outgrowth of the war, undoubtedly that is true. The bonus is the outgrowth of the war, although there can be a war without a bonus. The Veterans' Bureau appropriation contained in this bill is directly the product of the war, and no one objects to reasonable appropriations to pay for disabilities incurred by those who served their country during the Great War. But an examination of the bill, Mr. President, negatives the idea that it is very largely the result of the war or is traceable, directly or indirectly, to the Democratic administration. I find on page 4 a large number of appropriations—for Porto Rico, compensation of additional employees in the District of Columbia, contingent expenses, Architect of the Capitol, Library of Congress, Executive Office, United States Board of Tax Appeals.

Mr. OVERMAN. Mr. President, will the Senator allow me to interrupt him?

Mr. KING. I yield.

Mr. OVERMAN. I notice that the Senator mentioned the matter of contingent expenses. It is getting to be alarming to see the amount of money that is appropriated for contingent expenses of the Senate occasioned by the Senate itself in holding investigations. One investigation here that nobody knows anything about has cost $150,000. Another one that is going on has cost $150,000. It is paying men $1,300 a month, and it is getting to be disgraceful and shameful. This thing ought to be stopped.

I hope some Senator will submit an amendment to be added to this bill that will save us considerable expense by reason of requiring that hereafter, when bills or resolutions for investigations pass the Senate, the amount expended shall not exceed the amount appropriated, but any amount required additionally in the form of lawyers' fees or expenses of the investigation shall be asked for from the Senate.

If this matter could be investigated, as to the amount of money we are spending through these investigating committees, the Senate would be astounded. Think of one committee spending $150,000, and another spending $150,000 and paying men $1,300 a month, others $10,000 a year, and so on! If the vouchers could be shown here, Senators would be astounded.

I say this in order to warn the Senate about the amount of money that these investigations are costing the Senate. There ought to be some rule adopted whereby these matters shall be made public. As they are going on now the Senate does not know anything about them. Recently we appropriated $30,000 for contingent expenses, later $50,000, and now we are spending two and three hundred thousand dollars for contingent expenses.

Mr. KING. I do not disagree with the Senator. I think all appropriations of that character ought to be submitted to the Appropriations Committee.

Mr. OVERMAN. They are not submitted to anybody. That is the trouble. The chairman of the committee simply spends

the money as he pleases, just as he would if it were coming out of his own pocket—$10,000, $20,000, $40,000, if he wants to—and the sums are paid by reason of the resolution adopted.

Mr. NEELY. Mr. President, while the Senator from North Carolina is admonishing the Senate to be more economical in the expenditure of money, I implore him to call the attention of the Senate to the fact that we are spending two or three hundred thousand dollars every year in contested-election cases in the Senate.

Mr. KING. Mr. President, I would not take the time of the Senate to refer to these items except for the broad generalization of the Senator from Wyoming, which, I am sure, if read by any person, will convey a wrong impression as to the cause of this deficiency appropriation bill. That is the reason why I am taking the time now to call attention to the multitude of items which are not attributable to Democratic legislation, and which have originated within the last year.

Mr. WARREN. Mr. President, will the Senator yield to me a moment?

Mr. KING. I yield.

Mr. WARREN. I appreciate the energy which the Senator always exhibits in connection with these bills, and I am going to give him now a list of the minus and plus items, so that from time to time as we go through the bill he may have them before him.

Mr. KING. I thank the Senator for his courtesy.

To return, Mr. President—and I should have been through if I had not been interrupted—I find on page 6 a large appropriation for the Board of Tax Appeals, and on the same page an appropriation of $25,000 for the Bureau of Efficiency. The last general appropriation bill carried a large amount for that organization, sufficient, as it was believed, to meet all legitimate needs. Why there should be a deficiency, I am unable to say. There are too many departments and agencies of the Government creating deficiencies, notwithstanding the law positively forbids it.

On page 9 there is a large appropriation for the military and naval establishments—$11,250,000.

The District of Columbia carries a very large list of items, covering 8 or 9 or 10 pages. Doubtless they are necessary. At least, the expenses have been incurred.

Mr. ASHURST. Mr. President, will the able Senator yield?

Mr. KING. I yield.

Mr. ASHURST. The Senator from Utah in his able and quite frequent discussions does much more good than harm.

Mr. KING. Let me complete this sentence.

Mr. ASHURST. Certainly.

Mr. KING. I am not now examining the various items of appropriation carried by the bill; whether they are proper or improper I am not now determining. They may be highly necessary and may command the support of all Senators; but my purpose is to show the inconsistent, not to say the unfair, course of the party in power in dealing with appropriations. It has proclaimed loudly throughout the land that it was practicing economy and effecting great reforms in the administration of governmental affairs. They went before the country showing that the appropriations for 1926 were a certain figure, approximating $4,000,000,000, and stated, "We have reduced the appropriations so much." They knew that there would be large deficiencies; and my complaint is that they got the applause of the country for limiting expenditures when they knew or must have known that they would introduce numerous deficiency bills and thus swell the amount far beyond that which they had represented to the country would be the gross expenditures for the year. That is what I am calling attention to.

Mr. ASHURST. I am not quarreling with the Senator, but——

Mr. KING. I am not challenging a single item. If the Senator had understood the purpose of my observation, it was a criticism of the policy of the Republican Party in representing to the country that they had reduced expenses, whereas they had increased them. If they had been frank, they would have made a large enough appropriation and then would have said to the people, "The exigencies of the situation call for that." But they go before the people with a declaration that they have reduced the expenditures, and the people have fed upon that during the year, and then they come, before the year expires, and ask for six or seven hundred million dollars more. That is what I am complaining of.

Mr. ASHURST. The Senator will bear with me. He passed over page 8, and I did not have the opportunity to hear what he said.

Mr. KING. I said nothing, except I spoke about the bonus.

Mr. ASHURST. Adverting, then, to page 8, when that appropriation is available it will enable the Director of the Veterans' Bureau to expand the Veterans' Bureau hospitals at various places.

Take, for illustration, the situation in Tucson, Ariz.—a climate eligible to promote the cure of tuberculosis of the lungs. We have been for months—many months—attempting to expand the United States Veterans' Bureau Hospital No. 51 there. I ask the able Senator in charge of the bill if it be his opinion that a portion of the money proposed to be made available under the appropriation carried on page 8 will be used to expand and improve the Veterans' Bureau Hospital No. 51, at Tucson, so that the flimsy, ramshackle, and inflammable buildings there may be supplanted by commodious, fireproof structures? Such is my understanding of that provision, and I request the Senator's opinion.

Mr. WARREN. There is no doubt about the fact that the intention is to put those buildings in order. The Senator knows that we first have to find out about how many men are seeking hospital facilities. There is no doubt about the fact that the man in charge is capable and is earnestly endeavoring to carry forward the work the Senator from Arizona wishes to see done and which we all want to see done.

Mr. ASHURST. Mr. President, I am glad the able Senator from Utah did not direct his remarks against this provision.

Mr. KING. Mr. President, will the Senator permit me to conclude?

Mr. ASHURST. I am under obligations to the Senator for permitting me to interrupt him.

Mr. KING. May I say to the Senator from Arizona that I am not now attacking any item in the bill? I am directing attention to the fact that this administration which professes such great devotion to economy presents a deficiency bill calling for more than $400,000,000. The people were told by the President and other Republican leaders that the appropriations for the fiscal year were less than four billion dollars, and now we are told we must appropriate nearly half a billion more for this current year. I was not discussing whether the item carried in the bill for the Veterans' Bureau was proper or not. All persons agree that those who suffered disabilities during their service in the war should be generously treated.

But I want to arrest the attention of Senators and point to the lack of frankness upon the part of the party in power. It has posed and is posing as the genuine friend of retrenchment, reform, and economy. So persistently and subtly has it carried on this propaganda that it has introduced great economies into the administration of the affairs of the Government that many honest and patriotic people have been deceived. Republican officials and the Republican press have for three years devoted much of their energies and efforts to convince the country that executive departments and agencies have become more efficient and that a new era of sound and capable and economical administration of national affairs has dawned upon the world. The fact is that any decline in Government expenditures since the war have been due to the termination of the war. President Wilson in March, 1919, directed the attention of Congress to the fact that war activities were over, that much military machinery must be scrapped, and that a return to peace-time economies and policies must immediately be brought about. The Republicans controlled Congress and refused to heed President Wilson's recommendations. However, the Democrats were able to reduce expenses more than $4,000,000,000 from the war peak—during 1919–20. It was, of course, inevitable that great reductions in the expenses of the Government should follow the cessation of hostilities.

But a calm and dispassionate review of the Budgets of the National Government since 1920 will furnish convincing proof that there has been inexcusable obstinacy upon the part of this administration in reducing expenses and cutting off unnecessary agencies, organizations, and bureaus. And now after seven years have passed since the war ended, we are spending between four and five times as much as was expended by the Government in 1915 or 1916.

I am criticizing the deceptive methods of the party in power. When the appropriation bills were being considered during the spring of 1925 it was stated by the Republicans that the expenses for the fiscal year 1926 would be materially reduced below those of 1925. And when the bills were passed paeans of praise went up from misinformed people, and the Republicans affected to believe that a halo of virtue crowned the party in power. Loud panegyrics were heard throughout the land—pronounced by big and little Republican officeholders—to the effect that mighty reforms had been accomplished in the administration of the Government and that the highest standard

of economy ever attained had been reached by the Coolidge administration.

And now, after these misleading statements have lodged in the minds of the people, we are called upon to appropriate over $400,000,000 to meet deficiencies for the fiscal year 1926, and we learn that one or more additional deficiency bills will be presented calling perhaps for $200,000,000 additional. This means that instead of the expenses for the fiscal year just named being between three and four billion dollars the country was told they would be, they will total nearly $5,000,000,000, and perhaps may exceed that stupendous sum.

As a matter of fact, this administration will spend more in the fiscal year 1926 than was expended in 1925. One is justified in charging that the party in power set out deliberately to mislead the country and to raise a fictitious issue—that of economy. I must confess it has succeeded well in accomplishing its purpose. But the facts are that there have been no reductions in expenditures in 1925 or 1926, and from the evidence before us there is every reason to believe that the Republicans intend to materially increase the National Budget for the coming fiscal year.

President Coolidge recently declared that there would be no further reductions in the annual expenses of the Government. He has recommended the creation of another department which will call for millions of dollars annually. New bureaus and agencies are being created, and I predict that at the end of the next fiscal year there will be an increase in the personnel of the National Government of more than 25,000. This talk of Republican economy is only talk, and idle, but deceptive preaching. It has fooled the people and aided the Republicans in keeping in power. But the people can not be "fooled" all the time. When it is learned that the county is saddled with an annual burden of more than $4,000,000,000, perhaps $5,000,000,000, and that more bureaus and executive agencies are being created and thousands of new jobs are being provided for hungry and unfortunate Republicans—and the expenditures of the Government are rapidly advancing—then there will be an awakening. Republican narcotics are still paralyzing the public mind, but they will ultimately be eliminated from the body politic.

Mr. WARREN. Mr. President, will the Senator permit me a moment?

Mr. KING. I yield to the Senator.

Mr. WARREN. The inquiry of the Senator from Arizona was very pertinent, and I wish to read the testimony of General Hines before the House committee. As the Senator has said, there are two appropriations—one of $5,000,000 and one of $3,000,000—appearing on page 8 for this purpose.

Mr. ASHURST. Yes; so I perceive.

Mr. WARREN. General Hines testified as follows:

> The CHAIRMAN. Which ones are you going to start under the $5,000,000 you are asking for now?
>
> General HINES. Legion, Tex.; Fort Snelling, Minn.; Portland, Oreg.; and either Boston or Tucson, Ariz. The hospitalization board the other day voted on the hospital at Tucson, which we had put on the deferred list, to transfer it from the deferred list to the preferred list. If that were done, it would probably take the place of the Oteen construction.

Mr. ASHURST. Will the Senator permit me to interrupt him?

Mr. KING. I yield.

Mr. ASHURST. General Hines made every proper effort to expand this Veterans' Bureau hospital at Tucson, Ariz., and he and the Federal Hospitalization Board were wise and courageous enough to put Hospital No. 51 at Tucson on the preferred list and to declare that when moneys were available the expansion could begin.

I am profoundly gratified that the Director of the United States Veterans' Bureau and the committees of Congress have risen to their high duties in this matter, so that those exservice men who faced the iron storm of war and impaired their health shall know that this Government is trying to assist them in recovering their health.

If the other items in the bill are as free from attack as is this item regarding the Veterans' Bureau, then I must congratulate the committee upon the entire bill.

Mr. BRATTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. KING. I yield. I hope Senators will pardon me for apparently having the floor so long.

Mr. BRATTON. I quite concur in everything the able Senator from Arizona has said with reference to the climatic conditions of Arizona; but while upon that, may I say that I have had a number of inquiries from New Mexico, and the people there seem to express some alarm about the report that is in circulation that the increase in hospital facilities at Tucson carries with it a decrease in the hospital facilities at Fort Bayard, just over the line in New Mexico, which is second to none in climatic conditions, Arizona not excluded. I should like to ask the Senator from Wyoming if that is in contemplation, or if he is in a position to express himself upon it.

Mr. WARREN. It has not come to my notice that anything of that kind is thought of. I will say to the Senator that if I secure any information on the matter during the consideration of the bill I shall be glad to bring it to his attention.

Mr. BRATTON. I thank the Senator.

Mr. NEELY. Mr. President, as the Senator from Utah is a thoroughly informed member of the Committee on Appropriations, I wish to ask him if the result of our having participated in the limitation of armaments conference is reflected in the appropriations for the Department of the Navy for the current year?

Mr. KING. I will yield to the Senator from Wyoming, and then shall attempt to answer the Senator's question.

Mr. WARREN. Mr. President, if I may have the attention of the Senator from New Mexico; this is what General Hines said in relation to the matter about which he asked me a few moments ago:

> The CHAIRMAN. How many patients have you at Tucson?
>
> General HINES. About 300.
>
> The CHAIRMAN. And how many at Prescott?
>
> Mr. MOORE. Approximately the same number.
>
> The CHAIRMAN. Prescott has a cooler climate, has it not?
>
> General HINES. Yes, sir. There are some men with tuberculosis that could not be hospitalized at Prescott, due to the altitude. We have one of our large institutions in New Mexico, at Fort Bayard, at 6,500 feet. We find that some of the men with tuberculosis who have heart disabilities can not be hospitalized at the high altitudes, and that is one of the reasons that these men go to Tucson.

I understand Fort Bayard to be one of the oldest institutions of the kind that we have.

Mr. BRATTON. That is true.

Mr. KING. Mr. President, replying to the Senator from West Virginia, the appropriations carried in the naval appropriation bill passed yesterday for the next fiscal year were more than $314,000,000. There are several contingent appropriations, which will swell the sum total to more than $321,000,000. That exceeds the appropriations for last year and, as I recall, the appropriations for the preceding year.

In 1916 the appropriation for the Navy was $130,000,000 plus. For the preceding year it was less than that. When the United States entered the war in 1917 there was, of course, a great increase in the expenses of our Military Establishments.

After the war was over, and when the obligations incurred in the prosecution of the war were discharged, there should have been a great reduction; far greater than that which occurred.

It was difficult to cease spending, to lop off unnecessary agencies and positions. Many persons were intoxicated with the wine of public service and were unwilling to return to their homes and former avocations. The ship of state had many barnacles attached to it, and they have not yet been entirely scraped off.

Naval expenditures dropped to about $300,000,000 last year, but are larger for the next fiscal year. The appropriations for the War Department for the present fiscal year are approximately $300,000,000; what they will be for the next fiscal year, I can not say, but I predict they will not vary greatly from those of the present year, so that we will be called upon to appropriate at least $600,000,000 for the next fiscal year for our Military and Naval Establishments—and this in peace times.

The entire appropriations of the Government for 1916 were less than $1,000,000,000. We will appropriate for the Army and Navy for the next fiscal year a little more than six-tenths of the entire amount appropriated for all the expenses of the Government, including the War and Navy Departments, for the year 1916.

I submit that this burden is too great. It is due in part to the lack of efficiency and economy in these departments. There is too great an expense in meeting the overhead charges in all departments of the Government. We will appropriate more for the War and Navy Departments for 1927 than was expended by Germany and France in 1913 when they had larger military establishments.

The disarmament conference, which was to greatly reduce our military burdens, and which was to usher in a sort of millennial era, I am afraid has disillusioned many people. It has not achieved the objects which were sought.

While it resulted in reducing the number of capital ships, or at least stopped construction of capital ships, it made no provision for submarines, airplanes, airplane carriers, and various other auxiliary craft, including light cruisers. So that whereas there has been a decrease in the amount to be expended on capital ships, the way has been opened for an increase in expenditures for other naval craft, particularly submarines, light cruisers, airplanes, and airplane carriers. We need a genuine world-disarmament conference. But I shall not pursue this subject further.

I rose for the purpose of combating what I understood to be the position of the Senator from Wyoming, that this bill was largely due to the Democratic Party. I charge that it is the result of the extravagance and lack of economy of the Republican Party, and to the fact that when it was required at the last session of Congress to make appropriations for the present fiscal year it was not frank or honest in dealing with the matter. It failed to appropriate what it intended to spend in order to make the people believe that it was reducing expenses, and expected when the people had been lulled into a somnolent state it intended to then demand three-quarters of a billion more to meet 1926 expenses. The bill before us is a part of this huge sum.

So that our Republican friends have had the credit before the country of having expended nearly a billion dollars less than they actually will have expended, and like any untruth that gets circulation, when the truth comes along it fails to overtake error. Our Republican friends have reaped an enormous harvest and benefit by their failure to be frank and honest in their representations and legislation dealing with Government expenditures.

Mr. President, I intended to call attention to the items of this bill, to demonstrate how much in error the Senator from Wyoming [Mr. WARREN] was when he stated in substance that the Democrats were responsible for the huge appropriation carried in this deficiency bill; but I have been so often interrupted, and the hour is so late, I shall not proceed further.

Mr. McKELLAR. Mr. President, I want to say to the Senator from Utah and to the Senate that all of the items in the deficiency bill, with the exception of certain ones that I shall mention, which are very small, constitute obligations of the Treasury, and of course not only ought to be paid but will have to be paid, so there can not be any question about the great majority of the items contained in this very large bill. The principal exceptions, and they constitute a comparatively small amount of money, are those items which provide for increases in the employees of the Government. All through the bill will be found items increasing the number of employees—for instance, in the Bureau of Efficiency, where a large number are to be found, and in various other places, where a larger amount is appropriated for an increased number of employees.

I mention that subject because it has been published far and wide that under President Coolidge the number of employees has been greatly lessened. That is not correct. We had more employees in the second year of Mr. Coolidge's administration than we had the first year. We had still more the next year. The number has been constantly increasing. I shall later place in the RECORD as a part of my remarks a statement showing the exact figures and showing that the number of employees in the Government was greater last year than it was the year before.

Mr. WARREN. Mr. President——

Mr. McKELLAR. I yield to the Senator from Wyoming.

Mr. WARREN. All I wish to say in that regard is with reference to the allusion the Senator has made to the Efficiency Bureau. We have called upon that bureau for help in various ways during the last year, largely in connection with the attempted reorganizations, which in themselves are all intended to lessen the general expenses, and the bulk of them ultimately will have that effect.

That is one of the things which that particular institution, if I may so term it, or that division, has been interested in accomplishing. But, in another case which is directly in point, the chairman of the Committee on Appropriations of the House, Hon. MARTIN MADDEN, has been keeping very close watch and giving a great deal of attention to the Treasury Department, especially in connection with the public debt, in the incurring of it and also in the extinguishment of it. He believed they were spending too much money in the debt section and consequently called upon the Bureau of Efficiency to take up that particular matter. That resulted in cutting down in a great measure the expense and making less appropriations necessary on account of that division.

So far as the members of the committee on this side are concerned, we think it would be a good thing if all of the $25,000 were used for that purpose. Of course, it is not all provided for that purpose. One member of that bureau is in the classification service. Three men are on the classification board, and they have a great deal of work to do and have performed a great deal of work. They are receiving only their just dues in my estimation.

Mr. McKELLAR. Mr. President, the question of whether $25,000 additional given to the Bureau of Efficiency is a matter of no real consequence and I need not discuss it. It is in a sense immaterial in comparison with the enormous amounts of money that are here appropriated. I merely wanted to show that there has been a constant increase in the number of employees of the Government. Wherever there is one discharged there are probably two who are employed, with the result that there were over 15,000, as I remember, more last year than there were the year before. The number is constantly increasing. In the face of this marvelous increase we have statements, given out at the White House, and especially by the Bureau of the Budget, claiming that the Government is lessening the number of employees.

It is not true, it is not a fact, and I do not understand why the press of the country should constantly give to the people statements that the number of employees is being lessened when such is not a fact.

On the 18th of last March in some remarks made by me in the Senate, I showed that every single department of the Government had increased its expenditures last year over the year before with the single exception of the Department of the Interior. Every department had increased its expenditures and had increased them with the direct approval of the President and the Bureau of the Budget. The truth is that the Bureau of the Budget last year, without regard to these deficiencies, which must be added, approved $161,000,000 more than the Congress appropriated. It then goes out to the people of the country that the Bureau of the Budget and the President are demanding economy everywhere and that the wicked Congress alone is responsible for the tremendous expenditures. Yet these figures show, and they can not be controverted, that the President and the Bureau of the Budget last year recommended to the Congress $161,000,000 more for appropriations than the Congress actually appropriated.

Mr. BORAH. The Congress must have overlooked it.

Mr. McKELLAR. Yes; they may have done that, but nevertheless it was done. It was $161,000,000 more than the wicked and extravagant Congress actually appropriated, and yet the Congress is held up to public scorn throughout the country as being extravagant, and the President and the Bureau of the Budget are said to be the very champions of economy.

Here is a deficiency appropriation bill calling for $423,000,000. We spent last year $3,923,000,000 in round numbers, which is more than it was the year before. It was a greater appropriation than for the year previous. We spent substantially $4,000,000,000, and we are now asked to add to it $423,000,000 more. That amount was added with the approval of the Bureau of the Budget and the President of the United States. The statement is attached to every recommendation for an appropriation that it is in harmony with the President's program of economy; $4,000,000,000 in the regular appropriation bills and $423,000,000 in the pending deficiency appropriation bill for the current year; in all, $4,423,000 already appropriated, and there will, no doubt, be another deficiency appropriation bill.

Mr. BORAH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Idaho?

Mr. McKELLAR. I yield.

Mr. BORAH. There may be some items in which the executive department can increase expenditures of the Government without the aid of the Congress, but the acts of Congress are the basic proposition upon which the extravagance rests.

Mr. McKELLAR. Not all of it. I will show that to the Senator. The Senator is usually very accurate, and I want to say that I feel sure he is accurate in this matter.

Mr. BORAH. I am accurate enough to know that the President can not get any money out of the Treasury without our authority, and that is precisely what I am talking about. We increase salaries and increase the number of employees, we increase our own salaries, and we are going to increase in a few days the salaries of judges. We are the parties who are in custody of the purse strings, and if we do not make these increases the executive department can not do very much in the way of adding expenses to the taxpayers of the country.

Mr. McKELLAR. That is absolutely true, and the party to which the Senator belongs is responsible for every appropriation and every law that is passed in this Congress.

Mr. BORAH. Oh, no.

Mr. McKELLAR. These increases can not be made without the approval and direction of the Republican Party.

Mr. BORAH. Any amount of those increases in this Congress never could have been done without the coalition which has taken place every time such increases were to be made.

Mr. McKELLAR. I am not a member of the coalition and therefore I can not speak for them, but I want to say that in the pending bill, on pages 44 and 45, are to be found $149,250,000 of items for refund of taxes by the Internal Revenue Bureau. Those tax refunds have grown from $8,000,000 in 1920 to about $300,000,000 in 1925, including this item. This is done in secret. Members of the Congress can not ascertain how it is done. The only way in the world we can tell anything about it is to have a special investigating committee go to the bureau and learn some of the facts. Even when that committee went down there only a portion of the facts were secured. What was secured? The startling statement was made on the floor of the Senate the other day by the Senator from Michigan [Mr. COUZENS], the chairman of the special investigating committee, that some hundreds of millions of dollars were paid out upon the approval of clerks in the Bureau of Internal Revenue. Such wasteful extravagance can hardly be imagined.

Mr. BORAH. The Senator said it is done in secret. If we are going to discuss party politics here, will the Senator tell us how that secrecy clause was taken out of the law?

Mr. McKELLAR. I can not tell. I voted for publicity. I voted for publicity when it was first presented. I voted for it the other day. I am strenuously in favor of publicity. I think it is little short of a legislative shame for the Congress to permit such a state of affairs as now exists in the Bureau of Internal Revenue. I think it is a shame that taxpayers should be allowed to obtain refunds in the way they do. I recall one refund in the enormous sum of $27,000,000. It is a shame that taxpayers can go to the Bureau of Internal Revenue in secret and have some subordinate in the department secretly refund that amount of money to the taxpayer, and the public be excluded. By the way, as I recall, and if I am wrong about it the Senator from Michigan [Mr. COUZENS] can correct me, that particular payment was made without the consent of the solicitor of the department, or certainly without his direction.

Mr. BORAH. I quite agree with the Senator as to his views upon publicity in regard to this matter, but we started out a short time ago with the proposition that the Republican Party was responsible for all of this situation.

Mr. McKELLAR. I say that the Republican Party is in charge of the Government. I say that the Republican Party is claiming to be the only champion of economy; that the Republican Party claims that it is running the Government substantially cheaper than it ever has been or could be run by anyone else. I am saying that the Republican Party claims that the Bureau of the Budget is constantly cutting down the expenses of the Government, and I am trying to show to the Senate and to the people of the country that instead of cutting down expenses, we are spending $424,000,000 more for this year—and there is another deficiency bill yet to come—than we spent during the preceding year, all of it having the stamp of the approval not only of General Lord, the Director of the Budget, but of the President of the United States.

I will say further to the Senator that this method of transacting business, of passing general appropriation bills for the current fiscal year carrying $4,000,000,000, the Republican majority getting the credit for those figures and claiming that they are economical, and then coming in with a deficiency appropriation bill which adds $424,000,000, is not good business and is not fair to the public. It is sought to make the public believe that the sum total of our expenditures last year, based on the regular annual appropriation bills, was $4,000,000,000, when, as a matter of fact, we all know that our expenditures were nearer $4,500,000,000, and probably will be more than $4,500,000,000 before the fiscal year shall end.

I will digress here long enough to say that Mr. MADDEN, the chairman of the Appropriations Committee of the House of Representatives, has stated that we have already reached the low-water mark in expenditures, and that hereafter expenditures will be greater than they were last year; that expenditures are constantly increasing; and if provision for all Government expenditures be put in the regular appropriation bills, of course, they are going to increase.

It seems to me that the part of wisdom and of fair dealing with the American public is not to make these claims of economy, but to say just what the figures show; and they show that we are constantly increasing the expenditures of the Government.

Mr. BORAH. Mr. President, I think the chairman of the Committee on Appropriations of the House of Representatives was correct in his statement.

Mr. McKELLAR. I think so, too.

Mr. BORAH. We have likely reached the low-water mark, and we shall likely increase the Budget estimates from year to year. If the country wants to know why the increase is made, the country will find it in the different bills which the Congress of the United States passes.

Mr. McKELLAR. Not necessarily; because, I want to say to the Senator, and it can not be doubted, that last year—the year when we were receiving communications almost, I will say, weekly from the President that a certain appropriation was recommended by him because it met his views of economy—at that very time the Bureau of the Budget, with the approval of the President, had recommended the appropriation of $161,000,000 more than Congress had actually appropriated. It seems to me that Congress itself is entitled to some praise for economy when it refuses to appropriate by $161,000,000 as much as the Bureau of the Budget and the President ask that it should appropriate.

Mr. BORAH. Congress might have fallen down in its record in one instance; I do not know about that; but the fact is that, after all, the expenditures are based upon appropriations made by Congress.

Mr. McKELLAR. Of course.

Mr. BORAH. And whatever additional expenses may be incurred by reason of the action of the Executive are very small. If Senators will analyze the votes on the bills which increase appropriations, they will find it is very difficult to raise the party question in the Senate of the United States.

Mr. McKELLAR. The Senator from Idaho is right about that to this extent: For instance, there may be innumerable items that a member of the Committee on Appropriations would vote against if a separate vote could be had, but he knows that the affairs of the Government must be administered; that the appropriations must be made; it is absolutely necessary; so when he comes to a final vote he does himself a great injustice unless he votes for the bill as it is finally prepared and written.

Mr. NORRIS. Mr. President——

Mr. McKELLAR. I yield to the Senator from Nebraska.

Mr. NORRIS. I wish to ask the Senator from Tennessee about the practice as to the refunds that take place in secret in the Bureau of Internal Revenue. When the estimate comes to the committee, does it come in a lump sum or is it itemized?

Mr. McKELLAR. It comes in a lump sum.

Mr. NORRIS. Would it be practicable or would it be legal for the committee to require that such estimate which comes asking for appropriations to pay these refunds should be itemized, showing in each case the person who gets the refund and the amount of each one?

Mr. McKELLAR. Would not that be contrary to the holding of the Secretary of the Treasury that such matters are secret?

Mr. NORRIS. I do not know. I am not a member of the committee. I am asking the question for information.

Mr. McKELLAR. I think that, inasmuch as the tax returns are secret, the committee would have no right to make such a request, especially since Congress has recently gone on record as upholding secrecy in such matters. I refer the Senator for a moment to the chairman of the committee—and I will yield time enough for the Senator to ask him whether or not a member of the committee would have the right to inquire as to the items of these tremendous expenditures.

Mr. OVERMAN. There is no question of it.

Mr. WARREN. Mr. President, these items proposing to appropriate for refunds have been presented to us to the number of hundreds of thousands. For instance, though there is a request for a large amount of money in the aggregate the average amount of the claims for refunds which are made is only $600. Should the committee undertake to investigate and pass upon the thousands of such items it would engross pretty much all of our time, especially if we should undertake to ascertain whether or not the claimant should have been allowed the refund.

Mr. McKELLAR. All I can say now is that the other day I read in the Senate a statement to the effect that not exceeding 75 of these claims for refund amounted to over $100,000,000. Those allowances were made by clerks in the department. To investigate a comparatively few claims for refunds which amount to $100,000,000, it seems to me would be very wise on the part of the committee; and I will say to the Senator that hereafter, when these claims for refund come, if I am permitted by the chairman of the committee, I being a member of the committee, I am going to ask questions in reference to

the validity of these claims for refund, as to some of the more important ones, at any rate. I shall take pleasure in doing it, and I expect to do it.

Mr. NORRIS. I should think the Senator from Tennessee would have that right; at least, I can hardly comprehend how the committee or the Senate, if they wanted the information, would not have the right to know why it was appropriating money and who was getting it. I agree with the chairman of the committee that there are a number of claims nobody would care much about—the small ones—but there are a number of large claims.

Mr. McKELLAR. There was one refund of $27,000,000 paid to the United States Steel Corporation not long ago, and, as the Senator knows, $27,000,000 is a fairly good item.

Mr. OVERMAN. Mr. President, there is no question that the committee can have all the information in preparing appropriation bills that is available.

Mr. McKELLAR. It has not been the custom to inquire into these matters. I wish to say to the Senate that the custom since I have been on the committee has been when items of appropriation are transmitted by the Secretary of the Treasury to accept them just as he proposes them. I will say to the Senator that the amount proposed to be appropriated by the pending bill for this purpose will bring the total to $550,000,000 paid out in refunds under and in accordance with communications from the Secretary of the Treasury and $150,000,000 under judgments of courts. That is about the situation in reference to these refunds.

I want to say to the Senator from Nebraska that he knows my views about this question. I have been in favor of publicity of tax returns all the time. I think it is little short of a crime for clerks in the Internal Revenue Bureau to pay out enormous sums practically without the supervision of anybody, according to the facts which have been adduced, and over the protest of the solicitor, as has been suggested here, at least in one case and perhaps in a number of others.

Mr. WARREN and Mr. COUZENS addressed the Chair.

Mr. McKELLAR. I yield first to the chairman of the committee, and then I will yield to the Senator from Michigan.

Mr. WARREN. Mr. President, I wish to correct the Senator as to one matter. I do not agree with the figures which my good friend has presented in the manner in which he presents them. In connection with the claims which have been paid the Senator speaks of court judgments. They were a part of the $554,000,000 up to September and they are a part of the $560,000,000 or $570,000,000 paid up to the present time.

Mr. McKELLAR. I may be mistaken—if I am the Senator from Michigan can correct me—but my recollection is that of the $704,000,000 that have been paid out in tax refunds, $150,000,000 represented judgments. The judgments, of course, should be paid, and paid promptly. The other $550,000,000 have been paid out upon the ipse dixit of the Secretary of the Treasury. Now I yield to the Senator from Michigan.

Mr. COUZENS. Mr. President, inasmuch as the Senator from Tennessee has said that the Senator from Michigan would correct him if he was in error——

Mr. McKELLAR. Yes; if I have made an error I would be delighted to have the Senator correct me.

Mr. COUZENS. I wish to avail myself of the opportunity and say that the Senator is in error with respect to the United States Steel Corporation case.

Mr. McKELLAR. Then I hope the Senator will correct me.

Mr. COUZENS. The item of $27,000,000 was allowed in the engineering division of the Bureau of Internal Revenue. That was for amortization, but the money was never refunded to the Steel Corporation, because the Steel Corporation had not paid their taxes. The claim was allowed by the engineering division of the Bureau of Internal Revenue, but when the investigating committee went through the records and pointed out what they thought were errors, in October, 1925, the solicitor wrote a new opinion which disallowed substantially that claim; so that the Steel Corporation did not finally get the money.

Mr. McKELLAR. I am very happy that the Senator has made that correction because I would not want a mistake to go into the RECORD. Then, as I understand, the fact is that the Steel Corporation made a claim for a depletion which amounted to $27,000,000; it was allowed by a clerk in a division of the Bureau of Internal Revenue over the advice or over the ruling of the Solicitor of the Treasury. We all know that the Solicitor of the Treasury, being a lawyer, wants to do the right thing and the fair thing and the just thing, and if it had been right for the Steel Corporation to have received this diminution of its taxes to the extent of $27,000,000 it would certainly have met his approval. There was no appeal from it. It was simply done without the light of publicity upon it. The big transactions, at any rate, ought to be inquired into by some responsible person and we ought to have publicity in regard to them.

I will say to the Senator from Michigan that I recall some of the larger items. For instance, take two or three of the packing house companies of Chicago. I know nothing about their claims; nobody can tell about their claims, but one would naturally think that a packing house company, with hundreds of employees, with millions of dollars involved, would pay their taxes after being advised by the very best accountants and by their lawyers as to what they should pay. It was last year, I believe, that one packing company got over $1,000,000 refund in taxes, and another one got over $1,000,000 refund in taxes. In other words, here are two taxpayers that are said to have made a mistake of over $1,000,000 in the payment of their taxes, and to have paid more than they should have paid by over $1,000,000. Is that reasonable? It is unreasonable on its face. So it seems to me that the Senate has made a mistake and the Congress has made a mistake in not permitting publicity, instead of hermetically sealing the Revenue Bureau, as it did a short time ago.

Mr. President, in the face of the figures in this bill raising the total expended for the current year from $3,936,000,000 to over $4,400,000,000, all approved by the Budget Bureau and all approved by the President of the United States, how in the name of conscience can it be held that these gentlemen have instituted any economy or are practicing any economy?

I think it was my distinguished friend over in the House, whom I love very dearly, Mr. MARTIN MADDEN, who was congratulating the country last March on the total being just $3,936,000,000. It was $123,000,000 more than Mr. MADDEN estimated at that time, and, as the Senator from Utah said a while ago, it is likely to be $250,000,000 more before June 30 rolls around. There is no economy in it. The truth is that we are spending more money every day than we have been spending in the past. Instead of being economical, this is the most wasteful and extravagant administration we have ever had. Instead of cutting down the employees of the Government, they are constantly adding to the employees of the Government. Instead of cutting down the expenditures generally, they are adding to the expenditures, and every one of these bills shows it.

That is all I have to say, Mr. President.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7554) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FRENCH, Mr. HARDY, Mr. TABER, Mr. AYRES, and Mr. OLIVER of Alabama were appointed managers on the part of the House at the conference.

WEST VIRGINIA COAL SUPPLY

Mr. NEELY. Mr. President, permit me to divert the attention of the Senate for a moment from the melancholy subject of increasing the people's taxes to the very practical matter of obtaining a sufficient supply of satisfactory fuel, in which I believe the entire country is now very much interested. I read an Associated Press dispatch which appeared in the Charleston Gazette on the 16th day of February, and particularly commend it to the favorable consideration of the Senators from Massachusetts, Rhode Island, and New York. The article is as follows:

URGES CONTINUED USE OF SOFT COAL IN MASSACHUSETTS—FUEL ADMINISTRATOR HULTMAN PLEADS WITH HOUSEHOLDERS TO STAND BY "WEST VIRGINIA FRIENDS" AND WIN "SECOND HALF OF WINTER'S ANTHRACITE BATTLE"

BOSTON, MASS., February 15.—A stirring plea that Massachusetts householders use other fuels than anthracite for the remainder of this winter at least and "stick to our West Virginia friends" was made to-day by Eugene C. Hultman, the State emergency fuel administrator and vice chairman of the New England Governors' Fuel Conference, advocated yesterday.

Hultman issued the following appeal:

"Another truce has been patched up in the anthracite industry between the operators and miners. None of the fundamental issues have been settled, nor have the claims of the operators that they must reduce costs of production by reducing wages been granted. Whether a condition of armed neutrality can exist for five years without active hostilities time alone can determine.

"Domestic anthracite will begin to arrive in this State about three weeks after mining is resumed.

"For the first time the consumers by using West Virginia fuels have broken the habit of Pennsylvania interests of settling anthracite disputes on the basis of the consumers' necessities. It now remains to be seen whether the consumer will pay the bills incurred by the anthracite industry by its suspension of production.

"The West Virginia soft-coal operators answered readily when we appealed to them for assistance in dire need. They have been very good to us, have met us half way, and it is urgent that we display our appreciation and protect our future. Let every householder and every consumer remember these facts and let's unite in sticking to our West Virginia friends.

"If householders will continue to use this West Virginia product for the remainder of the winter, there will be little or no opportunity for the speculative part of the anthracite industry to reap a harvest and recoup themselves for any losses they may have sustained this winter. If consumers will follow this policy, it will prevent hysterical bidding for anthracite at any price, with the sale of vast quantities of rock and other unburnable material, which has taken place when anthracite began to flow after past disputes in that industry have been terminated. Gumption on the part of the consumer has won the first half of this winter's anthracite battle; a little more gumption will win the whole battle for the consumer."

NATIONAL SESQUICENTENNIAL EXPOSITION (S. DOC. NO. 66)

The PRESIDING OFFICER (Mr. BINGHAM in the chair) laid before the Senate a communication from the President of the United States transmitting, with an accompanying letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the National Sesquicentennial Exposition to be held at the city of Philadelphia, Pa. (fiscal year 1926, to remain available until June 30, 1927), amounting to $2,186,500, which was referred to the Committee on Appropriations and ordered to be printed.

NAVAL APPROPRIATIONS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 7554) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HALE. I move that the Senate insist upon its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. HALE, Mr. PHIPPS, Mr. PEPPER, Mr. SWANSON, and Mr. GLASS conferees on the part of the Senate.

URGENT DEFICIENCY APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 6, after line 22, to insert:

BUREAU OF EFFICIENCY

For an additional amount required for salaries and expenses of the Bureau of Efficiency, including the same objects specified for this purpose in the act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1926, $25,000.

The amendment was agreed to.

The next amendment was, on page 7, after line 4, to insert:

COMMISSION OF FINE ARTS

For additional amount required for the Commission of Fine Arts, including the same objects specified under this head in the act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1926, and for other purposes, $1,400.

The amendment was agreed to.

The next amendment was, on page 7, after line 15, to insert:

GENERAL ACCOUNTING OFFICE

The Comptroller General is authorized and directed to credit the accounts of the disbursing officers of the Departments of the Interior and Agriculture with payments heretofore or hereafter made from the appropriations for maintenance of national parks and national forests, for transportation, subsistence, supplies, and other necessary expenses incurred by the committee of departmental employees and collaborators created upon recommendation of the President's committee on outdoor recreation, to examine and report on proposed changes in the status of lands reserved for national-park or national-forest purposes: *Provided*, This authorization shall not extend beyond June 30, 1927.

The amendment was agreed to.

The next amendment was, under the heading "United States Veterans' Bureau," on page 9, after line 6, to insert:

Military and naval compensation: For an additional amount required for the payment of military and naval compensation accruing during the fiscal year 1926 or in prior fiscal years for death or disability provided by the act approved October 6, 1917, as amended, fiscal year 1926, $11,250,000: *Provided*, That the unexpended balance of the appropriation made for "Military and naval compensation, Veterans' Bureau, 1925 and prior years," in the act approved June 7, 1924, shall be available for the fiscal year 1926 and prior years.

The amendment was agreed to.

The next amendment was, on page 9, after line 16, to insert:

Military and naval insurance: For an additional amount required for military and naval insurance, fiscal year 1926, $27,000,000.

The amendment was agreed to.

The reading of the bill was resumed and continued to line 8 on page 12, the items for street and road improvement and repair in the District of Columbia.

Mr. KING. Mr. President, I should like to ask the chairman of the committee, or my friend from Colorado [Mr. PHIPPS], how all of these deficits in the District appropriations are accounted for?

Mr. PHIPPS. Mr. President, I think the Senator has misunderstood the purpose of these appropriations. As a matter of fact, we are anticipating appropriations that otherwise would be made in the regular bill for the fiscal year 1927. With the gasoline fund that will become available, and taking out of the general appropriation $135,000, the District officers will be enabled to let contracts and begin the street work immediately, instead of waiting until after July 1, when the regular appropriation otherwise would become available.

The amounts appropriated in these items are reimbursable to the extent of about 40 per cent. That is to say, the citizens owning the abutting property on these new streets which are to be paved—and these are the items under consideration—will be called upon to pay 50 per cent of the cost of paving the street in front of their property, but not for any part of the crossings or sidewalks. So that 40 per cent, at least, of these items are reimbursable, and this is anticipating the paving program for the year 1927. The same is true as to the item of $150,000 for resurfacing and repaving. Part of that repaving also is reimbursable, in that it is assessed against the abutting property.

Mr. KING. The Senator will see, for instance, in the case of the policemen and firemen's relief fund, $90,000, that that is for 1926; it is not for 1927.

Mr. PHIPPS. I was not addressing myself to that. We had not come to it. I was speaking of the street items.

Mr. KING. And the items for courts and charities, and all those items following—St. Elizabeths Hospital, National Park Commission, and so forth—those refer to the fiscal year 1926, not 1927.

Mr. PHIPPS. The policemen and firemen's relief fund, as the Senator is aware, does not eventually come out of the Federal Treasury. It comes out of a special fund like a pension fund to which the employees contribute, and the Government contributes only in part.

As to St. Elizabeths Hospital, invariably the House committee—and the Senate follows its lead—keeps down the appropriation for the care of the insane below the estimates submitted by the District Commissioners, and as a rule below the estimate approved by the Budget; and toward the end of the fiscal year, when we can arrive at a fair average of the number of patients to be cared for, it can be more accurately determined what the total expenditure will be, and a supplemental estimate is submitted. In other words, it is an obligation that eventually we will have to care for, but we do not provide in advance the amount necessary, in order to avoid providing an excess amount.

Mr. WARREN. Mr. President, in that connection I want to say to the Senator from Utah that under our regular supply bills the money is not available until the 1st of July, when the summer is half gone. Hence, many items—not only these particular items—but very many, some of them large ones, that come in here, are of that character, so as to be

immediately available; and they will not be found to the same extent and the same amounts in the bills that follow.

Then, there is another thing that has been touched upon by the Senator from Colorado [Mr. PHIPPS], who so well covered the question asked, like the matter of taking care of prisoners. There are many things as to which we do not know until the end of the year what the expenses will be, so that it is impossible to appropriate for them accurately beforehand. That has occurred in connection with the subject that has been spoken of at some length already this afternoon—these internal-revenue refunds. Formerly we started in appropriating $10,000,000 to $12,000,000, but we found that it was impracticable, because it depended upon how many employees were engaged and how much the work was pushed. In fact, that department did not have enough men to do it in the earlier years. They are now working largely on tax years 1917, 1918, and along there. These large amounts that are paid out are amounts with interest that have been running since then. In fact, of the present sum asked for, over $41,000 is interest under the law.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "Department of Agriculture, Weather Bureau," on page 23, after line 6, to insert:

For an additional amount to enable the Weather Bureau to extend its forest-fire weather-warning service, fiscal year 1926, $2,500.

Mr. KING. Mr. President, we have made very liberal appropriations heretofore for the Department of Agriculture. I think that is the most wasteful department in the Government and has the largest personnel in proportion to the work done.

I see that there is an appropriation here of $16,500 for Washington and $147,112 outside of the city of Washington, notwithstanding the very liberal appropriations made for the collection of meteorlogical data; then the small amount of $2,500 just read by the Secretary. It does seem to me that the Government has been entirely too liberal with this department, and that this deficit, amounting to more than $150,000, is entirely improper.

Does the Senator know why this deficit has been created; or has it been created, or is it in anticipation of a deficit?

Mr. WARREN. To which of the amendments does the Senator allude?

Mr. KING. I was alluding not only to the amendment found on page 23 but to the general item of appropriations, which, of course, I can not attack until we have concluded consideration of all the committee amendments. I called attention to the fact that on page 22 and at the top of page 23 there were carried appropriations for the Department of Agriculture of $16,500, to be spent in the city of Washington, and $147,112, to be spent outside of the city of Washington, incident to collecting and disseminating meteorological and marine information. The point I made was that we made very liberal appropriations for that department——

Mr. WARREN. That is for the Weather Bureau.

Mr. KING. Now there is a deficit of over $150,000 and an additional appropriation desired. It does seem to me that with the generous appropriation, the all too generous appropriation, made to the Department of Agriculture, we are not warranted in taking care of more deficits.

Mr. WARREN. I do not find the amount exactly as the Senator states it. There is immediately before us a provision for an additional amount, to enable the Weather Bureau to extend its forest-fire service for the fiscal year 1926, of $2,500.

Mr. KING. I called attention to the appropriation beginning at the bottom of page 22 and extending over on page 23. I did state that I could not challenge those appropriations until after we had disposed of the committee amendment; but while I was calling attention to the committee amendment found on lines 7, 8, and 9 I asked informaion regarding the entire appropriation called for by the Agricultural Department. If the Senator does not care to explain, I shall have to move to strike them out.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment found on lines 7, 8, and 9, page 23.

The amendment was agreed to.

The next amendment was, on page 23, after line 9, to insert:

FOREST SERVICE

General expenses: For an additional amount for fighting and preventing forest fires on or threatening the national forests and for the establishment and maintenance of a patrol to prevent trespass and to guard against and check fires on the lands revested in the United States by the act approved June 9, 1916, and the lands known as the Coos Bay Wagon Road lands involved in the case of the Southern Oregon Co. against the United States (No. 2771), in the Circuit Court of Appeals of the Ninth Circuit, fiscal year 1926, $800,000.

Mr. KING. Mr. President, before adjourning last year we made an appropriation which it was said was an emergency appropriation for fighting forest fires, in addition to a very large appropriation carried in the general bill. Is this a deficit?

Mr. WARREN. This is a deficit, which will take care of a little interim until the general appropriation may be provided. Of course, no one can tell when a forest fire will occur, and, as this service is intended to protect a lot of very valuable timberland, it is thought wisest to have enough money appropriated so that at the proper time the forests may be adequately protected.

Mr. JONES of Washington. Mr. President, let me make a suggestion to the Senator from Utah, and I speak from personal knowledge. As the Senator knows, on the Pacific coast we have very fine forests. I am told that the last rain in the western part of my State last year was some time in February, and it had not rained up until I left, about the 25th of October. Up to that time we had had no rain on the west side of the mountains. Usually we have rain in that section up until the last of May or the 1st of June, and then we usually have rains in the fall, some early in September. The lack of rain last year shows the emergent character of the season, and the necessity for appropriations like this.

We were very fortunate in not having any very destructive fires, but there were many fires, and the conditions were such as to make the people fearful almost every day that there would be a tremendous fire. Those conditions had to be met. In some of the States of the Northwest there were very extensive fires before the 30th of June of last year. That is what accounts for this appropriation, very largely. The Senator can see how it is that Congress can not anticipate what the seasons will be.

Mr. KING. That is true; but the Senator knows that we made very large appropriations in the general bill.

Mr. JONES of Washington. Oh, yes.

Mr. KING. And there was an emergency appropriation, and it seemed to me that we have pretty thoroughly covered the matter.

Mr. JONES of Washington. But the conditions are so very unusual as to have made it necessary to use up the ordinary annual appropriations and made this appropriation necessary. It is a condition which can not be anticipated.

Mr. NORRIS. Mr. President, it seems to me I ought to say just a word or two at this point. I know nothing personally about these particular forests mentioned here, and I am speaking only in a general way, but I believe that if Members of the Senate could listen to the evidence I have listened to they would be very liberal in appropriating to protect our forests. The protection of our forests is one of the greatest cares the officials of our Government can have. It is sometimes impossible to prevent fires, and it is certainly a very unwise thing not to make liberal appropriations to prevent them, because prevention is much better than fighting a fire after it gets started.

The Committee on Agriculture and Forestry have listened to testimony asking for authorization for increased appropriations along the Pacific coast, an authorization, it is said by the Budget, contrary to the idea of the President's program. Yet it stands undisputed that in that particular case—and it is only an illustration—it is not only the forest which is protected but the agricultural lands down in the valley. These forests are located on the mountain sides, in some places on very steep mountain sides. There is a very heavy undergrowth, and when it is dry and a fire gets started, it is almost impossible to put it out. It would require an army of men, and when those fires have gotten started the men and the boys from the towns and factories everywhere in the vicinity are out by the thousands, most of them untrained, not knowing much about fighting a fire efficiently.

It is beyond dispute, it is beyond contradiction, that in that case—and, as I said, it is only an illustration; to a greater or lesser degree it is true of all forest—the lowlands, the farming lands down in the valley, which are cleared, are sometimes destroyed because there is no forest on the mountain side. The water has nothing to impede its flow, and it comes down in torrents and washes the soil away, destroys crops and buildings, and does irreparable damage. If this undergrowth in the forests were retained on the mountain sides, the water would percolate down and do some good rather than destroy crops and injure the country below.

That is true with regard to all our forests, and we must awake to the situation that we will have to appropriate increased amounts to protect the forests of this country. Be-

yond the preservation of the forests themselves, valuable as they are, it means the protection of the entire country. It means the protection of the valleys and the agricultural lands; it means, really, the regulation of the rivers all over the country. That is true in the Allegheny Mountains as well as in the Rocky Mountains. When the fire goes over hundreds of thousands of acres of forest land and denudes it of every growing thing there is nothing left to impede the flow of water, and it will take almost half a century before the underbrush to hold back the water can be reproduced.

If we were going into the subject at length, I would be able to show that over in Europe some of the denuded country which is worth nothing now has been rendered worthless because of the neglect of the forests years and years ago. As we advance in civilization fires are more apt to occur, because there are more people traveling through the country, and they are careless. It requires quite an army of trained men in some of these forest reservations to stop people before they go in to see that they do not carry even matches, to see that they have no pipes or cigars, so that smoking will be absolutely prohibited.

We had an illustration given to our committee the other day where a man and his wife and their children went out in an automobile and took their lunch with them. They went away out in the forest and sat down under a tree to eat their lunch. The man lighted a cigarette. He threw the match or the cigarette aside, and before he could stop it the fire sprang up. He almost lost his life trying to put it out in the very beginning. It got away from him and destroyed hundreds of millions of dollars' worth of property. That is an estimate, it is true. We can hardly estimate it, because it is something that is gone for a century. Thousands and thousands of acres of fine timber were burned and absolutely ruined. The watershed was ruined for 25 or 30 years. One can hardly imagine the damage that comes from the forest fires over the country. It is a national issue. It is no narrow thing. I know that I have been convinced, and in order to protect as much as possible I am going to be just as liberal as I think I possibly can in voting every dollar for the protection of our forests.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, under the heading "Department of Commerce," on page 25, after line 1, to insert:

OFFICE OF THE SECRETARY

Damage claims: To pay the claim for damage to or loss of privately owned property adjusted and determined by the Department of Commerce, under the provisions of the act entitled "An act to provide a method for settlement of claims arising against the Government of the United States in sums not exceeding $1,000 in any one case," approved December 28, 1922, as fully set forth in House Document No. 198, Sixty-ninth Congress, $68.60.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Lighthouses," on page 25, after line 11, to insert:

Retired pay: For retired pay of officers and employees engaged in the field service or on vessels of the Lighthouse Service, except persons continually employed in district offices and shops, fiscal year 1926, $55,000.

The amendment was agreed to.

The next amendment was, at the top of page 28, to insert:

BUREAU OF FISHERIES

Fish hatchery, Nashua, N. H.: For the construction and repair of buildings and ponds, improvement to water supply, and for equipment, fiscal year 1926, and to remain available during the fiscal year 1927, $25,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior, Indian Service," on page 28, after line 24, to insert:

Chippewa Indians of Minnesota: For compensating the Chippewa Indians of Minnesota for timber and interest in connection with the settlement for the Minnesota National Forest, $422,939.01, with interest thereon at the rate of 5 per cent per annum from February 1, 1923, to the date of settlement, said total amount to be deposited to the credit of the general fund of the Chippewa Indians of Minnesota arising under the provisions of section 7 of the act of January 14, 1889, as authorized by the act of February 28, 1925.

The amendment was agreed to.

The next amendment was, on page 30, after line 8, to strike out:

To pay the Omaha Tribe of Indians of Nebraska, in accordance with the act of Congress approved February 9, 1925, estimated for by the Budget Bureau and forwarded to the House of Representatives by the President and printed in House Document No. 617, Sixty-eighth Congress, second session, the sum of $374,465.02.

Mr. NORRIS. Mr. President, I think the chairman of the committee realizes that that is really a mistake and that the amendment ought to be disagreed to. It complies with the statute. The subcommittee reported it with an amendment, which means the same except in different language. I have no objection if the Senator would rather incorporate the language of the subcommittee instead of this language, but it seems to me it meets the situation if we just disagree to the committee amendment.

Mr. WARREN. I will say to the Senator that the language went in on the floor of the House and was in just that form. The language was such that it would hardly be competent. I was about to ask a disagreement and acceptance of the language suggested by the subcommittee if the Senator wishes it to go to conference. If we agree and strike out, that leaves the amendment to be carried to conference.

Mr. CURTIS. I hope the Senator will consent to the disagreement. It is a just claim and was favorably reported by the subcommittee.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The next amendment of the Committee on Appropriations was, on page 31, line 1, after the numerals "1927," to strike out the comma and "and reimbursable from tribal funds of the Navajo Indians," so as to read:

Bridge near Lee Ferry, Ariz.: To defray one-half the cost of the construction of a bridge and approaches thereto across the Colorado River at a site about six miles below Lee Ferry, Ariz., as authorized by the act of February 26, 1925, $100,000, to be available until June 30, 1927.

Mr. OVERMAN. Mr. President, I make the point of order against the amendment that it is legislation on an appropriation bill. It has no business here. A point of order was made against it in the House by Mr. MADDEN, and upheld there. I make the point of order now.

The PRESIDING OFFICER. To which amendment does the Senator from North Carolina refer?

Mr. OVERMAN. On page 31, where the committee propose to strike out the words "and reimbursable from tribal funds of the Navajo Indians." The law itself requires that the money shall be reimbursable and why the Senate should strike out those words I can not understand. Under the original act it is provided that the money shall be reimbursable to the United States from any funds now or hereafter placed in the Treasury to the credit of the Navajo Indians and shall remain a lien upon the funds of such Indians until paid. That is the law. That is the law enacted by Congress and yet here an effort is made to amend the law, which is legislation upon an appropriation bill and, of course, is out of order under Rule XVI. All amendments in the nature of legislation on an appropriation bill are out of order.

The PRESIDING OFFICER. The Chair rules that the point of order is well taken.

Mr. LENROOT. I then move to strike out all of lines 21, 22, 23, 24, and 25 on page 30 and line 1 on page 31.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. The Senator from Wisconsin moves to strike out lines 21 to 25 on page 30 and line 1 on page 31, as follows:

Bridge near Lee Ferry, Ariz.: To defray one-half the cost of the construction of a bridge and approaches thereto across the Colorado River at a site about 6 miles below Lee Ferry, Ariz., as authorized by the act of February 26, 1925, $100,000, to be available until June 30, 1927.

Mr. ASHURST. Mr. President, as the able Senator from North Carolina [Mr. OVERMAN] said, the law authorizing this appropriation provides in specific terms that the same shall be reimbursable from tribal funds of the Navajo Indians. I ask that a copy of the law authorizing such appropriation be placed in the RECORD at this juncture.

The PRESIDING OFFICER. Without objection, it is so ordered.

The law referred to is as follows:

[Public—No. 482—68th Congress]
[H. R. 4114]

An act authorizing the construction of a bridge across the Colorado River near Lee Ferry, Ariz.

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed the sum of $100,000, to be expended under the direction of the Secretary of the Interior, for the construction of a bridge and approaches thereto across the Colorado River at a site about 6 miles below Lee Ferry, Ariz., to be available until expended, and to be reimbursable to the United States from any funds now or hereafter placed in the Treasury to the credit of the Indians of the Navajo Indian Reservation, to remain a charge and lien upon the funds of such Indians until paid: *Provided*, That no part of the appropriations herein authorized shall be expended until the Secretary of the Interior shall have obtained from the proper authorities of the State of Arizona satisfactory guaranties of the payment by said State of one-half of the cost of said bridge, and that the proper authorities of said State assume full responsibility for and will at all times maintain and repair said bridge and approaches thereto.

Approved, February 26, 1925.

Mr. ASHURST. The able Senator from Wisconsin [Mr. LENROOT] has moved to strike out the entire item; undoubtedly the intention of the Senator is that the same shall be a gratuity from the General Treasury.

Mr. LENROOT. I would have no objection if that had been done, but I am opposed to taking the $100,000 out of the Indian fund.

Mr. ASHURST. The Senator's motion, if agreed to, would have the effect of changing the same to a gratuity.

Mr. LENROOT. Inasmuch as the Chair ruled that the amendment is out of order, my motion would strike the entire provision from the bill.

Mr. ASHURST. I am astounded at my learned friend from Wisconsin.

Mr. LENROOT. The Senator is aware of the ruling that has just been made by the Chair, and if there is no other recourse left open——

Mr. ASHURST. The Senator, of course, has a right to make the motion.

Mr. LENROOT. But there is no other recourse left open if one wishes to preserve the Indians' fund.

Mr. ASHURST. The Navajo Indian Reservation lies partially within New Mexico, so well represented by her two Senators, but almost wholly within Arizona. The Navajo Indian Reservation contains 14,333,354 acres. It is larger than the combined area of Connecticut, Rhode Island, Massachusetts, and New Hampshire. Within the past 13 years gratuity appropriations have been made from the Federal Treasury aggregating the sum of $11,054,148 for civilization and support of the Navajo Indians. The able Senator from Wisconsin is at all times properly alert to protect and conserve the property of the Indians. He is probably more alert in protecting the Indians in Arizona than the Indians in his own State. That is human nature. We seek to reform the other man's State and not our own. We seek always to reform the other fellow, but not ourselves. The proper place for a boil, so most men believe, is on the back of the neck of the other fellow.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. ASHURST. Certainly.

Mr. LENROOT. I wish to say to the Senator that I am just as much opposed to the treatment of Indians in my own State in the manner here proposed as I am to such treatment of Indians in the Senator's State.

Mr. ASHURST. The Colorado River enters the State of Arizona from the State of Utah at a place called The Crossing of the Fathers. It soon enters a deep and famous canyon. It is at times a raging and torrential river. Lee Ferry is about the only point, if not the only point, where a crossing now may practically be negotiated.

It is proposed that a good road shall be built from Flagstaff to Lee Ferry, 130 miles, then to Fredonia, 70 miles more, a total of 200 miles. Such road will ultimately cost $1,000,000; it will benefit the Indians, but will not be paid for by the Indians. It must be borne in mind that the State of Arizona must also contribute the sum of $100,000 for the building of this bridge and must maintain the same. So this enterprise—road and bridge—will cost $1,200,000; that is to say, $1,000,000 for the road and $200,000 for the bridge, of which the Indians pay $100,000, or one-twelfth.

The people of Arizona are just as anxious and zealous to protect the Indian's rights as are the other States. The Indians have never been exploited in Arizona. If the Senator reads the Big Black Book of Jobs to ascertain who exploited the Indians, he will find Arizona innocent. I wish other States could say the same. Arizona has been more liberal, just, and fair toward the Indians than any other State.

Mr. LENROOT. Mr. President, will the Senator from Arizona yield to me now?

Mr. ASHURST. I yield to the Senator.

Mr. LENROOT. Mr. President, first of all I wish to say that it is my information that the Indians were never consulted and that the Indians do object. I feel that in a matter of this kind the Indians, who really own the money, should at least have had an opportunity to be heard.

I do not blame the Budget Bureau; I do not blame the Indian Bureau; for, as the Senator from Arizona has stated, we did pass such a law; but the Indians certainly, Mr. President, ought to have some opportunity to be heard in a matter of this kind.

I think the Senator from Arizona entirely misconstrues what I have in mind in reference to this matter. I have not any idea of striking this provision out of the bill; but if the clause can go to conference and the committee of conference, striking out the words making it reimbursable, shall put in words making it a gratuity, I shall have no objection.

Mr. ASHURST. Mr. President, my learned friend the senior Senator from Washington [Mr. JONES] and I recently visited Lee Ferry, and I now take occasion to compliment him upon the fortitude and the determination he exhibited in going to Lee Ferry at that particular time of the year. The Senator from Washington will remember riding with me at night over a dangerous dugway to reach Lee Ferry.

It is proposed that this bridge across the Colorado River shall be built some 6 miles below the present ferry. That will eliminate the necessity for negotiating this dugway. When I speak of this dugway I digress to pay tribute to the heroism of the Mormon pioneers who nearly 50 years ago built this dugway over which it is still necessary to travel when going from Utah to Arizona by automobile or by team.

I yield the floor.

Mr. CAMERON. Mr. President, I am going to detain the Senate for only a few minutes. The appropriation of $100,000 which is contained in this bill is very meritorious, but it is entirely improper that it should be charged to the tribal funds of the Navajo Indians.

I presume I know that section of country as well as almost anyone, having lived in northern Arizona some 43 years. I have had occasion to cross the Colorado River in that section hundreds of times. The Navajo Tribe of Indians do not use that section of the country. This proposed bridge is to be built across the Colorado River, some 6 miles below Lee Ferry. It will be on a north and south highway which has been traversed, to my certain knowledge, for more than 50 years. There has never been any means of getting across the Colorado River in that section except at or near Lee Ferry and then only by a ferry boat, which was uncertain in operation, being out of commission at times for two or three months. A few years ago the county of Coconino, Ariz., saw fit to put in a ferry at that point and to keep a ferryman there.

This idea of charging the $100,000 appropriation for a bridge across the Colorado River to the Navajo Indians is ridiculous. The State of Arizona proposes to pay half the cost of the construction of the bridge, and it is estimated that it will cost $200,000, or thereabouts. The Government of the United States has seen fit to appropriate money for State highways throughout the West and East, and there is no reason why the Government should not at least pay half of the expense of building this bridge, instead of forcing these backward but honorable Indians to pay half the cost, and especially when they have never consented to do so.

Mr. LENROOT. Mr. President, will the Senator from Arizona yield?

Mr. CAMERON. Yes.

Mr. LENROOT. This bridge is primarily for the benefit of the public and not of the Indians, is it not?

Mr. CAMERON. Absolutely. I said a few moments ago that very few Indians traverse that section of the country over what is known as the Old Mormon Highway into Utah, for the reason that at times there would be no way to cross the river. They went up by San Juan through New Mexico and across the San Juan River, instead of coming out through Lee Ferry. Consequently this bridge would be a connection for a main highway from Mexico, one might say, to Utah, Wyoming, Idaho, and the country to the north.

Further, Mr. President, I have lived for more than 30 years near the reservation of the Navajo Indians; I have run stock with them; I have had them as my neighbors; and I know they have never asked the Government for anything; they are self-sustaining. They have accumulated only a small amount of money in the Treasury of the United States, something like

$116,000. Therefore, I would feel like it was stealing from an infant if I were to be a party here in the Senate of the United States in this unjust attempt to charge half the cost of construction and maintenance of this bridge across the Colorado River out of the only money those Indians have, which amounts in total to only $116,000.

I note the paragraph immediately preceding this one, which provides:

Bridge near Bloomfield, N. Mex.: To defray one-half the cost of the construction of a bridge across the San Juan River near Bloomfield, N. Mex., as authorized by the act of January 30, 1925, $6,620.

It is further provided that the $6,620 shall be reimbursed from the tribal funds of the Navajo Indians. Taking these two items together, if they shall finally be approved by Congress, there will be taken out of the money in the Treasury of the United States now credited to the Navajo Indians almost $107,000, so that there will be left in the Treasury to these worthy Navajo Indians only $9,000. I say that it is preposterous that the Government should undertake to do such a thing.

In my opinion it is about time that western Senators who have lived out on the reservations with the Indians, who have had them for guides and who have remained at their camps, should make every effort possible to protect them. I for one shall go the limit in trying to do that, whether we shall get the hundred thousand dollar appropriation contained in this bill or not. We are entitled to the appropriation and the Government of the United States should provide it. I shall vote for the motion of my friend from Wisconsin [Mr. LENROOT], because I believe that is the only way to keep this provision in the bill and secure the elimination of the objectionable provision. Therefore, I am willing that it should go to conference.

The PRESIDING OFFICER. The Chair understands the Senator from Wisconsin to ask unanimous consent for the consideration of his amendment, which, under the unanimous-consent agreement, would otherwise be out of order.

Mr. LENROOT. Yes; I ask unanimous consent that the amendment may be considered at this time.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Wisconsin is now before the Senate.

Mr. WARREN. Mr. President, the Chair, of course, ruled correctly that the amendment was subject to the point of order. I understand that the request now is for unanimous consent for the consideration of the amendment of the Senator from Wisconsin striking out the text of the House bill. That amendment, of course, would not be in order under the agreement until we shall have concluded the committee amendments. If the unanimous consent be granted, I understand the motion of the Senator from Wisconsin is to strike out the entire paragraph with the idea perhaps that a portion of it would be reinserted.

The PRESIDING OFFICER. The Chair will state that unanimous consent has been given for the consideration of the amendment of the Senator from Wisconsin.

Mr. BRATTON. Mr. President, during the discussion it has already been stated that the Navajo Indian Reservation lies partly in New Mexico and partly in Arizona. To be sure, I would hesitate long before saying anything adverse to the interests of Arizona; but I think that no one can justify a policy on the part of the Government in reaching into the tribal funds of these Indians and taking out the sum of $100,000 without their consent and over their protest. I have received from New Mexico, due to the fact that these Indians live partly in that State, many protests against this proposed action. I am informed that the Indians are universally opposed to it; that they have never consented to it; but that against their desire and over their protest it is proposed to take from them $100,000 and to establish a policy which may lead in the future to taking from the Indians sums vastly greater than the amount involved in this case. So, without detaining the Senate longer I wish to say that I shall vote for the motion made by the Senator from Wisconsin, in order that the matter may go to conference, where, under parliamentary procedure, the paragraph may be reformed, retaining the appropriation but striking out the provision making it reimbursable from tribal funds. I think that will be only fair and just and the doing of ordinary equity as between the Government on the one hand as the guardian and the Indians on the other as the wards. Entertaining that view, I trust the motion made by the Senator from Wisconsin will be adopted, so that the provision may be put in proper form without violating any of the rules of the Senate.

Mr. JONES of Washington. Mr. President, I wish to say just a word with reference to this matter.

I have not the local interest that the Senators from New Mexico may have, and very naturally do have, in the matter. As the Senator from Arizona said, he and I made a trip out to this point on the Colorado River last fall. I do not agree with him that it is an especially dangerous trip. It was a very pleasant trip to me. I enjoyed it very much.

When this matter came up in the committee, however, and the provision that these Indians should put up half this money was called to my attention, I at once said to myself, "This ought not to be," and I based that on what I saw of the conditions there, and the situation with reference to the Indians. I do not believe that the Indians should pay $100,000 toward the construction of this bridge. I do not know where it should come from. I have my doubts as to whether the United States should put up this money, but I am certain that the Indians should not do it. I do not think they will use it very much, from the lay of the country and the situation as it appeared to me. As I say, I am not certain as to who should pay it; but I am satisfied that it should not be taken from the Indians.

Mr. OVERMAN. Mr. President, in my country we have bridges like this, built from one State to another, and one State builds one part of them and the other State builds the other part.

Mr. JONES of Washington. We do the same thing in our part of the country.

Mr. OVERMAN. Why should we not carry out that policy here?

Mr. JONES of Washington. That is all right.

Mr. CAMERON. Mr. President, I want to say to the Senator from Washington [Mr. JONES] and the Senator from North Carolina [Mr. OVERMAN] that this is not a State bridge. This is a national highway bridge that goes from Mexico to the northern boundary, the Canada line. If you are going to charge it up to two States to build, Utah and Arizona—you could not charge it up to Utah, because one side of the river is not in Utah; it is all in Arizona—and if you are going to compel Arizona to build a bridge that you might say is utilized by all of the States of the United States, I do not believe it is fair.

Mr. OVERMAN. Is Arizona on both sides of the river?

Mr. CAMERON. Arizona is on both sides of the river. This bridge will be used by your State—in fact, all the South, all the West, all the North, and all the East. It is a national bridge across a river that Arizona thinks she owns part of, but under what has been taking place in the last few years we do not know whether she owns any part of it or not. So I believe it is the honorable and just thing for the Government to bear at least half the cost of this bridge, as it has done in hundreds of other cases under our Federal good roads act, and not in the way attempted, which will wipe out the tribal fund of these worthy Indians, who are already in difficult circumstances and in need of Government aid for better schools, and so forth.

Mr. OVERMAN. I suggest that it be taken up in conference.

Mr. KING. Mr. President, I do not assent to the view of the Senator from Arizona that it is the duty of the Federal Government to pay half the cost of this bridge because, as he says, it may be used by the inhabitants of a number of States. There is no obligation upon the part of the Government to build it. The only ground that could justify any Federal appropriation for the construction of the bridge would rest upon the proposition that the Indians are the wards of the Government, and that they will be in part, at least, the beneficiaries of the construction of this bridge.

If the Indians need it, if it is necessary for their industrial development and for that progress which we all so much desire the Indians shall make that the Federal Government shall aid in the construction of the bridge, then there may be very sound reasons why the Federal Government should aid in its construction; but I desire to dissent from the statement that the Federal Government owes any obligation to construct a bridge because some people from Arizona or from North Carolina or from Massachusetts may travel over that bridge when it shall be constructed.

Mr. LENROOT. Mr. President, I desire to say just a word. It has been made very plain what the situation is. The junior Senator from Arizona [Mr. CAMERON] states that the entire fund of the Navajo Indians is only $116,000. This amendment as it now stands proposes to take out of that fund $100,000, or nearly all of the money they have, for the purpose of constructing a bridge in the public interests, and not primarily in the interest of the Navajos.

I want frankly to ask the senior Senator from Arizona [Mr. ASHURST], because he is a just man, whether he is in favor of that proposition.

Mr. ASHURST. Mr. President, the Navajo Indian Reservation contains about 22,400 square miles, or about 14,333,354

acres. It is larger in area than Connecticut, Rhode Island, Massachusetts, and New Hampshire combined. Within the past 13 years the Federal Government, as a gratuity, appropriated $11,054,148 for the support and civilization of the Navajo Indians. I ask unanimous consent to print in the RECORD a copy of the letter of the Secretary of the Interior upon this subject.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

WASHINGTON, *January 15, 1924.*

Hon. HOMER P. SNYDER,
Chairman Committee on Indian Affairs,
House of Representatives.

MY DEAR MR. SNYDER: Reference is had to your letter of December 24, transmitting for report, among others, H. R. 4114, authorizing the appropriation of $100,000 to be expended under the direction of the Secretary of the Interior for the construction of a bridge and approaches thereto across the Colorado River at a site 6 miles below Lee Ferry, Ariz., to be reimbursed from any funds to the credit of the Indians of the Western Navajo Reservation in that State.

The matter of the construction of this bridge has been under consideration for some time, and thorough investigations have been made of all its phases by representatives of the Indian Service and by Col. Herbert Deakyne, Corps of Engineers, United States Army. A copy of Colonel Deakyne's report, which goes into the technical aspects of the matter in some detail, is inclosed herewith.

The cost of the construction of the proposed bridge has been placed at approximately $200,000, and the local representative of the Indian Service has recommended that that service bear half of the cost, which would seem to be an equitable division thereof. The proposed bridge will connect the Western Navajo Indian Reservation with the public domain on the west of the Colorado River and will furnish an important and permanent outlet for the Indians of that reservation, facilitating their communication with the whites, and assisting them in their progress toward a more advanced civilization. The benefit which will accrue to the white persons residing in that vicinity and to the general traveling public will be great and will probably be equal to the benefit which will be derived by the Indians. This bridge will make at all times the only possible north and south route between the Salt Lake Railway on the west and the road north from Gallup, N. Mex., on the east. An immense country lies between this railway and the town of Gallup, and the proposed bridge will be an absolute necessity to the proper development of that section.

In view of the fact that the Indians of the Western Navajo Reservation will derive great benefit from the erection of the proposed bridge, estimated to be equal to the benefit which will be derived by the white settlers, it would appear reasonable that the $100,000 which it is proposed to appropriate from public funds for the payment of half of the cost of construction be made reimbursable to the United States from any funds now or hereafter placed to the credit of such Indians and to remain a charge upon the lands and funds of such Indians until paid.

It is recommended that H. R. 4114 receive the favorable consideration of your committee and of the Congress.

Very truly yours,

HUBERT WORK, *Secretary.*

Mr. OVERMAN. Mr. President, I should like to ask the Senator from Arizona a question. I have been told that they have found rich fields of oil on this reservation that will belong to the Navajo Indians. Is that so or not?

Mr. ASHURST. Mr. President, competent geologists have stated that the region possesses the most promising indications for oil in all the southwest. I confidently expect the Navajos to be the richest Indians in America, and when a large fund is accumulated to their credit in the Treasury they can and will cheerfully pay for one-half of the cost of this bridge.

Mr. CAMERON. Mr. President, will my colleague yield?

Mr. ASHURST. Certainly; I yield to my colleague.

Mr. CAMERON. Mr. President and Senators, you realize, you must know, that there are very few Indians, if any, who live within the neighborhood of Lee Ferry, or ever did. There are very few Indians who live on what we call the very extreme western part of the Navajo Indian Reservation. In 1885, 1886, and 1887 there were what we called some outlaw Indians that used to come over into Coconino Basin, in Coconino County. At that time the Indian reservation line was some 30 or 40 miles to the east of the Little Colorado River. On account of some differences between the white stockmen and the Indians it was decided, after a conference with the board of supervisors and the stockmen in and about Coconino Point and Basin, that they would grant the Indians the line as far west as the Little Colorado River. It was afterwards established by the Indian Bureau of the Government.

Along what is known as No Man's Land, or the Painted Desert, there is very little, if any, forage or feed. Consequently, the Indians could not use the western edge or western strip of the Navajo Indian Reservation for their stock. That is the reason why the Indians have never utilized the western part of the Navajo Reservation. Consequently, a bridge at Lee Ferry would not in any sense of the word be of any particular benefit to them, if any. I doubt, since they have prohibited the Indians from shooting deer and antelope, as was the custom in the early days, whether 10 Indians a year would cross this bridge at Lee Ferry, and I doubt if many Indians have crossed at Lee Ferry, on the ferry, in the last few years. Consequently, I can not see where Indians would benefit by this bridge.

My colleague has said that they have a large reservation. Yes, they have; there are miles and miles and miles of it. If you will traverse it on horseback, as I have done many times, you will find a great portion of it a sand desert. Up in the northeastern part of the reservation in Arizona, up along what we call Ganado, Keems Canyon, and on to the north, there is some timber land and very good grazing land. When you go farther east, over toward the San Juan, you travel 30 or 40 miles across a country where there is nothing on it, not even sagebrush.

While they have a large area of land, they have not any too much land to protect their stock which they now have; and since Kit Carson's time—you will remember when he was sent out to subdue the Navajo Indians—they have never had any protection from the Government. They have been almost self-sustaining, as far as I can find out, and they are to-day.

I think it would be an imposition on humanity for Congress to take out of $116,000, the little money that is now in the Treasury, half of the cost of this bridge and charge it up to the Indians. I think it would be ridiculous; and I hope the senior Senator from Arizona will acquiesce in the thought of my good friend from Wisconsin [Mr. LENROOT] and vote for his motion, which, in effect, will send the matter to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LENROOT].

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 31, after line 16, to insert:

Payment to Stevens and Ferry Counties, Wash.: For payment of certain local taxes to the counties of Stevens and Ferry, in the State of Washington, on allotted Colville Indian lands, as provided by the act of June 7, 1924, $115,767.67, or so much thereof as may be necessary.

The amendment was agreed to.

Mr. JONES of Washington. I ask unanimous consent to have inserted in the RECORD, in connection with the amendment relating to Stevens County on page 31, the report of the House committee in connection with this matter.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Indian Affairs, to whom was referred the bill (H. R. 1414) to authorize the payment of certain taxes to Stevens and Ferry Counties, in the State of Washington, and for other purposes, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

The facts are fully set forth in House Report No. 566, Sixty-eighth Congress, first session, which is appended hereto and made a part of this report.

[House Report No. 566, 68th Cong., 1st sess.]

The Committee on Indian Affairs, to whom was referred the bill (H. R. 1414) to authorize the payment of certain taxes to Stevens and Ferry Counties, in the State of Washington, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with the following amendments:

Page 2, line 5, strike out the words "to be immediately available" and the figures "$115,767.67" and insert "or as much thereof as may be necessary."

With the above amendments, your committee recommends the passage of this legislation. A subcommittee of your committee has held extensive hearings on this measure, and its report is embodied in this report, and sets forth all the facts regarding the bill.

Report of subcommittee on H. R. 1414

To Hon. Homer P. Snyder, Chairman, and to the Members of the Committee on Indian Affairs:

Your subcommittee, to whom was referred H. R. 1414, held hearings upon said measure and, after having fully considered the same, report the bill favorably with a recommendation that same do pass. This proposed legislation is identical with H. R. 5418, Sixty-seventh Congress, first session, upon which a favorable report was made by the

department under date of May 16, 1921, and in which reference was made to a report dated December 6, 1920, which reports more or less fully set forth the facts upon which this proposed legislation is based. The letter of the Secretary of the Interior, of date February 5, 1924, submitting favorable report upon H. R. 1414, is copied below, together with copy of reports referred to in the Secretary's letter, and thereby adopted and made a part of your subcommittee's recommendation that this legislation be enacted into law.

DEPARTMENT OF THE INTERIOR,
Washington, February 5, 1924.

Hon. HOMER P. SNYDER,
Chairman Committee on Indian Affairs,
House of Representatives.

DEAR MR. SNYDER: The receipt is acknowledged of your request, dated January 9, 1924, for report on H. R. 1414, Sixty-eighth Congress, first session, entitled "A bill to authorize the payment of certain taxes to Stevens and Ferry Counties, in the State of Washington, and for other purposes."

The claims of Stevens and Ferry Counties are based upon section 2 of the act of July 1, 1892 (27 Stat. 62), and no objection will be made to the enactment of H. R. 1414 into law.

The provisions of the bill are identical with H. R. 5418, Sixty-seventh Congress, first session, a favorable report upon which was made to your committee on May 16, 1921, in which reference was made to a report dated December 6, 1920, to the President of the Senate, on paragraph 22 of the Indian appropriation act approved February 14, 1920 (41 Stat. 408, 432). These reports contain in full the reasons for favorable action.

Very truly yours, HUBERT WORK.

DEPARTMENT OF THE INTERIOR,
Washington, May 16, 1921.

Hon. HOMER P. SNYDER,
Chairman Committee on Indian Affairs,
House of Representatives.

MY DEAR MR. SNYDER: I have the honor to refer further to your letter of April 27, 1921, inclosing and requesting a report on H. R. 5418, Sixty-seventh Congress, first session, entitled "A bill to authorize the payment of certain taxes to Stevens and Ferry Counties, in the State of Washington, and for other purposes." This bill is identical with S. 1168, introduced on the same date.

The claims of Stevens and Ferry Counties are based on the act of July 1, 1892 (27 Stats. 62), which act provided that the net proceeds arising from the sale of the north half of the Colville Reservation in these counties, containing approximately 1,500,000 acres of land, ceded by the Indians and restored to the public domain, should be—

"set apart in the Treasury of the United States for the time being, but subject to such future appropriation for public use as Congress may make, and that until so otherwise appropriated may be subject to expenditure by the Secretary of the Interior from time to time, in such amounts as he shall deem best, in the building of schoolhouses, the maintenance of schools for such Indians, for the payment of such part of the local taxation as may be properly applied to the lands allotted to such Indians, as he shall think fit, so long as such allotted lands shall be held in trust and exempt from taxation, and in such other ways as he may deem proper for the promotion of education, civilization, and self-support among said Indians."

The ceded land was opened to homestead entry on October 10, 1900, by presidential proclamation of April 10, 1900.

The act of 1892 provided that in addition to the fees required by law each homestead settler should pay $1.50 per acre. This act was amended by the act of February 7, 1903 (32 Stat. 803), which provided that settlers under the homestead laws who resided upon the tracts entered in good faith for the period required by existing law should be entitled to patents without any payment other than the customary fees:

"Provided, That the right to commute any such entry and pay for said lands in the option of any such settler and in the time and at the prices now fixed by existing laws shall remain in full force and effect: *Provided, however,* That all sums of money so released which if not released would belong to any Indian tribe shall be paid to such Indian tribe by the United States, and that in the event that the proceeds of the annual sales of the public lands shall not be sufficient to meet the payments heretofore provided for agricultural colleges and experimental stations by an act of Congress approved August 30, 1890, for the more complete endowment and support of the colleges for the benefit of agricultural and mechanic arts established under the provisions of an act of Congress approved July 2, 1862, such deficiency shall be paid by the United States: *And provided further,* That no lands shall be herein included on which the United States Government had made valuable improvements or lands that have been sold at public auction by said Government."

Payment for the lands ceded was made under authority of the act of June 21, 1906 (34 Stat. 377), which provided that—

"there shall be set aside and held in the Treasury of the United States for the use and benefit of said Indians, which shall at all times be subject to the appropriation of Congress and payment to said Indians, in full payment for 1,500,000 acres of land opened to settlement by the act of Congress, 'To provide for the opening of a part of the Colville Reservation, in the State of Washington, and for other purposes,' approved July 1, 1892, the sum of $1,500,000."

Claims by Stevens and Ferry Counties were first filed in 1915, but were disallowed, without a decision on their merits, for the reason that the money had been appropriated and expended on behalf of the Indians.

In a report dated January 23, 1920, on S. 617, Sixty-sixth Congress, first session, authorizing and directing the Secretary of the Interior to determine what taxes, if any, were due and making appropriations for payment, this department expressed the belief that he already had authority to make the investigation directed in section 1 of the bill, but had no objection to its enactment.

The Indian appropriation act of February 14, 1920 (Public, 141, 66th Cong., 2d sess.), contained the following paragraph:

"The Secretary of the Interior is authorized and directed to investigate and report to Congress, on or before the first Monday of December, 1920, as to the right of Stevens and Ferry Counties in the State of Washington to the payment of taxes on allotted Indian lands under existing law, and to state the amount, if any, to which each of said counties is entitled."

In accordance with the above provision an Indian Office inspector made a thorough investigation of conditions on the north half of the Colville Reservation, visiting all accessible parts of the same. His report and recital of facts in connection with improvements in roads, bridges, and schools indicated that expenditures were greater than these counties would have made except for the belief that the Secretary of the Interior would recognize their equitable rights to be paid money by the Government in lieu of taxes by individual allottees, and that the provision in the act of 1892 with regard to payment was an inducement to settlement on the lands.

A report was made on December 6, 1920, by the then Secretary of the Interior to both Houses of Congress, and to the chairmen of the Committees on Indian Affairs. With the letter to the chairman of the Senate committee was inclosed the report by the Indian Office inspector, and the same has not yet been returned. The report to Congress required by the above-mentioned paragraph in the Indian appropriation bill of February 14, 1920, contained the following recommendation which has been included in S. 1168 and H. R. 5418:

"In view of the fact that by the terms of the act the Government encouraged settlement upon the ceded lands; that the Indians have shared in the benefits of the improvements made by the white people; that these improvements have also enhanced the value of the Indian holdings; and that the Government must necessarily use the roads and bridges in entering and returning from its own property in these two counties, the department recommends that an appropriation be made of the amounts claimed, and that the same shall be paid to the respective counties subject to any deductions that may be made on account of payments for Indian tuition, and for any amounts where the rate based on the value of Indian allotments may be found to be in excess of the rate on taxable lands."

In addition to the 1,500,000 acres ceded, the counties of Stevens and Ferry contain 1,536,840 acres, a total of 3,035,840 acres. Of these approximately 1,274,390 acres are taxed, and 1,761,450, or more than 58 per cent, are not taxed. These nontaxable lands include Government and State as well as Indian lands. The assessed valuation (50 per cent) in 1919 was $2,091,478. In both counties the most valuable lands were allotted to Indians.

The two counties are reported to have made 3,016 miles of roads at an expense of $449,169.83, and many improvements have been made and labor expended by voluntary aid. The Government has expended little in construction of roads in the south half of Ferry County and nothing in the north half. Both counties have assisted the Government in the construction of roads through two forest reserves. Because of the topography of the country, road construction is costly, and the money is reported to have been well spent.

Stevens County has spent $19,298 in erecting bridges. Ferry County has erected several steel bridges, but the cost has not been reported.

Many of the roads are adjacent to allotments, and the Indians use all roads and bridges, and these improvements increase the value of their holdings.

The schools are open to the Indian children. Tuition has been paid in some cases, but under the provisions of this bill the amount paid would be deducted.

The investigation made by the department reveals conditions in Stevens and Ferry Counties different from those surrounding any other Indian reservations or allotments, and it is believed that the facts justify a settlement of the claim.

The department has no objection to the enactment of H. R. 5418.

Respectfully,

E. C. FINNEY, *Acting Secretary.*

The report referred to in the Secretary's letter is as follows:

DEPARTMENT OF THE INTERIOR,
Washington, December 6, 1920.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: Paragraph 28 in the Indian appropriation bill approved February 14, 1920 (Public, 141, 66th Cong., 2d sess.), provides that—

"The Secretary of the Interior is authorized and directed to investigate and report to Congress, on or before the first Monday of December, 1920, as to the right of Stevens and Ferry Counties in the State of Washington to the payment of taxes on allotted Indian lands under existing law, and to state the amount, if any, to which each of said counties is entitled."

In pursuance of the foregoing I have the honor to submit the following report:

This report is based on information contained in official records and from data procured by an official inspector assigned to duty for that purpose.

Claims have been presented by Stevens and Ferry Counties, Wash., aggregating $44,309.67 and $71,458, respectively. These claims are in lieu of taxes which would have been assessed against the allotments of Colville Indians in these counties from 1901 to 1920, inclusive, and are based on section 3 of the act of Congress of July 1, 1892 (27 Stats. L., 62–63), providing for the opening of a part of the Colville Reservation, which reads as follows:

"That the net proceeds arising from the sale and disposition of the lands to be so opened to entry and settlement shall be set apart in the Treasury of the United States for the time being, but subject to such future appropriation for public use as Congress may make, and that until so otherwise appropriated may be subject to expenditure by the Secretary of the Interior, from time to time, in such amounts as he shall deem best in the building of schoolhouses, the maintenance of schools for such Indians, for the payment of such part of the local taxation as may be properly applied to the lands allotted to such Indians, as he shall think fit, so long as such allotted lands shall be held in trust and exempt from a taxation, and in such other ways as he may deem proper for the promotion of education, civilization, and self-support among said Indians."

This departure from long-established custom, in view of the exemption from taxation of Indian allotments while held in trust by the United States, had the effect of encouraging entries upon the lands then opened to settlement.

The first claim was submitted on October 29, 1915, by the county of Ferry. On November 22, 1915, the board of commissioners of Ferry County was advised that the provisions of the act of July 1, 1892, had been superseded by the act of June 21, 1906 (34 Stats. 325–377), under which appropriations aggregating $1,500,000 were made by Congress for the said lands ceded to the Government by the Indians of the Colville Reservation; that the question as to what funds arising under the acts mentioned were available for expenditure for the benefit of the Indians had been submitted to the Comptroller of the Treasury, who, in a decision rendered April 27, 1915, held that all moneys arising from the sale of said ceded lands since June 21, 1906, belong to the United States and not to the Indians of the Colville Reservation; that there did not appear to be any balance remaining to the credit of the Indians from sales made prior to June 21, 1906, and that there seemed to be no way under existing law by which the claims submitted could be paid. A similar claim was filed later in the year by Stevens County, Wash., and the same reasons for nonpayment existed.

On February 8, 1918, the following bills were introduced in the Senate: S. 3788, entitled "A bill to pay certain taxes in the county of Stevens, State of Washington," and S. 3789, entitled "A bill to pay certain taxes in the county of Ferry, State of Washington."

In the report on Senate bill 3789, this department referred to and inclosed a copy of a letter of April 1, 1918, making an unfavorable report on Senate amendment to H. R. 8696 (then the pending Indian appropriation bill), the provisions of which amendment were identical with Senate 3789. In a report on the amendment the department stated that while the same should not receive favorable consideration, the claims against the Government might properly be heard and adjudicated by the department, and the draft of a bill was inclosed, which was identical with Senate bill 617, Sixty-sixth Congress, first session, which provided for the payment of $68,511.38, or so much thereof as might be necessary, in settlement of the claims of both counties. The department stated that it had no objection to the enactment of Senate bill 617. None of the aforementioned bills was enacted, but the provision in paragraph 28 of the Indian appropriation bill approved February 14, 1920, directed an investigation and report to the Congress.

The total area of Stevens County is 1,595,840 acres. Of this area 1,081,890 acres are taxed and 513,950 acres not taxed. The nontaxable land is the Colville National Forest, State land, Indian reservation land, and other Government land. The Indian allotments are in the best section of the county and those of less value and the waste land are open to homesteaders. This makes the cost of building roads and bridges and maintaining the same a great burden upon the taxpayers, and the benefits of the improvements are shared equally by the Indians. In that part where the Indians are located there are 145½ miles of road built wholly by the county at an initial expense of $14,835.

The entire area of Ferry County is 1,440,000 acres. The total area assessed and taxed is 192,500 acres. The area included in Indian allotments, United States forest reserves, and State lands is 1,247,500 acres. The allotments in the ceded portion are the best lands in the county, 75 per cent of the allotments being agricultural and 25 per cent grazing or timber land. Ferry County expended from March, 1899, to January, 1920, the sum of $352,412.73 for roads. A very small amount has been paid to the Indians for rights of way. Ferry County has built eight permanent steel bridges, four of which were in conjunction with Stevens County, across Kettle River.

Indian children are allowed to attend the public schools in both counties, although tuition has been paid by the Government for some, but if these two claims are allowed the amounts paid as tuition should be deducted.

In view of the fact that by the terms of the act the Government encouraged settlement upon the ceded lands, that the Indians have shared in the benefits of the improvements made by the white people, that these improvements have also enhanced the value of the Indian holdings, and that the Government must necessarily use the roads and bridges in entering and returning from its own property in these two counties, the department recommends that an appropriation be made of the amounts claimed, and that the same shall be paid to the respective counties subject to any deductions that may be made on account of payments for Indian tuition, and for any amounts where the rate based on the value of Indian allotments may be found to be in excess of the rate on taxable lands.

A copy of schedules of claims by the counties of Ferry and Stevens, the reports of the auditors of these counties for the year 1919, and the report of the inspector are inclosed with the report to the Senate Committee on Indian Affairs for the convenience of the committee, and their return to this department is requested.

Cordially yours,

JOHN BARTON PAYNE, *Secretary.*

Respectfully submitted.

SID C. ROACH,
W. W. HASTINGS,
W. H. SPROUL,
Subcommittee.

Mr. OVERMAN. I also ask to have the law on the subject printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[Public—No. 482—68th Congress]

[H. R. 4114]

An act authorizing the construction of a bridge across the Colorado River near Lee Ferry, Ariz.

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed the sum of $100,000, to be expended under the direction of the Secretary of the Interior, for the construction of a bridge and approaches thereto across the Colorado River at a site about 6 miles below Lee Ferry, Ariz., to be available until expended, and to be reimbursable to the United States from any funds now or hereafter placed in the Treasury to the credit of the Indians of the Navajo Indian Reservation, to remain a charge and lien upon the funds of such Indians until paid: *Provided*, That no part of the appropriations herein authorized shall be expended until the Secretary of the Interior shall have obtained from the proper authorities of the State of Arizona satisfactory guaranties of the payment by said State of one-half of the cost of said bridge, and that the proper authorities of said State assume full responsibility for and will at all times maintain and repair said bridge and approaches thereto.

Approved, February 26, 1925.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Bureau of Reclamation," on page 32, after line 12, to insert:

North Platte project, Nebraska-Wyoming: For continuation of construction and incidental operations, including the general objects of expenditure enumerated in the second paragraph under the caption "Bureau of Reclamation," contained in the Interior Department appropriation act for the fiscal year 1926, $300,000, to remain available until June 30, 1927, and to be paid out of the "reclamation fund."

Mr. WARREN. Mr. President, I wish to say that that is merely borrowing from the regular appropriation this much of it, so that they may at once proceed with the continuation of the work, rather than waiting until the 1st of July.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 33, after line 15, to insert:

NATIONAL PARK SERVICE

For emergency reconstruction and fighting forest fires in national parks, fiscal year 1926, $40,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of Justice, contingent expenses," on page 33, after line 23, to insert:

For contingent expenses, including the same objects specified under this head in the act making appropriations for the Departments of State, Justice, etc., for the fiscal year 1926; including also the purchase of an automobile for the official use of the Pueblo Lands Board at a cost not to exceed $800, and for the maintenance and upkeep of said automobile; also for the purchase of a photostat machine complete, for the official use of the Pueblo Lands Board, at a cost not to exceed $1,000, and for the expense of repairs and supplies for said machine, $7,000.

The amendment was agreed to.

Mr. KING. Mr. President, my understanding is that the duties involving upon this Pueblo board, to which reference is made on pages 33 and 34, are very simple, inexpensive, and ought quickly to be concluded. But, like any board created by the Government, they find one pretext or another to perpetuate their existence. They are immortal.

Mr. LENROOT. Mr. President, I assure the Senator that the work is neither simple nor inexpensive. I do not happen to know of any matter concerning public lands that has come to my attention for many years that is more intricate and involved than the settlement of the title to these Pueblo lands. I happened to be upon the subcommittee which originally investigated the question.

Mr. KING. My information is that the work ought to be disposed of very quickly.

Mr. LENROOT. As rapidly as possible. There is no doubt about that.

Mr. KING. The number of acres is small. Their work is to determine certain valuations and to make certain allocations.

Mr. LENROOT. And also to settle titles.

Mr. KING. Yes.

Mr. LENROOT. And Spanish grants come into consideration, which are very, very intricate, I assure the Senator.

Mr. KING. This board, like many other boards, is anxious to extend its authority, and we have to take care of them. They must have an automobile, and all the paraphernalia that attends a great organization that is to be continued indefinitely.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. McKELLAR. The Senator does not think there is any executive officer of the Government who should not be furnished with an automobile and chauffeur, does he?

Mr. KING. We are getting now so that we must have automobiles and chauffeurs for every employee and official of the Government, except Senators.

Mr. McKELLAR. Not only officers, but clerks, I understand.

Mr. KING. I should like to ask the Senator in charge of the bill whether any testimony before the committee showed the propriety of this appropriation. I call attention to it because complaint has been made to me by persons interested in the matter, who have gone over the lands and who are cognizant of the activities of the board. They protest against the slowness with which the work is being performed and against the large expenses, measured by the work required, which are being charged against the Government.

Mr. WARREN. Mr. President, the question, as the Senator puts it, is a rather large one, as to whether the board is working fast enough. I have heard no complaint against its work. On the other hand, the work is very important, because it applies to titles, some of which are very ancient, to lands that came as a result of treaties and by gift from time to time, and individuals splitting up great tracts into private holdings. The board is proceeding to settle those matters while some of the men interested are still alive. I think it is highly important that we should continue the existence of this board.

Mr. KING. The Senator thinks they should have an automobile?

Mr. WARREN. It provides for only $800 for one automobile.

Mr. KING. If the Senator has gone into it and thinks it is necessary, I shall not move to disagree, although the information I have, from persons who have been on the ground and who are interested in the welfare of the Indians, indicates that this appropriation is not needed.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 34, after line 16, to insert:

UNITED STATES SUPREME COURT

Not exceeding $500 of the unexpended balance of the appropriation to enable the Joint Committee on the Library to procure for the court room of the Supreme Court of the United States a marble bust, with a pedestal, and for the robing room an oil portrait, of the late Chief Justice Edward Douglass White, made in the third deficiency act for the fiscal year 1923, approved March 4, 1923, is hereby reappropriated and made available for procuring a marble bracket or pedestal for said bust.

The amendment was agreed to.

The next amendment was, under the subhead "United States courts," on page 35, after line 15, to insert:

For assistants to the Attorney General and to the United States district attorneys employed by the Attorney General to aid in special cases, fiscal year 1926, $46,000: *Provided*, That not to exceed $100,000 of the appropriation "Pay of special assistant attorneys, United States courts" may be transferred to the appropriation "Salaries, Department of Justice."

Mr. KING. I move to strike out lines 19, 20, 21, and 22, on page 35, being a part of the amendment reported by the committee.

I want to call the attention of the chairman of the committee, and the attention of the Senate, to the fact that in the appropriation bill for the present fiscal year, at the request of the Attorney General, and over the protest of many Senators, we appropriated a million dollars for the prosecution of war frauds. The information which was furnished at the time did not justify the appropriation. A large number of employees had been at work for a number of years in prosecuting so-called war claims. They did not succeed. Ex-Senator Thomas, one of the ablest men in the Senate, had been selected by Mr. Daugherty to lead in this work, and I think I am betraying no secret when I say that upon investigation he found that the methods adopted, or at least the course outlined, was not going to achieve any results, and he promptly resigned. But there were a large number of attorneys, at great expense, employed for years, without results.

Mr. McKELLAR. O Mr. President, the Senator will recall, if he will permit an interruption, that all of those attorneys together secured three judgments. One was for $14,000, another for $115, and a third for $85, making, in all, a little more than $14,000 that was recovered by this army of attorneys. The Senator is mistaken in stating that they got no results. It may have cost something like $1,000,000 to get them, but we got those judgments, amounting to fourteen thousand and some odd dollars.

Mr. KING. I was going to state, because I had those judgments in mind, that the War Department had made very careful investigations of all these cases, and they had secured the return of a large amount of money from time to time. They had these small cases prepared, and, as I recall, had instituted suits, so that there was little, if anything, for this organization to do.

I noticed the other day that a dismissal had taken place in respect to all actions that had been instituted, and that all cases had been abandoned. That is not particularly relevant to what I was about to observe, but it is apparent that the $1,000,000, which we appropriated, has not been expended.

The purpose of this amendment is to transfer what is left to some other fund, and to permit it to be used by the Attorney General. At the same time we appropriated a very large sum, all that the Department of Justice asked, for its activities for the coming year. There was a large appropriation for the Assistant Attorneys General, a large number of them; then $2,294,500 for the detection and prosecution of crimes; $228,000 for the enforcement of the antitrust laws; $10,000 for the regulation of commerce, for the salary of an assistant solicitor; then the $1,000,000 to which I have referred, and a great number of millions of dollars for the various attorneys, district attorneys, and their assistants. So that the aggregate amount to the Department of Justice—although I have not the exact figures accurately in my mind—was somewhere between four and five million dollars. It is not wise, in my opinion, when money is appropriated for a specific purpose, and is not used, to transfer it to some other fund, particularly where adequate appropriations have been made for the other purposes.

It does seem to me that it is highly improper to transfer this to the Department of Justice, because we gave the Attorney General, as I have indicated, very large sums, all that was necessary for the work which devolved upon him.

If the Attorney General needs additional funds, let us appropriate directly to the Department of Justice; but when we appropriate for a specific purpose, I submit that it is unwise and it is a bad practice to permit the department to slip it over into some other fund and use it for some other purpose. The result of it is that they will not scrutinize with the care which they should use their demand for special funds, if they know that if they do not use these funds they will go into a grab net, and can be used for other purposes. It is a very bad and a very pernicious practice.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah to the committee amendment.

Mr. FESS. Mr. President, I will not at this time go into the figures included in the statement of the Senator from Tennessee, but I think his figures are considerably misleading, and by to-morrow I will have the figures showing the millions of dollars that have been returned to the Federal Treasury through the prosecution of the war frauds. I have the figures, but not with me.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. LENROOT. I can give the Senator the figures up to 1923.

Mr. FESS. I would be glad to have them.

Mr. LENROOT. The Attorney General says that in summarizing the work of the war-transactions section, $3,232,312.93 has actually been collected and paid into the United States Treasury, and judgments for $1,225,919.37 have been secured.

Mr. FESS. That is up to 1923?

Mr. LENROOT. Yes.

Mr. FESS. I thank the Senator from Wisconsin.

Mr. WARREN. Mr. President, I send to the desk a letter from the Attorney General of the United States and ask that the parts of it I have marked may be read.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk read as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., February 9, 1926.

Hon. F. E. WARREN,
Chairman Committee on Appropriations,
United States Senate.

MY DEAR SENATOR:

* * * * * * *

The necessity for the supplemental appropriation of $46,000 for "Pay of special assistant attorneys, United States courts," and the transfer of $100,000 from this appropriation to the credit of the appropriation, "Salaries, Department of Justice," arises from the fact that the Director of the Bureau of the Budget suggested the desirability of transferring to the roll under the last-named appropriation all special assistant attorneys who render services at the seat of government. In order to cover this transfer, approximately $100,000 additional is needed for the remainder of the current year. The additional $46,000 desired is necessary because of the urgent demands for special legal help incident to the enormous expansion of Federal judicial business.

The item for the Industrial Reformatory at Chillicothe, Ohio, is submitted to enable the department to utilize at once the site, with its accompanying supplies and equipment, formerly part of Camp Sherman, which has been procured without cost, for the purpose of establishing the United States Industrial Reformatory, already authorized under the provisions of the act of January 7, 1925 (43 Stat. L. 724). The necessity for the immediate development of this project is extremely urgent, mainly by reason of the radical increase in the number of Federal prisoners and the impossibility of properly providing for their maintenance under existing conditions.

I earnestly hope that the committee will find it practicable to give these items favorable consideration and include them in the pending bill.

Cordially yours,

JNO. G. SARGENT,
Attorney General.

Mr. WARREN. The amendment, instead of $100,000, is really $46,000 more than is shown in the appropriation. The transfer of $100,000 causes the break and requires the $46,000 to be cared for elsewhere. I have a statement of the Budget officer which I ask may be read. There is a mix up in the money to support what has been instituted near Chillicothe, where there was an Army post, now called a training school or a Department of Justice home for young men or old boys, to keep them out of the general penitentiary, such as we have at Leavenworth and Atlanta. That has required some money and will require some more. The allusion in the two documents is to those institutions.

Mr. KING. That is not involved in my motion at all. I am not calling attention to the Chillicothe matter.

The PRESIDING OFFICER. The clerk will read as requested by the Senator from Wyoming.

The Chief Clerk read as follows:

BUREAU OF THE BUDGET,
Washington, February 8, 1926.

SIR: I have the honor to submit herewith for your consideration and upon your approval for transmission to Congress a supplemental estimate of appropriation for the Department of Justice for the fiscal year ending June 30, 1926, in the amount of $46,000, as follows:

Pay of special assistant attorneys, United States courts: For assistants to the Attorney General and to the United States district attorneys employed by the Attorney General to aid in special cases, $46,000: *Provided*, That not to exceed $100,000 of the appropriation "Pay of special assistant attorneys, United States courts," may be transferred to the appropriation "Salaries, Department of Justice"---------- $46,000

All attorneys paid from this appropriation are appointed under the provisions of sections 363, 365, and 366 of the Revised Statutes. It is found attorneys whose aggregate salary for the period February 1 to June 30, 1926, amounts to $100,000 are engaged in the performance of regular departmental duties. It would seem, therefore, that their salaries should be paid from the appropriation "Salaries, Department of Justice," and authority is requested to transfer the amount in question to the latter appropriation.

The above estimate of appropriation is required to meet unavoidable contingencies which have occurred since the transmission of the Budget for the fiscal year 1926, and its approval is recommended.

Very respectfully,

H. M. LORD,
Director of the Bureau of the Budget.

The PRESIDENT.

Mr. McKELLAR. Mr. President, in answer to the statement made by the Senator from Ohio, I am glad that he is going to furnish the figures. He will find when he looks into it that $500,000 was appropriated to the War Department to investigate war costs and $500,000 to the Department of Justice year before last. Last year, or during the present fiscal year, $500,000 was appropriated for the War Department and $1,000,000 for the Department of Justice. The Department of Justice asked for $1,725,000 to conduct the prosecutions. It developed upon investigation that they had, my recollection is, some 90 attorneys employed, or possibly 146. It was a very large number of attorneys anyway. It was proposed to employ more attorneys and have a greater organization to prosecute the war-fraud cases.

Upon investigation it was found that this great body of lawyers had actually tried three cases, one what is commonly called a magistrate case in which there was a judgment for $115 obtained, and another one of $85, and a third judgment for $14,000. They had compromised cases and secured $150,000.

The whole amount of compromises and judgments obtained by this army of attorneys employed under that appropriation was about $171,000. I am talking about that particular year. I am not talking about what has been done since. I am talking about that year.

Mr. LENROOT. What year?

Mr. McKELLAR. The fiscal year before the present one. There had been an appropriation of $1,000,000 and as a return we had in judgments a little over $14,000 and in compromises $150,000, as I recall. If the figures are not correct, I very sincerely hope that the Senator will get the figures and put them in the RECORD.

Mr. LENROOT. I have them now. I hold in my hand the last report of the Attorney General for the fiscal year ending June 30, 1925. On page 96 of that report are shown the amounts received and collected by war prosecutions as follows: For the fiscal year 1922–23, $3,044,835; for the fiscal year 1923–24, $2,412,845; and now comes the year to which the Senator has referred, the fiscal year 1924–25, $3,217,731, making a total of over $8,675,000.

Mr. McKELLAR. That was the previous year. What was it for the fiscal year 1924–25?

Mr. LENROOT. Three million two hundred and twenty-five thousand dollars.

Mr. McKELLAR. What was it for 1925–26?

Mr. LENROOT. We have not yet obtained those figures because the fiscal year is not concluded.

Mr. McKELLAR. I will get the hearings and put the figures in the RECORD again. Those gentlemen who have charge in the department testified that they had collected $154,000, as I recollect the amount, or, in all, about $171,000.

Mr. LENROOT. During what period?

Mr. McKELLAR. My recollection is about nine months of that year.

Mr. LENROOT. Of what year?

Mr. McKELLAR. Of the past year.

Mr. LENROOT. The figures I have given bring it up to July 1 of last year.

Mr. McKELLAR. There is a mistake about it, because we have the sworn testimony of those gentlemen.

Mr. LENROOT. The Senator is clearly mistaken.

Mr. McKELLAR. I will put it in the RECORD again, so there will be no doubt in the world about it.

Mr. LENROOT. I wish the Senator would do so.

Mr. McKELLAR. It was about $171,000.

Mr. KING. I attempted to understand the letter which was submitted by the Attorney General and the statement made by the Director of the Budget, but I confess they leave me somewhat mystified as to the purpose unless it is this: We made an appropriation last year of $919,000 for regular assistants to the United States district attorneys, who were appointed by the Attorney General at a fixed annual compensation. As I understand, it is his desire to have $100,000 of that appropriation transferred from "Pay of special district attorneys, United States Court," to the appropriation "Salaries, Department of Justice." I do not comprehend the purpose of it unless it is to give certain assistants a fixed status in the department and to make them permanent employees or to create permanent positions in the Department of Justice in contradistinction to temporary ones. There can be no question that the assistants are still there. They are drawing their salaries. The appropriation has all been exhausted apparently except $100,000.

Mr. WARREN. I think the Senator should not ask a disagreement, but should let the matter go to conference. If there is anything that is wrong about it in the minds of the Members of the House, it will be developed in conference.

Mr. KING. I have not attacked the $46,000 additional asked for by the Attorney General, which I think is wholly unnecessary in view of the very liberal appropriations made to the Department of Justice for the current fiscal year. I have been one of the Senators who have urged adequate appropriations for the Department of Justice for the purpose of enforcing the antitrust laws and other penal statutes of the Government. I am sorry to say that the antitrust laws have not been enforced and that the growth of trusts and monopolies during the past four years has been unprecedented. The department has been asleep. It seems to be awakening a little now under the prodding of the press, if not of the Senate.

For the moment I am not objecting to the $46,000 additional, though the Department of Justice was most generously provided for in the last appropriation bill. Many millions of dollars were appropriated to aid in law enforcement and to pay the salaries of a cloud of assistants and special assistants and district attorneys and assistant district attorneys. For special assistants nearly $1,000,000 were appropriated; and yet we are now asked for a further sum. But returning to the $100,000 item, it seems that these special assistants may be made permanent, or have the positions held by them riveted into the law as permanent legislation. I see no advantage in it. They can serve the Attorney General, performing the same duties as they now perform, and can consume the appropriation without this change.

If permanent officials are needed in the department let that be done by legislation, not on an appropriation bill, but by proper legislation at the appropriate time. I hope the Senate will disagree to that part of the amendment.

Mr. WARREN. I will ask that the amendment of the Senator from Utah be not agreed to.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah to strike out the committee amendment on page 35, lines 19 to 22.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment.

Mr. KING. I want to offer an amendment to the amendment so as perhaps to clarify the language a little. It is not clear just what it does mean. Will the Senator consent to this amendment just to clarify the meaning of the proviso? Strike out all of lines 19, 20, 21, and 22 and then add the following:

That $100,000 of the $919,000 carried in the appropriation act approved—

I do not know the exact date when it was approved—

under the head of "for assistants for the United States district attorneys who are appointed by the Attorney General at a fixed annual compensation," may be transferred to the appropriation "salaries, Department of Justice."

Mr. WARREN. I have not had the time to look that up.

Mr. KING. If the Senator is sure that it comes out of the $919,000 appropriation——

Mr. WARREN. I have not any doubt of it myself.

Mr. KING. It is very uncertain.

Mr. WARREN. If it goes to conference, we will have time to look it up.

Mr. KING. If the Senator will give the matter attention in conference, I shall not press the amendment just offered to the amendment of the committee. I withdraw it.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, under the subhead "Penal Institutions," on page 36, after line 15, to insert:

United States Industrial Reformatory, Chillicothe, Ohio: For the United States Industrial Reformatory, Chillicothe, Ohio, including not to exceed $18,200 for salaries and wages of all officers and employees, for the fiscal year 1926, to be available in so far as may be necessary for any and all objects specified in the act making appropriations for the Departments of State and Justice and for the judiciary, etc., approved February 27, 1925, for the United States Penitentiary at Leavenworth, Kans., $37,500.

The amendment was agreed to.

The next amendment was, at the top of page 37, to insert:

National Training School for Boys: For support of inmates, including the same objects specified under this head in the act making appropriations for the Departments of State and Justice and for the judiciary, etc., for the fiscal year 1926, $12,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of Labor, Bureau of Immigration," on page 37, line 16, after the name "District of Columbia," to strike out "and motor vehicles," and in line 18, after the word "patrol," to insert "of which not to exceed $50,000 shall be available for the purchase and maintenance of motor vehicles," so as to make the paragraph read:

Regulating immigration: For expenses of regulating immigration, including the same objects specified under this head in the act making appropriations for the Department of Labor for the fiscal year 1926, except personal services in the District of Columbia, $600,000: *Provided*, That $150,000 of this amount shall be available only for coast and land border patrol, of which not to exceed $50,000 shall be available for the purchase and maintenance of motor vehicles.

Mr. KING. I should like some information from the Senator from Wyoming in regard to the appropriation contained in the paragraph beginning in line 12 on page 37, which reads:

Regulating immigration: For expenses of regulating immigration, including the same objects specified under this head in the act making appropriations for the Department of Labor for the fiscal year 1926, except personal services in the District of Columbia, $600,000: *Provided*, That $150,000 of this amount shall be available only for coast and land border patrol, of which not to exceed $50,000 shall be available for the purchase and maintenance of motor vehicles.

Mr. WARREN. It all runs back to the appropriation of $600,000 at the end of the first clause, and is only designed to provide whatever may be necessary for motor vehicles properly to conduct the business of the service.

Mr. KING. Mr. President, we appropriated for the current fiscal year a very large amount for the Immigration Service, namely, $5,084,865; also an additional sum of $75,000, $100,000, and $680,000. Those amounts were deemed adequate, and by some of us more than adequate, for the needs of the Bureau of Immigration. Now we are asked for $600,000 additional. I inquire as to the necessity of this appropriation.

Mr. PHIPPS. Mr. President, the status of the appropriation as disclosed in the hearings was that the expenditure for immigration work totaled $2,116,450, for border patrol $503,000, in round figures; and that the annual salary obligations for border patrol and the immigration forces is $4,100,000.

Mr. KING. If that should be materially reduced, the public would be well served.

Mr. PHIPPS. There are 1,869 employees on the immigration roll and 497 on the border patrol roll. As the Senator may know, there has been an insistent demand for increasing the patrol along the border, both on the north, the Canadian border, and on the south, the Mexican border.

Mr. KING. The Senator must know that for a number of years prior to the enactment of the present immigration law the number of aliens arriving upon our shores was greater than three-quarters of a million, and as I recall, for several years the number exceeded one million. Immigrants are restricted this year to less than 200,000, and with the diminution in the number of immigrants the greater the expenses of the

bureau charged with the duty of administering the immigration acts.

Mr. PHIPPS. By the very reason of the immigration law, it is necessary to patrol the border in order to keep out those who are not entitled to admission from coming in.

Mr. KING. Well, we patrolled the border before, and only $400,000 is asked here for the border patrol, but we are proposing to spend $4,000,000 plus for employees in the department who are handling less than one-fifth of the number of immigrants who came into the United States two or three years ago. As I have stated, the fewer arrivals the larger appropriations are demanded.

Mr. WARREN. This appropriation is very necessary. It requires a larger appropriation to keep out those who are not wanted, who are prohibited by legislation from coming to the United States, than it did when immigrants came in, nolens volens, without much restriction.

Mr. KING. I do not agree with the Senator.

Mr. LENROOT. Does not the Senator realize that when there were practically no restrictions——

Mr. KING. But there were restrictions.

Mr. LENROOT. I mean restrictions so far as physical conditions and character were concerned, there was not the effort to come in unlawfully that there now is.

Mr. KING. But the Senator will perceive that only a small portion of this appropriation is devoted to border patrol. If any considerable portion of it were occasioned by that, there might be some reason for the Senator's position. Only $500,000 is for the border patrol and $4,000,000 plus is for the officials. I am, of course, referring to the appropriation carried in the general act for the fiscal year ending June 30, 1926, which aggregated more than $5,000,000.

Mr. President, I know that when the last appropriation bill was under consideration the larger appropriation carried in the bill to which I have just called attention was defended upon the ground that many employees were needed along the border; and there are no more along the border, I am advised, than it was represented were then required. We provided in the bill for all that were required; and yet, as I stated, with the great reduction in the number of immigrants coming into the United States, we swell the appropriation. That is the character of economy that is practiced in many of the departments. I think the President has sought to compel some of the executive agencies to conform to proper economies, but he has failed. Secretary Mellon stated in his annual report submitted two months ago that there was a "superfluity"—I am using his own expression—of personnel in the department, which had materially contributed to the cost of running the Government. Notwithstanding the superfluity of employees, which the Secretary of the Treasury concedes exists, we are asked for more; and then we legalize deficiencies which are in the main illegal expenses by the departments, which create deficits, by giving them all they ask upon their merely asking for the same. We O. K. their bills; we give them carte blanche authority; we appropriate four or five million dollars; and, should they exceed the appropriation thus made, all they need to do is to write a letter or to appear before the Budget Bureau or the Senate committee and say, "We want more," and we give it to them. The Treasury apparently is inexhaustible; these officials in the executive departments spend and spend and spend; and Congress, abdicating its functions, sits down supinely and says, "Why do you not take more? We are surprised at your moderation."

Mr. President, I can not make any motion in regard to this amendment now, but I hope it may be disagreed to.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading, "Navy Department," on page 89, after line 8, to insert:

CIVIL GOVERNMENT OF AMERICAN SAMOA

For repair to roads, water systems, and school and other public buildings as the result of the hurricane which visited American Samoa on January 1, 1926, to be expended under the direction of the Governor of American Samoa, fiscal year 1926, $11,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of State," on page 43, after line 8, to insert:

Preparatory commission on armaments: For the expenses of participation by the United States as the President may, in his discretion, determine, in the work of the preparatory commission, which is to meet at Geneva, Switzerland, in 1926, for the purpose of making preliminary studies and preparations for a conference on the reduction and limitation of armaments; and for each and every purpose connected therewith, including compensation of employees, travel, subsistence expenses (notwithstanding the provisions of any other act); and such other expenses as the President shall deem proper, to be expended under the direction of the Secretary of State, to remain available until June 30, 1927, $50,000.

The amendment was agreed to.

The next amendment was, under the heading, "Treasury Department," on page 44, after line 18, to insert:

FEDERAL FARM LOAN BUREAU

For additional amount for the Federal Farm Loan Board, in accordance with the estimates submitted in House Document No. 234, Sixty-ninth Congress, to remain available during the fiscal year 1927, $294,095.

Mr. WARREN. Mr. President, I desire to move an amendment to correct the language in the committee amendment. I send the amendment to the amendment to the desk.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 44, line 23, it is proposed to strike out the numerals "$294,095" and to insert in lieu thereof "$234,095."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "War Department, Quartermaster Corps," on page 51, after line 4, to insert:

Restoration of Fort McHenry, Md.: For the restoration of Fort McHenry, Md., including repairs, improvements, changes, and alterations in the grounds, buildings, or other appurtenances to said reservation according to detailed plans which shall be approved by the Secretary of War, as authorized in the act approved March 3, 1925, $28,522.35, to remain available until June 30, 1927, and to be paid from the proceeds of sales under such act.

The amendment was agreed to.

Mr. WARREN. I offer the amendment which I send to the desk to come in at that point.

The PRESIDING OFFICER. The amendment of the Senator from Wyoming will be stated.

The CHIEF CLERK. At the bottom of page 51 it is proposed to insert:

CORPS OF ENGINEERS

For the amount found to be due Coast & Lakes Contracting Corporation, New York City, under the provisions of section 10, river and harbor act approved March 2, 1919, on contract for work on river and harbor improvements entered into, but not completed, prior to April 6, 1917, for work performed between April 6, 1917, and July 18, 1918, as set forth in detail in report of the Chief of Engineers of July 18, 1925, forwarded to the Speaker of the House of Representatives by letter of the Secretary of War dated July 22, 1925, $17,653.30.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

Mr. WARREN. I have another amendment which I offer to be inserted on page 6, after line 3.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 6, after line 3, it is proposed to add:

GOVERNMENT PRINTING OFFICE

To enable the Public Printer to pay for two CONGRESSIONAL RECORD printing presses contracted for during the fiscal year 1923 under appropriations the balances under which have lapsed and been covered into the Treasury, $122,350.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

Mr. WARREN. Mr. President, at this point I ask unanimous consent that the clerks at the desk may be authorized to correct all totals and also to renumber all sections and pages as may be necessary.

The PRESIDING OFFICER. Without objection, the order will be made.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "Judgments of United States Courts," on page 54, line 13, after the numerals "162," to insert "and Senate Document No. 50"; in line 15, after the word "Bureau," to strike out "$262.65," and insert "$2,977.89"; at the beginning of line 17, to strike out "$3,382.64," and insert "$4,539.58"; at the beginning of line 18, to strike out

"$37,204.80," and insert "$50,468.13"; and at the end of the same line to strike out "$43,831.64," and insert "$60,967.15," so as to make the paragraph read:

For payment of the final judgments and decrees, including costs of suits, which have been rendered under the provisions of the act of March 3, 1887, entitled "An act to provide for the bringing of suits against the Government of the United States," as amended by the Judicial Code, approved March 3, 1911, certified to the Sixty-ninth Congress by the Attorney General in House Document No. 162 and Senate Document No. 50, and which have not been appealed, namely: Under the United States Veterans' Bureau, $2,977.89; under the Department of Labor, $2,981.55; under the Navy Department, $4,539.58; under the War Department, $50,468.13; in all, $60,967.15, together with such additional sum as may be necessary to pay interest on the respective judgments at the rate of 4 per cent from the date thereof until the time this appropriation is made.

The amendment was agreed to.

The next amendment was, on page 55, line 10, after the numerals "168," to insert "and Senate Document No. 51," and at the beginning of line 13 to strike out "in all, $20,580.97" and insert "under the War Department, $802.80; in all, $21,383.77," so as to make the paragraph read:

For payment of the judgments rendered against the Government by United States district courts under authority of the act of March 3, 1925 (43 Stat. L. p. 1112), and certified to the Sixty-ninth Congress in House Document No. 168 and Senate Document No. 51, as follows: Under the Department of Commerce, $3,319.50; under the Navy Department, $17,261.47; under the War Department, $802.80; in all, $21,383.77, together with such sum as may be necessary to pay interest as specified in the judgment in favor of the Hillcrest Schooner Co. (Ltd.).

The amendment was agreed to.

Mr. WARREN. On behalf of the committee I offer another amendment to come in on page 56, line 20, in the bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 56, after line 20, it is proposed to insert the following:

For payment of judgment rendered against the United States by the United States District Court for the District of Wyoming on September 2, 1925, in favor of the Bothwell Co., in condemnation proceedings under section 7 of the act of June 17, 1902 (32 Stat. 388), for the acquisition of lands for the Pathfinder Reservoir, $9,600, together with interest thereon at 8 per cent per annum from July 3, 1909, to and including February 19, 1923, and at 7 per cent per annum from February 20, 1923, until the date of payment, payable from the "reclamation fund" created by said act.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "Judgments, Court of Claims," on page 57, line 1, after the numerals "163," to insert "and Senate Documents numbered 52 and 54"; in line 5, after the name "Navy Department," to strike out "$289,615.13" and insert "$870,608.55"; in line 7, after the name "War Department," to strike out "$323,746.56" and insert "$864,261.49"; and at the end of the same line to strike out "$779,420.41" and insert "$1,900,928.76," so as to make the paragraph read:

For payment of the judgments rendered by the Court of Claims and reported to the Sixty-ninth Congress in House Document No. 163 and Senate Documents Nos. 52 and 54, namely: Under the Department of Agriculture, $1.50; under the Department of the Interior, $4,180; under the Department of Labor, $8,768; under the Navy Department, $870,608.55; under the Treasury Department, $153,109.22; under the War Department, $864,261.49; in all, $1,900,928.76, together with such additional sum as may be necessary to pay interest on certain of the judgments at the legal rate per annum as and where specified in said judgments. None of the judgments contained herein shall be paid until the right of appeal shall have expired.

The amendment was agreed to.

Mr. WARREN. Mr. President, I have here two committee amendments. I send the first one to the desk, to be inserted at the proper place, and I ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert, on page 3, after line 4, the following:

The unexpended balance of the appropriation "Contingent expenses, Senate, folding documents, 1925," is continued and made available during the fiscal year 1926.

The amendment was agreed to.

Mr. WARREN. I also send to the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, after line 25, it is proposed to insert the following:

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers to committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, $125,000: *Provided*, That hereafter Senate resolutions providing for inquiries and investigations shall contain a limit of cost of such investigation, which limit shall not be exceeded except by vote of the Senate authorizing additional amounts.

Mr. WARREN. Mr. President, I wish to insert in the RECORD at that point—I shall not take time to read it now, if I may have permission to print—a statement of the payments that have been made out of the contingent fund of the Senate for investigations. I want to insert, covering perhaps the last 15 years or more the amounts that we have expended each year, and a few remarks of explanation, if I may have permission to do so.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and that order will be entered.

The matter referred to is as follows:

Amounts annually appropriated for investigations payable out of Senate contingent fund, years 1910 to 1926, inclusive

Fiscal year:	Regular	Special
1910	$25,000	$10,000
1911	25,000	
1912	25,000	25,000
1913	25,000	
1914	50,000	10,000
1915	25,000	
1916	25,000	
1917	25,000	
1918	25,000	
1919	25,000	10,000

From 1910 to 1919, inclusive, the close of the war, the regular appropriations amounted to $275,000. The special appropriations during the same period amounted to $55,000. This is a total of $330,000 for the 10 years, or an average of $33,000 a year. Since that time there has been appropriated:

Fiscal year:	Regular	Special
1920	$25,000	$13,500
1921	50,000	100,000
1922	100,000	
1923	100,000	
1924	100,000	
1925	150,000	100,000 40,000
1926	150,000	[1] 125,000

Mr. WARREN. Formerly, as will be noticed, the total appropriations for the years first mentioned were usually only $25,000 a year. During the last few years, however, we have had very many investigations, most of which have been concluded. The amounts expended in these cases varied from $2,682 up to $125,000 plus.

We have still four or more investigations now in process, which up to the present have reached proportions from $11,600 to $124,000 plus. These are for investigations authorized and begun before the opening of the present session of Congress. What the total of these last may reach is unknown at present, although it is presumed that they are near their close. But, even during the last month, in one case one man drew a salary of $1,300 for that one month's service, the same as for the preceding months.

Another man drew $1,000 for the month's service on the voucher of another committee which had theretofore allowed much higher rates of compensation to certain employees. The particular point I want to make is that these large sums ought to go into a resolution, joint or concurrent, so that both Houses might concur concerning the expenditures, rather than to be handled as we have been handling them of late—allowing these resolutions almost to run wild. By such method we would be in position to acquire a little wider knowledge of the probable amount that might be used by any authorized committee of investigation. And before a given amount authorized has been expended or exceeded, the proponent could come back to the Senate or House for further authority.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

[1] Expected insufficient to cover expenses up to end of the fiscal year.

The next amendment of the Committee on Appropriations was, on page 73, after line 9, to insert:

The Navy pension fund is hereby made available for the payment of the claims, amounting to $349.86, allowed by the General Accounting Office in accordance with the provisions of the act of March 29, 1918 (40 Stat. p. 499), as set forth in House Document No. 229, Sixty-ninth Congress.

The amendment was agreed to.

Mr. WARREN. Mr. President, I think pretty much all of the rest of the bill consists of judgments and audited claims. Of course those that the House inserted are what they could reach at the time they framed the bill; and since then further judgments have been rendered, and they go in as amended. The Secretary may proceed with the reading of them, though they are quite lengthy.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 73, after line 15, to insert:

AUDITED CLAIMS

SEC. 3. That for the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been exhausted or carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874, and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1923 and prior years unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884, as fully set forth in Senate Document No. 53, reported to Congress at its present session, there is appropriated as follows:

INDEPENDENT OFFICES

For salaries and expenses, United States Food Administration, $4.20.
For medical and hospital services, Veterans' Bureau, $563.95.
For salaries and expenses, Veterans' Bureau, $49.40.
For vocational rehabilitation, Veterans' Bureau, $2,414.42.

DEPARTMENT OF AGRICULTURE

For general expenses, Bureau of Plant Industry, $5.42.

DEPARTMENT OF COMMERCE

For industrial research, Bureau of Standards, $170.

DEPARTMENT OF THE INTERIOR

For education of natives of Alaska, $275.
For fees of examining surgeons, pensions, $3.
For increase of compensation, Indian Service, $2.33.
For purchase and transportation of Indian supplies, $94.71.

DEPARTMENT OF JUSTICE

For increase of compensation, Department of Justice, $277.33.
For books for judicial officers, $2.
For detection and prosecution of crimes, $2.50.
For salaries, circuit judges, $291.68.
For salaries, fees, and expenses of marshals, United States courts, $2,842.11.
For pay of special assistant attorneys, United States courts, $20.
For pay of regular assistant attorneys, United States courts, $216.67.
For salaries and expenses of clerks, United States courts, $607.79.
For fees of commissioners, United States courts, $1.80.
For fees of jurors, United States courts, $1,091.90.
For fees of witnesses, United States courts, $1,060.02.
For pay of bailiffs, etc., United States courts, $70.45.
For miscellaneous expenses, United States courts, $152.87.

DEPARTMENT OF LABOR

For expenses of regulating immigration, $32.25.

NAVY DEPARTMENT

For pay of the Navy, $9,932.47.
For engineering, Bureau of Engineering, $1,120.25.
For pay, Marine Corps, $35.77.
For transportation, Bureau of Navigation, $198.35.
For aviation, Navy, $313.13.
For freight, Bureau of Supplies and Accounts, $1,828.60.
For maintenance, Quartermaster's Department, Marine Corps, $101.25.
For ordnance and ordnance stores, Bureau of Ordnance, $758.04.
For organizing the Naval Reserve Force, $10.33.
For provisions, Navy, Bureau of Supplies and Accounts, $206.43.
For fuel and transportation, Bureau of Supplies and Accounts, $18.

DEPARTMENT OF STATE

For salaries of ambassadors and ministers, $1,663.73.
For allowance for clerks at consulates, $101.10.

TREASURY DEPARTMENT

For increase of compensation, Treasury Department, $9.33.
For collecting the revenue from customs, $551.91.
For salaries and expenses of collectors, etc., of internal revenue, $13.59.
For collecting the war revenue, $986.10.
For collecting the internal revenue, $70.
For enforcement of narcotic and national prohibition acts, internal revenue, $1,499.91.
For refunding internal-revenue collections, $3,321.51.
For Coast Guard, $1,204.48.
For freight, transportation, etc., Public Health Service, $28.
For pay of personnel and maintenance of hospitals, Public Health Service, $237.74.
For medical and hospital services, Public Health Service, $105.74.
For quarantine service, $65.40.
For preventing the spread of epidemic diseases, $250.
For mechanical equipment for public buildings, $48.
For pay of assistant custodians and janitors, $25.25.
For operating force for public buildings, $217.05.
For operating supplies for public buildings, $6.50.
For furniture and repairs of same for public buildings, $149.32.

WAR DEPARTMENT

For registration and selection for military service, $268.80.
For pay, etc., of the Army, $54,891.09.
For increase of compensation, War Department, $480.
For arrears of pay, bounty, etc., $25.83.
For pay, etc., of the Army, war with Spain, $49.32.
For increase of compensation, Military Establishment, $3,289.05.
For mileage, officers and contract surgeons, $234.78.
For subsistence of the Army, $329.84.
For regular supplies of the Army, $30.18.
For clothing and equipage, $127.11.
For Army transportation, $10,998.19.
For clothing and camp and garrison equipage, $39.67.
For general appropriations, Quartermaster Corps, $4,719.82.
For supplies, services, and transportation, Quartermaster Corps, $4,126.99.
For increase for aviation, Signal Corps, $2,198.64.
For Signal Service of the Army, $512.76.
For Air Service, Army, $80.06.
For preservation and repair of fortifications, $798.83.
For manufacture of arms, $3.87.
For ordnance stores, ammunition, $11,625.34.
For ordnance stores and supplies, $21,911.91.
For armament of fortifications, $21,381.77.
For arming, equipping, and training the National Guard, $5,137.77.
For vocational training of soldiers, $760.
For armament of fortifications, insular possessions, $7,225.31.
For automatic rifles, $3,276.90.
For civilian assistants to engineer officers, $533.15.
For civilian military training camps, $127.94.
For claims for medical and hospital treatment rendered members of Officers' Reserve Corps, Air Service, Army, $464.
For hospital care, Canal Zone garrisons, $43.09.
For proving grounds, Army, $23,085.67.
For replacing medical supplies, $71.97.
For quartermaster supplies and services, rifle ranges, civilian instruction, $1,746.70.
For searchlights and electrical installations for seacoast defenses, $5,652.32.
For transportation, services and supplies of Oregon and Washington volunteers, $18.31.
For disposition of remains of officers, soldiers, and civil employees, $242.57.
For aviation, Navy (Navy transfer to War, act May 21, 1920), $1.47.
For construction and maintenance military and post roads, $4,827.69.
For preventing spread of moths, Bureau of Entomology (Agriculture transfer to War, act May 21, 1920), $96.93.
For Vicksburg National Military Park, $10.02.

POST OFFICE DEPARTMENT—POSTAL SERVICE

(Out of the postal revenues)

For airplane service between New York and San Francisco, $190.65.
For balances due foreign countries, $7.28.
For city delivery carriers, $349.89.
For clerks, first and second class post offices, $216.60.
For compensation to postmasters, $31.87.
For indemnities, domestic mail, $2,512.37.
For indemnities, international registered mail, $433.40.
For rent, light, and fuel, $901.16.
For shipment of supplies, $26.03.
For temporary clerk hire, $537.60.

Total, audited claims, section 3, $229,082.29, together with such additional sum due to increases in rates of exchange, as may be necessary to pay claims in the foreign currency as specified in certain of the certificates of settlement of the General Accounting Office.

The amendment was agreed to.

The reading of the bill was concluded.

The PRESIDING OFFICER. The committee amendments have been completed. The bill is still before the Senate as in Committee of the Whole and open to amendment.

Mr. PEPPER. Mr. President, I offer an amendment to the bill, which I send to the desk with the request that it be stated.

Mr. WARREN. Mr. President, I desire to explain that this is really a committee amendment which the Senator from Pennsylvania has presented and has behind it all the buttresses that it should have, offered in the manner that it is submitted.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 80, after line 14, it is proposed to insert:

NATIONAL SESQUICENTENNIAL EXPOSITION

SEC. 4. To enable the Government of the United States to make an exhibit at the Sesquicentennial Exposition, to be held in the city of Philadelphia, Pa., in the year 1926, from its executive departments, independent offices, and establishments, including personal services, cost of transportation, rent, construction of buildings, traveling expenses, and for such other purposes as may be deemed necessary by the National Sesquicentennial Exhibition Commission, to commemorate the one hundred and fiftieth anniversary of the birth of the Nation, $2,186,500, to be immediately available and to remain available until June 30, 1927, of which not more than $250,000 shall be allocated to the War Department, and not more than $350,000 to the Navy Department, of which latter sum $250,000 shall be used for making repairs and improvements at the Philadelphia Navy Yard: *Provided*, That so much of the money herein appropriated as may be allocated for the construction of buildings shall be expended by the Sesquicentennial International Exposition, upon written approval of the National Sesquicentennial Exhibition Commission, and that the residue of the moneys herein appropriated shall be expended by the National Sesquicentennial Exhibition Commission.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. BUTLER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 80, after line 14, after the amendment already agreed to, it is proposed to insert:

BOSTON SESQUICENTENNIAL CELEBRATION

SEC. 5. To enable the Government of the United States to participate in the sesquicentennial celebration of the evacuation of Boston by the British, to be held in the city of Boston, Mass., on March 17, 1926, there is hereby appointed a Federal commission, to be known as the United States Evacuation Day Sesquicentennial Commission (hereinafter referred to as the commission) and to be composed of five commissioners, as follows: One person to be appointed by the President of the United States, two Senators by the President of the Senate, and two Members of the House of Representatives by the Speaker of the House of Representatives. The commission shall serve without compensation and shall select a chairman from among their number. It is further provided that the sum of $2,500 be appropriated, to be expended by the commission for actual and necessary traveling expenses and subsistence while discharging its official duties outside the District of Columbia. It is also further provided that the sum of $10,000 be appropriated, to be utilized in the discretion of the commission for the appropriate participation on the part of the United States in said celebration.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BUTLER. Mr. President, this amendment is in the usual form and provides for the appointment of a legislative committee for the purpose of attending these ceremonies in Boston on evacuation day, March 17, 1926, the one hundred and fiftieth anniversary of that day. It also provides a small appropriation for the purpose of defraying the expenses—$2,500 for travel, and so forth, and $10,000 within the discretion of the commission, making $12,500 in all—which may all be spent or may not all be spent for that purpose.

Mr. OVERMAN. What is this? I did not catch it.

Mr. BUTLER. This evacuation-day ceremony is one which has taken place each year for a great many years. This is the one hundred and fiftieth anniversary. It was a very important historical event, and one in which the people of Massachusetts and New England and the country generally are interested. The Commonwealth makes its appropriation. The city of Boston makes its appropriation. This proposal is one in the usual form, asking the National Government to participate in this national historical occasion.

Mr. WARREN. Mr. President, may I ask the Senator whether it is expected that this is all that will be expended on the part of the Government, or shall we be taxed, as pretty much all of us have been before, for further demands?

Mr. BUTLER. I have no intention of asking for anything further, and I have no knowledge of anyone who will make any request for any further appropriation on the part of the Government.

Mr. WARREN. Of course, this whole matter is one that did not arrive in time to be considered by the committee. I will say to the Senator very frankly that our experience has been a rather sad one, because a thing of this kind comes in from some quarter, and there are 10 or 15 others following immediately afterwards, as there were last time when we commenced with one, I think, in Massachusetts—the celebration of the anniversary of the Battle of Concord and Lexington. If they would all conduct themselves as that particular one did, we would not be called upon for any great amount of money. I understand that everything concerned with that celebration was creditable and good; but we are opening a dangerous door, and it is a rather dangerous line.

If the Senator desires that we take this up now, rather than wait until we can have further consideration of the matter in some bill, I am rather disposed to let it go in, if there is no objection from any Senator, and let it go to conference; but I think I shall have to say in conference, if I support it there, that it is not expected and will not be permitted, so far as I am concerned and those who will agree with me, to go further in our appropriations for that item that we may support at the present time.

I shall not object.

Mr. OVERMAN. Mr. President, has this amendment been before any committee? Was it before the Committee on the Library?

Mr. BUTLER. No. There has been no proposal in this connection before any committee, so far as I am aware.

Mr. OVERMAN. They celebrated the Battle of Concord and Lexington last year; did they not?

Mr. BUTLER. The anniversary of the Battle of Lexington and Concord was provided for last year and a special appropriation was made.

I think, Mr. President, in answer to the suggestion which has been made by the Senator from Wyoming, that the amount of money then appropriated was not exceeded, and no other appropriation was asked for involving any other historical event in Massachusetts or elsewhere.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. BORAH. Mr. President, I offer an amendment, to be inserted on page 10, after line 7.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, after line 7, it is proposed to insert the following:

FREE PUBLIC LIBRARY

For personal services in accordance with the classification act of 1923, fiscal year 1926, $2,725.

Mr. KING. Mr. President, my recollection is that there is some provision in this bill for the library.

Mr. BORAH. This is to take care of an expense in connection with the library in Mount Pleasant. The situation is this, as I understand: They have the library building but they have not the means for opening up the portion of it where children are accommodated. It is provided for after the 1st of July, but this is to take care of that expense until the 1st of July.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, on page 30, I submit an amendment to strike out lines 15 to 20, inclusive.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 30, it is proposed to strike out lines 15 to 20, both inclusive, in the following words:

Bridge near Bloomfield, N. Mex.: To defray one-half the cost of the construction of a bridge across the San Juan River near Bloomfield, N. Mex., as authorized by the act of January 30, 1925, $6,620, reimbursable from tribal funds of the Navajo Indians, and to remain available until June 30, 1927.

Mr. WILLIAMS. Mr. President, Bloomfield is several miles east of Farmington. It is in a thinly settled area, and is some 16 miles away from the nearest boundary of the Navajo Reservation; and this sum should not be charged to the Navajo Indians. I ask that those lines be stricken out.

Mr. OVERMAN. Mr. President, is this appropriation authorized by law?

Mr. WILLIAMS. This is the law that authorizes it, as I understand.

Mr. OVERMAN. I suppose the same point of order lies in this case as in the other.

Mr. WARREN. It is, of course, a part of the House bill; but I do not feel like objecting to striking it out, so that it may go to conference.

Mr. WILLIAMS. I think I might say further, for the RECORD, that the objection to this comes from those who have in charge the affairs of the Navajo Indians, the commissioners in charge. While the Navajo Indians are in receipt of some funds which they receive from oil royalties, they are also charged with heavy expenditures due to the purchase of livestock, blooded bulls, rams, and the digging of water wells. This sum of $6,620 is not referable to any benefit that might accrue to the Navajo Indians or to their well-being in that neighborhood.

Mr. JONES of Washington. Mr. President, may I ask the Senator whether the act of January 30, 1925, provides for reimbursement or not? This is an appropriation made pursuant to an act.

Mr. WILLIAMS. True; but this is reimbursable from the Navajo funds.

Mr. JONES of Washington. Does not the act of January 30, 1925, provide that it shall be reimbursable?

Mr. WILLIAMS. The bridge has not been built.

Mr. JONES of Washington. I am asking the Senator whether the act of January 30, 1925, provides that whatever may be appropriated for the building of the bridge shall be reimbursable out of this fund?

Mr. WILLIAMS. I assume that it does. I do not know.

Mr. JONES of Washington. If it does——

Mr. OVERMAN. Then I should make the point of order. I understand that the Senator proposes to strike out the whole paragraph?

Mr. WILLIAMS. The whole paragraph.

Mr. OVERMAN. Let it go to conference.

Mr. JONES of Washington. That is all right.

Mr. WILLIAMS. That is my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, referring to the succeeding lines on the same page, lines 21 to 25, they have been stricken out, have they not?

The PRESIDING OFFICER. The Chair is advised that they have already been stricken out.

Mr. KING. Mr. President, I was out of the Chamber a moment. I want to ask the Senator in charge of the bill in regard to the item for "Air Service, Army," $1,000,000, found on page 51. Is that a deficit? What is the occasion for this? We appropriated last year $5,000,000 for this field, and my information is that no commensurate results were obtained. Hundreds of unnecessary employees consumed much of the appropriation, and the general or special results have proven most unsatisfactory.

Mr. WARREN. My information is that it will take this million dollars to complete the contracts which have already been made to carry out the legislation we have heretofore enacted and what has been done in the line of development of the Air Service. The Senator knows, as I do, that the Air Service is a somewhat new service, and it is a little difficult to get down to exactly the sums required for a specified time.

Mr. KING. I know we have wasted many millions within the last few years in our aviation experimentation. The Senator from North Carolina states sotto voce that it is $90,000,000. I will not say how much has been wasted, but Senators know our experience in aviation has been disappointing and humiliating. We have had no satisfactory air policy, and the hundreds of millions appropriated since 1918 reveal how unwise and foolish our efforts have been. The activities at McCook Field have been disappointing to the true friends of aviation. From reports made to me by persons who have visited McCook Field I am led to believe that hundreds of unnecessary employees were engaged and many officers stationed there who knew no more about aviation than they knew about the Einstein theory, and who were in no position to make any contribution to the development of aviation.

Mr. WARREN. If the Senator desires, I will read a little from the hearings in the House on this matter:

> The purpose of the appropriation of $1,000,000, for which estimate is now submitted, is to permit this project to be continued without interruption so as to complete the evacuation of the leased property at Dayton and reestablish and begin operation of the testing and experimental plant on the new site at the earliest practicable date. The need for additional funds at this time is to enable the War Department to contract for the work to be done to the best interests of the United States, take advantage of favorable weather conditions during the coming spring and summer, and also make a saving in the $67,000 annual rental on the property now being leased.

Mr. KING. Mr. President, the situation calls for drastic reforms in our aviation policy. Whether there be unified air service or some other plan it is apparent to the most superficial observer that proper attention is not being given to this subject by the Government. The War and Navy Departments are spending millions annually without giving to the country adequate returns. They are duplicating and overlapping in respect to scientific and technical experimentation and development. The purchases by each could be made by one agency. The accounts of each could be kept by one agency. Yet we are frittering away millions with this divided responsibility and this divided authority. It seems to me that if we wanted to develop aviation as we should—and it needs development—there should be greater coordination of the activities of the Army and the Navy in dealing with this vital matter. I have bills pending before the Committee on Military Affairs which I hope will receive consideration. They aim at the development of our Air Service both on land and sea.

I protest against this appropriation. If it is needed, why does it not come in the general Army appropriation bill? That will be before us in a short time.

Mr. PHIPPS. The idea of anticipating is to save $67,000 required on the ground under the lease, and also to enable the work to go ahead expeditiously during the spring and summer months. If it is allowed to go over until the regular bill shall become effective, it will not be available until July 1 next. It would save almost a year in getting the installation completed and ready for use.

Mr. KING. The Senator knows the Army appropriation bill will be before us within 10 days, and if those having charge of the bill regard this appropriation as necessary they can anticipate and provide that the amount shall be immediately available. Undoubtedly a large appropriation will be carried in the Army bill for McCook Field. We should not deal with the subject in a piecemeal fashion. But I appreciate that I am like John crying in the wilderness, that the Philistines in the Chamber will vote this appropriation and many others regardless of any showing that may be made.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ADJOURNMENT

Mr. JONES of Washington. I move that the Senate adjourn.

The motion was agreed to; and the Senate (at 5 o'clock and 50 minutes p. m.) adjourned until to-morrow, Thursday, February 18, 1926, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, *February 17, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed and everlasting Father, again we approach Thy footstool in humility and reverently ask Thy guidance for this day. So often we falter because the flesh is weak and our vision is blurred. Bear with us and give us Thy fatherly help that we may take up life anew and move forward to finer achievements. May each Member of this Congress be deeply concerned about his duty and obligation to the Republic. May Thy wisdom, O Lord, abide with the Speaker that clear understanding and high purpose may direct him as he presides over these deliberations. Keep us all this day without sin. May we realize that the greater life to come is wrought for us by the discipline of the world through which we are passing. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

SESQUICENTENNIAL CELEBRATION

Mr. WELSH. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution

153, providing for the sesquicentennial celebration at Philadelphia in 1926.

The motion was agreed to; accordingly, the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. MAPES in the chair.

The CHAIRMAN. When the committee rose on yesterday there was an amendment pending offered by the gentleman from Virginia [Mr. WOODRUM], and without objection the Clerk will again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: Page 2, line 8, after the word "the," strike out the rest of line 8 and line 9, through and including the word "respectively," and insert in lieu thereof the following: "National Sesquicentennial Exhibition Commission may."

Mr. WELSH. Mr. Chairman, we consider that as a perfecting amendment, and as far as I am concerned I am willing to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken, and the amendment was agreed to.

Mr. WOODRUM. Mr. Chairman, there is another perfecting amendment that ought to be adopted to make the section conform to the amendment just adopted.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Virginia.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: Page 26, line 16, after the word "as," strike out the words "the heads thereof may deem," and insert in lieu thereof the words "may be deemed."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. BANKHEAD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 2, line 5, strike out the figures "$1,186,500" and insert "$1,000,000"; after the word "exhibit," line 10, strike out the remainder of the line, all of line 11, and the words "as may be necessary," in line 12.

Mr. BEGG. Mr. Chairman, I want to make an inquiry. Either I have a wrong print or the Clerk did not report the amendment correctly.

Mr. BLANTON. The figures in the print I have are in line 4.

Mr. BANKHEAD. There must have been two prints of the resolution, for the copy I have in hand has the figures in line 5.

Mr. BEGG. And the figures in the copy I have are in line 4, and the last part of the gentleman's amendment is not correct either with the copy I have.

The CHAIRMAN. The amendment agrees with the copy that the Chair has and also with the copy that the Clerk has.

Mr. BLANTON. Mr. Chairman, there was much confusion when the amendment was read. Can we have it reported again?

The CHAIRMAN. For the information of the committee the Chair will say that he is informed by the parliamentarian that there is a print which transposes line 10 onto another page.

Mr. BANKHEAD. I assume, Mr. Chairman, that I am within my rights in offering the amendment in accordance with the copy the Chair has.

The CHAIRMAN. The Chair thinks the gentleman is right. There seems to be two prints of the resolution, but the only difference is line 10 on the first page of one is transferred to the second page of the other.

Mr. BEGG. In order that we may keep this straight, will the Chair have the amendment reported again?

The CHAIRMAN. Without objection, the Clerk will report the amendment again.

The Clerk again reported the amendment.

Mr. BANKHEAD. Mr. Chairman, and gentlemen of the committee, in my remarks yesterday in opposing the adoption of the rule for the consideration of the resolution, I called the attention of the House to the fact that as shown by the hearings on this joint resolution and the estimates which have been submitted, it was proposed that in the event the bill were passed and we made the appropriation of $3,000,000 or $2,000,000 for the purpose of constructing buildings for this exhibition, that those in charge of the centennial should make a charge against the Government of the United States in the sum of $187,000 for rental for the use of the buildings, which they were asking us to construct, in which to display the Government exhibits. It seems to me that that is going a little too far in an appeal, either to the justice or the generosity of this Congress. In other words, they ask out of the Treasury of the United States $2,000,000 to construct buildings in Philadelphia, and ask to send our Government exhibits over there to make the exposition a success, and then propose to charge the Government of the United States out of the Treasury and out of this appropriation the sum of $187,000 rental for the use of those buildings which we are going to construct! I do not think that ought to be done.

We do not know what is going to be the result of the action of the Committee of the Whole House on the state of the Union, in respect to section 2 of this bill. You do not know now whether you are going to make the appropriation of $2,000,000 for the purpose of constructing these buildings or not. In the event that the appropriation is made, and the Government gives this fund for the construction of these buildings, I submit to you, in all fairness, that those in charge of the exposition should not ask the Government of the United States to pay this exorbitant amount for rent for the use of those buildings that we are going to construct.

It is reasonably apparent that we are going to make the appropriation provided in section 1 of the resolution; and in the event that section 2 of the resolution should be defeated—in the event that we make no appropriation for the construction of the buildings and this amendment that I offer should be adopted in the Committee of the Whole—I am quite willing that when we get back into the House the amendment shall be voted down; that this item shall remain in the resolution; but if we waive the right to raise this question now, then it is waived forever.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. LANHAM. I am in sympathy with the views of the gentleman that if section 2 is retained in the resolution then there should be no rental charge clearly in section 1. Could we not by unanimous consent pass over the gentleman's amendment and act upon it after action is had on section 2?

Mr. BANKHEAD. I do not know how that would meet with the views of others.

Mr. LANHAM. Let me ask this question: In case this amendment is adopted and then section 2 is stricken from the resolution, what remedy will there be?

Mr. BANKHEAD. I suggest that in that event, when we get back into the House I shall raise no objection to the amendment being voted down, and I shall ask those who do me the honor to agree with me on this question to take that attitude upon it later.

Mr. WELSH. Mr. Chairman, if the gentleman will yield, I will say that if section 2 of the bill is agreed to, carrying with it the sum of $2,000,000, I shall not object to the gentleman's amendment.

Mr. BANKHEAD. But it would then be too late to offer it.

Mr. WELSH. I am not familiar enough with the parliamentary procedure.

Mr. BANKHEAD. I am, and that is the reason I take this position now.

Mr. WELSH. I will say this: I will consent to return to that section of the resolution to strike out the $186,000. We do not want both.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BANKHEAD. I think I have presented the proposition in the way that our minds may meet. I think the views represented by the amendment are the views of the committee, and the solemn assurance is given, and I am sure that it will be complied with, that when we get back into the House, in the contingency I have suggested, we will not attempt to see that the amendment set forth in the resolution is insisted upon. I ask for a vote.

Mr. BOWLING. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. BOWLING. Some one has said that there is no way of judging of the future except by the past. It comes to my mind that something once happened in the city of New York, back in the days of the old Tweed ring, a thing that a gentleman named Samuel J. Tilden had something to do with breaking up. They wanted to build a new city hall, so the historical account goes, and pending the time which it would take to build the city hall, Tweed proposed that they sell the then existing city hall on long time, without interest, to one of his henchmen, and in the meantime, while the new building would be under construction, they would rent the old one from his friend at a substantial rental.

Mr. WELSH. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration House Joint Resolution 153, providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes, and had come to no resolution thereon.

APPOINTMENT OF TEMPORARY CONFEREE

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent to address the House for two minutes for the purpose of presenting a conference matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? [After a pause.] The Chair hears none.

Mr. GREEN of Iowa. Mr. Speaker, I presume not all the House may be aware that Mr. HAWLEY, a member of the conferees of the House, has been taken sick. He was unable to serve yesterday. I saw him last night, and while his condition is very much improved and he hopes to be able to serve to-morrow, he is unable to serve with the conferees to-day. I therefore ask unanimous consent that the Speaker appoint a conferee to serve during the period that Mr. HAWLEY is unable to act.

The SPEAKER. Is there objection to the request of the gentleman?

Mr. GARRETT of Tennessee. Mr. Speaker, of course that is a request to which I do not desire to object and I shall not object. But it is a most unusual situation, however. Now, the conferees will be supposed either to sign or not to sign this conference report, and questions of much moment may be determined to-day. I do not know—the gentleman knows more about that than I—suppose when Mr. HAWLEY returns he should find himself in disagreement with the action of the conferee appointed on the conference committee as his substitute. I am thinking about the final signature to the conferees' report.

Mr. GREEN of Iowa. Well, he will not find himself in disagreement, I might say. While I can see such a matter is theoretically possible as a practical matter, I do not think there will be any difficulty about it at all.

Mr. GARRETT of Tennessee. Well, I hope my friend from Iowa understands what I have in mind. I have never known of a case where we felt the need of a conferee temporarily because the final report must be either signed or not signed by all the conferees.

Mr. GREEN of Iowa. The gentleman sees the difficulty I am in. Either the other side would have to consent to my casting a vote for Mr. HAWLEY or else I would be deprived of one vote in the conference which is a position in which the gentleman would not desire to place me.

Mr. GARNER of Texas. If the gentleman will yield I just want to say this, if I understand it properly. When we get into conference this afternoon with this conferee the chairman of the committee will ask unanimous consent that whatever final action is taken by the conferees may be subject to be reopened in case Mr. HAWLEY shall ask it to be reopened when he becomes a conferee again and in this way that will obviate the question of Mr. HAWLEY not finally passing upon the report of the conferees. I assume that program will be carried out. I am sure the conferees on the part of the Senate will agree to that. Therefore, after all the final signature of Mr. HAWLEY can be had in case he wanted to open anything decided to-day.

Mr. GREEN of Iowa. I can assure the gentleman that whoever is appointed will act in the same manner Mr. HAWLEY would act and consequently there is no difficulty about it.

Mr. GARRETT of Tennessee. If I may have a moment, I trust I made myself perfectly clear to the gentleman from Iowa and this House. I am not standing on the attitude of objecting, but simply in reference to the legality of our action.

Mr. GARNER of Texas. May I say to my leader we are just trying to obviate the situation we find ourselves in. A member of the conference committee is ill and probably will be able to go on to-morrow, yet some things are to be decided to-day and I think the chairman is just making an effort to facilitate the action of the conferees on the differences between the two Houses.

The SPEAKER. May the Chair suggest that it might be wise for the gentleman from Iowa to add to the request that Mr. HAWLEY be temporarily excused from service.

Mr. GREEN of Iowa. Mr. Speaker, I add that to my request.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? [After a pause.] The Chair hears none. The Chair appoints to serve temporarily upon the conference committee the gentleman from New Jersey, Mr. BACHARACH.

Mr. TILSON. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. The gentleman from Connecticut asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. TILSON. Mr. Speaker, I take great pleasure in calling to the attention of the House the fact that to-day is the twentieth anniversary of a very notable and happy event in the life of our distinguished Speaker. This is the twentieth anniversary of his wedding. [Applause.] I am sure that all the Members of the House join with me in extending congratulations and felicitations to our beloved Speaker, to Mrs Longworth, and to Paulina. [Applause.]

SESQUICENTENNIAL CELEBRATION

Mr. WELSH. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 153, providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 153, with Mr. MAPES in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 153, which the Clerk will report by title.

The Clerk read the title of the resolution.

Mr. BLANTON. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Alabama.

The CHAIRMAN. When the committee rose there was pending an amendment offered by the gentleman from Alabama [Mr. BANKHEAD]. The gentleman from Texas offers a substitute for that amendment.

Mr. BLANTON. On page 2, line 5, strike out "$1,186,500" and insert in lieu thereof "$586,500."

Mr. BANKHEAD. Mr. Chairman, I make the point of order that that is not a substitute for my amendment. If it only covered the question of the figures which the gentleman seeks to change it probably would be but my amendment included other matter.

The CHAIRMAN. The Clerk has not yet reported the substitute. The Clerk will report the substitute offered by the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. BLANTON as a substitute for the amendment offered by Mr. BANKHEAD: "On page 2, line 5, strike out the figures '$1,186,500' and insert in lieu thereof the figures '$586,500.'"

Mr. BLANTON. That is a substitute pure and simple, Mr. Chairman.

The CHAIRMAN. The amendment offered by the gentleman from Alabama included other matter and if the gentleman from Texas will simply move to amend the amendment of the gentleman from Alabama it would accomplish the same purpose and avoid any parliamentary difficulty.

Mr. WELSH. Mr. Chairman, I ask unanimous consent to pass section 1 until we have decided what we are going to do with section 2. Then we can approach this section more intelligently.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that section 1 be passed until after consideration and disposition of section 2 of the bill. Is there objection?

Mr. BLANTON. I object, Mr. Chairman, for the time being and I ask recognition on my amendment.

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. BLANTON. Mr. Chairman, I am one of those who wants to give what should be given for this exposition. The amendment which I offer——

Mr. BANKHEAD. Mr. Chairman, I had a point of order pending against the substitute offered by the gentleman from Texas, and I did not understand the Chair had ruled on my point of order.

Mr. BLANTON. Mr. Chairman, I would like to be heard on that if the Chair has any doubt about it.

The CHAIRMAN. The Chair suggests to the gentleman from Texas that he offer his amendment as an amendment to the amendment offered by the gentleman from Alabama.

Mr. BLANTON. Then, Mr. Chairman, let my amendment be to the amendment offered by the gentleman from Alabama, striking out "$1,000,000" and inserting in lieu thereof "$586,500."

The CHAIRMAN. The gentleman from Texas offers an amendment to the amendment offered by the gentleman from Alabama, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON to the amendment offered by Mr. BANKHEAD: "Strike out the figures '$1,000,000' and insert in lieu thereof the figures '$586,500.'"

Mr. BLANTON. Mr. Chairman, resuming where I left off, the Secretary of Commerce, Mr. Herbert Hoover, gives us an estimate, found in the committee's minority report, of the Government's needed contribution to this exposition, which includes $72,000 for the Treasury Department, giving $12,000 to the health exhibit, $50,000 to the Coast Guard exhibit, and $10,000 to the Bureau of Engraving and Printing. Then he gives $5,000 to the Post Office Department; $100,000 to the Department of Agriculture; $50,000 to the Department of Commerce; $11,500 to the Department of Labor; $50,000 to the Department of the Interior; $50,000 to the Smithsonian Institution; $500 to the Shipping Board; and $10,000 to the Department of State, which makes $349,000. Then he adds $237,500 for administrative expenses in connection with sending those exhibits there, exhibiting same, and bringing them back, making Secretary Hoover's total recommendation amount to the sum of $586,500. That is what I am proposing in my amendment to give, and that is all we ought to give, and we ought to strike out the remaining $500,000 in section 1 and the $3,000,000 in section 2.

I called your attention yesterday to what there is in this bill besides patriotism; what is going on there right now in Philadelphia in regard to concessions, and my friend from Philadelphia [Mr. VARE] jumped up and tried to intimate that the concessions were handled by three certain individuals, and therefore we could expect that they would be properly administered. Our friend [Mr. VARE] was in an awful predicament. The press this morning publicly announced that he left last night for a sojourn in Florida. But he had to stay here on the floor yesterday to get this rule started and to get this $4,186,000 started out of the Treasury so he could leave here.

Mr. BEGG. Will the gentleman yield?

Mr. BLANTON. And he did two things before he left. I can not yield, thank you.

Mr. WINGO. Mr. Chairman, I make a point of order against the gentleman's argument, especially in the absence of the gentleman from Pennsylvania [Mr. VARE]. I do not agree with the gentleman from Pennsylvania [Mr. VARE] on this matter, but this is not legitimate argument on the bill—talking about the gentleman's personal affairs. [Applause.]

The CHAIRMAN. The gentleman from Texas will keep within the rules.

Mr. WINGO. If the gentleman from Pennsylvania [Mr. VARE] were present so he could answer for himself, I should not object; but I hope the gentleman from Texas will not go into the social and family affairs of any Member, who certainly has a right to do as he pleases on a matter of that kind.

Mr. BLANTON. I will state to my friend the gentleman from Arkansas [Mr. WINGO] that, so far as these personal references are concerned, I never put them in. I was just giving my colleague the information.

Mr. WINGO. If that be true, I object to the waste of the time of the House. [Laughter and applause.]

Mr. BLANTON. Then, Mr. Chairman, I will stand on my rights.

Mr. WINGO. I insist, then, on my point of order, Mr. Chairman, that the gentleman's argument is not germane, either to his amendment or to the bill, nor is it for the good of the order. [Laughter and applause.]

Mr. BLANTON. There is always certain latitude allowed in argument, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas will proceed in order.

Mr. BLANTON. I will call attention to another thing that is a matter of record here in the House. Is there any prohibition question connected with this exhibition and this exposition? My friend from Pennsylvania [Mr. VARE] stayed here long enough yesterday to offer another resolution. It is known as H. R. 9394, introduced by Mr. VARE in this House yesterday, to amend the national prohibition act. The gentleman wants to amend that act all the way through to let people in the Nation, and especially in Philadelphia, drink whatever they want, up to the point, as he says, where "it is not intoxicating in fact." In other words, he wants to strike out the provisions with reference to alcoholic content so as to permit all such liquid drinks as "are not intoxicating in fact." You know what that means. No drunken man ever admits that he is drunk. It does away with the prohibition laws of the country.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WELSH. Mr. Chairman, I renew my request for unanimous consent to pass section 1 until we have decided what we shall do with respect to section 2. I think we can expedite the business of the committee in that way.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that the further consideration of section 1 be postponed until after the consideration and disposition of section 2. Is there objection?

Mr. BANKHEAD. Reserving the right to object, Mr. Chairman, if this unanimous consent is granted, then the order of business when we returned to section 1 will be the pendency of my amendment.

The CHAIRMAN. Unquestionably.

Mr. EDWARDS. Further reserving the right to object, just what is proposed to be done with section 2?

Mr. WELSH. I understand there is going to be a motion made to strike out the entire section.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 2. That for the purpose of further participation by the Government of the United States in such exhibition, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the further sum of $3,000,000; such sum to be expended by the Sesquicentennial International Exposition, upon the written approval of the National Sesquicentennial Exhibition Commission, exclusively for the construction of four or more buildings for exhibition purposes in connection with such sesquicentennial exhibition.

Mr. WELSH. Mr. Chairman, I have an amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WELSH: Page 3, line 7, strike out the figures "$3,000,000" and insert in lieu thereof the figures "$2,000,000."

Mr. WOODRUM. Mr. Chairman, I have an amendment which I want to offer as a substitute, which I send to the Clerk's desk.

The CHAIRMAN. The amendment of the gentleman from Pennsylvania is a perfecting amendment, and therefore the amendment of the gentleman from Virginia would come later.

Mr. WOODRUM. I ask, Mr. Chairman, that the amendment which I have sent to the desk may be read for the information of the committee.

The CHAIRMAN. If the gentleman from Pennsylvania will yield the floor for that purpose?

Mr. WELSH. Yes; Mr. Chairman, I yield the floor for that purpose, so that the committee may know what is to be before them.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the amendment which he has sent to the desk may be read for the information of the committee. Is there objection?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: On page 3, line 3, strike out section 2 of the resolution.

Mr. WELSH. Mr. Chairman and members of the committee, as this bill originally passed your committee it contained the figures $3,000,000, as now appears in the printed copy of the bill. After those figures were agreed upon by the committee certain considerations were given to the bill and certain conferences were had which led us to believe that all interests would be best served and better served by reducing the amount from $3,000,000 to $2,000,000.

It is a significant fact that your committee in considering the various items that they saw fit to recommend reduced the Government estimates very materially and cut off over $1,000,000 from the estimates of the various bureaus and departments. They did not, however, cut down the amount that was offered and requested by the Sesquicentennial International Exposition, because from the representations of the members of that

committee who appeared before your committee it was shown that they need absolutely $3,000,000, and your committee felt the money would be well spent if spent along the lines indicated by those witnesses. We believed after these conferences I refer to we could not get $3,000,000, but we had reason to believe we could get $2,000,000, and for that reason the committee authorized the amendment I have proposed.

This $2,000,000 is for four buildings—fine arts, education, livestock and dairy, and transportation.

If this is accepted I am going to ask the committee not to press further the other amendment, which is to strike out the words "four or more buildings," because, as a Member of the Congress and as a member of the committee, I feel we ought to be guaranteed by the Sesquicentennial International Commission that the $2,000,000 we are advocating will be spent for these four buildings, even if they have to cut down the size of them one-third.

Mr. MORTON D. HULL. How long will it take to construct these buildings?

Mr. WELSH. From 60 to 90 days. That question was raised in the committee and has been discussed in Philadelphia. I do not wonder that gentlemen ask, for a great many felt that it could not be done. But all the preliminary work is completed; the preliminary estimates and the grading has been done. The exhibits that will go into the building will be forthcoming as soon as the expenditure is authorized. The construction is to be the temporary type of buildings; it is a steel frame with stucco and only one story in height, about 40 feet. This type can be erected under a penal bond guaranteeing that it will be constructed in 60 to 90 days. The company giving the guarantee is the Austin Co., known throughout the country. It is not a local concern. They have never failed on a contract they have made. If I did not think the money would be so used, I would not advocate it. But to make doubly sure that the Government is not buying a pig in a poke, we have a provision that the money can not be expended until approved by Secretary Kellogg and Secretary Hoover.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MORTON D. HULL. I ask unanimous consent that the gentleman be given three minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MORTON D. HULL. Let me ask the gentleman: Are the plans all made?

Mr. WELSH. They do not require detail plans, because the building only consists of one story, with no partitions; it is an outside structure.

Mr. MORTON D. HULL. But they have to have plans and specifications, and they really ought to have bids upon it and not give it to one firm.

Mr. WELSH. Let me say to the gentleman and to the House that there can be no bids on this contract in this case, because time will not permit it, and time is the essence of the contract here. It is an impossible thing to do.

Mr. VESTAL. Will the gentleman state whether or not the constructing organization is there in Philadelphia now prepared with the men to go on with the work?

Mr. WELSH. The whole equipment is there, and within 24 hours after the President approves this resolution, if he does approve it, the work will begin.

Mr. SCHAFER. Will the gentleman yield?

Mr. WELSH. Yes.

Mr. SCHAFER. The gentleman says they are going to construct the building without competitive bids?

Mr. WELSH. Yes.

Mr. SCHAFER. And you are going to say to this company "You may have the work at your own figure."

Mr. WELSH. They will build this building at so much per cubic foot. The whole question was taken up as to the price, and the contract was awarded to the Austin Co., but whether or not by competitive bid I can not say. The price is so much per foot as all buildings of that character are constructed.

Mr. SCHAFER. If they made a price of so much per foot, would it prevent another company from making a less price per foot?

Mr. WELSH. What is the sense of taking up the time of the House with all these details when every man in the House knows that these buildings can be constructed in from 60 to 90 days.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. BEEDY. I ask unanimous consent that the gentleman have two minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BEEDY. If the gentleman feels sure that these buildings will be completed the 1st of June let me ask the gentleman if he will consent to a saving clause providing that this appropriation, whatever it may be, shall not become effective unless the buildings are completed by the 1st of June?

Mr. WELSH. I do not think that would be practicable for the reason that there might be 2, 5, or 15 days——

Mr. BEEDY. Well, say the 1st of July.

Mr. WELSH. That is taken care of by a clause in the contract providing a penal sum for nonperformance. This is a gigantic proposition. Those in charge of the matter, confronted with the necessity of opening on time, will insist that the question of time be considered as of paramount importance and a penal sum will be required.

Mr. UPSHAW. Will the gentleman yield?

Mr. WELSH. Yes.

Mr. UPSHAW. Does not the gentleman think that this House ought to agree considering the clear-headed men, the Secretary of State, and the Secretary of Commerce, and the high character of these men who are to pass upon this matter that we ought to accept it without modification, and if not that they would be considered as inadequate to fill a position in the President's Cabinet?

Mr. WELSH. I think the reputation of these men are at stake.

Mr. BEGG. Mr. Chairman, I offer a substitute amendment to that of the gentleman from Virginia.

The Clerk read as follows:

Amendment offered by Mr. BEGG:

Page 3, line 7, strike out the figures "$2,000,000," and insert in lieu thereof the figures "$1,000,000."

Mr. BEGG. Mr. Chairman, I do not believe that it will require much time to state my position on this proposition. The United States Congress did authorize this sesquicentennial. The United States has been sponsor for invitations to other Governments. The United States Government must of necessity make a demonstration or exhibition of her own, if we expect other Governments to come and do likewise. To appropriate $1,000,000 or $1,186,500 for the purpose of making the demonstration of any kind and having no place in which to put it, seems to me foolish. On the other hand, I am not in sympathy with either the $3,000,000 or $2,000,000. Personally, I think we should give this exhibition commission $1,000,000 for the purpose of buildings, and that ought to be an adequate contribution from the Federal Government. The people interested in Philadelphia can pay the rest.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BEGG. Yes.

Mr. MOORE of Virginia. Suppose the gentleman's amendment be adopted, would he be willing to have written into the resolution as the declared policy of the Congress, so far as this Congress can declare a policy, that no deficit which may accrue shall be covered by any future appropriation in this body?

Mr. BEGG. Absolutely. I would be inclined to, and I would oppose paying a deficit.

Mr. MOORE of Virginia. I ask the question for this reason. Looking back I find that it has been quite commonly the case when these appropriations have been made for exhibition purposes for the money to run short, and then the application has been made and successfully made to Congress for further appropriations to make up the deficit.

Mr. BEGG. There is no question about that.

Mr. WELSH. Mr. Chairman, if the gentleman from Ohio will permit, that matter was fully discussed in the committee, and the unanimous thought was that no one member of the committee would introduce a bill to cover any deficit, and not one member of the committee would vote for any bill introduced by any other member to cover a deficit.

Mr. EDWARDS. Mr. Chairman, will the gentleman yield?

Mr. BEGG. Yes.

Mr. EDWARDS. Is the million dollars that is proposed in section 2, according to the gentleman's amendment, in addition to the $1,186,500 provided for in section 1?

Mr. BEGG. Yes. That would $2,186,500. I think the humiliation to the United States would be more expensive than a couple of million dollars. Why the Sesquicentennial Commission has permitted the circumstances to get as they are I do not know. I do not know who is to blame that there are

only three months in which to get ready, but let that be as it is, that does not exonerate the United States Government from making a decent show. We go to the South American countries and this year we will go over to Seville, Spain, and can any American citizen go over there and not hang his head in shame if we permit those other countries to come here and at the same time do nothing ourselves? That is the position in which I find myself. If I am forced to vote upon the proposition of $3,186,500, I shall vote no; and the blame is laid on the commission for its negligence in being so late and trying to pull off in three months something that ought to have taken 15 months. I believe that $1,000,000 can be expended and expended wisely for buildings.

Mr. LANHAM. Mr. Chairman, I have listened with considerable interest to the remarks of the gentleman from Ohio [Mr. BEGG]. Personally my feelings with reference to section 2 are that the entire section should be eliminated. The reason that I have listened with particular and peculiar interest to the statements of the gentleman from Ohio is because it has been my good fortune to serve on the Committee on Industrial Arts and Expositions since the very beginning of the connection of the Congress with the Sesquicentennial Exposition at Philadelphia. I want to recite just a little of its history.

When this matter came before us originally for a national recognition of this exhibition a resolution based on the decision of the committee, after long hearings, stipulated that the exposition should be held in what was known as the Fairmount Park site. At that time there were two delegations from Philadelphia before us. I think I may even denominate them a two factions, one contending for one site and one contending for another. The charge was made that the contention for one of these sites was predicated upon personal financial interests and the commercial development of property belonging to individuals. After a long hearing the committee decided to nominate the Fairmount Park site in the resolution, with such lands contiguous thereto, to be used if necessary, as belonged to the city and could be acquired for site purposes without cost to the city of Philadelphia or to the Government. We passed that resolution in the House with assurances being given to members of that committee in two particulars; in the first place, that the selection of the Fairmount Park could involve in no way even the semblance of the exploitation of personal property, and the additional assurance, secondly, that there would be no further call upon the Congress of the United States for a donation or contribution to the exposition if held upon the Fairmount Park site.

Upon the expiration of that session of Congress I visited the city of Philadelphia and was very kindly and courteously shown over the exposition site for the sesquicentennial celebration—the Fairmount Park site, which was specified in the resolution as passed. There I was shown a magnificent structure in the process of construction, being built by the city of Philadelphia at a cost of several million dollars, and this was to be a part of the exposition for exhibition purposes through the courtesy of the city of Philadelphia. The site that I was shown, the site that we selected, is not the site upon which this exposition is now to be held. The site upon which the exposition is to be held is the one about which there then seemed to be a contention among the people of Philadelphia with reference to whether or not it was all absolutely open and above board and free from any imputation of visions of personal profit. In some way or other they have switched over to that site. We were not asked, and we were assured that we should not be required to give any appropriation for the original site, which was free from such suspicion, but now the site has been changed, and we are asked to grant an appropriation for the site which, according to one of the delegations from Philadelphia, bore this suspicion.

We have had varying personnel in the delegations that have come down from Philadelphia about this Sesquicentennial Exposition.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LANHAM. I ask for two additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LANHAM. Those who appear before us now are not those who appeared before us when this matter was in its very incipiency, and the gentleman now in control of the exposition affairs has been in control but about two months. A short time ago the director general, the same gentleman who was appointed to represent us in our participation in the exposition a year or so ago in Brazil, and who also had charge of the San Diego exposition held on the Pacific coast, and who had been selected to carry on the work of this Sesquicentennial Exposition, resigned. There has never been any publicity given to the motives that prompted him to resign. There is the inference, perhaps, that he thought this Sesquicentennial Exposition was not to be in keeping with the dignity of the expositions with which his name had been formerly attached; but whatever may be the cause this is the situation.

Mr. HOLADAY. Will the gentleman yield?

Mr. LANHAM. I will.

Mr. HOLADAY. Who owns the property upon which the exposition will be held?

Mr. LANHAM. I will say to the gentleman I do not know, because it is not the property upon which the action of the American Congress was predicated, and naturally it was concerning that site that we made our investigation.

Mr. WELSH. I can answer the question. I will say that the property is owned by private individuals. It has never been bought. It is the express purpose of the owners of the property that the exposition have the use and occupancy for two years, during which time the buildings must be constructed and removed, and during that time the property shall be exempt from State and municipal taxation.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LANHAM. I ask for two additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HOLADAY. Will the gentleman yield?

Mr. LANHAM. For a brief question.

Mr. HOLADAY. I understand excessive grading and filling is being done on this site. Does the gentleman know whether or not any account will be taken of the value of those operations when it is turned back to the private owners?

Mr. LANHAM. I do not.

Mr. WELSH. Will the gentleman yield?

Mr. LANHAM. I have but a moment.

Mr. WELSH. I will extend the gentleman's time.

Mr. LANHAM. I do not know, because the action of the Congress was predicated upon another site. When I went to Philadelphia I was shown another site, and this was entirely outside the contemplation of the committee as the matter was presented to us and as we acted upon it in the beginning. Now, gentlemen, I say the fact that we have had different delegations with a constant change of personnel and factional difficulties in the city of Philadelphia, and the further fact that it seems from some of the papers and letters from citizens over there that some suspicion still attaches to the project, from the fact that the director general has resigned and the site has been changed and no enlightening explanations made, there must still be something of an unsavory odor in Denmark. The assumption is, if they had retained the Fairmount Park site, they would not now be asking for a single penny. Why should we now appropriate out of the Federal Treasury for temporary buildings money belonging to the people to adorn a site that was under suspicion there by the citizens of Philadelphia themselves. I do not know how or why the change of site was made. Those who appeared originally before the committee have never appeared again, and in some way the congressional will has been thwarted. I am for the motion to cut down the amount, and I am for the amendment to strike out the entire paragraph, though I am quite in sympathy with a proper participation in the way of governmental exhibits.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. EDWARDS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. EDWARDS: Page 3, strike out all of section 2 on page 3.

The CHAIRMAN. An amendment is not in order at this time. The gentleman from Virginia has sent up for the information of the committee——

Mr. EDWARDS. I withdraw it.

Mr. WINGO. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I do not want my position misunderstood. I am perfectly willing, in spite of the bad faith in reference to the site, and in spite of some fears I have that the fears of the citizens of Philadelphia which were expressed to me at the time we investigated the original proposition will be realized; I say, in spite of that I am going to keep faith and carry out what was the original agreement even if those who entered into that agreement will not keep their part of it, and that is to have a proper exhibit. The gentleman from Ohio is right that we ought to have an exhibit over there, and I am going to vote for one; but I am not going to vote for one single

dollar for subsidy. You might cut down the item from $3,000,000 to $1, and I would not vote for it, and I want to repeat why.

The gentleman from Texas his given you the history. The very men who to-day have charge of that exposition are the men whom the citizens of Philadelphia warned us against when we went over there. They said they did not want the exposition if those gentlemen were to control it and if their property was to be enhanced by the benefit that would come from holding the exposition at the site where it is now proposed to hold it.

Why, gentlemen, let us recount the history a little bit more. When they first came here to see us about it I know that the gentleman from Indiana, Mr. Bland, and myself took it up with representative men on both sides of the House, and we were both told that Congress was sick and tired of subsidizing expositions and that they did not want our committee to go over there; they did not want us to accept their invitation to go over there and hear them on the matter. We reported that to these gentlemen, and finally, upon the assurance that they were willing to give us the solemn assurance that we would not be asked for anything but an exhibit, we then agreed to go as a personal matter and not as an official matter. We went over there for the purpose of looking into it; and the citizens of Philadelphia, when we went over there, were not only willing to confirm the assurance that had been given us by the representatives who came down here, that they would ask for nothing but an exhibit, but they took us and showed us Fairmount Park; they showed us the contiguous territory, and they insisted that if we would make Fairmount Park the site that Philadelphia and the State of Pennsylvania would raise something over $20,000,000; I do not remember the exact figures, but I have the impression it was $23,000,000, and I know it was over $20,000,000. We were impressed with the good faith, high character, and representative standing of the gentlemen who appeared before us over there.

With their assurance we came back here and we got this House to pass a resolution authorizing the President to invite foreign nations to participate. They said, "We have got to have that or we can not really make it an international exposition. Just give us the stamp of governmental approval; just let the President invite foreign nations to participate; then just make a Government exhibit and Pennsylvania and Philadelphia will take care of the paltry few millions that are necessary to build the buildings and provide for this exposition."

Gentlemen, just as sure as you appropriate one dollar under section 2 you will have a deficit of millions to cover, and the argument made by the gentleman from Ohio will be repeated in the next Congress, urging us to save our faces and the good faith and honor of the Government by making up a deficit of millions more.

I say let us keep faith with all we promised to do by giving them a reasonable sum for exhibits, and then say to them, "You propose to hold this exposition and erect these buildings upon a site not authorized by law; you propose to violate the law, but in violating the law spend your own money, and do not draw upon the Federal Treasury in violation of your solemn pledge." [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. SCHAFER. Mr. Chairman, I move to strike out the last two words for the purpose of obtaining some information. I would like the attention of the chairman who has charge of this bill. In how many days did the gentleman say these proposed buildings could be completed?

Mr. WELSH. I will read from page 61 of the record, in answer to the gentleman's inquiry. This letter is dated Philadelphia, February 1, 1926:

SESQUICENTENNIAL EXHIBITION ASSOCIATION.

GENTLEMEN: Relative to the completion dates of various buildings, about which you have asked us, beg to advise as follows:

Palace of Agriculture, which we now have under construction, will be ready for useful occupancy February 15, subject to decision as to type of floor.

For the other buildings which you have asked about, based on being able to start the work February 15, we estimate time of completion as follows:

Palace of Fine Arts, May 1, 1926.

Education Building, May 15, 1926.

Transportation Building, June 15, 1926.

The Livestock Building, including the Coliseum, is an unknown quantity at the present time, but from the sketchy information we have I am quite sure these can be completely built in three or four months from the date they are started.

Mr. SCHAFER. The gentleman does not have any knowledge of any other construction company beside the Austin Co. that had an opportunity to submit a bid for the construction of these buildings?

Mr. WELSH. I have no knowledge of anything of that kind. I will say to the gentleman that I have no connection, directly or indirectly, with any sesquicentennial activities. I am speaking here as a Member of Congress who happens to come from the city of Philadelphia and who knows the atmosphere of the people on this subject and is willing to give any information he can.

Mr. SCHAFER. If this appropriation of $2,000,000 is passed by this Congress, then the construction would be done by the Austin Co., would it not?

Mr. WELSH. I presume so. I do not know of any other company having appliances and equipment already on the ground for doing the work.

Mr. SCHAFER. And the gentleman believes, on account of the short time, it would be impossible to advertise for bids and receive bids?

Mr. WELSH. I do.

Mr. BEEDY. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. BEEDY. May I ask the gentleman from Pennsylvania whether he knows if there has been any contract or any arrangement made between the owners of this land and the commission with reference to the removal of the buildings that are being built there?

Mr. WELSH. No: I know of no arrangement of that kind except this: One of the witnesses was asked about the question of salaries and a certain item was put in—just exactly how many thousands of dollars it was I do not know, but some member of the committee may know—as the amount of money that would be necessary to raze the buildings and remove the structures that may be put there. Of course, it is not intended that they shall remain there for the benefit of the landowners.

Mr. SCHAFER. Mr. Chairman, gentlewomen, and gentlemen: I have information now which absolutely justifies my opposition to this piece of legislation. Is the American Congress going to appropriate $2,000,000 of the people's money for the construction of buildings without competitive bidding, and where one company, the Austin Co., is to perform the work under a contract of approximately $2,000,000?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. SCHAFER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. SCHAFER. I will, in casting this vote, put my approval on the principle of economy and conservation of the people's money. I do not see how the President of the United States, who talks economy, can approve of this expenditure of $2,000,000 of the people's money under a cut-and-dried proposition where one company receives the contract and all other companies are precluded from submitting bids.

Mr. WELSH. If the gentleman will permit, I would like to answer his question.

Mr. SCHAFER. I yield to the gentleman.

Mr. WELSH. In answer to the gentleman's principal inquiry I will say that the buildings which will be erected with the money that may be voted for that purpose by this Congress will be paid for at the same rate per cubic foot as has been paid for every other building erected up to date. There will be no advance made in the price per cubic foot. Is that what is in the gentleman's mind? If it is not, I would like to clear it up for him.

Mr. SCHAFER. My mind is perfectly clear. I thank the gentleman. I will say this: I have seen the effect where public bids were not advertised for and the Alien Property Custodian sold at private sales real estate belonging to aliens, for which aliens we were acting in the capacity of custodians.

In a very few days I will present to this House evidence from the public records in Milwaukee showing that the private sales were not advantageous to the alien and the property sold for far less than the assessed valuation and the market value. If competitive bids had been required on this alien property, it would have sold for a great deal more than it did at private sale. Anyone knows that in the letting of contracts competitive bidding materially reduces the expenditure of public money.

I recollect that last Saturday the House of Representatives would not increase the appropriation a few thousand dollars

for food for the disabled veterans at the national home in Wisconsin. This sesquicentennial exposition was not thought of only in the last few months. The activities for the exposition have been conducted for many months. Nevertheless the advocates of this $2,000,000 appropriation wave the Declaration of Independence and the American flag in their mad endeavor to stampede Congress into raiding the Federal Treasury and spend $2,000,000 for the construction of certain of the exposition buildings. They even go so far as to admit that the construction work under this large contract must be done by the Austin Co. without competitive bid, because the Austin Co. is the only company with equipment on the site who can complete the work because of the short time.

Mr. ARENTZ. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. ARENTZ. Surely the gentleman has heard of contracting companies of standing whose bid, and not only whose bid but whose work, would be accepted by the largest railroads in the United States, because they know how to do the work and would do the work expeditiously. The Austin Co. is well known.

I have no connection with any construction company, but the Austin Co. is well known as being a company that completes work that they start, and they are well known as a company that always completes its work within the specified time. It is known how much per cubic foot a certain kind of building can be erected for and these buildings are of that type. The contract will be let for so much per cubic foot and they will be constructed within a certain limit of time, and there is no graft or any suspicion of graft in connection with the people who are going to have the spending of this money.

Mr. SCHAFER. In reply to the gentleman, so long as the question of railroad corporations has been brought up, I will state that during the period of Government control of the railroads during the war—Government control of private-owned railroads is not Government ownership and operation of the railroads—the railroad companies let contracts to various supply companies and to others without competitive bidding, and in a great many instances those in control of the railroad corporation had control of the companies to whom the contracts were let, and many contracts, of course, were let without competition.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

[Mr. SCHAFER asked and was given permission to revise and extend his remarks in the RECORD].

Mr. BUTLER. Mr. Chairman, we all realize we are here very late. This show ought to be postponed if it is to be defeated because there is any doubt in your minds about ability to construct these buildings. I never saw a building constructed. I do not know a constructor. This show is not in my district, and I do not expect to attend it, and I do not know where it is to be located; but, nevertheless, we authorized this thing to be done, and now do not let us demean ourselves by declining to take a proper part in it.

I would like to ask my friend from Arkansas a question or two, because the statement he made was very impressive to me. I hope the gentleman has not gone.

Mr. RATHBONE. Ask the questions, anyway.

Mr. BUTLER. No; I have high regard for the gentleman from Arkansas, and on account of his statement I would like to ask him one or two questions, but in his absence I will ask my colleague, the gentleman from Pennsylvania, who are these two gentlemen who came here and made this promise to Mr. WINGO and his associates that they would not ask for a dollar of money for this show?

Mr. WELSH. I do not know.

Mr. BUTLER. Mr. WINGO tells the truth when he says it—who are they?

Mr. WELSH. I do not know who they are or what authority they had for making such a statement. The gentlemen to whom the gentleman from Arkansas referred have not been patriotic enough and interested enough to make a contribution from their own pockets.

Mr. BUTLER. I want to say to my friend, do not let us go into that. He is a man of the very highest character. He made a statement that impresses me, and I would like to know were these men in authority who made the pledge to these gentlemen that no money would be asked.

Mr. WELSH. Not to my knowledge, I will say to the gentleman from Pennsylvania.

Mr. WOODRUM. The gentleman has asked for information as to who appeared before the Industrial Arts and Expositions Committee on behalf of Philadelphia and stated they would not ask for any money.

Mr. RATHBONE. When was that?

Mr. BUTLER. In the Sixty-seventh Congress.

Mr. WOODRUM. I wish to call the gentleman's attention to the debate on Joint Resolution 170 when it was before the Congress and the statement of the gentleman from Indiana, who was the patron of the bill. He made this statement, and I read from the RECORD:

> In the hearings on this bill it was definitely understood that this resolution should not obligate the Committee on Industrial Arts and Expositions or the Congress to stand for any appropriation at all in the future.

Mr. RATHBONE. Who was that gentleman?

Mr. WOODRUM. Former Representative Bland, of Indiana, who was the patron of the bill, made that statement to the House. Mr. Bland was chairman of the Industrial Arts and Expositions Committee and gave to the Congress his assurance that assurance had been given to the committee that no request would be made upon the American Congress for an appropriation.

Mr. BUTLER. I am much obliged to my friend from Virginia for his statement. That is the information I intended to ask the gentleman from Arkansas [Mr. WINGO] to give. I do not recall that that statement was made in the House, but there is the RECORD against me. That is the CONGRESSIONAL RECORD the gentleman is reading from?

Mr. WOODRUM. Yes.

Mr. BUTLER. I had always thought we could not hold an exposition of this kind over there without the assistance of the Government; and the Government having authorized it, I have always thought it would be expected to contribute. Who are these gentlemen who came here and made such a pledge as that?

Mr. DARROW. Will the gentleman yield?

Mr. BUTLER. Yes.

Mr. DARROW. As the one who introduced the original resolution——

Mr. BUTLER. You ought to know about it.

Mr. DARROW. I made this statement on the floor:

> We do not ask for money now, but the time will come when Congress will be glad to avail itself of this great opportunity and make a liberal appropriation.

[Applause.]

Mr. BUTLER. Now, Mr. Chairman, I would like to ask my colleague from Pennsylvania a question so that we may understand the situation. Is the gentleman authorized to speak for the management in Philadelphia?

Mr. WELSH. No; I am not.

Mr. BUTLER. Because you know and I know, my friend, that there is some confusion there over what is called an agricultural exhibit; that there have been asked $5 a square foot for the exhibit of agricultural products in these buildings. I represent an agricultural community, although I am not authorized to speak for it here. I do know that that is wrong. I further know that unless the Government helps out there will be no chance for agriculture. I represent the fourth county in the United States for agricultural and dairy products.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BUTLER. I ask for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BUTLER. I had intended to offer an amendment that these buildings, if authorized, shall be devoted to agricultural exhibits. What is the gentleman's opinion on that?

Mr. WELSH. I will say that we have a large agricultural building there now, but I think what is on the gentleman's mind is what provision is going to be made for the exhibit of dairy products and livestock. Unless we get some aid from the Government to do that we can not guarantee anything. If the $2,000,000 is voted, it is to be understood, and you can write it in the bill, that there shall be such a building. If I thought for a moment that there would not be the four buildings erected, I would not ask for a dollar of it.

Mr. BUTLER. Yes; the gentleman knows it and I know it, but does the dog know it? [Laughter.] Is the gentleman willing to accept an amendment that one of these buildings shall be devoted to agriculture?

Mr. WELSH. Yes.

Mr. CELLER. Mr. Chairman, I do not wish to take up the time now, but I ask unanimous consent to extend my remarks in the RECORD on this bill.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. CELLER. Mr. Chairman, one of the stories that Thomas Jefferson repeated at Monticello was the one on Jefferson's boyhood chum, Ben Harrison. While a Member of the Continental Congress at Philadelphia, Ben Harrison was joined by a friend as he left the Congressional Hall. He took him for a bumper to a place where supplies were furnished Members of Congress. They called for two glasses of brandy and water. The man in charge replied liquors were not included in supplies furnished Congressmen. Ben Harrison said, "Why not? What are those New England Members drinking over there?" The answer was, "Molasses and water, which they charge to stationery." Harrison rejoined, "Very well; give us brandy and water and charge it to fuel."

I am in favor of H. J. Res. 153 providing for the participation by the Government of the United States in the Sesquicentennial Exposition commemorating the signing of the Declaration of Independence, at Philadelphia, July, 1926.

The resolution authorizes an expenditure of $1,186,500 for the purpose of participation by our Government through its bureaus and departments. The bill further authorizes the appropriation of $3,000,000 for the construction of exposition buildings upon the written approval of the National Sesquicentenial Commission, which commission was formed by a resolution adopted in the Sixty-eighth Congress. Two Presidents of the United States have authorized this commemoration of the signing of the Declaration of Independence, the authorization of which has been ascribed to Thomas Jefferson. Philadelphia, wherein was written and signed the Declaration of Independence and wherein the Constitution of the United States was framed, claims the honor of being the birthplace of the Nation. It is a fitting place to hold an exhibition of the progress of the United States in art, science, industry, and in the development of products of the air, soil, mine, forest, and sea during the course of 150 years. The amount hereby contributed to the exposition by the Government is quite essential, to the end that the exhibit might be held with suitable grandeur and dignity. Contributions have already been made by many States who are going to erect buildings for their exhibitions, and already nations have accepted the invitation of President Coolidge to participate in this commemoration. My own State of New York is to play a worthy rôle in this celebration. The Hon. Oscar S. Straus, distinguished New Yorker, is general chairman of a committee for the national distribution of Declaration of Independence, of which I am a member. This committee is also acting in conjunction with the exposition authorities in Philadelphia.

The Declaration of Independence is indissolubly connected with Thomas Jefferson, its author. He wrote that famous document when he was comparatively a young man of 33 years—a red-headed son of a Virginia planter. He strongly believed in the doctrine of equal rights politically, socially, and religiously. He had been the author of the statute of Virginia for religious freedom and caused its passage by the Virginia Assembly. Part of it reads as follows:

> Whereas Almighty God hath created the mind free; that all attempts to influence it by temporal punishments or burthens, or by civil incapacitations, tend only to beget habits of hyprocrisy and meanness and are a departure from the plan of the Holy Author of our religion, who being Lord both of body and mind, yet chose not to propagate it by coercions on either, as was in His Almighty power to do, and so on for another page of magnificent, eloquent, and glorious defense of the principle of mental liberty, as even more important than physical freedom.

It is the forerunner of all American documents that make for religious freedom. It was the smooth stone from the Book of Truth which he, like David, hurled at the Philistines of bigotry and the Goliath of intolerance.

By participating in this exposition and celebration we again affirm our faith in Jefferson and this statute.

The Declaration of Independence sounded the tocsin note of freedom and aroused, as had no other document, a people to a realization of their oppression. It was the alarm clock that awakened the sleeping centuries. It was as radical as anything that has ever come out of Russia.

When the true history of our fathers shall have been written I incline to the belief that Jefferson will have equal place with Washington. He was one of the most versatile men of his times. Besides having been a Member of Congress, twice Governor of Virginia, minister to France, Secretary of State to Washington, founder of the University of Virginia, and twice President, he could calculate an eclipse, survey an estate, plan an edifice, try a case, break a horse, dance a minuet, and play the violin. He was a sort of an Edison, Burbank, Einstein all rolled into one. If he were living to-day, he would know all about radio, aviation, and the automobile. He probably would have been a baseball fan and his wife a golf widow. He built and equipped Monticello, his lovely home, which partakes of "the glory that was Greece and the grandeur that was Rome." Monticello is now a national shrine of democracy. John Adams, second President of the United States, and his friend, describes how he was welcomed to the Continental Congress, as he brought with him a reputation for literature, science, and a happy talent for composition. He understood Italian, French, and Spanish, and had been learning German, and intended to learn Gaelic.

Withal he had a fine sense of humor. Too often this is lost sight of, and one rarely finds any streak of his humor in the tomes that have been written about him. The common conception is that Jefferson, Madison, Washington, Lincoln, and Hamilton were really lacking in humor. Be it known, however, that they had their times of hilarity and humor, just like other mortals. We usually put great men on such a high pedestal and so far up in the clouds that the mists of fancy, speculation, and reverence hide the fact that they were human and at times humorous. We almost deify Washington, yet the truth is now coming into its own that Washington would often drop his solemn gravity and swear like a stableman and even throw things at people. He even enjoyed a ribald joke. Lincoln was a man of great austerity, but he often suffered a lapse from grace. Myths often hide the real Lincoln. He failed to appear at the church on the day set for his wedding. He had a rare and rich humor. When he was afflicted with a slight attack of smallpox and was quarantined in the White House he said:

> Now that I have something to give nobody wants to take it from me.

The great Washington often imbibed "wisely but not too well." There has been recently printed his recipe for making beer. Here it is:

> Take a large sifter full of bran hops to your taste—boil these three hours, then strain out 30 gallons into a cooler. Put in three gallons molasses while the beer is scalding hot or rather draw the molasses into the cooler and strain the beer on it while boiling hot. Let this stand till it is little more than blood warm, then put in a quart of yeast. If the weather is very cold, cover it over with a blanket and let it work in the cooler 24 hours, then put it into the cask. Leave the bung open until it is almost done working. Bottle it that day week it was brewed. (Washington's notebook (kept when he was a Virginia colonel in 1757), p. 6.)

The great Hamilton had his unfortunate affair with Dolly Reynolds. The great Jefferson, at times, too, had his off moments. I call to mind that off moment when he said that yellow fever was a provident blessing because it discouraged the growth of great cities. Jefferson, you know, viewed cities as pestilential to the morals, to the health, and to the liberties of mankind. The answer is: A giant can carry a thousand sins. The sun has its spots. The diamond has its flaws. I wish, however, that much more could be broadcast about the humor of Jefferson and the sparkle of his wit.

Paul Wilstach has a very interesting chapter on Jefferson's humor entitled, "Jefferson Out of Harness," and he calls to mind that Jefferson cheered Elbridge Gerry, when that gentleman felt the barbs of his enemies, with—

> The vote of your opponents is the most honorable mark by which the soundness of your conduct could be stamped. I claim the same honorable testimonial. There was but a single act of my whole administration of which that party approved. * * * And when I found they approved it, I confess I began strongly to apprehend I had done some wrong, and to exclaim with the psalmist, "Lord, what have I done that the wicked should praise me?"

Wilstach, furthermore, says that the reputation of an oratorical bore was wrapped up and delivered in the remark by Jefferson that—

> His speeches were dull, vapid, verbose, egotistical, smooth as the lullaby of a nurse, and commanding, like that, the repose only of the hearer.

Jefferson wrote Patrick Henry—

> If the troops could be fed upon long letters, I believe the gentleman at the head of that department in this country would be the best commissary on earth. * * * They are like a dropsical man calling for water.

Jefferson often repeated a story told him by Ben Franklin, who said he had once been invited to a club of physicians when the case under consideration was whether physicians had on the whole done most good or harm, and the chairman said they must first tell him whether under the appellation of physicians they meant to include old women. If they did, then they had done more good than harm; otherwise, more harm than good.

And our good friend Jefferson had his moments when he could be quite frivolous with the ladies. * * * When he went to France he was asked by Mrs. Smith, daughter of John Adams, to procure for her two pairs of corsets. He wrote to her from France as follows:

Mr. Jefferson has the honor to present his compliments to Mrs. Smith and to send her the two pairs of corsets she desires. He wishes they may be suitable, as Mrs. Smith omitted to send her measure. Times have altered since Mademoiselle de Sanon had the honor of knowing her; should they be too small, however, she will be so good as to lay them by awhile. There are ebbs as well as flows in this world.

Jefferson was asked once why the Declaration of Independence was signed so promptly, and Jefferson is alleged to have replied:

While the question of independence was before Congress it had its meetings near a livery stable. The Members wore short breeches and silk stockings, and with handkerchief in hand they were diligently employed in lashing the flies from their legs. So very vexatious was this annoyance and to so great an impatience did it arouse the sufferers that it hastened, if it did not aid, in inducing them to promptly affix their signatures to the great document.

I like Jefferson all the better for his humor; it helps our better understanding him.

Thus, if the sesquicentennial does nothing but help enshrine in the hearts of our people a better love for Jefferson, it will justify my vote for this appropriation. Permit me, in closing, to apply the words of Shelley to Jefferson—

> Till the future dares
> Forget the past, his fate and fame shall be
> An echo and a light unto eternity.

The pro forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. BEGG] to the amendment offered by the gentleman from Pennsylvania [Mr. WELSH].

Mr. BLANTON. Can we have it again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BEGG as a substitute for the amendment offered by Mr. WELSH: "Page 3, line 7, strike out '$3,000,000' and insert '$1,000,000.'"

The question was taken; and on a division (demanded by Mr. WELSH) there were—ayes 116, noes 60.

So the amendment to the amendment was adopted.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Pennsylvania [Mr. WELSH] as amended by the amendment of the gentleman from Ohio.

The question was taken, and the amendment was agreed to.

Mr. WOODRUM. Mr. Chairman, I offer my amendment.

The Clerk read as follows:

On page 3, line 3, strike out all of section 2.

Mr. WOODRUM. Mr. Chairman and gentlemen of the committee, the gentleman from Ohio said that the Government had authorized this exposition. The Government did not authorize this exposition, and that is where we have been in trouble during the whole consideration of this matter. Gentlemen who are asking for Government aid have proceeded on that theory. They say it is a Government exposition and unless the Government makes a generous contribution the Government will suffer and the project will be a failure.

Citizens of Philadelphia came to Congress with the positive, solemn assurance that Congress would not be called upon to make a direct gift to the exposition. Upon that assurance, given to the committee and upon the floor of this House by reputable Members of the House, Congress did authorize the President to invite the foreign nations to participate in the Sesquicentennial Exposition.

Mr. SPROUL of Kansas. Does the gentleman think it would be becoming to ask the President of the United States to withdraw his invitations to foreign nations to attend the exposition?

Mr. WOODRUM. No; I do not think it would be becoming. I think that Congress should do what it promised to do, and it is becoming in the city of Philadelphia to keep faith with Congress and the American people when they said they would not ask for a direct gift. They came here and promised definitely that there would be no request for a direct gift and the Government would only be requested to participate by sending exhibits.

Mr. RATHBONE. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. RATHBONE. This was in the Sixty-seventh Congress. Can the gentleman point out in the hearings anything outside of the recollections of gentlemen on the subject, in black and white, where that assurance was given?

Mr. WOODRUM. If my friend has been here in attendance he must have heard it repeatedly read from the RECORD, where the gentleman from Indiana, Mr. Bland, said that in the hearings on House Joint Resolution 170, before the committee, it was definitely understood that the Congress would not be asked for any appropriation in the future, and that the only contribution asked for would be for exhibition purposes.

Further, Mr. Bland was the patron of the bill, and the chairman of the Committee on Industrial Arts and Expositions. In addition to that, my distinguished friend, who is a member of the Republican Party, will find that his own leader stated to the House that the passage of that resolution in no way obligated, morally or legally, the American Congress to make a direct gift for the exposition.

Mr. RATHBONE. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. RATHBONE. The statement was just made by the gentleman that Congress would not be obligated, but there is nothing in the statement to indicate that Congress could not, if it chose to do so later, make this appropriation, is there?

Mr. WOODRUM. Certainly not.

Mr. RATHBONE. Is there anything in the hearings or anything that we have on record preserved in black and white to show what these assurances were, in any form, from these Philadelphia parties?

Mr. WOODRUM. Oh, no; and there is nothing in the RECORD now, although you have been definitely assured on the floor of the House that they will not ask for a deficit appropriation, that will prevent you in two or three years from now considering, as you surely will do, a resolution to appropriate two or three or four million dollars to make up a deficit. However, the assurance is given now that the request will not be made.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. A question has been raised about the progress of this exposition. I am going to pass into your hands, gentlemen of the committee, an exhibit, and I ask you to look at it. Here is a picture from the Philadelphia Bulletin of yesterday showing the exposition grounds. Look at it. It shows the place where the Government is asked to put $2,000,000—nothing but a little outfit of steel rods stuck in the exposition grounds. The pictures are headed "Centennial construction work goes forward rapidly, despite winter obstacles." That is very gratifying and consoling. Look at the pictures and see if what is presented there coincides with what you have been led to believe is the status of the progress of the exposition at Philadelphia.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I can not yield to my friend from New York, but I do say this to him, that his friend Mussolini has not yet ratified this exposition or agreed to send an exhibit over, and I hope he will do so before it is too late. [Laughter.] I want now to call attention to something else, an article appearing in the Philadelphia Bulletin of February 9.

Mr. BLOOM. Mr. Chairman, will the gentleman yield for a question?

Mr. WOODRUM. I yield to the gentleman.

Mr. BLOOM. Does the gentleman mean to say that there are no buildings completed on the exposition grounds in Philadelphia at the present time?

Mr. WOODRUM. I just called the attention of the committee to a Philadelphia paper that purports to print a picture of the exposition grounds, and the House can judge for itself whether there are any buildings under construction.

Mr. BLOOM. The gentleman does not want the House to understand that there are no buildings or anything completed on the grounds at the present time?

Mr. WOODRUM. I think I have answered the question. I have never been there. The gentleman from New York is thoroughly familiar with the grounds. He has been there and knows all about it, and I do not. I have never been there.

Mr. BLOOM. That is why I am asking the question.

Mr. WOODRUM. The great stadium that is being built to seat 125,000 people by the city of Philadelphia, to cost $2,000,000, they have cut down to a seating capacity of 100,000 people and increased the cost to $3,000,000, so that that is another million dollars added to the cost of the building.

The Government of the United States is under no obligation, morally or legally, to appropriate one single dollar as a direct gift to this exposition, and when you give $1,186,000 as an appropriation, in addition to throwing open the Philadelphia Navy Yards, of 1,000 acres, with all of its activities, to this exposition, you have done all that a reasonable person could ask or expect of the American Congress. [Applause.]

Mr. BEGG. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Virginia [Mr. WOODRUM]. I do this to call attention to the statement I made a while ago. The gentlemen called attention to the fact that the League Island Navy Yard would be thrown open. And there is, in addition, a municipal park in Philadelphia of four hundred and some odd acres. These pictures that we show in the Philadelphia Bulletin do not give an accurate portrayal of the development and progress there. Let us concede that the progress to-day is as the gentleman outlines. Then that shows all the more need why the Government should do something. I want to emphasize this fact to the committee. We are not legally obligated, nor are we morally obligated. There is no question of morals at all. It is a question of national pride. I call the attention of the House to the fact that the United States is one of the greatest commercial nations in the world, in foreign countries. We are also one of the cheapest. If the great steel industries of the United States or the great rubber industries or the great textile industries, or any of them, were going to make a demonstration to foreign countries with a view to advertising the American industry, would they hold back on a few dollars simply because somebody in the preparatory stages of the show had been negligent, derelict, or even dishonest? From a dollar and cent standpoint, from the side of advertising our business, the United States can not afford to be too penurious in seeing to it that the best possible showroom is erected there for America's exhibits and America's industries. We have cut the matter down to a million dollars, as it is.

Now we have cut it to $1,000,000. There can not be any great wastage of money in that, coupled with the fact that it is to be expended under the control of the Secretary of Commerce and Secretary of the State, and I want to urge and suggest to the membership of this House that the reputation of the United States is at stake, even though somebody in the committee, when they were getting the original resolution before the House, said that there would be no obligation for any more money. Our colleague [Mr. DARROW] stated plainly before the House that they would come back ultimately and ask for an appropriation. Now we have cut it to the bone. Let us give it to them, and let us make a decent showing for these other countries we have invited.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. BEGG. Gladly.

Mr. GARRETT of Tennessee. I think the gentleman offered the amendment, which was adopted a few moments ago, cutting the appropriation from $3,000,000 to $1,000,000?

Mr. BEGG. Yes.

Mr. GARRETT of Tennessee. Is the reputation of the United States worth just $1,000,000 or $3,000,000?

Mr. BEGG. No. I will say to the gentleman——

Mr. GARRETT of Tennessee. If the gentleman will yield further, the principle involved in the section which is now proposed to be stricken out is precisely the same whether it is $1,000,000 or $3,000,000.

Mr. BEGG. In reply to the gentleman, I will say I do not subscribe to that method of doing business, namely, bringing in a resolution leaving the impression there will never be a further expenditure. I do not subscribe to that at all; and if I were being guided by my feelings and my emotions, I would not vote to give them one nickle. I do not do business in private life that way, and I do not believe——

Mr. BUTLER. I did it once in the case of Buffalo, and I have regretted it ever since.

Mr. BEGG. That is beside the question. The question is this: The United States is undertaking to be host to the countries of the world at Philadelphia. Now, if this paragraph is left in at $1,000,000, we have in a way put it up to the citizenship, the honor and the pride of the people of Philadelphia, if it cost more than this, to dig down and pay it and let your civic pride uphold the dignity of the city of Philadelphia. I am not worried but what they will do that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WELSH. Mr. Chairman, I would like to have unanimous consent to agree upon taking a vote upon this paragraph and all amendments at the expiration of three minutes.

Mr. LOZIER. Mr. Chairman, reserving the right to object, I want five minutes. I have not had an opportunity to be heard on this matter.

Mr. WELSH. I will say 10 minutes.

Mr. CHALMERS. I want five minutes.

Mr. WELSH. I will say 15 minutes.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that debate on this paragraph and all amendments thereto close in 15 minutes. Is there objection?

Mr. ALMON. Mr. Chairman, reserving the right to object, and I do not intend to object, but I want to ask the gentleman from Pennsylvania a question. I desire this information. The question of foreign exhibits has been referred to here, and that various foreign countries have been invited by our President to come with their exhibits. I do not know whether it is true or not, but I heard the rumor that on account of the delay in the preparation for the opening of the sesquicentennial, that a number of foreign countries, with the exception of Japan, had withdrawn from participation in the exhibition. I want the gentleman to tell the House what he knows of this?

Mr. WELSH. That is not correct, I will say to the gentleman. If the gentleman will look on page 61 of the record it will show the participation of 25 governments.

The CHAIRMAN. The Chair does not think this debate is in order under the reservation of the right to object.

Mr. ALMON. I will ask the gentleman to give the House the benefit of what information he has on that subject.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania that debate close in 15 minutes? [After a pause.] The Chair hears none.

The gentleman from Texas is recognized for three minutes.

Mr. LANHAM. Mr. Chairman, I want to preface these brief remarks by the statement that I am in no sense unfriendly to this exposition nor to the holding of expositions in general. I am strongly favorable to them and to our proper participation in this one. Some question has arisen with reference to the subject of the obligation of Congress concerning future appropriations when this matter was before us in the Sixty-seventh Congress.

Of course, gentlemen, nothing occurred which would prevent us from making appropriations if we so desired, but assurances were given us by those who appeared before the committee that such appropriations would not be necessary.

Mr. BEGG. Will the gentleman yield?

Mr. LANHAM. I can not yield in the short time I have.

Mr. BEGG. I was going to ask the gentleman if he would explain what is meant by the second paragraph of the report, found on page 4.

Mr. LANHAM. In the brief time I have it would not be possible for me even to read it and reply to the gentleman.

There were some very illustrious gentlemen from Philadelphia who came over here to appear before this committee. One of them had been a very distinguished Member of this House for a long, long time, and one of them was a gentleman of international reputation. I remember those two distinctly, and there were many others of somewhat similar importance. While they did not say, perhaps, that they would not come back and request an appropriation, they certainly left the impression with the committee that the only thing they desired was to get national recognition of the project which might serve as a basis for them to invite foreign nations to come and participate in the exposition. That is what the committee had in mind and there was such an understanding. Consequently, gentlemen, I feel there is no obligation upon us further than to make our exhibits as outlined in section 1 of this bill. I think we ought to make these exhibits.

What is the Government doing? We are according them the use of more than half of the area they have in their exposition grounds, and we are now providing $1,186,000 to give them all the necessary exhibits from the Government.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CHALMERS. Mr. Chairman and gentlemen of the House: I deny that this exhibition is for Philadelphia or for Pennsylvania. It is our birthday. [Applause.] It is to celebrate 150 years of the history of the United States of America, and I am interested in that. I am anxious that they shall have at Philadelphia this summer an exhibition that we shall not be ashamed of, although I fear we may. So I wish that the appropriation could be more than $1,000,000; and they had the time to provide an exhibition that would be worthy of the occasion, because 150 years ago in Philadelphia the greatest Nation on earth was born. Five years later Cornwallis, on the 19th day of October, 1781, surrendered to George Washington at Yorktown. Then about six years after that representatives of the original thirteen Colonies came to Philadelphia to form and organize the United States of America under the Con-

stitution of the United States. And how did they get there? They came to Philadelphia in stagecoaches. Look at the progress of our Government in 139 years, the 17th day of next September. One hundred and thirty-nine years is a small span when you consider the history of the world, an authentic history covering, perhaps, 6,000 years. This country, under the Constitution that was adopted in Philadelphia in the year 1787, has accumulated more wealth in those 139 years than all the peoples of the world during all of the preceding 6,000 years. So are we, the Congress of the United States, going to bicker over $1,000,000, $2,000,000, or $3,000,000 to celebrate the one hundred and fiftieth birthday of this Nation? I am sorry to see these bickerings as to the location of sites and as to differences of opinion. I want to say that this is a great event, which we should not overlook.

Mr. UPSHAW. Will the gentleman yield?

Mr. CHALMERS. Yes.

Mr. UPSHAW. Does not the gentleman realize and believe that inasmuch as this Government freely gave $5,000,000 for a World's Fair in Chicago, and another $5,000,000 to St. Louis, neither of which had national or international significance, that we should rejoice to give this small amount, and if we fail to do it the people will misunderstand us?

Mr. CHALMERS. Yes. I agree with the gentleman. I referred to the fact that the representatives from the thirteen Colonies went to Philadelphia in stagecoaches. Last summer the commander at Bolling Field ordered a man from Selfridge Field, Mich., 40 or 50 miles north of Detroit, to come to Bolling Field for a conference. That man had breakfast with his family in Michigan, mounted his plane, flew to Bolling Field, had the conference with his commander, and was back home for dinner with his family, and I say that any nation that can make such progress in transportation in 139 years ought to celebrate the one hundred and fiftieth anniversary of its birth.

I am surprised that my friends from the Southland are opposed to a resolution of this kind, because the holding of this exposition will do more to enhance, increase, and encourage education and commerce and the development of business than an equal expenditure in any other direction. I understand, my friends, that in the next quarter or half century the country of the Southland will have a more decided development than any other part of the United States. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. LOZIER. Mr. Chairman and gentlemen, the people of Philadelphia are preparing to celebrate the one hundred and fiftieth anniversary, or sesquicentennial, of the signing of the Declaration of Independence by a great exposition to be held in that city beginning July 4, 1926. It is claimed that the city of Philadelphia and its citizens have raised $13,000,000 to promote the success of this enterprise. It is estimated that 12,000,000 people will visit the exposition during the six months it is to be open, and that these people will spend in Philadelphia over $100,000,000. It will not be denied that this enormous expenditure will mean large profits to the people of Philadelphia. Now, when the opening is only four months off, Philadelphia comes before Congress and asks that we appropriate several million dollars out of the United States Treasury to assist in putting this project on its feet; in other words, that we help finance this local business enterprise.

I have listened to this debate with an open mind. I believe in national and international expositions. I recognize the impetus they give to the liberal arts and fine arts, to industry, agriculture, and commerce, and they undoubtedly quicken those impulses which permeate and vitalize great peoples. For these reasons I favor section 1 of this joint resolution, which provides ample funds to enable the United States Government to make an adequate and creditable exposition of our national resources and accomplishments.

I do not favor the second section of this resolution, which appropriates $3,000,000 of public funds to be taken out of the United States Treasury and used for the construction of four buildings, which buildings in all good conscience should have been constructed at the expense of the Philadelphia organization promoting this exposition. In other words, section 2 of the pending resolution proposes to make a donation of $3,000,000 of public funds to the local Philadelphia organization promoting the Sesquicentennial International Exposition. I do not see how our Republican friends can reconcile this donation with their much advertised program for economy in the expenditure of public funds, nor do I understand how my Democratic colleagues can vote in favor of this subsidy.

The debate under this resolution has conclusively established the fact that at the time the Philadelphia organization requested Congress to authorize the President to invite other nations to participate in this celebration it assured Congress that the project would be financed by Philadelphia and Pennsylvania capital and that Congress would not be called upon to make any donation or to vote any appropriation for the exposition except such sum as Congress in its wisdom and judgment might consider necessary and proper to enable the Federal Government to make a proper exhibition of our national resources and accomplishments. At that time it was expressly stated by the chairman of the committee who recommended the adoption of the original resolution that no demand or request would be made on Congress for funds with which to promote the success of the proposed exposition.

I think the city of Philadelphia and the local organization promoting this exhibition should keep faith with Congress and finance this project locally, without asking Congress to grant a subsidy out of funds in the United States Treasury raised by taxation of a people whose tax burdens have long been oppressive. People dealing with Congress and the United States Government should make their word good, and this the city of Philadelphia and the organization promoting this exposition have not done, in view of which I shall vote against any appropriation of public funds in the nature of a subsidy or gift to the local Philadelphia organization, but, as I have already stated, I will vote in favor of section 1, which provides ample funds to enable the United States to participate in the exhibition and make a display of our tremendous national resources and achievements in the arts of government and peace.

It is claimed that this exposition is to celebrate the one hundred and fiftieth anniversary of the Declaration of Independence. I assume that there is no Member of this body so unsophisticated as to be deluded by such a specious plea. Nominally, the exposition may be for the purpose of honoring Thomas Jefferson and the Declaration of Independence, but even a wayfaring man, though illiterate, understands that the real object is purely business and commercial. The main purpose is to bring millions of people to Philadelphia, where it is expected that more than $100,000,000 will be expended and of which expenditure the people of Philadelphia will get the benefit and a substantial profit.

Some Members of this House in debate have appealed to us to support this resolution on the theory that the exposition is to reawaken and stimulate the interest of the American people in Thomas Jefferson and the Declaration of Independence. These arguments and appeals camouflage and conceal the real purpose of this resolution.

I yield to no one in my admiration of Thomas Jefferson and my devotion to the principles and policies he gave to the world. He was not only the author of the Declaration of Independence but he was the founder of constitutional liberty in America—the first and most virile exponent of the rights of man and self-government. His fame is already secure. He belongs to the ages. The principles enumerated in the Declaration of Independence are strongly embedded in the mind and conscience or the American people, and this exposition is not necessary in order to keep alive the fires of patriotism and our devotion to the principles of free government.

If this appropriation is not made, no one will contend that we are thereby repudiating the Declaration of Independence or departing from the principles of Jefferson. This so-called patriotic celebration is a commercial and business proposition, pure and simple. The people of Philadelphia who are promoting this project are behind it because of the prestige it will give to their home city and because it affords them an opportunity to extract from the pockets of the American people an amount estimated to be in excess of $100,000,000, which will represent approximately the amount that visitors will spend in Philadelphia during the time this exposition is in progress.

I do not criticize these Philadelphia people because they are actuated by motives of that character. It is perfectly legitimate for them to promote this exposition even if they expect to profit financially by it, but is is not right for them to demand that the expenses of this great project be paid out of the Treasury of the United States.

My good friend the gentleman from Illinois [Mr. RATHBONE], versatile, learned, and sincere as he is, delivered yesterday one of the most eloquent eulogies I have ever heard on Thomas Jefferson. It was a classic and deserves to live in the annals of American parliamentary debate. But my friend most certainly knows that this exposition is a commercial venture pure and simple, and that the ideals, principles, and policies of Thomas Jefferson will not be materially promoted by this Philadelphia celebration.

The gentleman from Illinois has a great brain and a big heart. He is a useful public servant, and I hold him in high esteem because of his worth, but I fear in this particular case his idealistic impulses have eclipsed his better judgment.

The people of Philadelphia are not actuated by the exalted ideals and patriotic impulses that with dynamic force influence my Illinois colleague. It is ridiculous to assume that the people of Philadelphia would put up $13,000,000 for patriotic purposes or to celebrate our one hundred and fiftieth national birthday. The Philadelphia people are hard-headed and practical business men and women who are putting up $13,000,000 expecting, as they admit, to get back $100,000,000, a very considerable part of which will be profit. That is "the bug under the chip" in this proposition.

I worship at the shrine of no mortal man, but if I were required to pay obiation to some great historic personage, I would with becoming reverence bow at the tomb of Thomas Jefferson. But this resolution and this expenditure of public funds violates the principles and ideals that made Jefferson immortal.

This administration has widely advertised its policy of economy. This bill violates every principle of national economy. If you are sincere in wanting to reduce the expenses of the Government and remove the burdens of taxation, how can you consistently vote to make the city of Philadelphia a present of $3,000,000? It is not your profession of economy but your practice of economy that counts.

Mr. RATHBONE. Will the gentleman yield for a question?

Mr. LOZIER. In just a moment. Undoubtedly the promoters of this exposition assured Congress that all they wanted was a national indorsement of the project, and that they would not ask Congress for any appropriation. I now yield to my distinguished friend from Illinois.

Mr. RATHBONE. Does the gentleman think that Thomas Jefferson was such a very great stickler for economy when he put through during his administration as President what might be termed the greatest real-estate transaction in the world and acquired for us a valuable transcontinental domain? Was that economy?

Mr. LOZIER. Yes; that was economy. But Jefferson got more than the worth of his money when he paid France $15,000,000 for the vast territory stretching from the Mississippi River to the Rocky Mountains. He had the vision and foresight in spite of the opposition of the Federalist Party to stretch the Constitution and buy the Louisiana Territory, because he knew that the purchase of the Louisiana Territory was a good business proposition, but no one will contend that it is a good business proposition for Congress to make a donation of $3,000,000 to the city of Philadelphia for this exposition.

Mr. RATHBONE. Then why should we pinch the dollar now?

Mr. LOZIER. I think we should pinch these $3,000,000 now because they belong to the United States, and the city of Philadelphia has no claims on them.

Mr. UPSHAW. Will the gentleman yield?

Mr. LOZIER. I yield to my friend from Georgia.

Mr. UPSHAW. Does not the gentleman think it would be a good thing at the cradle of liberty, where the Constitution was enacted, to celebrate the wisdom of a man like Jefferson? [Applause.]

Mr. LOZIER. Possibly so, if the Government of the United States did not have some other use for these $3,000,000. The gentleman speaks of the cradle of liberty. In reply I commend to the gentleman from Georgia the language of Madam Roland on the scaffold:

Oh, Liberty, what crimes are committed in thy name.

[Applause.]

The gentleman from Georgia ought to know that this is a commercial and not a patriotic celebration. The purpose of this exposition is to bring $100,000,000 to Philadelphia, and if it were not for that purpose this exposition would never have been proposed.

The gentleman from Ohio [Mr. BEGG], with his usual ability and frankness, tells us that this is a commercial proposition and that the industries of the United States will get advertising out of it, and that is the controlling and the only real reason why this exposition was suggested. The real reason is not to celebrate the birthday of the Nation but to use the birthday of the Nation as a pretext to extract $3,000,000 from the Treasury of the United States and $100,000,000 from the pockets of the American people who visit this exposition. Unless section 2 is stricken from this bill, I feel constrained to vote against the resolution in toto. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The CHAIRMAN. The question is on the motion of the gentleman from Virginia to strike out the section.

The question was taken; and on a division (demanded by Mr. LANHAM) there were—ayes 67, noes 107.

Mr. LANHAM. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. WELSH and Mr. LANHAM.

The committee again divided; and the tellers reported that there were—ayes 84, noes 128.

So the motion to strike out the section was rejected.

Mr. MOORE of Virginia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Virginia: Add to section 2 the following sentence: "It is now declared as the policy of the Government that no deficit which may occur in the expense of the exposition shall be covered by any further appropriation."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. MOORE].

The amendment was agreed to.

Mr. KVALE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KVALE: On page 2, line 21——

Mr. BEGG. Mr. Chairman, I make the point of order that that amendment is not in order.

The CHAIRMAN. Are there any further amendments to section 2? If not, under the unanimous-consent agreement we return to section 1. As the Chair recalls, there were one or two amendments pending at that time. The gentleman from Alabama [Mr. BANKHEAD] offered an amendment, which the Clerk will again report.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD:

Page 2, line 5, strike out the figures "$1,186,500" and insert in lieu thereof "$1,000,000"; and after the word "exhibit" in line 10, strike out the remainder of the line, all of line 11, and the words "as may be necessary" in line 12.

The CHAIRMAN. The gentleman from Texas offered an amendment to the amendment of the gentleman from Alabama, which the Clerk will again report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON to the amendment offered by Mr. BANKHEAD: Strike out of the amendment the figures "$1,000,000" and insert in lieu thereof "$586,500."

Mr. BEGG. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BEGG. Is debate exhausted on the amendment; if not, I ask for recognition.

The CHAIRMAN. The Chair will recognize the gentleman from Ohio. The gentleman from Texas [Mr. BLANTON] was recognized for five minutes on his amendment, and there has been no further debate on the amendment.

Mr. BEGG. Mr. Chairman, practically all I have to say is a repetition of what I have said about retaining $1,000,000 in section 2 with this additional amount of $1,186,000. Of this sum of $1,186,000, $586,000 is for the executive departments of the Government. Evidently those making that estimate consulted the executive departments. There is not any use in authorizing the executive departments to make a demonstration unless you are going to furnish the money to transport whatever they are to put on display. I am not worried about our executive departments making too high an estimate, and $586,000 is the total amount for that purpose.

Mr. BLANTON. Will the gentleman yield?

Mr. BEGG. In a moment. I can not yield at this time. Then, there is $250,000 to permit the Army to make its display and $350,000 for the Navy, of which $250,000 is to make League Island Navy Yard reputable—I will use that term.

Mr. BUTLER. They have spent $50,000,000 there already. Does the gentleman know for what purpose they intend to use that money in the navy yard?

Mr. BEGG. The gentleman from Ohio does not know the details. I know it is estimated that $250,000 of this total sum is to be used in that navy yard, and that the balance is for the expenses of the Navy in making whatever display or demonstration they want to make.

I want to call the attention of the committee to the fact that we have pared the recommendation of the committee down

from a total of $4,186,000 to $3,186,000 by the adoption of the committee amendment. Now, we have cut that down to $2,186,000 as a total. I do not believe it is wise to go any further. As I said in the few remarks I made before, the reputation of the United States is somewhat at stake. If these visitors come here commercially, it will be a good investment.

Mr. BLANTON. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. BLANTON. The gentleman made a mistake, because in the $586,500 Mr. Hoover estimates that he is to expend $237,500 in the expense in building. He has provided $237,500 for expenses.

Mr. BEGG. I do not think I made a mistake, but I yield to my colleague, the gentleman from Pennsylvania, to answer the gentleman.

Mr. WELSH. The $186,000 was provided by the Government for space within which to exhibit the articles it was to place on view. In previous expositions it had been necessary for the Government, where it participated on a large scale, to build its own buildings, to house its own exhibits. It was realized that we could not expect the Government, with the necessary safeguards and red tape that is thrown around governmental construction, to build the buildings to house the exhibits. So an arrangement was made, subject to the approval of the Congress, between the national commission and the sesquicentennial international commission to provide for space for the Government per cubic foot at a rate of $2.50, while for other exhibitors it is $5 a cubic foot; the $186,000 in lieu of what the Government has been accustomed to pay for building.

I said in answer to the gentleman from Alabama [Mr. BANKHEAD] that if the blank was filled in for $2,000,000 I would not want Congress to pay the $186,000 for space. That was written in contingent upon what we were going to get in section 2. Now that you have struck out $3,000,000 and cut it down to $1,000,000, I ask the House in all fairness to let that $186,000 item stand.

Mr. LANHAM. Will the gentleman yield?

Mr. WELSH. Yes.

Mr. LANHAM. Will the gentleman advise us for what purpose the $1,000,000 provided for in section 2 will be used?

Mr. WELSH. I can explain. It will be for construction of four buildings along lines originally laid down, but, of course, on a smaller scale.

Mr. LANHAM. I want to ask the gentleman if he thinks it is proper for the Government to build these buildings and then be charged with $187,000 for space?

Mr. WELSH. The four buildings that are specified here are for the purpose of education, fine arts, transportation, livestock, and food products. They are not for the purpose of housing Government exhibits. [Cries of "Vote!" "Vote!"]

Mr. WINGO. Gentlemen need to be in no hurry to vote.

Mr. WELSH. We are in a hurry on account of the situation in the Senate.

Mr. WINGO. Oh, the gentleman has a fine working machine, the finest I ever saw; he has shown the prettiest handling of the bill I have seen in the 13 years I have been in the House. I take my hat off to the gentleman. [Laughter and applause.] I should not take the floor now except that a few moments ago when I was compelled to be absent, some one said that they wanted to ask a question as to who gave assurance that there would be nothing asked for in the way of a direct gift.

Mr. BUTLER. Yes.

Mr. WINGO. Is there any man here that challenges the fact that there was not a unanimous, universal assurance given us by the committee that came from Philadelphia and those who gave us a luncheon in Philadelphia when the committee was there—is there any man here that can stand up and challenge the statement that they gave us assurance that there would be no demand for a direct gift? Why, gentlemen, there is no question about it.

I am learning a little bit as I get older. My friends on this side of the House are teasing me to-day and giving expression to that summum bonum of feminine philosophy, "I told you so," saying that we could not rely on those assertions, and criticizing me because I did. But I am learning and I will know better next time. [Laughter and applause.]

The gentleman from Pennsylvania talks about diminishing the size of the buildings. The gentleman is facetious. You are going to get $2,000,000 before you get through. If you had adopted the argument of my ingenious friend from Ohio [Mr. BEGG] and, by the way, if you had had him take charge of it and he had had the gall to ask for $10,000,000 you would have put it through. I think you are pikers to ask for $1,000,000 only. [Laughter.] But I am bracing myself for the shock, for I know what is going to happen. I have refreshed my memory from my notes since I spoke, and all these activities will cost $23,000,000. You gentlemen who are great pork barrel fellows had better get ready and brace yourselves to make up the deficit which is coming. [Laughter and applause.]

Mr. WELSH. Mr. Chairman, I move that all debate on this section and amendments thereto now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas to the amendment offered by the gentleman from Alabama.

Mr. BLANTON. Mr. Chairman, may we have that amendment again reported.

The CHAIRMAN. Without objection, the amendment will be again reported.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Alabama [Mr. BANKHEAD] to reduce the sum to $1,000,000.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 46, noes 75.

So the amendment was rejected.

Mr. KVALE. Mr. Chairman, I rise to a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KVALE. I offered an amendment yesterday, and I offer it again to-day.

The CHAIRMAN. The Chair does not recall recognizing the gentleman for the purpose of offering an amendment. If the gentleman desires to offer an amendment, the Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. KVALE: Line 21, strike out the figures "$250,000" and insert in lieu thereof the figures "$100,000."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was rejected.

The Clerk concluded the reading of the joint resolution.

Mr. WELSH. Mr. Chairman, I move that the committee do now rise and report the joint resolution back to the House with the amendments, with the recommendation that the amendments be agreed to and that the joint resolution as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration House Joint Resolution 153, providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, and had directed him to report the same back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and that the resolution as amended do pass.

The SPEAKER. Under the rule the previous question is ordered on the resolution and all amendments to final passage. Is a separate vote demanded on any amendment? If not, the Chair will put the en grosse. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

Mr. WOODRUM. Mr. Speaker, I offer the following motion to recommit, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. WOODRUM of Virginia moves to recommit the resolution with instructions to the Committee on Industrial Arts and Expositions to report the resolution back to the House forthwith, with an amendment striking out section 2 of the resolution.

The SPEAKER. The question is on agreeing to the motion to recommit.

The question was taken, and Mr. GARRETT of Tennessee demanded a division.

Mr. WOODRUM. Mr. Speaker, to save time I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 143, nays 198, answered "present" 2, not voting 88, as follows:

[Roll No. 37]

YEAS—143

Abernethy	Crosser	Kemp	Robinson, Iowa
Allgood	Davey	Kerr	Romjue
Almon	Davis	Kincheloe	Rouse
Andresen	Deal	King	Rubey
Andrew	Dickinson, Iowa	Lanham	Rutherford
Arnold	Dickinson, Mo.	Lankford	Sanders, Tex.
Aswell	Dominick	Larsen	Sandlin
Ayres	Drane	Linthicum	Schafer
Barkley	Drewry	Little	Schneider
Beck	Edwards	Lozier	Scott
Bell	Eslick	Lyon	Shallenberger
Black, N. Y.	Fisher	McDuffie	Simmons
Black, Tex.	Fletcher	McKeown	Smithwick
Bland	Funk	McMillan	Steagall
Blanton	Gambrill	McReynolds	Swank
Boies	Gardner, Ind.	McSweeney	Taylor, Colo.
Bowling	Garrett, Tenn.	Major	Thomas
Box	Garrett, Tex.	Mapes	Thompson
Brand, Ga.	Gilbert	Martin, La.	Tillman
Briggs	Goldsborough	Milligan	Tucker
Browning	Goodwin	Mooney	Tydings
Balwinkle	Greenwood	Moore, Ky.	Underhill
Burtness	Hardy	Moore, Va.	Underwood
Busby	Hare	Morehead	Vinson, Ga.
Byrns	Haugen	Morrow	Vinson, Ky.
Canfield	Hill, Ala.	Nelson, Mo.	Warren
Cannon	Hill, Wash.	Oldfield	Weaver
Carss	Holaday	Oliver, Ala.	Whitehead
Carter, Okla.	Howard	Parks	Whittington
Chapman	Huddleston	Peery	Williams, Tex.
Christopherson	Hudspeth	Quin	Williamson
Clague	Jeffers	Rainey	Wilson, La.
Collins	Jenkins	Ramseyer	Wingo
Connally, Tex.	Johnson, S. Dak.	Rankin	Woodrum
Cooper, Wis.	Johnson, Tex.	Reece	Wright
Cramton	Jones	Reed, Ark.	

NAYS—198

Ackerman	Fairchild	Kvale	Sinnott
Adkins	Faust	LaGuardia	Smith
Aldrich	Fenn	Lea, Calif.	Snell
Allen	Fish	Leatherwood	Somers, N. Y.
Anthony	Fitzgerald, W. T.	Leavitt	Sosnowski
Appleby	Flaherty	Lehlbach	Sproul, Ill.
Arentz	Fort	Letts	Sproul, Kans.
Auf der Heide	Foss	Lindsay	Stephens
Bachmann	Frear	Luce	Stobbs
Bacon	Free	McLaughlin, Mich.	Strong, Kans.
Bailey	Freeman	McLaughlin, Nebr.	Strother
Barbour	French	McLeod	Summers, Wash.
Beedy	Furlow	MacGregor	Swartz
Beers	Gallivan	Magee, N. Y.	Swing
Begg	Garber	Magee, Pa.	Swoope
Berger	Gifford	Magrady	Taber
Bloom	Glynn	Martin, Mass.	Taylor, Tenn.
Bowman	Golder	Michaelson	Taylor, W. Va.
Boylan	Gorman	Michener	Temple
Brand, Ohio	Graham	Miller	Thatcher
Brigham	Green, Fla.	Mills	Thayer
Browne	Griest	Moore, Ohio	Tilson
Brumm	Griffin	Morgan	Timberlake
Burdick	Hadley	Morin	Tinkham
Burton	Hale	Murphy	Tolley
Butler	Hall, Ind.	Nelson, Me.	Updike
Campbell	Hawes	Newton, Minn.	Upshaw
Carew	Hayden	Newton, Mo.	Vaile
Carpenter	Hersey	Norton	Vestal
Chalmers	Hickey	O'Connell, R. I.	Vincent, Mich.
Chindblom	Hill, Md.	O'Connor, La.	Wainwright
Cole	Hogg	Patterson	Walters
Colton	Houston	Perlman	Wason
Connery	Hudson	Porter	Watres
Corning	Hull, Morton D.	Prall	Watson
Coyle	Irwin	Pratt	Wefald
Cullen	Jacobstein	Purnell	Welsh
Curry	James	Quayle	Wheeler
Darrow	Johnson, Ill.	Ransley	White, Kans.
Davenport	Johnson, Ind.	Rathbone	White, Me.
Dempsey	Johnson, Ky.	Reid, Ill.	Williams, Ill.
Dickstein	Johnson, Wash.	Robsion, Ky.	Winter
Douglass	Kahn	Rogers	Wolverton
Dowell	Kelly	Rowbottom	Wood
Doyle	Kendall	Sanders, N. Y.	Woodruff
Dyer	Ketcham	Sears, Fla.	Wurzbach
Eaton	Kiefner	Sears, Nebr.	Wyant
Elliott	Kiess	Seger	Zihlman
Esterly	Kopp	Shreve	
Evans	Kurtz	Sinclair	

ANSWERED "PRESENT"—2

Harrison	Mansfield

NOT VOTING—88

Bacharach	Frothingham	Lee, Ga.	Ragon
Bankhead	Fuller	Lineberger	Rayburn
Bixler	Fulmer	Lowrey	Reed, N. Y.
Bowles	Garner, Tex.	McClintic	Sabath
Britten	Gasque	McFadden	Speaks
Buchanan	Gibson	McSwain	Spearing
Carter, Calif.	Green, Iowa	Madden	Stalker
Celler	Hall, N. Dak.	Manlove	Stedman
Cleary	Hammer	Mead	Stevenson
Collier	Hastings	Menges	Strong, Pa.
Connolly, Pa.	Hawley	Merritt	Sullivan
Cooper, Ohio	Hoch	Montague	Sumners, Tex.
Cox	Hooper	Montgomery	Sweet
Crisp	Hull, Tenn.	Nelson, Wis.	Taylor, N. J.
Crowther	Hull, William E.	O'Connell, N. Y.	Thurston
Crumpacker	Kearns	O'Connor, N. Y.	Tincher
Denison	Keller	Oliver, N. Y.	Treadway
Doughton	Kindred	Parker	Vare
Driver	Knutson	Peavey	Voigt
Ellis	Kunz	Perkins	Weller
Fitzgerald, Roy G.	Lampert	Phillips	Wilson, Miss.
Fredericks	Lazaro	Pou	Yates

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Mansfield (for) with Mr. Strong of Pennsylvania (against).
Mr. Peavey (for) with Mr. Connolly of Pennsylvania (against).
Mr. Lowry (for) with Mr. Bixler (against).
Mr. Harrison (for) with Mr. Vare (against).
Mr. Bankhead (for) with Mr. McFadden (against).
Mr. Wilson of Mississippi (for) with Mr. O'Connell of New York (against).
Mr. Garner of Texas (for) with Mr. Green of Iowa (against).
Mr. Crisp (for) with Mr. Bacharach (against).
Mr. Collier (for) with Mr. Treadway (against).
Mr. McSwain (for) with Mr. Taylor of New Jersey (against).
Mr. Stevenson (for) with Mr. Stalker (against).
Mr. Pou (for) with Mr. Menges (against).
Mr. Ragon (for) with Mr. Knutson (against).
Mr. McClintic (for) with Mr. Phillips (against).

Until further notice:

Mr. Reed of New York with Mr. Driver.
Mr. Montgomery with Mr. Hastings.
Mr. Bowles with Mr. Sumners of Texas.
Mr. Crumpacker with Mr. Fulmer.
Mr. Gibson with Mr. Kunz.
Mr. Crowther with Mr. Lazaro.
Mr. Hoch with Mr. Spearing.
Mr. Madden with Mr. Buchanan.
Mr. Perkins with Mr. Hammer.
Mr. Sweet with Mr. Kindred.
Mr. Tincher with Mr. Montague.
Mr. Britten with Mr. Rayburn.
Mr. Ellis with Mr. Mead.
Mr. Cooper of Ohio with Mr. Gasque.
Mr. Hawley with Mr. Doughton.
Mr. Carter of California with Mr. Weller.
Mr. Frothingham with Mr. Lee of Georgia.
Mr. Lampert with Mr. Hull of Tennessee.
Mr. Manlove with Mr. Cleary.
Mr. Parker with Mr. O'Connor of New York.
Mr. Merritt with Mr. Cox.
Mr. Lineberger with Mr. Sullivan.
Mr. Kearns with Mr. Stedman.
Mr. Fredericks with Mr. Celler.
Mr. Yates with Mr. Oliver of New York.
Mr. Fuller with Mr. Sabath.
Mr. Fitzgerald, Roy G., with Mr. Nelson of Wisconsin.
Mr. Keller with Mr. Voigt.

Mr. HARRISON. Mr. Chairman, I desire to withdraw my vote of "yea" and answer "present," as I am paired with the gentleman from Pennsylvania, Mr. VARE.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on agreeing to the resolution as amended.

Mr. GARRETT of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 226, nays 121, answered "present" 1, not voting 83, as follows:

[Roll No. 38]

YEAS—226

Abernethy	Deal	Hill, Md.	Moore, Ohio
Ackerman	Dempsey	Hogg	Morgan
Adkins	Denison	Holaday	Morin
Aldrich	Dickstein	Houston	Murphy
Allen	Douglass	Hull, Morton D.	Nelson, Me.
Andresen	Dowell	Irwin	Newton, Minn.
Andrew	Doyle	Jacobstein	Norton
Anthony	Drane	James	O'Connell, R. I.
Appleby	Dyer	Jeffers	O'Connor, La.
Arentz	Eaton	Johnson, Ill.	Oliver, Ala.
Auf der Heide	Elliott	Johnson, Ind.	Parker
Bachmann	Esterly	Johnson, Ky.	Patterson
Bacon	Evans	Johnson, Wash.	Perlman
Bailey	Fairchild	Kahn	Porter
Barbour	Faust	Kelly	Prall
Beedy	Fenn	Kendall	Pratt
Beers	Fish	Ketcham	Purnell
Begg	Fitzgerald, Roy G.	Kiefner	Quayle
Berger	Fitzgerald, W. T.	Kiess	Ransley
Black, N. Y.	Flaherty	King	Rathbone
Bloom	Fort	Kopp	Reid, Ill.
Bowman	Foss	Kurtz	Robsion, Ky.
Boylan	Frear	Kvale	Rogers
Brand, Ohio	Freeman	LaGuardia	Rouse
Brigham	French	Lea, Calif.	Rowbottom
Browne	Funk	Leatherwood	Sanders, N. Y.
Brumm	Furlow	Leavitt	Sears, Fla.
Burdick	Gallivan	Lehlbach	Sears, Nebr.
Burton	Garber	Letts	Seger
Butler	Gasque	Lindsay	Shreve
Campbell	Gifford	Luce	Sinclair
Carew	Glynn	McDuffie	Sinnott
Carpenter	Golder	McLaughlin, Mich.	Smith
Carss	Goodwin	McLeod	Snell
Celler	Gorman	McMillan	Somers, N. Y.
Chalmers	Graham	MacGregor	Sosnowski
Chindblom	Green, Fla.	Magee, N. Y.	Speaks
Cole	Griest	Magee, Pa.	Sproul, Ill.
Colton	Griffin	Magrady	Sproul, Kans.
Connery	Hadley	Manlove	Stephens
Cooper, Ohio	Hale	Mapes	Stobbs
Corning	Hall, Ind.	Martin, Mass.	Strong, Kans.
Coyle	Hall, N. Dak.	Mead	Strother
Cullen	Hammer	Merritt	Summers, Wash.
Curry	Hardy	Michaelson	Swartz
Darrow	Hawes	Michener	Swoope
Davenport	Hayden	Miller	Taber
Davey	Hickey	Mills	Taylor, Tenn.

Taylor, W. Va.	Tolley	Watres	Wolverton
Temple	Underhill	Watson	Wood
Thatcher	Updike	Wefald	Woodruff
Thayer	Upshaw	Welsh	Wright
Thomas	Vestal	Wheeler	Wurzbach
Tillman	Vincent, Mich.	White, Kans.	Wyant
Tilson	Wainwright	White, Me.	Zihlman
Timberlake	Walters	Williams, Ill.	
Tinkham	Wason	Winter	

NAYS—121

Allgood	Davis	Lanham	Rubey
Almon	Dickinson, Iowa	Lankford	Rutherford
Arnold	Dickinson, Mo.	Larsen	Sanders, Tex.
Aswell	Dominick	Linthicum	Sandlin
Ayres	Drewry	Little	Schafer
Beck	Edwards	Lozier	Schneider
Bell	Eslick	Lyon	Scott
Black, Tex.	Fisher	McClintic	Shallenberger
Bland	Fletcher	McKeown	Simmons
Blanton	Gambrill	McReynolds	Smithwick
Boies	Gardner, Ind.	McSweeney	Steagall
Bowling	Garrett, Tenn.	Major	Swank
Box	Garrett, Tex.	Martin, La.	Taylor, Colo.
Brand, Ga.	Gilbert	Milligan	Thompson
Briggs	Goldsborough	Mooney	Tucker
Browning	Greenwood	Moore, Ky.	Tydings
Buchanan	Hare	Moore, Va.	Underwood
Bulwinkle	Harrison	Morehead	Vinson, Ga.
Busby	Haugen	Morrow	Vinson, Ky.
Byrns	Hill, Ala.	Nelson, Mo.	Warren
Canfield	Hill, Wash.	Oldfield	Weaver
Cannon	Howard	Parks	Whitehead
Carter, Okla.	Huddleston	Peery	Whittington
Chapman	Hudspeth	Quin	Williams, Tex.
Christopherson	Jenkins	Rainey	Williamson
Clague	Johnson, S. Dak.	Ramseyer	Wilson, La.
Collins	Johnson, Tex.	Rankin	Wingo
Connally, Tex.	Jones	Reece	Woodrum
Cooper, Wis.	Kemp	Reed, Ark.	
Cramton	Kerr	Robinson, Iowa	
Crosser	Kincheloe	Romjue	

ANSWERED "PRESENT"—1

Mansfield

NOT VOTING—83

Bacharach	Fuller	Lineberger	Sabath
Bankhead	Fulmer	Lowrey	Spearing
Barkley	Garner, Tex.	McFadden	Stalker
Bixler	Gibson	McLaughlin, Nebr.	Stedman
Bowles	Green, Iowa.	McSwain	Stevenson
Britten	Hastings	Madden	Strong, Pa.
Burtness	Hawley	Menges	Sullivan
Carter, Calif.	Hersey	Montague	Sumners, Tex.
Cleary	Hoch	Montgomery	Sweet
Collier	Hooper	Nelson, Wis.	Swing
Connolly, Pa.	Hudson	Newton, Mo.	Taylor, N. J.
Cox	Hull, Tenn.	O'Connell, N. Y.	Thurston
Crisp	Hull, William E.	O'Connor, N. Y.	Tincher
Crowther	Kearns	Oliver, N. Y.	Treadway
Crumpacker	Keller	Peavey	Vaile
Doughton	Kindred	Perkins	Vare
Driver	Knutson	Phillips	Voigt
Ellis	Kunz	Pou	Weller
Fredericks	Lampert	Ragon	Wilson, Miss.
Free	Lazaro	Rayburn	Yates
Frothingham	Lee, Ga.	Reed, N. Y.	

So the joint resolution was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Strong of Pennsylvania (for) with Mr. Mansfield (against).
Mr. Connolly of Pennsylvania (for) with Mr. Peavey (against).
Mr. Bixler (for) with Mr. Lowry (against).
Mr. McFadden (for) with Mr. Bankhead (against).
Mr. O'Connell of New York (for) with Mr. Wilson of Mississippi (against).
Mr. Green of Iowa (for) with Mr. Garner of Texas (against).
Mr. Treadway (for) with Mr. Collier (against).
Mr. Bacharach (for) with Mr. Crisp (against).
Mr. Taylor of New Jersey (for) with Mr. McSwain (against).
Mr. Stalker (for) with Mr. Stevenson (against).
Mr. Vare (for) with Mr. Pou (against).
Mr. Knutson (for) with Mr. Ragon (against).
Mr. Phillips (for) with Mr. Nelson of Wisconsin (against).

Until further notice:

Mr. Hudson with Mr. Barkley.
Mr. Madden with Mr. Cox.
Mr. Newton of Missouri with Mr. Cleary.
Mr. Free with Mr. O'Connor of New York.

The result of the vote was announced as above recorded.

On motion of Mr. WELSH, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

CONFERENCE REPORT, NAVAL APPROPRIATION BILL

Mr. FRENCH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 7554, the naval appropriation bill, which passed the Senate with certain amendments, to disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Idaho asks unanimous consent to take from the Speaker's table the bill H. R. 7554, the naval appropriation bill, to disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 7554) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

Mr. GARRETT of Tennessee. There is so much confusion I could not hear.

The SPEAKER. The gentleman from Idaho asks unanimous consent to take from the Speaker's table the bill H. R. 7554, the naval appropriation bill, to disagree to all Senate amendments, and ask for a conference.

Mr. GARRETT of Tennessee. I presume that is agreeable to the minority Members?

Mr. FRENCH. I understand it is. I spoke to the one whom I met on the floor a moment ago and understand he is agreeable.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I want to ask the gentleman from Idaho whether before he agrees to all these increases that have been placed in the bill by the Senate he is going to give the House a chance to vote on them?

Mr. FRENCH. I did not hear the gentleman.

Mr. BLANTON. I wonder whether the gentleman is going to give us a chance to vote for these increases which the Senate has seen fit to place on the bill before he agrees in conference?

Mr. FRENCH. Well, that is my thought. We occupy the same attitude we occupied when the bill passed the House.

Mr. BLANTON. The gentleman is not going to agree without bringing it back?

Mr. FRENCH. Not at all.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The Clerk announced the following conferees: Mr. FRENCH, Mr. HARDY, Mr. TABER, Mr. AYRES, and Mr. OLIVER of Alabama.

THANKS OF CONGRESS

Mr. SCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration by the House of the bill (H. R. 9272).

The SPEAKER. The gentleman from Michigan asks unanimous consent for the present consideration of the bill (H. R. 9272), which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 9272) to tender the thanks and appreciation of the Congress of the United States for the heroic services rendered by the officers and crews of the steamships *President Roosevelt*, *President Harding*, *American Trader*, *Republic*, and *Cameronia*.

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, I appreciate the circumstances under which this request is made. The great thing which is proposed to commend therein was performed recently. Recognition has been given officially by different governments of the world to the heroic work then done. The *Roosevelt* is to sail on Saturday next. It is very desirable that this resolution should pass before that time, and therefore I hope there will be no objection to the present consideration of the resolution. [Applause.]

Mr. TILSON. Mr. Speaker, reserving the right to object, may I ask the gentleman from Michigan as to the time to be consumed in the consideration of the resolution before the gentleman moves the previous question?

Mr. BEEDY. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Michigan if he knows whether any steps whatever have been taken to do anything for the families of those two men who lost their lives?

Mr. SCOTT. Mr. Speaker, I am able to answer only one question at a time, and with the indulgence of the gentleman from Maine I will answer the question propounded by the gentleman from Connecticut. I contemplated asking but 10 minutes of the time of the House in order that the matter might be briefly put before the House. Personally I have no desire, in view of the very splendid statement made by the Democratic leader, to unduly occupy the time of the House.

Mr. GARRETT of Tennessee. Will the gentleman yield to me?

Mr. SCOTT. Very gladly.

Mr. GARRETT of Tennessee. I did not mean to suggest that there should be no time for discussion. I merely expressed the hope that there would be no objection to consideration. I am quite sure that any suggestion the gentleman might offer as to time—and I think it would be very proper that there should be some time for discussion—would be agreeable.

Mr. SCOTT. I had in mind asking for 10 minutes on a side. That would allow the gentleman from New York [Mr. LINDSAY], on the other side of the Chamber, and the gentleman from New York [Mr. FISH], who introduced a similar resolution on this side, a brief opportunity to express their views on the proposal.

In reply to the question propounded by the gentleman from Maine [Mr. BEEDY], my only information on the subject is that an effort is now being made by the New York Sun to make a collection in order that a sum may be given to the families of the two men who lost their lives. How far they have progressed in that effort I am not able to state.

Mr. BEEDY. I felt quite sure the House itself would not object, even if it established a precedent, to doing something through the Congress for the families of the men who lost their lives as did these two men, and I knew of no other way of bringing it up at an opportune time than to ask the question. I hope something will be done by Congress.

Mr. TILSON. How long does the gentleman from Michigan intend to keep the House before moving the previous question? Will the gentleman say that in 20 minutes he will move the previous question?

Mr. SCOTT. I had not expected to ask but 20 minutes and at the conclusion of that time to move the previous question.

Mr. TILSON. With that understanding, I shall not make an objection.

Mr. SEARS of Florida. I hope the gentleman will not ask for more than 10 minutes, because I understand that 5 minutes on this side will be all we need. We appropriated $165,000,000 with about 30 minutes' debate, and I think we might congratulate these distinguished heroes in 10 minutes.

Mr. SCOTT. If the gentleman will permit me to propound a question to the gentleman from Tennessee [Mr. DAVIS], I think I will then be able to state the length of time required. Will five minutes be ample on your side of the House?

Mr. DAVIS. That will be ample. Of course, there is no necessity for any time, but I think it would be appropriate that some explanation be made of the resolution.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. SCOTT. Yes.

Mr. COOPER of Wisconsin. How many crews and how many ships are covered by the resolution?

Mr. SCOTT. There are four American ships and one British ship.

Mr. COOPER of Wisconsin. Reserving the right to object, did the gentleman's committee consider the question as to whether it would have been advisable to have separate resolutions, inasmuch as these occurrences were so widely separated in distance and time?

Mr. SCOTT. I think the question propounded by the gentleman is a very natural inquiry. The months of October, 1925, and January, 1926, probably witnessed the most terrific storms on the ocean ever experienced in the history of navigation. Your committee endeavored to get from the various departments of the Government the instances of remarkable heroism during that particular period. The advisability of separate resolutions was discussed, but it was thought unwise to do that.

Mr. COOPER of Wisconsin. I know the particulars of the entire work of the crew of the *Roosevelt*, drifting there for four days and four nights, and two of the crew losing their lives, but I am not so familiar with the facts as to the heroism displayed by the other crews. They are entirely separate occurrences and I had thought that possibly separate resolutions would have been more appropriate.

Mr. SCOTT. The conduct of the crews of all the ships mentioned in the resolution was similar.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. SCOTT. Mr. Speaker, I ask unanimous consent that debate on this bill be limited to 10 minutes, one-half to be controlled by the gentleman from Tennessee [Mr. DAVIS] and one-half by myself, at the conclusion of which the previous question to be considered as ordered.

The SPEAKER. The gentleman from Michigan asks unanimous consent that debate on the bill be limited to 10 minutes, one-half to be controlled by the gentleman from Tennessee and one-half by himself, and at the conclusion of the debate the previous question be considered as ordered. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the term "crew" as used in this act shall mean any person carried on the ship's register as a member of the deck force, engine-room force, steward's department, or in any other capacity regardless of rank or rating.

SEC. 2. That the thanks and appreciation of the Congress of the United States be tendered to the families of Uno Wirtenan and Fritz Steger, who lost their lives, and to the officers and crew of the U. S. S. *President Roosevelt* as constituted on January 24 to 28, 1926, inclusive, for the heroic service rendered and the fidelity shown to the best traditions of the American merchant marine in the rescue of the officers and crew of the British steamship *Antinoe*.

SEC. 3. That the thanks and appreciation of the Congress of the United States be tendered to the officers and crew of the U. S. S. *President Harding* as constituted on October 25, 1925, for the heroic service rendered and the fidelity shown to the best traditions of the American merchant marine in the rescue of the officers and crew of the Italian steamship *Ignacio Florio*.

SEC. 4. That the thanks and appreciation of the Congress of the United States be tendered to the officers and crew of the steamship *American Trader*, of the American Merchant Line, as constituted on October 26, 1925, for the heroic service rendered and the fidelity shown to the best traditions of the American merchant marine in the rescue of the officers and crew of the Norwegian steamship *Elven*.

SEC. 5. That the thanks and appreciation of the Congress of the United States be tendered to the officers and crew of the U. S. S. *Republic* as constituted October 10, 1925, for the heroic service rendered and the fidelity shown to the best traditions of the American merchant marine in the rescue of the officers and crew of the United States patrol boat *No. 13*.

SEC. 6. That the thanks and appreciation of the Congress of the United States be tendered to the officers and crew of the British steamship *Cameronia* as constituted on October 11, 1925, for the heroic service rendered and the fidelity shown to the best traditions of the sea in the rescue of the crew of the United States Coast Guard patrol boat *No. 128*.

Mr. GARRETT of Tennessee. Mr. Speaker, before the debate begins that was agreed upon I ask unanimous consent to proceed for just a moment.

The SPEAKER. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Speaker, I have just spoken privately with the gentleman from Michigan [Mr. SCOTT]. I think this should be changed to a concurrent resolution instead of a bill. I understand an amendment to that effect will be prepared and will be ready by the time debate is concluded.

Mr. TILSON. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. TILSON. I have just arranged to have this changed into the form of a concurrent resolution by the time the debate is over, and the gentleman may ask unanimous consent to substitute the resolution form for the bill.

Mr. SCOTT. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker and gentlemen of the House, as one who introduced a resolution to extends the thanks and appreciation of the Congress to Captain Fried and the crew of the *President Roosevelt*, I am in hearty accord with this resolution, which incorporates the names of other steamships and their crews for their heroic acts on the high seas.

My only regret, Mr. Speaker, is that we have not gone far enough. I wish we could have made provision in this resolution to give gold medals to each of the captains of the steamships mentioned. I wish we could also provide $5,000 or $10,000 in direct compensation for the families of the two members of the crew of the *President Roosevelt* who were drowned while attempting to rescue others.

When the news came over the wireless that the *President Roosevelt* had succeeded in saving the men on the steamship *Antinoe*, the whole civilized world was thrilled, and the American merchant marine and the American flag were covered with additional honor and glory. The American flag to-day on the high seas, wherever it may be, is a symbol of gallantry, of humanity and of rescue unparalleled, and this rescue was performed in the midst of a raging hurricane, and has done more to cement good will and friendly relations between the people of Great Britain and the people of the United States than anything that has happened in recent years. We have the right as American citizens and as Members of Congress to be proud of the acts of the crews of all these vessels, but above all, Mr. Speaker, we should be proud of the captain of the steamship *President Roosevelt*, Capt. George Fried, a citizen of New York, who in spite of all the honor that has been thrust upon him has kept his head and has given the credit to all the men who participated in the rescue. We have had great heroes in this country in the past, but, unfortunately, some of those heroes have been carried away by their sudden fame and lost their heads, but in this case we have additional right to be proud of the way Captain Fried has conducted himself since his return to America. [Applause.]

Mr. DAVIS. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. LINDSAY]. [Applause.]

Mr. LINDSAY. Mr. Speaker, "Greater love than this hath no man, that he lay down his life for his friends," and may I reverently add, "Greater loyalty to duty and service hath no man than he who is lost at sea in brave attempt to save fellow seamen from disaster."

I pause in respect to the memory of those two seamen who left the deck of the steamship *Roosevelt*, undismayed at the mountainous seas, unawed at the howling gale, unafraid of the cold death that hid behind the squalls of snow; I hesitate to apply any descriptive adjective. The landsman must hesitate to describe the courageous picture this evokes in his brain. These two men never reached the foundering vessel, the steamship *Antinoe*. The watery valleys swallowed them up and they were gone. To Fritz Steiger and his companion, Uno Wirtman, who first saw day in the land of the vikings, goes the glory of a brave sailorman's death at sea.

In no less a degree were the entire crew and the officers of the steamship *Roosevelt*, of the United States merchant marine, engaged with death that day. One miscalculation of the force of wind or wave, one error of judgment concerning the power behind her engines, and the *Roosevelt* might easily have collided with the foundering *Antinoe*. The same skill that finally enabled the seamen to man the small boats under the leadership of the first officer, Mr. Miller, was evidenced by Captain Fried on the bridge, and let us not forget the engineer forces and the "black gang" below decks who kept the *Roosevelt's* heart beating through it all.

Mr. Speaker and my colleagues, I ask the formal recognition of the distinguished service of these men, and I know such expression of Congress will truly convey your individual feelings and the wishes of your constituents everywhere.

Incidentally may we not by inference at least convey our tribute to the gallant vessels involved? Seagoing men believe in a ship's personality. Surely we are proud of the stanchness of these American-built and American-registered vessels of ours.

No nation may be said to excel in instances of individual personal courage; but it is true that certain nations have always shown exceptional skill and daring at sea. In these days of comparisons of mere mechanical things we sometimes fail to properly evaluate personal skill and courage. The history of our country from the days of Paul Jones, Jack Barry, Stephen Decatur, Lawrence, and Porter is rich in examples of a peculiar efficiency of our American sailormen. Indeed, Captain Fried was one with Lawrence in his determination to never give up the ship.

In the days when our flag was known all over the globe, when our clippers and whalers carried the flag on every charted and uncharted ocean lane, then we were a maritime nation.

To-day American ships are maintaining the glorious traditions bequeathed by a race of sailors.

On October 10 the steamship *Republic*, commanded by Capt. A. B. Randal, rescued the crew of a United States Coast Guard patrol boat off Nantucket. All the world knows the reputation of the waters off Nantucket.

On October 25 the steamship *Harding*, commanded by Captain Grening, rescued the crew of the Italian vessel *Ignacio Florio*, which foundered at sea in a storm then raging.

These two rescues occurred within a brief period. To cap the sequence during the October storms—and this illustrates that these occurrences were not mere "flukes"—on October 26, at the very same spot where the *Florio* went down the day before, the steamship *American Trader*, commanded by Capt. Hubbard C. Fish, rescued the crew of the Norwegian freighter *Elven*.

This was a period of terrible storm. The crew of the United States patrol boat were skilled men; the crew of the Italian were skilled men; and the Norwegian was manned by men of a seagoing race. Yet the elements overwhelmed these ships. The vessels were lost. Except for the fortunate proximity of the three American vessels the crews mentioned were doomed. In seas that threatened, amid waves and wind that wrecked the other vessels, our American ships met the test as loyally as their crews. These men not only saved their ships, but they rescued, under conditions that can not be described, the men whose ships had gone under. This was a gallant deed.

There have been other valorous rescues at sea. Small ships, big ships, it matters not. Italian, Norwegian, British, or Japanese, our merchant ships extend the hand of the brotherhood of the sea. In time of stress, no measure of creed or color is drawn on land or sea.

I ask your expression of approval of this attempt by Congress to accord some measure of recognition to these men in all ranks, from deck to fireroom; from captain to coal passer. Let us praise God to-day for raising up American seamen of the type of Captain Fried, Chief Officer Miller, and the brave crew of the *President Roosevelt*.

They have made an imperishable record that, so long as men go down to the sea in ships, shall forever be emblazoned in the annals of time. [Applause.]

Mr. SCOTT. Mr. Speaker, I yield one minute to the gentleman from Massachusetts [Mr. STOBBS].

Mr. STOBBS. Mr. Speaker, I want to take this opportunity to state that the distinguished gentleman, Captain Fried, in whose honor and behalf this resolution is being presented at this time, was born in Worcester, Mass., my home city, and grew up there as a boy. He served very gallantly in the Navy during the last war, and at the present time the members of his immediate family are residents of that city. It is a very great honor to the city of Worcester that this resolution is being passed in behalf of one of its native citizens, and I very heartily indorse its purpose and urge its adoption.

Mr. SCOTT. Mr. Speaker, following the suggestion made by the gentleman from Tennessee [Mr. GARRETT], I offer House Concurrent Resolution No. 11, and ask unanimous consent that it be substituted for the bill now before the House.

The SPEAKER. The gentleman from Michigan asks unanimous consent to substitute for the pending bill the concurrent resolution, which the Clerk will report.

The Clerk read as follows:

House Concurrent Resolution 11

Resolved by the House of Representatives (the Senate concurring), That the term "crew" as used in this resolution shall mean any person carried on the ship's register as a member of the deck force, engine-room force, steward's department, or in any other capacity, regardless of rank or rating.

Mr. GARRETT of Tennessee. Mr. Speaker, may I ask the gentleman if this is not exactly the same verbiage the rest of the way through as the bill? All it does is to change it from a House bill to a House concurrent resolution.

Mr. SCOTT. That is correct.

Mr. GARRETT of Tennessee. The complete bill has been reported, and I ask unanimous consent that the further reading of the resolution be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee that the further reading of the resolution be dispensed with?

There was no objection.

The SPEAKER. The gentleman from Michigan asks unanimous consent to substitute the concurrent resolution for the bill. Is there objection?

Mr. CARSS. Reserving the right to object, and I will not object, I want to call the attention of the House and the country to the fact that Robert B. Miller, referred to in the resolution, is a resident of my district and a citizen of Duluth, and the people of Duluth are raising a fund to suitably reward not only Captain Miller but the rest of the crew for their action in effecting this heroic rescue.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I want to say that Commander Paul Grening, commander of the *President Harding* is a citizen of New York and that the rescue was the equal of these others.

The SPEAKER. Is there objection to the substitution of the concurrent resolution for the House bill?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

WASHINGTON'S BIRTHDAY

Mr. TILSON. Mr. Speaker, I ask unanimous consent that next Monday, February 22, immediately after the reading of the Journal and the disposition of routine matters on the Speaker's desk, the Farewell Address of George Washington be read and that the Speaker designate a Member to read it.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that next Monday following the reading of the Journal and the disposition of matters on the Speaker's desk the Farewell Address of George Washington be read and that the Chair designate a Member to read it. Is there objection?

There was no objection.

The SPEAKER. The Chair designates the gentleman from Mississippi [Mr. RANKIN]. [Applause.]

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9341, the independent offices appropriation bill, and pending that motion I want to say to the gentleman from Louisiana that I have requests for four or five hours on this side, and I understand

the gentleman has about the same. I think it would be expedient to run along this afternoon without limiting the time, and to-morrow we may be able to agree upon it.

Mr. SANDLIN. That will be agreable to me.

Mr. WOOD. Mr. Speaker, I ask unanimous consent that the time be equally divided, one half to be controlled by the gentleman from Louisiana and the other half by myself.

The SPEAKER. The gentleman from Indiana asks unanimous consent that the time for general debate be controlled one half by himself and the other half by the gentleman from Louisiana, Mr. SANDLIN. Is there objection?

There was no objection.

The motion of Mr. WOOD was then agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. BEGG in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 9341) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1927, and for other purposes.

Mr. WOOD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to dispense with the first reading of the bill. Is there objection?

There was no objection.

Mr. WOOD. Mr. Chairman, I yield 40 minutes to the gentleman from Wyoming [Mr. WINTER].

Mr. WINTER. Mr. Chairman, the general subject of our public lands has been one of great importance and interest from the beginning of our national history. It was important because of the vastness of the area, its potential value, and the growth of the Nation westward from the original thirteen States on the Atlantic, first, to the Mississippi, then to the Pacific Northwest, and then to the Pacific Southwest. It affected our economic life. It was involved in nearly every public question and policy, including internal improvements, tariff, slavery, and the settlement and admission of new States. It came to us as follows:

First, by treaty with Great Britain at the close of the Revolutionary War, all the territory of the original thirteen Colonies, and in addition all the territory west of them to the Mississippi, including what was later designated as the Northwest Territory; second, purchase of Louisiana from France in 1803; third, purchase of Florida from Spain in 1819; fourth, annexation of Texas in 1845; fifth, Oregon settlement with Great Britain by treaty in 1846; sixth, cession from Mexico in 1848; seventh, the Gadsden purchase from Mexico in 1853; eighth, purchase of Alaska from Russia in 1867.

I here insert a table showing the source of our acquisitions, exclusive of our island possessions, the dates, the price, number of acres, and the price per acre:

Source	Date	Price	Price per acre	Number of acres
British treaty, original States	1783			400,804,533
British treaty, Northwest Territory	1783			170,161,867
Louisiana purchase from France	1803	$15,000,000	$0.028	529,911,680
Florida purchase from Spain	1819	5,000,000	.14	46,144,640
Texas annexation	1845			249,066,240
British treaty, Oregon	1846			183,386,240
Mexican treaty, Mexican cession	1848	15,000,000	.044	338,680,960
Gadsden purchase, Mexico	1853	10,000,000	.52	18,988,800
Total acreage of United States proper				1,937,144,960
Alaska purchase from Russia	1867	7,200,000	.019	378,165,760
Total acreage including Alaska				2,315,310,720

The Louisiana Purchase of 529,911,680 acres approximately doubled the then area of the United States and carried the then western boundary from the Mississippi to the Rocky Mountains. Out of that area were formed the States of Louisiana, Arkansas, Missouri, Iowa, Minnesota, Nebraska, Kansas, Oklahoma, and a large part of North Dakota, South Dakota, Colorado, Wyoming, and Montana. Florida was next acquired, with 46,144,640 acres, for $5,000,000. Next came the annexation of Texas in 1845, which added an area of 249,066,240 acres. In the first bill for the annexation of Texas there was a provision to waive her right and cede her lands to the United States, but this bill failed of passage; and in the second bill, which was successful, Texas retained title to all her lands; but disputed portions of its territory became parts of the States of New Mexico, Colorado, and Wyoming. We later paid Texas $10,000,000 to surrender its claim to an extensive region in the territory of New Mexico after the same was received from Mexico. This particular area comprised 170,173,440 acres.

The Oregon settlement came in 1846, adding 183,386,240 acres, and reaching the north shores of the Pacific. From this were later carved the States of Washingfon, Oregon, Idaho, and parts of Wyoming and Montana. This additional area rounded out our possessions and completed the full sweep to the Pacific Northwest.

In 1848 we acquired the Mexican cession, paying $15,000,000, comprising the great areas of California and New Mexico, aggregating 338,680,960 acres. The latter territory was later divided into the States of Arizona, Nevada, Utah, and parts of New Mexico, Colorado, and Wyoming. This completed our onward march to the Southwest Pacific.

In 1853 the southern border was pieced out with a strip known as the Gadsden purchase, which forms a part of the south end of Arizona and New Mexico, adding 29,142,400 acres, at a cost of $10,000,000.

Alaska was purchased in 1867 from Russia for $7,200,000. This added 378,165,760 acres, which still remains under Territorial government.

As a note of especial interest I call attention to the remarkable distinction of the State of Wyoming in two important respects. That State enjoys the sole and unique position of being comprised of a part of each of the four great territorial acquisitions—the Louisiana Purchase, Texas annexation, Oregon settlement, and Mexican cession. A further notable fact is that within an area of 150 miles square in its northwest corner are the source and headwaters of the three great primary river systems of the United States west of the Ohio River: The Mississippi River, by its long arm the Missouri, by its branch the Madison River; these waters flow into the Gulf of Mexico; the Columbia River flowing into the North Pacific, by its longest branch the Snake River; the mighty Colorado, emptying into the Gulf of California, by its direct north and south longest arm, the Green River.

I now take up the exceedingly interesting question of the treaties, the Constitution, the ordinances, the waivers and cessions, the laws and policies touching all of the public lands and the erection of new States other than the original thirteen.

Even during the Revolutionary War the question of the territory west of the original colonies was agitated in connection with the growing idea of nationality. The treaty of peace with Great Britain was made with each free, independent, sovereign State which had fought the Revolution. By that treaty all the territory westward to the Mississippi was added to their possessions. In 1872 the Continental Congress asserted the validity of territorial rights which New York had conveyed. At the request of Congress Virginia ceded to the United States in 1784 all her extra territory; the other claimant States did the same; Massachusetts in 1785; Connecticut in 1786; South Carolina in 1787; North Carolina ceded Tennessee in 1790; Georgia gave up her western claims in 1802, out of which grew Alabama and Mississippi. Thus the area between the original colonies and the Mississippi River was added to the new young Nation. Thus came into being the Northwest Territory out of which were carved Ohio, Indiana, Illinois, Michigan, and Wisconsin, and part of Minnesota, established by the ordinances of 1787, the year of the signing of the Constitution, but prior to its adoption, comprising all the land east of the Mississippi and north of the Ohio. These ordinances of 1787 provided:

That this territory must be erected into States and have their entrance into the Union on equal terms with the original States, and bear the same relation to the State government as all the original States. They shall be settled and formed into distinct Republican States which shall become members of the Federal Union and have the same rights of sovereignty, freedom, and independence as the other States.

The treaty with France, conveying the Louisiana Purchase in 1803, provided:

The inhabitants of the ceded territory shall be incorporated into the Union of the United States, and admitted as soon as possible, according to the principles of the Federal Constitution, to the enjoyment of all the rights, advantages, and immunities of the citizens of the United States, and in the meantime they shall be maintained and protected in the free enjoyment of their liberty, property, and the religions they profess.

The treaty with Mexico, covering the Mexican cession in 1848, contained the following provision:

* * * shall be formed into free, sovereign, and independent States and incorporated into the Union of the United States as soon as possible, and the citizens thereof shall be accorded the enjoyment of all the rights, advantages, and immunities as citizens of the original States.

These treaties and provisions, ordinances, and cessions were, and are, the foundation of the principles of Federal authority and procedure with respect to the public lands. Fearing illegality of the ordinances under the Articles of Confederation in force at the time they were adopted, regarding the Northwest Territory, they were reenacted August 7, 1889, after the adoption of the Constitution.

The Territories successively acquired were, at least until admitted as States, covered under Article IV, section 3, of the Constitution, which is as follows:

Congress shall have power to dispose of and make all needful rules and regulations respecting the Territories or other property belonging to the United States, and nothing in this Constitution shall be so construed as to prejudice any claims of the United States or of any particular State.

And it further provides:

New States may be admitted by the Congress into this Union, but no new State shall be formed or erected within the jurisdiction of any other State.

There were two distinct schools of thought as to the validity, force, and effect of the ordinances for Territorial government. There was no authority in the Articles of Confederation of 1784 or in 1787 for Congress to become sovereign to hold or govern territory. The provision of the Constitution with reference to Federal jurisdiction, and the power over lands within the different States, is found in Article I, section 8, paragraph 17:

To exercise exclusive legislation in all cases whatsoever over such district (not exceeding 10 miles square) as may by cession of particular States and the acceptance of Congress become the seat of Government of the United States, and to exercise like authority over all places purchased, by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings. And to make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States or in any department or officer thereof.

Article III, section 2, provides:

The judicial power shall extend to controversies * * * between citizens of the same State claiming lands under grant of different States.

Article XI is as follows:

The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by citizens of another State or by citizens or subjects of any foreign state.

No further powers were ever granted by the States or the people of the United States to the General Government regarding lands.

When the Louisiana Purchase was made it was done and held under the doctrine of inherent power of sovereignty and of implied powers flowing from the express provision in the Constitution for the making of treaties. Marshall laid down the doctrine that under the treaty making power the United States might acquire and hold territory by conquest or purchase. The Constitution nowhere expressly conferred upon the Federal Government the power to buy and hold territory. The strict constructionists pointed this out. Jefferson called attention to it himself, yet the nationalistic principle was growing rapidly and strongly under very necessity, and Jefferson, vowing that he could not do it, made the Louisiana Purchase. He later suggested the futile expedient of amending the Constitution afterwards to grant the power he had exercised, but this was never done.

In 1826, 1828, and 1830 there were presented on the floor of the United States Senate well-defined divergent views of the legal status of the public lands; the one asserted the complete dominion and right of the Federal Government, the other denied the capacity and constitutional power of the United States to own and hold the public lands, except a temporary control over its Territories from their acquirement until their formation into States. Senator Kane, of Illinois, contended strongly and ably that from the moment of admission each State became and was absolutely sovereign over every foot of soil within its boundaries. The Governors and Legislatures of Illinois, Indiana, and Missouri, and their representatives, took a similar view and asked the United States to cede back to the States the lands therein. This position was founded on the terms of the international treaties by which the Northwest Territory, the Louisiana Purchase, and Florida purchase were acquired, and in the provisions of the waivers and cessions of the States ceding the Northwest Territory and other territory to the Union.

I quote now from the congressional debates, Twentieth Congress, first session, of January 28, 1828, No. 5, volume 4, part 1, being a speech on the subject of public lands by Senator Hendricks, maintaining the State view:

This Union is in theory formed of sovereign, equal people and independent States. In the older members of this confederacy the Federal Government sets up no claim to the waste and unappropriated lands, has no land offices, derives no revenue from the sales of lands. In the new States this Government is the lord of the soil, has established land offices, and collects millions from the sale of lands. A statesman or historian making himself acquainted with our system would pronounce it in theory beautiful. With nothing would he be more pleased than with the republican equality of the States. But what would be his surprise when told that in seven of these States the soil itself belonged to the Government of the Union, while in 17 States the soil belonged to the States themselves. Would he not instantly inquire why are the States of this confederacy equal in theory when they are not so in fact? Why are they not equal in reality as they are in name? The answer to this last inquiry would be the reasons against the propositions now before the Senate. He would then hear, as we have so often heard, of the cessions, the pledge, and the compacts.

I am aware, Mr. President, that these are unusually resorted to as the authority of this Government to hold the lands in the States; but these authorities taken in connection with other portions of the history of that day, instead of showing title in the Federal Government, may, in my opinion, safely be relied on to sustain a different position. It surely was the intention of the States ceding and of Congress in receiving these cessions that the territory thus ceded should be formed into States and should be received into the Union as free, sovereign, and independent States, on an equal footing with the original States in all respects whatever. That they should thus be received into the Union was most certainly the intention of the framers of the Constitution.

It is said we may not cede the lands to the States because Congress stands bound to appropriate their proceeds to the payment of the public debt. The pledge, as it is called, is immediately referred to. This pledge, sir, I believe, is to be found nowhere else than in the act of cession of Virginia and in her deed of transfer to the Union.

Whatever the language of this pledge may be, the object of the contracting parties is plainly expressed. That object was that all the States should become and remain members of the confederacy, and as a strong inducement for so doing it was stipulated that the proceeds of the ceded lands should be appropriated in favor only of those States that had subscribed to the Articles of Confederation.

This provision held out to the new States thereafter to be formed strong inducements to join the confederacy, for, refusing to do so, they would be deprived of their respective proportions of the proceeds of the Territorial lands, while they would be chargeable with their proportions of the public debt. The inducement, too, in their case was much strengthened in the ordinance of 1787, which prohibited them after they should become States from interfering with the primary disposal of their own soil until they should have joined the Confederation.

I have said, Mr. President, that this pledge has reference only to a Territorial form of government, and has no reference whatever to a period after the political condition of the country shall have been totally changed—after it shall have been formed into sovereign, free, and independent States.

Whenever it becomes necessary for this Government to divert any portion of the public lands from the object of this pledge it can forthwith be done; but when the fair claims of the new States are presented for the whole or a part of these lands, then, indeed, this pledge rises in great majesty and strength. Put this matter on what ground soever you please, these lands are long ago released. If bound for the payment of the Revolutionary debt, that debt is, in amount, long ago paid; and if inseparable from the sovereignty of the States, they are in that way released, although the debt is not paid.

Can anyone believe that the ordinance would guarantee, on a particular event, the admission of these States into the Union on an equal footing with the original States, in all respects whatever, if it had been the intention of Congress to retain the full property of the soil, while the soil of the original States belonged to those States?

Being recognized as States before they had joined the confederacy, the Congress of 1787 thought proper to restrain them, previous to their joining the Union, from the primary disposal of the soil. * * * It was the legislatures of the new States who had not joined the confederacy, and these only, that were prohibited interfering with the primary disposal of the soil. * * * For this opinion the ablest statesmen contended in the question of admitting without restriction the State of Missouri. * * * It was contended for by many of the

advocates for the Missouri admission that she, having formed her constitution, convened her legislative body, enacted her own laws, was in very deed a State, and that her State sovereignty and equality included her right to her public domain.

We shall be told that Congress have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States * * *. If you say the ordinances were repealed by the Constitution of the United States, you lose the benefit of its prohibitions against the new States; and if you admit that the ordinance, with its guarantees in favor of the new States, is sanctioned by the Constitution, you must admit that the new States, * * * were entitled to admission into the Union on an equal footing with the original States.

The ordinance contemplated the public lands as belonging to the new States, after their admission into the Union, and, if all other authorities were wanting to prove this, the ninth article of the Confederation would be sufficient. It declares that no State shall be deprived of territory for the benefit of the United States. * * * The meaning of the ordinance compared with this article becomes perfectly clear.

As a further inducement to the new States to join the Confederacy, the ordinance stipulated that they should be admitted into the Union * * * on an equal footing with the original States in all respects whatever, and the Constitution, in sustenance of the same policy, provides that all engagements entered into before the adoption of the Constitution shall be be as valid against the United States, under the Constitution, as under the Confederation. So that the Articles of the Confederation, the acts of cession, the ordinance of 1787, and the Constitution itself, form a perfect and harmonious chain of policy—the grand object of which was the union and equality of the States. Then, Mr. President, if at all correct in this view, it may well be asked, by what means have the new States been deprived of their equality of the right of soil?

The Indiana Senator then took up the question of compacts made with the new States, the waivers and cessions by the new States in the acts of admission to the United States, and the pledge not to interfere with the primary disposal of the soil. On this the Senator said:

And we are to be told that although the sovereignty and equality of the States, as well as the stipulations of the ordinance, would have given us, without the compacts, the soil of our country, we are to be deprived of that first attribute of sovereignty by the conditions imposed when we asked permission to form for ourselves a constitution and State government?

These compacts, it is true, ought never to have been made, and however soon we may get clear of them we shall have suffered sufficiently by them. * * * The Territories, anxious to gain a political elevation, anxious to gain the level of equality with the original States, did not rightly consider the immense sacrifices they were making for the name, while they were not really acquiring the substances of equality and independence. * * * Congress, under these circumstances, having the power to admit or not, responded to this request of Ohio with conditions. That part of the ordinance which prohibited the new States from full property in the soil until they should be admitted into the Union was made perpetual; and the prohibition of sale and taxation was imposed for no other consideration than a few sections of school lands; a few supposed salt springs, and 5 per cent of the proceeds of the public lands, for internal improvements.

Senator Hendricks then showed how Louisiana and Indiana were next admitted under the imposition of the same condition not to interfere with the primary disposal of the soil, and pointed out that if the United States had a right to impose these conditions then it could impose others which could never be complied with and in this way exercise the power of refusal. He continues:

The public lands should be ceded to the States in which they lie, because their present condition is not warranted by the letter of the Constitution of this Government. * * * Its powers are carefully enumerated and specified; and so jealous were its framers that after each specification contained in it, it is expressly inhibited the exercise of any powers, except those delegated to itself or prohibited to the States. We shall search in vain for any clause in the Constitution which prohibits to the States the exercise of any powers connected with the public lands. In all the original States this power has always been exercised by the State. * * * One of the principal difficulties in the formation of this Government was to designate the boundary betwixt it and the States, and it seems to have been the care of its framers to avoid as much as possible municipal legislation; the regulation of all local and domestic concerns. It seems to have been intended that the Federal Government should not engage in that which the States were competent to do. * * * The compacts are unwarranted by the Constitution, and if so are not binding on the States.

I deny, sir, the constitutional power of this Government to hold lands within the limits of the States, except for the purposes designated by the Constitution, such as forts, magazines, arsenals, dockyards, and other needful buildings; and to enable Congress to hold lands even for these purposes; and consent of the legislatures of the States is declared to be necessary by the express language of the Constitution. In a question of such vital importance to the new States it would surely not be thought unreasonable that they should scrutinize the power which takes from them the public lands within their limits, impairs their sovereignty, and deprives them of equality with the original States. It would be at least some consolation to know that the power which prostrates them at the foot of the Union, which assigns them a level lower than that of the original States, is based on the Constitution.

The power, Mr. President, of the States to make contracts is one thing and the Constitution of the United States is another. And although the States may have the power to make compacts by which a portion of their sovereignty may be alienated, yet it does not follow, of course, that they have a right to transfer such sovereign power to the Union or that the Union could receive or exercise such power. The boundary separating Federal and State powers may be considered the stability of our political system. This boundary may not be passed by either for any purpose; neither to usurp nor to transfer power; for in either way would our system be deranged and the Constitution suffer violence. A State may have the power of destroying her own constitution, though totally destitute of power to interfere with the constitution of another State or with that of the Union. Suppose a State to determine on its own dissolution: Could it transfer all its powers, legislative, executive, and judicial, to the Federal Government? And, if a State could so transfer its powers, could this Government receive such transfer or exercise such powers? Surely not. If one jot or tittle of power not given by the Constitution can be acquired or exercised in such way as this, then farewell to the guards against usurpation of power, placed by the wisest and best of men around the Constitution; farewell to the sovereinty of the States. Establish this doctrine and we may live to see a consolidation of all power in the hands of this Government. Then, indeed, would the Constitution have prescribed in vain the mode of its own amendment. Vain would be the provisions that two-thirds of Congress, or of the States, should agree in calling a convention to propose amendments and that three-fourths of the States should be necessary to ratify such amendments, if the Constitution can be changed by transfers of power from individual States or by compacts with the several States.

I lay it down, sir, as a proposition not to be resisted that the rights of soil and taxation are inseparable from the sovereignty of every independent State.

John Marshall in delivering the opinion of the court in the case of Fletcher *v.* Peck (6 Cranch, 128) said:

That the Legislature of Georgia, unless restrained by its own constitution, possesses the power of disposing of the unappropriated lands within its own limits in such manner as its own judgment shall dictate is a proposition not to be controverted.

Again, he said in Martin *v.* Hunter (1 Wheat. 325):

The sovereign powers vested in the State governments by their respective constitutions remain unaltered and unimpaired, except so far as they are granted to the Government of the United States.

Once more quoting Senator Hendricks on the correlated subject of internal improvements:

The question of internal improvements is one which the new States, in the present condition of the public lands, can never yield. It is in vain to expect that while the lands belong to the Federal Government, while millions are drained from the country into the Treasury of the Union, these States will cease to ask aids for the improvement of their country in roads and canals. It is reasonable that they should so ask. The new States have recently seen New York finish her splendid canal. They see Pennsylvania in progress with one no less splendid. They see other States carrying on other public works. These States have all derived revenues, almost inexhaustible, from their public lands, and Pennsylvania, though one of the oldest States, has not yet exhausted the great source of revenue, for on a recent occasion she has pledged the revenues to be derived therefrom to the progress of the canal.

The public lands in the hands of the new States would put those States on an equal footing with the original States. They would be sources of revenue for the improvement of those States, and they would relieve their agricultural interests from the heavy burdens they at present bear to sustain their treasury. Few of the old States are reduced to the necessity of a land tax to meet their current expenditures, but in the new States, having few objects of taxation, lay heavy contributions on their agricultural interests for that purpose. Almost all the circulating medium of the new States is drained into the Treasury of the United States by the operation of the land offices, and the lands thus purchased are taxed heavily to support the State

governments. In no portion of the Union is agriculture so much burdened as in the new States. * * * But the people of these States are devoted to the Union. You can not drive them from the Union. They are attached to our republican institutions and proud of the trophies and achievements of the Revolution. They wish to perpetuate to future ages the liberties of their country and the Union of the States. They wish to preserve inviolate the Constitution, and ask for that justice which will place them on an equal footing with the original States, which will place in their hands the first attribute of sovereignty—the soil of their country. I trust they will not ask in vain.

In January, 1830, in the Senate occurred the famous debate between Webster and Hayne. It arose over the Foot resolution for an inquiry into the status of the public lands, and into the further question whether the public survey proceeding on such lands might not be stopped and land offices closed. The debate, participated in by many Senators, had proceeded for many days before and continued many days after the famous speech of Hayne, and Webster's reply to Hayne, which extended into the momentous question of the right of a State to nullify a law of the United States in case the State believed such Federal law to be unconstitutional. A portion of the speeches of both Webster and Hayne relating to the public lands I now quote as significant upon whether the emphasis should be placed upon that portion of the ordinances which held that the land should be disposed of for the common benefit of all the States or that portion which provides for the admission of new States as free, independent, sovereign, and equal to the original thirteen States, and whether this last object did not include and comprehend the first.

In a Senate speech in January, 1825, Daniel Webster stated:

There could be no doubt if gentlemen looked at the money received into the Treasury from the sale of the public lands of the West, and then looked to the whole amount expended by the Government (even including the whole amount of what was laid out for the Army), the latter must be allowed to be very inconsiderable, and there must be a constant drain of money from the West to pay for the public lands. It might be said that this was no more than the refluence of capital which had previously gone over the mountains. Be it so. Still its practical effect was to produce inconvenience, if not distress, by absorbing the money of the people.

The Government has received eighteen or twenty millions of dollars from the public lands, and it is with the greatest satisfaction I advert to the change which had been introduced in the mode of paying for them; yet I could never think the national domain is to be regarded as any great source of revenue. The great object of the Government in respect of these lands is not so much the money derived from their sale as it is the getting them settled. What I mean to say is I do not think we ought to hug that domain as a great treasure which is to enrich the exchequer.

Robert Y. Hayne, January 21, 1830, in the Senate said:

If in the deeds of cession it has been declared that the grants were intended for "the common benefit of all the States," it is clear from other provisions that they were not intended merely as so much property, for this expressly declared that the object of the grants is the erection of new States, and the United States in accepting this trust bind themselves to facilitate the formation of these States to be admitted into the Union with all the rights and privileges of the original States. This, sir, was the great end to which all parties looked, and it is by the fulfillment of the high trust that the common benefit of all the States is to be best promoted.

On January 19, 1830, he stated on the question of legal status and equitable considerations:

Sir, the amount of this debt has, in every one of the new States, actually constantly exceeded the ability of the people to pay, as is proved by the fact that you have been compelled from time to time in your great liberality to extend the credits, and in some instances even to remit portions of the debt, in order to protect some land debtors from bankruptcy and total ruin.

Come now to the claims set up by the West to these lands. The first is, that they have a full and perfect legal and constitutional right to all the lands within their respective limits. This claim was set up for the first time only a few years ago, and has been advocated on this floor by the gentlemen from Alabama and Indiana with great zeal and ability. Without having paid much attention to this point it has appeared to me that this claim is untenable. I shall not stop to enter into the argument further than to say that by the very terms of the grants under which the United States have acquired these lands the absolute property in the soil is vested in them, and must, it would seem, continue so until the lands shall be sold or otherwise disposed of. I can easily conceive that it may be extremely inconvenient, nay, highly injurious to a State, to have immense bodies of land within her chartered limits, locked up for sale and settlement, withdrawn from the power of taxation, and contributing in no respect to her wealth or prosperity. But though this state of things may present strong claims on the Federal Government for the adoption of a liberal policy toward the new States, it can not affect the question of legal or constitutional right.

* * * While they shall continue to ask and gratefully to receive these petty and partial appropriations, they will be kept forever in a state of dependence. Never will the Federal Government, or rather those who control its operations, consent to emancipate the West by adopting a wise and just policy looking to any final disposition of the public lands while the people of the West can be kept in subjection and dependence by occasional donations of those lands, and never will the Western States themselves assume their just and equal station among their sisters of the Union while they are constantly looking up to Congress for favors and gratuities.

The public debt must first be paid. For this these lands have been solemnly pledged to the public creditors. This done, which if there be no interference with the sinking fund will be effected in three or four years, the question will then be fairly open, to be disposed of as Congress and the country may think just and proper. * * * I suggest for consideration whether it will not be sound policy and true wisdom to adopt a system of measures looking to the final relinquishment of these lands on the part of the United States to the States in which they lie, on such terms and conditions as may fully indemnify us for the cost of the original purchase and all the trouble and expense to which we may have been put on their account. Giving up the plan of using these lands forever as a fund either for revenue or distribution, ceasing to hug them as a great treasure, renouncing the idea of administering them with a view to regulate and control the industry and population of the States or of keeping in subjection and dependence the States or the people of any portion of the Union, the task will be comparatively easy of striking out a plan for the final adjustment of the land question on just and equitable principles. Perhaps, sir, the lands ought not to be entirely relinquished to any State until she shall have made considerable advances in population and settlement. Ohio has probably already reached that condition. The relinquishment may be made by a sale to the State at a fixed price, which I will not say should be nominal, but certainly I should not be disposed to fix the amount so high as to keep the States for any length of time in debt to the United States. In short, our whole policy in relation to the public lands may perhaps be summed up in the declaration with which I set out that they ought not to be kept and retained forever as a great treasure, but that they should be administered chiefly with a view to the creation within reasonable periods of great and flourishing communities, to be formed into free and independent States, to be invested in due season with the control of all the lands within their respective limits.

SENATE PUBLIC LANDS COMMITTEE REPORT, 1832

The great Public Lands Committee of the United States Senate, in 1832, after a comprehensive survey and study of the public lands, made a formal report, in part in the following words:

Our pledge would not be redeemed by merely dividing the surface into States and giving them names.

The public debt being now paid, the public lands are entirely released from the pledge they were under to that object, and are free to receive a new and liberal destination for the relief of the States in which they lie.

Nearly one hundred millions of acres of the land now in market are the refuse of sales and donations through a long series of years, and are of very little actual value, and only fit to be given to settlers or abandoned to the States in which they lie.

The speedy extinction of the Federal title within their limits is necessary to the independence of the new States, to their equality with the elder States, to the development of their resources, to the subjection of their soil to taxation, cultivation, and settlement, and to the proper enjoyment of their jurisdiction and sovereignty.

The ramified machinery of the Land Office Department and the ownership of so much soil extends the patronage and authority of the General Government into the heart and corners of the new States and subjects their policy to the danger of a foreign and powerful influence.

Mr. SINNOTT. Mr. Chairman, will the gentleman yield?

Mr. WINTER. Yes.

Mr. SINNOTT. I am wondering whether the gentleman is going into the question of whether the original thirteen States had any public lands of their own?

Mr. WINTER. I have inserted a table in the beginning of my remarks showing the original States acquired under the treaty from Great Britain 400,000,000 acres, and, in addition, 170,000,000 acres which were afterwards designated as the Northwest Territory.

Thus it is seen that the true view and policy at all times was and is that the great object, the great consideration, the great

purpose was and should be the development of the new area and of the new States carved therefrom.

In 1832 Henry Clay in an address in the Senate presented the extreme nationalistic viewpoint of the public-land question. His policy was, in fact, in large part carried out by legislation in 1834. The views of Senators Hendricks and Kane and of the Representatives of Indiana, Illinois, and Missouri were not accepted as to the absolute and exclusive State ownership of and right of disposition of the soil; but it was well recognized that the jurisdiction over the lands were in the States and that the provision of all treaties and cessions and laws merely constituted the General Government a trustee for the sale and disposition of the lands, and the remaining problem was as to whether thenceforth, the debt of the Revolution having been paid, the declared common benefit to all the States of the Union and their people had not been fulfilled in a monetary sense, and that thenceforth the common benefit was limited to and recognized to be solely in the settlement of the new country and the formation of new States.

The views of Mr. Clay further show that neither he nor any statesman of that age ever contemplated that great areas of the new States should be reserved for game or timber or parks or any other purpose, but should be rapidly sold into private ownership, so that development might continue and the equal sovereignty of the new States with the old attained. He asked:

> Are they (the public lands) here locked up from the people and, for the sake of their game or timber, excluded from sale? Are not they freely exposed in market for all who want them at moderate price?
>
> The General Government is a mere trustee, holding the domain in virtue of those deeds, according to the terms and conditions which they expressly describe; and it is bound to execute the trust accordingly.

Bearing in mind that Daniel Webster was the chief exponent of nationalism and great expounder of the Constitution and of the supreme national authority, the following statement made by him January 20, 1830, in the Senate demonstrates conclusively that the most extreme national idea of the Constitution and treaties and deeds of cession was simply and solely the sale and disposition of the lands by the Federal Government under such conditions as it might prescribe and that the modern idea of rentals and leases, fees and royalties, was so strange and abhorent that they repudiated the very suggestion. Webster said:

> The gentleman spoke of the centuries that must elapse before all the lands could be sold and the great hardships that the States must suffer while the United States reserved to itself, within their limits, such large portions of soil not liable to taxation. * * * If these lands were leasehold property, if they were held by the United States on rent, there would be much in the idea. But they are wild lands held only until they can be sold; reserved no longer than till somebody will take them up at low price. Sir, if in any case any State can show that the policy of the United States retards her settlement or prevents her from cultivating the lands within her limits, she shall have my vote to alter that policy.

It may be interesting at this point to hear what the United States Supreme Court held as to the effect of the waivers and cessions required and contained in the acts of admission of the States. In the case of Pollard *v.* Hagen, in 3 Howard, 212 (January term 1845), the court held:

> The provision of the Constitution above referred to shows that no such power can be exercised by the United States within a State. Such a power is not only repugnant to the Constitution, but it is inconsistent with the spirit and intention of the deeds of cession. The arguments so much relied on by the counsel for the plaintiff that the agreement of the people inhabiting the new States, that they thereafter disclaim all right and title to the waste and unappropriated lands lying within said territory, and that the same shall be and remain at the sole and entire disposal of the United States, can not operate as a contract between the parties, but is binding as a law. Full power is given to Congress "to make all needful rules and regulations respecting the territory or other property of the United States." This authorized the passage of all laws necessary to secure the rights of the United States to the public lands, and to provide for and sell, and to protect them from taxation. * * * The proposition submitted to the people of the Alabama Territory, for their acceptance or rejection, by the act of Congress authorizing them to form a Constitution and State government for themselves, so far as they related to the public lands within the territory amounted to nothing more or less than rules and regulations respecting the sales and dispositions of the public lands. The supposed compact relied on by the counsel for the plaintiffs conferred no authority, therefore, on Congress to pass the act granting to the plaintiffs the land in controversy. * * * To Alabama belong the navigable waters and soils under them in controversy in this case, subject only to the rights surrendered by the Constitution to the United States; and no compact that might be made between her and the United States could diminish or enlarge these rights.

As to the United States having any constitutional rights of municipal sovereignty, the court in the same case laid down the following propositions:

> The United States now hold the public lands in the new States by force of the deeds of cession and the statutes connected with them and not by any municipal sovereignty which it may be supposed they possess or have received by compact with the new States for that particular purpose.
>
> The counsel for the plaintiffs insisted, in argument, that * * * by the compact between the United States and Alabama on her admission into the Union, it was agreed that the people of Alabama forever disclaimed all right or title to the waste or unappropriated lands lying within the State, and that the same should remain at the sole disposal of the United States. * * * That by these articles of the compact the land under the navigable waters and the public domain above high water were alike reserved to the United States and alike subject to be sold by them; and to give any other construction to these compacts would be to yield up to Alabama, and the other new States, all the public lands within their limits.
>
> We think a proper examination of the subject will show that the United States never held any municipal sovereignty, jurisdiction, or right of soil in and to the territory of which Alabama or any other new States were formed, except for temporary purposes and to execute the trusts created by the Virginia and Georgia Legislatures, and the deeds of cession executed by them to the United States, and the trusts created by the treaty with the French Republic on the 30th of April, 1803, ceding Louisiana. * * *
>
> These deeds of cession stipulated that all the lands within the territory ceded and not reserved or appropriated to other purposes should be considered as a common fund for the use and benefit of all the United States, to be faithfully and bona fide disposed of for that purpose and for no other use or purpose whatever. And the statute passed by Virginia authorizing her delegates to execute this deed, and which is recited in it, authorizes them in behalf of the State, by a proper deed to convey to the United States for the benefit of said States, all the right, title, and claim, as well of soil as jurisdiction, upon condition that the territory so ceded shall be laid out and formed into States * * * and that the States so formed shall be republican States and admitted members of the Federal Union, having the same right of sovereignty, freedom, and independence as the other States.
>
> Taking the legislative acts of the United States and the States of Virginia and Georgia, and their deeds of cession to the United States, and giving to each separately and to all jointly a fair interpretation, we must come to the conclusion that it was the intention of the parties to invest the United States with the eminent domain of the country ceded, both national and municipal, for the purposes of temporary government, and to hold it in trust for the performance of the stipulations and conditions expressed in the deeds of cession and the legislative acts connected with them. * * * When the United States accepted the cession of the territory, they took upon themselves the trust to hold the municipal eminent domain for the new States and to invest them with it, to the same extent in all respects that it was held by the States ceding the territories. * * *
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> By the sixteenth clause of the eighth section of the first article of the Constitution power is given to Congress "to exercise exclusive legislation in all cases whatsoever over such district (not exceeding 10 miles square) as may by cession of particular States and the acceptance of Congress become the seat of government of the United States, and to exercise like authority over all places purchased, by the consent of the legislatures of the State in which the same may be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings" within the District of Columbia, and the other places purchased and used for the purposes above mentioned, the national and municipal powers of government of every description are united in the Government of the Union. And these are the only cases within the United States in which all the powers of government are united in a single government, except in the cases already mentioned of the temporary Territorial governments and their local government exists. The right of Alabama and every other new State to exercise all the powers of government which belong to and may be exercised by the original States of the Union must be admitted and remain unquestioned, except so far as they are temporarily deprived of control over the public lands. * * *
>
> We will now inquire into the nature and extent of the right of the United States to these lands. * * * This right originated in voluntary surrenders made by several of the old States of their waste and unappropriated lands, to the United States, under a resolution of the old Congress, of the 6th of September, 1780, recommending such surrender and cession, to aid in paying the public debt incurred by the War of the Revolution. The object of all the parties to these

contracts of cession was to convert the land into money for the payment of the debt, and to erect new States over the territory thus ceded; and as soon as these purposes could be accomplished, the power of the United States over these lands, as property, was to cease.

Whenever the United States shall have fully executed these trusts the municipal sovereignty of the new States will be complete throughout their respective boundaries, and they and the original States will be upon an equal footing, in all respects whatever.

Mr. SINNOTT. Mr. Chairman, will the gentleman yield?

Mr. WINTER. Yes.

Mr. SINNOTT. Did the Pollard case involve the bed of a river?

Mr. WINTER. It did.

Mr. SINNOTT. And not the public land outside of that?

Mr. WINTER. After referring to the bed of the stream the decision of the court uses the phrase, "public domain," but only as to municipal sovereignty.

In the case of Kansas *v.* Colorado, the United States of America, intervener, volume 27 of the Supreme Court Reporter (206 U. S. 655), Mr. Justice Brewer rendering the opinion, said:

As heretofore stated, the constant declaration of this court from the beginning is that this Government is one of enumerated powers. * * * Turning to the enumeration of the powers granted to Congress by the eighth section of the first article of the Constitution * * * we must look beyond paragraph 8 for the congressional authority over arid lands, and it is said to be found in the second paragraph of section 3 of Article IV, reading: "The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States or of any particular State."

The full scope of this paragraph has never been definitely settled. * * * But clearly it does not grant to Congress any legislative control over the States, and must, so far as they are concerned, be limited to authority over the property belonging to the United States within their limits * * * the proposition that there are legislative powers affecting the Nation as a whole which belong to, although not expressed in the grant of powers, is in direct conflict with the doctrine that this is a Government of enumerated powers. That this is such a Government clearly appears from the Constitution, independently of the amendments, for otherwise there would be an instrument granting certain specified things made operative to grant other and distinct things. This natural construction of the original body of the Constitution is made absolutely certain by the tenth amendment. This amendment which was seemingly adopted with prescience of just such contention as the present, disclosed the wide-spread fear that the National Government might, under the pressure of a supposed general welfare, attempt to exercise powers which had not been granted. With equal determination the framers intended that no such assumption shall ever find justification in the organic act, and that if, in the future further powers seemed necessary, they should be granted by the people in the manner they had provided for amending the act. It reads: "The powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States, respectively, or to the people" * * * and all powers of a national character which are not delegated to the National Government by the Constitution are reserved to the people of the United States. * * * It would be strange if, in the absence of a definite grant of power, the National Government could enter the territory of the States along the Atlantic and legislate in respect to improving, by irrigation or otherwise, the lands within their borders. Nor do we understand that hitherto Congress has acted in disregard to this limitation. * * * It is enough for the purposes of this case that each State has full jurisdiction over the lands within its boundaries, including the beds of streams and other waters. * * * Such title being in the State, the lands are subject to State regulation and control.

From the years 1831 to 1836 the sale of public lands markedly increased. President Jackson announced to Congress in 1835 that the public debt was extinguished and that something must be done with the surplus. Mr. Calhoun proposed, and it was authorized, that after 1836 any surplus in excess of $5,000,000 should be divided among the States as a loan.

The following sums, aggregating $28,000,000, were thus borrowed and received by the following-named States:

Maine	$955,838.25
New Hampshire	669,086.79
Vermont	669,086.79
Massachusetts	1,338,173.58
Connecticut	764,670.60
Rhode Island	382,335.30
New York	4,014,520.71
Pennsylvania	2,867,514.78
New Jersey	764,670.60
Ohio	2,007,260.34
Indiana	$860,254.44
Illinois	477,919.14
Michigan	286,751.49
Delaware	286,751.49
Maryland	955,838.25
Virginia	2,198,427.99
North Carolina	1,433,757.39
South Carolina	1,051,422.09
Georgia	1,051,422.09
Alabama	669,086.79
Louisiana	477,919.14
Mississippi	382,335.30
Tennessee	1,433,757.39
Kentucky	1,433,757.39
Missouri	382,335.30
Arkansas	286,751.49

That amount, with interest since 1836, is still due from those States participating and is still carried on the Treasurer's books as "Unavailable funds."

Thus in 1835 the first of the two stipulations of the cessions by the first group of States ceding the Northwest Territory was fulfilled and terminated, to wit, the application of the proceeds of the sale of public lands to the extinguishment of the debt of the Revolutionary War.

Henceforth there was but one purpose with reference to sale of public lands, that of creating new independent sovereign States, which was to be done by disposing of the domain to settlers until successive areas were sufficiently populated to seek and obtain admission as States. This was done gradually over a 75-year period until, with exception of Alaska and the island possessions the last areas were organized and became the States of Arizona and New Mexico—admitted in 1912.

When these Western States were admitted, they received grants of lands for various State purposes of but 500,000 acres out of areas averaging over 60,000,000 acres within their State lines. The Constitution gave them the right to fix their own boundaries. Iowa settled this question in 1846. It must be conceded that they were not admitted on an equal footing with the thirteen original States, which were sovereign within their borders, not only as to jurisdiction, but as to ownership of the soil to the complete exclusion of the Federal Government, except as under the Constitution the Federal Government might purchase areas within them, with the consent of their legislatures.

The theory on which they were to and are eventually to become sovereign as to ownership and taxation, was the gradual acquirement by purchase, or acquirement by homesteading under the various homestead laws, after 1862. Small direct purchases ceased with the laws so providing in 1862, when the first homestead law was enacted. The best of the lands were then taken up under the 160-acre law, under which residence and cultivation requirements took the place of cash payments. Later the commutation amendment permitted a reduction of the years of residence, and permitted in lieu thereof payment in the sum of $1.25 per acre.

In 1909, owing to the dry character of the lands remaining, the size of the entry was increased on certain designated areas to 320 acres. As the limit of entries of the lands of this type was approached, it was again found necessary to enlarge the entry on other designated areas to 640 acres, and the character of these entries changed to a stock-raising homestead. This required improvements by buildings and fences and forage cultivation, still embodying the idea of settlement, new homes, and development.

The total acreage sold by the United States, exclusive of Alaska, is 1,053,604,081, which brought into the National Treasury $565,998,092.17.

The total number of acres patented under the 160-acre act can not be ascertained.

The total number of acres patented under the 320-acre act from 1916 to 1925, inclusive (prior to 1916 not obtainable), is 40,031,712.

The total number of acres patented under the 640-acre act is 12,580,456.

We are slowly now approaching the end of this class of entries, as is evidenced by the failure of final proof or the abandonment of a large percentage of these entries; though it should be remembered that all classes of entries have had their process of cancellation and reentry.

In 1902, and thereafter, large areas were withdrawn from entry under the usual homestead laws in order that they might be entered, after construction of reclamation works, as reclamation homesteads, under which the settlers are to return to the reclamation fund the entire cost of such projects. While this was and is a heavy burden on settlers, yet it is working out and the great and settled policy of general government to gradually dispose of the public domain and transfer the same into private ownership, and make the States completely sovereign, is being adhered to.

For the development of the West and the entire country, and to the same great general purpose, there was granted by the Federal Government as subsidies to railroads the following:

From 1850 to June 30, 1925, the following railroad corporation grants, aggregating 93,255,338 acres, were made under provisions whereby they could be purchased by settlers at a low cost:

	Acres
Union Pacific	11,935,121.46
Central Pacific	7,231,732.76
Central Pacific (successor by consolidation with Western Pacific)	461,191.24
Central Branch Union Pacific	223,120.50
Union Pacific (Kansas division)	6,176,383.76
Union Pacific (successor to Denver Pacific)	821,324.15
Burlington & Missouri River in Nebraska	2,374,090.77
Sioux City & Pacific (now Missouri Valley Land Co.)	42,610.95
Northern Pacific	39,029,964.67
Oregon Branch of Central Pacific (California & Oregon)	3,188,412.33
Oregon & California	2,777,591.96
Atlantic & Pacific (now Santa Fe Pacific)	11,133,222.11
Southern Pacific (main line)	4,511,860.66
Southern Pacific (branch line)	2,218,139.85
Oregon Central	128,618.13
New Orleans Pacific	1,001,943.40
Grand total	93,255,339.79

Thus, again, under this class of disposition of the public lands the ultimate object intended and effected was the bringing of the land into private ownership, development, and taxation.

RESERVATIONS

We come now to a radical change in the general policy and a departure from original and long-followed methods and purposes, a change which has given cause and rise to question, objection, protest, and cessation of settlement over immense areas in the remaining public-land States. This was inaugurated by withdrawals for permanent reservations for various purposes. Of the remaining public lands, aggregating 431,000,000 acres, there have been withdrawn permanently from settlement the following:

	Acres
Indian reservations	35,706,602
National parks	8,365,000
Power-site reservoirs	700,000
Coal, oil, oil shale, phosphate, sodium, and potash, under general leasing law	42,000,000
Forest reserves, excluding Alaska	136,000,000

A total of 250,000,000 acres have been permanently withdrawn for all purposes, leaving a balance of unreserved, unappropriated public lands of 186,000,000 acres.

Thus, more than one-half of the remaining public lands in 11 Western States, in which are located 97 per cent of the lands, are, under the system of reservations, forever withdrawn from settlement, private ownership precluded, power of taxation permanently denied, and the full State sovereignty expressly provided for in the cessions defeated.

If it be said that the homestead laws are still in effect in the forest reserves, the complete answer is that by law, rule, or regulation, if a given tract is more valuable for timber, mineral, or other purposes than for agriculture, then the entry is not accepted and can not be compelled. In fact, then, the forest areas, being forest and generally in a mountainous country, are not open to entry or settlement. They constitute a permanent withdrawal from any possibility of private ownership, save the location of lode mineral claims.

If it be said that the laws providing for homesteading the surface of lands embraced in Government mineral permits and leases, the answer is that if that surface be more necessary for mining operations in order to extract the mineral, which is almost invariably the case, then the surface entry is defeated.

The result of reservations then, in the 11 Western States, is to leave the Government permanently in complete control of approximately 250,000,000 acres. Approximately an average of 30 per cent of the area of each of the 11 Western States is thus placed forever beyond private ownership and taxation, notwithstanding these States must extend government, maintain police jurisdiction, keep law and order, build roads, as needed, over this entire area, excepting only the national parks. Will anybody seriously maintain that these States are free, independent, sovereign, and equal with the original States and the States of the Mississippi Valley, all of which were or became sovereign, according to the original intention over practically all soil within their boundaries?

To ameliorate this condition of affairs, we have heretofore been reminded that out of the total of 431,000,000 acres, not in private ownership, which is more than one-half the area of these States, averaging 55 per cent of their entire area, 186,000,000 acres are still open to entry and will eventually be settled, and then, in that distant future day, the States will eventually be sovereign over this area and may develop and tax, and that therefore the Government is permanently depriving these 11 States of the trifling amount of only 250,000,000 acres.

Let us see what is now proposed to be done with this balance of the unreserved, unappropriated public domain of 186,000,000 acres. I regret to say some western Senators and Representatives, apparently at the request of livestock associations of the country, are not only agreeable to but active in the proposal to now put these 186,000,000 acres of remaining free-range public lands under a system of regulation and charge for grazing. I don't know which department saw first this great opportunity to extend its administration and power. The Agricultural Department wanted it under its Forest Service, the Interior Department wanted it under its Commissioner of Public Lands. Both seemed to agree that it was a rare opportunity to further extend Federal authority and take something more from the States. The Phipps bill (S. 752), introduced in the last session and again at this session, and the Stanfield bill (S. 2584) are sought to be made law, which would give the administration of all the balance of the public domain to the Secretary of the Interior; not as it has had control of its entries, sale, and disposition, which is its province and purpose under the Constitution and has been its policy for more than a hundred years, but to close it forever for free range, which has been the custom from the beginning of the Government, as handed down from the free commons of England, and to issue 10-year permits under a fee system. On this plan, it is needless to say, the Secretary of the Interior has reported favorably.

Thus we have a departmental, but I hope not an administration, bill to put the Government deeper and deeper into business operations, into absentee landlordism, into Federal exactions of fees, charges, tributes, and levies, and Government operations. The excuse is that the cattle and sheep men war over the range, overstock it, and deteriorate the range grass. This last is a theory advanced for many years. So far as my State, Wyoming, is concerned, neither of the propositions is true. Sheepmen have gone into cattle raising and cattlemen have gone into sheep raising. There are no range wars. They use the range in harmony. The days of range wars are long since gone by. The evidence of stockmen is that in my State last year the range was as good or better than it had been in many years, and as against conditions of 40 or 50 years ago the range is superior. If this be true in Wyoming, it is reasonable to suppose it to be true in every range State. Temporary deterioration by drought does not affect the question and should not be considered.

I look upon this proposed radical departure from past policies as dangerous and detrimental to the interest of range States and to the country. It is wrong in principle. I say without hesitation it will practically stop all settlement and development and hopes of private ownership, which has ever been the true principle and policy. Even though the bill provides these lands be still subject to settlement under homestead laws, it will be as with the forest reservations; in actual practice entry can not and will not be made, unless for nuisance and extortion purposes. If entries can be made as before, the bill is worthless to the proposed permittees. The permittees will prevent and defeat the entrymen if they can. One will succumb to the other. It is an impossible situation that one or many homesteaders could go into the heart of a permittee's area and each take up an entry. The conflict of the range-war days against the settler will be revived. If entries are stopped, as I believe they will be, then we will have a system of perpetual Government landlordism utterly foreign to the American idea, with all the bitter and expensive accompaniments of more Federal agents.

It is sought to take the stigma out of the proposition and make western stockmen more complacent in swallowing this radical change by provision of a very nominal charge, practically the cost of administration. Do the western stockmen realize that when the forest reserves were created that it was first said by no less an authority than Pinchot himself that livestock would not be interfered with; that they would continue to range just as they had, without change, as the only object was to preserve the forests; that the running of livestock in the forests was a help to preservation of the forests, because it removed a large part of the grass and brush which spread forest fires? Do they remember that notwithstanding this a small nominal charge was made; that soon that charge was increased, until it is now admitted by the Forest Service that the present charge is three times the cost of administering the grazing? Do they forget that now it is firmly proposed to double the present charge, so as to call for what the Forest Service denominates the "commercial value" of the grazing?

By what process of reasoning or favor of fate do they hope to escape the same history and experience if once the fee system is fastened on the unreserved public domain? They will be called upon in time, as sure as time passes, to pay the "commercial value" of the grazing on the remaining public lands, as well as in the forest reserves. "Commercial value" is equally right or wrong as to both forest reserves and nonforest domain.

But aside from the money cost the plan is unwise and vicious, because it will stop development and settlement and the great purposes of the trust reposed in the Federal Government abandoned and defeated. If there were any doubt as to the prevention of settlement under this plan, it is made absolutely certain by the recent recommendation of the Secretary of the Interior that the 640-acre homestead act be repealed. And the Stanfield bill provides expressly that the domain shall not be open to such entry.

Who can calmly contemplate, whether he lives in the West, East, North, or South, a plan which is the final step to engraft a permanent system of Federal landlordism upon the public-land States involving 25 to 50 per cent of the area of those States, with all its costs, agents, regulations, restrictions, interference, and prevention of settlement? I propound the question most seriously whether the passage of such a bill is not equivalent to a practical refusal of the Federal Government to continue to execute the solemn trust reposed in its power, its justice, and its good faith. The duty of the Government is to dispose of these lands, create homes for the increasing population of the country, and eventually bring about the too-long-delayed complete sovereignty of these States over that much more territory within their borders.

ROYALTIES

In 1908 there began an agitation for another change in our public land and mining laws. There had been a general settled system of acquirement of title to mineral land by location, discovery, assessment work, improvements, and patent upon the payment of $5 per acre for lode claims and $2.50 per acre for placer claims. This was all under the provisions of the general mineral law of May 10, 1872, entitled "An act to promote the development of the mining resources of the United States."

Now entered the lease and royalty idea. It was proposed to withdraw all mineral land containing coal, oil, oil shale, phosphate and sodium pending the enactment of a leasing bill. These withdrawals were made, though of doubtful validity, after hundreds of thousands of dollars of private capital had proven a structure to be oil bearing. The law was imposed upon the West by weight of numbers. The West was opposed to the leasing system, but perforce had to acquiesce and make the best leasing law possible. Strangely enough, as if in irony, this act of February 25, 1920, bears the title "An act to promote the mining of coal, oil, oil shale, gas, phosphate, and sodium on the public domain."

I do not expect to convince anyone that it should be repealed; we have gone too far; but I call attention to the whole leasing system as another sweeping change in restricting and hampering, instead of encouraging, the discovery and development of mineral. It was another step in curtailing and abolishing the right of the individual to prospect, discover, and develop, and to have the fruits of his initiative and enterprise. It keeps out capital and retards development by a royalty burden of from 2 to 50 per cent. This was all done upon the excuse or theory that the mining laws did not fit the location of oil placer claims. The most prominent feature of the law was the exaction of royalties for the Federal Government; a proposition that would have been indignantly opposed by the strongest nationalist in the days of Calhoun, Webster, Hayne, Clay, and Benton. The Government has collected since February 25, 1920, royalties to the amount of $48,000,000. The injury of this new imposition upon the public-land States, for it affected them only, was attempted to be minimized by the provisions to render back out of these exactions upon the mineral industries and development of those States 37½ per cent of the royalties collected to the States of their origin, and to pay into the reclamation fund 52½ per cent of such royalties, in order that it might go back to the States in agricultural development. And yet representatives are inclined to argue on this floor that this is the money of the Nation, as though raised by taxation, and of all the States, and seem to begrudge reclamation and appropriations therefor; and this from Representatives from States such as Pennsylvania, Ohio, Indiana, Illinois, and many others which never had a foot of soil taken, reserved, withdrawn for national purposes; which received the benefits of the sale of their public lands, borrowed $28,000,000 of the proceeds of the sales of public lands, which they have never repaid, principal or interest, to the National Treasury; and which never paid a dollar of grazing fees, or of royalty from their coal and oil; and which have had all their forest wealth. The Government never received land, save by the cessions, within the limits of the original thirteen or other States without compliance with the Constitution, which compels it to purchase the same, even for forts, magazines, arsenals, and dockyards, and then only with the consent of the legislature of the State in which that soil is located.

It is a glittering theory at best that all the public lands were to be disposed of for the common benefit of all the States. Incidentally that provision was only in the cessions of Virginia and other States ceding areas, and is not in the Constitution or the international treaties under which our territory was acquired. The original States have had the benefit of the proceeds of the sales of a billion acres of public lands; the States between them and the Mississippi have had the benefit of the sale of a half billion acres; the present public-land States have shared in the proceeds of probably a hundred million acres; and now after withdrawing for national purposes permanently 250,000,000 acres from these Western States without paying a dollar therefor it is planned to rent out this remaining 186,000,000 acres in those States, and either make it inapplicable or repeal the homestead 640-acre act, the only existing law under which it could be sold and settled; one more item to make the loss of the Western States complete, the proceeds of public-land sales will cease, and the reclamation fund, one of the methods of doing partial equity, will be the loser.

The greatest evil and injustice of the whole royalty, leasing, renting, fee system is that it is an unusual, unprecedented, unjustifiable, un-American levy upon business in those States, seriously impeding the development of the natural resources by taking a large share of the production, whether there are profits or not, discouraging capital and private enterprise and thus preventing the free development of these States. As for the individual citizen of these States, his opportunities are taken from him, he does not enjoy the rights, privileges, immunities, and advantages expressly guaranteed to him and expressly stipulated for him in the Constitution and by the cessions to the United States, and by the treaties under which these territories were acquired.

It should be realized and remembered that one great reason every State, admitted after the original thirteen States, did not insist on its claim that it instantaneously on admission came into exclusive absolute ownership and control over every acre within its boundary lines was that there was no tribunal having jurisdiction to enforce the provisions of the international treaties. The Supreme Court of the United States declared it could not take jurisdiction, because the violation of a treaty provision was a matter between sovereign nations. In Bottiler *v.* Domingues (130 U. S. 238, April 1, 1889) the Supreme Court said:

> The propositions under this statute are presented by counsel in support of the decision of the Supreme Court of California. The first of these is that the statute itself (9 St. 631) * * * is invalid, as being in conflict with the provisions of the treaty with Mexico * * * and also in conflict with the rights of property under the Constitution and laws of the United States. * * *
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> With regard to the first of these propositions it may be said that, so far as the act of Congress is in conflict with the treaty of Mexico, that is a matter in which the court is bound to follow the statutory enactments of its own Government. If the treaty was violated by this general statute, * * * it was a matter of international concern, which the two States must determine by treaty, or by such other means as enables one State to enforce upon another the obligations of a treaty. This court, in a class of cases like the present, has no power to set itself up as the instrumentality for enforcing the provisions of a treaty with a foreign nation which the Government of the United States, as a sovereign power, chooses to disregard. The Cherokee Tobacco (11 Wall. 616), Taylor *v.* Morton (2 Curt. 454), Ready Money cases (112 U. S. 580, 598, 5 Sup. Ct. Rep. 247), Whitney *v.* Robertson (124 U. S. 190, 195, 8 Sup. Ct. Rep. 456).

Eminent legal minds have always recognized and now recognize that the right of the United States against the rights of the separate States as to the lands organized into States has not been clear; that it has been settled more by custom, precedent, and long acquiescence than by constitutional and treaty principles and judicial determination. The right of the President to withdraw lands for various purposes was settled only by a divided opinion of the Supreme Court, and it was deemed wise to fortify it by an act of Congress, afterwards enacted. (See Midwest Cases, 236 U. S.)

We are about to enter a world court. It would be interesting, indeed, if France asked the World Court to entertain a suit looking to the enforcement of the express provision of the

treaty by which we acquired the Louisiana Purchase, which required the admission of new States from that territory on an equal footing with the original States, which manifestly has not been done and which can not be done, because the United States has exercised its national power and granted millions of acres to private railroad corporations and made other gifts and grants and leases which she could not restore to the States whose lands were granted. It would be rather startling if French capitalists who invested in the bonds of these States should insist on requesting the United States to submit the question to the World Court of restoring the security of all the lands and their resources which have been diverted or withheld from these States.

The theory laid down all through our history was that eventually all these lands would be disposed of so as to come into private ownership and thus finally the sovereignty of the State would at last be full and complete and equal to that of the original States. What about the 8,500,000 acres permanently reserved for parks? What of 35,000,000 acres of Indian reservations; 49,000,000 railroad grants? What about 136,000,000 acres permanently held as forest reserves? They can never come under State sovereignty and private ownership, development, and taxation. Are they legally the property of the United States? They are claimed to be, under our national laws, but as trustee for the benefit of those who were to settle these areas. Can it withhold any part of the trust and alienate great areas in view of the express provision of the treaties and cessions? And can it do it constitutionally in view of the fact that the Constitution makes treaties equally the supreme law of the land? Will the United States refuse to submit the question? If so, why? If it submits it, will it plead international statutes of limitations? A world court may prove a very interesting tribunal.

I do not say that Government titles of a century should be or can be overthrown. I do not say that we do not acquiesce in the railroad grants, the national park, and forest and Indian reservations. In an indirect way these States have been and are benefited. I do not say that the Government, as trustee, may not impose the cost of administering the trust upon these great areas and natural resources of these States. But I do say that that is enough; that beyond that these States should not have one dollar exacted from them; and if it is exacted, then in all justice and equity every such dollar so exacted should be returned to those States of origin or devoted in reclamation funds, road funds, educational funds, agricultural funds, as equitably theirs, and in addition share with the other States in a fair proportion of national moneys for internal improvements. Thus and thus only can equity be done, in view of and in lieu of the deprivations of those States of the full complete and absolute ownership and control of all lands and resources within their borders, as was contemplated, and of that equal sovereignty expressly stipulated in the deeds of cession.

The Eastern States had the benefit of the profits in private ownership and taxation of all their forest lands acquired at a nominal price or as an incident of homesteading. When forests became valuable in the West they were withdrawn entirely and the Eastern States share in the proceeds of the sale of the annual crop of timber; but 35 per cent is returned to the States of origin. When forest reserves were created in the East, the Western States in taxes contributed to the money necessary to buy the great bulk of these reserves from private owners.

I here recapitulate some of the discriminations and inequalities as we see them in the national legislation and policies as between three great groups or divisions of States. Generally speaking, all States east of the Missouri obtained the full title to all coal contained in their homestead entries, or by coal-land purchases from the Government at a nominal cost per acre of from $10 to $20 per acre. When the time came when it was possible to develop the great coal areas of the present public land States, all coal areas were withdrawn and then restored under a price classification which ran from $50 to $400 per acre.

All the other States and their citizens either through homesteading or for a nominal cash price secured title to their lands including all minerals. The present public-land States and citizens settling them, under conditions of greater hardship and poorer land, paying the same amount or more, secure only the surface, all minerals being reserved.

The States east of the Rockies never paid any fees, charges, or royalties. The Rocky Mountain States are required to pay grazing fees and royalties which are a burden on the livestock and mining industries, even though the proceeds are in part, since 1920, returned to them in cash or by way of the reclamation fund.

The Eastern States never have had land withdrawn or reserved for resources, for parks, and forests, and other purposes. The Western States have 250,000,000 acres forever withdrawn from settlement and State sovereignty.

The determination of the control of all these lands having been against the claim of the States, and in favor of the General Government, the matter of express provisions of the international treaties of acquirement being ignored by reason of no jurisdiction in our Supreme Court over matters of treaties between sovereign nations, there remains, however, equity; and the undeniable fact of the trusteeship of the Federal Government. As trustee I submit it is inconceivable that the Government should administer its trust for profit, but only in the interest of the beneficiaries. Equity demands that the beneficiaries shall be the people who settle the lands and the States wherein such settlement is made.

The Nation decided on retaining control and administering the trust. After the payment of the debt of the Revolutionary War the rightful beneficiary of that trust was the people settling, the areas and the States they brought into and which were incorporated into the Union. In the last 25 years only has the equity been recognized substantially in the application of the funds from the proceeds of sales of the public lands in those States back to those States by a reclamation fund under the reclamation law, and in the last six years further in the return of royalties collected under the national leasing act of February 25, 1920, partly in cash and partly through the reclamation fund. It is not equity to return but 25 to 35 per cent of the grazing fees collected from our livestock industry. It is not equity to begrudge and refuse or complain of appropriations for highways in these Western States. First, they are entitled to them as States as a part of a great national improvement. Second, as long as the Government claims to own and controls, for example, 17,000,000 acres of public land in my State of Wyoming, on which the 640-acre homestead land law is now recommended to be repealed, it can not be expected that the people of Wyoming, numbering two and one-fourth persons to the square mile, should build highways over that enormous area, to be used principally by nonresident travelers going through the State.

My position is that these States have a right to settlement and development and the creation of taxable property values; that the lands shall be settled, "disposed of" in the language of the Constitution, into private ownership. In other words, full equality, not only politically in representation and voice in the Union, but physically and materially in land and soil which is inseparable from full sovereignty.

In view of this history, of these facts and figures, I plead the equities of the public-land States, that directly or indirectly all proceeds from their land and resources be repaid to the West, except the cost of administration.

I further advocate that one of the following courses be taken as to the remaining public lands, which are the poorest, as they are the last, and a small area compared to what has been disposed of:

1. Enlarge the area to be taken under the stock-raising homestead law to four sections; or

2. Sell and dispose of these lands by direct sale at a nominal cost of 50 cents to $1 per acre for the surface right; or

3. Cede these remaining lands back to the States in which they are situated, with full right to all their resources, and let the States dispose of them.

The Government, after 140 years, should now close out the land business, as to the remaining unreserved and unappropriated and nonirrigable public domain, in the quickest manner for the benefit of the people of the States in which the lands are located.

The President and many public men, regardless of party, have repeatedly warned against too much centralization and in favor of leaving those things to the States which the States can perform. It is conceded that the tendency at this time should be away from bureaucracy and arbitrary authority and toward the States and local self-government in order to preserve the true equilibrium which is the peculiar genius of our system of government. I have ever been and am a believer in the principles of nationality, the principles laid down by Washington, Hamilton, Adams, Marshall, Webster, Clay, and Lincoln. But that principle calls just as much for the preservation of the rights of the States as of the Federal Government, in accordance with the Constitution.

I submit that the time has come for the withdrawal of the Government from the land business within the States. A century and a half is long enough for the controlling hand of Federal power. It is time now that the sovereignty of the States over their lands, so long delayed, shall be, in some

manner, made absolute, full, and complete, to the end that the American system of equal benefit and identical status and power among the States shall at last prevail and a "more perfect Union" be secured.

Aside from questions of legality and equities I propound the inquiry as to why any State or group of States, original thirteen or otherwise, should now in this day and age have an interest in land or the proceeds from lands or a voice in the control or disposition of lands within another State or group of States. The original price paid for the Territories was nominal. The National Treasury has been repaid more than tenfold. The genius of our institutions and the American system and spirit calls for the fulfillment of the plan of the Union. Let every State be in fact as in theory, free, independent, and sovereign. Let it be equal in standing and dignity. Let us have not only a sovereign Nation but "a sovereign Nation made up of sovereign States." [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield now to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman and gentleman of the committee, the bill now under consideration carries for the District of Columbia an appropriation of $14,220,271. On Monday of this week there was passed through the House under whip and spur a vicious measure to provide for the sum of over $50,000,000 to be spent in the District of Columbia. Last week there was a large appropriation for artificial bathing beaches, one for the whites and one for the negroes of the District of Columbia, and just a few days ago there was a large appropriation for the negro university here in Washington.

This is a fair indication of what is happening here every day and every week while Congress is in session.

For the last few days the papers in the District have been howling about the efforts of some Members here to get small appropriations for post-office buildings in their districts, for their smaller cities and towns, and have been denominating all efforts in behalf of the rural communities and cities as an effort to get "pork" for our constituents. So I have become very much interested in just what is "pork" and "pork-barrel legislation."

I have searched all the papers very carefully, and do not find where any of the Washington papers say a word about the enormous appropriations for the District being "pork." Oh, no; this is efficiency and economy. This is not "pork"; it is "hog it all."

For the Government to buy flower seed for children, or garden seed for the mothers, or farm seed for the farmers, is denominated vicious and very wrong, but for the Government to build at great cost to the taxpayers fine bathing pools or beaches for the negroes of the District is economy and the exercise of a splendid governmental function.

The expense of printing a few books on diseases of horses and cattle for the farmers is pointed out as an expenditure which is liable to wreck the entire economy program of the Nation, but the waste of millions, and even billions, of dollars for every conceivable purpose desired by the great cities and great bankers is denominated a part and parcel of a magnificent economical program.

This Congress has done nothing worth while for the common folks, and the worst part of it is that nothing will be done either during this session or succeeding sessions until the powers that are now in control are in power no more. But, Mr. Chairman, I will not have time to discuss that angle of the situation to-day. I will do so later if God gives me life and strength to do so.

For the present I want to discuss more fully the attitude of the press here and the authorities in the District of Columbia as to appropriations and law enforcement. What the District of Columbia needs is not more appropriations but more law enforcement.

Of course, I favor all appropriations necessary to police the city and protect the people here, but the trouble is that appropriations are sought and obtained to build bridges and construct every conceivable expensive thing and not for the purpose of making the city a safe place for human beings to live. There is a great demand for the elimination of all grade railroad crossings. Well, I will vote for this expenditure; but what about the thousands of grade crossings at every street corner, all of which are more dangerous than the other grade crossings? There is no real effort to solve these problems. Thousands of murderers are driving automobiles on our streets. Many have already killed their first and second victims and are still carrying on the murderous program, which means death to more men, women, and children, and yet there is no real effort to stop or slow down their murderous career. Men are driving cars that should be on the gallows or in the penitentiary for life. Stand on the street corner for a few minutes and you see these murderers perform. If they hit and wound a person, the papers state that they have been detained to await the outcome of the wounded party's condition. Why wait to see if the victim is to die? If the party who ran him or her down is a murderer, why not try him; why wait until the poor, unfortunate victim dies? Why wait until any of these speeders hit some one and then wait until death ensues before even a trial? Oh, it is a huge joke with the motorist who is defying the law. Almost every day the papers state that the authorities are looking for a hit-and-run driver. I wonder why they want him? If arrested he will probably get an O. K. as a careful driver. Maybe his conduct as a careful driver has already been approved, "with the thanks of the court." Then why should he be required to appear and get an additional O. K.?

Looking for hit-and-run drivers. Well, get on any corner and look and you will see them, and you will know them by their reckless driving. If they have not killed or wounded some one they will soon get their victim. The man who drives in a way which means the death of some one in the future, is just as guilty as the reckless driver who has several victims to his credit.

The truth is Congress is not doing its duty. The courts are not doing their duty. The authorities are not doing their duty. I do not mean the policemen. I mean the District commissioners and other higher-up officials. There is no decent effort to protect the pedestrian. Get on a street corner and observe a traffic cop directing traffic and try to figure out just what he is doing. He is not trying to do anything for the pedestrians. He apparently is directing an attack by the motorist on the pedestrians.

Nero is said to have fiddled while Rome burned. I very much fear that people here who ought to be protecting the public are playing politics while the public is being slaughtered.

I wish that the newspapers here would inaugurate a campaign for better traffic conditions. Occasionally something is said along this line, but there is no real effort to bring about better conditions.

Oh, I wish that the papers of the city would stand for a more decent city instead of taking up so much time urging more appropriations to beautify the city. We need a decent city as well as a beautiful city.

If anyone makes an effort to get enacted a law for the moral uplift of the city or for the protection of the people here, he is held up as an advocate of a "blue law" or as some one who is interfering with other people's liberties. If some one makes an attack on law or law enforcement, he is given a prominent write up and is lauded as being very liberal in his views. Laws and the enforcement of laws are held up as being absurd and ridiculous. Crime is condoned and criminals are oftimes heroized.

Even a bill for a reasonable Sunday observance for the District of Columbia is attacked as a bill to provide a "blue law," without being fair enough to state just what the bill seeks to do. The effort is made not to inform the people of what is proposed but to mislead them as to the truth.

Mr. Chairman and gentlemen of the committee, on the 8th of January of this year I introduced House bill 7179, which provides:

SECTION 1. That Sunday being recognized by the Constitution of the United States as the day of rest of the President, and impliedly of the whole people, and being by general consent set apart for rest and religious uses as a civil institution older than any established government, this act prohibits the doing on that day of certain acts hereinafter specified which are serious interruptions of the repose and religious liberty of the community, in order to protect the right of every person to one day of rest in every seven and in order to preserve the day free from unnecessary labor and business, for all who wish the opportunity publicly to worship God according to the dictates of their own conscience.

SEC. 2. It shall be unlawful in the District of Columbia for any person to labor or for any person, firm, corporation, or any of their agents, directors, or officers to employ any person to labor or pursue any trade or secular business on the Lord's day, commonly called Sunday, works of necessity and charity always excepted.

SEC. 3. In works of necessity and charity is included whatever is needful during the day for the good order, health, or comfort of the community, provided the right to weekly rest and worship is not thereby denied. The labor herein forbidden on Sunday is servile, employed on public work, not such personal work as does not interrupt or disturb the repose and religious liberty of the community. The following shall be legal on Sunday: Labor and business in the connection with the preparation and sale of daily newspapers, of motor oil and gasoline, and in restaurants and cafeterias, where meals may be sold

to be eaten on the premises, and in drug stores for the sale of medicines, surgical articles and supplies for the sick, and food and beverages, but not for articles of merchandise forbidden on Sunday for other stores and merchants; labor and business in connection with public lighting, water and heating plants, and for the maintenance of street cars and railroad trains.

SEC. 4. That it shall be unlawful in the District of Columbia to keep open or use any dancing saloon, theater (whether for motion pictures, plays spoken or silent, opera, vaudeville, or entertainment), bowling alley, or any place of public assembly at which an admission fee is directly or indirectly received, or to engage in commercialized sports or amusements on the Lord's day, commonly called Sunday.

SEC. 5. It shall be unlawful in the District of Columbia for any person, firm, corporation, or any of their agents, directors, or officers to require or permit any employee or employees engaged in works of necessity, excepting household or hotel service, to work on the Lord's Day, commonly called Sunday, unless within the next six succeeding days during a period of 24 consecutive hours such employer shall neither require nor permit such employee or employees to work in his or its employ.

SEC. 6. Any person who shall violate any of the provisions of this act shall, on conviction thereof, be punished by a fine of not less than $5 nor more than $50 for the first offense, and for each subsequent offense by a fine of not less than $25 nor more than $500 and by imprisonment in the jail of the District of Columbia for a period of not more than six months.

SEC. 7. All prosecutions for the violation of this act shall be in the police court of the District of Columbia.

SEC. 8. This act shall become effective on the sixtieth day after its enactment.

After I introduced this bill several people asked me whether or not I had introduced a bill to provide for a "blue law." To each I replied, "No; I have introduced a bill to provide in the District of Columbia for a decent observance of Sunday or the Sabbath."

Several newspaper correspondents mentioned the matter to me and stated that they wished to give the bill a "write up" in their papers. I told them I would appreciate this, but I asked them to please have the bill printed in full or tell what it really contained. They told me they would be fair in this respect if they gave an article to their papers. I looked in vain for this fair, full, "whole truth and nothing but the truth" article. I did not see it. I welcome and appreciate publicity of the truth about this or any other bill which I may introduce. I do not appreciate, though, unfair insinuations and false conclusions unless the party offering the conclusions has enough faith in his deductions to state the facts so that the public may see whether or not he is right.

I welcome the public determining whether my bill is good or not, provided the public is allowed to have the facts. I am willing to take part in an argument, but I do not want to enter into a contest of making ugly faces, calling mean names, or slinging mud.

My bill provides for a blue law only in the sense of decency and purity.

To my mind, Mr. Chairman, my bill does not provide for "blue laws" in the sense of severity or overstrictness in morals. It does not provide for laws which are incalculating and impracticable or too severe or gloomy morally. I would not have introduced the bill had I thought it did.

The bill only provides for a reasonable, sane, decent observance of Sunday in the District of Columbia, such as is now the case in most of the States of this Union.

Mr. Chairman, though no paper in the District of Columbia published my bill in full or stated what it really provided, several papers referred to it as providing for a "blue" law. If these papers really think the bill provides for a "blue" law, will not they please be fair enough to me, the people of the District of Columbia, and of the country to publish my bill in full and let the public say just how blue the bill is? Why try to deceive the people? Some time after my bill was introduced the Washington Herald, under the caption "Don't get excited about a 'blue' law for the District of Columbia," editorially made, among others, these observations:

"Try it on the dog first" is quite true with Congress in experimental legislation applying to the District of Columbia, but if everybody will keep cool there is no probability that Congress will fasten upon this city any of the "blue" laws now proposed for us.

Radical, foolish reform thrives upon unnecessary opposition. The theory that you can legislate good into men grows when it is combated. The spirit of crusade is aroused in those who insist that everybody else should do as they think should be done.

Some of Mr. LANKFORD's Georgia constituents fear that the people of the District are hotfooting it on the way to the devil because they enjoy sane Sunday amusements and have asked him to reform us.

Under the bill no place may be kept open in the District on the Lord's day "at which an admission fee is directly or indirectly charged, or to engage in commercialized sports or amusements." It is made unlawful "for any person to labor or for any person, firm, or corporation to employ any person to pursue any trade or secular business on the Lord's day, commonly called Sunday, works of necessity and charity excepted."

The gentlemen of Congress are broadminded and sensible. They are not going to be rushed into voting on anything of this kind if they can help it. Large numbers of them who voted for prohibition are now compelled to spend goodly parts of their income for "wet" goods at high prices. They have had enough of being forced to vote for something against their better judgments.

Don't get excited over this new "blue" law proposition. It has no nation-wide backing. Don't begin fighting it tooth and nail, because it is now sleeping. It won't get anywhere unless those opposed to it take steps to draw the fire of ultrareformers who vote and help to elect Congressmen, while District people do not vote, do not elect anybody, but are here merely to pay taxes to make Washington the most beautiful city in the world.

This editorial tells the truth only in part. Why not tell the whole truth? The editor gives the answer to this question when he begs the people of the District of Columbia to keep quiet and not let the people of the Nation know just how fair the bill is and just how sane are its provisions. He only begs them to be quiet, but all people know he wants the matter kept quiet so that truth and justice may not prevail.

The editorial urges that if the country becomes aroused, then the people of the Nation will speak through their Representatives here, and he knows that a decent law will be the result. Of course, I am drawing my conclusions, but I am fair about them, for I am putting in my speech the part of the editorial which I am criticizing, so that the public can say whether or not I am correct in my deductions.

The editor is very wise in urging this secrecy, but he makes the mistake of doing just what he advises others is indiscreet and improper.

Well may he advise that the American public be kept in the dark as to this matter and as to many others here in the District of Columbia. If it ever becomes known generally over the country just how much the District of Columbia gets of the money of the people of the Nation and just how the District in return does not appreciate what it receives, but, on the contrary, objects to any sort of decent regulation and at all times endeavors to nullify all reasonable laws for the control of the people here, there will be an upheaval of sentiment which will cause the District of Columbia to get the same treatment that is accorded the rest of the Nation. It will be forced to be decent in the matter of law and law enforcement.

The District of Columbia gets more of the tax money of other people than any similar size piece of land in the world and is less appreciative than any other similar amount of territory.

The money of the people of the whole Nation has been spent here with a lavish hand. The papers in the District every day carry pleas and arguments for more money and yet more money for the District of Columbia. Never do these papers say that the District is getting too much, but always that the District is getting too little and paying too much. The people of the Nation are willing for their money to be spent in reason here, but there is no excuse or reason for so much money which rightfully belongs to the people to be spent here. The people back home know that in a general way the District of Columbia is the recipient of a large part of the money of the Nation, but the people back home do not know just how little this money is appreciated here in the District. Neither do the people back home know the District, and the newspapers in the District oppose any sort of decent regulations here in the District. They do not know that Sunday is not observed or recognized by the District of Columbia either by law or as a matter of fact. They do not know that there are probably more crooks and criminals here than in any other city of equal size in the country, and that officials and the press here condone and indorse this sort of thing. The people back home do not know that there are practically no effort here to protect the pedestrian or the common folks on the streets. The people back home do not know that the press in the District of Columbia frown on any regulation in the beautiful parks here which mean decency and courtesy, and that the general impression of the press and the officials here is that the Nation's Capital should become a place where there is practically no law, and that those laws which are on the statute books should not be enforced but should be ridiculed and nullified.

The people of the Nation do not know that while their money is making the city of Washington the most beautiful capital in the world that it is rapidly becoming a city with the least law

and order enforcement in the world. The people of the Nation do not realize that much of what is being said and done for law and order throughout the country is being nullified by the District of Columbia, its officials, and the press here, and yet more and more of the people's money is being sought every day and used here. The folks back home do not yet fully realize that their money by the millions is being used here every year to make Washington a city beautiful so as to attract the public from the country at large to come here, and that when they do come here they are insulted, robbed, and ofttimes murdered because the officials and the press here favor no decent laws and no observance of the few laws the District happens to have.

Yes, Mr. Editor, it is a good idea to suggest that the people who "help to elect Congressmen" be kept in the dark, for these good people do not know that the city which they have learned to love as their Nation's capital, and which by the expenditure of their money in large amounts is becoming the city beautiful, is at the same time becoming a city of vicious, unregulated negroes and white toughs, unpunished crooks, and criminals, and highly protected spoilsmen and profiteers among whom a great many decent folks are struggling to survive.

Mr. Chairman, if I know myself, I am for the few decent folks who are struggling to survive here. I am for the little children who are daily trying to cross the streets and for whom there is little or no protection from the speed maniac. I am for the Government employee who comes here and works hard for a few dollars and who is not safe on her way home in the District of Columbia, and for the folks who live here, and in the several States who have made this a beautiful city and who are not safe or treated decently while in the District.

If the press, which ridicules the idea of a decent observance of Sunday, made the argument that people who work hard all the week really need some of the recreation which my bill would prevent, then I would feel that the press was honestly and bona fide trying to help the common folks, provided those same papers were all the while urging that better laws along all lines be made for the pedestrian and for the common folks. But not so. The papers of the District of Columbia take up very little time urging anything for the common folks in the way of additional protection. Of course, anything which means an additional expenditure of money appeals to them; but what I am saying is that the press here do very little advocating of laws or their enforcement which protects the individual citizen from the speed fiends, the profiteer, or the criminal. Instead of the policemen of the city being supported by the papers and the court here, too often they are ridiculed. A Washington paper wants nothing better to publish than a criticism of a policeman or an enforcement officer. Anything that means to lessen the respect of the public for law enforcement or those who try to enforce the laws affords the theme for a headline display in most dailies here. And let me say that some of the papers here are much worse about this thing than others. This sort of thing done by the press and by the movies of the country is bringing law enforcement and officers into disrepute in the eyes of the public. The newspapers which engage in this kind of thing and the movies of the Nation are to blame for many of the crimes in the Nation, and are to blame for the great wave of disrespect for law and order which is sweeping the country. The same papers and the movies delight in showing up the bootlegger and the criminal as a hero and minimize everything that is for law or law enforcement. They magnify and glorify everything that tends to the lack of decent regulation and law enforcement.

What is the result? Look at recent papers and you will see the effect on the people who read these papers and who attend these movies. Out in Chicago last week an audience of men, women, and children saw a picture of the arrival in Chicago of a thief, crook, and murderer in the custody of some policemen. The audience applauded the criminal and booed and hissed the policemen who had risked their lives to make the arrest and to protect others from his murderous gun. People wonder why this happened. No need to wonder—this audience only did what they have been doing in Chicago for lo these many days. They applauded the criminal, which the press of the country and the movies have held up as the hero. They hissed the law-enforcement officers, which have been held up to them in ridicule. The sad part of this thing is that this is not only happening in Chicago; it is happening here in Washington, under the dome of the Capitol. It is happening all over this country of ours. Disrespect of law is taught in the papers, in the movies, in the theaters, and in many of the schools.

Even men like Nicholas Murray Butler, who have more education than either morals or patriotism and who are training up boys to be Leopolds and Loebs, are all the while inculcating in the young manhood and womanhood intrusted to their care disrespect for law and for the Constitution of the Nation and for the God of their fathers.

Mr. Chairman, my bill would prevent the operation of movies on the Sabbath and also would close the theaters on Sunday. It seems to me that about the only mistake that is in the bill is that it does not go far enough and try to suppress most movies and certain papers which delight in the destruction of every moral and religious sentiment in this country and which would like to establish in lieu thereof disrespect for law, order, and the Constitution.

Oh, what a power the movies could be for this country if they would always encourage law and order and decency. The press of our country has been a mighty power for good. Our forefathers realized that and provided for the freedom of the press, and I would not, if I could, do away with the freedom of the press which they had in mind. But the great trouble now is that many papers of the Capital, and of the Nation for that matter, have decided that the freedom of the press means the right to tear down respect for law and order and the right to help destroy the old Constitution and all the rights and laws under it and all amendments.

Mr. Chairman, I would like to see my bill enacted into law, not so much because I believe that it is possible to legislate good into some folks, but because I would like to see here and elsewhere a respect for law and order. It is admitted that good can not be legislated into some folks. That is no argument in favor of not trying to have decent laws and decent law enforcement. I do not favor any unreasonable law or regulation. I do think that the District of Columbia and the Nation's capital should have at least reasonable laws and that there should be a bona fide effort to enforce these laws.

The editor says that Congress is always trying out experimental legislation on the District of Columbia first on the theory of "Try it on the dog first." Well, I am opposed to this sort of thing and it is not right, but it is very likely news to the editor to be informed that there has been a decent effort at Sunday observance for many centuries before and that this observance is in effect in many of the States of the Union. The District, instead of being first in this respect, is about to be one of the last.

"Try it on the dog first" is very popular with the gentlemen when it comes to appropriating money for the District of Columbia. The District does not mind being the dog then and does not mind being first. The trouble only arises when there is some effort in behalf of decency, law, and order.

"Try it on the dog first" is all right when it comes to paying out every year, contrary to law, large sums of the people's money to run a negro university here in Washington where the negroes are taught at Government expense to hate the white man who furnished the money for his school.

"Try it on the dog first" is fine, and the District does not mind being the dog, neither does the District or the editor object to being first in using the people's money to build large, expensive bathing pools here in the District of Columbia. The only objection which probably arises in the mind of some is that there is not to be a pool near the beautiful monuments of the city, to be used by partially naked buck negroes and white girls jointly. Then, just think how the picture would appeal to some as adding to the beauty of the city to have the negroes bathing with the whites at the base of the monuments to Abraham Lincoln, Theodore Roosevelt, and George Washington.

"Try it on the dog first" is fine when the District gets more from Congress each year than goes to the farmers of all the States of the Nation.

Mr. Editor, you are right in advising that the people of the country be not informed as to what is proposed here and as to what is being done, if you and the District are to continue to get away with this sort of thing.

Mr. Chairman, I do not wish everyone else to do as I think should be done. I know this can not be done, and then I might be wrong. I only want more respect for law and for those who endeavor to enforce the laws. I would like for the majority of the people of this country to stand for the Constitution and the laws made in pursuance thereof. In this I firmly believe I have what I desire.

The editor says that my bill will sleep peacefully if let alone. He is right about this, and he wants to have it let alone. I would like to see it enacted into law. I realize I may never see this. It is mighty hard to get laws enacted with so much pressure against them. I know I have the unpopular side in so far as the newspapers are concerned. I would be a popular hero if I was a prosperous bootlegger or if I would attend some social function here and declare myself as favoring the sky as the limit of appropriations for the District of Columbia. Oh,

yes; I would get my picture on the front page and a very nice write-up. In fact, I would be a statesman and a gentleman in the eyes of the District of Columbia's officials and the press. Well, I would rather be a humble servant working in behalf of my people down home than to be a statesman in the eyes of the other crowd who are plundering my people.

No; my people did not ask me to introduce this bill. My people do not know just how little the people of the District appreciate the money being spent here and just how little effort there is to enforce decent rules and regulations here. The people of the Nation do not understand the situation and can not understand it unless all could come here and study it. I have tried to tell my people, but can not do so fully. I regret for the people to know that we have here the city most beautiful and at the same time the city most terrible.

No; my people never asked me to introduce this bill, but I will say for them that they do believe in a sane, reasonable observance of Sunday and believe in law and order. I introduced the bill because I believe in its provisions and because when I first came to Washington and every since I have felt like millions of people who come here that there should be a decent observance of Sunday in the Nation's Capital.

Neither my people nor I object to sane Sunday observance nor do we object to sane Sunday amusements. Children, men, and women can play and amuse themselves all they please in a reasonable way. I do feel that Sunday baseball is going beyond the pale of what is reasonable, and that this is true of movies, especially as conducted to-day. I believe that the provisions of the bill are all sane and reasonable.

The editor takes a swing at Members of Congress by saying that a "large number of them who voted for prohibition are now compelled to spend goodly parts of their income for wet goods at high prices." I do not know how many Members buy liquor to be used as a beverage. I know a great many who do not. I do not remember ever having seen a single Member take a drink, and neither do I now know of a single Member who gets drunk.

The editor is again at the same old game of trying to minimize law and law enforcement. He is again, only by indirection, trying to undermine the Constitution of our fathers.

The editor of the Herald takes a parting shot by stating that the people of the District "are merely here to pay taxes to make Washington the most beautiful city in the world." He is distressed because the citizens here are so heavily burdened with taxes.

Poor downtrodden sorely oppressed District of Columbia. I pity thy taxpayers who object to paying what would amount to about one-fourth of what is paid in many cities of the country.

I will gladly vote for a proposition to determine what is the average rate, State, county, and city, on property in the cities of the Nation, and then let that become the permanent rate for the District of Columbia. Let us be fair to the District of Columbia and let her pay no more and no less than the average taxpayer in the cities of the Nation pays. I bet I do not get a front page write-up on this proposition. Why? Because it is more than fair. The people of the District get manifold privileges because the Capital is here and could well afford to pay more than other people, but let us be more than fair; let us determine what is exactly an average rate, and let the District pay that amount. Now, if you do not want to try something "on the dog," let us try something that everybody else has tried.

Let us provide for the people of the District of Columbia paying a tax which is exactly what is being paid by the average citizen throughout the country. Now, put up or shut up about this tax proposition.

The Herald editor speaks of the "liberal" advocate. Well, I have heard of that fellow before. There are many so-called "liberal" advocates who are very liberal in behalf of the criminal and very radical as to the rights of the innocent or those endeavoring to enforce laws.

Those in Chicago the other day who applauded the murderer were very liberal with murderers and others of that class, but they were very radical with the men who risked their lives in the discharge of their duty in arresting the murderer.

There are many who are very liberal with any idea or move which means the destruction of the great principles of our forefathers as expressed in the Declaration of Independence and the Constitution and yet these same people are very radical and extreme in their stand against everything moral or religious or for the general uplift of the country.

The burglar is very liberal with the other man's goods, and the so-called "liberal" advocate is ofttimes most liberal when it comes to destroying the rights and liberties of others just so he does not infringe in the least the alleged right of the criminal to be a criminal regardless of the cost to the rest of the community.

Most self-boasted "liberal" advocates are most liberal with the false and most radical with truth and right. They are ofttimes most liberal with all who would destroy our religious freedom and moral respect and trample under foot all we hold near and dear, and yet they are most radical, ofttimes insanely so, as to every virtue by which our Nation was founded and by which it endures.

So, after all, Mr. Chairman, it all depends when, where, and how we are liberal. It is best for all of us to be liberal in all respects. I want to be liberal as to the views of others, and yet I can not always agree with even the views of my friends. I do not want my liberality to go to the extent of causing me to line up with the wrong crowd against law enforcement and against decent regulations for the community in which I happen to live. I want to be liberal with the criminal, for at some time or other the best of us violate some law or regulation, and yet I would not be so liberal as to take the stand that there should be no decent regulations looking to the good of a community.

When I was judge I tried to be liberal with those whom it became my duty to sentence. After I decided on the sentence which I thought I should impose, I always made the sentence a little less than I thought the defendant should receive.

I believe that the bill which I have introduced for a Sunday observance law for the District is a liberal law. It is not extreme either way. I believe that to be extreme either way would be a mistake. I do not favor an extreme law which would provide for the closing of all drug stores, restaurants, news stands, gasoline stations, and which would prevent works of charity on Sunday. Neither would I favor a law which would attempt to prevent the running of trains or street cars on Sunday.

I favor a Sunday observance law such as is provided in my bill. It is reasonable and just and should be enacted. The man who opposes all law for Sunday observance certainly should not call himself "liberal" any more than should the man who favors a law so strict as to require everyone on Sunday to stay at home and not go outside of his house unless for the purpose of going to church and then only to return directly to his home after church shall have dismissed.

I respectfully invite a careful study of my bill and its provisions, and I feel confident that it will be found to be most reasonable and most liberal.

The people of the whole country are concerned about law and order in the District of Columbia. Not the people here alone own the city; it is the Capital of the whole Nation. The newspapers and the citizens here should urge that Washington be not only a city beautiful but also a city of law and order.

Criminals should not be heroized anywhere, and especially not here in the Nation's Capital. I denounce as viciously wrong and as unpatriotic the traitorous act of anyone who continually holds up to contempt and ridicule law and law enforcement.

People from the States visiting here are shocked at the disregard for law and the opposition to any sort of decent regulations.

I am only fighting for reasonable laws and for a decent observance of those laws.

The purpose of my bill is to provide for a decent observance here of the Sabbath. If it is faulty, let us amend it, and pass at least some kind of a Sunday observance law for the Nation's Capital.

Mr. SANDLIN. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. McKEOWN].

Mr. McKEOWN. Mr. Chairman, the one great influence that has contributed most to the preservation of this Government, in my judgment, has been the American home life. In the contribution of great men in every line of endeavor, the rural homes have furnished a very large share of the successful men and women. Men and women from rural homes have distinguished themselves in the advancement of the American Government, the arts and sciences, finance, commerce, and trade.

Rural life in America with its environment has been a potent factor in character building throughout the Nation. The isolation of farm life with its closeness to nature has given the opportunity for the development of the sterling qualities that have heretofore marked our citizenship and contributed to the spirit of freedom and liberty. There is an absence of the temptations that enamor youth in its early period that are to be found in the more densely settled communities of the Nation.

To continue this source of the supply of the Nation's loyal men and women it is incumbent on the Congress of the United States to see to it that contentment prevails in the rural communities and that this home life be not disturbed. There is no greater contributing factor to this contentment than the ownership of the farm homesteads. The last census shows an enormous increase of the flow of people from the farms to the cities and towns, whereas, if the Nation, in my judgment, is to survive many decades, the tide of humanity must be turned from the towns and the cities to the rural communities.

One of the greatest causes for the flow of people from the rural communities to the cities and the towns is the loss of ownership of rural homes, together with the unfair competition placed upon the farmers' business. The Congress, in an effort to correct the evil caused by the loss of ownership of the farms, enacted the Federal farm loan act, and although relief in a measure has been afforded by the farm-loan banks, yet on account of the restrictions placed in the act the farm-loan banks have been unable to grant the measure of relief that should be afforded under the act. The act restricted loans to 50 per cent of the appraised value of the land and 20 per cent of the value upon insured improvements. The passage of this act immediately lowered the outrageous rates of interest that were being charged by private lenders upon farms in America, and they immediately took advantage of the limitation in the farm loan act and the ultraconservative appraisals made by the Federal land-bank appraisers and proceeded to gouge the unprotected farmers in the Southwest, as well as in other parts of the country, out of their homes with exorbitant interest charges.

Whenever the question of the financial condition of the farmers of the country comes to the forefront there are many conservative gentlemen who immediately say that the farmer has too much credit already, yet in order to extend unlimited credit to the financial interests of this country these same gentlemen are always anxious and ready to pass any remedial legislation asked for by the financial or big business interests of the country. When any manufacturer finds himself losing money ready ears hear his appeal for an increase of the protective tariff rate on his product, but the appeal of 6,000,000 farmers goes unheard, although they represent 60 per cent of the industry of the country.

The court dockets throughout the West at the present time will show an overwhelming increase in suits to foreclose farm mortgages that are owned by private persons. This condition is brought about by the inability of the farmers to pay the exorbitant interest rates and commissions, high taxes, and the great depression and losses in the prices of their products.

It is pathetic to see the valiant struggle made by the farmers in an endeavor to save their homes from these foreclosures. When you take his home from him you take his heart and hope. Much of the so-called farm-relief legislation can well be left unenacted if Congress will relieve by the liberalization of the farm loan act the home ownership situation throughout the rural communities. Nothing will relieve the distressing situation now prevailing in the agricultural communities of the country more than the liberalization of this farm loan act. Home ownership, in my judgment, is the foundation stone upon which rests contentment, happiness, prosperity, and the greatest of all virtues, patriotism.

The great Empire State, New York, with due regard and safety for their saving depositors, permits their banks to loan the savings deposits on real estate up to 60 per cent of the appraised value. To relieve this situation I have introduced in the House H. R. 8398, which would amend the division paragraph of the fifth paragraph of section 12 of the Federal farm loan act so as to read:

Fifth. No such loan shall exceed 75 per cent of the value of the land mortgaged and 40 per cent of the value of the permanent, insured improvements thereon, said value to be ascertained by appraisal, as provided in section 10 of this act. In making said appraisal the value of the land for agricultural and stock-raising purposes shall be the basis of appraisal, and the earning power of said land shall be a principal factor.

Mr. CULLEN. Mr. Chairman, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. CULLEN. The gentleman knows that the loans of the savings banks of the State of New York are authorized and authenticated first by the superintendent of banks. They dare not make a loan without the consent of the superintendent of banks.

Mr. McKEOWN. The statute of the State of New York permits them to loan up to 60 per cent on real-estate loans.

Mr. CULLEN. Yes; but the loans dare not be made without the consent of the superintendent of banks.

Mr. McKEOWN. I am commending your law in New York. The Federal land bank board at Washington must, like your commissioner, approve every farm loan.

Mr. O'CONNOR of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. O'CONNOR of Louisiana. I want to get information from the gentleman and at the same time arouse the interest of our friend from Texas [Mr. BLANTON]——

Mr. BLANTON. Oh, the gentleman from Texas is always interested when the gentleman from Oklahoma is speaking.

Mr. O'CONNOR of Louisiana. Why is it that the farmers do not organize and express the power, if not the justice, that the gentleman says is expressed by other organizations who appear to express power to group action?

Mr. McKEOWN. Their isolated condition is such that they can not do it, and they have to depend on their Congressmen. This bill if enacted into law, in my judgment, would relieve in a very large measure the conditions brought about by the loss of homes by the farmers of the country; it would tend to stem the tide and flow of our citizens from the farms to the cities and towns. If the farmer could have the benefit of the 33 years amortization plan, with a payment charge of only 6½ per cent per annum, on his home he could survive the heavy losses sustained on account of the situation in which he finds himself placed in industry.

Our Nation to-day is the most powerful nation in finance in the world. So great are the financial resources of this country that our international bankers are able to float enormous loans for foreign nations, and we boast of having moved the financial center of the world from London to New York; yet Great Britain, with all of her financial difficulties, her business depression, and loss of commerce, has made liberal provision for financing her farmers in the matter of home ownership and also to induce the purchase of farms by persons of very small means. I quote from the British act of Parliament of 1923, the improvement of the land act:

The amount secured by the mortgage must not exceed 75 per cent of the value, as ascertained to the satisfaction of the commissioners, of the land mortgaged at the date when the advance or transfer is made by or to the commissioners, or exceed an amount equal to thirty times the annual value of the land as ascertained at that date for the purposes of Schedule A of the income tax acts. The amount secured by the mortgage, with interest thereon, must be repayable within a period of 60 years by equal yearly or half yearly installments of the principal sum advanced, together with interest on the amount outstanding, or by equal yearly or half yearly payments of principal and interest combined.

It is of interest to note that the amount to be loaned by the British Government through their farm-loan associations is not to exceed 75 per cent of the value as ascertained by the commissioners, or exceed an amount equal to thirty times the annual value of the land. In other words, in determining the appraisal value of the land the commissioners take into consideration the income value of the land for a 30-year period. The British Government makes the loans for a period of 60 years instead of 33 years, as provided by our law.

If Great Britain, under the financial difficulties enumerated heretofore, can afford the liberal treatment accorded her farmers, what good reason can the Government of the United States offer for not liberalizing the present farm loan act?

The enactment into law of the bill which I have introduced will not only make unnecessary much of the proposed farm legislation but will result in saving the homes of the American farmers and in permitting the homeless land tenant to acquire and own a small farm. The homeless tenant farmer suffering from crop failures brought about by weather conditions and insect pests, and seeing his more fortunate neighbors in the cities and towns receiving good wages, becomes discontented and abandons his farm and goes to the cities and towns, thus further crowding and augmenting the number in these cities and towns who depend on their labor for their subsistence, and the whole result is that there is discontent and distress in the rural communities and among the laborers in the cities.

If Congress will pass this bill or some similar bill, it will relieve this undesirable condition and open the door of hope to struggling landowners and tenant farmers and greatly augment home ownership throughout the rural communities of America; and if you will make America a land of home owners, you will make it a land of happy, contented, prosperous, and patriotic citizens. [Applause.]

Mr. SANDLIN. Mr. Chairman, I now yield to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, the bill under discussion, known as the independent offices appropriation bill for the fiscal year 1927, recommends an appropriation of $502,488,768, or an increase of $50,106,809 over the amount appropriated for 1926 and an increase of $44,061 over the estimates of the Budget.

I want to draw attention to the provision of the bill found on pages 29 and 30 making an appropriation for the Tariff Commission of $699,000, which includes $8,500 for printing and binding.

The Tariff Commission was authorized under Title VII of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916.

The Chamber of Commerce of the United States had conducted a referendum, beginning in the spring of 1913, looking to the creation of a tariff commission in order that the same might be taken out of politics, and the various civic organizations throughout the country supported the amendment which resulted in the incorporation of the proposed amendment under Title VII of the act of Congress approved September 8, 1916.

On January 24, 1916, President Wilson, in a letter to the chairman of the House Ways and Means Committee, urged the creation of a tariff commission—

To provide the Government with necessary data to furnish sound basis for policy which should be pursued in the years immediately ahead of us, years which will no doubt be full of many changes which it is impossible even for the most prescient to forecast.

He had, of course, reference to years following the World War.

The original act provided for a commission of six members. It was to be nonpartisan and not more than three members were to be of the same political party. The duties of the commission were—

to investigate the tariff relations between the United States and foreign countries, commercial treaties, preferential provisions, and economic alliances, and the conditions and causes relating to the competition of foreign industries with those of the United States—

and were quasi judicial and nonpartisan.

The appropriation for the Tariff Commission for the year 1917 was $300,000, and the commission not having organized until March 21, 1917, only $44,089.30 was expended by it between that date and the end of the fiscal year on June 30, 1917.

There was appropriated for the year 1918 the sum of $300,000, of which $179,941.99 was used.

For the year 1919 the sum of $200,000 was appropriated and the entire amount was expended.

The sum of $300,000 was appropriated for the year 1920 and this entire sum was expended.

For the year 1921 the sum of $300,000 was appropriated and of this amount $294,986.47 was expended.

For the year 1922 the appropriation was $300,000.

For the year ending June 30, 1923, there was $325,000 appropriated, and a supplemental appropriation of $150,000 was made, making a total appropriation of $475,000.

For the year ending June 30, 1924, the annual appropriation was $680,000, with additional compensation for employees of $150,000, making a total of $830,000.

For the year ending June 30, 1925, the annual appropriation was $671,980 plus an additional appropriation of $1,260, or a total of $673,240.

The amount appropriated for the fiscal year ending June 30, 1926, was $721,500.

These amounts, in the aggregate, are very large, and we who are in favor of economy are not justified in voting for an appropriation of $699,000 carried in this bill, unless we are convinced that the services rendered by the commission and the army of employees of the commission give substantial service to the country.

Since the tariff commission has been in existence since March 21, 1917, or a period of almost nine years, and more than 10 years since the creation of the commission, we are justified in scrutinizing not only the appropriations made annually for the tariff commission but in carefully investigating what, if anything, the commission has done which would justify continued appropriations for its support.

There was added as an amendment to the tariff act approved September 21, 1922, section 315, the so-called "flexible provision," which authorized the President to utilize the services of the Tariff Commission in ascertaining the differences in costs of production under this provision, as follows:

Investigations to assist the President in ascertaining differences in costs of production under this section shall be made by the United States Tariff Commission, and no proclamation shall be issued under this section until such investigation shall have been made. The commission shall give reasonable public notice of its hearings and shall give reasonable opportunity to parties interested to be present, to produce evidence, and to be heard. The commission is authorized to adopt such reasonable procedure, rules, and regulations as it may deem necessary.

After such an investigation was made, based upon the recommendation of the Tariff Commission, the President was authorized to issue a proclamation either increasing or lowering the duty upon any article upon which a duty was collected under the act.

Approximately $5,000,000 have been spent for the Tariff Commission and I can not bring myself to the belief that the results of its services have been such as to justify its continuance.

I have made inquiry as to what duties have been reduced, and I find that the only reductions embodied in the reports of the Tariff Commission are as follows:

As shown on page 22 of the report of the commission for 1925, the following decrease is indicated:

Live bob-white quail valued at $5 or less, from 50 cents to 25 cents each.

The report of 1924, at page 9, shows only one other decrease:

Bran, shorts, and by-product feeds obtained in milling wheat, from 15 per cent to 7½ per cent ad valorem.

This decrease, of course, did not help the consumers because we produce and export these products.

We boast that we are in favor of economy, and if we are, here is a good place for the ax to fall.

As stated, it was originally intended that this commission should be nonpartisan, that it should actually investigate and report the facts. It was hoped that we would take the tariff out of politics. Everyone appreciated that those benefiting from the tariff contributed to campaign expenses, and that therefore the tariff question would be a political football.

The disclosures recently made in the Senate by the Senator from Nebraska [Mr. NORRIS] have really amazed the country; yet there has been no attempt to deny the statements, and they must, therefore, be accepted as true. They have not been challenged. They in effect charge the President with using these positions for partisan purposes in a way, so far as I know, attempted by no other President of the United States. The time of David L. Lewis, who was a former Member of the House and an expert on the tariff question, a man of high character, and who had served on the commission since its organization, was to expire in September of 1924. The election was coming on. In order to make it appear that the commission was absolutely nonpartisan, the President reappointed him, but at the same time requested a resignation to be placed in his hands for his acceptance at will. This, of course, was to hold over the head of the member of the Tariff Commission as a threat to be used at his pleasure in the event that any decision made did not suit his views.

Three members of the commission were for a reduction of the tariff on sugar of one-half cent per pound. A report was imminent before the election, and the President was making every effort to postpone it until after the election. One of the members was disqualified because of the interest of his wife. Lewis was permitted to serve through the next short session of Congress, but his name was never sent to the Senate and he is no longer now a member of the commission. Another member of the commission, a Mr. Culbertson, was offered a position on the Federal Trade Commission at a higher salary and was afterwards given a diplomatic post. Culbertson was one of the three favoring a reduction of a tariff on sugar. He was a Republican. These charges were made at great length and in detail on the responsibility of a Senator of the United States and have never been denied by any expression from the White House or in the public press. The personnel of the commission is now changed, but the high protectionists are all retained on the commission. In my judgment, the usefulness of a tariff commission is at an end, and I do not believe that we are justified in making any further appropriation for it.

I am reading an article from the Baltimore Sun taken from the editorial column under date of January 25, 1926, with reference to the above disclosures which speaks for itself:

IS MR. COOLIDGE ASHAMED?

For several days Senator NORRIS, of Nebraska, has been discussing on the floor of the Senate the President's relations with the Tariff Commission. What the Senator has yet to say and what Mr. Coolidge's spokesmen may have to say will, perhaps, change the feelings that he has produced thus far, but unless there is change it will not be possible for decent people to read these speeches without feeling shame for their President.

Senator NORRIS has been painting a picture of back-room city hall politics played by the President of the United States. A member of the Tariff Commission of the opposite party is asked for a secret, undated resignation as the price of temporary reappointment; another

member of the Tariff Commission is tempted with a diplomatic appointment; still another member of the Tariff Commission is significantly told to follow his conscience in deciding whether to vote on an extremely important question in which his family has a material financial interest. And it is known that he is strongly contending that his family's interest should not preclude him from voting in the way that would help that and all similar interests and also would serve ends in which the administration is concerned.

If no explanation is made of these happenings, how can the American people escape being shamed by the knowledge that their President resorted to the smallest and cheapest expedients of petty politicians when the question of the sugar rates were before the Tariff Commission during the presidential campaign? And any explanation that may be offered must be a whole-hearted affair, very different from the meaningless comments made at the White House a few days ago. For Senator NORRIS is a man known to be addicted to truthful statement.

On February 3, 1926, the National Board of Farm Organizations unanimously passed the following resolution:

The United States Tariff Commission should be abolished. Its elusive and labrinthic method of dealing with questions of great public moment is bringing reproach on all reputable governmental agencies. Its unwarranted delay in arriving at decisions; its prejudiced treatment of parties appearing before it; its method of holding secret hearings with certain parties interested in matters before the commission, when other parties understand the hearings have been closed; all have created a situation which approached closely to a public scandal.

I think the above expresses the sentiments of the country with reference to the Tariff Commission and with reference to the attitude of the present administration toward it. If it is to be used as a political football and no reductions are to be made to the consuming masses, then the appropriation for it should be discontinued until we are assured that it will be reorganized by the appointment of men of such high character that their acts and reports will command the confidence of the country.

Sugar is an article used on every breakfast table throughout the country. One-half cent per pound additional is contributed to the Sugar Trust. When the Tariff Commission, after a thorough and extended investigation, recommends a reduction of that amount and the President refuses to approve it, the consuming millions of Americans contribute daily this additional amount to the Sugar Trust, and the Sugar Trust, in appreciation of the benefits conferred, in turn contributes a substantial amount to the campaign fund of those who vote to benefit it.

The people of the country should be aroused and should take notice that every vote for officials who believe in special privilege means that the people will eventually pay for it. We have heard the tariff discussed since we were a boy. Surely no benefit can come to the farmer and laborer or the small consumer in an agricultural State, such as Oklahoma. It used to be argued that the foreigner paid the tax. This theory had to be exploded. Then it was argued that wages were increased, but an investigation disclosed that the manufacturers received the major part in profits and dividends. Later, it was argued that it did not raise the cost to the consumer, but a complete answer to that was, Why did the manufacturers in the East want a tariff if it did not enable them to raise the cost to the consumer?

It is futile to attempt to argue to the farmers of my district that a tariff is beneficial to them. We are governed by a world market. We export cotton, wheat, and other agricultural products. The price of cotton in Oklahoma is governed by the Liverpool price communicated through New York and New Orleans. In reading the cotton markets daily we find that owing to advices from Liverpool the price of cotton is either up or down. Every cotton farmer knows that. Therefore the price of cotton in Oklahoma is governed by the price in Liverpool. It was attempted to be argued during my last campaign that the price of cotton was then high because there was a tariff on cotton. Some years ago there was a tariff on long-staple cotton, not a lock of which was grown in Oklahoma, and even that tariff was repealed by the act of 1922, so there is now no tariff on cotton, and there never was a tariff on cotton such as is grown in Oklahoma. What I have said of cotton is true of wheat. We are governed by a world market. We have a tariff or duty on wheat imported from Canada. That does not affect the price of wheat grown in Oklahoma or the Middle States, and has no effect upon the general market of wheat in the United States. Canada exports wheat to England. So do we. That is our foreign market, and the price in both Canada and the United States is governed by the foreign market. I grant you that along south of the Canadian border, now and then, there may be a shortage in wheat, and the mills on our side of the line may want to import wheat, and because of local conditions now and then the local farmers immediately south of the Canadian border may be benefited by the tariff on wheat, but that is not true of Oklahoma, because transportation rates prohibit competition with Canadian wheat. Canadian wheat and Oklahoma wheat compete in a world market, and the world price governs. Surely nothing can be clearer.

Senator CAPPER, of Kansas, who is in sympathy with the farmer, on the question of the benefit of the tariff to the farmer, states:

Unless he [the farmer] is enabled to put his price up, it will not be long before he will be demanding a reduction of the protective tariff, which keeps up the price of the manufactured articles he consumes. As a seller he [the farmer] must compete in world markets; as a buyer he must buy in a protected home market. As a seller he must take the world price; as a buyer he must pay the American protected price. It is absurd to assume that the farmer will long remain content at such a disadvantage. He demands readjustment.

Senator CUMMINS, of Iowa, long a Member of the Senate, and from a great agricultural State, when asked whether he thought the tariff on agricultural products benefited the farmer, said:

I do not; and it is idle for even an enthusiast to assert that the price of these products is directly affected by the protective tariff.

Ex-Senator McCumber, one of the joint authors of the Fordney-McCumber Tariff Act of 1922, said:

The wheat acreage to-day is producing a surplus of wheat, which must be thrown into the world's market; thereby keeping down the price of the home product, tariff or no tariff.

The resolutions passed by the Republicans recently at Des Moines, Iowa, contained the following:

We do not concede that the existing Forduey-McCumber Act is of great benefit to agriculture as a whole. On the contrary, the staggering burdens imposed upon the consumers of the country through the act fall as heavily upon the farmer as upon any other class—on the one hand the farmer pays his full share of the heavy tariff tribute upon practically everything he buys, while on the other hand the price of his great surplus commodities is fixed in the world market.

* * * * * * *

If the existing tariff is such a boon to agriculture, then how can the fact be explained that, although this tariff has been in operation for five years, agriculture is at this hour staggering on the brink of complete collapse?

When the prices of agricultural products were falling in 1921 and the farmers of the Middle West were facing ruin a Republican Congress enacted the "emergency tariff act" in the hope that conditions would improve, so that it could be claimed that credit was due to that act. Prices continued to fall, and every farmer throughout the country knows that the emergency tariff act of 1921 was absolutely of no benefit to the farmers throughout the country.

Congressman STRONG, a Republican from Kansas, inserted in the CONGRESSIONAL RECORD a table showing the difference in the price of implements sold to farmers under the Underwood Tariff Act, which was in force in 1914, and the Fordney-McCumber Tariff Act enacted in 1922, as follows:

Implements	1914	1924
Hand corn sheller	$8.00	$17.50
Walking cultivator	18.00	38.00
Riding cultivator	25.00	62.00
1-row lister	36.00	89.50
Sulky plow	40.00	75.00
3-section harrow	18.00	41.00
Corn planter	50.00	88.50
Mowing machine	45.00	95.00
Self-dump hay rake	28.00	55.00
Wagon box	16.00	36.00
Farm wagon	85.00	180.00
Grain drill	85.00	165.00
2-row stalk cutter	45.00	110.00
Grain binder	150.00	225.00
2-row corn disk	38.00	95.00
Walking plow, 14-inch	14.00	28.00
Harness, per set	46.00	75.00

It is urged that most farming implements are placed upon the free list. This is only true in part, as the steel and other items which go into the manufacture of farming implements are protected by very high duties, which increases the prices of these implements to the farmers.

Let us examine what the representatives of labor say as to whether or not wages have been increased under the high tariff law.

Mr. William Green, president of the American Federation of Labor, in a letter to Mr. Pierce, discussing wages paid by textile manufacturers who received the greatest benefits under the high tariff law, stated:

If a tariff wall is built in order to protect special interests and special industries against competition from foreign manufacturers, certainly when manufacturers protected by such a tariff wall reduce the wages of their employees below the subsistence level, the Government in all fairness should reduce the tariff schedules and tear down the tariff wall which has been so skillfully built.

It is the purpose of the president of the American Federation of Labor to bring these facts to the attention of Congress and to insist in the name of the working people of America that the textile manufacturers, who have inaugurated and carried out a policy of wage reduction, shall be deprived of special privileges and special benefits which they have enjoyed from high-tariff protection.

Mr. Thomas F. McMahon, president of the United Textile Workers, protesting against the 10 per cent cut in the wages of workers, on September 18, 1925, said in part:

The United Textile Workers of America favor a fair and equitable tariff. We realize that there are some parts of the present tariff on textiles that could be divided by two and other parts that need a severe lowering in rates to make them fair to the consumer and worker alike. The consuming public would buy two yards where they now buy but one if proper adjustments were made in the highway larceny tariff now in existence. The workers have been fooled long enough. They know that with the highest protective tariff on textiles now existing that their condition is worse than ever before. We are told about the large imports of textiles during the past year, as a matter of fact the entire imports of textiles into the country was less than 5 per cent, and over one-half of this amount we could not manufacture if we had the orders.

But why multiply additional authority. Every dollar poured in golden streams into the coffers of the eastern manufacturers comes as a corresponding drain from the consuming masses. You can not confer a legislative benefit upon one class except at the expense of another class. The benefits which the tariff barons received, of course, comes from the people.

The Democratic Party has always favored a tariff for revenue as distinguished from one for protection. No other theory is justified. We levy tariff duties in order to collect revenues to run the Government. We oppose any tariff duties as a special legislative privilege. As long as revenues are collected by means of the tariff, of course, the duties should be equitably arranged so that the benefits derived may be fairly distributed. All necessities should be placed on a free list.

The trouble with the farmer is that the purchasing power of his dollar has been reduced to 60.3 cents. This figure is furnished by the present Secretary of Agriculture and is authentic. It has gradually grown less and less. He sells his cotton and wheat and other agricultural products on a world market, and he must take that price; and when he buys with the money which he receives for it, his dollar is depreciated to 60.3 cents. In other words, the farmer and laboring man and the small consumer gives up 39.7 cents out of the purchasing power of every dollar. Surely if they could be aroused to a full appreciation of this fact they would no longer sit idly by and vote for those who would take from them and their children two-fifths of the purchasing power of every dollar.

In large part this is what is the matter with the farmer and the laboring man and the small consumer, and, in fact, all those living in the Middle West.

Now and then one is asked the question, How are you going to help the farmer? Everyone appreciates, of course, that this is a difficult question to answer. I can not take the time to go into the broader question here to-day, and I do not believe it can be done in one bill, but would require a series of bills. We can not get these enacted unless we look at the farmer's difficulties from his viewpoint. That is what is the matter with the present administration. The present administration looks at the question from the viewpoint of the eastern manufacturer and not from the viewpoint of the average workingman throughout the country.

The present administration is not in sympathy with general remedial legislation, and its attitude is accurately described in a recent article by William Allen White, published in Collier's Weekly, on December 26, 1925, and inserted in the CONGRESSIONAL RECORD by the Senator from Nebraska, Mr. NORRIS, on January 16, 1926, one excerpt from which is as follows:

The President's mystic faith in the divine ordination of wealth to rule the world and promote civilized progress is evidenced in his opposition to the inheritance tax. He seems to feel rather deeply that interference with the accumulation of fortunes, however great, is wicked perversion of natural law.

If a series of bills were introduced which had for their purpose (1) the reduction of freight rates; (2) a revision of the tariff downward; (3) encouragement extended in a financial and educational way in assisting the farmers in marketing their crops; (4) the building of warehouses at terminal points where the farmer might store his nonperishable products and take receipts which would be good at the Federal reserve bank, and thus tide him over financial stringencies without forcing him to sell his farm products on a depressed market; (5) the expenditure of more money in the building of roads which would aid in reducing the cost of marketing farm products; (6) and an amendment added to the rural credits bill such as I have introduced, which would facilitate and expedite the making of loans to the farmers upon the amortization plan through local agents, thus avoiding the necessity of organizing local associations and thereby enable our tenant farmers to own their own homes, which are some of the things I advocate, if enacted, I believe would relieve the farmer of much of his distress and would at least tend to equalize his difficulties in line with the legislative and administrative benefits which the large financial interests of the East now enjoy.

Surely everyone must know that as long as Congress legislates in the interest of the few at the expense of the consuming masses that the consumer must pay tribute to the manufacturer in the East.

The tariff tax enables the manufacturer to raise the price to the consumer, and he, in turn, without knowing it, pays more for practically every article which he and the members of his family use and wear. This attitude toward the people of the great Middle West and the consuming public has brought them to a financial precipice, and this entire attitude must be changed and legislation should be enacted such as I have indicated, looking at the matter from the viewpoint of the plain people of the country.

The East, under the fostering care of special privilege, is prosperous. The great Middle West and the producing classes, drained to pay tribute to "big business," is depressed.

The following excerpt is taken from the Literary Digest of February 20, 1926, showing the earnings of the railroads for the year 1925:

The railroads in the United States broke all earning records in 1925, with an aggregate net operating income of $1,136,000,000, exceeding the previous high record, made in 1916, by nearly $100,000,000, according to the Bureau of Railway Economics.

The same is true of the Steel Trust, the Aluminum Trust, and all big corporations. All are paying increased dividends and are making enormous profits. This is the administration of "big business." Mergers and combines are the subjects of daily reports in the press. They are in the saddle, riding to a fall. I am not inveighing against corporations or large aggregations of capital legitimately acquired and used. I am protesting against "special legislative privileges" enacted in their behalf, enabling them to accumulate great fortunes, squeezed and drained from the producing and consuming masses of the country. Particularly in periods of great depression should profits and losses be equalized.

May I make myself clear? Every person, railroad, and corporation should be permitted and encouraged to make a reasonable profit in whatever legitimate business it is engaged, but they should not, through "special privilege," be permitted to accumulate enormous profits wrung from the toiling and producing masses, struggling with poverty and against bankruptcy. Their differences should be equalized so far as can be by legislation and administration. My whole heart and soul rebel against special legislative advantage. The truth is that the consuming masses do not know the additional amount they pay for clothing and nearly every article they wear and use. If they did, millions of ballots would disregard partisan appeals and sweep those from power who vote for special privilege.

The trouble is those advocating special privilege on election day appeal to partisanship or some local question of prejudice and this larger question is lost sight of.

If, in the light of these indisputable facts, the farmers, laborers, and small business men, composing practically the entire citizenship of my district, want to continue to impoverish themselves and their dependents by paying a tariff toll to the manufacturers in the East, they will do it because the facts are distorted through partisan appeals to support "the party of their fathers" instead of the interest of themselves and their children, and they have my deepest sympathy.

Let us vote the economy we advocate. Let us set our faces as with flints of steel against all special privileges, legislative and administrative. [Applause.]

Mr. WOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BEGG, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9341, the independent offices appropriation bill, and had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed with amendments the bill (H. R. 7554) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed without amendment bills of the following titles:

H. R. 172. An act to extend the time for the construction of a bridge across the Mississippi River at or near the village of Clearwater, Minn.;

H. R. 5565. An act granting the consent of Congress to the Civic Club, of Grafton, N. Dak., to construct a bridge across the Red River of the North;

H. R. 173. An act to extend the time for the construction of a bridge across the Rainy River between the village of Spooner, Minn., and Rainy River, Ontario;

H. R. 3852. An act to authorize the construction of a bridge over the Columbia River at a point within 2 miles downstream from the town of Brewster, Okanogan County, State of Washington;

H. R. 5027. An act authorizing the construction of a bridge across the Ohio River between the municipalities of Rochester and Monaca, Beaver County, Pa.;

H. R. 4785. An act to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of the land authorized to be acquired by the public buildings appropriation act approved March 4, 1913, for the connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park; and

H. R. 6740. An act granting the consent of Congress to the Norfolk & Western Railway Co. to construct a bridge across the Tug Fork of Big Sandy River at or near a point about two miles and a half east of Williamson, Mingo County, W. Va., and near the mouth of Lick Branch.

The message also announced that the Senate had passed bills of the following titles in which the concurrence of the House of Representatives was requested:

S. 74. An act for the relief of W. H. Presleigh;

S. 105. An act for the relief of Arthur E. Colgate, administrator of Clinton G. Colgate, deceased;

S. 117. An act for the relief of the owner of the Coast Transit Division barge *No. 4;*

S. 493. An act for the relief of the owner of the steamship *British Isles;*

S. 494. An act for the relief of all owners of cargo aboard the American steamship *Almirante* at the time of her collision with the U. S. S. *Hisko;*

S. 508. An act for the relief of the owners of cargo laden aboard the U. S. transport *Florence Luckenbach* on or about December 27, 1918;

S. 530. An act for the relief of the owners of the steamship *Basse Indre,* and all owners of cargo laden aboard said vessel at the time of her collision with the steamship *Housatonic.*

S. 612. An act for the relief of Elizabeth Wooten;

S. 871. An act for the relief of Harry Scott;

S. 1115. An act creating a commission to procure a design for a distinctive flag for the District of Columbia, and for other purposes;

S. 1119. An act to transfer jurisdiction over United States reservation No. 248 from the Director of Public Buildings and Public Parks of the National Capital to the Commissioners of the District of Columbia;

S. 1121. An act to amend an act of Congress approved March 1, 1920 (Public 153, 66th Cong., H. R. 6863), entitled "An act to regulate the height, area, and use of buildings in the District of Columbia, and creating a zoning commission, and for other purposes;

S. 1452. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower;

S. 1519. An act for the relief of the P. Dougherty Co.;

S. 1520. An act for the relief of Isabelle R. Damron, postmaster at Clintwood, Va.;

S. 1531. An act for the relief of the heirs of George E. Taylor, deceased;

S. 1856. An act amending further an act providing for the withdrawal from public entry lands needed for town-site purposes in connection with irrigation projects;

S. 2324. An act for the relief of the New Jersey Shipbuilding & Dredging Co.; and

S. J. Res. 41. Joint resolution providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

SENATE BILLS REFERRED

Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 74. An act for the relief of W. H. Presleigh; to the Committee on Claims.

S. 105. An act for the relief of Arthur E. Colgate, administrator of Clinton G. Colgate, deceased; to the Committee on Claims.

S. 117. An act for the relief of the owner of the coast transit division barge *No. 4;* to the Committee on Claims.

S. 493. An act for the relief of the owner of the steamship *British Isles;* to the Committee on Claims.

S. 494. An act for the relief of all owners of cargo aboard the American steamship *Almirante* at the time of her collision with the U. S. S. *Hisko;* to the Committee on Claims.

S. 508. An act for the relief of the owners of cargo laden aboard the U. S. transport *Florence Luckenbach* on or about December 27, 1918; to the Committee on Claims.

S. 530. An act for the relief of the owners of the steamship *Basse Indre* and all owners of cargo laden aboard said vessel at the time of her collision with the steamship *Housatonic;* to the Committee on Claims.

S. 612. An act for the relief of Elizabeth Wooten; to the Committee on War Claims.

S. 871. An act for the relief of Harry Scott; to the Committee on Claims.

S. 1115. An act creating a commission to procure a design for a distinctive flag for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 1119. An act to transfer jurisdiction over United States Reservation No. 248 from the Director of Public Buildings and Public Parks of the National Capitol to the Commissioners of the District of Columbia; to the Committee on the District of Columbia.

S. 1121. An act to amend an act of Congress approved May 1, 1920 (Public 153, 66th Cong., H. R. 6863), entitled "An act to regulate the height, area, and use of buildings in the District of Columbia, and creating a zoning commission, and for other purposes"; to the Committee on the District of Columbia.

S. 1452. An act to carry into effect the findings of the court of claims in the case of William W. Danenhower; to the Committee on Claims.

S. 1519. An act for the relief of the P. Dougherty Co.; to the Committee on Claims.

S. 1520. An act for the relief of Isabelle R. Damron, postmaster of Clintwood, Va.; to the Committee on Claims.

S. 1531. An act for the relief of the heirs of George E. Taylor, deceased; to the Committee on Claims.

S. 1856. An act amending further an act providing for the withdrawal from public entry lands needed for town-site purposes in connection with irrigation projects; to the Committee on Irrigation.

S. 2324. An act for the relief of the New Jersey Shipbuilding & Dredging Co.; to the Committee on Claims.

S. J. Res. 41. Joint resolution providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; to the Committee on the Library.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States for his approval the following bill:

H. R. 183. An act providing for a per capita payment of $50 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 172. An act to extend the time for the construction of a bridge across the Mississippi River at or near the village of Clearwater, Minn.;

H. R. 173. An act to extend the time for the construction of a bridge across the Rainy River between the village of Spooner, Minn., and Rainy River, Ontario;

H. R. 3852. An act to authorize the construction of a bridge over the Columbia River at a point within 2 miles downstream from the town of Brewster, Okanogan County, State of Washington;

H. R. 4440. An act granting the consent of Congress to the board of supervisors of Clarke County, Miss., to construct a bridge across the Chunky River in the State of Mississippi;

H. R. 4441. An act granting the consent of Congress to the board of supervisors of Neshoba County, Miss., to construct a bridge across the Pearl River in the State of Mississippi;

H. R. 5027. An act authorizing the construction of a bridge across the Ohio River between the municipalities of Rochester and Monaca, Beaver County, Pa.; and

H. R. 5565. An act granting the consent of Congress to the Civic Club of Grafton, N. Dak., to construct a bridge across the Red River of the North.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had insisted upon its amendments to the bill (H. R. 7554) entitled "An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 20, 1927, and for other purposes," disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon and had appointed Mr. HALE, Mr. PHIPPS, Mr. PEPPER, Mr. SWANSON, and Mr. GLASS as the conferees on the part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DRIVER, indefinitely, on account of illness.

Mr. RAGON, indefinitely, on account of illness.

Mr. TAYLOR of West Virginia, for the remainder of this week, on account of important business.

Mr. HOOPER, on account of sickness.

Mr. KUNZ, for six days on account of death in family.

ADJOURNMENT

Mr. WOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until to-morrow, Thursday, February 18, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 18, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON AGRICULTURE

(10 a. m.)

Authorizing an appropriation to be expended under the provision of section 7 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers" as amended (H. R. 271).

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

District of Columbia appropriation bill (subcommittee).

COMMITTEE ON INDIAN AFFAIRS

(10.30 a. m.)

To extend the civil and criminal laws of the United States to the Indians (H. R. 7826).

Authorizing an appropriation of $25,000 from the tribal funds of the Indians of the Quinaielt Reservation, Wash., for the construction of a system of water supply at Taholah on said reservation (H. R. 96) and other departmental bills.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(10 a. m.)

Providing for the consolidation of the functions of the Department of Commerce relating to navigation, to establish load lines for American vessels (H. R. 7245).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

National defense department.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To provide for the temporary need of higher rank for flying officers and for flying-officer qualification in naval high command (H. R. 8123).

To provide for the promotion or advancement of officers who have specialized in aviation so long as to jeopardize their selection for promotion or advancement to the next higher grade or rank (H. R. 8125).

COMMITTEE ON PATENTS

(10 a. m.)

For copyright registration of designs (H. R. 6249).

COMMITTEE ON THE POST OFFICE AND POST ROADS

(10 a. m.)

To amend sections 213 and 215, act of March 4, 1909 (Criminal Code), relating to offenses against the Postal Service, and sections 3929 and 4041, Revised Statutes, relating to the exclusion of fraudulent devices and lottery paraphernalia from the mails (H. R. 6982) (subcommittees).

COMMITTEE ON WAR CLAIMS

(10.30 a. m.)

For the relief of Agnes De Jardins (H. R. 1692).

COMMITTEE ON ROADS

(10 a. m.)

To amend an act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented (H. R. 3823).

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(11 a. m.)

Granting the consent of Congress to O. Emmerson Smith, F. F. Priest, W. P. Jordan, H. W. West, C. M. Jordan, and G. Hubard Massey to construct, maintain, and operate a bridge across the southern branch of the Elizabeth River, at or near the cities of Norfolk and Portsmouth, in the county of Norfolk, in the State of Virginia (H. R. 7093).

EXECUTIVE COMMUNICATIONS, ETC.

360. Under clause 2 of Rule XXIV, a letter from the Assistant Secretary of Commerce, transmitting a draft of a proposed bill authorizing the Comptroller General of the United States to relieve James O. Williams, former special disbursing agent, Bureau of the Census, in the settlement of his account, was taken from the Speaker's table and referred to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GRAHAM: Committee on the Judiciary. H. R. 120. A bill fixing the fees and subsistence allowance of jurors and witnesses in the United States courts; with an amendment (Rept. No. 308). Referred to the Committee of the Whole House on the state of the Union.

Mr. BARKLEY: Committee on Interstate and Foreign Commerce. H. R. 2830. A bill to legalize a wharf and marine railway owned by George Peppler in Finneys Creek, at Wachapreague, Accomac County, Va.; without amendment (Rept. No. 309). Referred to the House Calendar.

Mr. BARKLEY: Committee on Interstate and Foreign Commerce. H. R. 8462. A bill to authorize the county of Loudon, in the State of Tennessee, to construct or acquire, by purchase or otherwise, to own, operate, and maintain a bridge, either free or toll, across the Tennessee River near Loudon, Tenn.; with amendments (Rept. No. 310). Referred to the House Calendar.

Mr. WHITE of Kansas: Committee on Election of President, Vice President, and Representatives in Congress. H. J. Res. 164. Joint resolution proposing an amendment to the Constitution of the United States; without amendment (Rept. No. 311). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. VINCENT of Michigan: Committee on Claims. H. R. 817. A bill for the relief of Sam Tilden; with an amendment (Rept. No. 307). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER: A bill (H. R. 9451) to create a commission of investigation in connection with the eighteenth amendment to the Constitution of the United States; to the Committee on the Judiciary.

Also, a bill (H. R. 9452) admitting to citizenship the rescuers of the *Antinoe* who were seamen on the steamship *President Roosevelt;* to the Committee on Immigration and Naturalization.

By Mr. BUTLER: A bill (H. R. 9453) to authorize the construction and procurement of aircraft and aircraft equipment for the Navy; to the Committee on Naval Affairs.

By Mr. TYDINGS: A bill (H. R. 9454) creating a commission on the electoral system of the United States and defining its duties; to the Committee on Rules.

By Mr. JOHNSON of Kentucky: A bill (H. R. 9455) to dedicate as a public thoroughfare a narrow strip of land owned by the United States in Bardstown, Ky.; to the Committee on Public Buildings and Grounds.

By Mr. MADDEN: A bill (H. R. 9456) to amend section 127a of the national defense act approved June 3, 1916, as amended by the act approved June 4, 1920; to the Committee on Military Affairs.

By Mr. HADLEY: A bill (H. R. 9457) to provide for the giving of notice of pendency of actions and proceedings in courts of the United States effecting title to real property; to the Committee on the Judiciary.

By Mr. HAUGEN: A bill (H. R. 9458) to authorize the grazing of domestic livestock on national forests, to provide for the establishment of grazing districts on the public lands of the United States and Alaska, and to regulate their beneficial use by livestock, and for other purposes; to the Committee on Agriculture.

By Mr. KIESS: A bill (H. R. 9459) fixing the salary of the Public Printer and the Deputy Public Printer; to the Committee on Printing.

By Mr. GOODWIN: A bill (H. R. 9460) granting the consent of Congress to the highway department of the State of Minnesota to reconstruct a bridge across the Mississippi River between the city of Anoka, in Anoka County, and Champlin, in Hennepin County, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. GARNER of Texas: A bill (H. R. 9461) to extend the time for the construction of a bridge across the Rio Grande between Eagle Pass, Tex., and Piedras Negras, Mexico; to the Committee on Interstate and Foreign Commerce.

By Mr. ZIHLMAN: A bill (H. R. 9462) to regulate the manufacture, renovation, and sale of mattresses in the District of Columbia; to the Committee on the District of Columbia.

By Mr. PARKER: A bill (H. R. 9463) to provide for the prompt disposition of disputes between carriers and their employees, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DARROW: A bill (H. R. 9464) to equalize the pay of certain officers of the Marine Corps with that of officers with corresponding service in the Navy; to the Committee on Naval Affairs.

By Mr. LITTLE: A bill (H. R. 9465) regulating the purchase and sale of automobiles, automobile trucks, and automobile busses, and providing a penalty for the violation thereof; to the Committee on Ways and Means.

By Mr. SMITH: A bill (H. R. 9466) for the adjustment of water-right charges on the Minidoka irrigation project, Idaho, and for other purposes; to the Committee on Irrigation and Reclamation.

Also, a bill (H. R. 9467) for the adjustment of water-right charges on the Boise irrigation project, Idaho, and for other purposes; to the Committee on Irrigation and Reclamation.

Also, a bill (H. R. 9468) for the adjustment of water-right charges on the King Hill irrigation project, Idaho, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. WOODRUFF: A bill (H. R. 9469) proposing an amendment to the Constitution of the United States; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. SABATH: Joint resolution (H. J. Res. 173) requesting the President to establish friendly diplomatic and commercial relations with the Soviet Government of Russia; to the Committee on Foreign Affairs.

By Mr. ZIHLMAN: Joint resolution (H. J. Res. 174) providing that no permanent building shall be erected in East Potomac Park solely for tourist-camp purposes pending the selection of a more suitable site; to the Committee on Public Buildings and Grounds.

By Mr. BOYLAN: Resolution (H. Res. 137) authorizing the Secretary of State to furnish certain data in regard to the expulsion of citizens of the United States from Mexico; to the Committee on Foreign Affairs.

By Mr. GRAHAM: Resolution (H. Res. 138) for the consideration of H. R. 7907, to fix the salaries of certain judges of the United States; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADKINS: A bill (H. R. 9470) granting a pension to Anna B. Jacobs; to the Committee on Invalid Pensions.

By Mr. BACHMANN: A bill (H. R. 9471) granting an increase of pension to James A. Criswell; to the Committee on Pensions.

By Mr. BEEDY: A bill (H. R. 9472) granting an increase of pension to Margaret E. Griffith; to the Committee on Pensions.

By Mr. BLACK of New York: A bill (H. R. 9473) for the relief of Joseph N. Marin; to the Committee on Naval Affairs.

Also, a bill (H. R. 9474) for the relief of Matthew D. Madigan; to the Committee on Military Affairs.

By Mr. BOWMAN (by request): A bill (H. R. 9475) for the relief of James L. Barnett; to the Committee on the Civil Service.

By Mr. BROWNE: A bill (H. R. 9476) granting a pension to Anna Withers; to the Committee on Invalid Pensions.

By Mr. CELLER: A bill (H. R. 9477) for the relief of Herman M. Bernelot Moens; to the Committee on Claims.

By Mr. CHRISTOPHERSON: A bill (H. R. 9478) granting a pension to Freeman F. Whited; to the Committee on Invalid Pensions.

By Mr. COLE: A bill (H. R. 9479) granting a pension to Lillian A. Springer; to the Committee on Invalid Pensions.

By Mr. GARDNER of Indiana: A bill (H. R. 9480) granting an increase of pension to Sarah J. Piercy; to the Committee on Invalid Pensions.

By Mr. HADLEY: A bill (H. R. 9481) granting an increase of pension to Mahalath A. Leonard; to the Committee on Invalid Pensions.

By Mr. KIESS: A bill (H. R. 9482) granting an increase of pension to Loretta McCracken; to the Committee on Invalid Pensions.

By Mr. McLAUGHLIN of Michigan: A bill (H. R. 9483) granting an increase of pension to Amelia Fisher; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 9484) granting a pension to Ellen Jane Dick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9485) granting an increase of pension to Benjamin F. Woodward; to the Committee on Pensions.

By Mr. MILLS: A bill (H. R. 9486) granting an increase of pension to Cecilia Shaughnessy; to the Committee on Invalid Pensions.

By Mr. PORTER: A bill (H. R. 9487) granting a pension to Olive Powers; to the Committee on Pensions.

By Mr. REED of Arkansas: A bill (H. R. 9488) granting an increase of pension to Sarah E. Ellsworth; to the Committee on Invalid Pensions.

By Mr. REID of Illinois: A bill (H. R. 9489) authorizing the payment of $1,000 to William M. and J. S. Van Nortwick estates; to the Committee on Claims.

By Mr. ROWBOTTOM: A bill (H. R. 9490) authorizing the payment of compensation to Laura Roush for the death of her husband, William C. Roush; to the Committee on Claims.

By Mr. THURSTON: A bill (H. R. 9491) granting a pension to John W. Sturgeon; to the Committee on Pensions.

Also, a bill (H. R. 9492) granting a pension to Dora Anders; to the Committee on Invalid Pensions.

By Mr. SINNOTT: A bill (H. R. 9493) conferring jurisdiction upon the United States District Court for the District of Oregon or the Court of Claims to hear and determine any suit or suits, actions, or proceedings which may be instituted or brought by the Klamath irrigation district, a public corporation of the State of Oregon, or the State of Oregon by intervention or direct suit or suits, to set aside that certain contract between the United States and the California-Oregon Power Co., dated February 24, 1917, together with all contracts or modifications thereof, and to set aside or cancel the sale made by the United States Government, through the Secretary of the Interior, of the so-called Ankey and Keno Canals and the lands embraced in the rights of way thereof, to the said

California-Oregon Power Co., said sale having been made in the year 1923; to the Committee on Irrigation and Reclamation.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

723. By Mr. BLOOM: Petition of Hawaii Education Association, indorsing the new education bill; to the Committee on Education.

724. Also, petition of the New York State Fish and Forest League, concerning House bill 7479; to the Committee on Agriculture.

725. By Mr. O'CONNELL of New York: Petition of Miss Elizabeth E. Denning, R. N., attached to the William McKinley Camp, No. 23, United Spanish War Veterans, Long Beach, Calif., favoring the passage of House bill 98; to the Committee on Pensions.

726. Also, petition of the Brooklyn Bar Association, of Brooklyn, N. Y., favoring the passage of House bill 7907, to increase the salaries of Federal judges; to the Committee on the Judiciary.

727. By Mr. TILSON: Petition of Mr. Austin F. Hawes, State forester of the State of Connecticut, relative to the Stanfield grazing bill (S. 2584); to the Committee on Agriculture.

SENATE

THURSDAY, *February 18, 1926*

Rev. Wallace Radcliffe, D. D., of the city of Washington, offered the following prayer:

O God, praise waiteth for Thee, for Thou art good and Thy mercy endureth forever. We thank Thee for the light, for night and day, for strength, for food, for home, for raiment, and all Thou givest us day by day in the things that perish, for duties and opportunities day by day, and especially for that gift of salvation through Thy Son Jesus Christ, our Savior.

Help us as we accept Thy gifts in Thy fear and to use this world as not abusing it. Teach us by the ministry of Thy grace that to us may come the forgiveness of sin, the resurrection of the body, and the life everlasting. Sanctify unto us the duties and opportunities of this day. By Thy Spirit help us to work whilst it is called to-day. Keep us from idleness, from sloth, from the misuse of the talents Thou hast given us, and in all things to work and to live for Him who died and rose again, our Master and in the end our Judge.

Hear us in our prayer one for another. Bless the Senate of the United States. Care for any that are sick or burdened in any way in body, in mind, or in estate. Care for our near ones at a distance from us, and by Thy kindly providence protect them and by Thy grace sustain them in every time of need. In this hour preside Thou over all things. Bless Thy servant the President of the Senate and all in affiliated authority, that they may have guidance, and wisdom, and patience, and courage from Thee. Bless these pages and grant them intelligence and industry and faithfulness, that being faithful in few things they may become faithful in many things, and trained to good citizenship, and to the fear of Him who is God and Father over all.

To-day grant Thy loving providence; bless all legislation. Let Thy servants have the presence and the power of Thy Spirit in brotherhood, in harmony, that their acts may be for justice and equity and truth, and the honor of the Nation and the prosperity of the people. Abide with the Nation. Be Thou to us day by day a pillar of cloud and fire that peace and prosperity may abide. To the honor of Thy name, through Jesus Christ our Lord. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the following joint and concurrent resolutions, in which it requested the concurrence of the Senate:

A joint resolution (H. J. Res. 153) providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes; and

A concurrent resolution (H. Con. Res. 11) to tender the thanks and appreciation of the Congress of the United States for heroic service rendered by the officers and crews of the steamships *President Roosevelt*, *President Harding*, *American Trader*, *Republic*, and *Cameronia*.

ENROLLED BILLS SIGNED

The message also announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 172. An act to extend the time for the construction of a bridge across the Mississippi River at or near the village of Clearwater, Minn.;

H. R. 173. An act to extend the time for the construction of a bridge across the Rainy River between the village of Spooner, Minn., and Rainy River, Ontario;

H. R. 3852. An act to authorize the construction of a bridge over the Columbia River at a point within 2 miles downstream from the town of Brewster, Okanogan County, State of Washington;

H. R. 4440. An act granting the consent of Congress to the board of supervisors of Clarke County, Miss., to construct a bridge across the Chunky River, in the State of Mississippi;

H. R. 4441. An act granting the consent of Congress to the board of supervisors of Neshoba County, Miss., to construct a bridge across the Pearl River in the State of Mississippi;

H. R. 5027. An act authorizing the construction of a bridge across the Ohio River between the municipalities of Rochester and Monaca, Beaver County, Pa.; and

H. R. 5565. An act granting the consent of Congress to the Civic Club of Grafton, N. Dak., to construct a bridge across the Red River of the North.

LEASES GRANTED BY THE SECRETARY OF WAR

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, in compliance with law, a list of leases granted by the War Department under authority of law during the calendar year 1925, which, with the accompanying paper, was referred to the Committee on Military Affairs.

PETITION

Mr. ROBINSON of Arkansas presented a letter in the nature of a petition from M. W. Fitz, president of the Farmers Savings Bank at Manson, Iowa, favoring the passage of the bill (S. 1141) to establish the Mena National Park in the State of Arkansas, which was referred to the Committee on Public Lands and Surveys.

REPORT OF THE COMMERCE COMMITTEE

Mr. BINGHAM, from the Committee on Commerce, to which was referred the bill (H. R. 5013) extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway, reported it without amendment and submitted a report (No. 193) thereon.

RETURN OF MINUTE BOOK TO SAVANNAH (GA.) MASONIC LODGE

Mr. FESS. From the Committee on the Library, I report back favorably without amendment the joint resolution (S. J. Res. 58) authorizing the Librarian of Congress to return to Solomon's Lodge, No. 1, Ancient Free and Accepted Masons, of Savannah, Ga., the minute book of the Savannah (Ga.) Masonic Lodge.

Mr. GEORGE. I ask unanimous consent for the immediate consideration of the joint resolution.

There being no objection, the joint resolution was considered as in Committee of the Whole and it was read, as follows:

Resolved, etc., That the Librarian of Congress is hereby authorized to return to Solomon's Lodge, No. 1, Ancient Free and Accepted Masons, of Savannah, Ga., the original manuscript of the record of the proceedings of said lodge, which is contained in one bound volume, duodecimo, now in the Manuscript Division of the Library of Congress, marked "Savannah Masonic Lodge, 1757," the said manuscript having been identified as originally the property of the said lodge.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

REPORT OF EXECUTIVE NOMINATION

Mr. BORAH. Mr. President, as in executive session, I ask leave to submit a report from the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, the report will be received and placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GOFF:

A bill (S. 3183) to provide relief for the victims of the airplane accident at Langin Field, Moundsville, W. Va.; to the Committee on Claims.

By Mr. JONES of Washington:

A bill (S. 3184) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and to increase the efficiency of the Lighthouse Service, and for other purposes; to the Committee on Commerce.

A bill (S. 3185) authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims; to the Committee on Indian Affairs.

By Mr. RANSDELL:

A bill (S. 3186) to promote the production of sulphur upon the public domain; to the Committee on Public Lands and Surveys.

By Mr. WILLIS:

A bill (S. 3187) granting an increase of pension to Emaline Yoder (with accompanying papers); to the Committee on Pensions.

By Mr. PEPPER:

A bill (S. 3188) to provide further for the relief of war minerals producers, and to amend the act entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," approved March 2, 1919, as amended; to the Committee on Mines and Mining.

By Mr. McNARY:

A bill (S. 3189) conferring jurisdiction upon the United States District Court for the District of Oregon or the Court of Claims, to hear and determine any suit or suits, actions or proceedings which may be instituted or brought by the Klamath irrigation district, a public corporation of the State of Oregon, or the State of Oregon by intervention or direct suit or suits, to set aside that certain contract between the United States and the California Oregon Power Co., dated February 24, 1917, together with all contracts or modifications thereof, and to set aside or cancel the sale made by the United States Government, through the Secretary of the Interior, of the so-called Ankey and Keno Canals, and the lands embraced in the rights of way thereof, to the said California Oregon Power Co.; said sale having been made in the year 1923; to the Committee on Irrigation and Reclamation.

By Mr. CAPPER:

A bill (S. 3190) to amend an act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910; to the Committee on the District of Columbia.

By Mr. ERNST:

A bill (S. 3191) granting a pension to Roberta Daviess; to the Committee on Pensions.

By Mr. GILLETT:

A bill (S. 3192) to amend section 9 of an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended; to the Committee on the Judiciary.

By Mr. TYSON:

A bill (S. 3193) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Waverly-Camden road between Humphreys and Benton Counties, Tenn.;

A bill (S. 3194) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Cumberland River on the Gainesboro-Red Boiling Springs road in Jackson County, Tenn.; and

A bill (S. 3195) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Lenoir City-Sweetwater road in London County, Tenn.; to the Committee on Commerce.

By Mr. McKELLAR:

A bill (S. 3196) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Savannah-Selmer road in Hardin County, Tenn.; and

A bill (S. 3197) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Linden-Lexington road in Decatur County, Tenn.; to the Committee on Commerce.

By Mr. CAMERON:

A bill (S. 3198) for completion of the road from Tucson to Ajo via Indian Oasis, Ariz.; to the Committee on Indian Affairs.

HEARINGS BEFORE COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. McNARY submitted the following resolution (S. Res. 150), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Irrigation and Reclamation, or any subcommittee thereof, hereby is authorized during the Sixty-ninth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not to exceed 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

RIGHTS OF AMERICAN CITIZENS IN MEXICO

Mr. NORRIS. Mr. President, I submit the resolution which I send to the desk, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution submitted by the Senator from Nebraska will be read.

The resolution (S. Res. 151) was read, as follows:

Whereas various statements in the public press seem to indicate that there is a serious dispute between the Government of the United States and the Government of Mexico, in which it is claimed that various constitutional provisions and statutes of the Mexican Government conflict with the rights of American citizens alleged to have been acquired in oil lands in Mexico prior to the adoption of such constitutional provisions and the enactment of such laws; and

Whereas the American people are in ignorance of the real questions involved because the official correspondence between the two Governments has not been made public; and

Whereas full publicity of all the facts entering into such dispute is extremely desirable in order that the people of the two Governments may fully understand all the questions involved in said dispute; and

Whereas it has been stated in the public press that the Department of State has been very anxious to give full publicity to the official correspondence and that the Mexican Government has objected to such publicity: Now therefore be it

Resolved, That, if not incompatible with the public interests, the Secretary of State be requested to inform the Senate whether the Mexican Government has objected and is objecting to the publication of all the official correspondence pertaining to said dispute, and if it has so objected what reason, if any, has been assigned for the objection to such publicity.

Mr. BORAH. Mr. President, I think I should like to have that resolution lie over for a day, if there be no objection.

The VICE PRESIDENT. The resolution will lie over under the rule.

HOUSE RESOLUTIONS REFERRED

The joint resolution (H. J. Res. 153) providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes, was read twice by its title and referred to the Committee on the Library.

The concurrent resolution (H. Con. Res. 11) to tender the thanks and appreciation of the Congress of the United States for heroic services rendered by the officers and crews of the steamships *President Roosevelt*, *President Harding*, *American Trader*, *Republic*, and *Cameronia* was referred to the Committee on Commerce.

ACQUISITION OF LANDS IN DISTRICT OF COLUMBIA

Mr. PHIPPS. Mr. President, yesterday the Senate in considering the calendar under the five-minute rule passed the bill (H. R. 4785) to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of the land authorized to be acquired by the public buildings appropriation act approved March 4, 1913, for the connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park. I had been called from the Chamber and was not aware that the bill was coming up. I had an amendment pending to the bill for which I wished to ask consideration. I now move that the vote of the Senate by which the bill was ordered to a third reading and passed may be reconsidered.

Mr. ROBINSON of Arkansas. To what did the bill relate?

Mr. PHIPPS. It appropriated $600,000 for the acquisition of property to connect Rock Creek Park with the Potomac Parkway.

Mr. ROBINSON of Arkansas. And the Senator had an amendment pending?

Mr. PHIPPS. I had an amendment pending. The purpose of the amendment was to provide that the $600,000 should be contributed pro rata by the District and by the Federal Government on the 40-60 plan. I would like to have the Committee on the District of Columbia consider that amendment.

Mr. ROBINSON of Arkansas. The bill was reported from the committee of which the Senator is chairman?

Mr. PHIPPS. No; it was reported from the Committee on the District of Columbia. I wish to ask that the bill be recommitted to that committee in order that I may present arguments in favor of my amendment.

Mr. ROBINSON of Arkansas. I see no objection to that procedure.

Mr. NEELY. Is the bill still in the possession of the Senate, or has it been sent to the House?

The VICE PRESIDENT. The Chair is advised that the bill is still in the possession of the Senate. The question is on the motion of the Senator from Colorado to reconsider the votes by which the bill was ordered to a third reading and passed.

The motion to reconsider was agreed to.

Mr. PHIPPS. I now move that the bill (H. R. 4785) be recommitted to the Committee on the District of Columbia for further consideration.

Mr. NORRIS. Mr. President, I would like to ask the Senator from Colorado to withhold any action on his motion. I have no objection to the motion pending, but the chairman of the Committee on the District of Columbia [Mr. CAPPER] is not in the Chamber and I think before the bill is recommitted he ought to be given an opportunity to be heard.

Mr ROBINSON of Arkansas. I suggest to the Senator that the bill be restored to its place on the calendar and that the amendment be presented for the consideration of the Senate when the bill is again taken up.

Mr. PHIPPS. I have no objection to that course. I will see that I am notified the next time the bill is called up. I did not have an opportunity to discuss the matter before the committee when they had the bill under consideration and before they reported it out. Under the circumstances I accept the suggestion of the Senator from Arkansas and withdraw my motion for the recommittal of the bill.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. PHIPPS subsequently said: I have been informed by the clerks that House bill 4785 was transmitted to the House of Representatives before my motion to reconsider was entered. I therefore move that the House be requested to return the bill to the Senate.

The motion was agreed to.

HANGARS AND FLYING FIELDS FOR AIR MAIL SERVICE

Mr. McKELLAR. Mr. President, on yesterday when the calendar was being considered the bill (S. 776) to authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the Air Mail Service of the Post Office Department was passed by the Senate, as shown on page 4130 of the RECORD. I happened not to be in the Senate at the time. I ask unanimous consent that the votes by which the bill was ordered to a third reading and passed may be reconsidered, and that the bill may be restored to the calendar. If it has gone to the House, I shall ask that it may be returned to the Senate.

Mr. JONES of Washington. What is the purpose of the bill?

Mr. McKELLAR. It is a bill regarding payment by the Postmaster General for hangars and flying fields for the Air Mail Service. It seems that certain chambers of commerce have at their own expense aided in the construction of air fields and the building of hangars and now they want to be reimbursed by the Government. I intended to ask yesterday to have the bill reconsidered, as I was not present when the bill came up for consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee?

Mr. NORRIS. May I ask the Senator a question? What is the purpose of the Senator? Does he want to offer an amendment?

Mr. McKELLAR. I want to look into the matter further. I do not think that authority should be given in this way. I want to offer an amendment.

Mr. PHIPPS. Mr. President, may I ask the Senator a question?

Mr. McKELLAR. Certainly.

Mr. PHIPPS. Can the Senator inform us whether the bill, as passed, covers any Government landing station or any landing stations not now being used by the Government?

Mr. McKELLAR. I can not answer that question. I do know it is to refund the outlays of certain chambers of commerce which have been made, I think, as gifts, and not as advances to the Government.

Mr. KING. Mr. President, if the Senator will permit, I think he is in error with respect to the facts regarding the appropriation. As I understand, three hangars were constructed in three different States for the purpose of caring for the airplanes used by the Government in carrying mail from Chicago to San Francisco. When the mail route was established the Post Office Department had no funds with which to construct the hangars or provide aviation fields. One of the agents of the Government represented, at least in one case, that the Government would compensate various citizens who consented to advance the necessary money to build the hangars. After they were constructed they were used by the Government, and they are still being used by the Post Office Department. When the hangars were constructed they were turned over to the Government; and if those who constructed them should retake possession the Government would have to build others at a cost greatly in excess of the amount carried in the bill in question. These are the facts as I understand them.

Mr. McKELLAR. On the Senator's statement certainly the bill ought to be reconsidered, and it evidently had no consideration yesterday. Some representative of the Government, as the Senator said, made an individual contract with a chamber of commerce to construct a flying field for the Government. Surely a matter of that kind ought to have the consideration of the Senate before the Government is authorized to pay for the supposed damages or the supposed costs. All I am asking at this time is that the bill be recalled. I am asking unanimous consent that the votes by which the bill was ordered to a third reading and passed may be reconsidered, and the bill again placed on the calendar so that matter may be threshed out. The Senator will surely have every opportunity to present his views on the subject.

Mr. KING. I know it has been considered three times by committees and for three years at least.

Mr. McKELLAR. But the bill was never passed before, and evidently there is some reason why it should not be passed. All I ask is a reconsideration. I am not asking for the defeat of the measure at all; I am just asking for reconsideration of the votes so that the facts may be gone into thoroughly by the Senate. I hope I may have unanimous consent for that purpose.

Mr. ROBINSON of Arkansas. The Senator from Tennessee does not desire that the bill shall be taken up now?

Mr. McKELLAR. No; I merely desire that it shall be restored to the calendar.

Mr. FLETCHER. If unanimous consent shall not be granted the Senator from Tennessee can make a motion to reconsider.

Mr. McKELLAR. I know I can do that; but, as a rule, where a request is made by a Senator in such a case in order to save time unanimous consent is granted, and I hope it will be granted in this instance.

Mr. SMOOT. I have no objection to the request, but I should like to have the bill considered and disposed of.

Mr. McKELLAR. The bill may be considered at any time.

Mr. SMOOT. And when that time shall come the whole question will be presented to the Senate.

Mr. McKELLAR. Certainly.

Mr. SMOOT. I know that the money was spent, and I know that the hangars and flying fields were provided. I know further that there was an agreement that reimbursement should be made. Of course, if Congress does not wish to discharge the obligation, well and good; the people of Salt Lake City and Utah will stand the loss.

Mr. McKELLAR. I am perfectly willing that the bill may be restored to the head of the calendar, so that it may come up first.

The VICE PRESIDENT. No action can be had until the bill shall have been returned from the House of Representatives. Is there objection to the request of the Senator from Tennessee [Mr. McKELLAR]? Without objection, the House of Representatives will be requested to return the bill to the Senate, and the motion to reconsider will be entered.

AVIATION FIELD AT YUMA, ARIZ.

Mr. CAMERON. Mr. President, I have been informed that a clerical error appears in the bill (S. 2307) authorizing the sale of certain lands to the Yuma Chamber of Commerce, Yuma, Ariz., which was passed by the Senate on yesterday. With a view to correcting the error I desire to enter a motion to reconsider the vote on its passage. Inasmuch as the bill has been transmitted to the House of Representatives, I move that the House be requested to return the bill to the Senate.

The motion was agreed to.

ADDRESS BY SENATOR SWANSON—THE WORLD COURT

Mr. STEPHENS. Mr. President, a few nights ago the Senator from Virginia [Mr. SWANSON] delivered an address which was broadcast through one of the radio stations of this city. The subject of the address was the World Court. It is a very interesting and instructive address, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My friends of the radio audience, in response to many requests, I have consented to discuss to-night the reservations included by the Senate in its resolution adhering to the protocol of the statute of the World Court.

The first declaration contained in the resolution is a statement that the United States adheres to the voluntary jurisdiction of the World Court, and not to its compulsory jurisdiction. The World Court provides for compulsory jurisdiction in certain specified disputes, which jurisdiction can be accepted by states when adhering to the court. Nineteen states have adopted the compulsory jurisdiction of the court. Compulsory jurisdiction, when accepted by a state, enables the court to summon that state before the court to answer a complaint made by another state.

Under the resolution of ratification approved by the Senate, the court can only have jurisdiction of such matters affecting the United States as she voluntarily consents for the court to hear and determine. This was in accordance with the recommendations of Presidents Harding and Coolidge and Secretary Hughes. Thus, no matter can come before the court involving the United States' rights or interests, and which would be binding upon it, unless it had previously given its consent. The assertion is frequently made that the United States could be summoned before the court and have any of its rights and interests determined without its consent. This assertion is without the slightest foundation.

The voluntary jurisdiction of the court, by the terms of the statute creating it, is specifically limited to such matters as the states by agreement or treaty shall refer to the court for consideration and determination. Under the Constitution of the United States all agreements with foreign nations must be made by the President by and with the advice and consent of the Senate. Under the Constitution the consent of the Senate when given to such an agreement must be by a two-thirds vote of the Members present and voting. In order to make this constitutional provision clear and to obviate all apprehension felt by some that this constitutional course might not be followed in referring a cause to the court, the resolution of adherence contains a specific provision that the United States approve the protocol to the statute creating the court with the understanding that recourse to the Permanent Court of International Justice for the settlement of differences between the United States and any other state or states can be had only by agreement thereto through general or special treaties concluded between the parties in dispute. This is similar to the provision contained in the resolution of adherence to the convention establishing the Court of Arbitration at The Hague in 1907.

Thus under the resolution of adherence all cases which go to the World Court must be by special or general treaties made by the President by and with the advice and consent of the Senate. The consent of the Senate when given to either special or general treaties must be by two-thirds vote of the Members present and voting. Every right and interest of the United States is thus fully and completely protected as required by the Federal Constitution.

It should be noted that the resolution of ratification provides for either special or general treaties. Under this provision there could be a special treaty for a specific case, or there could be a general treaty with a nation for reference of certain or specified classes of cases to the court for consideration and decision. Whether special or general treaty the concurrence of the Senate is required. Under this condition of adherence the United States, by the consent of the President and two-thirds of the Senate, can make general treaties with nations which would obviate the necessity of having a special treaty in each case. If such treaties are made with the concurrence of the Senate, the consent of the Senate would have been previously given to the reference of such cases and would be in accord with the requirements of the Federal Constitution.

The next reservation to be considered is the one declaring that adherence to the World Court shall not be taken to involve any legal relation on the part of the United States with the League of Nations or the assumption of any obligations by the United States under the treaty of Versailles. This reservation was suggested by Presidents Harding and Coolidge and Secretary Hughes.

I do not think this reservation was necessary, as the World Court has a statute assented to by 48 nations absolutely distinct from the statute creating the covenant of the League of Nations, which has been assented to by 55 nations. The World Court is controlled by its own statute, adopted separately and independently by 48 nations, and derives no authority from the statute creating the covenant of the league. The league can not in any way modify or amend the statute of the World Court. That statute can only be modified or amended by the 48 nations who separately and independently assented to the creation of the court.

Everything that the league does in connection with the court it does under the statute of the court and not under the covenant of the league, and acts only as an agency under the direction and control of the court's statute. The provision was included to allay the apprehension previously entertained by some and also to obviate the clamor sought to be created by the opponents of the court that adherence to the court meant entrance into the league. This reservation relieves the doubts and completely answers the false charge.

The next reservation to be considered is that which permits the United States to participate, through representatives designated for the purpose, upon an equality with other state members, respectively, of the council and assembly of the league in any and all proceedings of either council or assembly for the selection of judges of the court or for the filling of vacancies.

This reservation was recommended by Presidents Harding and Coolidge and Secretary Hughes. It was believed that if the United States adhered to the court, that it should have the same right as any other state or member in the selection of judges. This reservation confers this right upon the United States. In both the council and assembly of the league it will have representation and have the same rights possessed by any other state or member. This right of sitting in the council or assembly of the league is limited entirely to the selection of judges. The council and assembly of the league when it elects judges does so under the statute creating the World Court and not under the covenant of the league. The power derived for the selection of judges is derived only from the statute and not the covenant of the league. When the United States sits in the council and assembly of the league, it will be an entirely different body from that provided in the covenant of the league, and hence, in thus acting, the United States would not be participating in the work of the covenant of the league. Any thoughtful and impartial mind must inevitably reach this conclusion.

The representatives designated to represent the United States in the council and assembly of the league must be appointed by the President, by and with the advice and consent of the Senate, as required by the Constitution, unless Congress by an act should direct otherwise. In this respect every right and interest of the United States is fully protected.

The next reservation to be considered is the one providing that the United States will pay a fair share of the expenses of the court as determined and appropriated from time to time by the Congress of the United States.

The United States would not wish to enjoy the privileges of this great court without paying its fair share of the expenses necessary for its operation. The largest sum that has been paid by any nation for the expenses of the court is that paid by Great Britain, which amounts to $35,000 annually.

It should be noted that this reservation provides that the amount to be paid by the United States shall be determined and appropriated by Congress. Therefore, Congress determines the expenses to be incurred by the United States toward its share of the expenses of the court. Again, the Constitution of the United States was scrupulously followed, which prevents the appropriation of public money except by an act of Congress. No expenses incident to the court can be incurred by the United States without the approval of Congress. Every right and interest of the United States in this respect is fully protected. This reservation was recommended by Presidents Harding and Coolidge and Secretary Hughes.

The next reservation to be considered is that which provides that the United States may at any time withdraw its adherence to the World Court, and that the statute creating the court shall not be amended without the consent of the United States.

This reservation was not absolutely necessary, since the United States has a right to withdraw whenever it saw proper to do so, and the statute of the court could not be amended without the assent of the states which have given their adherence. The statute of the court being a treaty or convention, the United States by a joint resolution of Congress could at any time withdraw its adherence. The Supreme Court of the United States has repeatedly held that a joint resolution of Congress repeals a treaty or convention which had been previously ratified.

As the right of annuling a treaty is usually reserved or embraced in the treaty itself, it was thought wise to include this reservation in the resolution of adherence so that no question could ever be raised as to the United States possessing the right of withdrawal. It was also believed that since the United States gave its adherence to the existing statutes it was wise for it to also reserve the right that the existing statute should no be amended without its consent, thus avoiding any controversy in the future upon this question.

This also relieves the apprehension that some entertain that the court in the future might be different from the one to which the United States now gives her adherence. This provision completely eliminates the forebodings indulged in by some as to what the court might become

and do in the future. We know what the court is, we know the splendid work it has done, and this provision gives full assurance that its present course can not be changed without our consent. In this respect, I submit, every right and interest of the United States is fully protected.

The next reservation to be considered is the one which provides that the court shall not render any advisory opinion except publicly after due notice to all states adhering to the court and to all interested states and after public hearing or opportunity for hearing is given to any state concerned, nor shall the court, without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest.

It should be noted that the World Court may give advisory opinions to the council of the league when requested to do so upon any specific matter or question. The rendering of advisory opinions is optional with the court.

In establishing the rules governing advisory opinions the court decided to treat advisory opinions similar to cases pending before the court for decision. Notice is required to be given, public hearings and arguments in open court are given precisely as in cases, and the opinion is publicly rendered.

The advisory opinions of the court have always been upon matters permitting of judicial decision, consisting of the interpretation of treaties or the application of international law. The opponents of the court concede that if the rules and conduct governing the court in the past in giving advisory opinions are pursued in the future objections to advisory opinions are largely eliminated, and the court will perform a useful and important service.

This reservation, when assented to by the other nations, insures that the World Court in the future will pursue the commendable and judicial course which has characterized it in the past. Under this provision advisory opinions are rendered publicly after full hearing and argument and with all the procedure that characterizes judicial consideration and action. Some of the most beneficial results derived from the World Court have come from the rendering of advisory opinions, which have always been so just and wise as to have been acquiesced in and followed. No opponent of the court can successfully challenge the wisdom and justice of any advisory opinion rendered nor deny the splendid results that have accrued from these opinions. This reservation insures that the future history of the court in rendering advisory opinions will be as beneficial as has been its past.

The latter part of this reservation was intended to protect the interests of the United States. It should be noted that it provides that the court shall not "entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest" without its consent.

The advisory opinions of the court are rendered at the request of the council of the league. The council of the league acts unanimously when making this request. Thus the four great powers which have permanent members in the council possess a veto power upon the request of the council of the league for an advisory opinion of the court. Either one of these powers can, by exercising this veto power, prevent the council from asking the court for an advisory opinion upon any question that would embarrass it or upon which it does not desire to have an advisory opinion.

It was believed to be fair and just that the veto power possessed by these four great powers should also be possessed by the United States where its interests are concerned. This would place the United States on an equality with these four powers in connection with controlling a request for an advisory opinion, when its interest was affected. The provision of the resolution provides "that the court shall not entertain a request for an advisory opinion upon any dispute or question in which the United States has or claims an interest" without its consent.

Thus the United States by claiming an interest can control the granting of a request for an advisory opinion touching matters affecting her equally with the other four great powers which are members of the council. Of course the United States will exercise this right fairly, justly, and properly. Thus upon advisory opinions to be rendered by the court the rights and interests of the United States are fully protected. With this reservation there can be no reasonable objection to adherence to the World Court on account of its rendering advisory opinions.

The next reservation to be considered is the one providing that the signature of the United States shall not be affixed to the protocol of the statute of the court until the powers signatory to such protocol shall have indicated through exchange of notes their acceptance of the foregoing reservations and understandings as a part and a condition of the adherence by the United States to the said protocol.

This provision is made in order to prevent any future misunderstandings as to the conditions upon which the United States adheres to the court. Some of these amount practically to amendments to the statute of the court, hence it is necessary to obtain the consent of the signatory powers to the statute in order for the amendments to be made. To prevent the delay which would be incident to amendment of the statute the reservation provides that the powers signatory to the protocol can, by an exchange of notes, give their assent to these reservations, and when this is done the signature of the United States can then be affixed to the statute. By this method the amendments can be effected much more quickly and just as effectively as by the slow process of amendment. This has been frequently done. The United States in the resolution of ratification has included no reservation which is unreasonable and none that will not be beneficial to the court and none to which serious objection can be urged. I believe the 48 nations that have adhered to the court will, by exchange of notes, promptly acquiesce in these reservations and that the United States will be very soon one of the adhering nations.

The resolution of adherence in addition contained a declaration of policy on the part of the United States which does not in any way affect the statute of the court or require the assent of other nations. This declaration is as follows:

"That adherence to the said protocol and statute hereby approved shall not be so construed as to require the United States to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions of policy or internal administration of any foreign state; nor shall adherence to the said protocol and statute be construed to imply a relinquishment by the United States of its traditional attitude toward purely American questions."

This reservation was included in the ratification of the convention of 1907 establishing the court of arbitration at The Hague. No objection could exist why it should not be reaffirmed in connection with adherence to the World Court since it was sought by other reservations to place the two courts on terms of equality.

The language employed in this reservation is that which has nearly always been employed when the United States ratified conventions and it was sought to emphasize the fact that its action in acceding to the convention should not be construed in any way as an abandonment of its foreign policy, generally known as the "Monroe doctrine." The reservation, by its continued use, has always been construed as a reaffirmance of this doctrine. By the assertion of this reservation no one can rightfully claim that the Monroe doctrine has in any way been affected by the adherence of the United States to this court. The Monroe doctrine is a political policy of the United States, and as such is not subject to the jurisdiction of any court. This declaration emphasizes the fact that the United States has no intention at this time or any other time of abandoning this long-cherished and continued foreign policy. It relieves absolutely all apprehensions that could exist in any doubting mind as to any jeopardy, injury, or detriment that could occur to this American policy by adherence to this court.

These are the reservations included in the resolution of adherence to the World Court. I submit a careful and thoughtful examination of these reservations will convince any impartial mind that every interest and right of the United States has been fully protected and every possible danger amply provided for.

My friends, the World Court in the few years of its existence by its decisions and opinions has settled many acute, important, and dangerous international disputes, which had long continued and which contained possibilities of serious trouble and possibly war. This court has disclosed how effective a world court can be for peace of mankind and for the settlement of international differences and disputes. This court has disclosed that in the international field the great principle of courts can be effective and can be instrumental in displacing war and in settling disputes which would otherwise continue. Private wars, feudal wars, conflicts of clans, and the bloody revenge of family feuds in nations have disappeared by the creation of courts, thus enabling law and reason to control where once force and hatred held full sway. The civilization of nations is measured by the extent that courts have superseded force and violence.

There are those of us who believe that courts in the international field can be made effective in abolishing war and can be as potential in the settlement of international disputes as State and national courts have become in the settlement of domestic disputes. The existing World Court is the effort of 48 states to accomplish this. It is the first court that has ever been organized world-wide in its scope and its aspirations. This court in its structure, in the character of the able judges who are its members, in its provisions, and in its opinions and decisions has proven itself worthy of the world's confidence and deserves the aid and maintenance of all peace-loving people.

I believe that if this World Court had existed in 1914 the World War would probably have been averted. The controversy between Austria and Serbia which precipitated the war was a question of fact which was properly a matter for investigation and decision by a court. Archduke Ferdinand, the crown prince of Austria, was assassinated, and Austria insisted that the assassination, if not instigated, was connived at by the Serbian Government or accredited Serbian officials. Serbia indignantly denied this charge and insisted it was the irresponsible act of a half-demented youth, and that the Serbian Government was in no way responsible or connected with the affair, and that the Serbian

Government would make the fullest investigation to ascertain if any citizens of Serbia were connected with the affair, and would promise to inflict upon anyone found guilty the fullest and severest punishment. Austria insisted that she would not trust the investigation of the matter to the Serbian Government, but that Austrian officials must enter Serbia to participate in and direct the fullest investigation and ascertain for themselves the facts. Serbia replied that she could not consent for Austrian officials to enter Serbian territory to make this investigation to determine the guilt or innocence of Serbians, and especially the Serbian Government and its officials, without an absolute surrender of its sovereignty as a free state. As this time there was no World Court or other important world instrumentality by which this deplorable assassination could be investigated and the facts ascertained in order for justice to be awarded. If there had then existed a World Court similar to this court, Austria and Serbia would probably have consented for this court to make an investigation of this murder and determine the guilt or innocence of the parties and to render a decision.

The passion and anger in the meantime would have cooled and wise and saner counsel would have prevailed. The national pride of Austria and Servia would have permitted such a reference, and neither the prestige of the two nations or others concerned would have been affected by a reference of the matter to the World Court. This action would have saved the world from the frightful war, which cost over twenty millions of lives and almost half the world's wealth, and from the evils of which it will take several generations to recover. When confronted with another such terrible catastrophe, let there exist a court endowed with wisdom, entrenched in confidence, to which the world can have recourse for the peaceful and just settlement of the threatening dispute.

The United States, by joining this court, has decided to strive to obtain for the world such a court, to be one of the potential factors in shaping its destiny, in extending its usefulness, in giving wisdom to its decisions, and in making it a world temple of justice and law, where all nations can go to have their international differences and disputes decided. Above all things, the world needs peace founded on justice and right. I thank you.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed, without amendment, the joint resolution of the Senate (S. J. Res. 41) providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MADDEN, Mr. ANTHONY, and Mr. BYRNS were appointed managers on the part of the House at the conference.

URGENT DEFICIENCY APPROPRIATIONS

The PRESIDING OFFICER (Mr. WADSWORTH in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WARREN. I move that the Senate insist upon its amendments and grant the request of the House for a conference, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Presiding Officer appointed Mr. WARREN, Mr. CURTIS, and Mr. OVERMAN conferees on the part of the Senate.

ALUMINUM CO. OF AMERICA

Mr. CUMMINS. Mr. President, I desire formally to present from the Committee on the Judiciary the minority views of the Senator from Oklahoma [Mr. HARRELD] (Rept. 177, pt. 2) and myself, separately (Rept. 177, pt. 3), upon the report of the Senator from Montana [Mr. WALSH] on Senate Resolution 109. I think the order of the Senate was that I should present those views this morning.

The VICE PRESIDENT. The views of the minority presented by the Senator from Iowa will be received and printed.

Morning business is closed. On February 16 the following unanimous-consent agreement was entered into by the Senate:

SPECIAL ORDER

Ordered, by unanimous consent, That the report (No. 177) of the Committee on the Judiciary, submitted by Mr. WALSH on February 15, in the matter of the Aluminum Co. of America, be made a special order for Thursday, February 18, 1926, immediately after the conclusion of the routine morning business.

In pursuance of the unanimous-consent agreement, the Chair lays before the Senate Report No. 177 from the Committee on the Judiciary, submitted on the 15th instant by the Senator from Montana [Mr. WALSH], in the matter of the Aluminum Co. of America.

Mr. WALSH. Mr. President, the report to which the pending motion proposes that the Senate shall give its approval carries an implication of dereliction on the part of the Department of Justice in the discharge of a grave duty devolved upon it by the Congress touching offenses against the law, not in a matter of trivial significance but one of the very highest importance, judged either from the nature of the affair or the eminence of the parties involved, or the dignity of the source from which the accusation comes.

The report was made pursuant to a resolution of the Senate by which it was recited that—

on the 30th day of January, 1925, the then Attorney General, Hon. Harlan F. Stone, addressed a letter to the chairman of the Federal Trade Commission in which he stated, "It is apparent, therefore, that during the time covered by your report the Aluminum Co. of America violated several provisions of the decree—

Referring to a decree entered against the Aluminum Co. in the United States Court for the Western District of Pennsylvania in 1912—

that with respect to some of the practices complained of, they were so frequent and long continued, a fair inference is the company either was indifferent to the provisions of the decree or knowingly intended that its provisions should be disregarded, with a view to suppressing competition in the aluminum industry—

The resolution adopted by the Senate directed—

That the Committee on the Judiciary of the Senate be, and it hereby is, directed forthwith to institute an inquiry as to whether due expedition has been observed by the Department of Justice in the prosecution of the inquiry so initiated on the direction of former Attorney General Stone, or which he reported would be initiated.

The Aluminum Co. of America is a corporation organized under the laws of the State of Pennsylvania, enjoying a complete monopoly of the production of crude aluminum in the United States and of all commercial deposits of bauxite, the ore from which aluminum is produced.

The decree referred to, among other things, enjoined the Aluminum Co. from certain practices charged against them in the complaint intended to establish and maintain a monopoly.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. WALSH. Yes.

Mr. ROBINSON of Arkansas. Was that a consent decree?

Mr. WALSH. It was a consent decree.

Section 6 of the decree contains the following:

That the defendant and its officers, agents, and representatives be, and they are hereby, perpetually enjoined from entering into a contract with any other individual, firm, or corporation of a like or similar character to the above-quoted provisions in the contracts between the Aluminum Co. of America and the General Chemical Co., between said Aluminum Co. and the Norton Co., between said Aluminum Co. and the Pennsylvania Salt Manufacturing Co., and between said Aluminum Co. and Kruttschnitt and Coleman, or either of them, and from entering into or participating in any combination or agreement the purpose or effect of which is to restrict or control the output or the prices of aluminum or any material from which aluminum is directly or indirectly manufactured, and from making any contract or agreement for the purpose of or the effect of which would be to restrain commerce in bauxite, alumina, or aluminum, or to prevent any other person, firm, or corporation from or to hinder him or it in obtaining a supply of either bauxite, alumina, or aluminum of a good quality in the open market in free and fair and open competition, and from themselves entering into, or compelling or inducing, under any pretext, or in any manner whatsoever, the making of any contract between any persons, firms, or corporations engaged in any branch of the business of manufacturing aluminum goods the purpose or effect of which would be to fix or regulate the prices of any of their raw or manufactured products in sale or resale.

Then specifically, with reference to unfair practices charged against this company, the decree prohibited them from—

(b) Delaying shipments of material to any competitor without reasonable notice and cause, or refusing to ship or ceasing to continue

shipments of crude or semifinished aluminum to a competitor on contracts or orders placed, and particularly on partially filled orders without any reasonable cause and without giving notice of same, or purposely delaying bills of lading on material shipped to any competitor, or in any other manner making it impossible or difficult for such competitor promptly to obtain the material upon its arrival, or from furnishing known defective material.

(c) Charging higher prices for crude or semifinished aluminum from any competitor than are charged at the same time under like or similar conditions from any of the companies in which defendant is financially interested, or charging or demanding higher prices for any kind of crude or semifinished aluminum from any competitor for the purpose or which under like or similar conditions will have the effect of discriminating against such manufacturers in bidding on proposals or contracts to the advantage of said defendants or any company in which it is financially interested.

(d) Refusing to sell crude or semifinished aluminum to prospective competitors in any branch of the manufacturing aluminum goods industry on like terms and conditions of sale, under like or similar circumstances, as defendant sells such crude or semifinished aluminum to any firm or corporation engaged in similar business in which defendant is financially interested.

I should explain here that not only does this corporation enjoy a monopoly of the production of crude aluminum but it is also engaged in the production of utensils and other products which enter into competition with independent producers of such commodities.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield to a question?

Mr. WALSH. I yield.

Mr. REED of Pennsylvania. When the Senator says that this company has a monopoly in this or that, does he mean that it has possession of any facilities which prevent anybody else from going into the business?

Mr. WALSH. It has control of practically every deposit of commercial bauxite in the United States.

Mr. REED of Pennsylvania. But the Senator knows——

Mr. WALSH. A competitor in the production of crude aluminum may import crude aluminum from other countries, but there is a high tariff upon its importation, so that it is commercially impossible to enter into competition with the Aluminum Co. of America in the production of crude aluminum in this country.

Mr. REED of Pennsylvania. But the Senator knows there is no tariff on the importation of bauxite. Is that not so?

Mr. WALSH. On the importation of bauxite?

Mr. REED of Pennsylvania. Yes, sir.

Mr. WALSH. It does not make any difference whether there is or not. I am not speaking about what might happen; I am telling what the fact is.

Mr. REED of Pennsylvania. Will not the Senator yield, then, to a further question?

Mr. WALSH. Yes.

Mr. REED of Pennsylvania. Does not the Senator know that most of the bauxite which this company uses it itself imports from abroad?

Mr. WALSH. I know it imports large quantities of bauxite from abroad, chiefly from sources which it itself owns.

Mr. REED of Pennsylvania. Does not the Senator know that there is more bauxite in British Guiana and Dutch Guiana——

Mr. WALSH. Wait a moment. I must object to this line of questioning.

Mr. REED of Pennsylvania. Yes; I do not think it is fair to argue with the Senator at this point.

Mr. WALSH. The Senator can not go on and make an argument without diverting me from the course of my discussion of this matter. I am stating that the Aluminum Co. of America is the sole source in America from which manufacturers of aluminum products can secure a supply of aluminum.

Mr. REED of Pennsylvania. One more question, and I will not interrupt again. Does not the Senator know that a very large amount of German and Swiss and French aluminum is constantly being pressed for sale throughout American markets?

Mr. WALSH. Yes; and I shall demonstrate before I get through that there is a working agreement between all of them and the Aluminum Co. of America by which the Aluminum Co. of America fixes prices in America; and, besides that, it owns a controlling interest in many of these foreign sources of supply.

Mr. REED of Pennsylvania. Can the Senator name a single one in which it does own a controlling interest?

Mr. WALSH. I shall be very glad to do that.

Mr. REED of Pennsylvania. I wish the Senator would.

Mr. WALSH. But, as I say, I do not want to be diverted from my argument to discuss side issues just now.

The provisions of the decree to which I have invited your attention were there inserted by reason of practices of the same character complained of in the complaint, from which I read as follows:

From 1889 until the present, whenever any independent aluminum industry of any kind gave promise either of being valuable to defendant if acquired, or of becoming a possible competitor of defendant or of any company in which it had an interest, defendant undertook, by unfair discriminations and other means, either to force such concern to sell its properties and business to or combine them with defendant itself or with a company in which it was interested, or entirely to abandon the aluminum business, and in but very few instances did defendant fail of its purpose. Not all the methods used by defendant are known to petitioner, but those known are as follows:

Defendant would suggest to the competing company a sale to defendant of its plants, and at the same time would threaten the establishment of a large competing plant of its own in such line of manufacture, and if the suggestion was not heeded, the independent would be harassed as to material and prices.

Mr. NORRIS. Mr. President, may I interrupt the Senator there?

Mr. WALSH. I yield.

Mr. NORRIS. Is the Senator reading from the petition of the Government in the original case?

Mr. WALSH. I am reading from the complaint upon which was entered the decree to which I have referred.

Mr. NORRIS. Exactly.

Mr. WALSH (reading)—

to impress fully upon the said independent how completely it was at the mercy of defendant for its supply of raw material. Among other methods of harassing such independents, defendant used the following:

It would delay forwarding bills of lading, and would refuse to supply independents further with metal, sometimes abruptly ceasing entirely to ship metal without warning or statement of excuse of any kind, or causing its controlled companies to do so, so that the concern affected was unable to fill its orders.

It discriminated against independents as to price for the crude aluminum needed, so that they were unable successfully to bid against or compete with the favored industries and obtain a living margin of profit.

It frequently refused to sell aluminum metal to those desiring to enter the business of manufacturing aluminum goods, thereby preventing an expansion of the industry and restraining trade therein.

It refused to sell others desiring to enter said field any aluminum metal unless they would agree not to engage in any line in any manner competing with the lines of the defendant and its allied companies.

It refused to guarantee quality, and at times delivered to competing plants metal which was known to be worthless and which had been rejected by plants allied to defendant.

The report made by the Federal Trade Commission, to which reference has been made, was made pursuant to a resolution of the Senate of date January 4, 1922, which recited that although prices generally had declined, the prices of household articles remained at unusually high figures; and the Federal Trade Commission was called upon to make a sweeping inquiry as to why it was that these prices remained high. That inquiry covered a very wide scope, and the commission reported in three separate reports.

In the month of January, 1923, it transmitted to the Senate volume 1 of its report, which dealt with the subject of furniture.

In the month of October following, 1923, it transmitted its second report dealing with stoves.

In the month of October, 1924, it transmitted volume 3, dealing with kitchen utensils and household appliances. That volume treated of nine different subjects—vacuum cleaners, washing machines, aluminum cooking utensils, refrigerators, sewing machines, household brooms and brushes, miscellaneous kitchen furnishings, association activities of hardware dealers, and profits of wholesale and retail dealers. The entire report consisted of 347 pages. Fifty-seven of those pages only dealt with the subject of aluminum kitchen utensils. I hold in my hand the section of the report dealing with that particular subject. Of those 57 pages, 14 pages only dealt with alleged infractions by the Aluminum Co. of America of this decree.

The Federal Trade Commission expressed its conclusions with respect to the matter in a brief paragraph, as follows:

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Iowa?

Mr. WALSH. I do.

Mr. CUMMINS. I desire to get a clear idea of the sequence of these events. Did the Senate charge the Federal Trade Commission with the duty of making an inquiry under section 5 of the Federal Trade Commission act? That is to say, did it charge the commission with making an inquiry with respect to unfair trade practices or unfair methods of competition?

The Senate, as I remember—the Senator will correct me if I am wrong—did not charge the commission with the duty of inquiring whether the decree of 1912 was or was not violated. It made its inquiry under the power that we granted it in the Federal Trade Commission act respecting unfair methods of competition. That is true, is it not?

Mr. WALSH. I read from the resolution of January 4, 1922, as follows:

Resolved, That the Federal Trade Commission be, and hereby is, authorized and directed promptly to investigate the causes of factory, wholesale, and retail price conditions in the principal branches of house-furnishing goods industry and trade, beginning with January, 1920, and particularly to ascertain the organization and interrelations of corporations and firms engaged therein, and whether there have been and are unfair practices or methods of competition, or restraints of trade, combinations, or manipulations out of harmony with the law of public interest; and if so, what effect the same have had on prices; and serially to report the facts, with its recommendations, at the earliest possible time as different phases of the investigation are completed.

Mr. CUMMINS. It may be of no materiality, but I simply wanted Senators to have in mind the fact that the commission was not charged by the Senate with the duty of ascertaining whether the Aluminum Co. of America had violated the decree of 1912.

Mr. WALSH. The commission was not specifically directed by the Senate to inquire whether there had been any violation of the decree of 1912; but it is the duty of the commission, under the law, to inquire into those matters, and whenever it finds an infraction of a decree, no matter how it learns of it, to report the fact to the Attorney General.

Mr. CUMMINS. Undoubtedly. The Senator from Montana has stated one of the duties of the Federal Trade Commission. It can, either upon application or by direction of the Attorney General, or upon its own motion, inquire into the violation of any decree that may have been entered under the Clayton Act, the antitrust act, or any similar law. I do not doubt that. I do not question the right of the Federal Trade Commission to enter upon this inquiry; but I simply want it to be remembered that the Senate did not charge the commission with that duty.

Mr. WALSH. That is quite true, although I do not see that it is important here.

Mr. BORAH. Mr. President, I can not agree with the construction placed upon this resolution by the Senator from Iowa. It is true that the resolution does not specifically refer to the investigation of the question of whether there has been a violation of the decree; but how could the commission perform its duty of ascertaining whether or not there had been unfair practices without running up against the question of whether there had been a violation of this decree? There is no way by which it could have performed its duty without incorporating this in its findings.

Mr. WALSH. At some later point in the argument I intended to call attention to this provision of the statute, but I might as well do it now.

Subdivision (c) of section 6 of the Federal Trade Commission act reads:

Whenever a final decree has been entered against any defendant corporation in any suit brought by the United States to prevent and restrain any violation of the antitrust acts, to make investigation, upon its own initiative, of the manner in which the decree has been or is being carried out, and upon the application of the Attorney General it shall be its duty to make such investigation. It shall transmit to the Attorney General a report embodying its findings and recommendations as a result of any such investigation, and the report shall be made public in the discretion of the commission.

Mr. CUMMINS. Mr. President, referring to the remark made by the Senator from Idaho, there could be a great many methods of unfair competition that were not restrained in the decree of 1912. I think everyone will recognize that.

Mr. BORAH. Mr. President, this company was operating under a decree. The things which it was permitted to do were found in that decree. When the Federal Trade Commission undertook to ascertain whether or not there had been unfair practices, it must necessarily reach ultimately the question of whether or not the company was living up to that decree.

Mr. CUMMINS. Mr. President, that assumes that the decree prescribed all the methods that might be employed by the Aluminum Co. of America. It did not pretend to do anything of that kind. It enjoined the company from certain practices which it had found to be unlawful; but I still contend that there could be a great many other practices that could be unlawful and in violation of section 5 of the Federal Trade Commission act.

Mr. WALSH. Of course, there might be; but the commission could not possibly explore the area which the Senate directed it should explore without determining whether these particular unfair practices existed.

Mr. CUMMINS. I quite agree to that; and I do not question the right of the commission either to inquire into these facts or to make a report to the Attorney General—not at all. I think it did its duty in that respect; but I am still thinking that possibly the fact that the Senate did not impose upon the commission the duty of inquiring into violations of this decree may be found material before we have finished the discussion.

Mr. WILLIAMS. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Missouri?

Mr. WALSH. I yield.

Mr. WILLIAMS. Does the Senator think it makes any difference whether this company was violating the terms of a decree or was violating the law? What significance has the decree?

Mr. WALSH. It is just simply a matter of the method of procedure. If it is violating the law in such a way that its action also constitutes a violation of the decree, the proper method of procedure is a prosecution for contempt instituted by the Attorney General. If it is violating the law in a matter not covered by the decree, the commission will proceed under another section of its law.

Mr. WILLIAMS. The Department of Justice might proceed, might it not, for a violation of the law rather than for a violation of a decree?

Mr. WALSH. The violation need not necessarily be a violation of the law. Not all unfair practices are prohibited by the law.

Mr. WILLIAMS. The Senator does not mean that the decree went further than the law, does he?

Mr. WALSH. No; I do not. The conclusion of the commission is expressed in a brief paragraph from the report made public on the 6th day of October, 1924, from which I read as follows:

A comparison of these provisions of the consent decree—

That is, those provisions to which I have already invited the attention of the Senate.

A comparison of these provisions of the consent decree with the methods of competition employed by the Aluminum Co. of America described above, especially with respect to delaying shipments of material, furnishing known defective material, discriminating in prices of crude or semifinished aluminum, and hindering competitors from enlarging their business operations appears to disclose repeated violations of the decree. Moreover, the original decree is obviously insufficient to restore competitive conditions in harmony with the antitrust laws, especially with respect to the monopolization of high-grade bauxite lands.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. WALSH. I yield.

Mr. REED of Pennsylvania. Was the opinion from which the Senator has just read the unanimous opinion of the Trade Commission?

Mr. WALSH. I was just about to explain exactly how it was.

Mr. REED of Pennsylvania. I am sorry I interrupted the Senator.

Mr. WALSH. Because so much has been said to the effect that this matter has no better basis than political bias and antagonism, I take the pains to state at this time that the Federal Trade Commission at that time was composed of three Republicans and two Democrats; that this report was the unanimous report of the commission; that is to say, it was the report made by the commission when four of the five members were present, two Democrats and two Republicans, and no voice was raised in opposition to the adoption of this report.

A little later on one of the commissioners, Mr. Gaskill, after the report had been transmitted to the Attorney General, wrote a private letter to the Attorney General, in which he stated that he was not present at the time the resolution of the commission adopting the report was passed, and that he

assumed no responsibility for anything in the report. Commissioner Gaskill, however, has never undertaken publicly to write a dissenting opinion or otherwise to attack any statement made or any conclusion recited in the report.

Mr. President, on the 8th day of October, 1924, the commission passed a resolution, likewise by unanimous vote, to the effect that a typed copy of the report be transmitted to the Attorney General, and that there be transmitted with it also any evidence before the commission supporting the report.

On the 17th day of October, 1924, a letter was transmitted to the Attorney General, with the typed copy of the report, in which it was stated that the evidence would follow speedily.

On the 20th of October, however, the commission sent another letter to the Attorney General, in which it was stated that all the testimony in the case, covering these nine different subjects to which I have referred, amounted to about 5,000 pages and that it would take a great deal of time and needless expense to send copies of all of that to the Department of Justice; and they suggested that instead the Department of Justice send a representative to the office of the commission; that that representative should have access to any of the files of the commission relating to the matter and liberty to take photostatic copies of any of the documents desired by that branch of the Government.

On the 22d day of October that letter was answered by the Attorney General, who stated that the "assistant in charge" would go to the Federal Trade Commission office and make the examination of the evidence in support of the charge. Bear in mind, Mr. President, that was not to be an ordinary investigator, taken out of the Bureau of Investigation, not a layman at all, not a subordinate in the Department of Justice, but that the "assistant in charge" of antitrust prosecutions would himself go there and examine the evidence so that the proper foundation could be laid.

On the 28th day of October Mr. Seymour, the then "assistant in charge" of antitrust prosecutions, sent to John L. Lott, at Tiffin, Ohio, a copy of all three of these volumes I have in my hand, volume 1 dealing with furniture, volume 2 dealing with stoves, volume 3 dealing with kitchen utensils and household appliances, 347 pages in all, of which only 57 had any relation whatever to this charge. Lott had theretofore been with the Department of Justice, and it was intended that he should come back, and the documents were sent to him in anticipation of his return.

That is all we hear about this matter until the 30th day of January, 1925, when Attorney General Stone put out the letter to which attention has already been directed. Count the time. The 6th day of October the report was adopted by the commission. On the 7th it was made public. On the 8th a resolution was passed that it should go to the Attorney General, and it went to the Attorney General on the 17th day of October. November is 1 month, December 2, January 3—3 months and 24 days from the time the resolution was adopted, 3 months and 13 days from the time the report was sent to the Attorney General.

It will be recalled that I stated that on October 22 the Attorney General wrote a letter in which he said that the "assistant in charge" would go to the Federal Trade Commission office for the purpose of examining the evidence. He has not gone from that day to this. No one had gone. The letter of the Attorney General of January 30 was written, not in the light of the evidence at all, but purely, as is therein recited, upon a study of the report alone. That is to say, all the Attorney General and the Department of Justice had before them for that entire period of 3 months and 24 days was this report, consisting of 57 pages, only 14 of which were devoted to infractions of this decree.

An ordinary lawyer who sat down and studied that report should in two hours be able to familiarize himself with everything in it. Two days would be ample time for any lawyer to take those 57 pages and become thoroughly apprised of everything in them. Yet the report lay in the office of the Attorney General of the United States for 3 months and 24 days before a single step was taken toward action in connection with the report.

The letter of the Attorney General reviews the provisions of the decree and the alleged violation thereof in the following language:

> The decree perpetually enjoined the Aluminum Co. of America, its officers and agents, among other things, from—
>
> 1. Without reasonable cause and notice, delaying shipments of material to a competitor;
>
> 2. Refusing to ship, or ceasing to ship, crude or semifinished aluminum to a competitor, on contracts or orders placed, or on partially filled orders;
>
> 3. Charging a competitor higher prices for crude or semifinished aluminum than are charged at the same time, under like or similar conditions, a company in which defendant was interested; and
>
> 5. From furnishing competitors known defective material.

The complaints of competitors, with respect to deliveries and quality of materials furnished, may be classified as follows:

1. Cancellation of quotas;
2. Refusal to promise shipments;
3. Unreasonable delay in delivery;
4. Where two or more gauges of metal are ordered, shipping one kind or gauge and withholding shipment of the other;
5. Unreasonably delaying shipment and then suddenly dumping upon the competitors large quantities of metal shortly after they have been forced to purchase foreign metal to supply their necessities; and
7. Shipping competitors large quantities of materials known at the time of shipment to be defective.

Without attempting to review the evidence submitted in your report, it is sufficient to say that the evidence submitted supports to a greater or less extent the above-recited complaints of the competitors. And especially is this clear and convincing in respect to the repeated shipments of defective materials known at the time of shipment to be defective. This became so common and so flagrant as to call forth remonstrances from Mr. Fulton, of the Chicago office of the company.

These are declarations of one of the company's own officials:

On July 28, 1920, he wrote the company:

"In my opinion the grade of sheet which we are shipping is in many cases considerably below our pre-war standard. * * *

"The last six months we have had some very critical situations with several of our customers on account of the buckled sheet which we have been shipping—so much so that at least two have told us plainly that if they were able to get better sheet they would reject every bit that we had shipped to them. * * *

"Of the sheet on which we have authorized replacement or credit I would say that at least 90 per cent of it should never have left our mills and without any extra expense or trouble to the company should have been caught at the inspection."

On October 21, 1920, Mr. Fulton again wrote the company:

"I think it again of vital importance to call your attention to the class of sheet which is slipping through our inspection department. * * *

"The greatest complaint is in reference to our coiled sheet.

"About three different customers within the last week have stated that they have hardly used any of our coiled sheet on account of the wide variation of gauge, there being as much of a variation as 4 and 6 B. & S. numbers in the same coil. This, of course, indicates nothing but careless rolling and more careless inspection.

"The next most general complaint is our shearing, in that the shearing is not correct to dimensions, especially width."

In December, Mr. Fulton, after an inspection tour of several plants, again calls attention to the complaints and to the defects in materials being shipped. Among other things, he says:

"There are many things which I know the operating end could remedy without delay, which now are causing a great deal of trouble. No doubt one of the biggest sources of our poor sheet is the apparent increased quantities of scrap that we are putting into our 28 sheet. The appearance of the drawn sheets is a direct give-away as to what is going into the metal.

"This is something I have in no way discussed with any of our customers, and have steered them off the track whenever they have brought it up, but went over it thoroughly with Mr. Yolton, and he assured me he would discuss this at length with Mr. Hunt."

There is also to be found this complaint from a Cleveland customer, under date of May 9, 1921:

"Now * * * can your inspectors pass all this up at your mills? This is an idea that I wish you could confer to your mill heads with force enough to get them to take a little interest in it and not burden us with the tremendous expense of running and handling this metal. The mere fact that we send it back for full credit don't mean anything to us, for we are out all the labor, time, and trouble of handling, which is a very expensive proposition."

It is apparent, therefore, that during the time covered by your report the Aluminum Co. of America violated several provisions of the decree. That with respect to some of the practices complained of, they were so frequent and long continued, the fair inference is the company either was indifferent to the provisions of the decree, or knowingly intended that its provisions should be disregarded, with a view to suppressing competition in the aluminum industry.

There does not appear to be much in your record touching the methods of the company since the year 1922.

In order that the department may act with full knowledge of the course of conduct of the company up to the present time I have instructed that the investigation of the facts be brought down to date by the Department of Justice.

This will not interfere in any way with any further investigation which the Federal Trade Commission may find it proper to make.

Very truly yours,

HARLAN F. STONE,
Attorney General.

The next we hear of the matter is 29 days later when Attorney General Stone, being about to leave the department, made an outline for the information of Mr. Seymour and his successor, because Mr. Seymour was about to quit, of the course which the investigation thus ordered by him should take. At the risk of being somewhat tedious, I am going to ask the careful attention of Senators to this plan of investigation. It will be found at page 122 of the hearings and is as follows:

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., February 28, 1925.

Memorandum for Mr. Seymour re aluminum industry.

In order that my views in this matter may be left on record, I am sending you this memorandum.

Under date of January 30, 1925, a departmental letter was transmitted to the Federal Trade Commission advising that the exhaustive report by that body concerning the aluminum and other industries, and which was prepared in response to a Senate resolution, indicated on its face that certain provisions of the dissolution decree in the case of the Aluminum Co. of America were violated during the period covered by the commission's report. Inasmuch, however, as there appeared little in the report touching the methods of the company since 1922, a further investigation by Government agents would be necessary in order that the Department of Justice might act with full knowledge of the course of conduct of the company up to the present time. Such an investigation has been ordered and is, I understand, now being proceeded with.

Pursuant to this plan I have approved of the following action:

First. That Special Agent Dunn examine such evidence and documents gathered by the Federal Trade Commission and upon which it based its report that the decree had been violated, as he may deem necessary as well as all documents and complaints filed with the commission since the filing of its report.

Second. That he visit the places of business of the companies engaged in the manufacture of aluminum products and which obtain their aluminum from the Aluminum Co. of America, including those engaged in the manufacture of cast aluminum products, and including also the places of business of companies engaged in the manufacture of aluminum products which are owned or controlled in whole or in part by the Aluminum Co. of America and make such investigation as will indicate whether the decree is being violated, and, if so, in what respects.

Third. If the evidence so examined and obtained shows upon its face any substantial violation of any provision of the decree, then Special Agent Dunn, in company with such special assistant to the Attorney General as may be assigned to this work—probably Mr. Benham—will visit the offices of the Aluminum Co., explain the charges which have been made against it, and afford the company an opportunity to make any explanation and submit any further evidence which it may wish to offer.

Fourth. When all the evidence gathered has been examined it should be assembled in a report to the Attorney General for his further consideration.

HARLAN F. STONE,
Attorney General.

Now, it will appear therefrom that Dunn had actually begun work before the outline was drafted. As a matter of fact he had a conference with Mr. Seymour on the 9th day of February, and on the 18th day of February, four months after this report had been presented to the Attorney General, the investigation began.

In the second place, Mr. President, I want to inquire now, before we go further, why there should be any further investigation at all? If the testimony before the Federal Trade Commission showed a violation of the decree and it was there, why delay about the matter? Why not institute proceedings at once? When the Senate resolution, under which the report to the Senate comes here, was introduced it was hurriedly drawn, and I was laboring under the impression that the statute of limitations prescribed in the Clayton Act of one year was operative and that it became necessary to begin the investigation, in order to see whether there had been violations, within the period of the statute of limitations. But I was in error about that. The one-year statute does not apply at all. The three-year statute of limitations, applicable to all criminal offenses or criminal offenses generally, is applicable. So that if there were violations of the decree during the year 1922, up to the month of October, 1922, they would not be barred until October, 1925. So why delay about the matter? Why ascertain whether there had been violations since 1922 unless it was intended to condone the offenses thus committed during the year 1922 if perchance since that time they have been discontinued?

Now, 16 months have passed since the report was transmitted by the Federal Trade Commission to the Department of Justice and no proceedings are instituted yet. So that every offense committed by the Aluminum Co. for a full period of 16 months from the month of October, 1921, to January, 1923, has been forgiven and acquitted. Every day that there is delay we run the risk of giving immunity to this great monopoly for violations of the solemn decree of the district court. There is no excuse for the delay of a day to make a further investigation if the evidence already accumulated, as declared by the Federal Trade Commission and as declared by the Attorney General, proves that the violations occurred at least during the year 1922.

This letter was not prepared by the Attorney General. It was prepared by Mr. Lott, to whom the work of conducting the investigation under Mr. Seymour had been intrusted. Mr. Lott is still in charge of the proceedings. Under him, as indicated in this outline of plan, the immediate charge of the investigation was intrusted to Mr. Benham. Dunn began his investigation and reported from time to time, as I shall presently explain, to Benham. Benham, however, at that time had been intrusted with the conduct of the prosecutions against the furniture manufacturers and the refrigerator manufacturers pending in the courts in the city of Chicago. Those cases monopolized practically all of Benham's time from the month of February, 1925, until the month of November, 1925, and most of the time he was in the city of Chicago. Bear in mind, this investigation was intrusted to a subordinate in the Department of Justice who was for the greater portion of the time a thousand miles away engaged in the conduct of two great and important lawsuits. Occasionally during the summer he came to the city of Washington, and if Dunn happened to be in Washington at that particular time the two of them conferred concerning the progress of the work to be done.

Now, I want to take up Dunn. Dunn was not a lawyer. Dunn was not an economist. He was not an accountant. He was not a stenographer. He came to the Department of Justice in 1917, went into the Bureau of Investigation, and became attached to the antitrust division in the year 1923. Prior to his coming to the department he had been engaged in office work, he told us, which, of course, means that he had no special training for any line of activity. His first work was to go to the Federal Trade Commission, in accordance with the plan outlined. The Federal Trade Commission, it will be recalled, had offered earlier, on the 17th day of October, to give the Department of Justice access to all of its files and leave to take copies of anything that it had relating to this matter; but on the 16th day of January, 1925, the Federal Trade Commission entered upon a new policy, a departure from the well-established policy and practice of that branch of the Government. The Department of Justice sent a request to the Federal Trade Commission during the month of December for all files that were there in relation to the Chicago Retail Lumber Dealers' Association, against which the department was then prosecuting proceedings. The Federal Trade Commission passed a resolution on the 16th day of January to the effect that it would give to the Department of Justice any evidence it had in relation to that matter, except such as was turned over to it voluntarily by the Chicago Retail Lumber Dealers' Association. So, when Attorney General Stone and Mr. Lott wrote the letter of January 30, 1925, they knew of the change in policy of the Federal Trade Commission, by which it refused to turn over any evidence in its possession coming from a party who was under investigation; and yet it will be remembered that there is nothing whatever stated in the letter of January 30 in relation to that condition of affairs.

But more. A letter was sent under date of February 10 by the Department of Justice to the Federal Trade Commission stating that Mr. Dunn had been designated to make the examination, and, that pursuant to its offer of October 20, 1924, he would like to have access to the files and permission to take copies of any testimony. The Federal Trade Commission on February 11 passed a resolution conformative with its new policy, offering to give the Department of Justice access to all its files except such as it had secured from the Aluminum Co. of America, notifying the Department of Justice of its action on February 19.

Bear in mind, now, that was the 19th of February. This plan of campaign of investigation was made out nine days later; but there is not a mention made in it of the difficulty that would be encountered in getting permission to examine such part of the files and records of the Federal Trade Commission as came from the Aluminum Co. of America. Bear in mind, also, that the Federal Trade Commission said it would not turn this

matter over without the consent of the Aluminum Co. of America.

No effort was made to get the consent of the Aluminum Co. of America, either directly by the Department of Justice or through the Federal Trade Commission; but, Mr. President, in addition to that, whatever power the Department of Justice might or might not have to demand and exact of the Federal Trade Commission this testimony, the Senate of the United States, which ordered the investigation pursuant to which this testimony was secured, could, upon a demand made on the commission, get the testimony, and thus make it available to the Department of Justice. The Department of Justice, however, never came to the Senate and asked its aid in getting this testimony; in other words, the Department of Justice entirely acquiesced in the refusal of the Federal Trade Commission to turn over this testimony, and made no effort of any character whatever to get it, despite the statement made in the views of the minority on this matter. The Department of Justice made no effort to get it, and Dunn proceeded with his investigation without any aid whatever from such testimony as was before the Federal Trade Commission or coming from the Aluminum Co. of America, including this matter to which I have called your attention and which the Attorney General deemed of such great importance that he incorporated it in his report; that is to say, letters passing between the officers of the Aluminum Co. at Pittsburgh and their agents in the field.

Mr. KING. Mr. President, will the Senator from Montana suffer an interruption?

Mr. WALSH. I yield.

Mr. KING. Does the Senator, before he concludes, intend to discuss the legality or propriety of the conduct of the Federal Trade Commission in promulgating the order of January 16, 1925, which was followed by a similar order with respect to the Aluminum Co. of America a few weeks later, which restricted the power of the Attorney General to investigate the files in the office of the Federal Trade Commission?

Mr. WALSH. No; I do not intend to do that. I intend to narrow this discussion, if I can, to the question of whether the Department of Justice has honestly and diligently prosecuted this inquiry. It is exceedingly important to consider at the right time the question of whether the Federal Trade Commission acted in disregard of the solemn injunction of the law in its proceedings, but that is aside from this question.

In that situation of affairs Dunn began his work. He first went to the Federal Trade Commission to examine the files there. When he went there he did not talk with a member of the commission about his inquiry; he did not talk with a single investigator of the Federal Trade Commission who had conducted the inquiry; he did not talk with any of the economists who reviewed the testimony, nor with the members of the commission which finally passed upon it. He did not take a copy of a single piece of paper before the Federal Trade Commission. He did not take a copy of a single statement made by any witness and taken down stenographically by the investigators of the Federal Trade Commission. He made notes of what there was before the commission, and, armed with those notes, and with those notes alone, he went out into the field to conduct his investigation, and when he got through with that he destroyed the notes.

More than that, Mr. President, he did not even take with him upon his investigation a copy of the report of the Federal Trade Commission itself that gave rise to the inquiry and that recited much of the important evidence that was before the commission. He offered as an excuse that the report had not been printed; but, Senators, I call your attention to what the report was. It consists of 57 pages only 14 of which deal with infractions of the decree. The work of making a typewritten copy of the entire report would not occupy a copyist more than two days, and the work of copying the 14 pages dealing with infractions of the decree would not consume more than a few hours.

Worse than that, Mr. President—and hereby hangs an interesting tale—he did not take with him a copy of the most illuminating report made by a careful and intelligent investigator of the Federal Trade Commission later than the report to which I have called attention. In the year 1922, after the general investigation had been entered upon, one of the users of aluminum, a manufacturer conducting a large business in the city of Detroit and using large quantities of aluminum in his work, finding his relations with the Aluminum Co. altogether unsatisfactory, insisting that they were proceeding in violation of the decree of 1912, went to the Department of Justice and wanted them to investigate the matter. He hung around the corridors of that department for a long time until he finally become tired and went over to the Federal Trade Commission. He laid before that commission the same condition which he had laid before the Department of Justice and wanted them to do something about it—to institute proceedings under the Federal Trade Commission act for unfair practices. The commission tried to ascertain whether the Department of Justice was going on with the investigation which he had asked them to make, and the commission delayed for a considerable time in order to allow the Department of Justice to conduct that investigation; but, despairing eventually of anything being done by the department, they directed that the complaint of this manufacturer be followed up and investigated upon their own account.

The commission sent out upon that work a fine, clever young man, a keen-minded lawyer, one I. W. Digges. He went out, and in the month of May, 1924, submitted to the Federal Trade Commission an elaborate report, to which I shall later call attention in detail, which report showed complaints of the most serious character from many of the users of aluminum throughout the country.

Dunn did not take a copy of that report. I doubt whether he knows of its existence. He never talked with Digges about whom he had seen or what he had done or sought to get any information about the matter from him. He went out upon this field of inquiry. He started on the 12th day of March, 1925, and was out in the field until the 12th day of April.

I should say in this connection that, beginning about the 18th or 20th of February, he was engaged at the Federal Trade Commission looking over that work until about the 12th day of March. It is in evidence that he spent about 10 or 12 days there at that work. The views submitted by the minority say 15 days. Well, let it go at that. All together he covered a period of about 3 weeks, 15 days of which were spent actually, according to the views of the minority, in making this examination——

Mr. GOFF. Mr. President, will the Senator permit an interruption?

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from Montana yield to the Senator from West Virginia?

Mr. WALSH. I yield to the Senator.

Mr. GOFF. I should like to call the attention of the Senator from Montana to page 415 of the testimony, where this question was asked:

Senator WALSH. What do you know, Mr. Digges, about any examination of the evidence thus accumulated by you by any agent or representative of the Department of Justice?

Mr. DIGGES. I think there was no examination made of that. My own recommendation to the commission was that that examination be not permitted.

Does not that explain why Mr. Dunn did not examine that record?

Mr. WALSH. Not at all. The Attorney General in his letter to the Federal Trade Commission said that he desired to have his representative examine not only the evidence taken by the Federal Trade Commission in connection with the resolution of the Senate under which it acted but also all other evidence and documents coming before the Federal Trade Commission since that report was filed. Then, Mr. President, the Federal Trade Commission itself offered to put at his disposal any information that it had, except such as came directly from the Aluminum Co. of America.

Dunn's examination began on the 18th of February. He went into the field on the 12th of March. He was out for some time, and returned on the 6th of April. He went out again on the 1st of June, and returned on the 19th of June. He went out again on the 9th day of July, and returned on the 18th of July. In all, the time covered in the examination was some four months, from March to July—that is, April, May, June, and July—four months and six days, to be exact. Of that four months and six days, he was in the city of Washington two and a half months, 75 days; he was in the field 53 days; and it took him 22 days in the city of Philadelphia to write out his report.

That report was submitted on the 10th day of August, 1925. It will interest you to know, meanwhile, just exactly what the head of the Department of Justice, the Attorney General, knew about these proceedings, what part he had in them. They are summarized in an article appearing in the New York World of January 12, 1926, which epitomizes them perhaps better than I could do. I read the article entitled:

GRANITE FROM VERMONT

To put this story in its proper setting it is necessary to remember only that when Attorney General Sargent took office an inquiry into the Aluminum Co. of America was pending in the Department of

Justice. The Aluminum Co. of America is a rich monopoly, tariff protected, selling millions of dollars' worth of goods to the American public annually. One of its chief owners is Mr. Sargent's colleague in the Cabinet, Andrew Mellon.

Within two months of Mr. Sargent's taking office Mr. Sargent's predecessor, Attorney General Stone, had publicly declared in a letter dated January 30, 1925, that the Aluminum Co. had "violated several provisions of the decree" of the courts against it. What happened next is told in these answers of the incoming Attorney General to questions asked him by a committee of the Senate:

How did you first hear of this affair? "There was an inquiry made by some newspaper man about it."

When? "I do not know."

What did you say to the newspaper man? "I think I told him I did not know about it."

Do you know whether or not you told him you were aware of the existence of the Stone letter? "I think I told him that I did not know anything about such a thing."

How, then, did you hear of the Stone letter? "Somebody, at some time, asked me if such a letter had been called to my attention."

Who? "Newspaper men."

When? "I never knew definitely about it until I had been there five or six or eight months." (That is, August 19 or September 19 or November 19.)

The above answer amended: It may have been even later? "That might be so."

The above answer once more amended: "My attention was called to the matter as early as March 25."

Well, whenever you did hear of it, what did you do next? "I spoke to Colonel Donovan several times."

When? "I do not know."

When was the first time? "I do not know."

When was the last time? "I do not know."

Did you ask Colonel Donovan to go to the Federal Trade Commission for the data which the commission had, and do you know if the commission gave Colonel Donovan any evidence, documentary or otherwise? "I can not say. But I remember this one thing: That some of them told me about going over there and getting some files."

Is that about as definite as you can put it? "That is about as definite as I can put that."

Well, can you tell us, then, how much of the Trade Commission's data your office ultimately did receive? "I could not tell you."

Did you make any inquiry about that? "I have not."

You can't tell us whether, since the Stone letter was written, there has been any correspondence between your department and the Trade Commission on the subject of this data? "No; I am not sure there has been any correspondence since that date."

Did you make any effort on your own part to obtain this data? "Personally I have done nothing."

Did you ever read the report of the Trade Commission to which Attorney General Stone referred? "I have read so much of it. I have not read it all the way through."

Did you know that the Trade Commission voted not to turn over to your office the information it had obtained from the Aluminum Co.? "What is said there is something that I never heard of until now, until you read it."

If the Trade Commission can hold back data this way, what good is an investigation? "I can not tell you. I have never undertaken to work the thing out."

Do you think the commission itself should be left the sole judge of whether it need or need not turn over any information? "I suppose somebody must have the authority to review the matter."

Who? "I suppose the question could be determined by some proceeding to find out whether they shall surrender it or not."

How would you go about it? "I do not know. I do not think it has been tested out."

Any hope left that you will ever obtain that information? "I have not formed any purpose about it."

Why? "This thing never was called to my attention until yesterday. I do not know the law on the subject."

And yet, despite all this, when Mr. Sargent had been six days in office he instructed his subordinates to talk to him about aluminum "before any action whatever is taken or any publicity given."

The Stone letter will be 1 year old two weeks from Saturday. Perhaps Mr. Sargent may not be aware of that. It may not have been called to his attention. He remains, meantime, the Attorney General of the United States and the chief bulwark of the average man against predatory trusts. And he assures us—

"I go to my office at 8 in the morning and stay to 7 at night and devote my entire attention to seeing that things go right."

Mr. President, I have now called your attention to the fact that the Dunn report was handed in on the 10th day of August, 1925. His conclusions are expressed in a few brief paragraphs, which I desire to read:

RESULTS OF THE INQUIRY

Generally speaking, this inquiry has not disclosed that any of the practices on the part of the Aluminum Co. of America, heretofore complained of, are now followed by that company.

Bear in mind, the language is, "are now followed by that company. Of course, if they were followed at any time within three years there would be a violation of the decree; but he says they are not now followed by that company.

Mr. PITTMAN. What is the Senator reading from?

Mr. WALSH. I am reading from the report of Dunn, the man who, as I told you, was neither a lawyer, an economist, an accountant, nor a stenographer: the man who went out and spent 53 days in the field and 75 days in the city of Washington, and took 22 days to make his report, which was the result of 53 days' study in the field.

Generally speaking, this inquiry has not disclosed that any of the practices on the part of the Aluminum Co. of America, heretofore complained of, are now followed by that company. Moreover, from statements made to me by various individuals there is reason to believe that some of the complaints, previously made, were not genuine and reasoned complaints, but were, on the other hand, inspired by hysteria and a purpose to stimulate by any means service on the part of the Aluminum Co. of America. * * *

In any event, it is now the unanimous opinion of all individuals interviewed that for the past three years conditions with respect to metal supply have been entirely satisfactory. All agree that ample supplies of aluminum are readily obtainable under satisfactory conditions as to delivery.

Now, I want to read you Digges's report of May 24, 1924, the report of a lawyer, made just before and covering exactly the same period. I read from his report, which we got through the order of the Senate made 10 days ago, directing the Federal Trade Commission to transmit to the Senate everything it had on this subject.

He says:

Your attorney will conclude that the Aluminum Co., its officers, and the United States Aluminum Co., a subsidiary of the Aluminum Co., have combined together to put into effect, and have actually put into effect, a policy which will result in the elimination of independent sand-casting foundries. The component parts of this policy have been:

(1) Lease of Aluminum Manufacturers (Inc.) for a 25-year period.

(2) Price discrimination in favor of Aluminum Manufacturers (Inc.) and against independent foundries.

The Aluminum Manufacturers (Inc.) is one of the subsidiaries controlled by the Aluminum Co. of America.

(3) Discrimination in deliveries against certain companies.

(4) Cornering the market for secondary aluminum.

(5) Taking business below cost in the foundry department.

(6) Refusing to sell certain competitors in fabricated parts their necessary requirements of the raw product.

(7) Entering into some sort of a working arrangement with foreign producers.

(8) Price discrimination in favor of manufacturers' foundries and against independent foundries.

The theory on which the recommendation will be based is that where there exists a monopoly in a fundamental commodity, and the officers of that monopoly, either directly or through subsidiary companies, combine together to eliminate the customers of the monopoly, with whom the monopoly is in combination, the situation is the same on principle as where competition exists in the sale of the commodity and there is a combination among parties of adverse interest to restrain trade. The reasoning will be that of public policy.

Mr. SMITH. Whose report is this?

Mr. WALSH. This is the report of Mr. Digges, who made the investigation for the Federal Trade Commission just before Dunn made his investigation.

I shall call your attention a little later to the fact that Digges interviewed a large number of producers whom Dunn never even visited, and I shall tell you what they said, to apprise you as to whether everything is perfectly satisfactory with the users of aluminum in the United States.

I want to follow, however, the work of the Department of Justice.

The Dunn report coming in on the 10th day of August, in the following month of September a letter was sent to Mr. Davis, the president of the Aluminum Co. of America, asking him to come in for a conference. He did not come in until the month of October, and when he came in he was asked whether he was willing to allow the books and records of the Aluminum Co. of America to be examined by the agents of the Department of Justice, and he answered that he was.

Of course—what else could he do? To refuse access to them would be practically an admission of guilt upon his part.

Bear in mind that in the month of October he signified his perfect willingness to have these books and records examined; and, of course, it is presumable that if he had been asked in the month of February or March, he would have permitted the examination to be made before Dunn went out at all, and there would not have been any trouble about the refusal of the Federal Trade Commission to allow this testimony to be examined.

There is another matter to which attention should be directed. If the Department of Justice had proceeded promptly after it got a copy of this report on the 17th day of October and had sent at once an attorney to examine the files before the Federal Trade Commission, as the Attorney General said would be done by his letter of October 22, in all probability there never would have been any trouble about getting the evidence that was furnished by the Aluminum Co. of America, because the reversal of that policy did not take place until the following January.

Davis agreeing in October to allow the books to be examined, in the month of November Dunn and Benham were sent to Pittsburgh to make the examination. Bear in mind, the Dunn report came in in August. Benham was engaged in litigation out in Chicago, busy until the month of November, and the examination of the books did not commence until three months after the Dunn report came in. Then they made an examination of the books until sometime early in December, when an accountant whom they had secured for aid in the matter desired to have some tables prepared by the Aluminum Co. of America, which were furnished in the month of January, and the investigation was resumed on the 4th day of January of the present year.

So 16 months have gone by, as I have heretofore stated, since this report came to the Federal Trade Commission, and every act in violation of this decree during that long period from October, 1921, until February, 1923, has been condoned and forgiven to the Aluminum Co. of America. Sixteen months this examination has taken so far, and the end is not yet, for we have no report upon it. But away back last spring Mr. Lott, under whose direction this examination was to be conducted, said that he expected it would take about two months to complete it. I read from a memorandum prepared by Mr. Lott for the information of Colonel Donovan, under date of April 8, 1925, which appears at page 421 of the record as follows:

> I am advised that the Washington Star of last evening carried a story to the effect that the investigation of the aluminum industry had been completed and was ready for report.

Already, Mr. President, away back in the month of April last the public had become interested in the delay of this investigation, and a rumor was current that the report was forthcoming. He continues:

> I did not see the article. I have not given out anything whatever upon the subject, nor will I do so; my duty being to make report to you. The fact is that the investigation has not been completed and it may require two months in which to complete it.

It has taken those 2 months, and it has taken 10 months more, and is not yet completed.

The Federal Trade Commission had the Digges's report before it. They felt that it was desirable that they go forward, but they did not want in any wise whatever to embarrass the Department of Justice, and they were withholding action upon the Digges's report to await the determination of the matter by the Department of Justice. So they sent their chief counsel to the Department of Justice to ascertain from them how soon they would be likely to complete their investigation and go forward with the proceedings, if they were to institute them. The chief counsel came back and reported that he had had a conference with Mr. Lott—this is under date of May 11, 1925—and he said:

> Mr. Lott stated that he expected the investigation to be completed and his final report in the case made within six weeks.

On the 2d of January last, no report having been made upon the matter, the Assistant Attorney General, Mr. Donovan, gave to the press a statement, as follows:

> The department has sought through all available channels to ascertain all facts connected therewith and has embraced in its inquiry interviews with customers and competitors of the Aluminum Co. of America, together with interviews with its officials and a careful examination of its record, particularly such records as would reflect the truth or falsity of the complaints which have been made. Although this inquiry is not yet completed and the report is yet to be prepared, it may be stated that the facts thus far disclosed do not support the oft-repeated charge that the decree in question has been violated.
>
> When the investigation is terminated and the final report is received, which it is expected will be within the next three weeks—

That was on the 2d of January last—

> the Attorney General will finally decide whether the facts disclosed warrant any action either under the decree or by the way of a new proceeding and will make known his conclusions. The foregoing statement, however, reflects the situation as it appears from the data thus far obtained.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Montana yield to the Senator from Iowa?

Mr. WALSH. I yield.

Mr. CUMMINS. I may say that I am informed by the Department of Justice that the investigation has been completed, that the report has been made, and that the Department of Justice has reached a conclusion with regard to this matter.

Mr. WALSH. So I observed by the report filed by the Senator this morning. It has reached the conclusion that there has been no violation of the decree.

Mr. CUMMINS. It is not in the report I filed. I have the conclusion in my hand, which I will present when the proper time comes.

Mr. WALSH. I want to invite attention to a few things mentioned in this statement. In the first place, reference is made to this sentence:

> Although this inquiry is not yet completed and the report is yet to be prepared, it may be stated that the facts thus far disclosed do not support the oft-repeated charge that the decree in question has been violated.

Who made this oft-repeated charge? It was made by the Federal Trade Commission in the first instance, by four of the five members of the Federal Trade Commission, two of whom were Republicans, the other member not being present at the time.

Who else was it who made this charge, and repeated it? It was made by John L. Lott, who drafted the letter of Attorney General Stone of January 30, 1925, the man who to-day is in charge of the proceedings.

It was made, sir, by Harlan F. Stone, the Attorney General of the United States, now Associate Justice of the Supreme Court of the United States. Those are the sources from which this charge emanated, and by whom it was repeated.

Mr. GOFF. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from West Virginia?

Mr. WALSH. I yield.

Mr. GOFF. Is it not a fact that the statements to which the Senator from Montana has just referred were based entirely upon the report of the Federal Trade Commission, and not on any investigation independent of that source?

Mr. WALSH. I presume so. I do not know of anybody who knew anything about it except the Federal Trade Commission and the Department of Justice.

Mr. GOFF. I thank the Senator. That answers my question.

Mr. WALSH. I suppose probably every newspaper in the country which carries Associated Press dispatches repeated this story. But why should it be mentioned by the Attorney General of the United States, or the Assistant Attorney General, that it was an oft-repeated charge that was not sustained at all?

I want to call attention to a few features of this. It states:

> Although this inquiry is not yet completed and the report is yet to be prepared, it may be stated that the facts thus far disclosed do not support the oft-repeated charge that the decree in question has been violated.

Bear in mind that at that time the investigation of the books and records of the Aluminum Co. of America was suspended. It had been conducted from the month of November into the month of December, and on the stand the Attorney General was obliged to admit that until the examination of the books and records of the Aluminum Co. of America had been completed, it would be impossible to tell whether there had been any violation of the decree with respect, first, to cancellation of orders; second, refusal to promise shipments at a definite date; third, delay in shipments as between seasons; and, fourth, dumping after foreign purchases.

He was utterly unable to say whether there had or had not been a violation of the decree with respect to any one of those four charges. Yet in this public statement he tells the country that the evidence thus far taken discloses that there is no

foundation for the oft-repeated charge that there has been a violation of the decree.

I call attention to the conclusion of Dunn and the conclusion of Digges. Digges's investigation was conducted with reference to specific charges relating particularly to unfair practices in the matter of production and sale of what are known as sand castings. That is to say, his testimony was gathered on the second investigation conducted by the Federal Trade Commission and not along the general line that had been followed by the commission as a result of which it made this report, volume 3. But they did, as a matter of fact, cover exactly the same thing; that is to say, in following out the question as to whether a violation had occurred, Dunn is supposed to have covered the feature of sand castings, just as Digges is.

I want to show that Dunn and Digges covered exactly the same field, Dunn reporting no complaints whatever; and then I will show what Digges found. Dunn says in his report, as found on page 240, as follows:

Investigation of conditions in the sand-casting phase of the aluminum industry was not so comprehensive as in the case of the aluminum utensil industry, though such inquiry as was made did not indicate that there was at that time any complaint as to the activities of the Aluminum Co. of America in this phase of the industry, nor did such inquiry as was made disclose any information which would indicate that the Aluminum Co. of America was pursuing any methods which would indicate an attempt on its part to control or dominate the scrap aluminum market.

Then he continued:

It is my belief that much of the information upon which the Trade Commission based its recent complaint against the Aluminum Co. of America was acquired during its earlier inquiry in connection with the work done in response to the Senate resolution above referred to, and having in mind the information furnished in response to an inquiry made by this department during the early part of this year it is quite possible that practices are charged against the Aluminum Co. of America which have, as a matter of fact, been long since discontinued. It should be noted here that none of the information or evidence underlying the Trade Commission's recent complaint has been made available to this department.

"None of the evidence underlying the Trade Commission's recent complaint has been made available to this department"; but, Mr. President, the Attorney General demanded it, the Federal Trade Commission offered it, and if it was not made available it was simply because Mr. Dunn did not call for it.

I want to read from the plan of inquiry outlined by Stone under date of February 28:

First. That Special Agent Dunn examine such evidence and documents gathered by the Federal Trade Commission and upon which it based its report that the decree had been violated, as he may deem necessary, as well as all documents and complains filed with the commission since the filing of its report.

I now read from the letter of the commission offering to turn this over, under date of February 19, 1925, as follows:

The commission will be glad to furnish the information requested, and will afford Mr. Dunn every facility in his examination of the files, except that the information and evidence which was furnished voluntarily to the commission by the Aluminum Co. of America, including information and evidence from its files, will be made available only upon the consent in writing of the Aluminum Co. of America that the material voluntarily furnished by them be made available to the department.

That is the only reservation the commission made.

Mr. President, it becomes important to consider how much credence is to be placed in the Dunn report as to whether there was any violation of the decree as disclosed by the evidence before us.

I called attention at the outset to what Attorney General Stone conceived to be evidence entirely conclusive that the Aluminum Co. of America had been sending to customers defective material, which it must have known was defective at the time it was sent. That was established not by evidence of witnesses by word of mouth but actually by letters passing between the agents of the Aluminum Co. in the field and the home office at Pittsburgh. But in that report there is another thing to which I direct attention. At page 44 of the hearings will be found the following, quoted from the report of the Federal Trade Commission, which was sent to the Attorney General:

Delays in deliveries: A prominent manufacturer of cooking utensils made the following statement in August, 1923, quoting from the stenographic report of the interview:

"Deliveries have been very poor this year. In 1919 they almost broke us. * * * We were closed down 20 per cent of the time, and in 1920 we only ran one full month, * * *. They are now making 60-day deliveries. They have been making 60 to 90 day deliveries since last September. The deliveries are absolutely out of our hands and we have no say. * * * I know of one instance where metal that was bought in February has not been delivered yet."

This was in August, 1923.

The purchasing agent of another company informed the commission that deliveries were not made as stipulated in the contracts and, moreover, that it was difficult to get any authoritative information on one's orders. He further stated that he had never been able to determine whether this was purposely done or resulted from the large volume of business as a result of which they were unable to keep in proper touch with their various branches.

Bear in mind that under date of August 10, 1925, Dunn reported that for the last three years there had not been any cause for complaint at all. What about this prominent manufacturer who tells these things? What about this sales agent who told these things to the investigator of the Federal Trade Commission who took the statement down stenographically? Why, Dunn does not know anything about them. He did not take a memorandum from the records of the Federal Trade Commission as to who the prominent manufacturer was nor who the sales agent was, nor did he interview them with respect to the charges that are made by them at all.

Now, with reference to delays in delivery, the Federal Trade Commission report states that they tried to get from the Aluminum Co. of America tabular statements showing the promptness with which they filled orders for aluminum. They were able to get information from the Aluminum Co. of America only with reference to seven particular customers, and then only for the year 1922 and the first six or eight months of the year 1923. They got no information from the Aluminum Co. of America concerning deliveries in 1920 and 1921, when confessedly there was great delay in the deliveries, but they got the information with reference to 1922.

They asked for information showing the time that the deliveries were made, first, within 30 days of the time when the orders should have been filled—that is, during the month when they should have been filled; but the returns came in from the Aluminum Co. of America only with reference to shipments during the month when the orders were to be filled and the following month—that is to say, within two months—and the records at page 45 are tabulated thus:

For the 12 months of 1922 only 66.26 per cent of the Aluminum Co.'s obligations were shipped in the month when the obligation matured or within one month thereafter. Only 25 per cent of the obligations were shipped in the second month after maturity, and 7.69 in the third month.

The next table shows that the record for the first six months of 1923 was somewhat better, approximately 75 per cent of the obligations having been shipped in the month due or within one month thereafter, 1.77 per cent in the second month, and 0.60 in the third month.

It will be understood as a matter of course, Mr. President, that the users of aluminum, the manufacturers of goods into which aluminum enters, were obliged to make their contracts by which they agreed to deliver their products at a definite time, and they could not get the raw material with which to manufacture the goods to fill their orders within 30 days, within 60 days, within 90 days, and in some instances within 6 months of the time when they were in need of the material.

Mr. GOFF. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from West Virginia?

Mr. WALSH. I yield.

Mr. GOFF. Will the Senator refer to the page of the record from which he was reading?

Mr. WALSH. Page 45. For instance, one of those companies during the year 1922 got only 57.09 per cent of the quantity which it had ordered within the month that it was due or within the following month. Another company got only 55.15 per cent of the quantity which it ordered within the month that it ordered or within the following month.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Montana yield to the Senator from Iowa?

Mr. WALSH. I yield.

Mr. CUMMINS. That statement is material only if there be discrimination shown, I suppose?

Mr. WALSH. Not at all.

Mr. CUMMINS. It is no violation of the decree for the Aluminum Co. of America to fail to fill its orders if it was unable to fill its orders and if it treated everybody alike.

Mr. WALSH. Yes; if it was unable to fill its orders there was no violation of the decree. I am proceeding to establish that it had abundant ability to fill its orders.

Mr. CUMMINS. Nothing so far has shown that.

Mr. WALSH. Certainly not; but I can not do everything at one time.

Mr. CUMMINS. I am not criticizing the Senator.

Mr. WALSH. I am going to establish by its own record that the Aluminum Co. of America had a superabundance of capacity to fill the orders, so much so that it applied to the Commissioner of Internal Revenue for an amortization allowance of a very considerable amount, because it had expended its capacity during the war to meet war conditions beyond the capacity that was necessary in ordinary peace times. We will come to that in just a moment.

Another feature about the delay is that in the months when business was slack and there was no particular hurry about the matter then the product would come along in great quantities, but during the peak months, when the demand was great, deliveries would fall down. For instance, at page 67, we have the same companies during the slack periods, one of them getting 91.56 per cent of its orders within the month or the month following when it was due and another getting 87.54 per cent, but during the peak period the company first mentioned got only 37.02 per cent of its orders filled, and the company second mentioned got only 30.28 per cent.

Now, about the capacity to fill orders. I read from page 44 of the hearings, being the Federal Trade Commission's report:

E. K. Davis, the sales manager of the Aluminum Co. of America, stated in an interview that that company was unable during the early part of 1920 to meet the demands of its customers. He stated further that their sheet mill at Alcoa, Tenn., was completed in August, 1920, and that since that time they have had ample sheet capacity to take care of any demands that might be dumped upon them.

The figures I gave were for the year 1922 and the first six months of 1923, when, according to the statement of the sales manager of the Aluminum Co. of America, they had capacity to take care of any orders that were dumped upon them, however great they might be.

But the president of the company, Mr. A. V. Davis, had an explanation to make, which was as follows:

When questioned regarding the ability of the Aluminum Co. of America to supply all the sheet metal required by the different industries, A. V. Davis, president of the Aluminum Co. of America, made the following statements, quoting from the stenographic report of the interview:

"In the first place, unless you get clearly into your head the difference between a shortage of ingot and a lack of rolling-mill capacity, you do not comprehend the situation at all. There never has been a shortage of rolling-mill capacity on our part. * * * Whatever shortage there has been in the sheet business is a reflection of the shortage in the ingot business.

That is to say that the material comes out of the smelter in the shape of ingots and then goes into the rolling mill and is rolled into sheets. Confronted with the statement of the sales manager that they had ample capacity for 1920 to meet all demands, we have an alibi: They have ample sheet capacity, but the ingot capacity is lacking, apparently; the smelting capacity is lacking. The bauxite is treated just the same as any other ore, by concentration and smelting, I assume, and is made, as I stated, into ingots. Of course, in expanding a plant for war purposes it would be just as necessary to expand the ingot capacity as it would to expand the sheet capacity, and unless these people are governed by principles of trade and development different from those that actuate people generally they would expand their facilities, as a matter of course, harmoniously, so as to make a finished plant. It appears they did so. So we have here in the Digges report an interview with Robert Byrnes, in charge of the New York office of the Aluminum Co. of America, at 120 Broadway. The report says:

Mr. Byrnes was then asked if during the last three years Al. Co.—

That is an abbreviation for Aluminum Co. of America—

had operated to capacity in the production of ingots.

That was January 18, 1924. Three years back would be January 18, 1921.

Mr. Byrnes was then asked if during the last three years Al. Co. had operated to capacity in the production of ingots.

This question he answered in the negative, and stated that at one time Al. Co. was forced to carry a 30,000,000 surplus in ingots, due to the entire lack of demand for this metal.

Not only were they able to meet every demand for ingots, but they were obliged to carry an extraordinarily high quantity in stock because of the lack of demand.

This brings us to the interesting story of the application for amortization before the Commissioner of Internal Revenue, the whole story of which was told in the Couzens report. The Aluminum Co. of America made an application before the Commissioner of Internal Revenue for a reduction in the amount of taxes with which they were charged, averring that, in order to meet the extraordinary demands of the war, patriotically they had expanded their plant, extended their facilities to such a degree that their plant was away beyond the capacity of ordinary peace times, and that having done this merely to help out in the war, they ought to have a credit for it in their taxes.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Bayard	Fess	McKinley	Sackett
Bingham	Frazier	McMaster	Sheppard
Blease	George	McNary	Shipstead
Bratton	Gillett	Mayfield	Shortridge
Brookhart	Glass	Metcalf	Smith
Bruce	Goff	Neely	Stephens
Butler	Gooding	Norris	Swanson
Cameron	Hale	Nye	Trammell
Capper	Harris	Oddie	Tyson
Couzens	Harrison	Overman	Wadsworth
Cummins	Heflin	Pepper	Walsh
Curtis	Howell	Phipps	Warren
Dale	Jones, Wash.	Pittman	Watson
Deneen	Kendrick	Ransdell	Weller
Edge	King	Reed, Pa.	Wheeler
Ernst	Lenroot	Robinson, Ark.	Williams
Ferris	McKellar	Robinson, Ind.	Willis

Mr. REED of Pennsylvania. I desire to announce that the Senator from Utah [Mr. SMOOT], the Senator from Connecticut [Mr. MCLEAN], the Senator from North Carolina [Mr. SIMMONS], and the Senator from Rhode Island [Mr. GERRY] are detained from the Senate, being engaged on a conference committee.

The PRESIDING OFFICER. Sixty-eight Senators having answered to their names, a quorum is present.

Mr. WALSH. Mr. President, the Aluminum Co. of America represented that it had expanded its capacity during the war in order to meet demands of that time, so that it had a capacity to produce annually 156,000,000 pounds of aluminum, while the average postwar demand or consumption was not in excess of 87,000,000 pounds; that is to say, that only 56 per cent of its facilities were in use while 44 per cent remained idle. It therefore asked a credit by way of amortization to the amount of $6,852,000. Subsequently it concluded that that was not enough and amended its demand, so that finally it reached the sum of $18,124,000. It secured an allowance for amortization upon this account of $15,152,000. Then it came back again and increased its demand until it eventually became $18,268,000. The claim was finally adjusted by making an allowance of $15,589,000 on account of overcapacity.

The Digges investigation, as I have stated, concerned itself with the subject of sand castings. For the purpose of making products of this character, automobile crank cases, and other material of that character scrap was used to a very large extent. That is to say, in all manufacturing establishments using the sheet aluminum, in cutting out the material, as in a tailor shop, a large quantity of the material becomes useless and drops to the floor and is gathered up. There were a considerable number of establishments in the country which bought up this scrap from the various manufacturers, remelted it, and then rolled it out and sold it in the market in competition with the Aluminum Co. of America to any manufacturer who might want to buy that instead of buying the virgin sheet metal. Thus there was a considerable competition developed in the sale of sheet metal to the various manufacturers.

This is by no means an inconsiderable quantity. In a public statement given to the press on September 27, 1924, Mr. Andrew W. Mellon—who, I believe, it is understood generally is the dominant factor in the Aluminum Co. of America, practically the whole thing being owned, according to the Federal Trade Commission's report, by himself and his brother, Mr. R. B. Mellon—gave out a statement to the effect that the scrap material turned into sheet constituted about one-third of all of the sheet metal on the market, as I understand his statement. This is what he said about the matter.

Discussing the opportunities of American manufacturers to supply themselves with aluminum from abroad, he continued:

In addition, scrap aluminum, constituting at least a third of the metal used, is entirely beyond the control of the manufacturer of aluminum ingots. No monopoly in the aluminum industry exists.

But if it did not exist at that time, Mr. President, it exists now; and it exists now because the Aluminum Co. of America deliberately resolved upon a plan to put the purchasers of scrap and the producers of ingots from scrap out of business. This is disclosed by the following letter from Mr. Edward L. Cheyney, in charge of the office of the Aluminum Co. of America at Cleveland, Ohio. I read from a photostatic copy of that letter under date of September 9, 1922, addressed to Mr. Edward K. Davis, of the Pittsburgh office. He says:

I was in Detroit last Friday and spent most of the day talking to Byrnes and Youngs about the feasibility of our controlling the market on aluminum scrap and the advantages to be gained to us, and principally to our sand-casting business, by boosting the price of scrap as close to the price of new metal as possible. I described a scheme to you when I was talking to you in Pittsburgh, and it involves nothing more than deciding for ourselves upon an arbitrary differential between the price of new ingot and the price of reclaimed scrap, and in buying enough scrap ourselves for use in the castings plant to put the price of scrap to that level and to hold it there.

The effect will be to put all jobbing foundries, including our own, on the same metal level; to permit us to take full advantage of the products of the recovery plants at Niagara Falls and at Cleveland; and to permit us also, by means of the products of these recovery plants, to offset, where necessary, any peculiar advantages in manufacturing conditions that some of our competitors may enjoy.

I outlined the scheme to Byrnes and to Youngs, and for half a day we tried to pick flaws in it, and the only possible flaw that any of us could see in the scheme rested in the fact that none of us were quite certain as to the relation between the total tonnage of scrap offered for sale and the tonnage of casting business offered by the trade.

I talked this feature of it over with Mr. Head, who was of the opinion that scrap prices could be held up to an arbitrary level by the purchase of perhaps considerably less than half of that which is offered.

I would like to sit in a meeting one of these times, called for the purpose of throwing stones at this idea, and then if nobody can smash it I would like to see the management proceed with it.

EDWARD L. CHEYNEY.

You will understand, Mr. President, that the price of scrap, of course, is considerably below the price of virgin metal. In the first place, it is not so desirable; in the second place it costs, as a matter of course, considerable to handle it; so that it is always quoted at a price considerably below the ingot price. The proposition is, however, to shove the price of scrap up until it nearly reaches the price of ingot, and then the users of aluminum will prefer to buy the ingot rather than to buy the scrap, and those who relied upon the use of scrap will find none for sale at all. Moreover, they go into the business themselves of using this scrap, and they offer a price for it approaching the price of the virgin ingot, and therefore they get all the scrap away from the people who otherwise would buy it and use it in their manufacturing establishments.

I want to show you how completely that plan, so outlined, was carried out, to the destruction of those who theretofore had been able to maintain their business by going out into the open market and purchasing scrap. It was accomplished by some clever contracts with great users of aluminum, the manufacturers of automobile bodies. They made a contract with the Budd Co., as shown by the Digges report. Referring to the scheme outlined by Cheyney, Digges says:

Under this division of the report your attorney will show that the Aluminum Co. apparently found the scheme just outlined entirely agreeable and proceeded along the lines suggested.

The Budd Co., which makes aluminum bodies for Ford sedans, had to offer the best scrap in large quantities obtainable in the United States, and Budd purchased his virgin aluminum from the proposed respondent. This scrap amounted to between 350,000 and 500,000 pounds per month of high-grade clippings. The Aluminum Co., in order to insure the return of these clippings, which formerly had been sold to Bohn, Waltz, and Dochler—

These were manufacturers who theretofore had gone out into the open market and bought the scrap and had been accustomed to get considerable quantities of scrap from the Budd people—

which formerly had been sold to Bohn, Waltz, and Dochler, gave a price concession on sheet to the Budd Co. in exchange for an agreement to return all secondary metal to the Aluminum Co. So that Budd might be prohibited from "jobbing out" aluminum sheet to cooking-utensil manufacturers, "scrap" was defined as follows.

This is from the contract between the Budd Co. and the Aluminum Co. of America:

All material that does not go into Ford stampings is to be considered scrap and is to be returned to us briquetted in dimensions of not over 6 inches by 12 inches by 24 inches.

The Budd Co. was forced into this agreement against its will, and its representative has stated that the price paid for the scrap was greater than its commercial value; in his opinion it was another step by the Aluminum Co. in the direction of obtaining control of the world's supply of aluminum and of forcing independents to the wall. The first contract, which was entered into about a year ago, covered the purchase of clippings at 22.33 cents per pound f. o. b. Philadelphia; the last one was for clippings at 23.33 cents per pound. These figures represented 90 per cent of the market for virgin aluminum. Mr. Mueller pointed out that the Aluminum Co. officials had testified before the Ways and Means Committee of the House of Representatives that 18 cents was the cost of producing virgin aluminum, but that nevertheless they were willing to pay over 23 cents per pound for secondary metal in order to keep it out of the hands of competitors. The Budd Co. has found "life too short to deal with a monopoly infinitely more arbitrary than the steel people," and on July 1 of this year will cease using aluminum.

Then they went after the Fisher Body Co.

The Fisher Body Co., a General Motors subsidiary, and a very large user of aluminum sheet, was also "lined up" and its secondary metal removed from the market by the same method—a price concession on sheet in exchange for a contract for the return of secondary metal. December 12, 1922, the Aluminum Co. entered into its first contract with the Fisher Body Co. This was three months after the letter adverted to—

That is, the Cheyney letter of September 9, 1922—

for the purchase of scrap at 20 cents per pound. This contract covered all scrap to be developed by the Fisher Body Co. during the first six months of 1923. A subsequent contract for scrap at 22 cents per pound, covering all scrap to be developed during the last half of 1923, was later entered into between the same parties. The Fisher Body Co. likewise had been selling scrap to the Bohn Foundry.

By a series of contracts entered into with the Schram Glass Manufacturing Co., of St. Louis, between the dates of January 30, 1922, and November, 1923, the first-named company agreed to sell to the Aluminum Co. between 1,760,000 and 1,885,000 pounds of baled aluminum clippings at prices ranging between 16 cents per pound and 22 cents per pound.

They made similar contracts with the Wilson Foundry Co., with the Hudson Motor Car Co., with the Continental Motors Co., with the Pierce-Arrow Motor Car Co., and with other companies.

The conclusion of Digges with respect to these matters is expressed thus:

Why would the Aluminum Co. wish to control secondary aluminum? Whatever the purpose might have been, the results are these: (1) Because of a comparative lack of foreign competition, and no foreign competition in price, it is able to maintain the price of virgin aluminum at its own arbitrary figure. Since the Bohn Co. stopped selling foreign metal, the price has advanced from 21 cents per pound to 27 cents per pound. That has taken place within a period of less than two years. (2) Comparatively cheap metal is kept from foundries competing with the Aluminum Co. (3) The Aluminum Co. can and does control the sale of substantially all raw aluminum produced in the United States.

The interviews show very clearly that wherever scrap was being offered in sufficiently large quantities to affect the trend of the market, the Aluminum Co. stepped in and made either a restrictive agreement for its return to the Aluminum Co. or bid prices so high that independents could not pay them and stay in business.

Reference is made to interviews to which your attention will be called.

There is no scrap on the Detroit market. General Motors, through subsidiary corporations, has returned scrap to the Aluminum Co. because the latter company was willing to pay more for it than it was worth to the foundries of General Motors.

As to secondary aluminum he says:

The policy of the Aluminum Co., reasonably inferred, must have sought to accomplish three results in the secondary aluminum market: (1) To control the sale of every pound of aluminum in the United States. (2) To maintain at an arbitrary figure the price of virgin aluminum. (3) To keep secondary aluminum out of the hands of

independent manufacturers. The second and third propositions are corollaries of the first; by the accomplishment of the first result there would be little difficulty in achieving the second and third.

To arrive at a successful achievement of the purposes above stated the following methods were employed:

(1) The Aluminum Co. forced up the market for secondary aluminum to a point so near the virgin market that it became more economical for independent foundries to purchase new metal.

(2) The Aluminum Co. purchased secondary metal in excess of its legitimate requirements in order to remove it from the market.

(3) The Aluminum Co., although admitting that the demand for virgin aluminum during the past three years has not been sufficient to keep its plants in full operation, nevertheless has made restrictive contracts for the return of secondary metal at prices much higher than the cost of making virgin aluminum, and has gone to the former sources of supply of independent foundries and bought in secondary metal at prices that would make remelted metal cost substantially more than the new product.

The Aluminum Co. of America enjoys a domestic monopoly in the smelting of virgin aluminum; it, however, has not enjoyed a monopoly in the secondary product, which is a different commodity, and has its own market. The practices above described have enabled the proposed respondent to obtain a corner on the secondary metal, and have contributed still more to the embarrassment of independents.

These exactions and these practices became so generally obnoxious that the manufacturers using aluminum have endeavored to associate themselves together in what is known as the Aluminum Institute, with a view to presenting a united front, if possible, to these aggressions upon their business.

A man by the name of Harwood, of South Bend, Ind., was active in endeavoring to organize this association, and he addressed a letter under date of December 21, 1923, to another by the name of Root, urging him to go into this matter with him, stating as follows:

DEAR MR. ROOT: I am very glad to have your favor of December 17, but regret to state that Mr. Fulton and I are of the same opinion regarding the further attempt to cooperate with the Aluminum Trust in the promotion of the aluminum business. In fact, two very definite events have occurred since we last wrote you to prove the futility of such a plan. These are the reduction of the price of castings by the foundries belonging to the trust and the increase in the price of the ingot by the trust itself. In other words, it seems evident that the Aluminum Co. of America is now taking another step toward the completion of their plan to acquire complete control of all phases of the aluminum industry. * * * We want it definitely understood that though we are swallowing the medicine of the Aluminum Co., it is bitter, and we do not like it.

We buy from them under protest and we look forward to the time when there will be competition and no need of an aluminum institute. In this connection I might say that the Aluminum Co. of America appears to be getting the desired results in Indiana, as we have received notice this week of five aluminum foundries being forced out of business. Besides these we are informed that the largest aluminum foundry in the State next to ourselves is entirely shut down.

Then Root answered Harwood, under date of December 21, 1923, as follows:

I guess all of us are just about sick of conditions as they exist in the trade, and while your judgment may be correct in your feeling that the institute may not accomplish good results, yet we who have joined it all feel certain that it can do no harm. It may be the case of a drowning man clutching at a straw, but we all want to give it a fair opportunity, and then if it proves a failure, we might just as well all of us close up.

Mr. SWANSON. What is the date of that?

Mr. WALSH. That is December, 1923. That is to be considered in connection with the Dunn report, which stated that there was no complaint whatever from the manufacturers using aluminum in the United States, and that for the last three years everything has been perfectly lovely between them and the Aluminum Co. of America.

I am now going to read the Digges report of interviews had with these same manufacturers, users of aluminum, depending upon the Aluminum Co. of America for their supply. I should say that I would not disclose the names of these persons who were thus interviewed but for the fact, as it is well understood, of the examination by the Federal Trade Commission in support of the complaint made concerning the monopolization of the sand-casting business and scrap aluminum. Testimony is now being taken before an examiner in the city of Pittsburgh, so that sooner or later these facts will be divulged, with the names of the parties who gave them. Therefore I do not hesitate at this time to make public these statements. I read from the interview with Mr. Doehler, of the Doehler Die Casting Corporation, made on April 21, 1924, to Digges, as follows:

We are informed by the British Aluminum Co., through its New York representative, Arthur Seligman, that only 10,000,000 pounds of aluminum ingot was available for American 1924 requirements.

It will be remembered that at the outset I was interrogated by the Senator from Pennsylvania about the opportunity that users of aluminum in the United States, manufacturers using it in their business, had to get a supply of aluminum from foreign producers.

We are informed by the British Aluminum Co., through its New York representative, Arthur Seligman, that only 10,000,000 pounds of aluminum ingot was available for American 1924 requirements. Of this amount Seligman would only furnish us with 1,000,000 pounds, or one-third of our requirements. Thereupon I sent a man to Europe to determine whether foreign metal could be purchased from other European sources. He visited the European companies, with the exception of the German producers, but reported that it was not possible to buy metal for American consumption. We were, therefore, forced to buy 2,000,000 pounds from the Aluminum Co. of America, which Mr. Davis, president of that company, agreed to let us have after I told him that unless the metal was sold us we would be forced to shut up shop.

Only the very best grade of clippings can be remelted for use in die castings, and until the middle of 1923 we were able to purchase clippings from the Budd Manufacturing Co. and the Fisher Body Co. Since that time we have not been able to get clippings from these two sources, and the market, generally speaking, has been forced so high that it is cheaper to buy virgin aluminum. * * * The Aluminum Co. of America uses the most drastic methods of any corporation in America. It is the most arbitrary monopoly in this country, and its methods are non-American.

Mr. KING. Mr. President, is there anything to indicate that Mr. Dunn conferred with this dealer in aluminum?

Mr. WALSH. The records show that he did not.

Mr. SWANSON. What is the date of that?

Mr. WALSH. That is April 21, 1924. I read from the interview of the purchasing agent of the Budd Manufacturing Co.

Mr. NORRIS. Is this the Federal Trade Commission investigation?

Mr. WALSH. This is the Digges report to the Federal Trade Commission, from which I read. Mr. Digges's report of his interview with Mr. Mueller, purchasing agent of the Budd Manufacturing Co., is as follows:

With regard to the foreign situation, Mr. Mueller said it was his opinion that the Norwegian company was purchased by Al. Co. because that company was apparently producing aluminum more cheaply in Europe than any of its foreign competitors, in that the Norwegian company seemed able to sell in American market more cheaply than other foreign companies. The Budd Co. had sent an expert, Colonel Ragsdale, to Europe to study the aluminum situation in conjunction with other work. This expert reported that it was evident that there existed a working agreement between the European producers of aluminum and Al. Co. and also reported that on one occasion Al. Co. had undersold their domestic price by 12 cents per pound in foreign markets. It was assumed that this was done to undersell and punish foreign competitors who did not "keep in line." Keeping in line, according to Mr. Mueller, meant keeping out of the American market except at prices satisfactory to Al. Co.

With regard to the market for aluminum scrap, clippings, and borings, Al. Co. has forced the Budd Manufacturing Co., against its will, to enter into an agreement to resell clippings to Al. Co. at approximately 10 per cent less than the purchase price of ingot. The agreement entered into defines scrap as sheet aluminum not used for specific purpose for which purchased. Al. Co. was frank to admit the reason for the insertion of this clause was to make it impossible for aluminum sheet to get into the hands of utensil manufacturers.

The Budd Manufacturing Co., which makes steel and aluminum automobile bodies, is probably the biggest purchaser of sheet aluminum in the United States. Five hundred to 750 tons per month are purchased from Al. Co., of which one-third has to be returned as scrap.

Until July of 1923 Budd had been selling his clippings to Charles H. Bohn and J. L. T. Waltz and others. Subsequently thereto Al. Co. apparently found out who Budd's vendees were and forced him to sign a contract for the return of the clippings at 22½ cents per pound, which was approximately 10 per cent below the purchase price of ingot. A similar contract was entered into in November, 1923. The latest contract between Al. Co. and Budd provides for the sale to Al. Co. of aluminum clippings at 23½ cents per pound. This latter contract contains the same definition of scrap above noted.

Al. Co. used to pay 14 cents per pound for scrap, but the competition by independents became so great that the price had been forced up. In his opinion, this was merely another step to secure control of the world's supply of aluminum and to drive out independents. There are independents anxious to buy Budd's scrap in order not to be in the clutches of Al. Co., but because of the restrictive agreement this has been

impossible. The market price of scrap for this reason is greater than its actual commercial value; the price has been artificially maintained because of the desire of independents to obtain aluminum from sources other than Al. Co., especially for the reason that Al. Co.'s subsidiaries are in competition with these independents in the manufacture of aluminum articles. In this connection Mr. Mueller pointed out that Al. Co. officials testified before the congressional tariff committee that the cost of producing virgin aluminum was approximately 18 cents per pound, but they are nevertheless purchasing scrap at prices between 22 and 23.33 cents per pound and are remelting this scrap and rerolling it into sheets.

Mr. Mueller stated that the aluminum monopoly was a direct hindrance to many industries. Al. Co. is the most arbitrary manufacturer in America to deal with, being infinitely more arbitrary than the steel industry.

I want Senators to notice that he says that Budd was forced to sign a contract for the return of the clippings at 22⅛ cents a pound. The Assistant Attorney General, Mr. Donovan, in his testimony informed us that this was entirely a voluntary agreement, because the Aluminum Co. would pay a higher price for it than anyone else would. Of course, the statement that the Aluminum Co. of America would pay a higher price for it than anyone else would was strictly in accordance with the facts. The assertion that it was a voluntary agreement entered into is flatly denied by an officer of the Budd Co. itself.

Mr. GOFF. Mr. President, will the Senator yield to state the date of that interview which he has read?

Mr. WALSH. That is January 14, 1924. Reference has been made to Mr. Waltz, who had been accustomed to go out into the market and buy scrap from the Budd Co., from the Hudson Co., and from other manufacturers who had scrap to sell. Waltz was an independent importer and broker. His interview states:

With regard to the European situation, Mr. Waltz stated that reliable reports from his European agents tended to show beyond doubt that there was a working agreement between European companies and Al. Co. This arrangement, he stated, was not a territorial arrangement, but an "allocation of customers." Bohn, for example, was allocated to the French company, Alluminium Français, and in order to keep Bohn from purchasing his requirements Al. Co. bought up all of the French company's surplus.

When asked what transpired at the tariff hearings that would cause a tariff of 5 cents to be placed on ingot and a tariff of 9 cents on aluminum sheet, Mr. Waltz replied that the provisions regarding these two commodities practically were written in by Mr. Davis, president of Al. Co. Under the Payne-Aldrich tariff the tariff was 3 cents on ingot and 7 cents on sheet. The committee simply added 2 cents to the tariff on ingot and 2 cents on the tariff on sheet.

With regard to the scrap situation, Mr. Waltz stated that he had not in recent months been able to obtain anything like his requirements in this commodity due to the restrictive contracts entered into between Al. Co. and manufacturers' foundries, such as Budd, Fisher Body Co., etc. He believed that the purpose of Al. Co. was to eliminate Bohn and himself, as they were the two largest independent purchasers of scrap.

Reference has been made to the tariff, and that will be elucidated by reference to the report of the Federal Trade Commission, in which the following appears:

Effect of tariff on prices of ingot and sheet: The efforts of the Aluminum Co. of America, which were not opposed by the consumers of aluminum ingot and sheet, resulted in an increase in the duty on ingot from 2 cents to 5 cents per pound, and on "coils, plates, sheets, bars, rods, circles, disks, blanks, strips, rectangles, and squares from 3½ cents to 9 cents per pound." The act went into effect on September 22, 1922. The Aluminum Co. of America increased its price of ingots on September 26, 1922, from 20 cents to 22 cents per pound, and on November 1, 1922, the price was again increased to 23 cents per pound. Thus, in a little over one month after the tariff went into effect, the entire increase in duties on ingot aluminum was reflected in the price to the consumer. The price of sheet aluminum was also increased on September 26, 1922, and November 22, 1922, aggregating 3 cents per pound against 5½ cents per pound increase in the tariff duties.

Erection of rolling mills retarded: The tariff on aluminum ingots has discouraged the erection of independent rolling mills, so it is claimed.

N. W. Rosenheimer, office manager and director of the Kewaskum Aluminum Ware Co., informed representatives of the commission in August, 1923, that "* * * we are still considering the erection of a rolling mill, and if the tariff was removed from the ingots we would, no doubt, immediately purchase the necessary machinery, as we already have the building, right across the street, which was formerly used by us in our malting business. We have gone into the matter thoroughly and are convinced that it would be a paying proposition with us."

E. H. Noyes, of the Chicago office of the Aluminum Co. of America, wrote to J. O. Chesley, of the Pittsburgh office, on December 22, 1921, referring to the possibility of sheet customers erecting rolling mills, as follows:

"Walker again talked of a rolling mill. He said that he does not want to build one and that he will not build one unless we force him to it.

"In regard to the Illinois Pure Aluminum Co., I am hoping that we may be able to play them along, in lots of a few hundred thousand pounds at a time at reduced prices, until relief comes through the tariff."

The "Walker" referred to in the above letter was George S. Walker, president of the Illinois Pure Aluminum Co. Mr. Noyes wrote to E. K. Davis on April 6, 1922, referring to a recent contract with Mr. Walker for the sale of 1,000,000 pounds of coiled sheet circles at a cut price, and added:

"Mr. Walker is still talking rolling mill.

* * * * * * *

"One advantage of this order, in addition to allowing us to make satisfactory mill schedules, will be to keep him out of the foreign market for some months and also keep the rolling mill out of his mind for some time. I hope the tariff will come along before he is again in the market for large quantities."

Effect of tariff on the industry: It is alleged that a vast quantity of inferior, foreign, light-gauge aluminum cooking utensils was dumped in the United States immediately following the World War, which seriously handicapped and demoralized the domestic industry, a condition which would readily explain the duty imposed upon finished aluminum products by the tariff act of 1922. The conditions were different, however, with reference to bauxite, aluminum ingots, sheets, and other semifinished aluminum products. The duties imposed on these items by the act have resulted not only in continuing but also in increasing the monopolistic position of the Aluminum Co. of America.

Mr. HARRISON. Mr. President, would the Senator object to an interruption in this connection?

Mr. WALSH. Does it relate to this particular matter?

Mr. HARRISON. Yes; the tariff.

Mr. WALSH. Very well.

Mr. HARRISON. At the beginning of the Senator's remarks, I understood the Senator from Pennsylvania [Mr. REED], as well as the Senator from Utah [Mr. SMOOT], to state that there was no tariff on bauxite.

I notice, following what the Senator has stated, that in the consideration of the last tariff bill the Senator from Montana, who is now addressing the Senate, offered an amendment to the proposal of the Finance Committee to take the various kinds of aluminum from the dutiable list and put them on the free list, and in the vote on that amendment the Senator from Utah voted "nay." I am glad to say that Senators on this side of the aisle lined up solidly for the amendment offered by the Senator from Montana. The Senator from Iowa himself is to be congratulated, because he was found at that time in good company.

Mr. CUMMINS. I am always in good company; but I do not just see the materiality of the suggestion, so far as the present discussion is concerned. If we are going into the mysteries and the difficulties and the intricacies of the tariff law upon the proposal made by the Senator from Montana to investigate the question whether the Aluminum Co. of America has violated a decree of the court, I am afraid that it will be a long time before we reach a vote upon the question. Does not the Senator from Mississippi agree with me?

Mr. HARRISON. I think it is right in line, as was suggested by the Senator from Montana, as showing how the activities of this particular monopoly in seeking to increase the tariff on the various aluminum products, as evidenced by the hearings before the Ways and Means Committee when the Underwood bill was up for consideration. A man named Davis, who was one of the moving spirits, appeared before the Ways and Means Committee at that time and talked very strenuously against a reduction in the tariff on aluminum.

Mr. CUMMINS. But what has that to do with the question whether a decree of the court has been violated or not?

Mr. HARRISON. Oh, nothing except that here is a monopoly which has such tremendous control of things that it even seeks to have a high tariff all the time, and it gets the high tariff. In 1922 it endeavored to have the tariff increased, I think, at least 100 per cent, and the Senator joined with those of us then on the Democratic side of the Chamber in keeping the raise from being made effective.

Mr. CUMMINS. I am not a high-tariff man. Everybody knows that.

Mr. HARRISON. The Senator is a "spotted" high-tariff man.

Mr. CUMMINS. No; I am not high tariff upon anything.

Mr. HARRISON. In the RECORD with reference to the last tariff proposition it will be found that the Senator voted many times for very high dutiable rates, and sometimes he voted to reduce the rates.

Mr. CUMMINS. The Senator from Mississippi is not a tariff man at all.

Mr. HARRISON. I am a tariff-for-revenue man.

Mr. CUMMINS. Therein he differs very widely with the Senator from Alabama—I mean the senior Senator from Alabama [Mr. UNDERWOOD]—who, as I understand, indorses and advocates a competitive tariff and is very earnestly—I will not say successfully—a competitive tariff man. Is the Senator from Mississippi a competitive tariff man?

Mr. HARRISON. I am. The Underwood bill was drawn on that theory. At the last Democratic convention, in New York, a provision with reference to the tariff was written into our platform.

Mr. CUMMINS. A competitive tariff is always a protective tariff.

Mr. HARRISON. The Senator has his idea about that proposition. He just a moment ago said that he was for a very low duty on some articles. If the Senator will scan the RECORD he will find that it shows that he voted for a very high protective rate during the consideration of the tariff bill.

Mr. WATSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Indiana?

Mr. WALSH. I yield.

Mr. WATSON. I am a high protective man all the time and therefore disagree with both of the Senators. But, incidentally, the question was not raised on the merits of the proposition which the Senator from Montana has been discussing but from an inadvertent remark made by the Senator from Montana this morning about the tariff on bauxite. The Senator from Pennsylvania [Mr. REED] simply rose to respond to that remark, and that is all there was to it. I do not think the Senator from Montana claims the tariff has anything to do with the question of whether a decree was violated or how to deal with the situation if it was violated.

Mr. WALSH. I flattered myself that my argument was logical and consistent.

Mr. WATSON. I thought so.

Mr. WALSH. I would not refer to this matter if I did not think that it has a direct bearing upon the matter before us. I endeavored to show that the Aluminum Co. of America, having by means of the tariff shut out importations of aluminum from abroad, then proceeded to put out of business all purchasers of scrap aluminum and producers of ingot from scrap in the United States, so that they had an iron-bound monopoly that could not be broken even by importations from abroad.

Mr. WATSON. But did not the Senator in that connection state that there was a tariff on bauxite? That was the inadvertent statement which the Senator made to which I had reference.

Mr. WALSH. No. However, that is entirely irrelevant.

Mr. WATSON. No; the Senator made that statement, and the Senator from Pennsylvania [Mr. REED] responded to it.

Mr. WALSH. It does not make any difference whether I did or whether I did not. The fact is that they have a perfect monopoly, and everybody must concede that they have a perfect monopoly, in the production of aluminum in this country, whether there is or is not a tariff on bauxite.

Mr. WATSON. I do not agree with the Senator; but he having made the statement, and the Senator from Pennsylvania having risen to respond to it, that brought the whole tariff question into the debate.

Mr. WALSH. The Senator is quite in error in imagining that that was the subject of the interruption by the Senator from Pennsylvania. He did refer to it, and he was supported by the Senator from Utah, and I immediately said that it was entirely immaterial. The Senator from Pennsylvania was endeavoring to convince this body, perfectly obviously, that anybody who cared to do so could get aluminum from abroad and that aluminum came in great quantities from abroad.

Mr. WATSON. Of course, there is aluminum coming from abroad, regardless of what the manufacturer may say.

Mr. WALSH. There is if they pay the duty.

Mr. WATSON. Certainly. There is no question about that.

Mr. WALSH. Of course, the Aluminum Co. of America, producing its own aluminum here, gets it as a matter of course at just 2 cents a pound lower than the purchasers who are obliged to pay the duty.

Mr. WATSON. I am not advised as to that, of course.

Mr. WALSH. I am calling attention to the fact.

Mr. WATSON. I shall be very glad to investigate that feature of it.

Mr. WALSH. I am calling attention to the fact that the duty of 2 cents a pound in the ingot having been applied, within 30 days the Aluminum Co. of America raised its prices just 2 cents.

Mr. WATSON. Where are they now?

Mr. WALSH. I do not know.

Mr. WATSON. The statement the Senator made that he would advert to later on and furnish proof of was that the Aluminum Co. of America either had a monopoly of production of bauxite elsewhere in the world and controlled it, or was a party with those who do control it. I understood the Senator to say he would give us some facts on that question before he took his seat.

Mr. WALSH. I can give the facts.

Mr. WATSON. I wish the Senator would do so.

Mr. WALSH. If they are of interest to the Senator, I would be glad to present them.

Mr. WATSON. I would be very glad to have the facts.

Mr. WALSH. Of course, I do not concede that it has anything to do with the question before us to know whether they have a monopoly of the production of aluminum in America.

Mr. WATSON. It might have a bearing on the question.

Mr. WALSH. The fact of the matter is that they have extensive interests in many of the bauxite deposits in South America and in Europe, and according to the testimony here they have working agreements with practically all the producers of aluminum in Europe.

Mr. WATSON. What testimony?

Mr. WALSH. I have just called attention to it.

Mr. WATSON. Testimony where?

Mr. WALSH. Testimony in the record.

Mr. WATSON. I mean before the Federal Trade Commission or before the Department of Justice?

Mr. WALSH. Before the Federal Trade Commission; statements from men who went to Europe for the purpose of buying it and could not buy it except at prices fixed by the Aluminum Co. of America.

Mr. WATSON. I would like very much to have that testimony.

Mr. WALSH. I am giving it to the Senator.

Mr. CUMMINS. Mr. President——

Mr. WALSH. I yield to the Senator from Iowa.

Mr. CUMMINS. It seems to me we have forgotten the fact, if I may interrupt the Senator from Montana again, that in 1912 the court entered a decree adjudging the Aluminum Co. of America to be in violation of the antitrust law. That is the beginning of our investigation. None of us can dispute or ought not to dispute that the Aluminum Co. of America had either established a monopoly or was operating in restraint of trade. I think that ought to be the beginning of our inquiry.

Mr. WALSH. Yes, I think we might very fairly indulge the presumption that a state of facts once shown to exist continues to exist until the contrary is shown. I am not only relying upon the presumption, but I am saying that it has continued.

Mr. CUMMINS. Unless, of course, the Aluminum Co. of America obeyed the decree of the court, which is supposed to have been effective—I do not know whether it was effective or not, but which is supposed to have been effective in removing the restraint of trade and destroying the monopoly if one existed. I am not familiar with that phase of the case nor do I think it is at all material. The question the Senator from Montana is discussing is whether the Attorney General ought to have proceeded against the Aluminum Co. of America for a violation of the decree of 1912.

Mr. WALSH. And he did not do it because he got a report from Dunn that there was nothing the matter with the situation at all, and I am endeavoring to show that we can not rely on Dunn's report.

Mr. CUMMINS. It is perfectly proper that the Senator should endeavor to do that.

Mr. WALSH. Moreover, I am endeavoring to show that the Attorney General should not have relied upon Dunn's report because of Digges's report upon the matter.

Mr. CUMMINS. I have no objection to that effort on the part of the Senator from Montana. I am trying to reduce the discussion to reasonable limits, and I do not care whether the Aluminum Co. is a monopoly or not, so far as this discussion is concerned.

Mr. WALSH. I remarked in passing that Dunn did not interview Waltz, whose statement I have just given to the Senate. I pass to another. Mr. Dockendorff, representing the

Swiss aluminum interests in New York, in an interview of February 13, 1924, said:

The situation for casting manufacturers has been intolerable in the United States because of the difficulty of obtaining deliveries from the Aluminum Co. It is always hard on a manufacturer when he has to depend exclusively on one source of supply.

Dunn did not interview Dockendorff. I read from the statement of Mr. Roesler, February 13, 1924, technical expert of the Iron & Ore Corporation of America in New York City:

Our company represents Swiss interests seeking to export ingot and sheet to the United States. We have not as yet commenced importation of either of these commodities. The importation of sheet at the present time is practically impossible because of the high tariff wall. With the tariff added to the freight rates, the additional cost to the foreigner on sheet is about 11 cents per pound.

Dunn did not interview Mr. Roesler.

Mr. Seligman, representative of the British Aluminum Co., 165 Broadway, February 13–14, 1924:

* * * The exorbitant tariff on sheet is successful in keeping out foreign competition. The only real competition of the Aluminum Co. was furnished by these foreign companies.

We have to sell at prices agreeable to the Aluminum Co. in the United States. At one time the Aluminum Co. went into the home market of the British Aluminum Co. and undersold the home company. The Aluminum Co. has a London sales office for the sale of aluminum in Great Britain.

Mr. WILLIAMS. May I inquire the date of that letter?

Mr. WALSH. February 13–14, 1924.

In informant's opinion the castings manufacturers are very "wobbly" at the present time because of the policy of the Aluminum Co. with regard to them.

Dunn did not interview Seligman.

Mr. Digges's report of his interview with D. M. Shepherd, purchasing agent for Landers, Frary & Clark, on February 15, 1924, is as follows:

We believe there is a working arrangement between the Aluminum Co. of America and the British Aluminum Co. to allocate customers. We are afraid to try to buy in the foreign market, because we are fearful of incurring the wrath of the Aluminum Co. It's a case of making peace with the lion.

* * * * * * *

Last summer the Aluminum Co. indicated to us that they would like to bid on our scrap, to be sent to their castings department. Subsequently they did bid, but were outbid by others. At that time they intimated to us that it would be good business for Landers, Frary & Clark to return the scrap, and in telephone conversations have intimated they would employ coercive measures. Nothing, however, has been put on paper.

These are cooking-utensil manufacturers. Dunn interviewed this company and found that they had no complaint to make.

The report of Mr. Digges, under date of February 18, 1924, of his interview with Otis F. Russell, of Richards & Co., remelters and jobbers, and evidently that is a concern which is in the market for scrap, is as follows:

THE FOREIGN SITUATION

We ordered three carloads of aluminum ingot from the Canadian Aluminum Co., Windsor, Ontario, but could not get deliveries. We have heard that there is an agreement between the British Aluminum Co. and Aluminum Co. of America to deliver only specified tonnage in the United States. Last year the price for aluminum ingot dropped 20 cents. Mr. Arthur V. Davis made a trip to England, and the price went up 23 cents.

* * * * * * *

SCRAP

Generally speaking, in buying scrap we have been forced to pay more than we can afford because of the arbitrary high prices paid by the Aluminum Co.

DELIVERIES

We can not purchase all we need and deliveries are very poor. We know that after deliveries have been refused us that contracts have been made on which deliveries were prompt.

Dunn finds no complaint whatever from this source. He states:

According to Mr. Nichols, no difficulty has ever been experienced in obtaining ample supplies of scrap metal at normal market prices. Mr. Nichols has no knowledge that the Aluminum Co. of America has ever tried to dominate the local scrap market. That company has on occasions been a bidder for scrap in the Boston market, but not to any great extent.

I now read from Mr. Digges's report of his interview with Mr. Harry W. Holt, a representative of the Bohn Co., to which reference has been made:

SCRAP

Loss of the Budd contract was a terrible blow, for it meant that we were deprived of 250 tons of excellent secondary aluminum per month. At the present time we can not get enough scrap at prices that would permit its purchase.

CAPACITY

The capacity of the Bohn foundry is normally 16,000,000 pounds of castings per year. We are now fabricating on the basis of between seven and eight million pounds per year. In order to operate to capacity, therefore, we need 15,000,000 pounds of virgin or secondary metal. We can only get 1,000,000 pounds abroad, and with scrap as high as it is now it is cheaper to buy virgin metal.

Mr. Digges's report of his interview with Mr. P. A. Markey, of the same firm, February 22, 1924, is as follows:

In August, 1922, Mr. Arthur V. Davis, president of the Aluminum Co., went to Europe and came back on the steamship *Olympia*. When he left aluminum ingot was selling at 17 cents per pound; on his return to this country it advanced 23 cents, and shortly thereafter the price went to 25 cents. Meanwhile, the British Aluminium Co. and the Aluminium Français would sell only a limited tonnage for American consumption. We are allocated to the British Co. for a million pounds of metal per year, and we can only buy that amount. Aluminium Français will not sell us at all. The Aluminum Co. of America will sell us only 300,000 pounds per month.

In 1923 Mr. Arthur V. Davis went to Europe, and the price of aluminum advanced 1 cent per pound while he was there.

Mr. SWANSON. What is the date of that statement, I will ask the Senator from Montana.

Mr. WALSH. It is dated February 22, 1924.

Mr. SWANSON. Was it called to the attention of the Department of Justice and of the Federal Trade Commission?

Mr. WALSH. This is the report of the examiner of the Federal Trade Commission to that commission.

Mr. SWANSON. And it was available to the Department of Justice?

Mr. WALSH. Yes; entirely.

Mr. SWANSON. And the man who made the statement was not summoned before the grand jury in an effort to indict these people who are involved?

Mr. WALSH. I do not think that any grand jury has been invited to consider the matter at all.

Mr. SWANSON. What more proof is needed for proceedings against the company than the statements which the Senator has been reading? I am willing to vote for the Senator's resolution if there is no answer to these charges. These witnesses are available and could be summoned before a grand jury. It seems to me the Senate has sufficient information upon which to act.

Mr. WALSH. However that may be, I propose to pile it up.

According to the report of Mr. Digges, another representative of the Bohn Co. states, under date of February 22, 1924:

Whatever difficulty the Bohn Foundry Co. would have with regard to its ability to purchase secondary aluminum also would apply to the Peninsular Co.—

Which is a subsidiary of the Bohn Co.—

The market has been bid up so high by the Aluminum Co. of America that we can not afford to buy this type of metal for the Peninsular Co. The price has risen to a point too near that of virgin metal.

Dunn reports that the Bohn Co. has no present complaint against the Aluminum Co. of America.

Mr. SWANSON. What is the date of that interview?

Mr. WALSH. It is dated February 22, 1924.

Mr. SWANSON. The statute of limitations would not run against that?

Mr. WALSH. No; that is still open. The statute of limitations does not begin to run until the expiration of three years.

I now read the report of Mr. Digges of his interview with John R. Searles, president Michigan Smelting & Refining Co., Detroit, Mich., under date of February 22, 1924:

SCRAP

The scrap market is in very bad shape. We wish to buy a lot of clippings and borings, but the price has been forced up so high by the Aluminum Co. of America that we can no longer buy it with profit. The probable reason for forcing up the scrap market was first to keep secondary metal from castings manufacturers and at the same time to maintain the market for virgin aluminum.

Dunn did not interview Mr. Searles.

On February 25, 1924, Mr. Digges interviewed Mr. L. M. Payne, purchasing agent of Northway Motors Co., Detroit, Mich. The report of that interview is as follows:

We are off of the Aluminum Co. at the present time and we are giving our piston business to Bohn Foundry Co. Bohn quotes us 81 cents per piston and Aluminum Co. has quoted us as low as 76 cents. This, we believe, is below the cost of making piston castings.

Charles B. Bohn Foundry Co. is the biggest competitor of the Aluminum Co. in the fabrication of sand castings.

My personal opinion is that it is to our interest to keep independents in this territory. Aluminum Co. tactics are very arbitrary. They had our business at one time and were charging approximately $1.05 for pistons. Bohn reduced this price to 81 cents. Mr. Wales, a salesman for the Aluminum Co.'s Detroit office, has stated to me, first, that they had the foreigners in line, and, second, they would put Charlie Bohn out of business and that they were out to get him.

Dunn did not interview Payne.

Mr. Digges interviewed George C. Allen, purchasing agent of the Buick Motor Car Co., of Flint, Mich., on February 26, 1924. His report of that interview is as follows:

The attitude of the Buick Co.'s officials seemed to be that they were willing to answer specific questions proposed by the commission's representatives but had no desire to appear as voluntary witnesses. They were not desirous of prejudicing themselves with their only source of supply for aluminum.

So all that Digges got out of them he got by putting corkscrew questions to them. Dunn did not see the purchasing agent of the Buick Motor Car Co.

Mr. Digges's report of his interview with George C. Clark, president of the Clark Metal Last Co., Detroit, Mich., on February 26, 1924, is as follows:

Al. Co. absolutely controls secondary aluminum market. They have bid up scrap so high that independents can not get any of it at prices that would permit them to buy. In 1922 Charlie Bohn tried to buy a certain tonnage from Al. Co. which they refused to sell him. The following day I was able to purchase the same quantity and resold it to Bohn. Al. Co. will sell me because I am not in competition with them.

The only real competitors here are the General Aluminum & Brass Co. and Charlie Bohn. Bohn probably is the largest competitor of the Aluminum Co. in the United States.

Dunn did not see Clark.

On February 27, 1924, Mr. Digges interviewed Mr. Gus Selig, president of the Michigan Copper & Brass Co. His report of the interview is as follows:

The Al. Co. undoubtedly is buying in scrap in order to keep it from the independents and also to maintain the market for virgin ingot. I have been informed reliably that the Cleveland plant of the Aluminum Co. has stored up between seven and eight million pounds of scrap and apparently they do not know what to do with it.

The Aluminum Co. has a policy of making contracts with the users of sheet for the return of clippings. This keeps them off the market.

I sincerely believe that there is a tie-up between foreign companies and the Aluminum Co. to allocate customers and restrain the importation of foreign metal into the United States.

If the commission wished, they could find enough evidence to hang all of the Aluminum Co.'s officials. I feel very certain, however, that nothing will be done. The Mellon interests control the Aluminum Co., and Mellon is very influential in the administration in Washington. He is popular with the masses on account of his program for tax reduction. If the real facts were brought to light the present Teapot Dome would be in comparison a tempest in a teapot.

Dunn did not interview Mr. Selig.

Mr. SWANSON. What is the date of that interview?

Mr. WALSH. February 27, 1924.

I will not state the name of the official of the following corporation interviewed by Digges for reasons satisfactory to myself.

CASTINGS

Several years ago the Aluminum Co. made castings for ——— Co. There was "a rotten tie-up." Deliveries were very poor, holding up our production to an appreciable extent. We then decided not to give them any more business on castings. Bohn now has 60 per cent of the business and 40 per cent goes to the Fulton-Harwood at South Bend, Ind. We are very much interested in seeing these independent foundries live because we know the situation would be very serious if the Aluminum Co. drove them out of business.

The reason the Aluminum Co. buys scrap is to keep it from independents and to maintain a high price per ingot. Bohn is a very reliable foundry, with whom we like to do business. They always have given very satisfactory service.

* * * * * * *

The ——— Co. spends $150,000,000 a year on the outside, and we find that the Aluminum Co. is the most arbitrary firm in America to do business with.

I should not like to be quoted with regard to these statements, as I feel it would be prejudicial to the interests of the ——— Corporation.

Dunn did not visit this corporation.

As to his interview with J. H. Main, purchasing agent for the General Motors Corporation, on February 28, 1924, Mr. Digges reports as follows:

SCRAP

There is no scrap in the market. Al. Co. is paying more for it than the independent foundries can afford to pay. We need scrap in our own foundries, but can't buy it. Through our subsidiary companies we have returned scrap to Al. Co. under contracts, because they will pay much more for it than it was worth to us.

FOREIGN SITUATION

I know absolutely that there is a working agreement between the British, French, and Swiss aluminum companies for the allocation of customers and the restriction of importation of foreign metal. General Motors account, for example, was allocated to the British Aluminum Co., and last year we purchased 7,000,000 pounds from that company under a firm contract. The Aluminum Co. would "lay off" and would not quote General Motors until after the British company had had its say. The British company will not sell in the open market until its own allocated customers are taken care of. For example, I was in New York with Charlie Bohn and in the office of Arthur Seligman, the American agent for the British Aluminum Co. Bohn asked for quotations, which Seligman refused to make until after he found out what requirements of General Motors were. After he had been advised on that point by myself he agreed to sell Bohn 1,000,000 pounds.

Further proof is this: Doehler and Cadillac were allocated to the French for a large part of their requirements—they are both General Motors subsidiaries—and the British would not quote on the requirements of these two corporations as such, but they were willing to sell to General Motors for their general account.

We are buying some metal from the Al. Co., but not from preference. The foreign market has tightened, and this year we have not been able to get all our requirements. Our needs are about 10,000,000 pounds, and we are getting about 5,000,000 pounds from the English.

General Motors is very much interested in the independent foundries, because we consider that they are insurance against high prices. Charlie Bohn is the biggest and best independent in the country. To show what he is doing for the industry, he went out of business several years ago. At that time castings could be bought at 37 cents. When he dropped out, the price went up to 42 cents.

General Motors, Studebaker, and Hudson have given independents some business to keep them on their feet, and we are willing to pay a premium in order to have this insurance against exorbitant prices.

I know from our own foundry costs that Al. Co. has taken General Motors castings business at a loss. A good foundry differential on crank cases, for example, is about 12 and 14 cents. Al. Co. took the Buick business last fall cheaper than Buick could do it in his own shop. When ingot was at 23 cents, it took the Hudson crank-case order at 27 cents. That would not more than half cover the actual foundry cost of converting the metal.

We think we are paying entirely too much for ingot. Prices rise overnight without apparent reason. Aluminum Co. has created a shortage purposely. Their capacity is probably 150,000,000 pounds per year. Their production is not half of that. I do not think the reduction of tariff will help the situation very much.

It is worthy of note that the British and French are not operating to capacity.

On account of the keen competition in the automobile industry, of course, we are interested in purchasing cheap castings, but we are not interested in purchasing them too cheaply.

Dunn did not interview these people, either.

There is another interview here with a gentleman whose name I do not give for reasons satisfactory to myself. He says, under date of March 5, 1924:

Al. Co. has been paying "fancy prices" for scrap, with the result that it is now just as cheap, or cheaper, to buy virgin than scrap. The foundries have been buying remelt in order to cut down the foundry costs. That is no longer feasible. I believe that Al. Co. is paying fancy prices for scrap in order to maintain the market for virgin metal and also to keep it from the foundries. It is not necessary to purchase all the scrap in order to maintain the price, but it is sufficient to purchase a small percentage at a high figure in order to force up the market. We can get sufficient ingot now, though deliveries in the past were poor. Last July our foundry and Al. Co. were bidding on the same jobbing contract. I telephoned Al. Co. in order to cover on my metal requirements. Their Cleveland manager said they didn't have any metal. I replied, "Very well; if you haven't any to furnish me you haven't any to furnish your own foundry department, and consequently you must withdraw your bid on this business." In about an hour the Cleveland office called back and said they were willing to ship to me. A threat in that instance was sufficient.

I feel that Al. Co. is guilty of the things charged, but if I were called as a witness I would be forced to testify as favorably as possible toward Al. Co., because they can break me as easily as treading on a

fly. We joined the Institute because we knew they could break us, anyhow, and there could be no additional danger in joining.

Dunn did not see this gentleman.

Mr. McCashen, former treasurer of the Aluminum Castings Co., Cleveland, Ohio, interview of March 7, 1924:

FOREIGN SITUATION

In 1921 I tried to organize competition by negotiating with the foreign companies. I sent an expert to Europe to negotiate with the Swiss Neuhausen people (largely controlled by the Germans) and the British. I wanted more than one foreign source in order to stabilize the situation. In 1922, after the expert had returned from Europe, we had about come to terms. Then came the tariff and ruined it all. I had had the foreign metal examined and found it to be as good as or better than Al. Co.'s product. The foreigners also met the American consumers.

Dunn did not interview McCashen.

Mr. President, because it seems to me rather remote from the question, I ask the privilege of putting in the RECORD a statement from one of these reports concerning the foreign holdings of the Aluminum Co. in bauxite deposits.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

THE FEDERAL TRADE COMMISSION REPORT

(Page 36)

Control of bauxite deposits: When the Pittsburgh Reduction Co., the predecessor of the Aluminum Co. of America, was organized in September, 1888, the commercially important bauxite deposits in the United States were owned and controlled by many individuals and companies. No single person, firm, or corporation owned or controlled bauxite deposits in a sufficient degree to exercise an arbitrary control over its production. In 1905 the Pittsburgh Reduction Co. had acquired extensive bauxite properties, but it did not own a sufficient proportion to give it a dominating control over the available supply. Two other important companies owned bauxite properties. They were the General Bauxite Co., whose capital stock was owned by the General Chemical Co., and the Republic Mining & Manufacturing Co., owned by the Norton Co. The bauxite mined by the General Bauxite Co. was used by the General Chemical Co. in the production of alum, alum salts, and other chemicals, while that mined by the Republic Mining & Manufacturing Co. was used by the Norton Co. in the production of alundum and abrasives.

The Pittsburgh Reduction Co. acquired from the General Chemical Co. in July, 1905, all of the capital stock of the General Bauxite Co., thus obtaining control of the bauxite properties of the latter company. About 1907 the name of the Pittsburgh Reduction Co. was changed to Aluminum Co. of America and in April, 1909, this concern purchased from the Norton Co. the Republic Mining & Manufacturing Co. with all of its bauxite properties except a 40-acre tract, which was reserved to the Norton Co. for the mining of bauxite for its own use in the production of alundum and abrasives.

It has been alleged that these acquisitions gave the Aluminum Co. of America control of more than 90 per cent of all the known deposits of bauxite in the North American Continent that are of such a character that aluminum can be manufactured profitably therefrom in commercial quantities.

Incident to the purchase of the bauxite properties of the General Chemical Co. (according to the petition filed by the Department of Justice in connection with the Sherman antitrust law proceedings in 1912) an agreement was entered into providing for the sale of bauxite by the Aluminum Co. of America to the General Chemical Co., binding the latter company not to use or knowingly sell any of the bauxite purchased under the agreement to others for use in the production of aluminum. Likewise in the contract for the purchase of the Republic Mining & Manufacturing Co., the Norton Co. agreed not to use, or sell to others for use, in producing aluminum, any of the bauxite mined from the 40-acre tract of bauxite deposits reserved to the Norton Co. As a result of these transactions the Aluminum Co. of America acquired a monopoly of the commercially available bauxite in the United States suitable for the manufacture of aluminum.

These transactions and certain other agreements alleged to be in restraint of trade were brought to the attention of the Department of Justice, and in 1912 the judicial proceedings referred to above were instituted against the Aluminum Co. of America under the Sherman Antitrust Act, as a result of which it consented to a decree requiring it, among other things, to cancel portions of contracts and agreements complained of and to refrain from indulging in the unfair methods of competition therein enumerated.

However, this decree did not in any way lessen its monopolistic control over the bauxite deposits, as it retained its ownership of the bauxite properties it had acquired, and neither the General Chemical nor the Norton Co. appears to have either used or sold its bauxite for the production of aluminum.

Production and manufacture: The Aluminum Co. of America has a reduction plant at East St. Louis, where alumina is made from bauxite, and four smelting plants in the United States producing pig aluminum from alumina. These plants are located at Niagara Falls, N. Y.; Massena, N. Y.; Badin, N. C.; and Alcoa, Tenn. It also has a smelting plant at Toronto, Canada. The company at first made aluminum from cryolite, but later on a process was developed for making it out of bauxite. Practically all of the bauxite used by the Aluminum Co. of America is mined in Arkansas and shipped to East St. Louis, Ill., where pure oxide of aluminum is made. This oxide of aluminum, or alumina, is a white powder. The alumina is shipped from East St. Louis to the various smelting plants where it is smelted into crude or pig aluminum. These pigs are in rough shape and contain some slag. Pig aluminum is remelted, therefore, and cast into more regular shape, free of slag, the casting being called ingot aluminum. The company claims that on account of its inability to dispose of its product in the shape of ingots it was found necessary to carry the manufacture still further by the erection of rolling mills for sheet production, and the construction of other plants for further fabrication.

Production and manufacturing properties: The company now owns or controls 44 subsidiary or affiliated companies engaged directly or indirectly in some branch of the aluminum industry. It is also interested in 13 other companies engaged in miscellaneous industries, some of which are connected with the aluminum industry. * * *

In addition to the bauxite properties held in the United States and in South America, the Aluminum Co. of America owns two companies holding bauxite deposits in Europe. Four subsidiary companies are engaged in mining bauxite, two in the United States and two in South America. The American Bauxite Co., one of the subsidiaries, mines all of the bauxite produced in the United States which enters into the production of aluminum. The Aluminum Ore Co. operates the refining plant at East St. Louis, Ill., and produces all of the alumina produced in the United States used in the production of aluminum. The parent company and two subsidiaries operate four reduction plants producing aluminum from alumina. These plants are located at Niagara Falls, N. Y.; Massena, N. Y.; Badin, N. C.; and Alcoa, Tenn. It also has a smelting plant at Toronto, Canada.

THE DIGGES'S REPORT

The Aluminum Co. has not confined its acquisition of mines and aluminum plants to the United States. In 1922 it acquired in Norway a 50 per cent stock interest in the Norsk Aluminum Co., which controls the waterfalls at Hoyangfadene in Sogn. These falls have a total power of over 80,000 horsepower, of which 30,000 horsepower was developed in 1921, i. e., prior to the stock purchase by the Aluminum Co. The aluminum factory operated by the Norsk Co. has a producing capacity of approximately 7,000 tons of aluminum per year. The terms of the contract providing for the sale to the Aluminum Co. of a half interest in the Norsk Co. bind the American corporation to dispose of one-half of the output of the Norsk Co. The production of the Norsk Co. in 1923 was 13,640,000 pounds.

About the same time the Aluminum Co. also purchased a one-third interest in the Norsk Nitrid Co., another Norwegian corporation.

The Norther Aluminum Co. (Ltd.), of Canada, is entirely owned by the Aluminum Co. This company has a producing capacity of 20,000,000 pounds of aluminum per year.

The Aluminum Co. owns extensive bauxite mines in British Guiana and Dutch Guiana, South America, and in the year 1923 imported into the United States from its British Guiana mines 68,000 tons of bauxite.

Other mining properties include Bauxites du Midi, France, 100 per cent, and Jadranski Bauxit Dionico Drus'tvo, Yugoslavia, 95 per cent.

Mr. WALSH. Mr. President, that, I think, makes a case which entirely discredits the Dunn report. It is not worthy of credence by any one who has access to any other source of information concerning this subject, not to speak about the delay. This proceeding ought to have been begun, in my judgment, as early as January 1, 1925. There is no excuse for delaying the institution of proceedings or determining that proceedings were not sustainable later than the 1st of March, 1925. There has been a year of delay in this matter that is entirely without justification.

I do not know whether or not the Senator from Iowa [Mr. CUMMINS], the chairman of the Committee on the Judiciary, for whom I have the very highest regard, subscribes entirely to the Harreld report, which tells us that this investigation has been prosecuted by the department with all due diligence; but if the Senator from Oklahoma were here I would ask him—and I address the inquiry now to the Senator from West Virginia [Mr. GOFF] and the Senator from Iowa [Mr. CUMMINS]—if he can find any justification whatever for a delay of three and a half months after the commission's report had been transmitted to the Attorney General before doing a single thing in the matter? No answer. I inquire, sir, if there can be any justification for a delay, then, of 30 days after the

letter of January 30 before a program was even laid out for the prosecution of the inquiry—a matter of five minutes' work. Ten minutes would have been adequate to outline that program; and when it was done it did not say a word about the difficulty of getting the testimony of the Aluminum Co. from the Federal Trade Commission.

Mr. GOFF. Mr. President, I intend to reply to the distinguished Senator's argument, and I intend to answer in that reply some of the very suggestions and questions which he has made and asked. I did not understand that the Senator wanted a reply now, in view of the fact that he was closing his argument; but I intend to reply to the Senator from Montana, and I shall set forth the reasons why I think the time taken was proper and justifiable under the circumstances.

Mr. WALSH. Of course, the Senator can take his own course about it; but I shall expect him then to tell the Senate why he thinks that four months were necessary before even a step was taken toward making the investigation. I shall expect him to tell the Senate why a further investigation at all was necessary, if it was not for the express purpose of allowing the statute of limitations to run against the offenses committed between October, 1921, and 16 months thereafter. I shall expect him to tell the Senate whether he believes that the Dunn investigation, which covered seven months, was prosecuted with due diligence, four and a half months of which were spent in the field, and two and a half months in the city of Washington. I wonder what that man was doing for 75 days right here in the city of Washington. I shall expect the Senator to tell the Senate whether he believes that it was due diligence to put the prosecution of this matter in the hands of Mr. Benham, who was absorbed in the transactions out in Chicago, and who was unable to be here to give any attention to the matter until the month of November, 1925.

Mr. GOFF. Mr. President, if the Senator will yield, I shall at the proper time answer the Senator, undoubtedly not to his satisfaction; but I shall answer him, I think, within the record and according to the logic of the facts as the record contains them.

Mr. WALSH. I suggest that at the same time the Senator tell us why he thinks that 30 days after the Dunn report came in Mr. Davis was asked to come to Washington. Then I shall ask him to tell how he thinks due diligence was exercised when Mr. Davis took his time about the matter and did not come here for 30 days more. Then I shall ask him to tell the Senate whether he believes that 30 days more ought to have elapsed before Mr. Davis gave permission to examine the books before the inquiry was entered upon—in other words, to tell the Senate how it was that it took from August to November after the Dunn report was in before they began the examination of the books of the Aluminum Co. of America.

Mr. President, a minority report has been filed here by the Senator from Oklahoma [Mr. HARRELD], to which I desire to address a few comments.

I find that this report says, referring to the resolution of the Senate of January 4, 1922:

> It imposed no duty upon the Department of Justice, nor did it require the trade commission to report its findings to that department. No question is presented of the failure of the Department of Justice to perform any duty imposed by the Senate resolution. The commission, however, voluntarily transmitted a copy of its report to the department.

Let us analyze those statements.

> It imposed no duty upon the Department of Justice, nor did it require the trade commission to report its findings to that department.

Of course, that is merely a slur directed at the Federal Trade Commission, that, not having been directed by the Senate to transmit this report to the Department of Justice, it acted gratuitously, offensively, in thus acting. I have called attention to the fact that it was acting strictly in accordance with the injunction of the law.

Next:

> No question is presented of the failure of the Department of Justice to perform any duty imposed by the Senate resolution.

Who said it was? Nobody suggested anything of the kind. We complain not that the Department of Justice did not do what the Senate directed it to do, but that it did not do what the law directed it to do.

> The commission, however, voluntarily transmitted a copy of its report to the department.

Mr. WHEELER. Mr. President, it would have been the duty of the commission regardless of whether or not there was any law on the subject. If there had been a violation of law, it would have been their duty, as it would have been the duty of any other citizen, to report it to the Department of Justice.

Mr. WALSH. Perfectly obvious. They would have been guilty themselves of a breach of the law if they had not done so. It is the duty of every citizen, when information comes to him of a breach of the law, to give information concerning it to the officers of the law in order that due notice may be taken of it.

Then—

> The evidence shows that the Trade Commission did not rely upon its attorneys in the preparation of its plan of inquiry or in the formulation of the report. It is significant, as shown by the testimony before the committee, that the report in its final form was not submitted to the legal board of review in the Trade Commission. While the department's field investigation was made by a special agent, not a lawyer, he was at all times working under the direction of lawyers, and is associated with a lawyer in completing the investigations. This abundantly accounts for the difference between the conclusions of the Federal trade report and the partial findings thus far announced by the department.

Now, let us consider this.

> The evidence shows that the Trade Commission did not rely upon its attorneys in the preparation of its plan of inquiry or in the formulation of the report.

Mr. President, the Federal Trade Commission's inquiry was made pursuant to the resolution of the Senate directing it to inquire why the prices of household commodities did not come down with the prices of other commodities. That was a purely economic question. It was referred to the economic branch of the Federal Trade Commission for inquiry, and the economic branch made its report; and reports of that kind do not go before the legal branch of the bureau. That explains that. But, Mr. President, it will be borne in mind that after having been reviewed by two of the most eminent economists in the United States, now in the service and long in the service of the Federal Trade Commission, it was considered by the Federal Trade Commission itself, three of the five members of which are lawyers, and some of them good lawyers. I refer particularly to ex-Senator Nugent.

> It is significant, as shown by the testimony before the committee, that the report in its final form was not submitted to the legal board of review in the Trade Commission.

In the ordinary course of events, it would not go before that board at all.

> While the department's field investigation was made by a special agent, not a lawyer, he was at all times working under the direction of lawyers—

Under the direction of what lawyers was he working? He was working under the direction of Benham, out in Chicago, conferring with Benham at such times as they happened to be together here in the city of Washington, rare at the most. The report continues:

> This abundantly accounts for the difference between the conclusions of the Federal Trade report and the partial findings thus far announced by the department.

Then it continues:

> A majority of the acts set forth in the report of the Trade Commission were barred by the statute of limitations when such report was received by the department on October 18, 1924.

"A majority of the acts." Three years prior to October, 1924, was October, 1921, and even the letter of the Attorney General of January 30, 1925, tells us that instances during the year 1922 were covered by the report, and the report shows that as late as August, 1923, there were serious complaints concerning the treatment received by manufacturers, users of aluminum, from the Aluminum Co. of America. He says:

> Subsequent thereto former Attorney General Stone outlined to Mr. Seymour, former assistant to the Attorney General, a plan of such further inquiry as was clearly necessary in view of the fact that most of the matter contained in the Trade Commission report was clearly barred by the statute and in its entirety did not cover in substantial detail the period subsequent to 1922.

He has passed from "a majority" to "most of the things" already barred.

> While the investigation as outlined originally contemplated bringing the matter from 1922 down to date, it soon became apparent that the entire situation covered in the report of the Federal Trade Commission should be considered, because (1) the report of the commission was made public at a time and in a manner which gave rise to doubt as to the disinterestedness of the report.

Why? What is the time and what is the manner of making public this report which should occasion a conclusion of a lack

of disinterestedness? It was made, so it happens, right in the heat of a national campaign, but it will be borne in mind that three members of the commission were Republicans, a majority of the commission were Republicans. It went at that time to the Attorney General, a Republican. What are the circumstances attending this which make it subject to this charge of showing a lack of disinterestedness?

(2) The findings of the Trade Commission had been severely criticized by the Aluminum Co. of America as being grossly unfair and biased.

In his letter of January 30, the Attorney General quoted not anything somebody said but letters passing between officers of the Aluminum Co. of America itself. How can any accusation be made that that is unfair? But suppose the Aluminum Co. of America did say that the examination was unfair. What is the difference what it said? There is the evidence. Why should all of that be discarded and the Department of Justice institute an entirely new and independent investigation? The answer is perfectly plain. They wanted to consume time.

(3) One member of the commission, Nelson C. Gaskill, in a letter to the department, has disclaimed all responsibility for the report and its publication.

As I have heretofore stated, a private letter was written to the Attorney General to that effect.

The order of procedure of the investigation as finally enlarged was strictly adhered to, and the resulting investigation was fully competent and reasonably prompt, considering the volume of work then pending in the antitrust division of the department.

That is an alibi. That is to say, the inference to be drawn from this, it is suggested, is that the Department of Justice was overwhelmed with work and was unable to proceed more rapidly. There is not a scintilla of evidence in the record to sustain any such suggestion at all, not a word. The Department of Justice is amply provided with funds by the Congress of the United States, and always has been, to prosecute antitrust cases. A special appropriation is made to that end, usually in the general appropriation bill. No one has said that the Department of Justice was overwhelmed with work, or that it was obliged to delay this because of other and more important questions before that department. That is a perfectly gratuitous thing in this report.

Mr. Dunn, a competent agent, was assigned to the case in the early part of February, 1925. He carried on his work under the direction and counsel of experienced attorneys on the Attorney General's roll—

I have stated that he carried on his investigations under Benham, who was out in Chicago—

attorneys of extensive experience in antitrust cases. As the record shows, he first started active work on the case on February 5, 1925. For the next 15 days proper and persistent effort was made to obtain access to the files of the Federal Trade Commission gathered in the course of its investigation.

It is said that "proper and persistent effort was made" to get access to the files of the commission. What did they do? The Attorney General on February 10, 1925, wrote a letter to the Federal Trade Commission saying, in effect, that, "Pursuant to your letter of October 20, 1924, I am sending Mr. Dunn down to make an examination of the files, and trust you will give him access to your files, as you stated in your letter you would." The Federal Trade Commission wrote back and said, "You can not see any stuff coming to us from the Aluminum Co. of America." And there the matter ends. That is the whole story upon which it is asserted here that persistent and proper effort was made to get access to the files in the hands of the Federal Trade Commission. I pass that.

Mr. WHEELER. Mr. President, will the Senator yield for a question?

Mr. WALSH. I yield.

Mr. WHEELER. I take it that the Senator feels that the evidence accumulated by the commission shows prima facie a violation of both the Sherman antitrust law and the decree of the court?

Mr. WALSH. I have no doubt of it.

Mr. WHEELER. Assuming that to be true, why should the Department of Justice employ anybody else to go ahead with another investigation after one branch of the Government has thoroughly investigated the matter?

Mr. WALSH. That is the point I am making, that the first thing to do was to examine the evidence before the Federal Trade Commission, and if that showed a violation of the decree within the period of three years prior thereto, to file a complaint as a foundation of a contempt proceeding. If it did not show that, then they might or might not conduct an independent investigation on their own account. That would be the way any lawyer would do this job.

My esteemed friend, the chairman of the Committee on the Judiciary, thinks that all this is unconstitutional. I am going to let him expatiate on that, but I merely say that the Senator from Iowa very correctly anticipates what I conceive should be the subsequent proceedings in this matter. If the report should be adopted, as I trust it will be, and I can not conceive the Senate will do anything else, I shall ask that it pass a resolution providing in effect that the Judiciary Committee conduct an examination itself into the question as to whether there has or has not been a violation of this decree, that investigation, however, simply to consist of an examination of the testimony which has already been accumulated by the Federal Trade Commission or which may hereafter be accumulated by the Federal Trade Commission or by the Department of Justice, unless it should find it necessary to examine some other witnesses concerning matters not already covered by the testimony taken.

For the information of the Senate I send a draft of such a resolution to the desk and ask that it be read.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk read as follows:

Resolved, That the Committee on the Judiciary be, and it hereby is, directed to secure, as the same shall be transcribed, a copy of the testimony taken or that may be taken by or under the direction of the Federal Trade Commission in connection with the charge made in that certain complaint issued by it on the 21st day of July, 1925, against the Aluminum Co. of America; that the Attorney General be directed at the earliest convenient date to report to the Senate his conclusion as to whether the charge made against the Aluminum Co. of America in the letter of Attorney General Stone of date January 30, 1925, to the chairman of the Federal Trade Commission and by the said commission in the report referred to in said letter is sustained, and that in the event he finds no warrant for the institution of proceedings upon such charge that he afford to the said Committee on the Judiciary access to and leave to take copies of all files, documents, and evidence in his department relating to such charge; that the said Committee on the Judiciary having so assembled such evidence and documents be, and it hereby is, directed to make a study of the same and such other evidence and documents relating thereto as may heretofore have been transmitted by the said commission to the Senate and, considering the same, together with any other evidence it may take, report to the Senate whether proceedings in contempt against the Aluminum Co. of America are warranted and ought to be undertaken: *Provided*, That the said committee is not hereby authorized or empowered to take any testimony except such as may be supplementary and not in duplication of any that may be by it secured, as herein provided:

Resolved further, That to aid it in the discharge of the duties hereby devolved upon the Committee on the Judiciary it is authorized and empowered to employ counsel at a cost not to exceed $2,500.

Mr. WALSH. If upon that kind of an inquiry the Judiciary Committee should reach the conclusion, and the Senate should approve it, that there had actually been a violation of the decree, I should then propose, as anticipated by the Senator from Iowa, that a joint resolution be passed by both Houses of Congress directing the employment of special counsel to prosecute those proceedings, and all of this is directed to that end, just exactly as we did in the Teapot Dome case when we thought that it would be unwise to trust further to the Department of Justice in the prosecution of the litigation which it was believed was necessary in that particular instance.

My friend the Senator from Iowa thinks all that is unconstitutional. Of course, if it is, then our joint resolution authorizing the employment of special counsel in the Teapot Dome matter was unconstitutional, and Messrs. Pomerene and Roberts are entirely without authority in the premises at all; and inasmuch as they went before the grand jury in those proceedings, if they had no authority at all, their presence in the grand jury room, of course, vitiated all the indictments that were found. I suggest that probably Mr. Doheny and Mr. Fall and his associates would compensate the Senator from Iowa quite lavishly if he were able to sustain that proposition in those proceedings. I myself can see no constitutional objection to the procedure which has thus been outlined. But, as I have said, the Senator from Iowa will elaborate his views upon the matter, and perhaps I shall have something to say to the Senate on that phase of the case a little later.

Mr. President, it has been cynically said by a great criminal lawyer that "you can not convict $100,000,000." The iconoclasts of Russia assail our Government as being dominated entirely by vast aggregations of capital, the controlling spirits

in which manage to work their will through the machinery of government, which we fondly believe assures in this country government by the people. The hold-up man, the confidence man, the burglar who prowls about your houses at midnight, all ply their trade and salve their consciences with the conviction that many men of millions get in one way or another immunity for their crimes.

Mr. President, if this charge is dismissed, this charge in effect against a man of great wealth, a member of the President's Cabinet, a charge preferred by a department of the Government created by the Congress of the United States for the express purpose, among others, of inquiring into just such matters as this, a majority of that commission being of the same political party as the accused officer, repeated and reasserted by the Attorney General of the United States, allied politically in the same way with him, a fellow member of the Cabinet—I say, sir, if this charge is dismissed upon such a pretense of an investigation as has been reviewed here, fie upon your laws! By your vote you will either vindicate or undermine the confidence of the American people in their Government.

NATIONAL SESQUICENTENNIAL CELEBRATION

Mr. FESS. I report back favorably without amendment from the Committee on the Library the joint resolution (H. J. Res. 153) providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes.

Mr. PEPPER. I ask for the immediate consideration of the joint resolution reported from the Committee on the Library which has just been sent to the desk.

It will be recalled that on yesterday the Senate added to the urgent deficiency appropriation bill an item of appropriation for the purpose which is specified in pursuance of an estimate from the Budget officer and in pursuance of the passage by the House of the joint resolution which has now been brought before the Senate. This joint resolution is merely in line with the action taken yesterday by the Senate. I am anxious to have it passed upon by the Senate to-day, because to-morrow the conferees on the urgent deficiency appropriation bill will meet, and I desire to have the action taken by the Senate yesterday perfected.

Mr. ROBINSON of Arkansas. The Senator asks unanimous consent for its consideration?

Mr. PEPPER. I have so requested.

The VICE PRESIDENT. Is there objection?

There being no objection, the joint resolution was considered as in Committee of the Whole and it was read, as follows:

Resolved, etc., That in order that there may be exhibited at the Sesquicentennial Exhibition to be held in the city of Philadelphia, Pa., 1926, by the Government of the United States from its executive departments, independent offices, and establishments such articles and materials as illustrate the function and administrative faculty of the Government tending to demonstrate the nature of our institutions and their adaption to the wants of the people and the progress of our people in the advancement of peace, arts, and industries, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,186,500 for the selection, purchase, preparation, transportation, arrangement, safekeeping, exhibition, and return of such articles and materials as the National Sesquicentennial Exhibition Commission may decide shall be included in said Government exhibit; rent and use of such space and construction of such buildings or other structures as may be necessary; payment of salaries and actual and necessary traveling expenses of officers and employees of the Government detailed to such commission; for such further participation by the several executive departments and establishments as may be deemed advisable; and such other expenditures as may be deemed necessary by the National Sesquicentennial Exhibition Commission as may be considered proper to commemorate the one hundred and fiftieth anniversary of the birth of the Nation: *Provided*, That not more than $250,000 of the aforesaid sum shall be allocated to the Department of War and not more than $350,000 of said sum be allocated to the Department of the Navy, of which latter sum $250,000 shall be used for making the necessary repairs and improvements at the Philadelphia Navy Yard incident to holding this exposition.

SEC. 2. That for the purpose of further participation by the Government of the United States in such exhibition, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the further sum of $1,000,000; such sum to be expended by the Sesquicentennial International Exposition, upon the written approval of the National Sesquicentennial Exhibition Commission, exclusively for the construction of four or more buildings for exhibition purposes in connection with such Sesquicentennial Exhibition. It is now declared as the policy of the Government that no deficit which may occur in the expense of the exposition shall be covered by any future appropriation.

SEC. 3. That for the purposes of more effectively carrying out the provisions of this resolution there is hereby created a commissioner of sesquicentennial exposition, to be appointed by the National Sesquicentennial Exposition Commission, whose duty it shall be to carry out the provisions of this resolution. Said commissioner shall be paid, out of the amount authorized by this resolution, such a salary as the National Sesquicentennial Exhibition Commission shall authorize: *Provided*, That such salary shall not be in excess of $10,000 per annum and that the term of office shall not be extended beyond one year from the date of the approval of this resolution.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. JONES of Washington. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened.

ADJOURNMENT TO MONDAY

While the doors were closed,

Mr. JONES of Washington moved that when the Senate concludes its business to-day it adjourn until Monday next; and the motion was agreed to.

When the doors were reopened,

Mr. JONES of Washington. I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 15 minutes p. m.) the Senate, under the previous order, adjourned until Monday, February 22, 1926, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 18, 1926

CHIEF JUSTICE SUPREME COURT OF HAWAII

Antonio M. Perry to be chief justice, Supreme Court, Territory of Hawaii.

ASSOCIATE JUSTICE, SUPREME COURT OF HAWAII

James J. Banks to be associate justice, Supreme Court, Territory of Hawaii.

FIRST JUDGE, FIRST CIRCUIT, CIRCUIT COURT OF HAWAII

Frank Andrade to be first judge, circuit court, first circuit, Territory of Hawaii.

SECOND JUDGE, FIRST CIRCUIT, CIRCUIT COURT OF HAWAII

Charles F. Parsons to be second judge, circuit court, first circuit, Territory of Hawaii.

CIRCUIT JUDGE, FOURTH CIRCUIT, TERRITORY OF HAWAII

Homer L. Ross to be circuit judge, fourth circuit, Territory of Hawaii.

POSTMASTERS

INDIANA

Dudley C. Engle, Albany.
Harvey C. Hyer, Eaton.
Gilbert M. Jordan, Flora.

NEW JERSEY

Bertha A. Chittick, Old Bridge.

NEW YORK

Burrell Vastbinder, Addison.
Baxter H. Betts, Argyle.
Lester J. Taylor, Arkport.
Fred A. Shoemaker, Averill Park.
Charles Ray, Barker.
Clarence B. Newhouse, Bloomingburg.
Fred H. Woolshlager, Castorland.
E. Adelbert Totman, Cincinnatus.
Truman Y. Burr, Cochecton.
Leander C. Gregory, Croton Falls.
Floyd W. Ryan, Dalton.
Lee W. Locke, Edmeston.
Charles A. Daniels, Gilbertsville.
Linn C. Beebe, Hamilton.
Wirt N. Moulthrop, Kenoza Lake.
Ella Babcock, Lake Huntington.
Mamie B. Evans, Machias.
Amideus J. Hinman, Mohawk.
McKenzie B. Stewart, Moores.

Leo F. Wixom, North Cohocton.
Lewis L. Erhart, Pleasant Valley.
Clarence B. Dibble, Sidney Center.
John G. Cole, Waterford.
Willis J. Stone, West Chazy.

PENNSYLVANIA

Harvey E. Brinley, Birdsboro.
Lena M. Trettel, Coal Center.
Rufus H. Ingraham, Genesee.
William K. Speer, Harrisville.
Benjamin F. Evans, Hopewell.
Alfred L. Evans, Kane.
William L. Swarm, Millheim.
Benjamin L. Ross, Monongahela.
Alice Krebs, Pottsville.
Gilbert C. McIntyre, Six Mile Run.
Albert E. Franklin, Sutersville.
Hettie C. Taylor, Westtown.
Jacob M. Aiken, Yeagertown.

HOUSE OF REPRESENTATIVES

THURSDAY, *February 18, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father in heaven, hallowed be Thy holy name. Take out of every individual breast all resentment, all selfishness, all unworthy ambition. Then shall we see the growing outlines of the ideal man, the ideal country, and the ideal home. May our daily lives be consistent and harmonious with the precepts our mothers taught us when we made her knees the altar of our young hearts. Pour Thy redemptive energy into all souls and impress us that it is simplicity in all the expressions of our lives, which is the terminal point of progress. Reinforce in us the essential attributes of love, purity, and gentleness and Thine shall be the glory. Through Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed with amendments the bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 8722. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 37. An act for the relief of First Lieut. Harry L. Rogers, jr.;

S. 69. An act for the relief of the legal representatives of Robert Dillon;

S. 104. An act to carry out the decree of the United States District Court for the Eastern District of Pennsylvania in the case of United States of America, owner of the steam dredge *Delaware*, against the steamship *A. A. Raven*, American Transportation Co., claimant, and to pay the amount decreed to be due said company;

S. 519. An act for the relief of Perley Morse & Co.;

S. 521. An act for the relief of August Michalchuk;

S. 545. An act for the payment of damages to certain citizens of New Mexico caused by reason of artificial obstructions to the flow of the Rio Grande by an agency of the United States;

S. 547. An act for the relief of James W. Laxon;

S. 549. An act for the relief of John H. Walker;

S. 553. An act for the relief of Fred V. Plomteaux;

S. 554. An act for the relief of Frank Grygla;

S. 590. An act for the relief of Emily L. Hoffbauer;

S. 613. An act for the relief of Archibald L. Macnair;

S. 726. An act for the relief of Hilbert Edison and Ralph R. Walton;

S. 776. An act to authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the Air Mail Service of the Post Office Department;

S. 835. An act for the relief of the Rodefer Glass Co.;

S. 959. An act for the relief of Tena Pettersen;

S. 1059. An act for the relief of R. Clyde Bennett;

S. 1093. An act for the relief of Nellie Kildee;

S. 1131. An act for the relief of James Doherty;

S. 1144. An act authorizing the Secretary of War to acquire a tract of land for use as a landing field at the air intermediate depot near the city of Little Rock, in the State of Arkansas;

S. 1160. An act for the relief of Immaculato Carlino, widow of Alexander Carlino;

S. 1169. An act authorizing the Secretary of the Interior to convey certain lands in Powell town site, Shoshone reclamation project, Wyoming, to Park County, Wyo.;

S. 1250. An act to amend an act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, as amended by the act approved March 3, 1883;

S. 1343. An act for the relief of soldiers who were discharged from the Army during the World War because of misrepresentation of age;

S. 1351. An act for the relief of Wynoma A. Dixon;

S. 1360. An act for the relief of the estate of William P. Nisbett, sr., deceased;

S. 1425. An act for the relief of the legal representative of the estate of Haller Nutt, deceased;

S. 1462. An act permitting Leo Sheep Co., of Rawlins, Wyo., to convey certain lands to the United States and to select other lands in lieu thereof, in Carbon County, Wyo., for the improvement of the Medicine Bow National Forest;

S. 1631. An act for the relief of Capt. Edward T. Hartmann, United States Army, and others;

S. 1632. An act for the relief of the estate of C. C. Spiller, deceased;

S. 1646. An act for the relief of William Zeiss, administrator of William B. Reaney, survivor of Thomas Reaney and Samuel Archbold;

S. 1755. An act for the relief of Francis J. Young;

S. 1794. An act to extend the benefits of the employers' liability act of September 7, 1916, to Gladys L. Brown, a former employee of the Bureau of Engraving and Printing, Washington, D. C.;

S. 1876. An act providing for the sale and disposal of public lands within the area heretofore surveyed as Booth Lake, in the State of Wisconsin;

S. 1886. An act to carry out the findings of the Court of Claims in the case of the Fore River Shipbuilding Co.;

S. 1896. An act for the relief of Lyn Lundquist;

S. 1920. An act for the relief of the devisees of William Rusch, deceased;

S. 1938. An act to issue a patent to John H. Bolton;

S. 2029. An act to authorize the use by the city of Tucson, Ariz., of certain public lands for a municipal aviation field, and for other purposes;

S. 2041. An act to provide for the widening of First Street between G Street and Myrtle Street NE., and for other purposes;

S. 2058. An act for the relief of members of the band of the United States Marine Corps who were retired prior to June 30, 1922, and for the relief of members transferred to the Fleet Marine Corps Reserve;

S. 2091. An act for the relief of Florence Proud;

S. 2128. An act for the relief of Samuel Spaulding;

S. 2197. An act for the relief of Paul B. Belding;

S. 2266. An act granting certain public lands to the city of Stockton, Calif., for flood control, and for other purposes;

S. 2281. An act to authorize the maintenance and renewal of a timber frame trestle in place of a fixed span at the Wisconsin end of the steel bridge of the Duluth & Superior Bridge Co. over the St. Louis River between the States of Wisconsin and Minnesota;

S. 2307. An act authorizing sale of certain lands to the Yuma Chamber of Commerce, Yuma, Ariz.;

S. 2533. An act for the relief of R. F Rueth, of Chamita, N. Mex.;

S. 2616. An act for the relief of Herman Shulof;

S. 2656. An act for the relief of the estates of John Frazer, deceased, Zephaniah Kingsley, deceased, John Bunch, deceased, Jehu Underwood, deceased, and Stephen Vansandt, deceased;

S. 2658. An act to authorize the Secretary of War to fix all allowances for enlisted men of the Philippine Scouts; to validate certain payments for travel pay, commutation of quarters, heat, light, etc., and for other purposes;

S. 2673. An act to amend the act approved June 3, 1896, entitled "An act to establish and provide for the maintenance of a free public library and reading room in the District of Columbia";

S. 2784. An act granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Black River at or near Jonesville, La.;

S. 2785. An act granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Ouachita River at or near Harrisonburg, La.;

S. 2825. An act to grant the consent and approval of Congress to the South Platte River compact;

S. 2828. An act to provide for forfeiture of pay of persons in the military and naval services of the United States who are absent from duty on account of the direct effects of the intemperate use of alcoholic liquor or habit-forming drugs or because of venereal disease;

S. 2854. An act to authorize payment of claims in admiralty arising from operation of Army transport service;

S. 2887. An act for the relief of Philip T. Post; and

S. 2993. An act to allow credits in the accounts of certain disbursing officers of the Department of the Interior.

DEFICIENCY APPROPRIATION BILL

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8722, the deficiency bill, to disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 8722, the deficiency bill, to disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill by title.

The Clerk read as follows:

An act (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, and to provide urgent supplemental appropriations for the fiscal year ending June 30, 1926, and June 30, 1927, and for other purposes.

The SPEAKER. Is there objection? [After a pause.] The Clerk will report the conferees.

The Clerk read as follows:

Mr. MADDEN, Mr. ANTHONY, and Mr. BYRNS.

VACANCY, BOARD OF REGENTS SMITHSONIAN INSTITUTION

Mr. MOORE of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on the Library be discharged from further consideration of Senate Joint Resolution 41, and that that resolution be immediately considered.

The SPEAKER. The gentleman from Virginia asks unanimous consent that the Committee on the Library be discharged from the consideration of Senate Joint Resolution 41, which the Clerk will report.

The Clerk read as follows:

Senate joint resolution (S. J. Res. 41) providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress

Resolved, etc., That the vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress that will occur March 19, 1926, by reason of the expiration of the term of Charles F. Choate, jr., of Massachusetts, be filled by the reappointment of the said Charles F. Choate, jr., for the ensuing term.

The SPEAKER. Is there objection to the consideration? [After a pause.] The Chair hears none.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

BRIDGE ACROSS THE BIG SANDY RIVER, KY.

Mr. BARKLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 5043, which I send to the Clerk's desk.

The SPEAKER. The gentleman from Kentucky asks unanimous consent for the immediate consideration of the bill which the Clerk will report. Before the Clerk reports the bill the Chair would like to state that he feels it would be a wise policy on the part of the Chair to, as a general rule, refuse recognition for the consideration of bills which are either on or have a right to be on the Consent Calendar. He thinks such recognition should only be given when it is evident a very distinct emergency exists which might involve a loss, perhaps a financial loss, or might cause a delay which would be prejudicial to the public interest. The gentleman from Kentucky in speaking to the Chair about this bill has convinced the Chair that a real emergency exists in this case, and the Chair therefore recognized him. Is there objection?

Mr. BLANTON. Let us have the bill reported.

Mr. BEGG. I would like to know what is the emergency in reference to a bridge bill that it can not wait 10 days.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 5043) granting the consent of Congress to the Midland & Atlantic Bridge Corporation, a corporation, to construct, maintain, and operate a bridge across the Big Sandy River between the city of Catlettsburg, Ky., and a point opposite in the city of Kenova, in the State of West Virginia

Be it enacted, etc., That the consent of Congress is hereby granted to the Midland & Atlantic Bridge Corporation, a corporation, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto, across the Big Sandy River at a point suitable to the interests of navigation, one end of such bridge being in the city of Catlettsburg, in the State of Kentucky, and the other end at a point on the opposite side of said river, in the city of Kenova, in the State of West Virginia, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The committee amendments were read, as follows:

Page 1, line 8, strike out the word "being" and insert the words "to be."

Page 2, strike out all of lines 6 and 7 and insert the following new matter:

"SEC. 2. That said Midland & Atlantic Bridge Corporation, its successors and assigns, are hereby authorized and empowered to fix and charge just and reasonable tolls for the passage over such bridge of pedestrians, animals, and vehicles adapted to travel on public highways, and the rates so fixed shall be the legal rates until the Secretary of War shall prescribe other rates of toll as provided in the act of March 23, 1906.

"SEC. 3. That the States of West Virginia and Kentucky, or any official agency of either thereof or any political or other subdivision or subdivisions thereof within or adjoining which such bridge is located, may jointly or severally at any time after 15 years from the completion of such bridge, by agreement or condemnation in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation, acquire all right, title, and interest in such bridge and the approaches and appurtenances thereto for the purpose of maintaining and operating such bridge as a free bridge. If such bridge is acquired as aforesaid by condemnation, in determining the measure of damages or compensation to be paid for the same, there shall not be included any credit or allowance for good will, going value, or prospective revenues or profits, but the same shall be limited to such an amount not exceeding the original cost thereof as shall represent the cash value of the bridge and its approaches and appurtenances and any improvements thereto at the time of such acquisition. After five years from the date of acquiring such bridge by such State or States or any official agency or agencies thereof, or any political or other subdivision or subdivisions thereof, the same shall be maintained and operated as a free bridge.

"SEC. 4. The said Midland & Atlantic Bridge Corporation, its successors and assigns, shall immediately upon the completion of such bridge, file with the State highway departments of the States of West Virginia and Kentucky an itemized sworn statement of the actual original cost of such bridge and its approaches and appurtenances, including any reasonable actual expenditures for engineering and legal services and any reasonable fees, discounts, and expenditures incurred in connection with the original financing thereof. Such itemized statement of cost may be investigated by the highway department of either of such States at any time within three years after the completion of such bridge and verified or corrected, and its findings shall be conclusive upon all persons, subject only to review in a court of equity for fraud or gross mistake.

"SEC. 5. That the right to alter, amend, or repeal this act is hereby expressly reserved."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BEGG. Mr. Speaker, reserving the right to object, I hesitate to do this after the Speaker's statement, but what is the emergency that could not allow this bill to wait nine days?

Mr. BARKLEY. I will explain to the gentleman. In the first place, the Committee on Interstate and Foreign Commerce has been very busy with holding hearings on the rubber investigation and the railroad bill, and it has been compelled to delay the reporting out of bridge bills.

Mr. BEGG. There have been a lot of them passed, and there are more of them on the calendar.

Mr. BARKLEY. I understand this bill would have been ready last Monday and passed had it not been that the public buildings bill intervened.

Mr. BEGG. That would include the rest of them.

Mr. BARKLEY. There has been about $35,000 or $40,000 already expended in getting ready for the construction of this bridge. The contractor is on the ground now with his men ready to go to work, and to delay it for 10 days or 2 weeks would not only involve damage as to that, but the Big Sandy River drains the mountainous sections of Kentucky, West Virginia, and Virginia, and the spring rains are liable to commence falling in the mountainous sections of that country in the next week or two weeks, which will result in swelling the water in the Big Sandy River until it may delay the construction of this bridge until May or June. In view of that condition a real emergency exists, and it is desirable that the contractor go to work at once. The weather conditions and the stage of the water at present are such that the contractor can work at this time if the bill is passed immediately.

Mr. BEGG. Can they build this bridge in the next three weeks?

Mr. BARKLEY. No; but they can begin the construction of the cofferdams and the necessary substructures which will have to be put into the water. If they are compelled to wait until the water gets up to the banks of the river, it will be too late to commence until early summer. In view of that fact, I hope the gentleman will not object, because I would not ask for the consideration of this bill at this time if it were not a real emergency.

Mr. BEGG. I hesitate to object, but I certainly think it is not a proper procedure to bring up these bills, and I hope gentlemen on that side will not ask for this again.

Mr. GARRETT of Tennessee. Will the gentleman from Ohio permit an interruption?

Mr. BEGG. Yes.

Mr. GARRETT of Tennessee. It is not frequently done but it is not unusual at all to pass bridge bills on days other than Mondays. There are many precedents for it.

Mr. BEGG. If the gentleman will permit, if the Speaker saw fit to take up all of the bridge bills and pass them this morning, I would not say a word against it. I will say frankly to the gentleman from Kentucky that there seems to me to be nothing unusual about this situation, and it seems to me the matter could easily wait for a week or 10 days. I have lived in that neighborhood, and the chances are the water will remain as it is to-day for the next three weeks or a month, because if the rains have begun in that section the Big Sandy River has started to rise.

Mr. BARKLEY. The gentleman's remarks would indicate that he did not pay as much attention to the water there as he should have paid.

Mr. BEGG. I will say to the gentleman that I left plenty of water there. I will not object this time, Mr. Speaker, but I do not believe I will let this happen any more on bridge bills.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BARKLEY. Mr. Speaker, there is one slight amendment which should be made to the bill. By oversight the word "gross" was inserted in the fourth section just before the word "mistake," at the end of the section. I want to move to strike out the word "gross," so that the court may review any mistake.

The SPEAKER. The gentleman from Kentucky offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 4, line 8, strike out the word "gross."

The amendment was agreed to.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

ASSIGNMENT OF ARMY OFFICERS

Mr. BANKHEAD. Mr. Speaker, I call up a privileged resolution, House Resolution 128.

The SPEAKER. The gentleman from Alabama calls up a privileged resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 128

Resolved, That the Secretary of War be, and he is hereby, directed to report to the House of Representatives at as early a date as may be practicable the following information:

First. The total number of commissioned officers of the Army of the United States who are now assigned and engaged in duties of a civilian nature and not strictly in line with their military duties as officers of the Army.

Second. The individual names of such officers, their rank, and the nature of the duty to which they have been assigned.

The SPEAKER. Is there objection to the present consideration of this resolution?

Mr. CHINDBLOM. Mr. Speaker, reserving the right to object, is the matter privileged?

Mr. GARRETT of Tennessee. Mr. Speaker, the resolution is privileged, and therefore does not require unanimous consent.

The SPEAKER. Has the bill been reported?

Mr. BANKHEAD. It has not.

The SPEAKER. As the resolution has not yet been reported, the Chair thinks it would require unanimous consent.

Mr. BANKHEAD. It has not been reported by the Committee on Military Affairs, to which it was referred, and I am calling it up under the rule as a privileged resolution. It is a resolution of inquiry which has been referred to the Committee on Military Affairs, but that committee has failed to make a report on it within seven days.

The SPEAKER. The committee has not reported the resolution?

Mr. BANKHEAD. No; the committee has not reported it. I am assuming it is a privileged resolution, because they have not so reported it, as it was their duty to do within seven days after it was referred to the committee.

The SPEAKER. The Chair thinks the gentleman has not put the motion in the proper way. The proper motion would be to discharge the committee from the further consideration of the resolution and consider it.

Mr. BANKHEAD. I think the Chair is correct in his statement. I therefore move, Mr. Speaker, that the Committee on Military Affairs be discharged from the further consideration of House Resolution 128 and that the resolution be put upon its passage.

The SPEAKER. The Chair thinks that motion is in order. The question is on agreeing to the motion of the gentleman from Alabama to discharge the Committee on Military Affairs from the further consideration of House Resolution 128.

The question was taken, and the Committee on Military Affairs was discharged from the further consideration of said resolution.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed the following order:

Ordered, That the House of Representatives be requested to return to the Senate the bill S. 2307, entitled "An act authorizing the Secretary of the Interior to exchange certain lands in order to acquire land for a municipal aviation field at Yuma, Ariz."

Also the following:

Ordered, That the House of Representatives be requested to return to the Senate the bill H. R. 4785, entitled "An act to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of the land authorized to be acquired by the public buildings appropriation act, approved March 4, 1918, for the connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park."

Also the following:

Ordered, That the House of Representatives be requested to return to the Senate the bill S. 776, entitled "An act to authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the Air Mail Service of the Post Office Department."

The message also announced that the Senate had insisted upon its amendment to the bill H. R. 8722, entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes," disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. WARREN, Mr. CURTIS, and Mr. OVERMAN as the conferees on the part of the Senate.

SENATE BILLS REFERRED

Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 37. An act for the relief of First Lieut. Harry L. Rogers, jr.; to the Committee on Claims.

S. 69. An act for the relief of the legal representatives of Robert Dillon; to the Committee on War Claims.

S. 104. An act to carry out the decree of the United States District Court for the Eastern District of Pennsylvania in the case of the United States of America, owner of the steam dredge *Delaware*, against the steamship *A. A. Raven*, American Transportation Co., claimant, and to pay the amount decreed to be due said company; to the Committee on Claims.

S. 519. An act for the relief of Perley Morse & Co.; to the Committee on Claims.

S. 521. An act for the relief of August Michalchuk; to the Committee on Claims.

S. 547. An act for the relief of James W. Laxon; to the Committee on Claims.

S. 553. An act for the relief of Fred V. Plomteaux; to the Committee on Claims.

S. 590. An act for the relief of Emily L. Hoffbauer; to the Committee on Claims.

S. 613. An act for the relief of Archibald L. Macnair; to the Committee on Claims.

S. 726. An act for the relief of Hilbert Edison and Ralph R. Walton; to the Committee on Claims.

S. 835. An act for the relief of the Rodefer Glass Co.; to the Committee on Claims.

S. 959. An act for the relief of Tena Pettersen; to the Committee on Claims.

S. 1059. An act for the relief of R. Clyde Bennett; to the Committee on War Claims.

S. 1093. An act for the relief of Nellie Kildee; to the Committee on the Public Lands.

S. 1131. An act for the relief of James Doherty; to the Committee on Claims.

S. 1144. An act authorizing the Secretary of War to acquire a tract of land for use as a landing field at the air intermediate depot near the city of Little Rock in the State of Arkansas; to the Committee on Military Affairs.

S. 1160. An act for the relief of Immaculato Carlino, widow of Alexander Carlino; to the Committee on Claims.

S. 1169. An act authorizing the Secretary of the Interior to convey certain lands in Powell town site, Shoshone reclamation project, Wyoming, to Park County, Wyo.; to the Committee on Public Lands.

S. 1250. An act to amend an act entitled "An act donating public land to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, as amended by the act approved March 3, 1883; to the Committee on the Public Lands.

S. 1351. An act for the relief of Wynona A. Dixon; to the Committee on War Claims.

S. 1360. An act for the relief of the estate of William P. Nisbett, sr., deceased; to the Committee on Claims.

S. 1425. An act for the relief of the legal representative of the estate of Haller Nutt, deceased; to the Committee on War Claims.

S. 1462. An act permitting Leo Sheep Co., of Rawlins, Wyo., to convey certain lands to the United States and to select other lands in lieu thereof, in Carbon County, Wyo., for the improvement of the Medicine Bow National Forest; to the Committee on the Public Lands.

S. 1631. An act for the relief of Capt. Edward T. Hartmann, United States Army, and others; to the Committee on Claims.

S. 1632. An act for the relief of the estate of C. C. Spiller, deceased; to the Committee on War Claims.

S. 1646. An act for the relief of William Zeiss, administrator of William B. Reaney, survivor of Thomas Reaney and Samuel Archbold; to the Committee on War Claims.

S. 1755. An act for the relief of Francis J. Young; to the Committee on Claims.

S. 1794. An act to extend the benefits of the employers' liability act of September 7, 1916, to Gladys L. Brown, a former employee of the Bureau of Engraving and Printing, Washington, D. C.; to the Committee on Claims.

S. 1876. An act providing for the sale and disposal of public lands within the area heretofore surveyed as Booth Lake, in the State of Wisconsin; to the Committee on the Public Lands.

S. 1886. An act to carry out the findings of the Court of Claims in the case of the Fore River Shipbuilding Co.; to the Committee on Claims.

S. 1896. An act for the relief of Lyn Lundquist; to the Committee on the Public Lands.

S. 1920. An act for the relief of the devisees of William Rusch, deceased; to the Committee on the Public Lands.

S. 1938. An act to issue a patent to John H. Bolton; to the Committee on the Public Lands.

S. 2029. An act to authorize the use by the city of Tucson, Ariz., of certain public lands for a municipal aviation field, and for other purposes; to the Committee on the Public Lands.

S. 2041. An act to provide for the widening of First Street between G Street and Myrtle Street NE., and for other purposes; to the Committee on the District of Columbia.

S. 2058. An act for the relief of members of the band of the United States Marine Corps who were retired prior to June 30, 1922, and for the relief of members transferred to the Fleet Marine Corps Reserve; to the Committee on Naval Affairs.

S. 2091. An act for the relief of Florence Proud; to the Committee on Claims.

S. 2128. An act for the relief of Samuel Spaulding; to the Committee on Military Affairs.

S. 2197. An act for the relief of Paul B. Belding; to the Committee on Claims.

S. 2266. An act granting certain public lands to the city of Stockton, Calif., for flood control, and for other purposes; to the Committee on the Public Lands.

S. 2281. An act to authorize the maintenance and renewal of a timber-frame trestle in place of a fixed span at the Wisconsin end of the steel bridge of the Duluth & Superior Bridge Co. over the St. Louis River between the States of Wisconsin and Minnesota; to the Committee on Interstate and Foreign Commerce.

S. 2533. An act for the relief of R. P. Rueth, of Chamita, N. Mex.; to the Committee on Claims.

S. 2616. An act for the relief of Herman Shulof; to the Committee on Claims.

S. 2656. An act for the relief of the estates of John Frazer, deceased, Zephaniah Kingsley, deceased, John Bunch, deceased, Jehu Underwood, deceased, and Stephen Vansandt, deceased; to the Committee on Claims.

S. 2658. An act to authorize the Secretary of War to fix all allowances for enlisted men of the Philippine Scouts, to validate certain payments for travel pay, commutation of quarters, heat, light, etc., and for other purposes; to the Committee on Military Affairs.

S. 2673. An act to amend the act approved June 3, 1896, entitled "An act to establish and provide for the maintenance of a free public library and reading room in the District of Columbia"; to the Committee on the District of Columbia.

S. 2828. An act to provide for forfeiture of pay of persons in the military and naval services of the United States who are absent from duty on account of the direct effects of the intemperate use of alcoholic liquor or habit-forming drugs or because of venereal disease; to the Committee on Military Affairs.

S. 2854. An act to authorize payment of claims in admiralty arising from operation of Army transport service; to the Committee on Military Affairs.

S. 2887. An act for the relief of Philip T. Post; to the Committee on Claims.

S. 2993. An act to allow credits in the accounts of certain disbursing officers of the Department of the Interior; to the Committee on Claims.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9341, the independent offices appropriation bill. I have conferred with the gentleman from Louisiana [Mr. SANDLIN] with reference to an agreement as to time. The gentleman from Louisiana has requests enough, and so have I on this side, to occupy the entire day, so we have agreed to run along to-day and see if we can not agree on time to-morrow morning.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. CHINDBLOM. With the same agreement as was made yesterday in regard to the division of time?

Mr. WOOD. Yes.

The SPEAKER. The gentleman from Indiana moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9341, the independent offices appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. BEGG in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9341, the independent offices appropriation bill, which the Clerk will report.

The Clerk read the title of the bill.

Mr SANDLIN. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman and gentlemen of the committee, the chairman of the subcommittee will, at a later time in the discussion of this bill, go more into the details than I will myself. I desire, however, to call attention to several of the items that have impressed me more than the others, perhaps, and to go into detail with reference to those particular items.

I ask, Mr. Chairman, unanimous consent to insert as a part of my remarks a table which I have prepared:

Independent offices appropriation bill, 1927

[A comparative statement of the amounts appropriated for 1926, the Budget estimates for 1927, and the amounts recommended in the accompanying bill for 1927]

Object	Appropriations for 1926 in the independent offices, deficiency, and other acts	Budget estimates for 1927, regular annual and supplemental	Amount recommended in the bill for 1927	Increase (+), decrease (−) bill, compared with 1926 appropriation	Increase (+), decrease (−) bill, compared with 1927 Budget estimates
Executive Office	$489,960	$441,960	$444,460	−$45,500	+$2,500
Alien Property Custodian	189,220	130,650	130,650	−58,570	
American Battle Monuments Commission	(1)	800,000	800,000	+800,000	
Arlington Memorial Bridge Commission		2,500,000	2,500,000	+2,500,000	
Board of Tax Appeals	354,320	448,616	448,616	+94,296	
Bureau of Efficiency	150,350	210,350	210,350	+60,000	
Civil Service Commission	1,008,092	1,001,592	1,001,592	−6,500	
Commission of Fine Arts	6,500	5,295	5,295	−1,205	
Employees' Compensation Commission	2,301,500	2,742,040	2,741,040	+439,540	−1,000
Federal Board for Vocational Education	860,000	843,620	843,620	−16,380	
Federal Power Commission	26,800	28,400	29,400	+2,600	+1,000
Federal Trade Commission	1,008,000	997,000	997,000	−11,000	
General Accounting Office	3,701,960	3,714,400	3,714,400	+12,440	
Housing Corporation	743,915	674,398	673,398	−70,517	−1,000
Interstate Commerce Commission	6,853,962	6,153,157	6,153,157	−700,805	
National Advisory Committee for Aeronautics	534,000	513,000	513,000	−21,000	
Public Buildings and Public Parks of the National Capital	2,282,505	2,293,850	2,301,850	+11,345	+8,000
Railroad Labor Board	296,805	285,220	285,220	−11,585	
Smithsonian Institution	814,020	798,240	832,801	+18,781	+34,561
Tariff Commission	721,500	699,000	699,000	−22,500	
United States Shipping Board	24,330,000	14,198,574	14,198,574	−10,131,426	
United States Veterans' Bureau	405,700,000	462,965,000	462,965,000	+57,265,000	
Grand total, regular annual appropriations	452,373,959	502,444,707	502,488,768	+50,106,809	+44,061

[1] Use of unexpended balance.

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. SANDLIN. Gentlemen of the committee, the bill now under consideration carries a total appropriation of $502,488,768. There was appropriated in this same bill for the fiscal year 1926, $452,373,959. The Budget estimate for this fiscal year of 1927 is $502,444,707.

Therefore there is an increase of $50,106,809 over the same appropriation bill of 1926 and an increase of $44,061 over the amount estimated by the Budget.

Two of the largest items in this bill are those for the United States Shipping Board, which is $14,198,574, and for the United States Veterans' Bureau, $462,965,000. In the latter item there is an increase of $57,265,000 over the amount appropriated in the bill for 1926. I will say to the gentlemen of the committee that, in addition, there is now in the deficiency bill which has just gone to conference between the two Houses an additional appropriation of $105,000,000 for the Veterans' Bureau, making a total appropriation of something like $567,000,000 for that activity of the Government for the fiscal year 1927.

You will notice in the appropriation for the Shipping Board there has been a reduction of $10,131,042. While there has been a reduction in the appropriation, gentlemen of the committee, there has also been a reduction in the operations of that activity of the Government.

I want to call attention to some statements that have been made by the chairman of the Shipping Board with reference to what he calls the slipping of that institution. In my humble opinion, there is no more important activity of the Federal Government than the merchant marine. I am impressed with the patriotism of the American people when we are at war or when there is a Fourth of July celebration, but after that is all over, if we were more patriotic during peace times, probably it would be a better evidence of our patriotism rather than waiting until we are confronted with war.

Some of the Representatives of this body who live in the interior may not be impressed with the need of a merchant marine, but it matters not the section of the country from which we come every individual in this great country of ours is interested, and should be intensely interested, in a merchant marine. Those of us who live in sections of the country that produce the cotton and the wheat and the other farm products of this country should be deeply interested. I wish to call your attention to the situation that the cotton growers in the South were in at the beginning of the war, when there were taken from the seas the ships that had conveyed our cotton to foreign buyers. My friends, you could hardly give away a bale of cotton. Then also I wish to call your attention to the situation the wheat growers were in about a year ago, when there was congestion at the southern ports of the country, with enormous shipments of wheat at the southern ports. The wheat growers were anxious to get that wheat into the hands of the foreign buyers across the seas, and had it not been for the vessels of the United States Shipping Board that wheat would have remained at those ports for months. As it was, having ships they could send there, they did so, and in a short time the wheat was put into the hands of the foreign buyers.

It is also easy to criticize, and it is much easier to diagnose sometimes than to prescribe for the trouble or to cure the trouble, but that can be done. We see here day after day appropriation bills being passed that carry millions of dollars for the War Department and the Navy Department. I think the trouble, my friends, is that we put this activity in a different class from some of our other activities, and put it in a class where it does not belong. The question is often asked, How much do we lose through the operation of these boats. We might ask, gentlemen, how much do we lose by appropriating $300,000,000 for the War Department or over $300,000,000 for the Department of the Navy. We might ask how much do we lose by appropriating $80,000,000 to be spent upon the roads of the country. We might ask how much do we lose by appropriating $50,000,000 for the rivers and harbors of our country.

In my opinion, gentlemen, no dollar of the American people's money could be spent to better advantage than that which is spent in maintaining an efficient merchant marine.

There are many causes, I think, for this activity not succeeding. I think one of the main causes is that some of our American citizens, who, as I say, are patriotic in times of war and on days of celebration, are interested in other merchant marines by reason of the money they have invested; for instance, in the English companies. This has something to do with it. Then, of course, we know that the shippers in England and in other countries, day and night, are looking out for the interests of their ships. I want to read into the RECORD a letter that was written by an English shipper which will show the attitude of those people in regard to their merchant marine. This letter was written to the agent of the American Lines in London by a British shipper, and is as follows:

AMERICAN LINES.

DEAR SIRS: In reply to your letters of the 18th and 20th ultimo. On no consideration whatever will my customers or myself receive any goods that are shipped by other steamers than British, especially from the United States of America.

To enable us to pay the pound of flesh and blood which the United States of America demands from us, we must do our best to support British ships.

Yours faithfully, WM. H. BANKIER.

Mr. KING. Will the gentleman yield?

Mr. SANDLIN. I yield to the gentleman.

Mr. KING. Did I understand the gentleman to say the letter was written to the "American liars" in London?

Mr. SANDLIN. No, sir; the gentleman misunderstood me. There may be some there, but this is addressed to the "American Lines."

It is interesting and also encouraging to note that some of our American shippers are interested in our own merchant marine.

Mr. McDUFFIE. Will the gentleman please state what the date of that letter was that he just read.

Mr. SANDLIN. It is not dated; it is copied into the report of the chairman. Now, I have two other letters, and I guess all Members of Congress have received them, but I think it will be well to read them. The first is a letter from the Middle West Foreign Trade Committee, and is as follows:

MIDDLE WEST FOREIGN TRADE COMMITTEE,
Cincinnati, Ohio, January 25, 1926.

Hon. JOHN N. SANDLIN,
House of Representatives, Washington, D. C.

DEAR MR. SANDLIN: The Middle West Foreign Trade Committee, which is composed of commercial and industrial organziations of the interior of the country and is affiliated with the national farm organizations, is intensely interested in the development of the American merchant marine, and we are very anxious to develop the merchant marine as soon as possible in the hands of private owners. However, our position has been that, until this can be done on a satisfactory and permanent basis, the Government should continue to operate the essential services in the belief that the expense is justified by the increased commerce of the United States, thus relieving us from being dependent upon foreign monopolies in this particular instance.

What we are interested in at the present moment is the possibility that the appropriation for the Shipping Board and the Fleet Corporation may be reduced, under the idea of economy, to a point where successful operation may be prevented, or at least to a point where the board and the Fleet Corporation will be handicapped to a great extent.

As we understand it, the Shipping Board situation at present is as follows: The board requested the Bureau of Budget to grant $22,000,000; Admiral Palmer, when head of the Fleet Corporation, stated he could get along with, he thought, about $18,000,000. These figures were based on the board being relieved of certain services through purchase. One of these has been returned to the board, and others may come back. So far the Budget Bureau has been unwilling to grant more than slightly less than $14,000,000, although the chairman of the board is still negotiating with the Budget Director.

We wish to call your attention to the vital necessity of the lines being now maintained with sufficient tonnage to meet all present requirements and provisions made so that the Fleet Corporation will be prepared to expand these services.

The board should not be forced to sacrifice lines to people who can not possibly maintain them, under present conditions, permanently; and the board should be able at any time to take back and operate any line that can not be continued by a private company. We also feel that the board should be empowered and have a fund set aside in order to protect any lines it sells to private companies, should the foreign steamship lines, who are strongly entrenched, attempt to drive these newly organized companies out of business.

We shall appreciate it very much if you will take all these matters into consideration in any deliberations regarding the continuance of the merchant marine and thank you very much for your cooperation in the past in every effort to develop a first-class American merchant marine.

Yours very truly,

MALCOLM M. STEWART, *Chairman.*

Mr. McDUFFIE. Will the gentleman yield again?

Mr. SANDLIN. I will.

Mr. McDUFFIE. I am sure that the committee will be interested to know whether the operations of the Shipping Board have been curtailed in any great degree.

Mr. SANDLIN. Yes. I will give the number of ships operated in 1924, 1925, and 1926. Here is another letter from the Armco International Corporation, and is as follows:

MIDDLETOWN, OHIO, *January 29, 1926.*

Hon. JOHN N. SANDLIN,
House of Representatives, Washington, D. C.

DEAR SIR: We understand that at this time you are considering the question of the appropriation for the Shipping Board and Fleet Corporation.

We have been endeavoring to divert as much of our tonnage as we possibly can to American-flag ships, and I recently wrote our freight man in New York congratulating him on some particularly good work in that connection. His reply arrived to-day, and a paragraph from it is quoted herewith:

"Thanks very much, indeed, for your kind letter of the 21st, and it makes us feel rather pleased. There is only one thing that I regret, and that is we can not get enough American-flag boats to ship on, particularly to Australia. We have about five to one; and whenever there is an American-flag boat on berth we line up everything we can find."

The comment he makes in connection with Australia is equally true to most other foreign destinations.

We remember very vividly, indeed, the handicaps we operated under when we were at the mercy of freight pools controlled by competing nations' steamship lines.

To our mind the maintenance of a strong American-flag fleet on the high seas is essential to our continued commercial progress in peace and to our military success in war; hence we greatly hope that you will use your influence toward obtaining a budget large enough to keep the American flag on important trade routes, either through governmental operation or through adequate support of any private lines which take these ships to operate them.

Respectfully,

THE ARMCO INTERNATIONAL CORPORATION,
E. A. EMERSON,
Vice President and Managing Director.

I only read these letters to show that there are some American shippers who are interested in having a large merchant marine.

On the 16th of January, 1926, the Fleet Corporation had in active operation 257 freighters, 11 passenger vessels, and 6 tankers, making in all a fleet of 274 vessels.

Mr. McDUFFIE. Will the gentleman give us the figures for January, 1925, a year ago?

Mr. SANDLIN. The average number of ships in operation in 1924 was 383; in 1925, 333; and estimated for 1926, 294; and for 1927, 263. The gentleman can see that they are materially falling off.

Mr. McDUFFIE. That is, in the actual number of ships; but I am wondering if the service of these vessels has fallen off in proportion.

Mr. SANDLIN. Not in proportion; the gentleman will understand that if there were two lines of railroad leaving New York, and if they did not run on their regular time, the one that ran oftener and more regular would get the business. Take the ships. The ones that run the most regular and the oftener get the business.

Now, I would like to read at this time the service of the ships in operation:

SHIPS IN OPERATION

On the 16th of January, 1926, the Fleet Corporation had in active operation for its account 257 freighters, 11 passenger vessels, and 6 tankers, making in all an active fleet of 274 vessels. The passenger vessels are divided between two services—one from north Pacific to the Orient, and the other from New York to the United Kingdom and northern Europe. The cargo services are world-wide, 60 being operated to the United Kingdom and Ireland, 8 to Scandinavian and Baltic ports, 69 to northern Europe, 13 to southern Europe and Mediterranean ports, 14 to Africa, 6 to British India, 11 to Australia and New Zealand, 44 to Japan, China, and the Philippines, 30 to South America, and 2 to the West Indies.

Mr. McDUFFIE. Will the gentleman state how many ships have been sold?

Mr. SANDLIN. The gentleman will find that in a table in the report.

Now, it is difficult to say just what should be done. As far as I am concerned, call it what you will, I would be willing for the Government to help this activity if it is needed, because I think it is one of the most important. I see no more reason why we should not help the merchant marine to keep ships on the ocean to carry the cotton and the wheat as it is to build roads for the farmers to haul the cotton and the wheat over. I can not see why we should not help them as much as we help the railroads to guarantee established rates; that they shall have a certain rate that will enable them to build up lines and keep them running. In other words, the point I make is that we are as much interested in that mode of transportation as we are in any other mode of transportation. It is important to keep alive the merchant marine so that it will have a more deterrent effect on a probable war than a large Navy or a large Army. If we had had, when the war broke out in Europe, a large merchant marine, I do not believe that there would have been hardly any probability of this country becoming involved. The foreign countries did not believe that we could transport to European soil enough men and material to assist in winning

the Great War. Fortunately it was built up, but built up at an enormous expense to the taxpayers of this country. In a time of peace, when they can go into this matter and develop in a businesslike way a large merchant marine, I think it would be a good service to all our people.

Last year I called attention to the fact that the appropriation for the Veterans' Bureau would amount to more this year and continue to increase. No one can predict when the peak year will come, but certainly the appropriations will increase from year to year for some years to come.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. BOYLAN. Has the committee given the Veterans' Bureau the total amount that it has requested?

Mr. SANDLIN. It has given the whole amount; yes, sir. The committee always does. I think every member of the committee and every Member of Congress recognizes the obligations this country owes to the ex-service men, and all of us try to be just in every particular to them, as we should be.

The Tariff Commission appropriation is $22,500 less than last year. It might be interesting to note that under the flexible provision in the Fordney-McCumber tariff bill there have been some reports of investigations made to the President. I have a table here, and I shall put it into the RECORD, consisting of something like 12 or 13 cases, 9 or 10 of which have been acted upon by the President. I believe, with the exception of one item, the tariff has been raised in all of the matters submitted to the President. That exception is in respect to bobwhites. Of course, the Members of the House all know, especially those who come from the farm, and those from the cities who are interested in hunting, what bobwhites are. The tariff on them used to be 50 cents each, and I would say to the committee that now the tariff upon bobwhites coming into this country has been reduced and they may now come in with a payment of only 25 cents a head.

For the benefit of the gentleman from Alabama [Mr. McDUFFIE], who is interested in it, I shall return again to the Shipping Board and put some figures into the RECORD. I have here a table showing the percentage of commodities carried by American vessels between North Atlantic ports of the United States and the United Kingdom and continental Europe. In the year 1924 American vessels carried 20 per cent of the cotton to Europe. In 1925 they carried 12 per cent, a loss of 40 per cent. That is one evidence of the slipping of the merchant marine. They carried 7 per cent of the tobacco in 1924 and nothing in 1925. Of grain they carried in 1924, 28 per cent, and in 1925 the same amount. In 1924 they carried 24 per cent of the sugar, and in 1925 15 per cent of the sugar, a loss of 37½ per cent. There are a few articles on which they have gained, but the whole trend is toward reduction in the amount carried from year to year by the merchant-marine vessels over the years preceding.

Included in the appropriations for the Executive offices, there in an increase of $2,500 in the pay of the President's secretary. I think there will be no dispute over the fact that that position, well filled, is worth $10,000. In fact, the secretary to the President has always received the same amount as a Member of Congress has received.

Gentlemen will remember that when this question came up before the House in respect to the increase of the Members' salaries, it was unanimously agreed and thought at the time that the Secretary to the President should have a salary of $10,000; but, because of the fact that at that time Mr. Sanders, then a Member of Congress, had not yet gone into that position, he asked the Congress not to include it. Whether we have a Republican or a Democratic President, I think one who fills that arduous position of secretary is entitled to $10,000 salary.

I shall put into the RECORD at this point the exact amount being appropriated for the Veterans' Bureau. It is $462,965,000 in this bill and $105,000,000 in the deficiency appropriation bill, making a total of $567,995,000.

Mr. CULLEN. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. CULLEN. We provided for $9,000,000 for hospitals.

Mr. SANDLIN. Yes.

Mr. CULLEN. Is that included in the total?

Mr. SANDLIN. Yes. This bill carries $4,000,000, and the deficiency appropriation bill carried $5,000,000 for that purpose.

Mr. CULLEN. I wanted to get into the RECORD the fact that the construction of hospitals amounted to $9,000,000.

Mr. SANDLIN. Yes. It might be well at this time to call the attention of the committee to the appropriation for the Railroad Labor Board. That is $11,000 less than it was last year. I think it generally understood that the duties of the Railroad Labor Board as at present constituted will come to an end at the end of this fiscal year or perhaps before that time through the passage of legislation which will create another board, though I imagine that that other board will be just as expensive as this one. I hope it will have more power than the present labor board, and that it will bring about the condition that most of the railroad operators and employees hope it will, and that is the prevention of strikes in the future.

Mr. Chairman, I thank the committee for the attention that they have given me. I feel sure that the chairman of the subcommittee will go into the details and make explanation of the items more fully than I have. I ask unanimous consent to revise and extend my remarks in the RECORD. [Applause.]

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman and gentlemen of the House, within the past week the press reports have carried stories of the expulsion from Mexico of American citizens who are there engaged in religious work. Ministers and priests of American citizenship who are officiating as clergymen in Mexico have been expelled and driven out of their churches and compelled to leave the country. Yesterday I introduced a resolution, a copy of which I shall read:

Resolved, That the Secretary of State is hereby authorized and directed, if not incompatible with the public interest, to furnish to the House of Representatives at the earliest possible date such data and information as he may have in respect to the expulsion from Mexico of citizens of the United States on account of their religious beliefs.

I ask the House to give this matter a little consideration during the next week, because the expulsion of these religious workers violates the deepest sentiments of humanity. Every one of us knows that every country, even the most uncivilized, permits holy men to come among its people to preach the word of God. Yet Mexico, with whom we have no quota agreement in respect to immigration, so that its people can come and go as freely as they desire, with no restriction of any kind against any class of citizens on account of their religious belief, expels American citizens who are preaching the gospel. She has driven them out of their churches and expelled them from the country, their only offense being that they were American citizens.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. BOYLAN. I do.

Mr. LaGUARDIA. The gentleman is very painstaking in his work. Has the gentleman any information of concrete cases of American citizens having been expelled from France lately on account of their religious belief?

Mr. BOYLAN. The gentleman has not.

Mr. LaGUARDIA. Of course, the gentleman knows there are certain people who have been trying for years to get us involved in a conflict with the Republic of Mexico. Does not the gentleman believe we ought to scrutinize very carefully the reports or inspired newspaper articles tending to create friction between the two countries?

Mr. BOYLAN. Absolutely. And in the statement I made I said that we would not proceed hastily; but it is time for the United States to investigate and act promptly, if it should find the facts to justify it taking action, because even if they have inspired propaganda, what does that figure as against the rights of American citizenship? Here we are, one of the greatest countries in the world, and if we do not make foreign countries respect the rights of our citizens, what chance have we to get the respect of the world for using our common right to protect our citizens, no matter where they are?

Mr. LaGUARDIA. Of course, the gentleman knows that the United States has established the doctrine that it is the sole judge of what aliens shall reside within her own territory?

Mr. BOYLAN. That is very true, but the United States has no restriction against Mexicans. There is no restriction as to their quota, and I might say to the gentleman that even in our immigration law it specifically exempts as nonquota immigrant ministers of the gospel from any country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOYLAN. A couple of minutes more.

Mr. CULLEN. I yield the gentleman three additional minutes.

Mr. BOYLAN. We put up no bars of any kind against preachers. Here are citizens—merely because they are American citizens, mark you, who are not precluded from exercising their ministerial functions on account of the particular religion

they espouse or teach, but simply because they are American citizens.

Mr. LAGUARDIA. That is assuming that is taking place.

Mr. BOYLAN. It is taking place.

Mr. LAGUARDIA. I asked the gentleman if he had any information on that subject, and I understood the gentleman to say he had not.

Mr. BOYLAN. The gentleman referred to a particular country—France.

Mr. LAGUARDIA. No; I meant Mexico.

Mr. BOYLAN. The gentleman did not say Mexico; he said France. I will answer the gentleman if he changes the question to read Mexico. I understand there are many specific cases now before the State Department. Now I ask you to give this matter a little consideration during the next few days in order that when the Committee on Foreign Affairs reports this resolution we may be able to vote for it and that it may pass this House, and that the Secretary of State be requested to furnish us with whatever information he has in his hands; and after he does, then it is up to us to protect the alienable rights of our citizens no matter where they may be, under what clime they may be, as long as they are peaceful and law-abiding, and that the mere fact of being American citizens should not prejudice them in the eyes of the laws of any nation.

Mr. HUDSPETH. Will the gentleman yield?

Mr. BOYLAN. I will.

Mr. HUDSPETH. As I recall under that remarkable document, the constitution of 1817, it also provides they may confiscate property of the Catholic Church in Mexico.

Mr. BOYLAN. I understand it does, but that I think we can enter into after my resolution is reported by the committee; then we can go into this matter fully and see that exact justice is given to our citizens no matter where they may be. I yield back the remainder of my time. [Applause.]

The CHAIRMAN. The gentleman has used all of his time.

Mr. WASON. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, I want to call attention of the committee to the items contained on pages 34, 35, 36, and 37 down to the end of the bill appropriating for the United States Veterans' Bureau. I did not know that my distinguished colleague from New York would raise an international question this morning, or I might have come prepared to call his attention to conditions existing in the Republic of Mexico and the efforts that are being made by certain interests in this country to dictate on entirely domestic matters to that Republic. I simply want to call the attention of my colleague to the fact that the Republic of Mexico has the same right to govern its property and its minerals and its oils as any other sovereign government in the world. We should not interfere, and surely we have no right to interfere, in purely internal matters of a foreign and friendly government.

While I agree fully with the scope of the gentleman's resolution, let us be very careful that we do not create friction between the Republic of Mexico and the United States, and by so doing serve the purposes of certain selfish interests that are now seeking to bring about a break between the two countries.

Mr. BOYLAN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BOYLAN. Does not the gentleman think it is the duty of our Government to protect our citizens, no matter where they may be?

Mr. LAGUARDIA. Absolutely, and that is one question; but I say the Republic of Mexico has the same right to pass laws governing the control and protection of its minerals and oils as the United States or any other country.

Mr. BOYLAN. Absolutely it has; but I ask the gentleman if it has the right to discriminate against American citizens merely on account of their citizenship?

Mr. LAGUARDIA. Absolutely not; and I hope the gentleman will investigate, in the usual and thorough manner with which he does his work in the House, to see what is back of all this agitation which has suddenly grown up, and that certain news items are not inspired for the sole purpose of creating trouble.

Gentlemen, I want to call the attention of the House to the appropriations for the Veterans' Bureau, which amount to several hundred million dollars. We start off with an appropriation of $44,000,000 for the administration of the World War veterans' act of 1924. We find that $140,800,000 is appropriated for the payment of military and naval compensation accruing during the fiscal year. In addition to that, we have $35,000,000 for hospitals and several other small appropriations, besides the appropriation for adjusted compensation.

We are maintaining the Pension Bureau at this time in addition to the Veterans' Bureau, and the cost of the administration of that bureau is also very large. It seems to me that sooner or later, as the work of the Pension Bureau decreases, the activities of the two bureaus should be concentrated in one bureau. It also strikes me that $44,000,000 is a pretty large amount of money to spend to administer the payment of $140,800,000. Then we come to the $35,000,000 for the maintenance of the hospitals.

Mr. MORTON D. HULL. Is that a fair comparison—the $44,000,000 with the $140,000,000? Does not that administrative expense apply to the entire $400,000,000 shown in the addition of the totals?

Mr. LAGUARDIA. No; and I will tell the gentleman why, because I take it that the $35,000,000 will pay for the maintenance and upkeep of the hospitals. So you can eliminate the hospitals from that. Then, of course, you have the administration of the payment of the compensation act, and surely there can not be any great expense now in the administration of that fund. The bulk of the work is over; the large percentage of the certificates have been issued and the work connected with the administration of the compensation act is now limited to the payment of death benefits.

Mr. MORTON D. HULL. But there are other items; military and naval expenses, and so on. All of those are probably included in that administrative expense.

Mr. LAGUARDIA. I confined the $44,000,000 to the $140,000,000 because that represents the bulk of the work. The hospitals are separate.

Mr. MORTON D. HULL. But, eliminating the hospitals, there are other large items.

Mr. LAGUARDIA. Yes; there is the payment of adjusted compensation.

Mr. MORTON D. HULL. And it probably takes a large force to do that work.

Mr. LAGUARDIA. Well, that must end some time; it can not continue forever.

Mr. CULLEN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. CULLEN. I direct the gentleman's attention to a paragraph in the bill in order that the House may be intelligently informed, and I do not think my colleague has overlooked it.

Provided, That this appropriation shall be available for the purchase of subsistence supplies for sale to employees, the appropriation being reimbursed by the proceeds of such sales.

Mr. LAGUARDIA. Where is that?

Mr. CULLEN. That is on page 37 of the bill.

Mr. LAGUARDIA. But that does not amount to anything.

Mr. CULLEN. It amounts to this, that of the $35,000,000 which is appropriated for the upkeep and maintenance of the hospitals a certain amount comes back to the Government as the result of sales.

Mr. LAGUARDIA. Sales to the employees, but that is chicken feed; it would not be over a couple of hundred thousand dollars. We had the same system in the Army. When the commissary or the quartermaster's department sell groceries, of course, they are reimbursed for that amount.

Mr. CULLEN. Will the gentleman yield further?

Mr. LAGUARDIA. I yield.

Mr. CULLEN. I am very much interested in the veterans, as I was on the Veterans' Committee. I do not want to use up the time of the gentleman in making a speech, but I want to say I am also very much interested in the hospitals for our veterans. We very carefully went into the appropriations for the hospitals, and we came to the conclusion that was as low an estimate as we could possibly make.

Mr. LAGUARDIA. My criticism is not of the amount appropriated. My criticism is to the system. I want less administration and more benefit to the veterans.

Mr. CULLEN. That was as low an appropriation as we could possibly make and at the same time do justice to the veterans.

Mr. LAGUARDIA. I know we want to do justice to the veterans, but let me say to the gentleman that we are not doing justice to the veterans when we are spending millions of dollars on buildings one year and abandoning them the next year; when we are spending millions of dollars for jobs—offices, bureaus, and administration—we are not doing justice to the veterans, and we are not meeting the situation. I have heard that plea made on the floor of the House time and time again, and the time has come to stop that plea and stop hiding behind the veterans. I want to help the veterans and give them more and less for overhead. Now, that brings me to my point. I say that if we would exercise a little economy in

the clerical forces, if we would exercise a little economy in the administrative forces, if we would exercise a little judgment and foresight in the real-estate department, of buying sites and then selling them at a loss, we could do more for the veterans. I want to point out the fact that we have now arrived at the time when we have tabulated pretty well the complete number of disabled veterans. I am not in accord with the system that is now followed in the rating of veterans' disabilities. It seems to me that a veteran who is partially disabled ought to be rated on his individual disability and on the merits of his individual case. You can not make a formula and apply it to hundreds of thousands of disabled men. A professional man who lost two fingers may not be impaired in his ability to follow his profession, yet a mechanic or a laborer may be totally disabled thereby and require a larger amount of compensation and a higher rating.

I have referred many times to the case of a youngster whose face was entirely disfigured by a high explosive. He had no organic disturbance; he had all of his limbs, and they allowed that boy $12 a month. He was illiterate; he was a laborer before the war, and he could not find employment on account of the condition of his face. He simply could not find employment. There was a case of total disability if there ever was one.

The formula applied to that case was not just to the veteran. I have cases coming before me constantly, and I am sure every Member of the House must have such cases, where, if you take the formula and apply it to the rating allowed, you can not complain. It is a fair application of their system, but applied to the individual case and to the trade or vocation of the veteran it is unjust, it is unfair, and the allowance is inadequate.

I am not criticizing the appropriation; I am criticizing the system. I still believe we ought to close about one-half of these veterans' hospitals. I still believe we ought to close all of the tuberculosis hospitals. You can not keep tubercular patients confined in a hospital. He becomes dissatisfied the moment you send him there; and being unhappy, his recovery becomes doubtful.

Mr. BLANTON. Will the gentleman yield there?

Mr. LaGUARDIA. I yield to my colleague.

Mr. BLANTON. What about considering the climate and climatic conditions?

Mr. LaGUARDIA. Exactly.

Mr. BLANTON. For instance, we have hospitals at Prescott, in Arizona, and at Fort Bayard, in New Mexico, the finest in the world for the treatment of tuberculosis.

Mr. LaGUARDIA. Exactly.

Mr. BLANTON. And if I had a boy suffering to-day with tuberculosis, that would be the first place I would want to send him, either to Arizona or New Mexico.

Mr. LaGUARDIA. I agree with the gentleman.

Mr. BLANTON. Then why should we not keep up these tuberculosis hospitals there?

Mr. LaGUARDIA. I will tell the gentleman why. I know the climate of Prescott. I was raised there. I spent all my boyhood in Prescott, except the time we were down at Fort Huachucha. There is not a better place anywhere. Fort Bayard is also an excellent place; but if you take a T. B. patient and order him there and keep him there against his will, you do him no good. If we would take what it costs us in overhead for each one of these patients, and instead of sending the patient to a Government hospital we would give him a fair and generous allowance, more than he is getting now, part of the cost we are spending for hospitals, and let him go to the places of his own choosing or private sanatoriums, we would be doing more for the veteran and waste less money, and the patient would be happier and would get along better.

Mr. BLANTON. Will the gentleman yield further?

Mr. LaGUARDIA. I yield.

Mr. BLANTON. There is a splendid young man in my home city of Abilene who at one time was declared to be a permanent total with tuberculosis, and at his own instance the Government sent him to Fort Bayard, N. Mex., and he has been cured. He is now back home. He stayed there until he was cured.

Mr. LaGUARDIA. That was a fortunate case. He went there as an incipient case. He was undoubtedly happy. He had the will power to remain there, and in that one instance, of course, it did him good, but I maintain we could do more for the veterans by abolishing a great many of the hospitals we are now maintaining.

Mr. COLTON. Will the gentleman yield?

Mr. LaGUARDIA. I yield to the gentleman.

Mr. COLTON. Followed to its logical conclusion, the gentleman's argument would leave to the patient the treatment of the disease?

Mr. LaGUARDIA. In tuberculosis?

Mr. COLTON. Yes.

Mr. LaGUARDIA. Absolutely.

Mr. COLTON. Then the gentleman would disregard all the scientific discoveries that have been made in the treatment of tuberculosis?

Mr. LaGUARDIA. What scientific discovery has been made in the treatment of tuberculosis?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WASON. Mr. Chairman, I yield the gentleman five minutes more.

Mr. COLTON. Rest and proper food, quiet, and things of that sort that the average patient will not follow unless he is supervised.

Mr. LaGUARDIA. I wish there were a cure for tuberculosis. I lost the dearest one in the world to me through that disease. I have been through it all. I know something about it. I know that quiet, proper food, and rest constitute the proper treatment for tuberculosis, but, above all things, contentment; but if you take a boy and put him in a veterans' hospital, if he is dissatisfied, he is unhappy, and the climate and the treatment will do him no good. You can not get away from that.

Mr. LINTHICUM. Will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. LINTHICUM. Has not the idea that you must go to high altitudes, and so on, to cure tuberculosis been largely exploded?

Mr. LaGUARDIA. Oh, yes; we have them treated at the seashore now. It is an individual matter. Each case depends on the attitude, temperament, and degree of advancement of the disease.

Mr. LINTHICUM. As the gentleman has just said, is it not more a matter of placing them near home, where the home folks can see them and where they can get some attention from their friends by way of visits, and so on, and in this way do they not recuperate and improve faster?

Mr. LaGUARDIA. There is nothing more important than peace of mind, contentment, nourishment, and rest. The boys should not be sent to distant hospitals unless they particularly desire to go there.

Mr. LINTHICUM. That is what I find in our State. The tendency now is to send them to some place where their friends and relatives can visit them and where they can have some little home life, and yet receive the proper attention.

Mr. LaGUARDIA. Yes.

Mr. BLANTON. Will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. BLANTON. There must be some segregation, though. Does not the gentleman know that in our Postal Service to-day, if an employee in the main post office is declared to have tuberculosis, they remove him from that service.

Mr. LaGUARDIA. Immediately.

Mr. BLANTON. They will not let him stay there, because others might contract it from him.

Mr. LaGUARDIA. Of course. That is why I say to the gentleman that I would give these veterans sufficient money so they would not have to work and so they could take care of themselves and be close to their families.

Mr. BLANTON. Would the gentleman let them live in hotels and in homes of private families?

Mr. LaGUARDIA. I would treat them the same as civilian cases.

Mr. BLANTON. I am with the gentleman in believing we should give them an allowance for home treatment where they can get proper home treatment, but we should not do away with the hospitals.

Mr. LaGUARDIA. This is my idea. The same is true of the surgical and medical cases we now send to the veterans' hospitals. The cost of maintenance and of overhead of a hospital is very great. We have wonderful hospitals throughout the country—Johns Hopkins in the gentleman's State, and several in my city, and others all over the country. We can send these boys to these hospitals, give them better treatment, because these large city hospitals have specialists in every line, and you could not expect the good doctors of the Veterans' Bureau to be great specialists. The salary is not conducive to retaining men of great ability. They are doing the best they can.

Mr. BLANTON. Will the gentleman yield?

Mr. LaGUARDIA. In just a moment. And I believe, if we would abolish a great many of these hospitals, we would save money and do more for the boys. We could send the medical and surgical cases to one of the first-class hospitals throughout the country, near the boy's home, and in that way give the veteran more generous treatment than we are doing now.

Mr. BLANTON. It may be that it will save money, but I am more concerned about saving the tubercular boys. Suppose the gentleman from New York had tuberculosis; would he rather go to Johns Hopkins or to Prescott, Ariz.? I myself would take Prescott.

Mr. LaGUARDIA. I would take Prescott, but some might not like to go there. If I had a boy and he had tuberculosis, or if I had tuberculosis myself, I would never want to go where I could see a uniform. I would not want to go where there was military discipline. I would not want a bugle to get me out of bed in the morning and put me to bed at night. I would not want the sergeant to put out the lights at tattoo. I insist the boys deserve better treatment. We all want to give them generous treatment, but you are not giving them generous treatment when you spend millions of dollars for maintaining unnecessary hospitals and when we spend millions in administrating administrations.

Mr. BLANTON. I agree with the gentleman on that, but the hospital at Prescott is not a military hospital. You have no bugle calls, no sergeants to put you to bed; it is a veterans' hospital.

Mr. LaGUARDIA. Yes; it is a veterans' hospital and too much military discipline.

Mr. CULLEN. Mr. Chairman, I yield 30 minutes to the gentleman from Virginia [Mr. DEAL].

Mr. DEAL. Mr. Chairman, it seems at times that some Members of the House who are almost always kind, courteous, considerate, and tolerant of the views of others, lose their poise and balance when the question of prohibition is under discussion. Only a few days since we had upon this floor an exhibition of intemperance in debate which compromised the dignity and orderly procedure of this body, in which it seemed to some of us that an effort was made to stampede and intimidate a speaker who dared to express his views against prohibition. Having this in mind, I shall not feel disposed to yield my time for questions. It is my desire to present my views in a temperate and orderly manner and I trust that my colleagues will accord to me the deference which I have never failed to accord to them, whatever may be their views.

It has been contended that prohibition of the use of alcohol for beverage purposes, as a policy, has been settled finally and definitely by the ratification of the eighteenth amendment and is therefore not a political issue.

Were we calmly to survey the field, we should find that prohibition is quite the livest political issue in America to-day. Relatively, our entire population is perturbed, dissatisfied, and divided over the situation. It is the topic of continuous debate in the drawing-room, hotel lobby, Pullman car, and on the street corner.

There is one school of thought that insists our laws can be and must be enforced, meaning, of course, the prohibition laws; another contending that these laws can not be enforced except at a prohibitive cost in money, violence to the safeguards of society and many of the reserved constitutional rights of the individual, all agreeing, or seemingly agreeing, that they are not enforced. So long as this condition obtains we have a very live issue, and the question arises—

DO WE COMPROMISE WITH LAWLESSNESS?

Our Constitution has been derided, scorned, and so frequently observed in its breach by Congress and the executive branch of our Government, as well as the public, that I sometimes think—perhaps a delusion—it requires more than the average of normal courage to invoke its limitations in debate.

The gentleman from the seventh district of Michigan, for whose ability I have a high regard, speaking to the House on February 2, 1924, said:

Whatever Americanism is, it is not defiance of law. The creed of Americanism must have as its fundamental principle—this being a democracy—the doctrine that there can be no compromise with lawlessness. I have been interested in the past two days in the addresses of gentlemen who are leaders in the movement for compromise with lawlessness, gentlemen who say that a part of the Constitution of the United States can not be enforced, who hail with delight any failure of its enforcement, who seek repeal of all Federal law for its enforcement, who oppose the enactment of State laws for its enforcement, and who propose a compromise with lawlessness by the return of beer and wine.

Again, on page 1922 of the RECORD, in answer to a question by the gentleman from Texas [Mr. BLANTON], he said:

There is no doubt but what every speech that is made in which it is stated that the law can not be enforced is an encouragement to violate it. It is an encouragement, and the higher the standing of the official, the higher the social, financial, and industrial standing of the citizen who preaches that, the more dangerous it is to the welfare of the country.

On May 12, 1924, the Washington Post quoted Mr. L. J. Taber, master of National Grange, as declaring that Dr. Nicholas M. Butler, president of Columbia University, was a traitor to his party and the best interest of his party because he advocated a wet plank in the Republican national platform.

The Washington Post, on June 4, 1924, quoted Mr. Fred B. Smith, chairman of the committee of one thousand for law enforcement, of the Northern Baptist Convention, as declaring that—

whoever utters the statement that the eighteenth amendment can not be enforced utters treason. A large proportion of the people refuse to obey it, and some absolutely say so. If they get away with it, it will mean the beginning of the doing away with constitutional government.

I might quote many similar expressions from leaders of this school of thought, but these are sufficient to emphasize their uncompromising and intolerant attitude of those who honestly entertain different views as to prohibition and dare to express them publicly.

WHAT OTHERS THINK AND SAY

[Quoting from Washington Post of June 27, 1923]

Mr. Chief Justice Taft, at a Yale Alumni dinner, made four charges against present prohibition legislation: "First, that it is keenly sumptuary; second, that it is hard to enforce; third, that it takes no regard of international considerations; fourth, that it puts in jeopardy all national, State, and local issues, because it has created a party strong enough to wreck any legislation it opposes, whether it be in the prohibition field or outside." He might have added with propriety a fifth reason, namely, that it provides for the confiscation of property rights guaranteed by the Constitution. "It is generally admitted," said Mr. Taft, "that legislation of a sumptuary character, or, in other words, involving the personal appetite and taste, is commonly resented and always difficult to enforce. People will not tolerate public control of what they shall eat, how they shall dress, what amusements they shall enjoy, or what kind of house they may live in. These are considered questions of personal taste over which the State has no legitimate control." Mr. Taft did not include "or what they shall drink," but characterized the Volstead law as "keenly sumptuary." Was the Chief Justice of the United States Supreme Court compromising with the law?

Quoting from the Virginian-Pilot, June 27, 1924:

The executive council of the American Federation of Labor denounced the Volstead Prohibition Enforcement Act as a moral failure and a dangerous breeder of discontent and contempt of law, and demanded its amendment to the extent of restoring light wines and beer.

Are the leaders of the American Federation of Labor traitors to their country?

In December, 1922, referring to prohibition, President Harding said to Congress:

Plainly speaking, there are conditions relating to its enforcement which savor of Union-wide scandal. It is the most demoralizing factor in our public life.

Was President Harding compromising with the law?

In October, 1923, Adolphus Busch, in a letter to the President of the United States, said:

Forty-four per cent of the 33,000,000 population who had representation at the polls on State prohibition expressed themselves as opposed to it.

Are these 14,500,000 citizens who voted against prohibition traitors to their country?

President Lincoln said:

Prohibition laws strike a blow at the very principles on which our Government was founded.

Was President Lincoln compromising with lawlessness?

President Coolidge, in an address to the American Bar Association, August, 1922, said:

In a republic the law reflects, rather than makes, the standard of conduct. The attempt to dragoon the body when the need is to convince the soul will end in revolt.

Was President Coolidge compromising with lawlessness?

At the thirtieth year jubilee convention held in Washington in January, 1924, a reporter quotes Mr. Fred B. Smith, of the Commission of Council of Churches, to wit:

Enforcement is confronted by two serious obstacles: First, the laxity or indifference on the part of many people; secondly, a growing sentiment throughout the country for a modification of the Volstead

Act. These conclusions, said he, are the result of personal observation as well as the reports of special observations of investigators sent to all parts of the country to ascertain the facts. You must arouse public sentiment on the matter or you may as well give up hope of ever enforcing effectively the eighteenth amendment. The spread of lawlessness as a result of the reaction against prohibition is becoming a menace. It is a terrible thing when a law becomes an object of Pullman car, hotel, and around-town jest. This the Volstead Act is, as I have personally observed. It is hard to secure respect for a law which is the object of derision. The result is that all law is flouted, and we have a condition of lawbreaking that threatens the perpetuity of the Republic.

Was Mr. Smith compromising with lawlessness? Rev. Sam Small said:

You can win by using the force of the United States Army and Navy—

Which the convention indorsed with applause. Was this compromising with lawlessness?

It seems—

Said the reporter—

that war is on its program for the nullification of the constitutional Bill of Rights of the American people.

Hon. Mabel Willebrandt is quoted as having said:

I receive anonymous letters, but only a fraction as many as Commissioner Haynes, telling of violence, but using the writers' names must be kept out of it. Federal officers are helpless. Unless people are willing to become witnesses, such complaints are worthless. The courts can not convict without testimony. It becomes a question as to whether the people will have the courage, whatever their standing, to appear as witnesses. Will they testify against their bankers or prominent people of their community? Until enforcement gets hold of the big ones high up, it seems folly to prosecute the little fellows. It is all wrong to use so much energy and money on the type of seizing and raiding methods of enforcement.

Was Hon. Mabel Willebrandt compromising with lawlessness? Continuing, she said:

There is only one sword that will stand untarnished by the blood that has got to be drawn in this fight—the sword that is defiant of political expediency.

The reporter said this statement got wild applause. It mentioned blood, and this convention was a bloodthirsty convention. Was it compromising with lawlessness? Governor Pinchot, speaking at the jubilee convention, said:

Two years ago when the league met arrests for drunkenness had been declining. Fewer people were in jail. Withdrawals of whisky had been steadily decreasing, and the production of alcohol and withdrawals for denaturing were rapidly falling. To-day the situation is reversed. Arrests for drunkenness have enormously increased. The population of jails and institutions is rising, illegal withdrawals of whisky continue to increase, and, most significant of all, the withdrawals of alcohol to be denatured have nearly trebled in two years. They jumped from 38,000,000 proof gallons to over 105,000,000, or an increase of 67,000,000 proof gallons in 24 months.

A part of what this increase means appears when we recall that in the same time deaths from drinking poisonous liquor have multiplied beyond all previous experience. In the face of such figures as this the relative insignificance of smuggling is perfectly evident. The greatest breeder of crimes and criminals in America is the failure to enforce the eighteenth amendment. Out of the knowledge of criminals that the bars are down grow murder, brigandage, piracy, poisoning, and a multitude of other crimes of violence and cunning, in addition to the violation of the amendment itself.

Was Governor Pinchot a traitor to his country?

Does the Federal Council of Churches, in its recent report on the subject of prohibition, compromise with lawlessness?

Rev. James Empringham, national secretary of the Episcopal Temperance Society, an organization of clergymen and laymen of the Protestant Episcopal Church, announced that the society would work for a modification of the Volstead Act. Reverend Empringham was formerly superintendent of the Anti-Saloon League of New York. He said that he had started out a year ago to gather material for a pamphlet showing that prohibition was a success. He has not finished the pamphlet because his investigation showed that he was wrong.

We thought a law would be better than education to stop drinking; we made a mistake—

He said.

Was the Reverend Empringham compromising with lawlessness?

Quoting from the Virginian-Pilot, October 24, 1924. Bishop Candler, of the Methodist Episcopal Conference, emphasized "the need of personal evangelism rather than mob salvation," and urged that forced belief is without value. Was he compromising with law?

And now Cardinal O'Connell, senior Catholic prelate in America, is opposed to compulsory prohibition.

Mr. BLANTON. Will the gentleman yield?

Mr. DEAL. I yield.

Mr. BLANTON. The distinguished gentleman from Virginia is fundamentally opposed to national prohibition, is he not?

Mr. DEAL. I am.

Mr. BLANTON. If he had been here when the eighteenth amendment was voted on, he would have voted against it.

Mr. DEAL. I did not yield to the gentleman to ask irrelevant questions. That was a number of years ago, and I am not certain whether I would have voted against it or not. Probably I would.

Mr. BLANTON. If he is fundamentally opposed to the passage of such a law as that, of course the gentleman is for modification.

Mr. DEAL. I decline to yield further. I want to say in response to the gentleman that I claim the right, with all other gentlemen on the floor, to express my views, and that is what I am doing at the present moment. I do not propose to be stampeded and prevented from expressing my views on this or any other subject.

Mr. Chairman, I do not find in the speeches made by Members of this House who are opposed to sumptuary laws any stronger indictment of the failure of prohibition than that of the distinguished leaders of the prohibition movement just quoted, to say nothing of the expressed views of Presidents, judges, legislators and a large percentage of the press of our country. And yet, when those who advocate, not violation but change of the law, dare to express similar views they are charged with "compromising with lawlessness" and with being "traitors to our country."

There can be no doubt in the minds of those not limited to the one idea on which side of the ledger red ink will record the failure realized from this momentous effort to legislate morals into human beings. I claim an equal right with others to discuss this subject and in my humble way point out some of the evils and obstacles to be surmounted.

THE GOVERNMENT MUST RESPECT THE LAW

First of all, let me suggest that if we are to expect the average citizen to respect our laws, the Government should at least set an example. We are told that he who violates the eighteenth amendment is a traitor to his country, and yet there are those of this school of thought who seem to have advocated the violation by the Government of several of the amendments to our Constitution, and the question arises—

IS OUR GOVERNMENT A BOOTLEGGER OF THE LAW?

(1) Article IV of amendments to the Constitution provides that the right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrant shall issue except upon probable cause, and so forth.

This amendment to our Constitution, symbolized by the sufferings, blood, and death of our Revolutionary ancestors, just as sacred, just as binding, just as much a part of the Constitution as the eighteenth amendment, but far more important as a safeguard for the protection of the peace and happiness of our citizens, has been persistently violated both by the State and national enforcement officers, and even the Supreme Court has undertaken, in a measure, to modify this provision of the Constitution by deciding that vehicles may be searched and seized without warrants. The fourth amendment, it will be observed, makes no exceptions in this particular. It is true that motor cars and motor boats were not known when this amendment was written, but horse-drawn vehicles and sailing vessels were in common use, and no exception was made as to them. The Supreme Court has no delegated power to change any word or the meaning of any word in the Constitution.

In order, therefore, to carry into effect the extreme interpretations of the Volstead Act by extreme partisans of the measure, the fourth amendment to the Constitution has been to a large extent and in some instances entirely nullified and voided. Is not this compromising with the law? Why obey the eighteenth amendment and violate the fourth amendment?

(2) Article V of the amendments to the Constitution provides that "no person shall be subject for the same offense to be twice put in jeopardy of life or limb," and yet we find it a common practice to arrest and try persons twice for the same offense, once by the State and then by the Federal courts, or vice versa. And so this provision of the Constitution, just as sacred, has been voided and nullified in order to enforce the eighteenth amendment.

(3) The same article provides that no person shall be deprived of life, liberty, or property without due process of law, nor shall private property be taken for public use without just compensation. There are to-day, according to the report of General Andrews, 81 automobiles taken from private persons and applied to public use without any compensation whatsoever or even the formality of a sale. A third provision of the Constitution nullified and voided in an effort to enforce the eighteenth amendment.

(4) Human beings have been shot without any other process of law than the suspicion of some enforcement officer. It appears that during the past year 24 persons were shot to death in this manner and not a single indictment or penalty imposed upon the officer. In the majority of those cases there was no testimony other than that of the officer, who claimed self-defense, a most natural result and consequence on the part of the officer. Even this does not cover the entire situation. Innocent citizens have been shot to death by enforcement officials without any excuse whatsoever save the suspicion that might rest in the mind of the officer.

A lady driving her own car after sundown was accosted on the highway near Danville, Va., by prohibition officers and ordered to stop. Not knowing that they were officers of the law, and no doubt fearing them to be robbers or rapists with malicious intent, she naturally observed the first law of nature and endeavored to preserve and protect herself by "stepping on the gas"; a thug officer pulled the trigger, with the result that the lady was shot dead at the wheel of her car. She had violated no law; there was no warrant for her apprehension; there was nothing to indicate that these were officers of the law; she had every reason to believe they were highwaymen, with whom the roads have been infested since the advent of the bootlegger under the sumptuary prohibition laws.

A young man returning from a visit to his sweetheart was accosted in a similar manner by persons whom he supposed to be highwaymen. He "stepped on the gas"; the officer pulled the trigger, with the result that the young man is to-day an invalid for life. He had violated no law; he was where he had a right to be, in his own car on a public highway in pursuance of an honorable purpose in life. A law-abiding citizen was shot to death in my city while driving through a public highway, in the presence of his brother, wife, and children, traveling at a speed which permitted the officer to step on the runningboard of the car and fire his gun—a cold-blooded murder, for which only a sentence of six months in prison was imposed, and this, at the instance of prohibitionists, was commuted to four months. Truly, no man or woman is safe from these vultures turned loose upon society in the vain and fruitless effort to force morals into human beings. And so a fourth provision of the Constitution for the safeguard of human rights and liberty is being nullified and voided in the enforcement of the Volstead law.

Mr. HERSEY. Will the gentleman yield?

Mr. DEAL. I yield to the gentleman from Maine.

Mr. HERSEY. Is the gentleman aware that there are over 2,000 officers who have been killed in the enforcement of this law?

Mr. DEAL. Not during the past year; but I would not be surprised; if true, it suggests that these laws should be modified.

Mr. LINTHICUM. Will the gentleman yield?

Mr. DEAL. Yes.

Mr. LINTHICUM. In my district they made a raid on a next-door neighbor, a handsome lady, and in the raid an officer shot her and put out one of her eyes, and her claim is now before Congress for compensation.

Mr. DEAL. I thank the gentleman for his addition to this saturnalia of crime.

(5) Article VI of the amendments to the Constitution provides that a person charged with crime shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the crime shall have been committed. Under the padlock system and the resort to injunction, jury trials have been denied to persons charged with crime. A fifth violation of the rights reserved under the Constitution.

(6) Persons have been taken from the district in which the crime was alleged to have been committed and carried to distant portions of the State for trial, likewise a violation of Article VI of the amendments to the Constitution, deemed necessary in the effort to enforce the Volstead law. A sixth violation of the Bill of Rights.

(7) Article VIII of the amendments to the Constitution provides that excessive bail shall not be required; excessive fines shall not be imposed; cruel and unusual punishment shall not be inflicted, all of which restrictions, in my opinion, have been stretched to the breaking point in an effort to enforce the eighteenth amendment. I have known a man sentenced to six months at hard labor for having a small quantity of liquor on his person, undoubtedly a cruel and unusual punishment.

(8) The fourteenth amendment to the Constitution provides that no State shall make or enforce any law which shall abridge the privileges and immunities of citizens of the United States. And yet there are State laws which have unhesitatingly abridged the privileges and immunities guaranteed to the individual by the Constitution of the United States. And so we find an eighth provision of the Constitution nullified in the effort to enforce the Volstead law.

(9) This article likewise provides that no State shall deprive any person of life, liberty, or private property without due process of law; and yet property has been confiscated and life taken by State officials without due process of law, a ninth violation of the Bill of Rights.

(10) Even the sacred eighteenth amendment itself is being ignored, in that it has not denied the use of alcohol for medicinal purposes, and yet the Congress of the United States has enacted a law prohibiting the use of beer, under the direction of a physician, for medicinal purposes. A tenth violation of the basic law. By whom? The Government, of course. No other power could do these things.

It has been charged, and I believe not denied, that the enforcement department permits alcohol to contain poison, indeed requires that it shall be denatured, knowing that a large percentage of it will go into beverages for human consumption, and thus the Government becomes a party to the poisoning of human beings in its frantic effort to enforce a law that antagonizes the laws of nature and the most common decencies with respect to the preservation of life. And yet, with this astounding record of encroachments upon the reserved rights of the individual, those of us who dare to stand up and protest are characterized as compromising with lawlessness, as uttering treason, as enemies to society, as in league with the devil. Are we not warranted, therefore, in the thought that our Government itself has not only compromised with the law but is in itself the chief violator of the law?

In view of these facts, which can not within the bounds of reason be denied, are we not justified in the complaint that the eighteenth amendment and the Volstead law can not be enforced save and except in violence to nearly if not every one of the safeguards reserved to the individual in our Bill of Rights? Can we with truth and honesty be characterized as compromising with lawlessness and as traitors to our country because we protest these invasions upon our basic law? Are we entitled to be insulted with the charge that we are in league with bootleggers and the devil because we demand that the State and Nation shall obey our laws? Shall we heed the demand that we be silent while our enforcement officers by violence and bloodshed commit rape upon our most sacred rights? It is not my purpose to accuse the opposing school of thought with instigating or indorsing the gross violations of law to which I have referred, but I commend them to the serious consideration of those who charge us with compromising with lawlessness, with being traitors to our country, with being in league with bootleggers and the devil.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. DEAL. Yes.

Mr. LAGUARDIA. The gentleman never heard of a bootlegger in favor of modification, did he?

Mr. DEAL. I think so. I do not agree with gentlemen who say that bootleggers are opposed to modification. I think most of them hope some time to lead better lives and are looking to the time when they will make their pile and quit. [Laughter.]

Mr. LINTHICUM. Has the gentleman the figures on the amount of liquor that the Government has released each year?

Mr. DEAL. I have, and I will give it later.

It is claimed that the majority of the American people have voted for prohibition, and that it is the duty of the minority, however large, to submit to the will of a majority. Permit me to call the attention of my southern friends to the fact that, as a result of circumscribing the fifteenth amendment to the Federal Constitution, the Negro, representing perhaps 40 per cent of the population of the Southern States, was deprived of the franchise. Few will deny that, had they been privileged to exercise that right, prohibition would not have prevailed in the Southern States. And had it not prevailed, the eighteenth amendment would not have been written into our Constitution. Yet, it is upon this class of people, who could not exercise the right of franchise, upon whom the law must be enforced. Can we expect a majority of these citizens, and I say it unhesitatingly, to respect a law forced upon them, in which they had no part or opportunity for protest? The southern negro may not feel that he has been disgraced as a result

of a jail sentence, because he is not ostracized by his race. May not this same thought prevail in other classes of society as a result of an unpopular sumptuary law? When the unwritten law of social ostracism is repealed, how can we expect a statutory law to prevail? If the advocates of the Volstead Act are sincere in their demand for law enforcement, why not join me in the demand that the Government respect and obey the commands set forth in our Bill of Rights? What is sauce for the goose should be sauce for the gander.

THE LESSONS OF HISTORY

Perhaps it may not be amiss to recall certain events in history that seem to bear upon this subject. Adam Smith tells us that in the seventeenth century the English Parliament enacted a law prohibiting the importation of silks into England.

Yet—

Says Smith—

when the enforcement officers were supposed to be exercising the greatest vigilance in the enforcement of the law, French silks were exposed for sale in the House of Parliament.

Macaulay tells us that, owing to the great profit in smuggling, almost the whole population of southeast England was interested therein, notwithstanding the fact that the entire British fleet was constantly patroling the channel, and it was commonly said that it would require a gibbet on each hundred yards of the coast to prevent smuggling. The importation of liquors and tobaccos was also embargoed or subject to abnormal duties. A correspondent in Kent County, writing for the Gentlemen's Magazine, published in London, said that the crops were rotting in the fields because labor found it more profitable to smuggle. I have read that an English law provided a death penalty for smuggling, that the police were empowered to hang upon a gibbet those apprehended, and their bodies left as food for vultures, as a warning to others against violations of the law. These gibbets may still be seen in the museum at London. Hume tells us, in speaking of the laws against conventicles—

experience probably had taught that laws overrigid and severe could not be executed, and that in event disputes should arise with regard to the interpretation of any part of this act judges should always explain the doubt in the sense least favorable to the conventicles, it being the intention of Parliament to entirely suppress them.

Such was the zeal of the commons that they violated the plainest and most established maxims of civil policy, which requires that in all criminal prosecutions favor should always be given to the prisoner. Adam Smith also tells us that France, at the same period, provided a death penalty for violation of her smuggling laws and that an army, called "Les Moltotiers," was authorized to inflict the penalty on the guillotine, but that enforcement failed, because officers of the law themselves became the smugglers. These sumptuary laws, both in England and France, were repealed or else ceased to be enforced. Are not these lessons of history worthy of our consideration? Do they not bear a striking similarity to conditions as they exist in America to-day, except as to the penalties? I have no personal knowledge that any of our enforcement officers have engaged in smuggling, but from many sources we hear that such is true.

It is needless to remind you that evidences of wholesale smuggling are apparently on the increase, that the prices of liquors have greatly decreased since 1920, and that the patrons of this illicit trade are not confined alone to "old soaks," but have extended in a larger and larger measure to our women and even to our boys and girls. We have not as yet enacted the death penalty for violation of our prohibition laws. One of our Senators only recently indicated, however, that under some circumstances he would favor a resort to this extreme. The effect of such a law I can not predict, but the lessons of history and a study of the psychology of human beings does not encourage the belief that it would succeed. Indeed, it is to be noted that as our laws have been made more severe, juries have been less inclined to convict. Men have not hesitated throughout all time to risk their lives for gold. When the gold fields of California and later those of the Yukon were revealed, hundreds and even thousands flocked hence, regardless of comfort, of health, or of death, seeking thereby to enrich themselves. Nor have the horrors of war, rape, or murder arrested an insatiate desire for gain. Have not most of the great wars in the past been inspired for gain? Then, on what hypothesis can we assume that fines or imprisonment will arrest that which death has not stayed?

THE FINANCIAL COST OF PROHIBITION

Prohibition we are told is a moral issue. Thus, prohibition laws have been enacted at the instance of the Anti-Saloon League. As its name indicates, the proclaimed purpose of the organization, prior to the time when its power was sufficient to threaten the defeat of members of State legislatures and Congressmen, was to eliminate the saloon. The support given to this movement originally was based solely upon this theory and for this purpose. Reform movements are almost always led by extremist, radical temperaments. Such temperaments are not safe to intrust with power. History teaches as much. Drunk with the sudden possession of power, the platform of saloon elimination, upon which this movement was backed by the public, did not satisfy its leaders. The eighteenth amendment and the Volstead law followed. The leaders seemed to feel, and I have no doubt believed, that the use of alcoholic beverages is the base and major cause of all crime. Laws they seemed to think the panacea for evil. The psychology of human minds has been overlooked. Crime, they taught, would practically cease; the courts and jails would be relieved of congestion.

Two or three millions of dollars it was thought would be sufficient to enforce the laws. Experience presents another view. The following table, submitted by Mr. Jones, assistant to General Andrews, is enlightening:

	1920	1921	1922	1923	1924	1925
Criminal cases	7,291	29,114	34,984	40,021	46,431	51,688
Convictions	4,315	17,962	22,749	34,067	37,181	39,072
Acquittals	125	765	1,195	1,770	1,754	1,834
Cases dropped	655	2,570	4,799	6,893	7,674	7,622

Mr. Jones testified that at the end of 1921 there were 10,365 untried cases; in 1922, 16,713; 1923, 23,052; at the close of 1924, 22,380 cases; and at the close of 1925 there were 25,334 cases pending trial.

Mr. VARE, of the committee, asked Mr. Jones if he had any record showing the number of cases tried by the State courts. I have not, said Mr. Jones. Mr. Britt, attorney for the department, testified that he could not get it without paying for it (p. 406, hearings, subcommittee):

Mr. VARE. I have in mind there are a greater number of these cases tried in the local courts than in the United States courts.

That is true—

Said Mr. Britt; so the above record is inaccurate, representing perhaps one-third of the cases tried. General Andrews is demanding more courts, so our jails have not been emptied nor have our courts been relieved. From a cost of $3,000,000 we will appropriate for the year 1926 $32,000,000 and for 1927 $37,000,000. And the end is not yet. A Navy of 345 rum chasers are in use, and Admiral Billard is to have $3,900,000 with which to build 35 more vessels. Three thousand two hundred and forty-one men are employed in the field service, or one effective field man to each 34,940 people. More than 8,000 persons are employed in the enforcement of prohibition by the Federal Government, to say nothing of the assistance from the customs and other departments of the Government. Adding to these the number and cost of the State officials, the number of those directly and indirectly employed may well reach 20,000, at a cost of perhaps $80,000,000. Of course, any figures apart from those given by the enforcement officers of the Federal Government are estimates. Notwithstanding this enormous increase in expenditures during the past five years, the prosecutions have increased from 7,291 to 51,688 by the Federal Government alone, and the number of cases pending trial are 25,334. I submit these facts without comment; they speak for themselves. The department expects to have in the service of confiscated automobiles 375 within another year. Admiral Billard will have an additional 35 vessels, more men, more expense, more courts. How long must this go on before the American people revolt?

Does it lie within the mouth, therefore, of Mr. A to accuse Mr. B of being a traitor to his country, or of encouraging law violations, when he protests against laws that lead to such conditions? Does it lie within the mouth of Mr. A to claim that Mr. B should be silent, when our officers are violating the fundamental laws of our country? Is Mr. B an undesirable citizen because he publicly proclaims that his Government shall set an example to its citizens of respect for the law? Does Mr. B shock the sensibilities of Mr. A, who has advocated and countenanced the violation of our Constitution in many ways, by proclaiming that the Government is one of, if not the biggest, bootleggers of the law that we have?

Shall Mr. B keep silent when men and women may be, and have been, apprehended, fired upon, and killed by Government officials when in a frenzy at failure to enforce laws which so many of our population do not respect? When "snappy gun work" by prohibition officers, according to the Washington Post, "is desired by church heads"; when it is proposed that

our Army and Navy shall be used for police enforcement in violation of the mandate of the Constitution; when the word "blood," in connection with enforcement, is vociferously cheered by an Anti-Saloon League convention; when our Government deliberately places poison in alcohol, knowing that a large percentage will go into beverages, thus seeking to enforce the law by poisoning human beings; when innocent men and women, not once but frequently, have been shot to death by criminals employed for prohibition enforcement and encouraged by certain Anti-Saloon League elements to use the gun; does it lie within the mouth of this element to charge that any person compromises with lawlessness because he protests that these criminals have not been punished? Reference to the speeches of those whom the gentleman from Michigan was pleased to designate as leaders in the movement for compromise with lawlessness does not reveal a proposal to compromise, but rather to change laws in an orderly and reasonable manner. We have not advocated a reopening of the saloon. We have not advocated the promiscuous sale of alcoholic beverages. But we do demand that the law shall apply to suburban as well as urban peoples; that the Government itself shall respect the law, and that the law shall be enforced by reasonable methods within the limits of the law itself. The most potent allies of the Anti-Saloon League may be found in some of our churches, and it is from the pulpit that we find some of the most outspoken demands for extreme methods as affect our prohibition law, which, if persisted in, must breed not only contempt for law but revolution and bloodshed in untold proportions. I have before me a clipping from a newspaper, in which a minister is reputed to have called upon the Ku-Klux Klan to wipe out immorality in a certain city. He said:

I believe the law is ready and willing to do its part, but it is not able—

Citing many instances of crime unpunished.

The organization of which I have spoken, if properly utilized, can save the day where the preacher, the church, and law can not save it. The roads around here are no longer decent places for men to take their families to ride. I do call upon the Ku-Klux Klan—

Said the minister—

if they can help us, and I would not blame you if you should take a man out of an automobile and beat the hound out of him. The Klan can remedy this thing, and I call upon them to do it.

In a frenzy at the failure of a cherished ideal, there is an element of society demanding that this one law shall be enforced at the sacrifice of any other ideal, principle, or law that may chance to stand in its way. The Constitution, respecting human rights, must be brushed aside, human beings must be poisoned and shot down in cold blood on suspicion.

I quite agree with the gentleman from Michigan, in that our laws should be enforced and that it does not comport with the dignity and stability of a great and powerful nation such as ours to compromise with the law. I believe that all laws should be enforced alike, and reasonably; but I can not agree that any one law should be enforced at the expense of other laws enacted with equal solemnity, or in the enforcement of which violence is done to the rights and liberties of the citizen reserved in our Bill of Rights.

EVERY MAN THAT STRIVETH FOR THE MASTERY IS TEMPERATE IN ALL THINGS

This would apply to eating as well as to drinking; to action as well as to speech; to the laws of man as well as to the laws of God; and I commend this principle to those who ask if "any good thing can come out of Nazareth."

Let moderation be known unto all men. (Phil. 4: 5.)

Christ did not seek by temporal law to carry His doctrine into the home; but by tolerance, love, and example He taught a faith that has commanded the respect of millions through nearly 2,000 years and has spread to the farthest ends of the earth. Neither cruelty, violence, or bloodshed have checked the spread of this faith. Neither the tyranny of Nero, the cruelty of "Bloody Mary," nor the Spanish Inquisition prevented the exercise of an inherent right by the individual to worship according to the dictates of his conscience. History is replete with illustrations wherein persecution has stimulated and encouraged opposition, even to the extent of revolution. There is unquestionably a duty on the part of the church to aid in this proposed reform, but in my humble opinion it should function along the lines laid down by the Lord Jesus Christ when He admonished His disciples "to preach the word." In my study of His life and His works I can find no single instance in which the Lord advocated force or physical punishment in this world for those who refused to believe. [Applause.]

Mr. WOOD. Mr. Chairman, I yield 40 minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Chairman, last summer I visited the Philippine Islands for the purpose of determining in my own mind from personal observation and inquiry the question of Philippine independence. I remained in the Philippines for about five weeks, during which time I devoted myself almost constantly to the study of this question. I found the people of all kinds and races friendly, courteous, and hospitable. As I wished to form my own opinions without prejudices or be influenced by friendships or obligations of any kind, I did not accept the numerous invitations for entertainment and other courtesies. In consequence, I am free to express my views without embarrassment. Whatever prejudices I had were in favor of independence, and I frankly acknowledge that I was influenced more by the belief that the Philippines were a liability rather than an asset to the United States and that it would be to our advantage to get rid of them in the easiest way possible. I had been brought to this conclusion partially by the large amount of literature I had read on one side of the subject only and partially because of my belief in "government by and with the consent of the governed." I was wrong in both respects. There are occasions where public interest is paramount to public opinion.

One does not have to be in the islands long or travel many miles from Manila before becoming convinced that there is more sophistry, demagoguery, and politics in the agitation for independence than real demand on the part of a majority of the people living in the Philippines. I do not deny that there are many efficient and honest men in the Philippines capable of handling great questions of government. However, they are not in the majority and are almost totally lacking in power. In addition to this, practically all of those whom I met of such a type were opposed to independence, but in a very few instances did they care to make their opposition known. There is a reason for this, and I quote from a newspaper dispatch from Manila on February 11:

Following weeks of reports of an impending Filipino attempt to boycott American and British firms actively fighting Philippine independence Manuel Roxas, speaker of the house of representatives, has come out flat-footedly for such action.

In a fiery oration before the students of St. Thomas University Roxas openly urged a move to force American capital in the Philippines to cease aiding the antinational aspirations of the Filipinos.

It is reported from a reliable source that Filipino leaders are planning to inaugurate the boycott on Washington's Birthday. Leaders of the movement are reported preparing to broadcast a list of firms considered unfair to independence.

This is really nothing new. Such activities have been carried on sub rosa for the past few years. In addition to the boycott, other methods of intimidation have been used which have established what might be called "jungle fear," not only in the native Filipino but also in the American. This is the first instance which has come to my attention in which the politico has even acknowledged such methods. Manuel Quezon, political dictator of the islands, stated he preferred to "see the Philippines governed like hell by the Filipinos rather than governed like heaven by the United States." Quezon succeeded Osmena some three or four years ago as a leader of the politicos. Osmena, when in power, conducted himself with some consideration of the rights of all of the people and the sovereignty of the United States. Since Mr. Quezon has had control he has observed few of the laws of God or man, and woe betide anyone who dare oppose him. He now comes out in the open, and through Manuel Roxas declares against the first requisite of good government, free speech, and a threat against anyone who would criticize or oppose his attempt to make a hell of the Philippines.

I was very much surprised at the recent attack upon Governor General Wood by one of our Members from Texas. His whole speech is full of inaccuracies. I have a real affection for this Member and so will not criticize him or question his motive. He criticized Governor General Wood indirectly for the conviction of a member of the Manila City Council who was sentenced to two months' imprisonment on the charge of having used insolent language toward the representative of the American people in the Philippines. The governor knew nothing of the occurrence. The offender was tried and convicted in a Filipino court and, I supposed, sentenced by a Filipino judge. I want to say to the gentleman from Texas that no State south of the Mason-Dixon line would have allowed such a studied insult to a white official to go unpunished. His reflection upon a man whose lifetime has been spent in service and sacrifice for his fellow men is in direct contrast to the spirit and prac-

tice of the South. Another portion of his remarks is devoted to free speech and I will quote them.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. JONES. Was not this remark supposed to have been made in the course of a political speech?

Mr. UNDERHILL. It was made during a political campaign.

Mr. JONES. Does the gentleman know of any instance where the courts have given a jail sentence to any man in America, white or black, who has used such language in a political speech?

Mr. UNDERHILL. The gentleman knows the temper of the State from which my honorable friend comes enough to realize that had the Governor of the State of Texas been insulted, as was the Governor General of the Philippines, the man who did it would not have had a chance to get to court.

Mr. JONES. I have heard a good deal stronger remarks made in Texas during political campaigns, and no one thought of sending anyone to jail.

Mr. UNDERHILL. Down in Texas those to whom I refer and to whom the gentleman refers do not vote or participate in elections.

Mr. JONES. They have the privilege, and at least some of them vote.

Mr. UNDERHILL. No; they do not.

Mr. JONES. Yes; they do. That charge has been made time and again in regard to other States, but it can not be made as to my own State. A good many of them vote. They have the same requirements for voting that the white people have, and they have the privilege of voting, and a considerable number of them do, though, of course, not anything like all of them.

Mr. UNDERHILL. Following this incident, there came a dispatch this morning from the Philippines, though it is dated on the 17th. That dispatch is as follows:

MANILA, February 17.—Antonio D. Paguia, councilman elect, was convicted to-day on a charge of sedition and sentenced to four months' imprisonment in connection with alleged insulting words used against Maj. Gen. Leonard Wood during a political campaign. On Jauary 8, Paguia was sentenced to two months' imprisonment on a similar charge. Both cases have been appealed to a higher court.

I say to the gentleman that practically all of the courts in the Philippines are controlled absolutely by the Filipinos, through the dictator Manuel Quezon, and that according to his interpretation of the Jones law—drawn by Mr. Jones, a former Member of this House from Virginia—the legislature must confirm every nomination or appointment made by the governor. As a consequence, practically all of the American judges in the lower courts have retired from office, and most all those positions are now filled by Filipinos. It is not particularly to the gentleman's reference to Governor General Wood that I wish to direct attention, but to some of his other remarks in that speech.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for an inquiry?

Mr. UNDERHILL. Yes.

Mr. BANKHEAD. This is purely for information. Are the inhabitants of the Philippine Islands, as the government is now constituted, entitled to any privileges equal to what are known as the privileges in our own Bill of Rights with respect to free speech and a free press?

Mr. UNDERHILL. As I understand, there is no liberty or privilege enjoyed by the people of the United States that is not enjoyed by the Filipinos, except the right of trial by jury.

I want to call attention to some of the remarks which the gentleman made in his address, and I think it was on the 9th of January. I have taken them from the RECORD, and I shall read them so as not to do him any injustice:

The Governor General of the Philippine Islands refused to let them legislate for a long time except in accordance with his own wishes. In other words, he has heretofore refused to let them act. Now, it seems he is going to refuse to let them talk; and I suppose the next thing he will do will be to refuse to let them think. Shades of the continental advocates of free speech. * * *

Mr. Speaker, we are living in strange times. According to the provisions of the Constitution of the United States freedom of speech is guaranteed. This is one of the most highly prized rights of the Anglo-Saxon race. Shall we deny to those whose destinies we control the same privileges we claim for ourselves?

* * * * * * *

It is well that this is so, because freedom of discussion is the finest safeguard of the liberty of any people, and suppression of free speech and freedom of expression is the greatest weapon of any oppressor and any autocrat.

In the light of this threat of boycott and intimidation I think the gentleman from Texas should revise and extend his remarks, applying them to American citizens as well as to the Filipino subjects.

Now, I will refer back to the dispatch from Manila that Mr. Roxas, speaker of the house of representatives, had come out flatfootedly for such action. What action? Boycott, intimidation of American citizens who are opposed to the granting of independence by leaders, thereby showing absolutely that they are not fit as yet to govern themselves; thereby showing that they have abandoned and thrown overboard the one great principle of democracy, that of free speech.

Mr. JONES. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. JONES. Did not the American Colonies resort to the same system when we got into the controversy with England or just before that?

Mr. UNDERHILL. I will agree to that, but I will not agree that the conditions are at all the same. I do not recollect any incidents of history during the Revolution which were not based on the demand of the governed, to have a representation. Those were the fundamentals upon which they based their demands for independence. If they had been granted, there would have been no revolution. Now, the conditions in the Philippines are these: There is no taxation without representation. There has not been a dollar of money raised in the Philippines since we took possession of the islands but which has been spent in the Philippines for development and improvement; not one dollar has been brought to this country. On the other hand, millions of dollars have been contributed by this Government and by individuals for the development of the Philippines.

Mr. JONES. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. JONES. The gentleman may be correct in that last expression, but I have heard a Member advocate on the floor of this House once or twice during this session—not on the question of taxation, but on another internal question—that we should dictate to the Filipinos what land laws they should enact so we might grow rubber for our own benefit, or rather that we should pass a law changing their present land laws.

Mr. UNDERHILL. There is more ignorance on the Philippine question than any question before the Congress.

Mr. JONES. I am talking about what some one else said.

Mr. UNDERHILL. They are no more right than the gentleman is; not a bit. The land laws of the Philippines are in the organic act passed by Congress.

Mr. JONES. Now, the gentleman is in error as to that. I have the organic act, and it says:

And the Philippine Legislature shall have power to legislate with respect to all such matters as it may deem advisable, but acts of the Philippine Legislature with reference to land on the public domain, timber and mining, hereafter enacted shall not have the force of law until approved by the President of the United States.

Thus they may enact their own land laws, except that laws affecting their public domain are subject to approval by the President of the United States. Of course the Governor General may veto any of their enactments.

Mr. UNDERHILL. Very true, but——

Mr. JONES. I would also call the attention of the committee to the fact that some folks not only in Congress but out of Congress—for I have a clipping taken from to-day's paper that Firestone urges that the Congress should enact a law which will take away the control of their own land laws; that Congress should enact a law to give corporations the privilege of going over there and owning land without restriction. This would have the effect of our changing their land laws after the enacting of the present organic act, which gives them that authority subject to the President's approval.

Mr. UNDERHILL. I intended when I started to confine myself to the discussion of the economic and political conditions of the Philippines.

If I could get time enough I would like to go into this question of raising rubber in the Philippines.

Mr. WAINWRIGHT. Will the gentleman give way for a question?

Mr. UNDERHILL. Yes.

Mr. WAINWRIGHT. Is it not a fact that the present restriction as to the ownership of land in the Philippines is not by virtue of any act of the Philippine Legislature but by virtue of an act of Congress passed in 1902?

Mr. UNDERHILL. I tried to make that clear, but the gentleman would not accept my explanation.

Now, just a brief word about this rubber question. I do not care personally whether they ever grow a rubber plant or tree in the Philippines, but so far as the Filipinos are con-

cerned it would be one of the best things that could ever happen if American capital could be induced to go there and be guaranteed protection, thereby giving employment to thousands of Filipinos who are leaving their native land to work on the sugar plantations of Hawaii.

Mr. JONES. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. JONES. I agree with the gentleman that that would probably be to their interest, but the point I am making is that they should be prevailed upon to change their land laws themselves so as to govern themselves, and we should not dictate to them.

Mr. UNDERHILL. Well, I will agree to that if you will tell me any way, shape, or manner whereby the almost universal opinion of the Filipinos can find expression. They are ground down now by their bosses, who hold a tremendous power, and who have established an oligarchy consisting of a comparatively few politicos who control the situation; who will not give way or pass any laws which will result in the further investment of American capital and the further advancement of the Filipinos themselves. When the day comes that those people over there dare to assert themselves, and when they have the proper protection, you will find that the superabundance of opinion is against the rule of these men who only seek their own personal aggrandizement.

Mr. JONES. I have heard that statement made many times. I wish the gentleman would explain how they are able to do that when there are two parties over there. They go before the people, and I understand nearly 1,000,000 votes were cast in the last general election. That being true, how can this little oligarchy keep both political parties in favor of Filipino independence, and how do they keep them in line if the sentiment is all the other way?

Mr. UNDERHILL. Well, the gentleman is enough of a politician to know how that is done. I know how it is done up my way, and I presume the gentleman knows how it is done down his way.

Mr. JONES. I say it can not be done in any country where the vote of the people is determinative of the policy of government. It seems to me there is a complete answer to the gentleman's position when the fact is that both political parties have declared for independence and neither party has ever dared to declare against it, nor has any candidate declared against it. I say that is proof, whatever may be the wisdom of the policy, that the sentiment of the people there is for independence.

Mr. UNDERHILL. Does the gentleman suppose that if they had any such support as the gentleman argues they have they would think it necessary to start a program of boycott and intimidation such as is contemplated by this oligarchy?

Mr. JONES. I do not know what that article shows, and I am not quite willing to accept it. I do not know whether Mr. Roxas made those remarks; I do not know the circumstances under which they were made, or anything about them. However, I will say to the gentleman that I do not approve of that system of handling the situation. But we have had boycotts in this country which I do not attempt to justify. As the gentleman knows, certain elements have frequently organized boycotts. I do not think that is a proper system, but it has been done. You can not judge a whole people by a single expression.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. WAINWRIGHT. Since the question of rubber has come up, in what part of the Philippine Islands are the lands adapted to the growth of rubber?

Mr. UNDERHILL. If I were to go into that matter it would take all of my time; but in passing I want to say this: That the land, or the greater part of the land, which is available for rubber production is on the island of Mindanao.

Mr. WAINWRIGHT. In the Moro country?

Mr. UNDERHILL. In the Moro country; and I will tell you later on just how the Moros feel with regard to their own government and their own lands.

Mr. SPEAKS. Will the gentleman yield to me?

Mr. UNDERHILL. Yes.

Mr. SPEAKS. Can any law enacted by the Filipino Congress become operative without the approval of General Wood?

Mr. UNDERHILL. The governor has the power of veto, and he has used it very generously, I am glad to say. [Laughter.]

Mr. SPEAKS. Then wherein does the gentleman assert the Filipinos have any degree of independence?

Mr. UNDERHILL. Well, they have just as much independence and liberty and a great deal more license over there than we have here.

Mr. MOORE of Virginia. Before the gentleman resumes his remarks, may I ask him a question?

Mr. UNDERHILL. Yes.

Mr. MOORE of Virginia. It is only because I am interested in this subject and hope to find an opportunity to say something about it. Is the gentleman's position this: That he is in favor of the status quo that now obtains in the Philippines without any change of the existing law, and that he does not look forward to the time when they will be granted their independence?

Mr. UNDERHILL. I am going to answer that question later. In order that I may not be obliged to ask for further time I am not going to be quite so generous in permitting interruptions.

Although frequently invited to speak and often solicited for interviews, while in the islands I refrained from making any comments until the day previous to my departure, when I accepted an invitation from the American Chamber of Commerce to speak before that body. I took this occasion to tell the Americans that I did not think they were doing their duty either by themselves, the Filipinos, or their own country. They were saving their own skins and subverting patriotism to commercialism. In other words, because of this "jungle fear," they were taking their licking from the politicos lying down instead of standing up and fighting back.

No Filipino over there dares to express himself openly and freely, because some accident is bound to happen subsequent to that declaration. If he owned a carabao, so necessary to the cultivation of his rice field, the carabao unfortunately died. If he had a crop ready for harvesting, he found it was impossible for him to get sufficient help to harvest it. Oh, there are innumerable ways in which these politicos hold their power over there and insist upon having their own way and giving the impression that the people are with them, when it is not so.

One of the Manila papers in its headlines stated that in this speech I "mingled bouquets and brickbats," and I quote further:

> You have been strictly on the defensive, which in itself is a confession of weakness. I recommend you to combat the propaganda and lies of the politico with truthful and authentic reports, not only to the Filipinos but also to the people of the United States.

They were not particularly pleased by my speech, as you can well imagine, but they did get busy, however, and we have heard more in the past six months of the real, true conditions in the Philippines than we have heard for an equal number of years. Perhaps this activity has resulted in the threat from the politicians to punish the American. If this is a fact, I may be held responsible in part, but I am not afraid of the consequences. As a Member of Congress and an American citizen, I take up this challenge and throw it back in the teeth of the trouble makers in the Philippines or elsewhere. If they want to start something, I, for one, will welcome a show-down.

I advised them to go rather carefully in declaring a policy which they have put into practice heretofore only in an underhanded and subtle way.

It would take several weeks to present to the House my experiences and the results of my investigations. My remarks with reference to the situation and to the people are without a trace of bitterness in my heart, for I have a real affection for most of them which I hope I may retain during my whole lifetime.

While in the Philippines I talked to all races and classes and found only a small group in favor of independence, and those mostly in the vicinity of Manila. The Igorots are positively opposed and openly state that they will resist any attempt on the part of the Filipino to govern them should the islands become independent of the United States. The Moros are the hereditary and implacable enemies of the Filipino, and a great deal of the recent trouble on Mindanao is the result of an endeavor to Filipinize the Moro country.

Let me tell you of one instance that came to my attention. A poor Moro came before a former governor down in the Moro country and laid his complaint before him. The former governor said to him, "My friend, I am sorry, but I can not do anything for you." This Moro had been a fighting man, and he said, "Didn't you promise me and my people that if we laid down our arms, if we gave up our guns, we should have the justice and protection of the United States?" "Oh, yes," he said, "I told you that," and he tried to explain the situation that the Philippine Legislature and Mr. Quezon had complete control and power of confirmation of appointments. Men could not be sent down to the Moro country who had previously helped to govern them. The poor Moro looked up to the flag that was flying from the staff and said, "What flag is that? Is

not that the flag of the United States?" "Yes." "Does it not mean that the United States has control here?" "Well, yes; partially." "Well, why can't I get justice?" And I ask for him and for his million brothers why can not these Moros get justice. They can not get it just as long as we give the power to the legislature to interfere and prevent the Governor of the Philippines, the direct representative of the President and the Congress, from appointing proper men to govern these Provinces.

I also talked with school-teachers, representatives of the clergy, and native Filipino business men, and they, too, fear independence. The art of intimidation has been developed to the nth degree and most people fear to declare themselves or to combat the politicians openly because of the boycotting, ruination of their business, and bodily harm which ensue. I found a few of the more prosperous and wealthy class strongly in favor of independence. They have an intense racial pride and an equally strong conceit. Unconsciously, what these latter really desire is a government of aristocrats, an autocracy which would exploit the rest of the population, not because they want to exploit them, entirely, but because they would have to exploit them. They expect to take a "place in the sun," to establish embassies in the capitals of every nation and as ministers and ambassadors dazzle the world with the magnificence of their state. They have little knowledge of economies.

They do not visualize that independence would mean their total financial ruin and that they could not carry on these embassies and ambassadorships, and so forth, without the market which the United States affords.

The Philippines now enjoy a market for all of their products in the United States without payment of duty. Should independence be granted they would run up against our tariff wall and it would be impossible for them to market their output profitably anywhere else in the world. The day that independence is declared, provided it should come any time in the the near future, the people of the Philippines might just as well lay the ax to the root of every coconut palm, apply the torch to every cane field, plow under the tobacco plants, and allow the needle to rust in the cloth as far as exportation of their product is concerned. Hemp would be the only article free from duty. The Philippines enjoy one of the lowest tax rates in the world, and they are relieved of practically all great governmental expenses such as the maintenance of an army and navy for purposes of protection, the maintenance of a diplomatic and consular service, and so forth.

There is no unified spirit of civic sacrifice or responsibility among the various tribes. During a previous administration many of the governmental activities were turned over to the Filipinos for management. They were in excellent condition, but it was not long before the lack of experience and efficiency made itself manifest. Politics took the place of policies and permeated every department. The bank of the Philippines was practically wrecked with a loss of ₱60,000,000. Neglect in the department of health was responsible for an increase of smallpox and cholera, which took a terrific toll of human lives. The land court was shot to pieces and injustices were perpetrated on the poor people; and it is for the poor people I am trying to speak here this afternoon.

There is a colony for lepers on the Island of Culion where all sufferers from this disease were supposed to be segregated. Governor General Wood, who is a doctor by profession, noted the appearance of leprosy in the streets of Manila upon his arrival, and one of his first acts was to gather up about three hundred lepers within the boundary of the city itself and send them to Culion. For this humane and protective action he was criticized most severely, as has been practically everything he has attempted to do.

The legislature established under the Jones bill has usurped many of the duties and prerogatives of the Executive, and General Wood ever since his occupancy of the office has been subject to subtle insult, aggravation, and humiliation, which had its source with the politicos. Such a situation can not continue without serious consequences. They are being fed up with impossible promises. The promise of place and power is held out to the wealthier class and a relief from work and taxation to the poor "tao." The Philippines enjoy all of the liberty, justice, and privileges which prevails in the States. What the unprincipled seeker for power wants is an opportunity to plunder the people at will.

I did not remain in the Philippines for such a great period of time, but one does not have to be there more than a few days or to go more than a hundred miles from Manila to come to the conclusion that independence would spell ruin for the people of the islands.

One of the questions which I propounded wherever I went was, "If independence is declared, who will be the first president of the Filipino Republic?"

I asked chauffeurs, I asked the drivers of the camarettas, I asked the drivers of the carabao carts, I asked the native in the field, and I asked them in the market place. I asked them everywhere I went, "Do you want independence?" In some cases I had to gain their confidence before they would give me a reply. Invariably it was "No," but in many instances it came without an effort, and they declared that they did not want independence.

Mr. BLANTON. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. BLANTON. Suppose these people knew that the administration now is against giving them independence, and they knew that the distinguished gentleman from Massachusetts was a prominent Congressman representing the administration over there, could you have expected any other answer from these poor people?

Mr. UNDERHILL. Oh, the gentleman supposes a lot that is not so. In the first place, the gentleman from Massachusetts went as a private citizen. He did not represent the administration. He was not advertised. Nobody knew he was coming there.

Mr. BLANTON. But looking at the gentleman they could tell he is a distinguished Congressman. [Laughter and applause.]

Mr. UNDERHILL. I wish the gentleman was as sound in all of his deductions as he is generous with his flattery. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOOD. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. UNDERHILL. The answer differed according to the individual or group interviewed, but the tenor of the reply was the same.

For instance, up in the Igorot country I had a delightful visit of six or seven days and spent all the time I possibly could at the market place. I became well acquainted with a great many of the merchants up there, both men and women, and their reply to my question ran somewhat like this: "We are not fitted for independence; we like the United States. Quezon wants to be king, but let him show his head up here and he will lose it."

Mr. BEEDY. May I ask the gentleman a question?

Mr. UNDERHILL. Yes.

Mr. BEEDY. The gentleman speaks of talking with the "tao" in the field and with the lowly natives at the market places, with the drivers of taxis, and others in lowly stations. Were all these conversations in English?

Mr. UNDERHILL. Oh, yes.

Mr. BEEDY. They all speak English?

Mr. UNDERHILL. English is almost universally spoken, particularly in and around the larger cities. When you get back into the interior there are some few who do not speak English, who speak Spanish. Often they pretend they do not speak English, but I found some very charming people who, after they got over their embarrassment, would carry on a very good conversation in English.

Señor Osmena is the Visayan candidate for president, not a self-declared candidate, but greatly beloved by the Visayans, a man of great ability and former power. He formerly shared his power with Quezon, who has treacherously undermined his influence. The Visayans declare they will go to war unless their favorite is the choice of the voters. A large group of prominent and influential Tagalog Filipinos, several of them former insurrectos, declared that Aguinaldo will be the first president. I asked how that would be possible, as he was an Americanista and the election machinery was under the control of Quezon. Their unanimous voice replied, "Yes; he has the election machinery, but Aguinaldo has the men and guns!" The Moro declares that it makes no difference who may be elected; they will declare their independence of Filipino rule and demand a retention of American rule. If denied this, they will secede from the contemplated republic and establish an independent government and maintain it by force of arms.

There is no doubt in my mind that upon the withdrawal of the United States civil and military forces there would be a resumption of the savage tribal warfare which prevailed for many years previous to our occupation.

Since my return from the Philippines I have met many people who have visited or lived for some years in the islands, and I have yet to come in contact with any person who does not hold views similar to my own.

The Philippines are no more fit at the present time for self-government than an equal number of children. The Spaniards left them a heritage of Christianity and in direct contrast a heritage of corruption. I have mentioned their universal courtesy and generosity, but they can be treacherous and merciless. There is no question of their courage. Neither is there any question of their conceit. They are prone to claim credit for the great improvements and progress instituted and engineered by the American authorities. In spite of their many sterling qualities and characteristics, they are easily misled by an appeal to their passions, emotions, and prejudices.

Leaving out the question of Japan or other foreign eastern nations, the Philippines, if left only to the mercies of the political group dominated by Manuel Quezon, would very shortly be confronted with internal dissention, extreme poverty, untold suffering, and the ultimate destruction of the Filipino as a race. It would be a step backward, and if it did not destroy, it would certainly neutralize all of our work of past years and remove from the Orient this outpost of civilization which, I believe, in time will win the Far East from corruption and intermittant warfare to general justice and continued peace. The work of years was almost destroyed during a previous administration, but Governor General Wood and his coworkers are surmounting tremendous obstacles under the most discouraging conditions, and unselfishly and patiently building anew. If given proper support, they will achieve wonderful results for the islands and its people.

The President of the United States has recently recommended increased powers for the Governor General of the Philippines. Such a bill is in preparation in Congress, which will determine disputed authority and separate completely the executive, legislative, and judicial functions in the Philippines. I trust that the people of our country will not be misled by the propaganda which has been so widely disseminated in behalf of Philippine independence. One million pesos or a half of a million dollars each year has been taken from the treasury and the taxpayers of the Philippines to pay for commissions, bureaus, and publications spreading false statements to the American people. In former years this fund has not only been drawn upon for the lavish entertainment of newspaper men and public men in Washington but also to the extent of paying the expenses of some of them who have visited the Philippines. There may be nothing dishonest in this, but such favors can not well be accepted without laying the recipient under a moral obligation.

The Filipinos and the the Philippines are not now fit for independence and self-government. It will take a long time for them to assimilate these responsibilities. Until that time shall have arrived it would not only be unwise and unjust to the Filipinos, unpatriotic and uneconomic to the United States, but uncivilized and un-Christian to the world. The Philippines need the guidance and protection of the United States. The United States needs the products of the Philippines. The world needs this outpost of civilization and guaranty of peace in the Far East. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, the so-called modificationists claim that they are not for nullification, yet they clamor for beer and light wines. The eighteenth amendment of the Constitution, which was promptly adopted by 45 out of 48 States——

Mr. HILL of Maryland. Mr. Chairman, may we have order? We want to hear the gentleman.

Mr. BLANTON. I think they can hear me; I am glad that the gentleman from Maryland has announced that he is here, for I am going to talk to him. As I was saying, the eighteenth amendment was promptly adopted by 45 out of the 48 States of the Union, providing that the manufacture and sale of intoxicating liquor is unlawful and prohibited, and it also provided and directed Congress to pass an enforcement law—a statute that would enforce the constitutional provision, and the Volstead Act attempted to do that.

The fact that Volstead happened to be chairman of the committee and that the bill was named after him has no connection whatever with the prohibition situation. If Mr. Volstead had never been heard of, there nevertheless would have been just such a law, for it was framed by all the members of the Judiciary Committee. I want to say right now that in my honest judgment if his successor in the House [Mr. KVALE] had been chairman of the Judiciary Committee, he would have insisted on even more stringent an enforcement law than you have at the present time, for he is in favor of preventing all people from getting liquor. [Applause.]

Mr. HILL of Maryland rose.

Mr. BLANTON. Pre-war beer and wine are intoxicating. Will the gentleman from Maryland deny that pre-war Milwaukee beer was intoxicating? No; and nobody else will.

Mr. HILL of Maryland. Did the gentleman from Texas ever taste Milwaukee beer?

Mr. BLANTON. No; but I do not yield to the gentleman. I know others who did taste it. Mr. Chairman, I can take the distinguished rider of the white charger from Baltimore to a saloon there in his home city and feed him some of that beer that will make him so drunk he will not know whether he was ever an officer in the United States service. [Laughter.]

Mr. HILL of Maryland. Will the gentleman yield?

Mr. BLANTON. No; I can not yield.

Mr. HILL of Maryland. How does the gentleman know?

Mr. BLANTON. I have good information, and I have been informed that there are 50 saloons in Baltimore to-day violating the Volstead law. Will the gentleman deny that?

Mr. HILL of Maryland. Certainly I will, and prove it. [Laughter.]

Mr. BLANTON. I mentioned that subject to a Baltimore man to-day, and he said not 50 but that there are 400 saloons operating there now.

Mr. HILL of Maryland. Oh, he was giving you confidential information for your guidance and not for publication. [Laughter.]

Mr. BLANTON. I am going to use the information, information that comes to me as a representative of the people as to the violation of this constitutional provision against every one that is trying to nullify it.

Now, Mr. Chairman, personally we all like the gentleman from Maryland [Mr. HILL]. He and I are personal friends. And, so far as the gentleman from Illinois, our colleague [Mr. BRITTEN] is concerned, there is not a more accommodating colleague in this House. He has done me many kindnesses and has shown me many courtesies, and I like him personally and would reciprocate to him personally. But this resolution which he introduced the other day, which, as he thought, indicted merely the Anti-Saloon League, is, in fact, an indictment against 80 per cent of the best people in the United States who are backing the Anti-Saloon League with both money and their sentiment and moral support.

What is the Anti-Saloon League? It is an organization that is upheld and supported by many of the very best moral men and women in every State in this land.

Mr. SCHAFER and Mr. DEAL rose.

Mr. BLANTON. I regret that I can not yield. Let the gentleman answer me in their own time. The Anti-Saloon League is composed of many of the best people in the Methodist denomination, many of the best people in the Baptist denomination, many of the best people in the Christian Church and in the Presbyterian Church and in the Episcopalian Church and by many in the Catholic Church. It is composed of some of the very best Christian people of these United States. It is merely the organization that represents the moral forces from practically all of the churches in the United States that does the real fighting in the front-line trenches to keep saloons out of the country and to fight back the encroachments of the liquor interests upon the law of the land. Since I was a young man I have been fighting shoulder to shoulder with the Anti-Saloon League to annihilate saloons. I have helped it to dry many counties in my State. I have made speeches in many parts of the country against the liquor interests. I have had many joint debates with wet advocates. Yet the Anti-Saloon League has never yet contributed one dollar in any one of my political campaigns.

What if it did contribute funds in Volstead's campaign? Did it not have the right to do it? The liquor interests were fighting Volstead. Yet I believe that it should not have taken a stand against our colleague from Minnesota [Mr. KVALE]. He has been a minister of the gospel for 29 years. Up to the time that he ran against Mr. Volstead there was not a better friend to the Anti-Saloon League in the United States than Mr. KVALE. He has let members of that organization appear in his church and work in his church. He has cooperated with them and collaborated with them, has contributed his funds to them, and he has been their friend. It was a mistake when the Anti-Saloon League espoused the cause of Volstead as against KVALE. Between two prohibitionists it should be "hands off." As a prohibitionist, I would prefer KVALE to Volstead. He has done far more than Volstead, individually, to obliterate the saloons. He has been against the saloons, he has preached sobriety to the people, he has spent his money in the cause, and yet he is a man who, according to his religious belief, is not hidebound on that subject. He is after the saloon interests

and the saloons of the country; and if that is not so, I will yield to him now to deny it.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield to me?

Mr. BLANTON. No; I am going to yield to my friend Mr. KVALE, if he chooses to correct me.

Mr. LINTHICUM rose.

Mr. BLANTON. And does the gentleman from Maryland [Mr. LINTHICUM] deny that there are as many as 50 saloons in Baltimore now?

Mr. LINTHICUM. I would not be a bit surprised. That is the outgrowth of this Volstead Act.

Mr. BLANTON. Yes; and it is the outgrowth of such sentiment as another distinguished gentleman from Maryland who occupies a high position in the country fostered when he said that "our Government might just as well admit that we could not enforce the prohibition law."

Mr. HILL of Maryland rose.

Mr. BLANTON. I regret that I can not yield. I have not the time.

Mr. HILL of Maryland. Oh, I thought the gentleman had yielded.

Mr. BOYLAN. I am sure that the gentleman will yield to me.

Mr. BLANTON. I can not yield, even to my distinguished wet friend from New York.

Mr. BOYLAN. I have yielded to the gentleman many times.

Mr. BLANTON. I mean no discourtesy. I have not the time.

The CHAIRMAN. The gentleman from New York will take his seat. If the gentleman from Texas will direct his remarks not to individuals, he will not be interrupted.

Mr. HILL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I can not yield. I have only a minute left.

The CHAIRMAN. The gentleman declines to yield.

Mr. BLANTON. What do these wets want? [Cries of "A drink!"] Yes; but you will never get it lawfully. Do they want the people of the United States, 90 per cent of the people, to sit down quietly and have no organization whatever and let them put this wet propaganda on our desks every morning, with which I fill my wastebasket frequently? Do they want us to sit idly by, the people who believe in the enforcement of the eighteenth amendment, and let them hold these wet face-the-facts banquets, like they are going to have here next Monday and which cost $5 a plate? How many of you wet Congressmen are going to spend $5 a plate for it? Oh, no; you are the specially invited guests of that organization at that banquet and will get yours free. Wets want the privilege of spending what they please, when they please, and how they please, but want the drys to fold their hands and shut their eyes. We will not do it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HILL of Maryland. Mr. Chairman, I ask unanimous consent that the gentleman be granted five minutes more.

The CHAIRMAN. The gentleman can not be granted time by unanimous consent. The time is in the control of the gentleman from Indiana and the gentleman from Louisiana.

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the Delegate from the Philippines [Mr. GUEVARA].

Mr. WOOD. Mr. Chairman, I yield him five minutes also.

Mr. GUEVARA. Mr. Chairman, I am very happy to-day to stand right on this floor, where in the past so many liberty-loving people have stood and raised their voice in behalf of human freedom. I was somewhat amazed when I listened to the impressive speech of my distinguished friend from Massachusetts [Mr. UNDERHILL]. If the way in which he describes the Philippine Islands is correct, then the American occupation of the Philippine Islands has been a blunder. [Applause.]

I do not want to take issue now with the gentleman from Massachusetts regarding many of his statements, but I can not, however, let facts which belong to history be misinterpreted. In the first place, the so-called Moros are not the hereditary enemies of the Christian Filipinos, as was asserted by the gentleman from Massachusetts. Whatever circumstances may have created friction between Christian and Mohammedan Filipinos in the past—circumstances not entirely unconnected with the existence of alien dominion—have been of transient character and did not establish then, as they will not in the future, permanent lines of division between men belonging to the same race and inhabiting a common country. Discussing now this point in its political aspect, and taking for granted that the Moros are opposed to our independence, which is not the case, I ask, Where is the principle of majority rule? The Moros numbered 372,464 out of a total population of ten and a half million in 1918, or 3½ per cent of our population. Even if they are unanimous in opposing our independence, the will of the majority of the Filipino people, of which they are a part, should prevail.

Mr. RATHBONE. Will the gentleman yield for a question?

Mr. GUEVARA. Gladly.

Mr. RATHBONE. In view of the statement made that a majority of the Filipinos do not want independence, I will ask the gentleman if he will not state to this House whether or not a plebiscite vote was taken and whether or not it was not overwhelmingly in favor of independence?

Mr. GUEVARA. It has not been permitted. The Philippine Legislature has approved the bill providing for a plebiscite, but that bill has been vetoed by the Governor General, I know not on what grounds.

Mr. RATHBONE. Will the gentleman yield for another question.

Mr. GUEVARA. Yes, sir.

Mr. RATHBONE. In regard to this vote, as I understand it, there was a vote on the election of members of the Philippine Legislature, was there not?

Mr. GUEVARA. Yes, sir.

Mr. RATHBONE. And a certain number of Filipinos were known to champion the cause of independence?

Mr. GUEVARA. Yes, sir.

Mr. RATHBONE. And the vote for members of the legislature who favored the cause of independence was overwhelmingly ahead of all the other members who were voted for. Is not that correct?

Mr. GUEVARA. Unanimous. Practically every member elected to the legislature has been in favor of Philippine independence. Repeated resolutions presented to the Philippine Legislature have been unanimously adopted.

Mr. BEEDY. All parties were for independence?

Mr. GUEVARA. All parties.

Mr. WAINWRIGHT. Will the gentleman yield for one question?

Mr. GUEVARA. I yield.

Mr. WAINWRIGHT. Would you say that applied to the Moro country?

Mr. GUEVARA. Whenever an opportunity has been given to them for free expression of their views they have expressed themselves in favor of independence. Of course their government differs from that prevailing in the rest of the islands. They have had no chance on the question.

Mr. SCHNEIDER. The gentleman means the Moros did not vote?

Mr. GUEVARA. They were not permitted to vote.

Mr. SCHNEIDER. Prohibited by our Government, by the administration?

Mr. GUEVARA. Yes, sir; because according to the organic law in the territory inhabited by non-Christians the legislators are not elected by the people, but appointed by the government.

Mr. RATHBONE. Will the gentleman yield again?

Mr. GUEVARA. I will.

Mr. RATHBONE. There is no difference in race between the inhabitants of Luzon and other islands, all the same race as set forth by Charles Edward Russell in his book; they are not materially different in anything but religion; is that true?

Mr. GUEVARA. Yes, sir. Now, regarding the unfitness of the Filipinos for independence or self-government. If the Filipino people are as described by the gentleman, I will say then that it is the greatest discredit for the American occupation of the Philippine Islands. If we are proud of our association with the United States and the United States is also proud of her association with the Philippines, it is because of the achievements and accomplishments attained in the islands in the last 27 years. These facts have been recognized by different Governors General who belonged to both of the great parties of this country. Therefore, there is no reason or ground for the statement of the gentleman from Massachusetts.

Now, gentlemen of the committee, I wish also to take exception to the statement made here this morning regarding the fact that a political clique in the Philippine Islands is controlling the whole affairs of that country. No one of you who is familiar with conditions in the Philippine Islands and no one of you who has ever read an opposition paper in that country can ever think that there exists a political clique in control of public affairs in that country. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROMJUE. Mr. Chairman, I hope that the gentleman may be given five additional minutes.

Mr. SANDLIN. I yield the gentleman five minutes.

Mr. GUEVARA. Mr. Chairman and gentlemen of the committee, there could be no political clique in the Philippine Islands. If such a condition existed in the Philippine Islands,

the opposition party in our country could never exist. In the last general election of 1925 all the political forces of my party, including myself, supported one of our candidates. The opposition party fought him very hard, and the result was that our candidate was defeated, a charge having been made that our opponent was stronger for independence than we are. What does this mean? That there is no political clique controlling the affairs of the Philippine Islands, otherwise the opposition party could never have defeated our candidate. I wish to cite to you the name of that candidate, Judge Juan Summlong. He defeated my party in that election because he was supposed to be stronger for independence. After the election he joined with my party for the purpose of fighting for independence, and he is now a member of the supreme council recently organized in the Philippine Islands to work for immediate and complete independence.

The opposition party has succeeded, also, in defeating several of our candidates in other districts in the far Provinces. If there were a political clique in the Philippine Islands, and if the leaders of our party were controlling the will of our people, how could that happen?

Mr. JONES. Will the gentleman yield?

Mr. GUEVARA. Yes.

Mr. JONES. Has the gentleman, in all of his experience, ever known Mr. Quezon, or any other of the Philippine officers, to send out a threat to use arms or men or armed officers or ammunition or men to make the people vote the way they wanted them to vote?

Mr. GUEVARA. Never.

Mr. WAINWRIGHT. Will the gentleman yield for another question?

Mr. GUEVARA. Yes.

Mr. WAINWRIGHT. If you—and by you I mean the people of the northern islands—were given your independence, would you insist on having the island of Mindanao included?

Mr. GUEVARA. Certainly.

Mr. WAINWRIGHT. Would you be willing to leave that to a plebiscite of the Moro people?

Mr. GUEVARA. I am willing if we are allowed to do so.

I do not want to convey the idea to the House that the gentleman from Massachusetts may not have obtained the impression about some people in the Philippines being opposed to independence. I will admit, for the sake of argument, that there might be cases where some individuals have told the gentleman from Massachusetts that they do not want independence. But these isolated statements can not be taken as the expression of general sentiment of the Filipino people. All the recognized methods for the expression of popular will have shown only one result—an overwhelming sentiment for independence. But to prove to the satisfaction of the gentleman from Massachusetts that the Filipino people are for independence I will ask him to cooperate with me to secure the passage of a bill giving the people of the Philippine Islands the opportunity to express their will on the subject through a plebiscite. I regret, however, to inform this House that the Philippine Legislature, in its desire to give this opportunity, passed a bill in the last session calling the people of the islands to a plebiscite in order that they may express their opinion on that question, and that bill, unanimously approved by our legislature, was vetoed by the Governor General.

About the supposed statement Speaker Roxas, of the House of Representatives of the Philippines, regarding the boycott of American goods. I am not in a position now to say whether or not such a statement was really made by Speaker Roxas. But in the event that he did, I wish to ask you to place yourselves in the position of the Filipino people, with all these expressions against the fulfillment of the American promise of independence, with the systematic campaign directed toward that end by certain commercial interests, and ask yourselves what you would do under the same circumstances and conditions? There is no need to recall the refusal of your people to buy English products during your struggle for freedom—a refusal which, whatever may have been the attitude of those affected at the time, is now commended by all Americans.

Setting aside all these considerations, and with due respect to his views on the matter, I do not believe that the manner in which the gentleman from Massachusetts discussed the Philippine question is the best way to solve the same. The Philippine question is not only a problem for the Filipinos; it is also a problem for the American people. We can not solve it by depreciating either the Filipinos or the Americans. On the contrary, it will take us further from the end we are seeking. A mutually satisfactory solution of the Philippine problem can be had only by appealing to the best that there is in both peoples. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SANDLIN. Mr. Chairman, I yield 12 minutes to the gentleman from Nebraska [Mr. HOWARD]. [Applause.]

Mr. HOWARD. Mr. Chairman, 12 minutes is not a very long stretch of time. It does not cover a large period, but I apprehend that some prejudiced persons may say that it is just as large as my present subject.

Mr. Chairman and gentlemen, I direct your attention to that which was, and has been for some time, perhaps, the most prominent attraction in the daily newspapers of our country, the secrets hitherto hidden within the keeping of a very mysterious man by the name of House. [Laughter.] I have been reading those papers, and I have reached the conclusion that, from the day this mysterious man began guarding and directing the destinies of men and of nations, no worth-while step has been taken by any prominent man in the affairs of the Government of the United States, only as it was taken following the advice of Mr. House. [Laughter and applause.]

Mr. House was the confidential adviser of an acknowledged very great man who was the honored President of our country, but I challenge your attention to the fact, gentlemen, that if you will carefully read the disclosures now being made by Mr. House you will find that that great man made a mistake every time he did not go just as House had recommended him to go. [Laughter and applause.]

Some one has said—I do not know whether it was Shakespeare or another—that no valet ever beheld a hero in his master. House did not. [Laughter.] Only when the master followed the advice of House.

O Mr. Chairman, the most impressive thought that comes to me in this hour is the thought of regret that House did not live long, long ago. Had he lived among the ancients it had not been necessary for the great Ingersoll to deliver his lecture on the Mistakes of Moses. [Laughter and applause.] There would have been no mistakes had House been there. [Laughter.] I can recall so many instances from my readings where I might wish House had been. Had House been there to guard Nani her cheek would have never been polluted by the kiss of Tajara. [Laughter.] If that master military monarch, of whom it has been said that he was the greatest who ever "shook the earth with his mail-shod boots," had only had House for an adviser, Josephine, perhaps, had not been put away. [Laughter.] According to House every great man marks his own downfall from the date he fails to take good advice. I am wishing ever and ever so earnestly that that great master, in whom this particular valet did not behold a hero, only when the master was following his advice, might have been sufficiently strong to have advised him when he did not advise him, and to have withheld advice at times when it was wicked to give it. Sometimes I look away back there when the forces of France and of Germany and of England were confronting the returned Emperor from Elba. I contemplate the scene. There was the great duke, the grand Duke Wellington, and he was praying, and his prayer was, "Oh, that night would come or Blucher." Suppose Colonel House had been on Napoleon's staff. I am quite sure House might have urged Napoleon to have moved the clock up, or to have stopped it, rather; to have moved the clock ahead or to have stopped it, as the case might be. I am so poor in knowledge of history that I am not quite sure which would have been best under those circumstances. But had House been there, there would have been no doubt in his mind. [Laughter.]

There are so many instances in history where House might have been of value if only he had been there; and think what the world has lost by his failure to have been there. Suppose House had been there in Belshazzar's day, or Beelzebub's—I do not know which; maybe it was neither—but House would know [laughter]; and suppose House had encouraged humanity in that day to begin following the custom of that great man in eating grass; all our agricultural problems would have been solved by this time. [Laughter.]

And now we are confronted with the greatest problem before this Congress, and that is, How shall we solve this great agricultural problem which is appealing to us, and which, like a whole flock of Banquo's ghosts, will not lie down and be still? Why not send for House? [Laughter.] DICKINSON thinks he has a good measure, and I believe he is more than halfway right, but why guess at it? [Laughter.] I heard DICKINSON say one day that in the settlement of this great agricultural problem there will be glory enough to go all around. There is this difference between DICKINSON and House, DICKINSON is willing to share glory, and I find no instance in the papers

now being published by House where he was ever willing to share any glory with anybody. [Laughter and applause.]

Some day, my friends, I hope somebody who has better command of language and who knows more of history than I do, so that he will not have to guess so often, will take up this mighty subject and deal with it as it ought to be handled. House has given us the opportunity. House is giving his mystery of the world on the printed page, but the printed page is deleble. Why should not this Congress, having at interest the welfare of the world, and our part of the world particularly, have the Gospel House engraven on everlasting marble so it will not be deleble. [Laughter.]

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. HOWARD. And I am glad of it. [Laughter.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. EDWARDS].

Mr. EDWARDS. Mr. Chairman, on the 16th of this month I introduced a bill, House bill 9412, which was referred to the Committee on the Library, which is now pending before that committee. My bill asks for the return of certain minutes and documents belonging to Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., which are now in the Library of Congress and a part of the collection known as the Georgia manuscripts.

Senator GEORGE's resolution, having the same purpose as my bill, passed the Senate to-day.

Solomon's Lodge is the rightful owner of the papers referred to, and they should no longer be withheld from the rightful owner. These papers were gotten by the Library with a collection known as the Peter Force Collection.

Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., is the oldest Masonic lodge in the United States, having been established on February 10, 1734, and has played a big part in the history of Georgia. Naturally, every Georgian, especially members of the Masonic fraternity, justly feel a great pride in this "Mother Lodge" and in its splendid history. The records and minutes we are seeking to have returned are of great value to that splendid old organization.

The records were taken away from the lodge by the British during the time they occupied Savannah in the Revolution. Just how these minutes got into the hands of Peter Force we are unable to say, but certain it is they belong to Solomon's Lodge and should be returned. The lodge has never relinquished its ownership to these minutes, and therefore the Library has no legal right to withhold these minutes and records; and I am sure it will not insist upon doing so. I may add in this connection that at a regular meeting of this lodge held on February 4, 1926, a resolution was passed in which it specifically states the lodge agrees to reimburse the Government in whatever amount it paid to Peter Force for these minutes and records. While the lodge has offered to make this reimbursement, I do not believe that it is right, just, or proper that the Government should accept anything whatever from the lodge for the return of its own property. I can not more fully put this matter before Congress than to read what is said in a set of resolutions adopted by the lodge on February 4, 1926, which are as follows:

Whereas the members of Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., are informed in the existing minutes of the lodge now in their possession that all the records of the lodge from the time of the establishment of the lodge on February 10, 1734, until the outbreak of the Revolution in Georgia were made away with by the British during the occupancy of Savannah in the Revolution; and

Whereas the members of Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., have searched diligently for many years for these lost records without result; and

Whereas the members of Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., have ascertained that there exists in the Library of the Congress of the United States, in the city of Washington, D. C., among the collection of Georgia manuscripts obtained in the collection of Peter Force portions of a minute book of a lodge of Masons which met in the city of Savannah, Ga., during the years 1756 and 1757, said minute book consisting of about 24 pages; and

Whereas in said minute book no name is given to the lodge of which it is a part of the record, therefore making identification difficult; and

Whereas no claim of ownership has ever been made for said minute book to the best knowledge of the members of Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga.: Therefore be it

Resolved by the members of Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., in regular meeting assembled this 4th day of February, 1926, That they do positively identify said minute book now in the Library of the Congress of the United States as the property of and a part of the record of the lodge which in 1776 became Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., on the following grounds:

1. This minute book states that during the years 1756 and 1757 the lodge was meeting at Savannah, Ga. One of the meetings was held "at the house of Brother Nunis." Moses Nunis is said in the minutes to have been on a visit to Augusta at the time of this meeting. The meeting was therefore held at the home of Daniel Nunis. The property of Daniel Nunis was located 60 feet east of Barnard Street on the north side of Congress Street in Savannah, Ga.

The records of the Grand Lodge of England, under whose jurisdiction all lodges in Georgia were organized until the year 1786, fail to show any lodge in Savannah, Ga., until the year 1776 except Solomon's Lodge of Savannah, Ga. (See par. 2.)

The histories of Georgia and of Freemasonry in Georgia have frequent references to Solomon's Lodge, of Savannah, Ga., from 1734 until the present, but make no mention of any other lodge as having existed in the city prior to 1776.

2. The lodge of which this is the minute book was a lodge under the jurisdiction of the Grand Lodge of England. This is proven by the name of Gray Elliott on the roster of members. This Gray Elliott, the only man of that name in Georgia at that time, is identified by existing English and Georgia Masonic records as the second grand master of Georgia at the time he was a member of the lodge. He could have been a member of none except a regular English lodge, which this lodge was. Gray Elliott later became the representative of Georgia at the English court at the time that Benjamin Franklin represented all the Colonies. Elliott was also one of the founders of the Presbyterian Church in Savannah, Ga., and the founder of the town of Sunbury, Ga. Solomon's Lodge, of Savannah, Ga., was the only lodge in Savannah from 1734 until 1775.

3. No name is given in this minute book for the lodge of which it is a part of the record. This is evidently due to the fact that Solomon's Lodge, of Savannah, Ga., organized by Gen. James Edward Oglethorpe, on February 10, 1734, was not named until the year 1776. In that year the records of the Grand Lodge of England show that it was named Solomon's Lodge, under which name it has continued until the present day. Prior to 1776 the lodge was yearly shown on the English records as "the lodge at Savannah in Georgia," proving conclusively that there was no other.

4. Solomon's Lodge of Savannah, Ga., is the only lodge in Georgia having a continuous existence from 1734 until the present. The lodge of which this is the minute book was in existence from 1734 until 1775. The roster begins with the names of those initiated in 1734. Had these members not been initiated in this lodge the secretary would have omitted the date of initiation and would have entered only the date of affiliation as in the cases of Gray Elliott, James Boddie, and William Spencer, who were initiated in England but became members of this lodge in 1756. James Paris was initiated in a lodge in Augusta, Ga., but became a member of this lodge in 1756. The signs of the zodiac opposite the names are the dates upon which these men became members of the lodge. These facts prove the existence of this lodge from 1734 until 1757. Solomon's Lodge, of Savannah, Ga., is the only lodge which existed in Savannah during that time. It reported yearly to the Grand Lodge of England during this period. No other lodge did.

5. The minute book in the Library of Congress shows that the lodge continued its existence until the year 1775. The minute book contains a roster, and opposite the names are two notations. One simply states "Dead." Identification of these men reveals the fact that all indicated as "Dead" died prior to 1756. The secretary did not have the date of death as his predecessor evidently did not keep the record. After 1756 several deaths occur, and the month and year of death are given. This record stops in 1775. Solomon's Lodge, of Savannah, Ga., is the only lodge in Savannah which was existing from 1756 until 1775. It reported yearly to the Grand Lodge of England during this period.

6. The minute book in the Library of Congress shows that the lodge continued its existence after 1775. Noble Jones, initiated in 1734, master in 1756, was appointed third grand master of Georgia in 1775 by the grand master of England, as shown by the English records. Noble Jones would not have been appointed unless a member of a lodge. Solomon's Lodge, of Savannah, Ga., was the only lodge in Georgia under the jurisdiction of the Grand Lodge of England at the time of the appointment of Noble Jones.

7. About the year 1754 a lodge was organized in the city of Augusta, Ga. It lasted but two years. James Paris and Edward Barnard were initiated in this lodge. They then transferred their membership to the lodge in Savannah, which was Solomon's Lodge. The record of the lodge in Augusta is contained in the records of the academy in that city, from whom it rented a room from its birth until it ceased to exist.

8. The death record in this minute book suddenly stops in the year 1775, although the colonial records of Georgia show that the majority of the members died after that year. The sudden stop in this death record is explained in the minutes of Solomon's Lodge, of Savannah, Ga., for the year 1785. The existing minutes of the lodge

for that year state that all the previous records of the lodge were destroyed by the British during the occupancy of the city. The secretary could not complete the record, his books being in the hands of the enemy.

9. This minute book was obtained by the Government of the United States among the manuscripts in the Peter Force collection. There is no record to show where Force obtained them. It is evident that when the British entered Savannah these documents fell into their hands with other records of Solomon's Lodge. When the city was captured by the patriots in 1782 the British were permitted to board their ships and sail to New York. These minutes evidently went with them, fell into the hands of parties in the north, and were later purchased from their descendants by Peter Force. The existing minutes of Solomon's Lodge, of Savannah, Ga., state that during the occupancy of Savannah by the British all the records of the lodge fell into the hands of the British and were lost.

10. The existing minutes of Solomon's Lodge, of Savannah, Ga., for the year 1785 state that because of the loss of records of the lodge to the British during the revolution it was necessary in that year to adopt a new constitution, the original constitution which was adopted about the year 1756 having been lost during the revolution. This minute book contains fragments of a complete constitution which was adopted on August 19, 1756. Reference to the existing minutes of Solomon's Lodge, of Savannah, Ga., for October 5, 1785, will show that the constitution of the lodge, which was lost to the British, had been given to the lodge by an "ancient" grand master. A study of the histories of masonry defining the meaning of the term "ancient" will show that Gray Elliott was the only grand master of Georgia to whom this term can be applied. He was a member of the lodge of which this is the minute book and gave this constitution to the lodge in 1756. Solomon's Lodge was the only lodge in Savannah at that time, and this is the lost constitution of Solomon's Lodge.

11. The roster contained in this minute book indicates that no initiations took place from 1736 until 1756. This is explained by the existing minutes of Solomon's Lodge, of Savannah. The existing minutes of Solomon's Lodge, of Savannah, Ga., for the year 1785 indicates that a serious decline took place in the lodge during this period due to the Indian menace, the trouble with merchants of Charleston, S. C., the threat of the Spaniards, the lack of labor in the colony, and dissatisfaction with the trustees. The colony had dwindled to less than 500 people. In 1756, these conditions were corrected, prosperity came to the colony, and this prosperity is reflected in the minutes of the lodge by new life in 1756.

12. In nearly every instance the histories of Georgia for the period of 1734 until 1775 refer to the public appearances of Solomon's Lodge as the appearance of the Masonic fraternity. This is found in the diary of William Stephens, secretary to Gen. James Edward Oglethorpe; the diary of the celebrated evangelist, Rev. George Whitfield; and the report to the King of Governor Ellis upon his arrival in 1757. Governor Ellis reported that he had been cordially welcomed by the Masonic fraternity. Historians generally concede that this meant Solomon's Lodge, of Savannah, Ga. The minutes of the welcome are in the minute book in the Library of Congress.

13. The roster contained in this minute book lists the names of Moses and Daniel Nunis as members in the year 1756, having been initiated in this lodge in 1734. The minutes of Solomon's Lodge, of Savannah, Ga., from 1785 until 1792 continue to show these men as members of the lodge. At their deaths they were buried by Solomon's Lodge, as shown by its minutes. Moses Nunis died at the age of 82, and Daniel Nunis died at the age of 85. The records of Solomon's Lodge, of Savannah, Ga., show them to have been interested and active members. Their remains lie in the Jewish cemetery in west Savannah.

14. James Habersham, whose name appears upon the roster in this minute book, is said by his descendents in the city of Savannah, Ga., to have always been a member of Solomon's Lodge and of no other. In proof of that statement, in 1911, Mrs. E. F. Edwards, his great-great-granddaughter, gave to Solomon's Lodge a painting of Gen. James Edward Oglethorpe, made from a miniature given by the general to her ancestor, James Habersham. She gave the painting to Solomon's Lodge because James Habersham was an active member of the lodge and because Gen. James Edward Oglethorpe was the founder of the lodge. The three celebrated Georgia patriots, James Habersham, jr., John Habersham, and Joseph Habersham, were sons of James Habersham and active and interested members of Solomon's Lodge, as shown by the existing minutes of the lodge.

15. Sir Patrick Houstoun, whose name appears upon the minute book, was a member of the King's Council for Georgia. He was the father of Sir George Houstoun, past master of Solomon's Lodge and past grand master of Georgia; and of John Houstoun, first Revolutionary Governor of Georgia and an active member of Solomon's Lodge and officer of the Grand Lodge of Georgia. In 1734, at the time of the organization of Solomon's Lodge, of Savannah, Ga., Gen. James Edward Oglethorpe gave to Solomon's Lodge a Bible. During the Revolution, this Bible was preserved in the home of Sir Patrick Houstoun, according to the statements of the descendents of Sir Patrick Houstoun.

16. The names of the members of this lodge as contained in the minute book are the names of the great men of Georgia during this period, from 1734 until 1775. Had they been members of any other lodge than the one which is now Solomon's Lodge, of Savannah, Ga., their prominence in the community on the occasion of the public appearances of the lodge would have immediately revealed the fact that a lodge other than the present Solomon's Lodge, of Savannah, Ga., had been organized. History would have revealed its existence, as it has recorded the existence of Solomon's Lodge. No fact can be found on which to base the slightest claim that this lodge, whose minute book is in the Library of Congress, is other than the one which is now Solomon's Lodge, of Savannah, Ga.: Therefore be it further

Resolved, That copies of this resolution be forwarded to our Representative in the Congress of the United States, Brother CHARLES G. EDWARDS, with the request that in conjunction with the Senators and Representatives from Georgia in the Congress of the United States such steps as necessary be taken to obtain permission from the Congress of the United States for the return of said minute book to the possession of the members of Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., to whom it lawfully belongs and from whom it has been unlawfully taken; and be it further

Resolved, That Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., agrees to reimburse the Government of the United States in such amount as said Government paid to Peter Force, from whom said minute book was purchased.

Adopted by Solomon's Lodge, No. 1, Free and Accepted Masons, at her regular communication held February 4, 1926.

JAMES R. CAIN, *Secretary*.

This, to my mind, makes out a clear case and establishes the title and ownership of the minutes and records referred to and shows the right of property to be in Solomon's Lodge. It is my earnest hope that the Committee on the Library, which now has this matter under consideration, will promptly bring in a favorable report, recommending the return of the records in question, and I hope there will be no delay on the part of the House to speedily provide for the return of these records.

Permit me to assure you that this splendid old lodge, which has so greatly impressed itself upon our section of the country and the fraternity generally in that section, will be grateful to Congress for the return of these records, which are of great historic interest and of great value to the lodge to which they belong. [Applause.]

Mr. WOOD. Mr. Chairman, I yield 30 minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER. Mr. Chairman, gentlewomen, and gentlemen, at this time I will confine my remarks on House Resolution 134, which I introduced on February 12, 1926, having for its purpose a complete and thorough investigation of all acts of the Alien Property Custodian, as well as the administration of the Alien Property Custodian's office, to the sale to the Allied Corporation of certain alien property listed on page 67 of the custodian's annual report for 1924. Knowing that this investigation will take considerable time of a committee, I have asked that the Committee on Expenditures in the War Department, of which I am a member, be authorized by this Congress to conduct the investigation.

I am one of those who believes the alien property should be returned to its rightful owners, and that Congress should have an accounting of the administration of all alien property before making provisions for said return. I will not take the time of the House to set forth any argument to justify the return of this property, but refer my colleagues to the able speech delivered by Hon. C. A. NEWTON of Missouri on Wednesday, January 20, 1926. I will confine myself at this time to the handling by the Alien Property Custodian of a certain portion of the alien property located in the city of Milwaukee.

I wish to call your attention to page 67 of Senate Document 203, the Annual Report of the Alien Property Custodian for 1924, which comprises part of the report of C. R. Painter, chief real estate section, division of trusts. This reports the following sales to the Allied Corporation:

Trust and report No.	Property	Deed dated 1924	Price
7343	520–522 State Street, Milwaukee, Wis	May 23	$20,000
7344	209–211 West Water Street, Milwaukee, Wis	Aug. 25	30,000
R. 6040	189–191 Hanover Street, 348–354 Florida Street	May 23	61,000
	Kirby House, Milwaukee, Wis	do	312,000
	419 Broadway, Milwaukee, Wis	do	25,000
	2829 Highland Boulevard, Milwaukee, Wis	do	11,000
	217–219 Twenty-second Street, Milwaukee, Wis	do	5,000
	2115 Wells Street, 196 Twenty-second Street, Milwaukee, Wis	do	13,000

There is a public record in Milwaukee recorded in order to assist in clearing the title, a release, and quitclaim deed dated June 2, 1924, to Col. Thomas W. Miller, Alien Property Custodian, executed by Helmuth G. Heyl, Ernest L. Frisbee, Helmuth G. Heyl as attorneys in fact for Reinhard Heyl, authorizing Mr. Miller, who was then Alien Property Custodian, to sell certain real estate for a total sum of $552,000. This release and quitclaim deed covers the property listed as sold to the Allied Corporation, as appears on page 67 of the 1924 report, and, in addition, covers lot 6 in block 60 in lot 4 in the NE. ¼ in section 29–7–22 in the fourth ward of the city of Milwaukee, described by premises 186–188 Third Street.

I wish to call your attention to the annual report submitted to Congress by former Custodian Thomas W. Miller for 1923, which states in part:

> In all cases it has been the endeavor of this office to obtain from the enemy or his duly accredited representative an assent to the transaction, which, while not mandatory or binding, protects the Government if any question should arise in the future as to any transaction.

It appears from the public records in Milwaukee that this assent to transactions or release and quitclaim deed, dated June 2, 1924, had been obtained by the then custodian, Mr. Miller, after the property outlined on page 67 of the annual report of 1924 had been sold and deed delivered, as indicated on said page of said annual report.

I have a complete report of the incorporation of the Allied Corporation and find that the Allied Corporation, of Boston, Mass., was incorporated under the laws of the Commonwealth of Massachusetts on November 10, 1922; that the total amount of the capital stock authorized was 1,000 shares of preferred stock at $100 a share par value, and 2,000 shares of common stock without par value. The names of the incorporators appear as Edgar Child, 64 Thurston Street, Somerville, Mass., who subscribed for one share of common stock; E. Joseph O'Leary, 9 Austin Street, Somerville, Mass., who subscribed for one share of common stock; Edward C. Boyington, 130 Auburn Street, Medford, Mass., who subscribed for one share of common stock. The president at the time of incorporation was the said Edgar Child, the clerk the said E. Joseph O'Leary, and the directors were said Child, said O'Leary, and Boyington. The statement of the corporation which was filed at the time of receiving the license on May 10, 1924, to transact business in Wisconsin, gave the address of the corporation as 60 State Street, Boston, Mass., and named officers as follows: President, Edgar Child, 60 State Street, Boston, Mass.; treasurer, J. E. Poland, Quincy, Mass.; clerk, J. E. Poland, Quincy, Mass.; director, Martin Gilbert, 110 State Street, Boston, Mass.; director, Harold Tillson, 110 State Street, Boston, Mass.

The authorized capital stock was given at $100,000 at 8 per cent, cumulative preferred stock, and 2,000 shares of common stock at no par value.

This statement, filed at the time the corporation was licensed to transact business in Wisconsin on May 10, 1924, further showed that at the time the corporation was licensed in Wisconsin the only stock paid in was $300 of capital stock.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. SCHAFER. I yield.

Mr. COOPER of Wisconsin. How much was paid in?

Mr. SCHAFER. Three hundred dollars.

Mr. COOPER of Wisconsin. Is that all?

Mr. SCHAFER. Yes; therefore they did not have any more than $300 at the time the Executive order was issued for the sale; and I will refer to that later.

The last certificate of condition of the corporation filed under the Massachusetts laws was on November 17, 1924, and contains a statement of assets and liabilities as of December 31, 1923, and gives the names and addresses of the officers, as follows: Edgar Child, president, 64 Thurston Street, Somerville, Mass.; John E. Poland, 15 Buckingham Road, Quincy, Mass., treasurer; Isidor Meyer, 64 Parkman Street, Brookline, Mass., clerk; Martin Gilbert, 114 Highland Road, Somerville, Mass.; and H. V. Tillson, Arlington, Mass., all five designated as directors.

I have a letter from F. W. Cook, secretary of the Commonwealth of Massachusetts, dated February 4, 1926, which reads as follows:

THE COMMONWEALTH OF MASSACHUSETTS,
OFFICE OF THE SECRETARY,
Boston, February 4, 1926.

Hon. JOHN C. SCHAFER,
House of Representatives, Washington, D. C.

DEAR SIR: In compliance with the request in your letter of January 31 last, a certified copy of the articles of organization of the Allied Corporation is inclosed, together with a receipt for the fee of $2.50.

The last certificate of condition of said company, filed November 17, 1924, contains a statement of assets and liabilities as of December 31, 1923. Said certificate showed the authorized capital to be 1,000 shares of preferred stock, par value $100 each, and 2,000 shares of common stock without par value. According to said certificate, only 3 shares of common stock had then been issued and none of it had been paid for.

Section 47 of chapter 156 of the General Laws provides that every Massachusetts business corporation shall file in this office a certificate of condition within 30 days after the date fixed in its by-laws for its annual meeting, or within 30 days after the final adjournment of said meeting, but not more than 3 months after the date so fixed for said meeting, and section 50 of said chapter provides certain penalties for failure to file. Any action taken against the corporation for failure to file would be taken at the instigation of the commissioner of corporations and taxation; hence it is suggested that you communicate with said official in relation to the above-named corporation's failure to file all of the certificates of condition required by law. His name and address is Henry F. Long, Statehouse, Boston, Mass.

A certified copy of the last certificate of condition of said company may be had upon payment of a fee of $1.75.

Very truly yours,

F. W. COOK, *Secretary.*

I have directed a letter to Mr. H. A. Long, commissioner of corporations and taxation of the Commonwealth of Massachusetts, and I read Mr. Long's response of February 15, 1926:

THE COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF CORPORATIONS AND TAXATION,
State House, Boston, February 15, 1926.

Hon. JOHN C. SCHAFER,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN SCHAFER: I appreciate your letter dated February 9, 1926, with inclosures relating to the Allied Corporation.

I will undertake to exercise all the authority that I may have in the matter as you lay it out.

With every good wish to you personally, I am,

Cordially yours,

HENRY F. LONG, *Commissioner.*

I also have a supplementary letter from the department of corporations and taxation of Massachusetts of February 16, 1926, which I now read:

THE COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF CORPORATIONS AND TAXATION,
State House, Boston, February 16, 1926.

Hon. JOHN C. SCHAFER,
House of Representatives, Washington, D. C.

DEAR SIR: Supplementing my letter of February 15, I desire to write you as follows: The Allied Corporation was organized under the laws of the Commonwealth of Massachusetts November 10, 1922, with a capital stock authorized of $100,000 preferred stock and 2,000 shares of common stock. Only three shares of common stock have ever been issued as far as the records of this office show and no preferred stock. The corporation was enjoined from transacting any further business on December 3, 1924, for failure to file its annual certificate of condition. This injunction was dissolved on March 6, 1925; that is, the corporation complied with the law, filed the return, and paid the penalty and was authorized to transact business on that date. Under date of December 15, 1925, the corporation was again enjoined from transacting business for failure to file the certificate of condition due December 31, 1924. This injunction, as far as the records appear in this office, is still in force, and at the present writing the corporation has no authority whatever to transact business.

You will see, therefore, that between the 3d of December, 1924, and the 6th of March, 1925, the corporation had no authority to transact any business of any kind, and the authority to transact business was again denied them on the 15th day of December, 1925. Of course it must be stated that this disability can be removed by the filing of the paper.

I do not know the dates of the purchase or sale of the property set forth in the Milwaukee letter, but I should say that either the purchase or sale, if transacted between the dates when this corporation was enjoined from transacting business, would be an invalid transaction.

Hoping this will give you the information you desire, I am,

Very truly yours,

EDWARD A. DOHERTY, *Second Deputy.*

Mr. SCHNEIDER. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. SCHNEIDER. I did not get the date when that letter was written by the Massachusetts official giving the information.

Mr. SCHAFER. February 16, 1926.

I now read a letter from Hon. Fred R. Zimmerman, secretary of state for Wisconsin, of February 1, with reference to the failure of the Allied Corporation to file annual report in

compliance with the law and the resulting forfeiture of license. This letter also shows that the statement of the corporation at the time the Wisconsin license was issued indicated that only $300 of capital stock was actually paid in:

DEPARTMENT OF STATE,
Madison, Wis., February 1, 1926.

Hon. JOHN C. SCHAFER,
House of Representatives, Washington, D. C.

Re: The Allied Corporation.

MY DEAR MR. SCHAFER: Replying to your letter of January 31:

The above named, a Massachusetts corporation, located at Boston, was incorporated in Massachusetts on November 10, 1922. The corporation was licensed to transact business in Wisconsin on May 10, 1924, and the license was declared forfeited on May 1, 1925, on account of failure to file annual report.

The statement of the corporation, which was filed at the time of being licensed, gave address at 60 State Street, Boston, and named officers, as follows:

Edgar Child, president, 60 State Street, Boston, Mass.
J. E. Poland, treasurer, Quincy, Mass.
J. E. Poland, clerk, Quincy, Mass.
Martin Gilbert, director, 110 State Street, Boston.
Harold Tillson, director, 110 State Street, Boston.

The authorized capital stock was $100,000 of 8 per cent cumulative preferred stock and 2,000 shares of common stock of no par value. The statement above mentioned showed that there was, at the time the corporation was licensed in Wisconsin, $300 of capital stock actually paid in.

The corporation's articles of incorporation specify that the purposes are to deal in stocks, bonds, negotiable paper, etc.; to do a general investment business; deal in real estate; etc.

Yours very truly,

FRED R. ZIMMERMAN,
Secretary of State.
By EDWARDS W.

Mr. COOPER of Wisconsin. The gentleman referred to the letter of February 1? Does the gentleman mean this year?

Mr. SCHAFER. Yes; February 1, 1926. For the gentleman's information, I will state that I have dozens, if not hundreds, of letters which I have been collecting on this matter, but I did not want to make the RECORD any longer than was really necessary in order to set forth the facts.

I now read a letter from the Wisconsin Real Estate Brokers' Board, Madison, Wis., dated February 12, 1926:

WISCONSIN REAL ESTATE BROKERS' BOARD,
Madison, Wis., February 12, 1926.

Hon. JOHN C. SCHAFER,
Congress of the United States,
House of Representatives, Washington, D. C.

DEAR SIR: Acknowledging your letter of February 10.

The record at the secretary of state's office as regards the Allied Corporation is exactly as you state in your letter. This corporation was licensed to transact business in Wisconsin on May 9, 1924, and its license was declared forfeited May 1, 1925, on account of failure to file annual report.

A corporation can not handle real estate as agent in Wisconsin without a license from the Wisconsin Real Estate Brokers' Board. This license is entirely separate from the mere formal license granted by the secretary of state permitting a foreign corporation to transact business in this State. The license from the Wisconsin Real Estate Brokers' Board is a license in the same nature as that granted to lawyers and physicians, and is a license only granted after the board has obtained satisfactory evidence that the person, individual, or corporation desiring the license is competent and trustworthy.

I might also add that the Wisconsin Real Estate Brokers' Board would not grant a license to a corporation to do a real estate business in the State of Wisconsin if such corporation did not have a license to transact business as a corporation in the State.

Hoping this is the information you desire.

Respectfully,

J. W. EVERETT,
Assistant Secretary.

Neither Dun nor Bradstreet have any record of the financial standing of this Allied Corporation for any year since the time of its organization.

Mr. SCHNEIDER. I understand the theme of the gentleman's argument is that this corporation that bought the Government's property through the Alien Property Custodian was simply a paper organization that had no standing in Massachusetts, nor did it have a license to do business in Wisconsin; am I correct in that?

Mr. SCHAFER. Yes, sir.

Mr. LAGUARDIA. The gentleman does not mean "any standing," but that it had no corporate existence apart from its financial standing?

Mr. SCHNEIDER. Yes.

Mr. SCHAFER. And I think when I get a little further along in my statement you will appreciate more and more the real facts which I am bringing to your attention.

The public records at Milwaukee show the following facts with reference to the assessed valuation, market value of the property, dates of sale and deed, and amounts of sale:

(1) The property described by 520–522 State Street, Milwaukee, Wis., was sold and deeded to the Allied Corporation on May 23, 1924, for $20,000, as indicated on page 67 of the Alien Property Custodian report for 1924. Of this $20,000 only $2,000 appears to have been all that was paid in lawful money of the United States by the corporation, the balance of $18,000 being secured on a deferred purchase money mortgage.

On May 29, 1924, the Allied Corporation sold and deeded said property to the Standard Light Co., by warranty deed, consideration $1 and other valuable considerations. There is a $9.50 stamp on the public record, from which it appears that the consideration was not less than $9,500, outside of the $18,000 mortgage which the Standard Light Co. assumed.

Mr. SPROUL of Illinois. Will the gentleman yield?

Mr. SCHAFER. I yield.

Mr. SPROUL of Illinois. Do you know what that property was really worth?

Mr. SCHAFER. I have got it all covered here, and the gentleman will find out in just a moment how I have covered it.

On May 29, 1924, the Standard Light Co. sold and deeded this property to David Siegel by quitclaim deed, consideration $1 and other valuable considerations. No stamp appears on this transaction.

On July 14, 1924, David Siegel and Etta Siegel, his wife, sold and deeded this property to Charles Polacheck & Bros. Co., on warranty deed for consideration of $1 and other valuable considerations, the purchaser assuming the $18,000 mortgage to Thomas W. Miller, then Alien Property Custodian. A $27 stamp appears on this transaction, which shows that the consideration involved was not less than $27,000, exclusive of the $18,000 mortgage which Charles Polacheck & Bros. Co. assumed.

In 1924 this property was assessed as follows: Real estate, $11,050, and the improvements $16,000, totaling $27,050.

It therefore appears that the price for which the property was sold by the Alien Property Custodian to the Allied Corporation on May 23, 1924, was $7,500 less than the assessed valuation for 1924 and $25,000 less than the sale price to Charles Polacheck & Bros. Co. on July 14, 1924, only 52 days after the date of sale by the custodian to the Allied Corporation.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. LAGUARDIA. Was the gentleman able to establish any privy between the Siegels, the lighting corporation, and the individual members of this corporation?

Mr. SCHAFER. When I came before the Congress I wanted to bring out the facts which I am now bringing here from the public records, and although I might answer your question now I will not definitely answer it until I have the prima facie evidence upon which to base the reply, but will state that there is something unsavory in Denmark.

Mr. LAGUARDIA. In Milwaukee?

Mr. SCHAFER. Second, the property described by 189–191 Hanover Street, 348–354 Florida Street, Milwaukee, Wis., sold and deeded to the Allied Corporation on May 23, 1924, for $61,000, as indicated on page 67 of the Alien Property Custodian report for 1924. This piece of property was sold and deeded by the custodian to the Allied Corporation for $6,100 in lawful money of the United States. The balance of $54,900 was secured by deferred purchase money mortgage.

The Allied Corporation sold and deeded this property on May 31, 1924, eight days later, to the Eder Manufacturing Co. by warranty deed, consideration $1 and other valuable considerations, the Eder Manufacturing Co. assuming the deferred mortgage. There is a $30.50 stamp on this transaction, indicating $30,500 at least was involved outside of the deferred purchase-money mortgage. This indicates a clear profit to the Allied Corporation, on an investment of $6,100, to the amount of not less than $24,400, eight days after the Alien Property Custodian sold and deeded this property to the Allied Corporation.

Mr. ALLGOOD. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. ALLGOOD. The gentleman uses the word "mortgage." Is there a right to redeem or any chance for the owners to redeem?

Mr. SCHAFER. Although I am not a lawyer, I would not give 2 cents for the present title to this valuable property in Milwaukee, on account of the methods by which the present titles were obtained.

Mr. LaGUARDIA. It is the purchase-money mortgage for the lien on the property.

Mr. SCHAFER. The Eder Manufacturing Co. sold and deeded this property on June 2, 1924, by quitclaim deed, consideration $1 and other valuable considerations, to the Morda-Risvid Investment Co., two days later than the Eder-Allied Corporation transaction. The Morda-Risvid Co. assumed the $54,900 deferred purchase-money mortgage. A 50-cent stamp only appears on this transaction.

The Morda-Risvid Investment Co. sold and deeded this property to David Stern, by quitclaim deed, consideration $1 and other valuable considerations, on August 27, 1924, a 50-cent stamp appearing on this transfer.

I have been informed that Morris Stern, the attorney representing the Allied Corporation in Milwaukee, is a close blood relation to David Stern, whose name appears in these transactions.

The assessed valuation on the real estate and improvements on this property for 1924 was $60,700. The property is now in the hands of David Stern.

(3) The property described as 419 Broadway, Milwaukee, Wis., sold and deeded to the Allied Corporation on May 23, 1924, by the Alien Property Custodian for $25,000, as indicated on page 67 of the Alien Property Custodian report for 1924. Of this $25,000 the Allied Corporation only paid the Alien Property Custodian $2,500 in lawful money of the United States and the balance of $22,500 was secured by a deferred purchase-money mortgage.

The public records at Milwaukee show that the Allied Corporation sold and deeded the property to the Daniels Realty Co. on May 29, 1924, on warranty deed for $1 and other valuable considerations. The Daniels Realty Co. assumed the deferred purchase money mortgage. There is a $9.50 stamp on the public record, from which it appears that at least $9,500 was involved, exclusive of the deferred purchase money mortgage, thereby showing that the Allied Corporation made a net profit of at least $7,000 on their investment of $2,500 in two days' time. The 1924 assessed valuation of this property, which was sold, as I have just indicated, for $25,000 to the Allied Corporation, was $42,000.

(4) The property described by 2115 Wells Street, 196 Twenty-second Street, Milwaukee, Wis., sold and deeded to the Allied Corporation on May 23, 1924, for $13,000, as indicated on page 67 of the Alien Property Custodian Report for 1924.

The Allied Corporation sold and deeded this property to Jacob Marks and H. M. Seidelman by warranty deed consideration $1 and other valuable considerations; on May 31, 1924, eight days later, a $15.50 stamp appearing on the transaction, showing that at least $15,500 was involved.

The assessed valuation of this property for 1924 was $9,100.

This transaction, therefore, showed that the market value of the property was not less than $2,500 more than the sale price of the custodian to the corporation eight days previously.

(5) The property described by 2829 Highland Boulevard, Milwaukee, Wis., sold and deeded to the Allied Corporation on May 23, 1924, for $11,000, as indicated on page 67 of the Alien Property Custodian report for 1924. The deed shows that the Allied Corporation sold and deeded said property to John Decker and Auguste Decker, his wife, on May 31, 1924, eight days later. A $11 stamp appears on this transaction, indicating that at least $11,000 was involved. The assessed valuation of this property for 1924 was $10,150.

(6) The property described as 217 and 219 Twenty-second Street, Milwaukee, Wis., sold and deeded to the Allied Corporation on May 23, 1924, for $5,000, as indicated on page 67 of the Alien Property Custodian report for 1924.

On May 31, 1924, the Allied Corporation sold and deeded said property by warranty deed, consideration $1 and other valuable considerations, to Anna Cassel and Elizabeth Cassel, a $6.50 stamp appearing on the transaction. It would, therefore, appear that the transaction covered at least $6,500. The assessed valuation on this property in 1924 was $5,800. It is, therefore, plain that the market value of this property is shown to be not less than $1,500 more than the sale price of the custodian to the Allied Corporation eight days prior.

(7) The property described as 209–211 West Water Street, Milwaukee, Wis., sold and deeded to the Allied Corporation, for $30,000, on August 25, 1924, as indicated on page 67 of the Alien Property Custodian Report for 1924.

This property was originally sold and deeded by the Alien Property Custodian to the Allied Corporation on May 23, 1924.

On July 15, 1924, the Allied Corporation sold and deeded this property to David Stern on warranty deed, consideration $1 and other valuable considerations. A $40 stamp appears on this transaction, which indicates that at least $40,000 was involved.

On July 24, 1924, David Stern sold and deeded this property to Arthur J. Straus, on warranty deed, consideration $1 and other valuable considerations. A $50 stamp appears on this transaction, which shows that at least $50,000 was involved.

I call your particular attention to this exceedingly strange procedure with reference to this piece of property.

As stated heretofore, the property was originally sold and deeded to the Allied Corporation by the custodian on May 23, 1924. It was redeeded and resold to the Allied Corporation by the custodian by supplementary deed dated August 25, 1924, for $30,000. The Allied Corporation redeeded and resold the property to David Stern on August 26, 1924, by warranty deed, for $1 and other valuable consideration, on which no stamp appears. David Stern then redeeded and resold this property to Arthur J. Straus by supplementary deed for $1 and other valuable considerations, on August 29, 1924, by warranty deed, no stamp appearing thereon.

On November 26, 1924, Arthur J. Straus and Nathalia Straus, his wife, sold and deeded this property to John E. DeWolf by warranty deed, consideration $50,000.

I wish to call your attention at this time to the fact that this property was sold and deeded by the Alien Property Custodian on May 23, 1924, to the Allied Corporation, although this property was not included in any Executive order issued by President Coolidge up to and including that date.

The public records of transactions of Milwaukee indicate that this property was resold on July 24, 1924, on the transfer from David Stern to Arthur J. Straus, and was recorded on July 25, 1924, and a $50 stamp appeared thereon.

This indicates that the sale value of the real estate on July 24, 1925, was not less than $50,000, only 62 days after the date of the original transfer of the property from the custodian to the Allied Corporation, $20,000 more than was paid the custodian by the Allied Corporation.

The assessed value of this property for 1924 was $97,000. At the time it was sold by the custodian to the Allied Corporation the purchaser assumed a lease for a term of 50 years from April 1, 1904, at an annual rental of $1,500 for the first 5 years of said term and at an annual rental of $1,800 for the next 10 years of said term and at an annual rental of $2,000 for the remainder of said term.

The seven properties were sold under Executive order issued by President Coolidge, No. 4001, dated April 30, 1924, and by amendatory supplementary Executive order without number dated July 3, 1924, to the Allied Corporation for a total sum of $165,000. The total assessed valuation for the year 1924 of these seven properties was $251,800. The Milwaukee public records show the market value of these seven properties shortly after the date of sale by the custodian to the Allied Corporation to be not less than a total of $245,400.

According to the Executive orders heretofore referred to the sale was authoribed "in the public interest," and the Executive order gave the following reasons for the sale:

(a) An advantageous offer for the purchase of said real estate has been received by the Alien Property Custodian.

(b) An attempted sale at public auction would be a useless formality and would involve unnecessary expenses, delay, and inconvenience, which should be avoided.

Is it in the public interest and advantageous to sell property assessed at $251,800 for $165,000 at a private sale? I wish you would bear in mind that at the time the Executive order was issued for this alleged advantageous offer for the purchase of said real estate, the Allied Corporation, who made the offer, had only $300 paid in, according to their corporation report filed with the secretary of state for Wisconsin.

Such a sale manifestly was not advantageous or in the interest of the Government or the alien owner. This sacrifice sale was in the interest of and advantageous to some one, and I would suggest that the following persons be subpœnaed by the investigating committee and they will, no doubt, be able to furnish the committee with information as to whose interest and advantage the sale resulted:

Col. Thomas W. Miller, former Alien Property Custodian.

C. R. Painter, chief, division of trusts, Alien Property Custodian's office.

William W. Wilson, general counsel, Alien Property Custodian's office.

Ernest L. Frisbee, attorney representing the alien.

C. Bascom Slemp, Secretary to the President at the time of the issuance of the above-described Executive orders.

Morris Stern, 71–75 Cawker Building, Milwaukee, Wis., who is the attorney representing the Allied Corporation in Wisconsin.

Edgar Child, president of the Allied Corporation, all other persons who have held office in or been directors of the Allied Corporation since its organization, and the various purchasers of this property heretofore mentioned in the public records of transfer and sale.

It appears that a false statement is given in the custodian's annual report of 1924, page 67, with reference to the date of the deed and sale being August 25, 1924, on the property described as 209–211 West Water Street. The public record shows that the deed was given by the custodian to the Allied Corporation on May 23, 1924, and was recorded July 25, 1924. Several transfers had been made on the property, which were recorded prior to August 25, 1924, the date of deed and sale reported by the custodian in said annual report, and the deed from David Stern to Arthur J. Straus, dated July 24, 1924, recorded July 25, 1924, showed not less than $50,000 was the market value of the property.

The Executive Order No. 4001, issued by President Coolidge on April 30, 1924, did not include this property described as 209–211 West Water Street. The Executive order signed by President Coolidge July 3, 1924, amending order No. 4001 of April 30, 1924, did include the said property.

Here is conclusive evidence that the then Alien Property Custodian, without legal authority or Executive order, sold and deeded this property to the Allied Corporation for far less than the actual market value thereof on May 23, 1924, several months prior to the issuance of the Executive order authorizing such sale. Then, in order to clear the title on the said unauthorized transactions, supplementary deed, which reaffirmed the sale to the Allied Corporation for $30,000, dated and acknowledged August 25, 1924, was made by the custodian to the corporation, notwithstanding the fact that there then appeared on the public record transactions showing several sales and deeds subsequent to the original deed, and showing that the market value on July 24, 1924, as recorded July 25, 1924, was not less than $50,000.

Following the supplementary deed of August 25, 1924, by the custodian to the Allied Corporation, the other parties to the several transfers from the corporation issued supplementary corrective deeds.

Page 67 of the custodian's annual report also carries false information as to the property described as the Kirby House being sold and deeded for $312,000 on May 23, 1924, to the Allied Corporation. A letter to me from the custodian dated January 25, 1926, indicates that the Kirby House was not sold by the custodian to the Allied Corporation in 1924, but that an agreement dated May 29, 1925, for the amount of $312,000 was entered into by the custodian and the Allied Corporation. In this connection I wish to call your attention to the fact that while the former custodian, Mr. Hicks, was alive, I personally viewed an agreement entered into on May 15, 1924, by Ernest L. Frisbee, attorney for the alien owner, Thomas W. Miller, then custodian, and Edgar Child, president of the Allied Corporation, which agreement covered the sale of the Kirby House, together with certain other property. This agreement provided for a certain amount of cash paid down, and the agreement expired in 1924, the day of the month and the name of the month not being incorporated in the copy of the agreement on file in the custodian's office at that time.

The agreement of May 15, 1924, is the most remarkable document that I ever saw to be approved by an attorney representing a client and to be approved by an official of the Government acting as custodian of that client's property, especially in view of the unsound financial condition of the proposed purchaser.

The deed of this property, the Kirby House, assessed at well over $300,000, was placed in the hands of this wildcat corporation, although the corporation was unsound, and had at that time only $300 in stock paid in.

In view of the amounts of transactions and of the absolute sacrifice, in most of the cases way below the assessed value of the property; in view of the unsound financial standing of the Allied Corporation; in view of the actions of the parties supposed to be guardian and attorney for the aliens, as well as those advising and handling directly the approval of the transaction, there is plainly incapability, incompetence, if not collusion. It is my understanding that the chief of the trust division, C. R. Painter, has been in active charge of the custodian's part of the Allied Corporation transactions during the entire periods in which these remarkable sacrifice sales were made and negotiations carried on between the custodian's office, the Allied Corporation, and the attorney for the aliens. It further appears from the report of the Alien Property Custodian of 1924, that Mr. C. R. Painter, then, as now, chief of the trust division, has furnished Congress with false and misleading statements with reference to the property described as the Kirby House, as well as that described as 209–2011 West Water Street, Milwaukee, Wis.

I wish it clearly understood that in making these statements and introducing the resolution I do not refer to the administration of the custodian's office under the late Frederick C. Hicks, or the administration under the present custodian, Mr. Howard Sutherland. I believe that the chaotic condition in which Mr. Hicks found the custodian's office at the time he took charge to no small degree hastened his untimely death. From what I have observed, the present custodian is doing his utmost to bring order out of chaos.

I have confined myself to only a portion of the alien property located in Milwaukee. This manhandling of the administration of the alien property is not confined to Milwaukee, but reaches from California to New York. Especially in view of the fact that at the present time our Government has negotiations with Mexico with a view to protecting the rights of American nationals, I feel that this Congress should not permit foreign nations to use as a precedent the obnoxious attitude of our Government with reference to the property of nationals of other countries.

While I am absolutely in favor of returning all alien property to its owners, the first duty of the United States Government at this time should be to take prompt and vigorous action and clean house, so that when the property is returned to its alien owners the United States can point with pride to its administration. For the facts plainly show that some persons in official position deliberately deceived President Coolidge in order that they and the wildcat allied corporation might rob the owners of the property and make money for themselves. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 30 minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman, on December 21 the gentleman from Connecticut [Mr. TILSON] offered a resolution, which was adopted by the House, directing the Committee on Interstate and Foreign Commerce to investigate the means and methods of the control of production and exportation of crude rubber, coffee, silks, nitrates, potash, quinine, iodine, tin, sisal, quicksilver, and other important raw materials, and their effects upon the commerce of the United States both as to supply and to price, and to report to the House its findings and recommendations thereon. The chief object of this resolution was to initiate an investigation in relation to the rapid and tremendous advance in the price of crude rubber during the last 12 months. In short, this resolution proposes an investigation of the British rubber monopoly that controls the production and marketing of crude rubber and that has increased prices to an unconscionable point.

The introduction of this resolution was preceded by several pronunciamentos issued by our versatile Secretary of Commerce, Mr. Hoover, in which he made faces at John Bull, twisted the English lion's tail, and lambasted the subjects of Great Britain who controlled the production and marketing of crude rubber, because, forsooth, they used their power for their own selfish ends and enrichment.

For several months the public press has berated the shrewd Englishmen who have a monopoly on crude rubber and who have controlled production and manipulated the marketing of their product so as to rapidly advance prices, place their business on a firm financial basis, and yield them enormous profits. These high prices have imposed a tremendous burden on the people of the United States, who consume more than 70 per cent of the world's production of crude rubber.

It has been stated on this floor and widely advertised in the public press that by this monopoly Great Britain is attempting to extort from the American people in a few years a sum sufficient to pay the war debt of Great Britain to the United States by restricting production and exportation, thereby arbitrarily advancing to high levels the market price of this raw material which is so very essential to our business and economic life. Much has been said in the newspapers in reference to this investigation, and, of course, it is a subject in which the people of the United States are vitally interested. In the limited time at my command I desire to address myself to this subject.

Leading this crusade against the British rubber monopoly is our able and resourceful Secretary of Commerce, Mr. Hoover, who, by the way, is the champion of monopoly and the apostle of big business in the United States, but who has been in a state of constant eruption since he learned that the British as well as the Americans could organize and operate monopo-

lies and squeeze the dear public. Seemingly, Mr. Hoover has been going on the theory that big business in the United States had a monopoly on monopolies and trusts, and it harrows his esthetic and refined sensibilities to realize that the canny and far-seeing English traders have built up a gigantic British monopoly to which gigantic American monopolies are compelled to pay tribute.

So far as the records disclose, Mr. Hoover has never thrown any spasms or shed any tears over the operations of pampered American monopolies which are incubated, sheltered, and enriched by special privilege legislation and which have exploited the American people and extorted from them a tribute in amount far exceeding the enormous toll levied by the British rubber monopoly. The newspapers in bold headlines announce, "Hoover declares war in earnest on nine foreign monopolies." My colleagues, how magnificent that announcement. This d'Artagnan of the present administration, this Prince Rupert of big business buckles on his armor, seizes his broadsword, and rushes frantically into the fray, breathing out threatenings and slaughter against nine great foreign monopolies—foreign monopolies, if you please—not because they are monopolies but because they are foreign monopolies, not because they are arbitrarily manipulating markets and exploiting the people but because the profits of their exploitation goes to enrich a foreign monopoly instead of a domestic monopoly.

Mr. Hoover has been Secretary of Commerce about five years, but in that time he has never "declared war in earnest" on American monopolies that are the beneficiaries of special-privilege legislation and now firmly intrenched and buttressed in the economic life of the Nation.

This rubber investigation has called attention to an anomalous situation with reference to the present administration. With all due respect to the President and his departmental officers, and I do respect them, I believe it is generally conceded that while the present Cabinet officers are good and well-meaning men, only two of them, Secretary Mellon and Secretary Hoover, have outstanding genius. In Secretary Mellon we have not only a militant apostle of trusts and monopolies, but he is himself the greatest monopolist that ever held public office since the birth of free government. In Mr. Hoover, versatile, adroit, and sagacious, we have the greatest diplomat that ever served big business. As Marcellus was the sword of the Roman Commonwealth and Fabius its shield, so Mr. Hoover is the sword of special privilege, and Mr. Mellon its shield.

I admire the genius and resourcefulness of Mr. Hoover, but I can not accept his political philosophy, because he seemingly looks with complacency on the extortion practiced by trusts and monopolies in the United States. Apparently, as the basis of his political creed, is the good old rule—

> That they should take who have the power,
> And they should keep who can.

And my good friend from Connecticut [Mr. TILSON], the majority floor leader, in a long, honorable, and I will cheerfully say, useful career as a Member of this House, has never led a crusade to curb American trusts and monopolies, many of which are domiciled in his State where the sacred doctrine of paternalism and special privilege have attained their greatest development. I am not defending the cold-blooded British monopoly, but I am amused and astounded that it should be attacked so viciously by that school of political thought that has sanctioned similar American monopolies. It does not seem consistent for those who create, defend, and perpetuate monopolies in the United States to make much fuss about monopolies abroad.

The great newspapers of the United States have for years either openly advocated or looked with equanimity on a governmental policy that inevitably incubates, nurtures, and shelters monopolies. These papers are now foaming at the mouth over this foreign rubber monopoly. These great agencies for the dissemination of information and the control of public opinion, serenely nestling in the shadow of American trusts and monopolies, now indulge the popular and agreeable practice of denouncing the English monopoly on crude rubber while maintaining a discreet silence in reference to the rapidly multiplying brood of American monopolies that arbitrarily and artificially manipulate commodity prices, thereby levying an ever-increasing tribute on the American people. These great newspapers could render a very useful public service by turning their editorial artillery on the citadels of domestic monopolies.

I am not only opposed to the British rubber monopolies, but I am opposed to all other monopolies, foreign or domestic, including the multitude of American monopolies that are the recipients of governmental favoritism and the beneficiaries of special privilege. While striking at foreign monopolies let us reserve a few blows for our Simon-pure, dyed-in-the-wool, name-blown-in-the-bottle American brand of monopolies.

While I do not justify or approve the methods by which Great Britain and some of its dependencies and subjects are arbitrarily controlling the market price of crude rubber, thereby exacting excessive and, I may say, extortionate prices for this commodity, nevertheless the English, who control this monopoly, have done nothing more than our own people would have done if they had control of the world supply of crude rubber. Suppose conditions were reversed and the capitalists of the United States owned or controlled the millions of acres of rubber plantations now owned by the long-headed, far-seeing Englishmen; does anyone think for one moment that these American owners would not have limited production and arbitrarily controlled the output so as to advance prices and enormously increase their profits? If the shrewd Americans owned or controlled the supply of crude rubber they would do just what the English owners did do.

The practice of limiting production or marketing of a commodity so as to reduce the supply, stimulate demand, and advance market prices, if not originated in the United States, has at least been very widely and systematically followed in this country for the last half century by hundreds and thousands of American industrial and commercial concerns. Indeed, this and similar practices designed to create an artificial scarcity of a commodity has almost become the rule of trade in the United States, and thereby the masses of common people have frequently been ruthlessly exploited and compelled to pay excessive prices for their supplies.

This is a case of the American pot calling the English kettle black. The English learned from Americans how to systematically and scientifically manipulate markets and squeeze the consuming public. The Americans are past masters in the gentle and refined art of cornering markets and inflating prices, and we are acting childish and silly in jumping on the English for doing to us what we have frequently done to them and would do to them again, if we had a chance. How absurd for trust-oppressed, monopoly-ruled United States to offer to teach political morality or economic ethics to trust-abused and monopoly-ridden Great Britain. Before we can assume to teach Great Britain international trade ethics we should clean our own house, sweep before our own door, and strangle the domestic monopolies that encompass us on every hand and sap our economic life.

It does not lie in the mouth of Americans to condemn abroad what they are practicing at home. When we reform and no longer encourage and sanction monopolies it will be time enough for us to condemn others for maintaining monopolies or for unethical or questionable trade practices.

Now, the plain truth of the matter is that American manufacturers have been for the last decade engaged in a battle of wits with the English rubber plantation owners. For several years the Americans had the best of the fight and were able to buy crude rubber at prices really below the cost of production. When this condition prevailed we never heard a word from the American manufacturers of rubber products to the effect that the producers of rubber were not getting living prices or even the cost of production.

Moreover, the English rubber monopoly is no new thing. Long before rubber became an important article of commerce, farseeing English traders obtained a monopoly on the gathering and marketing of crude rubber. This mastery of the rubber trade began when practically all the crude rubber of commerce came from the Amazon Valley and the Congo States of Africa. It was one of the incidents of Great Britain's control of the world's shipping and her mastery of the seas. The English early realized the probable importance of rubber and financed overseas trade with territories producing crude rubber. It was at a time when the world's supply of crude rubber was obtained from virgin forests in the valley of the Amazon and Congo. As the purposes for which rubber could be used increased, England continued to maintain her supremacy in and control of the rubber trade of the world.

When we consider that the people of the United States have always consumed the major part of the world's rubber supply, in view of their unlimited resources and genius for investment it is strange that American capital has not challenged the supremacy of English capital in the rubber markets of the world. Indeed there has always been the strongest reasons why the United States should control the rubber market of the world, or at least unanswerable reasons why we should not permit any other nation to arbitrarily control the production, exportation, and marketing of crude rubber. Evidently American capitalists have been "asleep at the switch" and American manufacturers of rubber products have, as yet,

taken no steps to safeguard their supply of raw material or to prevent its monopolistic control. This is a shortsighted and indefensible policy, and as a result a few British provinces practically control the world supply of crude rubber. This control enables them to reduce production, limit exportation, and, in fact, to dictate the market price of this raw material which has become an absolute necessity and essential to the business and economic life of the American people.

I can conceive of no more reckless and foolish policy than that pursued for the last 20 years by the American capitalists and manufacturers of rubber products. We have known all the time that Great Britain had a strangle hold on the world's supply of crude rubber. In this industrial and commercial age we well knew the tendency of those who had a monopolistic control over important articles of commerce to stifle competition, manipulate markets, and advance the prices to extreme limits. It was foolish for us to assume that England would not use her monopolistic control of the rubber market to squeeze us and compel us to pay extortionate prices for the raw material that she controlled and that we had to have, no matter at what price. The thing has happened that every thoughtful student of the rubber problem knew would happen just as soon as England could get in motion the machinery she had with which to squeeze us.

We are suffering that inevitable consequence of our indifference to world conditions. Everyone who has given the rubber situation any thought has known for years that the time would come sooner or later, and probably very soon, when Great Britain would "apply the screws" and cash in on her monopoly. And yet American manufacturers made no effort to avoid the catastrophe that was impending and about to fall, and when they are brought face to face with the consequences of their own folly, they seek to avoid responsibility by denouncing the owners of British rubber plantations for doing exactly what the producers of any other great commodity of commerce would do if they had the power.

The American rubber industry can not say that it was taken by surprise. The facts relating to the monopolistic control of the crude-rubber market by English plantation growers were for years well known to those engaged in the manufacture of automobile tires and other rubber products, and also well known to the general reading public, because they were extensively discussed in the newspapers and trade journals.

Official notice was taken of this situation and official warning given by President Harding, who, on February 15, 1923, transmitted a communication to the Congress asking for an appropriation of $500,000 to cover the expenses of making a thorough investigation of the sources of crude rubber and to ascertain the possibilities of developing the rubber-plantation industry in the Philippine Islands and in South and Central America, Mexico, and other near-by regions. This presidential communication, with an estimate of the Director of the Budget as to the cost of the proposed investigation, constitutes Document No. 578 of the fourth session of the Sixty-seventh Congress. The Appropriation Committee approved the investigation and recommended an appropriation of $500,000 to cover the expenses. Secretary Hoover, testifying before the committee, called specific attention to the fact that the world's supply of crude rubber was under the control of the British provincial governments and capitalists who had organized for the express purpose of limiting production and increasing prices. At that time crude rubber was costing the American factories about 35 cents per pound. But Secretary Hoover testified that no one could tell how high rubber would go, owing to the monopolistic control and the enormous increase in the demand.

On February 24, 1923, the distinguished gentleman from Tennessee [Mr. BYRNS], in general debate, sounded a note of warning and called this question to the attention of the House, ably reviewing the facts in relation to the British monopoly and emphasizing the importance of a thorough investigation, not only as to then existing conditions but also as to the possibility of the American people developing an ample supply of rubber in the Philippine Islands or in Latin America. On February 26, 1923, this proposal was considered as a part of the third deficiency appropriation bill for 1923 and debated by Representatives Stafford, Madden, and Byrns of Tennessee, all of whom showed that the rubber industry in America was in the power of and dominated by the British rubber interests, and all urged that something must be done to relieve the situation. The appropriation was approved by the House Februrary 26, 1923, and by the Senate March 1 following, and two days later was approved by the President.

I have called your attention to these matters to show that the rubber industry of America had full knowledge for years of the fact that the world's supply of crude rubber was under the monopolistic control of Great Britain, and yet, seemingly, no worth-while efforts were made to acquire supplies for future deliveries at prices which at that time were not unreasonable. On the contrary, American factories continued to buy from hand to mouth, with a view of allowing the stores or surplus stocks of rubber to increase, thereby breaking the market and forcing a reduction in prices. Their's was a game of bluff, pure and simple. They knew they had to have rubber, yet they held off buying or bought sparingly to force a break in the market. Their plan worked well for a time, but they were playing with fire and a reaction was inevitable.

The British monopoly labored to increase prices by limiting the supply. The American rubber factories endeavored to reduce prices by limiting the demand. It was a titanic struggle, on the result of which depended profits aggregating many hundred million dollars. The British monopoly "sat tight," "stood pat," and soon had the American buyers "on the run." There was a rush by the American factories to buy crude rubber to meet the demands of their rapidly growing trade. The British Rubber Trust met the American buyers with open arms and began the squeezing process. They arbitrarily advanced the price of crude rubber by leaps and bounds. The American buyers had made a bluff and lost and were at their mercy. We had to have the British rubber and had to pay whatever price the long-headed English plantation owners demanded. The American buyers planned to tear the Rubber Trust to pieces and leisurely pick its bones. But the American rubber industry got the jolt of its life. The lamb and the lion laid down together, but, unfortunately, the American lamb was on the inside of the British lion. In short, in this great commercial battle Great Britain decisively defeated Uncle Sam.

It may not be amiss to refer briefly to the romantic history of rubber. Crude rubber is the product of a sap drawn from a tropical tree. The sap holds in suspension globules of rubber, each being surrounded by a protective envelope of a proteid substance. The coalescence of these globules is secured by the application of heat or by chemical processes. Rubber trees are indigenous to equatorial South America and grow wild in the virgin forests of the Amazon Basin. In quantity and quality the production of the hevea tree excels that of other species. Its original habitat was in the plateau regions adjacent to the valleys of the River Amazon and its tributaries. Prior to 1900 practically all crude rubber came from the primeval forests of the Amazon Basin and other equatorial regions with similar climatic conditions, Brazil furnishing the major portion of the crude rubber of commerce. The Brazilian rubber was largely the product of the two species of the hevea tree, viz, Hevea brasilienis and Hevea benthamiana. Natives at stated intervals went through the forests "tapping" or "bleeding" the hevea trees and collecting the sap for export.

The unprecedented development of the automobile industry and the many new purposes for which rubber is being utilized created a demand for crude rubber far beyond the supply obtainable from the natural forests. This rapidly increasing demand suggested the planting, cultivation, and growing of rubber plantations.

The English, with their characteristic foresight, first realized the growing importance of the rubber industry. As far back as 1869 English botanists and officers of British East India conceived the idea of growing rubber trees extensively for the production of crude rubber in commercial quantities. Within the next few years experiments were conducted at the Royal Botanic Garden at Kew, England, with seeds of the Hevea brought from Brazil.

The experiments were at first discouraging and unsuccessful, but they were continued until 1876, when several thousand rubber seedlings were sent to Ceylon, Java, Singapore, Burma, Perak, and other parts of the Indian Archipelago. These seedlings were planted and nurtured with varying degrees of success, but with characteristic persistence, until in time groves were established that furnished cuttings sufficient to plant immense plantations.

In about 1895 the planting of rubber plantations in Ceylon, Burma, and Malayan Archipelago began on an extensive scale. The British seemed to realize the tremendous importance of the rubber industry long in advance of the Americans. Under trying conditions they resolutely began the extensive planting of groves that in time would furnish larger supplies of rubber than were then being yielded by the natural forests. And, more than that, with dogged determination they set themselves to the difficult task of building up in the British possessions and under British control an organization of rubber producers that was destined eventually to monopolize the crude-rubber supply of the world. This was no easy undertaking. The risk was hazardous. It is estimated that in the Amazon alone there are more than 300,000,000 large, vigorous, well-matured rubber-bearing

trees, and yet these farseeing Englishmen deliberately proceeded to plant and grow groves that would compete with these vast primeval forests and produce crude rubber cheaper than it could be gathered from these native groves hoary with age, and planted and nurtured by the Infinite. Rubber trees grow rapidly, and under proper care and with normal growth they may be "tapped" regularly after they are six or seven years old. As the tree matures, more and more sap can be drawn without injury.

Approximately 95 per cent of the world's supply of crude rubber comes from the cultivated plantations of the Middle East. Seventy per cent of plantation rubber is grown in British possessions, 25 per cent in the Dutch East Indies, and approximately 5 per cent in French Indo-China and elsewhere. As to acreage, 69 per cent is in British possessions—Ceylon, India, Burma, British Malaya, and British Borneo—29 per cent in Dutch—Netherlands—East India—Sumatra, Java, and Dutch Borneo—and 2 per cent in the French colony of Indo-China. However, about one-half of the acreage in Dutch East India is owned and controlled by British capital. In all, 75 per cent of the total acreage in plantation rubber is controlled by the British. There are approximately 4,296,000 acres of plantation rubber in the Middle East, of which 3,850,000 are now producing or old enough to be "tapped."

The total acreage planted in British territory is 2,961,000 acres, to which should be added 269,000 acres of British-owned plantations in Dutch territory, making an aggregate of 3,230,000 acres, or 75 per cent of the total planted area in the middle east under British control.

Citizens of the United States own plantations aggregating 15,000 acres in Malaya and 72,000 in Dutch East India, a total of 87,000 acres, about one-fortieth of the acreage controlled by Great Britain. I might add that of the total area of cultivated rubber about 1,500,000 acres are owned by Asiatic natives, nearly 1,000,000 acres of which are owned by subjects of the British Empire in Malaya, and the bulk of the remainder is owned by Dutch subjects in Netherlands, India.

To further illustrate the supremacy of Great Britain in the rubber industry of the world, I call your attention to the amount of capital invested in the production and control of crude rubber by citizens of the various nations:

Country	Capital invested	Per cent
Great Britain	$505,000,000	65.7
Holland	130,000,000	16.9
Japan	42,000,000	5.5
United States	32,000,000	4.2
France and Belgium	30,000,000	3.9
Shanghai	14,000,000	1.8
Denmark	11,000,000	1.4
Miscellaneous	5,000,000	.6
Total	769,000,000	

In addition to the above the investment of the natives in rubber plantations in the middle east is approximately $100,000,000. It will be observed that the subjects of Great Britain own about 66 per cent of all the capital—other than capital owned by natives—invested in the production of crude rubber, as compared with 4.2 per cent owned by citizens of the United States. When you add to this the capital invested by natives who are British subjects, the preponderance of British owned or controlled capital is substantially accentuated. So long as John Bull controls more than 66 per cent of the capital invested in the rubber industry, 75 per cent of the acreage, and a corresponding per cent of the production, it is not probable that the American tail will be able to wag the British dog or break the power of the British rubber monopoly. But by slowing down on making foreign loans and by investing some of our surplus capital in the production of crude rubber we can weaken and ultimately destroy British control of this commodity which is so essential to our economic life, because we consume normally about 75 per cent of the world's production of crude rubber, and only 5 per cent of our rubber products is exported.

I notice that the American automobile trade has awakened from its Rip Van Winkle sleep of indifference toward the anomalous conditions long prevailing in the crude-rubber industry. After living in a fool's paradise for years the American automobile industry has begun to realize not only the importance but the absolute necessity of having at least an active part in the control of the production of crude rubber, its most vital basic commodity. I notice that on January 12 the National Automobile Chamber of Commerce decided to challenge the control by Great Britain of the world's rubber market by engaging in the production and handling of crude rubber. To fight this British octopus the National Automobile Chamber of Commerce proposes to organize a company with $10,000,000 capital to produce, purchase, and deal in rubber. So far so good; but they will not get very far with $10,000,000 capital, in view of the fact that the present capital invested in the cultivation of rubber trees amounts to $769,000,000, only 4.2 per cent of which is American capital. This $10,000,000 is less than one-fiftieth of the amount of British capital invested in the crude-rubber industry.

Mr. David M. Figart, special agent of the Department of Commerce, was the principal investigator of the plantation rubber industry in the Middle East in the investigation ordered by the Sixty-seventh Congress, to which I have already referred. In his report Mr. Figart says that 61 rubber-growing estates (companies), chosen indiscriminately, have a capital investment in their plantations averaging approximately $300 per acre. But Mr. Figart says the present-day cost of planting and bringing a plantation to production would be approximately $350 per acre. At this rate the proposed $10,000,000 American company would be able to plant only about 29,000 acres of rubber trees. While this would be a good start, the increase in the average would be comparatively insignificant and the influence on the gross production negligible. The 29,000 acres that this $10,000,000 would develop will be no more than a "drop in the bucket," as compared with the 3,230,000 acres of rubber plantations now owned or controlled by British subjects. In other words, the present acreage controlled by Great Britain is 111 times as much as the acreage that could be developed by the National Automobile Chamber of Commerce with its initial investment of $10,000,000. Adding this 29,000 acres to the 87,000 acres now controlled by Americans, we would have a total of 116,000 acres of American-controlled rubber plantations, which would still be only one twenty-seventh of the acreage controlled by British subjects.

I have compiled from authentic sources some tables in relation to production of plantation rubber in the Middle East, which I am sure will be of interest to my colleagues:

Average production per acre of plantation crude rubber in Middle East, 1919–1922

Companies	1919	1920	1921	1922	Average for 4 years
	Pounds	*Pounds*	*Pounds*	*Pounds*	*Pounds*
12 Malaya Sterling companies	340	375	303	284	325
27 Malaya Sterling companies	328	366	293	272	317
19 Malaya dollar companies	365	376	260	349	337
Sumatra companies	284	303	284	330	300
Java companies	221	235	223	274	238
Cochin China companies	457	557	511	557	520
South India companies	256	194	267	298	253
13 Ceylon companies	398	392	327	377	373
Average production per acre in all countries:					
1919	331				
1920		249			
1921			308		
1922				342	
Average production per acre in all countries, 1919–1922					332

Average per acre cost of producing plantation crude rubber in Middle East, 1919–1922

Companies	1919	1920	1921	1922	Average per acre for 4 years
12 Malaya Sterling companies	$107.34	$122.73	$84.44	$60.19	$93.67
27 Malaya Sterling companies	98.26	110.45	76.30	54.39	84.85
19 Malaya dollar companies	76.75	89.58	48.18	45.52	65.00
Sumatra companies	74.90	95.29	74.63	60.19	76.25
Java companies	60.24	64.25	52.02	49.17	56.42
Cochin China companies	88.29	80.65	65.15	47.90	70.49
South India companies	46.50	37.20	24.60	27.90	34.05
13 Ceylon companies	84.19	98.64	45.48	43.00	67.82
Average cost per acre in all countries:					
1919	79.55				
1920		87.35			
1921			58.85		
1922				48.53	
Average cost per acre in all countries, 1919–1922					68.56

The following table, based on the experience of 134 companies operating in the Middle East, shows the cost per pound to produce plantation rubber. It includes the experience of some companies not embraced in the foregoing tables:

Experience of 134 companies, showing cost per pound to produce plantation crude rubber in Middle East, 1919–1922

Companies	1919	1920	1921	1922	Average cost per pound for 4 years
	Cents	*Cents*	*Cents*	*Cents*	*Cents*
64 Malaya companies	23.61	21.72	17.12	15.17	19.40
12 Ceylon companies	26.26	24.73	13.84	13.42	19.56
8 Java companies	24.73	24.06	21.42	18.41	22.15
10 Sumatra companies	29.23	26.53	23.84	16.95	24.21
18 Netherlands India companies, combined	27.19	25.71	22.27	17.53	23.17
5 South India companies	29.12	25.93	16.59	14.09	26.44
3 Burma companies	30	25.56	19.13	16.34	22.75
12 British North Borneo companies	26.65	21.21	21.34	16.59	21.45
2 Dutch Borneo companies	38.64	25.48	25.95	19.35	27.35
Average cost per pound in all countries:					
1919	28.38				
1920		24.58			
1921			20.16		
1922				16.42	
Average cost per pound in all countries for 4-year period, 1919–1922					22.94

Now, this rubber proposition is by no means a one-sided question. I concede that for the past year prices have been entirely too high, as a result of monopolistic control. But for years the price of crude rubber was entirely too low to afford a profit to the producers, and often the sale price was below the cost of production. For years prior to 1924, the plantation rubber industry was in desperate straits and on the verge of bankruptcy. The growing of crude rubber from planted and cultivated plantations was and now is a hazardous enterprise. It requires immense capital. It can only be successfully grown in equatorial regions where white men can not or will not live in large numbers. The plantations are generally in malarial districts and thousands of miles from English and American civilization. Only native labor is available. Sanitary and health conditions bad, and soil none too fertile. The land must always be reclaimed from the jungles, most generally drained, cleared of tropical timber, brambles, and noxious brush and vegetation. Roads must be constructed, bridges built, settlements established, and markets obtained. It is necessary to have a large and expensive organization and an army of laborers. There is a never-ending struggle to prevent the jungle from repossessing the cleared and cultivated area. Much of the land must be terraced to prevent erosion. Often the labor must be brought from considerable distance. The enterprise involves a heavy annual expense until the trees come to the age of production, which is 6, 7, or sometimes 10 years, depending on soil, culture, and climatic conditions. Those who invest their capital in the production of rubber would not think of living on or near their plantations, which are managed by a staff of well-paid employees.

Much of the outcry against the monopolistic control of raw rubber by England comes from men, or groups of men, who have been "pinched" largely as a result of their own folly and inexcusable failure to make reasonable provision for an adequate supply of raw material. Their present diminished stocks are the inevitable consequence of their short-sighted, hand-to-mouth buying policy which they have tenaciously followed in spite of the upward movement of the market and repeated warnings from well-informed sources.

The most stupendous economic blunder of the age is the failure of the American people, rich beyond the dreams of avarice, to enter the field of rubber production or to make adequate provision in advance for a sufficient supply of raw material to meet the rapidly increasing needs of our rubber industry and allied activities.

Proud as we are of the people of the United States and of their history-making, epoch-marking accomplishments in every line of human endeavor, we are nevertheless compelled to bow our heads in humiliation and admit to the world that the English have "outsmarted" us, outplanned us, outgeneraled us, outmaneuvered us, and whipped us decisively in a trade war for the control of a raw commodity an adequate supply of which is absolutely essential to the maintenance of our greatest industry. No longer may we boast of the preeminent genius, foresight, and far-seeing vision of those who dominate the American rubber industry. In the rubber market of the world the so-called shrewd American Yankee is the source of much amusement, the target for ridicule, and, in the opinion of the rubber lords of Minsing Street, the most popular joke of modern times.

The distinguished gentleman from Tennessee [Mr. HULL], in discussing the rubber question a few days ago, stated on the floor of the House that the British Government is "laughing out aloud at us." This is true; but not only England but all the commercial world is "laughing out aloud" at the folly of the American automobile industry. They are laughing at our blindness, at our indifference to conditions that were plainly apparent to everyone. They are laughing at our simplicity, guilelessness, and commercial gullibility. They are laughing because they know they have us in their power. They realize the power they have by reason of their ownership of the world's supply of crude rubber. They know they have "squeezed" us in the past and will continue to "squeeze" us in the future as long as they see fit, and, of course, they "laugh out aloud" at our discomfiture. And, my colleagues, their laugh is heard around the world and echoes in every rubber grove from the Indian Archipelago to the far-flung plateaus and valleys of the mighty Amazon. And what humiliates me most is the fact that the English ha, ha is heard in every nook and corner of our beloved land, not only in the palaces of the rich and mighty, not only in the marts of trade and commerce, but in millions of humble homes where abide the bone and sinew of this Nation.

Of course, the English are laughing at us, for, in the language of Othello, "they laugh that win," and how can the English keep from "laughing out aloud" when they think of the net in which we are entangled and hear the rhythmical jingling of American dollars as they drop into the coffers of the English rubber growers. But, to paraphrase the language of Cicero in a letter to Atticus, this rubber problem is "no laughing matter" to the people of the United States. The laugh of the English plantation owners is heard at Detroit, Akron, and in every city where towering smoke-stacks belch their black vapors into hazy skies. Every balance sheet in the automobile world must be readjusted because of this gutta-percha laugh of a group of English capitalists.

Three great American industries are dependent on crude rubber—rubber manufacturing, automobile, and oil, the latter through the dependency of the automobile industry. Until recently these three industries were riding on the crest of prosperity, self-satisfied and self-confident. Anxiety has now displaced complacency. What was that "big noise" that brought confusion to these three great American industries? Was it the back-fire from a Ford engine? Was it from a blow-out of a giant-ribbed, steel-buttressed, velvet-finished automobile casing? Was it from a head-on collision of a tin Lizzie and a motor cycle? No; it was none of these too-frequent occurrences, but the "big noise" that caused the American automobile industry to sit up and take notice was only the "laugh" of a few long-headed Englishmen who, from their unpretentious quarters in Minsing Street, were celebrating their victory over the so-called wide-awake, shrewd, up-to-date, far-seeing Napoleons of the American automobile industry. Never again may we truthfully say that an Englishman can not understand, appreciate, or enjoy a joke. He comprehends this "crude-rubber joke" and is enjoying it immensely if the loudness of his laughter indicates the depths of his risibilities.

The corn-fed captains of the American rubber industry have spent hundreds of millions of dollars in building and equipping great plants for the manufacture of rubber products, but have signally failed and neglected to provide raw material with which to operate their factory. What would you think of the business capacity of men who will invest immense sums in building factories without looking out in advance for an adequate supply of raw material without which their factories could not be operated? What capitalist would build an oil refinery until he has carefully surveyed the field and either contracted for or otherwise made provision for an adequate supply of crude oil with which to operate his refinery. And what capitalist would spend millions in building a plant for the manufacture of aluminum ware without first arranging with Hon. Andrew W. Mellon for a sufficient supply of raw aluminum to keep his plant in operation? Yet that is exactly the policy pursued by the manufacturers of automobile tires and other rubber products.

The clock admonishes that the time allotted me has expired. I have not completed my discussion of this most important question. I hope I may at an early date have the privilege of discussing numerous other phases of the rubber problem, especially the operation of the Stevenson restriction upon the export of rubber from British possessions, which became operative November 1, 1922, and which, by a sliding scale based on production and prices, regulated and limited exports, and to the operation of which act the recent high prices are attributed. In the investigation of this subject I have found a wealth of information and have been fascinated by a study of the sub-

ject of rubber production and the romantic development of plantation-grown rubber in the last quarter of a century.

I desire to further discuss this question in detail, hoping that by a presentation of all the facts I may aid in awakening the American people to a realization of the fact that they are absolutely at the mercy of the British rubber monopoly, to the end that American capital, American initiative, and American genius may be utilized to provide an ample supply of crude rubber for all of our industrial needs, free from the monopolistic control of other nations. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BEGG, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration H. R. 9341, the independent offices appropriation bill, and had come to no resolution thereon.

CENSUS OF PRISONERS

Mr. JEFFERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein the recently reported census of prisoners as published by the Department of Commerce. This is information which is interesting and useful, and that is my reason for making the request.

The SPEAKER. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. JEFFERS. Mr. Speaker, the latest official refutation of the charge that prohibition has failed, that drunkenness has increased, and that crimes related to drinking have gone upward is given by the preliminary report of the United States Census Bureau's count of prisoners for the year 1923. Comparing that year with 1910, a year uncomplicated with war, unusual economic conditions, or saloon restrictions, the figures in this census report show a remarkable decrease.

There were 121.2 prisoners in penal institutions January 1, 1910, for each 100,000 persons in the country. On January 1, 1923, this had dropped to 99.7, a decrease of 17.7 per cent. The number of commitments per 100,000 population showed an even greater relative decrease, falling from 521.7 per 100,000 in 1910 to 325.1 per 100,000 in 1923, a reduction of 37.7 per cent.

The decrease in drunkenness commitments is especially significant. There were 170,941 such commitments in 1910, but only 91,367 in 1923, the ratio in 1910 being 185.9 per 100,000, and in 1923, 83.1, a decrease of 55.3 per cent. Disorderly-conduct cases dropped 51.5 per cent, assault commitments 53.1 per cent, prostitution cases 28.8 per cent, and other offenses generally related to intemperance and drunkenness in equal degree.

The decrease in the number of commitments to jails and workhouses is more significant in relation to the liquor question than the decrease in the total number of commitments.

The total commitments would have been much lower if "violations of city ordinances," had not risen 67.3 per cent in the ratio per 100,000.

That drink-caused crime has greatly decreased since the eighteenth amendment closed the saloon, the most prolific source of crime and misery, is proven beyond refutation by these Government figures.

That this report may have wider circulation, I present it for publication in the CONGRESSIONAL RECORD:

DEPARTMENT OF COMMERCE,
Washington.

CENSUS OF PRISONERS, 1923 (PRELIMINARY REPORT)

SUMMARY

This preliminary bulletin summarizes certain of the more important statistics obtained in the census of prisoners taken in 1923. Additional statistics will be presented in the complete report, now in press. The detailed statistics cover the sentenced prisoners (including those imprisoned for nonpayment of fine) who were confined in penal and reformatory institutions on January 1, 1923, and those committed or placed in confinement between January 1 and June 30, 1923. Important groups of prisoners, not included in these statistics, are as follows: (1) Military and naval prisoners; (2) insane and mentally defective prisoners in special institutions; and (3) inmates of juvenile reformatories.

The reported prison population of the United States on January 1, 1923, numbered 109,619. This number represents a decrease of 1.7 per cent from the prison population of 111,498 on January 1, 1910. The total number of reported prisoners represented 99.7 per 100,000 general population in 1923, as against 121.2 per 100,000 in 1910, a decrease of 17.7 per cent. Detailed information was secured for only 109,075 of the prisoners present January 1, 1923. Hence the prison population statistics to be shown usually relate to this total.

There were 166,356 reported commitments of prisoners in the United States for the first six months of 1923. On the basis of this total the number of commitments for the entire year 1923 has been estimated as 357,493. (Officials of all prisons and reformatories, and of a large group of jails and workhouses (selected as representative in size and location) were asked to report the whole number of commitments during the year 1923. Reports were obtained for nearly all the prisons and reformatories; for the few not reported the commitments during the first six months were doubled. For jails and workhouses the ratios of commitments during the year to those during the first six months for institutions reported were multiplied by the total number of reported commitments during the first six months.) This represents a decrease of 25.5 per cent as compared with 479,787 commitments reported for the year 1910. The number of commitments per 100,000 population showed a still greater relative decrease—from 521.7 per 100,000 in 1910 to 325.1 per 100,000 in 1923, a reduction of 37.7 per cent.

The institutions included in the prison census are divided, for census purposes, into two main groups: (1) Federal and State prisons and reformatories, largely used for grave offenders; and (2) jails and workhouses, under which head are included all county and municipal penal institutions and certain State institutions used for prisoners convicted of misdemeanors or minor offenses. Table 1, following, compares the number and ratio to the general population of the prisoners present January 1, 1923, and 1910, and of the commitments in 1923 and 1910, with separation of the prisons and reformatories from the jails and workhouses.

From the figures in Table 1 it is seen that the population of the prisons and reformatories in the United States on January 1 was 20 per cent greater in 1923 than in 1910. The population of the jails and workhouses, on the contrary, decreased more than one-third (35.5 per cent) from 1910 to 1923. There is a still more decided contrast between the two classes of institutions as to the number of commitments, which increased 35.5 per cent for prisons and reformatories while they decreased 29.2 per cent for jails and workhouses.

The figures in the last column of Table 1 show that the number of prisoners confined in prisons and reformatories on January 1 per 100,000 of the general population increased only four-tenths of 1 per cent between 1910 and 1923. In other words, the growth in population of these institutions about kept pace with the growth of the general population. On the other hand, the ratio of prisoners present January 1 in jails and workhouses per 100,000 population showed a decrease of 46 per cent. Likewise, the ratio of commitments per 100,000 population to prisons and reformatories was greater by 13.2 per cent in 1923 than in 1910, while the commitment ratio for jails and workhouses decreased 40.8 per cent.

TABLE 1

Class of institution	Prisoners: 1923 and 1910						
	Number				Ratio per 100,000 population [1]		
	1923	1910	Increase (+) or decrease (−)		1923	1910	Per cent of increase (+) or decrease (−)
			Number	Per cent			
	Prisoners present Jan. 1						
Total	[2] 109,619	111,498	−1,879	−1.7	99.7	121.2	−17.7
Prisons and reformatories	81,479	67,871	+13,608	+20.0	74.1	73.8	+0.4
Jails and workhouses	28,140	43,627	−15,487	−35.5	25.6	47.4	−46.0
	Commitments during the year [3]						
Total	357,493	479,787	−122,294	−25.5	325.1	521.7	−37.7
Prisons and reformatories	37,585	27,732	+9,853	+35.5	34.2	30.2	+13.2
Jails and workhouses	319,908	452,055	−132,147	−29.2	290.9	491.5	−40.8

[1] Based upon estimated population Jan. 1, 1923, and enumerated population Apr. 15, 1910.
[2] Includes 544 in State prisons, for whom no schedules were received.
[3] Estimated for the last 6 months of 1923.

It must be emphasized that these statistics of sentenced prisoners are not by any means an adequate index of the number of crimes or misdemeanors actually occurring. A large proportion of lawbreakers are not apprehended. Of the persons who are arrested, only part are indicted and convicted. Finally, the statistics herein presented do not include the large number of convicted offenders who receive suspended sentences, nor the still larger number who get off with the payment of fines. Thus, the limited number who are committed to prisons or jails under sentence represent in general only a fraction of the full number of offenders.

Furthermore, the amount of crime in any State or locality is only one of many factors which combine to determine the number of offenders who are sentenced and imprisoned. The local machinery and policies of law enforcement, which also largely influence the number of prisoners, differ widely in various communities. Hence comparison of the commitment figures for States and sections of the country does not reveal the relative prevalence of crime in general, nor of specific offenses.

In comparing the statistics of prisoners, relating to various dates or periods of time, certain limitations of the figures must be taken into account. In this report, comparisons between the data for 1923 and for 1910 show important changes in the total number of prisoners and in their distribution with respect to offense, sex, age, color or race, and nativity. However, these differences do not represent merely changes in the make-up of the so-called "criminal classes," but, in addition, register the effect of changes in laws and in methods of law enforcement.

For example, during recent decades the courts have been applying the suspended sentence, or probation, to an ever-increasing share of convicted offenders, thus tending to decrease the total number of persons punished by imprisonment. Furthermore, this increased use of probation has tended to alter the distribution of prisoners as to offense, sex, age, etc., since probation is more frequently used for some groups of offenders than for others.

In order to compare the commitments in 1923 with those in earlier censuses, with respect to such items as offense, sex, age, and color, the estimated commitments during the whole year 1923 were apportioned to correspond with the distribution of the commitments as reported during the first six months.

OFFENSE

Of outstanding interest is the distribution of prisoners according to the offense or crime of which they have been convicted. In both 1923 and 1910, as shown by Table 2, the commitments for drunkenness outnumbered those for every other offense, decreasing, however, from 170,941 in 1910 to 91,367 in 1923. Disorderly conduct ranked second in numerical importance at both censuses, but decreased from 91,847 in 1910 to 53,359 in 1923. Vagrancy, larceny, and assault, which ranked fourth, fifth, and sixth in the number of commitments in 1923, also showed considerable decreases from the 1910 figures.

TABLE 2

Offense	Commitments during the year: 1923 and 1910						
	Number		Per cent distribution		Ratio per 100,000 population [1]		
	1923 [2]	1910	1923	1910	1923	1910	Per cent increase (+) or decrease (−)
Total	357,493	479,787	100.0	100.0	325.1	521.7	−37.7
Drunkenness	91,367	170,941	25.6	35.6	83.1	185.9	−55.3
Disorderly conduct	53,359	91,847	14.9	19.1	48.5	99.9	−51.5
Violating liquor laws	39,340	7,713	11.0	1.6	35.8	8.4	+326.2
Vagrancy	28,030	40,670	7.8	10.4	25.5	54.0	−52.8
Larceny	27,141	39,338	7.6	8.2	24.7	42.8	−42.3
Assault	12,606	22,509	3.5	4.7	11.5	24.5	−53.1
Violating traffic laws	11,493	[3]	3.2	[3]	10.5	[3]	[3]
Violating city ordinances	10,116	5,098	2.8	1.1	9.2	5.5	+67.3
Burglary	8,574	8,195	2.4	1.7	7.8	8.8	−11.4
Violating drug laws	7,103	314	2.0	0.1	6.5	0.3	+2,066.7
Carrying concealed weapons	5,642	6,460	1.6	1.3	5.1	7.0	−27.1
Fornication and prostitution	5,114	6,029	1.4	1.3	4.7	6.6	−28.8
Fraud	4,766	8,924	1.3	1.9	4.3	9.7	−55.7
Forgery	4,093	2,063	1.1	0.4	3.7	2.2	+68.2
Gambling	4,035	6,893	1.1	1.4	3.7	7.5	−50.7
Homicide	3,906	2,876	1.1	0.6	3.6	3.1	+16.1
Malicious mischief and trespassing	3,703	9,997	1.0	2.1	3.4	10.9	−68.8
Nonsupport and neglect of family	3,660	2,793	1.0	0.6	3.3	3.0	+10.0
Robbery	3,584	1,657	1.0	0.3	3.3	1.8	+83.3
Rape	2,149	1,406	0.6	0.3	2.0	1.5	+33.3

[1] Based upon estimated population Jan. 1, 1923, and enumerated population Apr. 15, 1910.
[2] Estimated for the last six months of the year.
[3] Not separately shown in 1910, but included under "Violating city ordinances."

TABLE 2—Continued

Offense	Commitments during the year: 1923 and 1910						
	Number		Per cent distribution		Ratio per 100,000 population		
	1923	1910	1923	1910	1923	1910	Per cent increase (+) or decrease (−)
All other classified offenses	17,193	24,399	4.8	5.1	15.6	26.5	−41.1
Unclassified or unknown	10,519	10,755	2.9	2.2	9.6	11.7	−17.9

Most persons convicted of drunkenness and other minor offenses are punished by a fine, and imprisonment only in case they fail to pay the fine. For this class of offenders, the commitment figures undoubtedly fall considerably short of the full number of convictions, since the statistics do not include the large number of convicted offenders who paid their fines and thereby avoided imprisonment. As an indication of the relative importance of the commitments due to nonpayment of fine, it should be noted that they formed exceptionally large percentages of the commitments to jails and workhouses in 1923 for the following offenses: Drunkenness (70.9 per cent), disorderly conduct (74.4 per cent), gambling (74.7 per cent), and violating city ordinances (86.5 per cent).

Violating liquor laws, of minor importance in 1910, with only 7,713 commitments, ranked third in 1923, with 39,340 commitments. There was also an extraordinary increase in the number of commitments for violating drug laws—from 314 in 1910 to 7,103 in 1923. The inauguration of the Federal prohibition and antidrug laws accounts for these increases. Another offense which showed a great increase was "violating traffic laws," for which commitments in 1910 were so few that they were not separately tabulated, while there were 11,493 commitments for this offense in 1923. "Violating city ordinances," under which heading were included any violations of traffic laws reported in 1910, showed an increase from 5,098 commitments in 1910 to 10,116 in 1923. The figures for 1923, as well as for 1910, may include a considerable number of traffic-law violators not definitely so reported.

The number of commitments for homicide (or murder) increased from 2,876 in 1910 to 3,906 in 1923. Commitments for rape increased from 1,406 in 1910 to 2,149 in 1923. The number of commitments for robbery more than doubled, increasing from 1,657 in 1910 to 3,584 in 1923. There were increases also in the number of commitments for burglary and forgery, but decreases for larceny and fraud.

The ratio of commitments per 100,000 population for 1923, as compared with 1910, increased 326.2 per cent for violating liquor laws and 2,066.7 per cent for violating drug laws. There were also decided increases in the commitment ratios for violating city ordinances (67.3 per cent), forgery (68.2 per cent), homicide (16.1 per cent), robbery (83.3 per cent), nonsupport and neglect of family (10 per cent), and rape (33.3 per cent). For all other important offenses the ratio of commitments to population decreased. The percentage decrease was especially large for malicious mischief and trespassing, fraud, drunkenness, assault, vagrancy, disorderly conduct, and gambling.

SENTENCE

In connection with the prison census, data were collected concerning the general character and length of the sentences imposed on the reported prisoners. The total number of commitments during the year 1923 (estimated in part) was 357,493; of these, 116 were under sentence of death, as compared to 130 committed under death sentences in 1910; 131,702 had been sentenced to imprisonment only; 52,682 were sentenced to both imprisonment and fine; while 169,333 were sentenced only to fine, and were imprisoned for nonpayment of fine.

Table 3, following, shows the distribution by nature of sentence, of commitments to prisons and reformatories, and to jails and workhouses, during the first six months of 1923, and of the total commitments in 1910:

TABLE 3

Nature of sentence	Commitments: 1923 and 1910			
	Number			
	Jan. 1 to June 30, 1923			During the year 1910
	Total	Prisons and reformatories	Jails and workhouses	
Total	168,353	19,080	147,276	479,787
Sentenced to—				
Death	57	43	14	130
Imprisonment only	62,288	17,783	44,505	157,236
Imprisonment and fine	24,367	1,221	23,146	42,006
Imprisonment for nonpayment of fine	77,959	33	77,926	278,914
Nature of sentence unknown	1,683		1,685	1,501

TABLE 3—Continued

Nature of sentence	Commitments: 1923 and 1910			
	Per cent distribution			
	Jan. 1 to June 30, 1923			During the year 1910
	Total	Prisons and reformatories	Jails and workhouses	
Total	100.0	100.0	100.0	100.0
Sentenced to—				
Death	(1)	0.2	(1)	(1)
Imprisonment only	37.4	93.2	30.2	32.8
Imprisonment and fine	14.6	6.4	15.7	8.8
Imprisonment for nonpayment of fine	46.9	.2	52.9	58.1
Nature of sentence unknown	1.0		1.1	.3

[1] Less than one-tenth of 1 per cent.

Comparing the commitments in the first six months of 1923 and during the year 1910, those sentenced to imprisonment only, who made up 32.8 per cent of the total in 1910, increased to 37.4 per cent in 1923; while those sentenced to imprisonment and fine increased from 8.8 per cent in 1910 to 14.6 per cent in 1923. On the other hand, those imprisoned for nonpayment of fine decreased from 58.1 per cent in 1910 to 46.9 per cent in 1923. These changes in the distribution of prisoners, as to kind of sentence, are closely connected with the shift in distribution by offense, described previously. For example, there is an obvious connection between the decrease in the percentage imprisoned for nonpayment of fine and the considerable reductions noted above, in the percentages of commitments for drunkenness and other minor offenses, for which an exceptionally large proportion are imprisoned for nonpayment of fine.

Aside from the general character of the sentence, it is important to consider what proportion of the prisoners were committed under indeterminate sentences. The indeterminate sentence, as it is usually applied, prescribes minimum and maximum terms. The prisoner may be confined until the end of the maximum term, or he may be paroled at any time after completing the minimum term. Most modern penologists favor the wider use of the indeterminate sentence in preference to the so-called "definite term" sentence, formerly in general use, which specified the exact term of imprisonment.

The census figures indicate that the indeterminate sentence is rapidly superseding the definite term sentence among the commitments to prisons and reformatories. For this class of institutions there were, during the first six months of 1923, 10,552 indeterminate commitments. They formed 55.4 per cent of the 19,037 commitments to imprisonment, as compared to 36.9 per cent in 1910.

SEX

Of the prisoners present January 1, 1923, 103,883, or 95.2 per cent, were males, and only 5,192, or 4.8 per cent, were females. Among the commitments between January 1 and June 30, 1923, there were 153,016 males, or 92 per cent, while there were 13,340 females, or 8 per cent. There were 610.1 commitments of male prisoners per 100,000 male population in 1923, as against only 55.3 female commitments per 100,000 female population. Comparing the commitments per 100,000 population in 1923 and 1910, there was a relative decrease of 46.7 per cent for females, as against a reduction of 33.4 per cent for males. Additional data are given in Table 4, which shows, for the prison population and commitments in 1923 and 1910, the distribution by sex, and the decrease in number and in ratio per 100,000 population.

TABLE 4

Sex	Prisoners: 1923 and 1910						
	Number				Ratio per 100,000 population of same sex [1]		
	1923	1910	Decrease		1923	1910	Per cent decrease
			Number	Per cent			
	Prisoners present Jan. 1						
Total	[2] 109,619	111,498	1,879	1.7	99.7	121.2	17.7
Male	103,883	105,362	1,479	1.4	192.7	222.6	13.4
Female	5,192	6,136	944	15.4	10.0	13.7	27.0
	Commitments during the year						
Total	[3] 357,493	479,787	122,294	25.5	325.1	521.7	37.7
Male	328,820	433,460	104,640	24.1	610.1	915.8	33.4
Female	28,673	46,327	17,654	38.1	55.3	103.8	46.7

[1] Ratios for "Total," 1923 based upon estimated population Jan. 1, 1923; other ratios based upon enumerated population Jan. 1, 1920, and Apr. 15, 1910, respectively.
[2] Includes 544 for whom no schedules were received, not distributed as to sex.
[3] Estimated for the last six months of the year.

AGE

Most of the prisoners reported in the census belonged to the younger age groups. Thus, as shown by Table 5, 51.6 per cent of those committed during the first six months of 1923, and 64.7 per cent of the prison population of January 1, 1923, were between 18 and 34 years of age. For both groups of prisoners, those between 25 and 34 years of age formed the largest 10-year age group, with 28 per cent of the commitments and 34.2 per cent of the prison population.

TABLE 5

Age	Prisoners: 1923					
	Present Jan. 1		Commitments Jan. 1–June 30			
	Number	Per cent distribution	Total number	Per cent distribution	Male	Female
All ages	109,075	100.0	166,356	100.0	153,016	13,340
Under 18 years	2,230	2.0	3,390	2.0	2,917	473
18 to 20 years	11,739	10.8	14,567	8.8	12,715	1,852
21 to 24 years	21,489	19.7	24,666	14.8	22,087	2,579
25 to 34 years	37,336	34.2	46,605	28.0	42,587	4,018
35 to 44 years	20,537	18.8	37,510	22.5	35,150	2,360
45 to 54 years	9,493	8.7	20,522	12.3	19,600	922
55 to 64 years	3,690	3.4	7,658	4.6	7,418	240
65 years and over	1,284	1.2	2,285	1.4	2,206	79
Age unknown	1,277	1.2	9,153	5.5	8,336	817

In proportion to population, however, as shown in Table 6, there were more commitments from 21 to 24 years of age, inclusive, than in any other age group, the commitment ratio during the year 1923 for this group being 703.9 per 100,000 population. The ratio of prisoners to population was progressively lower for each older group above 24 years of age. Comparing the ratios of commitments per 100,000 population in 1923 and 1910, it appears that every age group had fewer commitments, in proportion to population, in 1923 than in 1910. The commitment ratio for those 18 to 20 years old showed the smallest relative decrease—11.1 per cent. Each successive higher-age group had a greater percentage decrease, and for those 65 years and over there was a decrease of 48.8 per cent. While the commitment ratio for those under 18 years of age was only 126.5 per 100,000, and showed the large decrease of 43 per cent for 1923, as compared to 1910, these figures give no adequate view of the number of youthful offenders, most of whom are committed to juvenile reformatories, which are not covered in this report. In fact, the large decrease noted was chiefly the result of the establishment between 1910 and 1923 of many additional juvenile institutions, with the result that in 1923 a greatly increased proportion of youthful lawbreakers was committed to the juvenile reformatories. Of the total number of juvenile offenders under 18 years of age committed, 71.9 per cent were committed to juvenile reformatories in 1923, as against 53.3 per cent in 1910. The total number of reported admissions to juvenile reformatories increased from 13,555 in 1910 to 18,640 (partly estimated) in 1923.

TABLE 6

Age	Commitments during the year: 1923 and 1910						
	Number		Per cent distribution		Per 100,000 population of same age [1]		
	[2] 1923	1910	1923	1910	1923	1910	Per cent decrease
All ages	357,493	479,787	100.0	100.0	405.8	768.0	35.4
Under 18 years [3]	7,195	11,916	2.0	2.5	126.5	221.8	43.0
18 to 20 years	31,086	35,119	8.7	7.3	562.9	633.2	11.1
21 to 24 years	52,766	64,212	14.8	13.4	703.9	891.5	21.0
25 to 34 years	100,007	129,974	28.0	27.1	582.9	857.8	32.0
35 to 44 years	80,829	99,023	22.6	20.6	572.4	849.4	32.6
45 to 64 years	60,838	78,638	17.0	16.4	357.2	585.8	39.0
65 years and over	4,931	7,718	1.4	1.6	100.0	193.4	48.3
Age unknown	19,841	53,187	5.6	11.1			

[1] Based upon population 15 years of age and over, Jan. 1, 1920, and Apr. 15, 1910, respectively.
[2] Estimated for the last six months of the year.
[3] Ratios based upon population 15 to 17 years of age, inclusive.

COLOR OR RACE AND NATIVITY

Table 7 shows the distribution by color or race, nativity, and sex, of the prisoners present January 1, 1923, and of commitments January 1 to June 30, 1923. Table 8 shows, by color or race and nativity, the number and ratio per 100,000 population of commitments during the years 1923 and 1910.

TABLE 7

Color or race and nativity	Prisoners: 1923					
	Present Jan. 1			Commitments Jan. 1–June 30		
	Total	Male	Female	Total	Male	Female
Number	109,075	103,883	5,192	166,356	153,016	13,340
White	73,549	70,421	3,128	124,172	117,454	6,718
Native	58,238	55,657	2,581	90,496	85,466	5,030
Foreign-born	15,061	14,543	518	31,054	29,516	1,538
Nativity unknown	250	221	29	2,622	2,472	150
Negro	34,178	32,149	2,029	38,821	32,422	6,399
Indian	413	396	17	835	763	72
Chinese and Japanese	308	305	3	441	437	4
Other races	41	41		54	52	2
Race unknown	536	511	15	2,033	1,888	145
Per cent distribution	100.0	100.0	100.0	100.0	100.0	100.0
White	67.4	67.8	60.2	74.6	76.8	50.4
Native	53.4	53.6	49.7	54.4	55.9	37.7
Foreign-born	13.8	14.0	10.0	18.7	19.3	11.5
Nativity unknown	0.2	0.2	0.5	1.6	1.6	1.1
Negro	31.3	30.9	39.1	23.3	21.2	48.0
Indian	0.4	0.4	0.3	0.5	0.5	0.5
Chinese and Japanese	0.3	0.4	0.1	0.3	0.3	(1)
Other races	(1)	(1)		(1)	(1)	(1)
Race unknown	0.5	0.5	0.3	1.2	1.2	1.1

[1] Less than one-tenth of 1 per cent.

Of the prisoners present January 1, 1923, 58,238, or 53.4 per cent, were native whites; 15,061, or 13.8 per cent, were foreign-born whites; and 34,178, or 31.3 per cent, were negroes. Among those committed during the first six months of 1923, there were 90,496 native whites, or 54.4 per cent; 31,054 foreign-born whites, or 18.7 per cent; and 38,821 negroes, or 23.3 per cent.

TABLE 8

Color or race and nativity	Commitments during the year: 1923 and 1910				
	Number		Per 100,000 population of same color or race and nativity [1]		
	1923 [2]	1910	1923	1910	Per cent decrease
All classes	357,493	479,787	325.1	521.7	37.7
White	266,857	370,019	281.4	452.7	37.8
Native	194,179	243,053	239.4	355.4	32.6
Foreign-born	66,990	98,536	488.5	738.3	33.8
Nativity unknown	5,688	28,430	(3)	(4)	(3)
Negro	83,399	106,170	797.1	1,080.3	26.2
Other and unknown races	7,237	3,598	666.9	872.1	23.5
Indian [4]	1,793		733.5		
Chinese and Japanese [4]	937		542.7		
Other races [4]	115		1,212.1		
Unknown	4,392		(3)	(3)	(3)

[1] Ratios for "All classes," 1923, based upon estimated population Jan. 1, 1923; other ratios based upon enumerated population, Jan. 1, 1920, and Apr. 15, 1910, respectively.
[2] Estimated for the last six months of the year.
[3] Population data not available for computation of ratio.
[4] Not separately tabulated in the 1910 prison census.

The ratio of commitments per 100,000 population during the year 1923 was highest for Negroes—797.1 per 100,000. The Indian, Chinese, Japanese, and other colored races ranked next, with a combined ratio of 666.9 per 100,000. The ratio for foreign-born whites was 488.5 per 100,000. The native whites had the lowest ratio, 239.4 per 100,000. Thus, the foreign-born whites had a ratio more than twice as large as the ratio for the native whites. This difference is due in large part to the fact that the foreign-born population includes a much higher proportion of adult males than the native white population. If the comparison is restricted to adult males 15 years of age and over, the ratio is 878 per 100,000 for the foreign born, as compared with 703.2 per 100,000 for the native.

COUNTRY OF BIRTH

Statistics relative to country of birth, presented in Table 9, relate only to commitments of foreign-born white prisoners during the first six months of 1923. There were 697.5 commitments per 100,000 of the general population born in Finland—a higher ratio than that for any other nationality. The Mexicans ranked second with a ratio of 612.9 commitments per 100,000 population. Natives of Ireland ranked third with 405.8 commitments per 100,000. There were also exceptionally high commitment ratios for natives of Austria, Greece, Norway, Sweden, and Poland. At the other extreme, natives of Czechoslovakia had a commitment ratio of only 65.9 per 100,000 population, the Germans only 79.8 per 100,000, and natives of Switzerland only 87.6 per 100,000. Natives of the Netherlands, Denmark, England and Wales, and France also had exceptionally few commitments in proportion to population, with ratios less than one-half of the commitment ratio for all foreign-born white prisoners—226.5 per 100,000 population.

TABLE 9

Country of birth	Commitment of foreign-born white prisoners, Jan. 1–June 30, 1923					
	Number			Per 100,000 population [1]		
	Total	Male	Female	Total	Male	Female
All foreign countries	31,054	29,516	1,538	226.5	393.1	24.9
Northwestern Europe:						
England and Wales	939	855	84	106.7	185.4	20.1
Scotland	594	565	29	233.3	421.8	24.0
Ireland	4,209	3,824	385	405.8	839.4	66.2
Norway	1,067	1,050	17	293.2	517.9	10.6
Sweden	1,799	1,771	28	287.6	513.4	10.0
Denmark	192	185	7	101.5	162.2	9.3
Netherlands	133	124	9	109.9	164.2	16.0
Belgium	115	110	5	183.5	305.8	18.7
Switzerland	104	101	3	87.6	148.9	5.9
France	167	154	13	109.2	194.1	17.7
Germany	1,345	1,273	72	79.8	142.8	9.1
Central Europe:						
Poland	3,133	2,967	166	274.8	459.0	33.6
Czechoslovakia	239	234	5	65.9	119.2	3.0
Austria	1,829	1,751	78	317.7	541.3	30.9
Hungary	906	847	59	228.0	390.5	32.7
Yugoslavia	303	296	7	178.8	258.0	12.8
Eastern Europe:						
Russia	3,251	3,080	171	232.1	397.9	27.3
Lithuania	282	266	16	208.8	321.0	30.7
Finland	1,045	1,029	16	697.5	1,206.5	24.8
Rumania	153	149	4	148.8	256.3	9.0
Southern Europe:						
Greece	521	508	13	296.1	553.8	40.2
Italy	3,250	3,124	126	201.8	326.0	19.3
Portugal	92	85	7	136.4	215.9	24.9
America:						
Canada—French	381	358	23	123.8	226.9	15.3
Canada—Other	1,345	1,267	78	166.0	325.2	18.6
Mexico	2,932	2,844	88	612.9	1,047.3	42.5
All other countries	728	699	29	222.2	336.6	24.2

[1] Based upon foreign-born white population, as of Jan. 1, 1920, of same sex and country of birth.

GEOGRAPHIC DISTRIBUTION

Table 10 shows, by geographic divisions, the change from 1910 to 1923 in the ratio of commitments per 100,000 population to prisons and reformatories and to jails and workhouses. Table 11 shows, by divisions and States, the number of prisoners present January 1, 1923, and the number of commitments in 1923. Table 12 shows, by divisions and States, the change in number and ratio to population of the prisoners present January 1 in all penal institutions in 1923 and 1910. Table 13 shows a similar comparison for commitments. (Population ratios in Tables 10, 12, and 13 are based upon estimated population January 1, 1923, and enumerated population April 15, 1910. The figures for commitments during the whole year 1923, in Tables 11 and 13, include estimated commitments during the last half of the year. The figures for prisoners present January 1, 1923, in Tables 11 and 12, include 544 in State prisons for whom no schedules were received.)

TABLE 10

Geographic division	Ratio of commitments per 100,000 population					
	1923		1910		Per cent of increase (+) or decrease (−)	
	Prisons and reformatories	Jails and workhouses	Prisons and reformatories	Jails and workhouses	Prisons and reformatories	Jails and workhouses
United States	34.2	290.9	30.2	491.5	+13.2	−40.8
New England	21.0	246.9	22.3	750.0	−5.8	−67.1
Middle Atlantic	20.5	329.0	26.6	547.8	−23.2	−39.9
East North Central	33.5	313.1	20.9	429.0	+60.3	−27.0
West North Central	31.4	209.0	22.1	415.5	+42.7	−49.7
South Atlantic	27.6	321.4	24.7	511.6	+11.7	−37.2
East South Central	32.7	173.1	46.6	382.4	−29.8	−54.7
West South Central	44.2	195.1	37.2	264.7	+18.8	−26.3
Mountain	47.3	311.3	68.8	778.4	−31.3	−60.0
Pacific	43.1	565.4	41.5	766.3	+4.1	−27.5
Federal prisons	3.4		1.1		+209.1	

During the year 1923 the Mountain division had the highest ratio of commitments to prisons and reformatories—47.3 per 100,000 population, closely followed by the Pacific division, with a ratio of 43.1, and the West South Central division, which had 44.2 commitments per 100,000. At the other extreme the Middle Atlantic division had only 20.5 and the New England division only 21 commitments to prisons and reformatories per 100,000 population. The Pacific division had in 1923 the highest ratio of commitments to jails and workhouses—555.4 per 100,000 population. The contrasting low ratios were, for the East South Central division, only 173.1; West South Central division, only 195.1; and West North Central division, 209 commitments per 100,000 population.

Comparing the commitment ratios for 1923 and 1910, for prisons and reformatories, it appears that five of the nine divisions, as well as the Federal prisons, had higher commitment ratios in 1923 than in 1910. The East North Central division had a higher relative increase than any other division, 60.3 per cent, while at the other extreme the Mountain division had a decrease of 31.3 per cent in the prison and reformatory commitments per 100,000 population. The Federal prisons had the extraordinary increase of 209.1 per cent. (All ratios of prisoners per 100,000 population shown for the Federal prisons are based upon the total population of the United States.) The ratio of commitments to jails and workhouses per 100,000 population showed a considerable decrease for every geographic division. New England had the greatest relative decrease—67.1 per cent. The West South Central division had the smallest relative decrease—26.3 per cent, but the decreases were nearly as small for the East North Central and Pacific divisions.

It must be emphasized that these commitment ratios were largely influenced by the widely varying policies and methods of law enforcement in different sections and localities. Also, the census differed somewhat in completeness as between individual States and for particular States as between 1923 and 1910. Accordingly too great stress should not be placed upon the precise ratios nor upon the exact percentages of change for particular divisions and States.

TABLE 11.—*Prisoners present January 1, 1923, and commitments during the year 1923, by divisions and States*

Division and State	Prisoners present Jan. 1, 1923		Commitments			
			Jan. 1–June 30, 1923		During the year 1923	
	Prisons and reformatories	Jails and workhouses	Prisons and reformatories	Jails and workhouses	Prisons and reformatories	Jails and workhouses
United States	81,479	28,140	19,080	147,276	37,585	319,908
Geographic divisions:						
New England	3,527	2,421	813	8,250	1,610	18,919
Middle Atlantic	12,526	8,180	2,508	32,998	4,747	76,228
East North Central	15,751	5,308	3,666	32,374	7,537	70,351
West North Central	8,566	1,698	2,042	12,623	4,024	26,799
South Atlantic	11,382	5,919	2,074	21,684	4,010	46,748
East South Central	8,496	1,351	1,455	7,505	2,961	15,657
West South Central	8,379	965	2,303	10,537	4,730	20,866
Mountain	2,933	508	854	5,436	1,681	11,061
Pacific	5,253	1,790	1,362	16,019	2,582	33,279
Federal prisons	4,664		2,003		3,703	
New England:						
Maine	379	132	124	540	202	1,184
New Hampshire	138	106	13	259	35	589
Vermont	316	41	127	144	277	332
Massachusetts	1,448	1,686	357	5,076	693	11,222
Rhode Island	355	192	27	305	57	730
Connecticut	891	264	165	1,926	346	4,862
Middle Atlantic:						
New York	6,316	4,319	1,408	17,942	2,666	42,662
New Jersey	1,912	682	431	3,433	825	7,614
Pennsylvania	4,298	3,179	669	11,623	1,256	25,952
East North Central:						
Ohio	4,234	1,404	1,148	10,864	2,264	24,027
Indiana	2,302	609	606	3,459	1,358	6,891
Illinois	4,416	1,750	729	9,436	1,387	20,444
Michigan	3,641	1,081	894	6,754	1,996	14,439
Wisconsin	1,158	464	229	1,861	532	4,550
West North Central:						
Minnesota	1,634	577	363	3,427	659	7,422
Iowa	1,794	152	363	2,601	753	5,448
Missouri	2,205	521	476	2,747	912	5,562
North Dakota	244	94	62	364	136	778
South Dakota	326	51	102	238	185	551
Nebraska	789	143	170	1,712	378	4,000
Kansas	1,574	160	507	1,514	1,001	5,038
South Atlantic:						
Delaware	216	102	98	332	211	705
Maryland	698	968	226	4,240	373	9,387
District of Columbia		473		2,482		5,353
Virginia	1,980	506	362	3,410	606	7,113
West Virginia	1,628	344	414	1,191	772	2,916
North Carolina	1,046	692	184	1,111	868	2,360
South Carolina	528	727	147	1,651	351	3,507
Georgia	3,738	1,884	438	5,145	876	10,930
Florida	1,368	223	208	2,122	451	4,477
East South Central:						
Kentucky	2,079	405	472	3,116	827	6,499
Tennessee	1,630	356	304	1,888	589	4,044
Alabama	3,169	402	431	1,858	1,057	4,038
Mississippi	1,620	188	248	493	478	1,696
West South Central:						
Arkansas	1,410	145	419	1,633	957	3,185
Louisiana	1,593	347	309	3,911	559	7,745
Oklahoma	1,799	158	884	1,435	1,711	2,718
Texas	3,577	315	691	3,558	1,503	7,218
Mountain:						
Montana	331	74	112	678	243	1,330
Idaho	284	53	64	288	119	591
Wyoming	335	23	55	231	125	474
Colorado	1,015	169	312	2,669	502	5,403
New Mexico	239	23	99	197	164	404
Arizona	355	67	111	609	207	1,250
Utah	200	64	72	496	186	1,018
Nevada	174	35	29	268	75	591
Pacific:						
Washington	1,010	348	382	5,361	750	10,712
Oregon	406	171	131	1,267	262	2,232
California	3,837	1,271	849	9,391	1,570	20,335

TABLE 12.—*Prisoners present January 1, 1923 and 1910, and increase in number and in proportion to total population, by divisions and States*

Division and State	Prisoners present Jan. 1					
	Number			Per 100,000 population		
	1923	1910	Per cent inc. (+), dec. (−)	1923	1910	Per cent inc. (+), dec. (−)
United States	109,619	111,498	−1.7	99.7	121.2	−17.7
Geographic divisions:						
New England	5,948	10,588	−43.8	77.6	161.6	−52.0
Middle Atlantic	20,706	23,673	−12.5	80.4	122.6	−27.1
East North Central	21,050	16,250	+29.6	93.7	89.0	+5.3
West North Central	10,264	9,329	+10.0	80.6	80.2	−0.2
South Atlantic	17,301	17,878	−3.2	118.9	146.6	−18.9
East South Central	9,849	11,341	−13.2	108.9	134.9	−19.3
West South Central	9,344	9,602	−2.7	87.4	109.3	−20.0
Mountain	3,441	4,503	−23.6	96.8	171.0	−43.4
Pacific	7,043	6,430	+9.5	117.5	153.4	−23.4
Federal prisons	4,664	1,904	+145.0	4.2	2.1	+100.0
New England:						
Maine	511	730	−30.0	65.9	98.3	−35.0
New Hampshire	244	508	−52.0	54.6	118.0	−53.7
Vermont	357	396	−9.6	101.3	111.0	−8.7
Massachusetts	3,134	6,707	−53.3	78.3	199.2	−60.7
Rhode Island	547	729	−25.0	87.7	134.4	−34.7
Connecticut	1,155	1,519	−24.0	79.0	136.3	−42.0
Middle Atlantic:						
New York	10,635	12,497	−14.9	98.7	137.1	−28.0
New Jersey	2,594	3,001	−13.6	77.5	118.3	−34.5
Pennsylvania	7,477	8,175	−8.5	82.7	108.7	−22.5
East North Central:						
Ohio	5,638	4,005	+40.8	92.9	84.0	+10.6
Indiana	2,911	2,870	+1.4	97.0	108.3	−8.7
Illinois	6,166	5,111	+20.6	91.4	90.6	+0.9
Michigan	4,722	2,589	+82.4	120.0	92.1	+30.3
Wisconsin	1,622	1,675	−3.2	59.5	71.8	−17.1
West North Central:						
Minnesota	2,211	1,613	+37.1	89.0	77.7	+14.5
Iowa	1,946	1,354	+43.7	79.1	60.9	+29.9
Missouri	2,726	3,523	−22.6	79.3	107.0	−25.9
North Dakota	338	367	−7.9	50.6	63.6	−20.4
South Dakota	377	279	+35.1	57.7	47.8	+20.7
Nebraska	932	656	+42.1	70.2	55.0	+27.6
Kansas	1,734	1,537	+12.8	96.7	90.9	+6.4
South Atlantic:						
Delaware	313	290	+9.7	138.6	143.3	−3.3
Maryland	1,806	2,146	−13.0	124.6	165.7	−24.8
Dist. of Columbia	473	787	−39.9	100.5	237.7	−57.7
Virginia	2,466	3,239	−23.9	103.4	157.1	−34.2
West Virginia	1,972	1,475	+33.7	128.2	120.8	+6.1
North Carolina	1,738	1,420	+22.4	65.1	64.4	+1.1
South Carolina	1,255	1,691	−25.8	72.3	111.6	−35.2
Georgia	5,622	4,994	+12.6	188.4	191.4	−1.6
Florida	1,591	1,836	−13.3	153.7	243.9	−37.0

TABLE 12.—*Prisoners present January 1, 1923 and 1910, and increase in number and in proportion to total population, by divisions and States*—Continued

Division and State	Prisoners present Jan. 1					
	Number			Per 100,000 population		
	1923	1910	Per cent inc. (+), dec. (−)	1923	1910	Per cent inc. (+), dec (−)
East South Central:						
Kentucky	2,484	2,729	−9.0	101.1	119.2	−15.2
Tennessee	1,986	2,642	−24.8	83.3	120.9	−31.1
Alabama	3,571	3,687	−3.1	148.0	172.4	−14.2
Mississippi	1,808	2,283	−20.8	101.0	127.0	−20.5
West South Central:						
Arkansas	1,555	1,307	+19.0	86.0	83.0	+3.6
Louisiana	1,940	2,400	−19.2	105.3	144.9	−27.3
Oklahoma	1,957	1,668	+17.3	91.3	100.7	−9.3
Texas	3,892	4,227	−7.9	79.4	108.5	−26.8
Mountain:						
Montana	405	963	−57.9	67.2	256.1	−73.8
Idaho	337	287	+17.4	72.5	88.1	−17.7
Wyoming	358	287	+24.7	171.0	196.6	−13.0
Colorado	1,184	1,250	−5.7	120.4	153.9	−21.8
New Mexico	262	408	−35.8	70.7	124.7	−43.3
Arizona	422	645	−34.6	112.8	315.6	−64.3
Utah	204	394	−33.0	55.8	105.5	−47.1
Nevada	209	289	−27.7	270.0	353.0	−23.5
Pacific:						
Washington	1,358	1,652	−17.8	95.4	144.7	−34.1
Oregon	577	623	−7.4	70.6	92.6	−23.8
California	5,198	4,155	+22.9	136.2	174.8	−22.1

TABLE 13.—*Commitments during 1923 and 1910, and increase in number and in proportion to total population, by divisions and States*

Division and State	Commitments during the year					
	Number			Per 100,000 population		
	1923	1910	Per cent inc. (+), dec. (−)	1923	1910	Per cent inc. (+), dec. (−)
United States	357,493	479,787	−25.5	325.1	521.7	−37.7
Geographic divisions:						
New England	20,529	50,611	−59.4	267.9	772.4	−65.3
Middle Atlantic	80,975	110,965	−27.0	349.5	574.5	−39.2
East North Central	77,888	82,113	−5.1	346.6	449.9	−23.0
West North Central	30,823	50,926	−39.5	240.3	437.6	−45.1
South Atlantic	50,758	65,411	−22.4	349.0	536.4	−34.9
East South Central	18,618	36,078	−48.4	205.9	429.0	−52.0
West South Central	25,596	26,522	−3.5	239.4	301.9	−20.7
Mountain	12,742	22,310	−42.9	358.6	847.2	−57.7
Pacific	35,861	33,864	+5.9	598.5	807.8	−25.9
Federal prisons	3,703	987	+275.2	3.4	1.1	+209.1
New England:						
Maine	1,286	5,252	−73.6	178.6	707.5	−74.8
New Hampshire	624	1,501	−58.4	139.6	348.6	−60.0
Vermont	609	1,567	−61.1	172.8	440.2	−60.7
Massachusetts	11,915	31,353	−62.0	297.7	931.3	−68.0
Rhode Island	787	2,526	−68.8	126.2	465.5	−72.9
Connecticut	5,208	8,412	−38.1	356.0	754.6	−52.8
Middle Atlantic:						
New York	45,328	45,761	−0.9	420.6	502.1	−16.2
New Jersey	8,439	11,622	−27.4	252.1	458.1	−45.0
Pennsylvania	27,208	53,582	−49.2	309.8	699.0	−57.0
East North Central:						
Ohio	26,291	18,870	+39.3	433.4	395.8	+9.5
Indiana	8,249	13,294	−37.9	274.8	492.2	−44.2
Illinois	21,831	27,942	−21.9	323.6	495.5	−34.7
Michigan	16,435	12,359	+33.0	417.8	439.8	−5.0
Wisconsin	5,082	9,648	−47.3	186.5	413.4	−54.9
West North Central:						
Minnesota	8,081	10,356	−22.0	325.4	498.9	−34.8
Iowa	6,201	13,022	−52.4	252.1	585.3	−56.9
Missouri	6,474	15,868	−59.2	188.3	481.8	−60.9
North Dakota	914	942	−3.0	136.7	163.2	−16.2
South Dakota	736	1,596	−53.9	112.7	273.3	−58.8
Nebraska	4,378	5,756	−23.9	329.5	482.8	−31.8
Kansas	4,039	3,386	+19.3	225.2	200.2	+12.5
South Atlantic:						
Delaware	916	1,987	−53.9	399.3	982.1	−59.3
Maryland	9,760	8,922	+9.4	651.8	688.8	−5.4
District of Columbia	5,353	5,647	−5.2	1,137.8	1,765.7	−33.3
Virginia	7,721	12,430	−37.9	323.6	602.9	−46.3
West Virginia	3,688	6,028	−38.8	239.7	493.6	−51.4
North Carolina	2,728	2,709	+0.7	102.2	122.8	−16.8
South Carolina	3,858	5,489	−29.7	222.3	362.2	−38.6
Georgia	11,806	12,362	−4.5	395.6	473.8	−16.5
Florida	4,928	9,837	−49.9	476.1	1,307.0	−63.6
East South Central:						
Kentucky	7,326	13,920	−47.4	298.3	607.9	−50.9
Tennessee	4,643	9,922	−53.2	194.7	454.1	−57.1
Alabama	5,115	8,599	−40.5	212.0	402.2	−47.3
Mississippi	1,534	3,637	−57.8	85.7	202.4	−57.7
West South Central:						
Arkansas	4,142	4,921	−15.8	229.2	312.6	−26.7
Louisiana	8,304	4,739	+75.2	450.7	286.1	+57.5
Oklahoma	4,429	6,095	−27.3	206.7	367.8	−43.8
Texas	8,721	10,767	−19.0	178.0	276.3	−35.6
Mountain:						
Montana	1,573	4,023	−60.9	261.2	1,069.8	−75.6
Idaho	710	1,162	−38.9	152.8	356.9	−57.2
Wyoming	399	743	−19.4	286.1	509.0	−43.8
Colorado	5,965	4,874	+22.4	606.8	616.0	−0.5
New Mexico	563	1,872	−69.7	153.3	572.0	−73.2
Arizona	1,457	6,933	−79.0	389.3	3,392.6	−88.5
Utah	1,204	1,790	−32.7	254.6	479.4	−46.9
Nevada	666	913	−27.1	860.4	1,115.1	−22.8
Pacific:						
Washington	11,462	11,019	+4.0	805.5	964.9	−16.5
Oregon	2,494	6,431	−61.2	305.1	955.9	−68.1
California	21,905	16,414	+33.5	584.0	690.4	−15.4

ADJOURNMENT

Mr. WOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 47 minutes p. m.) the House adjourned until to-morrow, Friday, February 19, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 19, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10 a. m.)

District of Columbia appropriation bill.

COMMITTEE ON DISTRICT OF COLUMBIA

(10.30 a. m.)

To amend the act known as the "District of Columbia traffic act, 1925," approved March 3, 1925, being Public, No. 561, Sixty-eighth Congress (H. R. 3802 and H. R. 9221).

COMMITTEE ON FOREIGN AFFAIRS

(10.15 a. m.).

To provide for the expenditure of certain funds received from the Persian Government for the education in the United States of Persian students (H. J. Res. 111).

COMMITTEE ON IRRIGATION AND RECLAMATION

(10 a. m.)

Adjustment of water charges on reclamation projects.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

(10.30 a. m.)

Providing for the consolidation of the functions of the Department of Commerce relating to navigation, to establish load lines for American vessels (H. R. 7245).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

Department of national defense.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To provide for the promotion of advancement of officers who have specialized in aviation so long as to jeopardize their selection for promotion or advancement to the next higher grade or rank (H. R. 8125).

COMMITTEE ON ROADS

(10 a. m.)

To amend an act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads and for other purposes," approved July 11, 1916, as amended and supplemented (H. R. 3823).

COMMITTEE ON INDIAN AFFAIRS

(2 p. m.)

To authorize oil and gas mining leases upon unallotted lands within Executive-order Indian reservations (H. R. 9133).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

361. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of West Pearl River, Holmes Bayou, and East Pearl River, La. and Miss.; to the Committee on Rivers and Harbors.

362. A letter from the Secretary of War, transmitting a list of leases granted by the Secretary of War during the calendar year 1925; to the Committee on Military Affairs.

363. A letter from the Secretary of the Navy, transmitting a draft of a bill "To authorize the detail of officers of the line of the Navy for aerologist duty only, to create the warrant and commissioned warrant grades of aerographer and chief aerographer, and to provide for the appointment of one aerographer per annum; to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HUDSPETH: Committee on Irrigation and Reclamation. H. R. 3862. A bill to provide for the storage of the waters of the Pecos River; with an amendment (Rept. No. 313). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH: Committee on Irrigation and Reclamation. H. R. 8901. A bill to grant the consent and approval of Congress to the South Platte River compact; without amendment (Rept. No. 314). Referred to the House Calendar.

Mr. MONTGOMERY: Committee on Indian Affairs. H. R. 7086. A bill providing for repairs, improvements, and new buildings at the Seneca Indian School, at Wyandotte, Okla.; with an amendment (Rept. No. 317). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 8657. A bill to amend sections 226, 227, and 228 of the Judicial Code, and for other purposes; with amendments (Rept. No. 318). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. JAMES: Committee on Military Affairs. H. R. 4189. A bill for the relief of the Chamber of Commerce of Montgomery, Ala., Jack Thorington, and 39 others; with an amendment (Rept. No. 315). Referred to the Committee of the Whole House.

Mr. WINTER: Committee on War Claims. H. J. Res. 98. A joint resolution for the relief of R. S. Howard Co.; without amendment (Rept. No. 316). Referred to the Committee of the Whole House.

Mr. HICKEY: Committee on the Judiciary. H. R. 894. A bill granting jurisdiction to the Court of Claims of the United States; with amendments (Rept. No. 319). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of Rule XIII,

Mr. GRAHAM: Committee on the Judiciary. H. Res. 133. A resolution requesting the Attorney General to furnish to the House of Representatives certain information regarding combinations in the mills and baking industries in restraint of trade (Rept. No. 312). Laid on the table.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 578) granting an increase of pension to Sarah A. Millan; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 580) granting a pension to Quintilda Chambers; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HULL of Tennessee: A bill (H. R. 9494) granting the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the Cumberland River on the Gainesboro-Red Boiling Springs Road in Jackson County, Tenn.; to the Committee on Interstate and Foreign Commerce.

By Mr. ROWBOTTOM: A bill (H. R. 9495) authorizing the appropriation of $50,000 for the establishment of a fish-hatching and fish-cultural station in the State of Indiana; to the Committee on the Merchant Marine and Fisheries.

By Mr. THOMAS: A bill (H. R. 9496) authorizing the Secretary of the Interior to convey certain lands reserved for park purposes in the town of Hennessey, Okla., to said town of Hennessey, Okla.; to the Committee on the Public Lands.

By Mrs. KAHN: A bill (H. R. 9497) to provide funds for the reimbursement of the Indians of California for lands taken from them under the 18 treaties of 1851 and 1852, and without treaty and under subsequent court decisions for which no compensation has heretofore been made; and to provide for the administration of the appropriation herein made, including the creation of a commission to have charge of said administration; to the Committee on Indian Affairs.

By Mr. GRAHAM (by request): A bill (H. R. 9498) to provide compensation for employees injured and dependents of employees killed in certain maritime employments, and providing for administration by the United States Employees' Compensation Commission; to the Committee on the Judiciary.

By Mr. WOODRUM: A bill (H. R. 9499) to establish a permanent status for the United States Army Band, and for other purposes; to the Committee on Military Affairs.

By Mr. APPLEBY: A bill (H. R. 9500) for the erection of a public building at Lakewood, N. J.; to the Committee on Public Buildings and Grounds .

Also, a bill (H. R. 9501) for the erection of a public building at Dunellen, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. BROWNING: A bill (H. R. 9502) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Linden-Lexington Road in Perry and Decatur Counties, Tenn.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 9503) granting permission to the State highway commission of the State of Tennessee to construct a bridge across the Tennessee River at Savannah, Hardin County, Tenn., on the Savannah-Selmer Road; to the Committee on Interstate and Foreign Commerce.

By Mr. DOWELL: A bill (H. R. 9504) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Roads.

By Mr. ESLICK: A bill (H. R. 9505) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Waverly-Camden Road between Humphreys and Benton counties, Tenn.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 9506) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Linden-Lexington Road in Perry and Decatur Counties, Tenn.; to the Committee on Interstate and Foreign Commerce.

By Mr. HILL of Washington: A bill (H. R. 9507) for the adjustment of water-right charges on the Okanogan irrigation project, Washington, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. SINNOTT (by departmental request): A bill (H. R. 9508) to authorize the issuance of deeds to certain Indians or Eskimos for tracts set apart to them in surveys of town sites in Alaska, and to provide for the survey and subdivision of such tracts and of Indian or Eskimo towns or villages; to the Committee on the Public Lands.

By Mr. SEARS of Nebraska: A bill (H. R. 9509) providing for the patenting of certain lands in Esmeralda County, Nev., and Inyo County, Calif., parts of the public domain, to the Chrysil Rubber Corporation, of Omaha, Douglas County, Nebr., under certain conditions and for the purpose of aiding the production of rubber thereon and of the rubber industry; to the Committee on the Public Lands.

By Mr. KELLY: A bill (H. R. 9510) to classify certain positions in the Railway Mail Service and sea post service, and to provide for the promotion of the employees within the grades fixed by law; to the Committee on the Post Office and Post Roads.

By Mr. KENDALL: A bill (H. R. 9511) authorizing the Postmaster General to remit or change deductions or fines imposed upon contractors for mail service; to the Committee on the Post Office and Post Roads.

By Mr. MORIN: A bill (H. R. 9512) to provide for appointing Army field clerks and field clerks, Quartermaster Corps, warrant officers, United States Army; to the Committee on Military Affairs.

Also, a bill (H. R. 9513) to amend a portion of section 15 of an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920, relating to chaplains; to the Committee on Military Affairs.

Also, a bill (H. R. 9514) to amend section 55 of the national defense act, June 3, 1916, as amended, relating to the enlisted reserve corps; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHMANN: A bill (H. R. 9515) for the relief of R. P. Biddle; to the Committee on Claims.

By Mr. BOYLAN: A bill (H. R. 9516) granting a pension to Margaret E. Allen; to the Committee on Invalid Pensions.

By Mr. BULWINKLE: A bill (H. R. 9517) granting an increase of pension to Sara J. Rice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9518) granting an increase of pension to Nancy Wild; to the Committee on Invalid Pensions.

By Mr. CONNOLLY of Pennsylvania: A bill (H. R. 9519) granting a pension to Mary Buttz; to the Committee on Invalid Pensions.

By Mr. DAVENPORT: A bill (H. R. 9520) granting an increase of pension to Ellen L. Clark; to the Committee on Invalid Pensions.

By Mr. FAUST: A bill (H. R. 9521) for the relief of A. D. McHenry; to the Committee on Claims.

Also, a bill (H. R. 9522) granting a pension to George Brill; to the Committee on Invalid Pensions.

By Mr. FREE: A bill (H. R. 9523) granting a pension to Florence J. Glover; to the Committee on Invalid Pensions.

By Mr. FREEMAN: A bill (H. R. 9524) granting pension to Lillian Bromley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9525) granting a pension to Sarah F. DuMay; to the Committee on Invalid Pensions.

By Mr. HOGG: A bill (H. R. 9526) granting an increase of pension to Lucinda A. Mosher; to the Committee on Invalid Pensions.

By Mr. HUDSPETH: A bill (H. R. 9527) granting a pension to Florence M. Conner; to the Committee on Pensions.

Also, a bill (H. R. 9528) for the relief of the heirs of Crescencio Roybal; to the Committee on Claims.

By Mr. JACOBSTEIN: A bill (H. R. 9529) for the relief of Thomas Conlon; to the Committee on Military Affairs.

Also, a bill (H. R. 9530) granting an increase of pension to Annie H. Bills; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 9531) granting an increase of pension to Clara L. Conklin; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 9532) granting an increase of pension to Missouri A. Stine; to the Committee on Invalid Pensions.

By Mr. KERR: A bill (H. R. 9533) to allow the distinguished-service medal for service in the World War to be awarded Capt. Kenneth C. Towe; to the Committee on Military Affairs.

By Mr. KOPP: A bill (H. R. 9534) granting an increase of pension to Susan J. Conner; to the Committee on Invalid Pensions.

By Mr. KVALE: A bill (H. R. 9535) granting an increase of pension to Francis Shetals; to the Committee on Pensions.

By Mr. MOORE of Kentucky: A bill (H. R. 9536) granting an increase of pension to Martha F. Vanzant; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 9537) granting an increase of pension to Emma Davis; to the Committee on Invalid Pensions.

By Mr. NEWTON of Missouri: A bill (H. R. 9538) for the relief of Walter E. Holden; to the Committee on Claims.

By Mr. ROWBOTTOM: A bill (H. R. 9539) granting an increase of pension to Ollie Norris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9540) granting an increase of pension to Matilda A. Jackson; to the Committee on Invalid Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 9541) granting a pension to Mary Phillips; to the Committee on Invalid Pensions.

By Mr. STROTHER: A bill (H. R. 9542) granting an increase of pension to Lucy W. Slaughter; to the Committee on Pensions.

Also, a bill (H. R. 9543) granting an increase of pension to Caroline Pasley; to the Committee on Pensions.

By Mr. UPDIKE: A bill (H. R. 9544) granting a pension to Thomas Miller, alias James W. Huston; to the Committee on Pensions.

Also, a bill (H. R. 9545) granting a pension to James E. Allen; to the Committee on Pensions.

Also, a bill (H. R. 9546) granting an increase of pension to Jesse W. Winningham; to the Committee on Pensions.

Also, a bill (H. R. 9547) granting an increase of pension to Mary A. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9548) granting an increase of pension to Anna M. Mucho; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9549) granting an honorable discharge to Hugo Hutzler; to the Committee on Military Affairs.

Also, a bill (H. R. 9550) granting an honorable discharge to Augustus H. Ryman; to the Committee on Military Affairs.

Also, a bill (H. R. 9551) granting an increase of pension to Louisa C. Hawkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9552) granting an increase of pension to Louis Boeglin; to the Committee on Pensions.

Also, a bill (H. R. 9553) granting an increase of pension to Burton C. Parker; to the Committee on Pensions.

Also, a bill (H. R. 9554) granting an increase of pension to Mary Morgan; to the Committee on Invalid Pensions.

By Mr. VAILE: A bill (H. R. 9555) granting a pension to James H. Harris; to the Committee on Pensions.

By Mr. WELSH: A bill (H. R. 9556) granting a pension to Eugene Promie; to the Committee on Invalid Pensions.

By Mr. WOODRUM: A bill (H. R. 9557) granting a pension to Rupert C. Richards; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

728. By Mr. CULLEN: Resolution adopted by the Brooklyn Bar Association, strongly indorsing the measure seeking to increase the salaries of the Federal judges; to the Committee on the Judiciary.

729. By Mr. GALLIVAN: Petition of Patrick E. Kelleher, 6 Wrentham Street, Dorchester, Mass., recommending early and favorable consideration of legislation to increase the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

730. By Mr. GARBER: Statement of the officials of the Choctaw and Chickasaw Nations, in re dam across the Poteau River in Oklahoma; to the Committee on Indian Affairs.

731. By Mr. O'CONNELL of New York: Petition of Samuel Greenbaum, counsel for the firm of Greenbaum, Wolff & Ernst, of New York City, favoring the passage of House bill 7907, for the increase of salaries of the Federal judiciary; to the Committee on the Judiciary.

732. Also, petition of Roy D. Chapin, vice president National Automobile Chamber of Commerce of New York City, favoring the passage of House bill 6771, for purchase of buildings in foreign countries for our Diplomatic and Consular Services; to the Committee on Foreign Affairs.

733. By Mr. PATTERSON: Resolution of the New Jersey State League of Municipalities, Trenton, N. J., favoring active control of interstate bus lines; to the Committee on Interstate and Foreign Commerce.

734. Also, resolutions of the Polish American Citizen Club, Elizabeth, N. J., favoring amendment to immigration law to admit wives and children of declarants into United States beyond quota; to the Committee on Immigration and Naturalization.

735. By Mr. PEAVEY: Petitions in the form of resolutions passed by the County Board of Polk County, Wis.; the County Board of Price County, Wis.; the County Board of Sawyer County, Wis.; the County Board of Ashland County, Wis.; and the County Board of Lincoln County, Wis., protesting against repeal of the Federal aid law for public roads or the reduction of the amount appropriated under the said law; also petition in the nature of a letter signed by Mr. R. C. Bretting, chairman of the Ashland County Board of Wisconsin, protesting against any revision of the Federal aid law; to the Committee on Roads.

HOUSE OF REPRESENTATIVES

FRIDAY, *February 19, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Infinite and eternal God, without beginning and without end, make us conscious of Thy presence. Give us a growing faith and confidence in Thy providence, which shapes and guides the destinies of nations. Remind us "Except the Lord build the house, they labor in vain who build it." Grant, our heavenly Father, that the coordinate branches of our Government may work in harmony with Thy law. Always may the civic, political, and religious rights of all peoples be safeguarded and protected. The world over, O Lord, let Thy light shine until the desert places shall blossom as the rose; then, indeed, God shall be our Father, Christ our elder brother, and every man shall claim the high privilege of serving the less fortunate. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment House Joint Resolution 153, providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes.

The message also announced that the Senate had passed Senate Joint Resolution 58 of the following title, in which the concurrence of the House of Representatives was requested:

Senate Joint Resolution 58

Joint resolution (S. J. Res. 58) authorizing the Librarian of Congress to return to Solomon's Lodge, No. 1, Ancient Free and Accepted Masons, of Savannah, Ga., the minute book of Savannah, Ga., Masonic lodge.

SENATE BILL 545 REFERRED

A Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 545. An act for the payment of damages to certain citizens of New Mexico caused by reason of artificial obstructions to the flow of the Rio Grande by an agency of the United States; to the Committee on the Public Lands.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States, for his approval, the following bills:

H. R. 172. An act to extend the time for the construction of a bridge across the Mississippi River at or near the village of Clearwater, Minn.

H. R. 173. An act to extend the time for the construction of a bridge across the Rainy River between the village of Spooner, Minn., and Rainy River, Ontario.

H. R. 3852. An act to authorize the construction of a bridge over the Columbia River at a point within 2 miles downstream from the town of Brewster, Okanogan County, State of Washington.

H. R. 4032. An act granting the consent of Congress to the Brownsville & Matamoros Rapid Transit Co. for construction of a bridge across the Rio Grande at Brownsville, Tex.

H. R. 4440. An act granting the consent of Congress to the Board of Supervisors of Clarke County, Miss., to construct a bridge across the Chunky River, in the State of Mississippi.

H. R. 4441. An act granting the consent of Congress to the Board of Supervisors of Neshoba County, Miss., to construct a bridge across the Pearl River in the State of Mississippi.

H. R. 5027. An act authorizing the construction of a bridge across the Ohio River between the municipalities of Rochester and Monaca, Beaver County, Pa.

H. R. 5565. An act granting the consent of Congress to the Civic Club, of Grafton, N. Dak., to construct a bridge across the Red River of the North.

H. R. 6515. An act granting the consent of Congress to the Gateway Bridge Co. for construction of a bridge across the Rio Grande between Brownsville, Tex., and Matamoros, Mexico.

ORDER OF BUSINESS

Mr. GARRETT of Tennessee. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARRETT of Tennessee. Would it be in order to ask unanimous consent to take from the Speaker's table the bill that has just been messaged over from the Senate, a similar bill being before a committee of the House, but not having been reported from that committee?

The SPEAKER. The Chair would suggest that it might be wise to first consult the chairman of the particular committee.

Mr. GARRETT of Tennessee. Would it be agreeable to permit the bill in question to remain on the Speaker's table until that can be done?

The SPEAKER. It would.

CHANGE OF REFERENCE—CACHE RIVER, ARK.

The SPEAKER. The bill H. R. 8959, to repeal that portion of the river and harbor appropriation act approved July 27, 1916, declaring the Cache River, in Arkansas, to be a nonnavigable stream, and to direct the Secretary of War to make a survey of the Cache River and of the lands comprised in its watershed, for the purposes of flood control, irrigation, water and electric power, and navigation, was referred to the Committee on Irrigation and Reclamation. The Chair understands that the chairman of that committee, as well as the chairman of the Committee on Rivers and Harbors, desires that the reference of the bill be made to the Committee on Rivers and Harbors. The Chair thinks it could properly be referred to either committee. Under the circumstances, without objection, the Chair will refer the bill to the Committee on Rivers and Harbors.

There was no objection, and it was so ordered.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9341) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1927, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the independent offices appropriation bill, with Mr. BEGG in the chair.

The Clerk reported the title of the bill.

Mr. WOOD. Mr. Chairman, I yield first to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on a Lincoln Day speech.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FISH. Mr. Chairman, under leave to extend my remarks I insert herewith a speech I delivered on February 12, 1926, at Newburgh, N. Y., before the Republican city committee, as a guest at the Lincoln Day banquet.

SPEECH OF REPRESENTATIVE HAMILTON FISH, JR., DELIVERED BEFORE REPUBLICAN CITY COMMITTEE AND GUESTS AT LINCOLN DAY BANQUET AT NEWBURGH, N. Y., FEBRUARY 12, 1926

It seems to me that the Republican Party, especially in New York, should reaffirm its faith in the early principles of our party so ably enunciated by Abraham Lincoln, "A government of the people, by the people, and for the people." We have apparently forgotten these principles to some extent in New York, and are drifting away from them, with the result that we have lost the confidence of a great many voters who believe in the right of the people to choose their own candidates for United States Senator, governor, and the rest of the State ticket, as opposed to hand-picked candidates by a small group of self-appointed party bosses. We have to admit in all honesty, and it is better to realize it before it is too late, that the Republican Party in our State is disorganized and badly in need of repairs, even county chairmen and State committeemen get scant recognition, and the rank and file practically none at all.

The time is fast approaching when it may be necessary to wrest the political control of the Republican Party in this State from the hands of a few self-appointed bosses who attempt to dictate its policies, pick its candidates on the State ticket, not caring much whether they win or lose as long as they themselves can maintain control of the delegates, the party organization, and possibly elect a pet alderman or two. Such leadership is out of date, and these old-time political bosses only succeed in disrupting the party further by causing the loss of public confidence, as many of them, judging by their words and actions, do not realize that Tom Platt has been dead for 16 years, and that Tammany Hall and the Democratic Party in the State are up and doing.

There are far too few men in control of the Republican Party in our State, and they are out of touch with the plain people of whom Lincoln said, "God must have loved them because he made so many of them," and strangely enough these same men are not even in contact with the local Republican leaders. We have an overabundance of the silk-stocking variety, some of whom only vote at presidential elections, fixing our party policies without any knowledge of the wishes of the rank and file of the party or any consultation with them. We must humanize our policies and democratize the Republican organization if we expect to lead a united party to victory in the fall campaign.

There is developing in the State of New York at the present time that most ancient of all contests that between liberty-loving people seeking to protect their own political rights against the autocracy of big political machines and selfish interests. This age-old clash between democracy, the right of the people to rule, and autocracy is more emphasized in New York than in probably any other State on account of its great wealth and population; but it is the same condition faced by Abraham Lincoln, who consistently placed human rights above property rights, and insisted that the Government belonged to the people and should not be dominated by any selfish interest, whether it was slavery or, as in our time, by the power of concentrated wealth in the form of gigantic trusts or powerful public-service corporations. The Republican Party in the State to succeed must adopt new methods in line with the thoughts and wishes of the people, and above all must render service and free itself from the stigma of corporation control.

We have carried partisanship too far in New York by opposing beneficial legislation and measures in the interest of the public on account of political bias. We should determine our policies on the merits of each proposal and on the basis of exact justice to all the people. The people to-day demand service from the party in power, not politics. The greatest possible service to be rendered a political party is faithful service to the people.

Here in Orange County and in the city of Newburgh the Republican Party deserves the exceptional and remarkable success it has enjoyed within recent years, because it has put forward splendidly equipped candidates and been an instrument of service to the people. In the Nation fortunately the Republican Party stands forth as the great national party, free from the sectionalism of the South, the party of the Union, of sound money, of the tariff for protection of American wage earners and industry, the party of peace, progress, and prosperity, and of common sense and Calvin Coolidge, a great President.

I know of no more constructive step that could be taken by the Republican Party in the State than to reaffirm its faith in the early principles of the party of Abraham Lincoln and by adhering strictly to these principles for guidance in the future to endeavor to avoid the recent mistakes and repair the damages to the party in the State of New York. Wherever liberty and free government exist, the name of Abraham Lincoln is justly venerated and his ideals cherished. Let us unite all elements in the Republican Party in behalf of the principles of government enunciated by Lincoln and strive shoulder to shoulder for the continued success and prosperity of the Republican Party on this the anniversary of the birth of Abraham Lincoln, the kindliest, wisest, and greatest of all Republican Presidents.

Mr. WOOD. Mr. Chairman and gentlemen of the committee, I wish to present some of the features of the independent offices appropriation bill. I expect this bill is fraught with more trouble than any other appropriation bill, and I ask those who are here this morning to be as considerate as possible with me, and I shall try to explain what the committee has done with reference to recommending appropriations for the items in this bill. I think the members of the committee should be considerate, for there are many here who have contributed to the troubles now occupying the attention of this committee.

When this Government was organized it was thought best to divide its responsibilities among advisers to the President, and they were denominated Members of his Cabinet. Originally there were five, and for a long time they carried out the intentions of the fathers. By and by, as the country developed and as responsibilities increased, and as desire to get rid of responsibility occurred, we commenced creating independent offices and bureaus. We have created them to the number of 52, without responsible head, except, nominally, the President of the United States, with no one to whom they are answerable, except as they are answerable to this Congress from the testimony that we are able to adduce and present to you. Since I have been a Member of this Congress I do not know how many commissions have been created, or how many new bureaus, but we are not content with creating bureaus. We commence our troubles when we give them the power to adopt rules and regulations for their conduct, and they then become legislative bodies. This has been progressing until criticism is constantly appearing in the public press, and constantly appearing, if you please, upon the other side of the sea, with reference to this country of ours rapidly becoming a bureaucratic form of government, without responsibility in any one head.

Alexander Hamilton had the idea and expressed it, away back yonder when they were considering the Constitution under which we now live, that the time would come, unless there were some curtailment upon responsibility, the very thing would happen that is pictured to-day. Sometimes I wonder whether or not those who then formulated the fundamentals of this Government, upon which we have so wonderfully progressed and prospered, were not more enlightened than we are to-day. They were more considerate because of the fact that they were adopting a new system. They were more considerate because of the fact that, charged with the responsibility then upon their hands, they delved deep into the experience of governments. There was nothing they did not consider.

In these later days we are not so considerate; we do not stop to count the cost, either in money or in principle. I think every bureau that we create, every new commission that is established, is a new digger at the foundations of this Government of ours. [Applause.]

Mr. TYDINGS. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. TYDINGS. If the gentleman believes that, how could he vote for the child labor amendment, which proposed to give Congress more power than any other thing that was ever done?

Mr. WOOD. I did not vote for the child labor amendment, and I am very thankful I did not. Moreover, I am very thankful that the people of the United States were more considerate of what is best for this Government in their expression of purpose when they declined to ratify that amendment than was the majority of Congress in submitting it. That is the reason why I say and reiterate that we are too inconsiderate of the things that come before us to-day.

Mr. TYDINGS. Mr. Chairman, I beg the gentleman's pardon for the error I made, but at the same time I ask him whether he is in favor of the department of education which the President recommended in his message, and which would give more expansion to the power of bureaus than ever before proposed?

Mr. WOOD. Yes; but I am opposed to that. [Applause.] It is an easy matter—everyone of us is alike guilty. We have propaganda coming in by the cartloads every day asking us to vote for various measures, not considered by the writer, but suggested by some one who is interested and we fall for it. So I say, the founders of this Government were more considerate of its future than we are.

Mr. McDUFFIE. Will the gentleman yield for a moment?

Mr. WOOD. I will.

Mr. McDUFFIE. I thoroughly agree with the gentleman in what he says about the creation of bureaus, but does not the gentleman think that the passage of the public buildings bill, which went through here in a few minutes the other day, rather increased the power of one department of the Government just along the line to which the gentleman refers?

Mr. WOOD. I wish to say in regard to the public buildings bill that I think it is a move in the right direction. The Government should be cognizant of its necessities in reference to public buildings, and should apply the funds appropriated for them in consonance with the needs of the Government rather than in compliance with the desire of gentlemen who are trying to benefit themselves politically. [Applause.] Why, gentlemen, it is not commendatory in our favor when we go over this country of ours and see Government buildings in villages of a thousand or fifteen hundred inhabitants. I am in favor of erecting Government buildings where they are needed. Government buildings are a luxury. They are about the only benefit the Government exhibits in these various places, and I am in favor of extending them wherever necessary. But we should not erect them where there is not some great requirement for them.

Mr. McDUFFIE. If the gentleman will yield again. I thoroughly agree we should build public buildings where they are needed, but does not the gentleman think Congress ought to supervise the location of these buildings rather than turn it over to a bureau of the Government of which the gentleman has been complaining?

Mr. WOOD. I do not. I believe there should be a responsible and responsive body charged with the responsibility of placing and erecting these buildings where they are needed, within the appropriations that can be made without regard to your wishes or mine. I have seven public building bills before the Congress now, and I expect my district is about as big, so far as necessities are concerned, as most any other district in this country.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. WOOD. In a moment. In the town of East Chicago, consisting of 100,000 inhabitants, they have no public building. There are many places in this country where there are less than 1,500 inhabitants enjoying the use of public buildings placed there not because of necessity but because of political influence. This practice should stop.

Mr. LANKFORD. Can the gentleman state where some of those are?

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. WOOD. I can not listen to both.

Mr. GARRETT of Tennessee. For a question.

Mr. WOOD. I do.

Mr. GARRETT of Tennessee. Do I understand the gentleman to say he has seven bills pending?

Mr. WOOD. Yes.

Mr. GARRETT of Tennessee. Any of them bad?

Mr. WOOD. No; they are not. But I will tell you what I am willing to do. I am willing to take my chance. I do not expect to get all of these buildings, but I am willing to leave the placing of these buildings to somebody who has the taxpayers' interest in view.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. WOOD. I will.

Mr. JACOBSTEIN. Does the gentleman think the recent creation contained in the cooperative marketing bill was a wise expenditure of money?

Mr. WOOD. If we go into that, we are simply going into a maze—I do not know what the gentleman's predilections are——

Mr. JACOBSTEIN. The gentleman opposes the creation of bureaus which he thinks are unnecessary bureaus, forming what he calls a bureaucracy. Why was it necessary to expend that money to make that gesture when we have a Department of Agriculture that could function as well without it?

Mr. KETCHAM. If the gentleman will permit, I am sure if the gentleman from New York thoroughly understood the terms of the bill he would not have made that remark, because no bureau is created by the terms of the cooperative act. And I will say further he will find as the years come and go that the cooperative bill is far more than a gesture.

Mr. JACOBSTEIN. Was not a new division created as a result of that bill?

Mr. WOOD. It will eventually result in that. I will tell you why I say that. I do not want to say anything against the possibility of relieving the agricultural situation. I want to help relieve it if I can. But every time we attempt to create a new bureau we are adding a new diversion in this Government. I remember in one bill having to do with the marketing of futures we were told that that bureau was already in the Department of Agriculture and it would not cost $1 to the Government. Forty-eight hours after that bill passed they came down here with estimates for an organization that would involve the expenditure of $150,000.

That is the trouble about this whole business.

Mr. MOORE of Virginia. And may I suggest to the gentleman, in answer to the question put by the gentleman from New York, this Bureau of Cooperative Marketing is not an independent establishment. It is merely an agency within one of the great departments of the Government, which is a thing that may be necessary there just as similar agencies are in other departments.

Mr. WOOD. That is right.

Mr. LANKFORD. Will the gentleman yield?

Mr. WOOD. Yes; I yield.

Mr. LANKFORD. Would the gentleman mind telling us where some of these towns are that have a population of less than 1,500 and yet have Federal buildings?

Mr. WOOD. I do not know that I can enumerate all of them; but I have been in every State of the Union, and, unfortunately, they are all down South.

Mr. LANKFORD. I would like to have the gentleman name some of them.

Mr. WOOD. I will furnish the gentleman with a list of them.

Mr. LANKFORD. I will be glad to have the list.

Mr. WOOD. And I will be glad to furnish it.

Mr. LANKFORD. Will the gentleman put that list in the RECORD?

Mr. WOOD. Yes; I will do that. If I do not, I will furnish it to the gentleman anyway.

Mr. LINTHICUM. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. LINTHICUM. I can tell the gentleman where there is a very handsome building of that kind—at Big Stone Gap, in Virginia.

Mr. WOOD. That is one of them. I remember that building very well.

Mr. LINTHICUM. In the district formerly represented by our colleague, Mr. Slemp. It is a building sufficient for a city of 75,000 people, and they have a population of about 2,000.

Mr. WOOD. Yes; and it is a two-story building.

Mr. LINTHICUM. It has four windows, and the one man in the post office moves from window to window, according to the business he is going to attend to.

Mr. LANKFORD. Mr. Slemp was a Republican Member, was he not?

Mr. LINTHICUM. He was.

Mr. WOOD. But I want to say to the gentlemen on the other side there have been 10 built in other places to the 1 that Mr. Slemp obtained. I will give you a list of them.

Now, gentlemen, I want to call your attention to some of the items of this bill.

One of the first items, and the one which naturally comes first, is the appropriation for the Executive Office.

My good friend the gentleman from Tennessee [Mr. BYRNS], evidently misguided by somebody who was trying to furnish him what he thought to be the facts, delivered a statement upon the 2d day of this month upon the extravagance of this administration. I wish to say there is no one here that has a higher regard for the gentleman from Tennessee than I have. He was here when I came to the Congress, and no doubt will be here when I am gone. No one has ever tried to do more in an economical way or in a progressive way than Mr. BYRNS, but Mr. BYRNS, like the rest of us, is sometimes imposed upon, and he has been imposed upon in this instance. I believe he will correct the statement he has made, in view of the facts as I will attempt to disclose them.

On the 2d day of this month the gentleman from Tennessee [Mr. BYRNS] made some observations in this House on the question of Government expenditures. It was a very excellent speech from the standpoint of that side of the House. The gentleman from Tennessee is always interesting, always industrious, always economical, and when he makes a political speech sometimes adroit. I do not criticize the gentleman from Tennessee for making the kind of a speech he did. This is the year when his party and mine engage in disputations. He made an analysis of the reduction in expenditures of the Government, comparing the fiscal year 1921 with the fiscal year 1926. The gentleman is a true Democrat, believing implicity in and adhering firmly to the Jeffersonian principles of simplicity and economy in government. Holding these views he could not criticize the wonderful achievements of the Republican Party in Government economy and finance since it came into power, first in the House in 1919, and in all branches of the Government in 1921.

The gentleman approves the reductions in expenditures that were made, but attempts to discredit the achievements by showing that the reductions were made in certain items of expenditure. His criticism is not one of the achievements itself but of the substance of the achievement.

The gentleman from Tennessee refers to the fact that the total expenditures for the Army and Navy have been reduced by approximately a billion dollars since 1921. Is there no virtue in this accomplishment? It is not hard for me to believe that the Democratic Party would criticize this decrease in the Military and Naval Establishments when I recall the days just following the war when the Democratic administration sent in estimates for a peace-time Army of 500,000 men at an estimated cost of $1,185,000,000 and a Navy of 350,000 enlisted men and an annual naval expenditure of $1,400,000,000. And in between these two highly militaristic estimates was sandwiched the suggestion that we embark on universal military training in this country with an estimated cost of $900,000,000 annually.

The party in power has reduced the Army to a peace-time strength of 125,000 men and the Navy to 86,000 men, with a total cost of less than $600,000,000 a year, compared with the billions upon billions that the militarists in the Democratic administration would have fastened upon the taxpayers if they had seen fit to continue them in power.

The gentleman from Tennessee has further pointed out that we have reduced and eliminated expenditures for such war-time agencies as the Shipping Board, the Railroad Administration, the Grain Corporation, and interest on the public debt. Is that an accomplishment not worthy of commendation? Are there not still a few here who remember the days just following the war when there was the greatest pressure to keep the war-time agencies attached to the Government structure? One of the injunctions of the American people to the Republican Party when it came into power was to get rid of these war agencies and expenditures, and I want to thank the gentleman

from Tennessee for pointing out so clearly how and to what extent we have done it.

The gentleman does not criticize the reductions we have made since 1921. He is in accord with the $2,000,000,000 decrease in the expenditures we have made. I hope he is in accord with the decrease of $3,500,000,000 that has been made in the public debt since 1921. I hope he is in accord with the decrease in interest payments of $115,000,000 since 1921 that has been attendant upon this decrease in the debt. I hope he is in accord with the Treasury surpluses which occurred each year since 1921 starting with $314,000,000 in 1922, continuing with $310,000,000 in 1923, $505,000,000 in 1924, and $250,000,000 in 1925. I hope he is in accord with the tax reductions that have taken place, beginning with a $800,000,000 a year decrease in the 1921 act, continuing with a $450,000,000 reduction in the 1924 act, and a $330,000,000 reduction in the pending bill as it passed the House. I hope he is in accord with the decrease of approximately 50,000 in the total number of Government employees since 1921, notwithstanding an increase of almost 16,000 in the Postal Service, which, if deducted, would bring the decrease since 1921 in all other services to 65,000.

I could go on and enumerate many more accomplishments along the line of economy and retrenchment under this administration that I know the gentleman is in accord with. I believe I have outlined a sufficient number of them, however, to show, not that the gentleman and his party are out of sympathy with what has been accomplished, but rather that the record of the Republican Party and the policies and deeds of the quiet, modest, thrifty son of New England have left the disciples of Jeffersonian simplicity and economy without an issue and it is quite natural that they should complain.

The gentleman from Tennessee in his speech paid particular attention to the expenditures of the Executive Office and tried to make it appear that, in spite of the retrenchments in other branches of the public service, the President himself had been guilty of not economizing. Can anyone, with the slightest acquaintance with his life and habits, charge him with that act?

The gentleman from Tennessee quoted figures to show expenditures for the Executive Office for 1921, 1923, and 1925. The figures he used make it appear that there has been a tremendous increase in the cost of the Executive Office. That would be true if the figures he used were all the figures. It must be remembered that in 1921 the funds for the Executive Office and Executive Mansion were distributed around in a number of appropriation bills and under different offices. Part of them were in the legislative appropriation bill under the heading "Executive Office," and the remainder were in the sundry civil bill under the War Department. The figures the gentleman gave for 1921 included only the salary of the President and his office force and the contingent expenses of his office. They did not include his traveling expenses or any of the expenses of the Executive Mansion and grounds. When the Budget system was established with the fiscal year 1923, Congress rearranged all of the appropriation bills so that all of the items for any particular project might appear in one bill and under one head so that anyone might see what they were. Therefore the figures which the gentleman gave for 1923 included for the first time all of the items of expense for the Executive which had theretofore been scattered. He has, therefore, compared the complete figures of 1923 with the incomplete and erroneous figures of 1921, and given, I know, entirely unwittingly and unintentionally, figures that are an absolutely incorrect statement of what the true situation is.

I ask unanimous consent to insert in the RECORD at this point a table showing all of the appropriations for the Executive Office, Executive Mansion, Executive grounds, etc., for the fiscal years 1913, the first year of the Democratic administration; 1921, the first year of the Republican administration; and 1926, the current fiscal year:

Comparison of appropriations, fiscal years 1913, 1921, and 1926, for the Executive Office, Executive Mansion and grounds, and other objects of expenditure incident to the maintenance of the Executive Office and the Executive Mansion

	1913	1921	Increase (+) or decrease (−) 1921 and 1913	1926	Increase (+) or decrease (−) 1926 and 1921
Salary of the President	$75,000.00	$75,000.00		$75,000.00	
Salary of the Vice President	12,000.00	12,000.00		[1] 12,000.00	
Executive Office, salaries	72,656.00	[2] 91,370.00	+$19,314.00	92,760.00	+$1,390.00
Executive Office, contingent expenses	25,000.00	30,000.00	+5,000.00	35,000.00	+5,000.00
Executive Office, printing and binding	3,000.00	3,000.00		2,800.00	−200.00
Traveling expenses of the President	25,000.00	25,000.00		25,000.00	
Executive Mansion and grounds, including greenhouses, heating, lighting, care, maintenance, repair, and ordinary upkeep of buildings and furnishings	61,000.00	[3] 88,343.97	+26,743.97	110,000.00	+21,656.03
Total on comparable items	273,656.00	324,713.97	+51,057.97	352,560.00	+27,846.03
Portrait of President Taft	4,000.00		−4,000.00		
Extraordinary repair and refurnishing, including new elevator, etc.—not an annual or normal item				50,000.00	+50,000.00
White House police	(4)	(4)		[4] 87,400.00	+87,400.00
Grand total	277,656.00	324,713.97	+47,057.97	489,960.00	+165,246.03

[1] Salary increased to $15,000 by act Mar. 4, 1925, but additional sum not yet appropriated.
[2] $80,880 in regular act and $10,490 in increased compensation (bonus) act.
[3] $77,600 in regular act and $10,743.97 in increased compensation (bonus) act.
[4] Police furnished during 1921 and previous years by detail from the police force of the city of Washington. White House police force created by act of Sept. 14, 1922, and thereafter appropriated directly as part of White House expense.

This table shows that from 1913, the first year under Mr. Wilson, to 1921, the first year under Mr. Harding, the appropriations for the Executive on thoroughly comparable items were increased in the sum of $51,097.97, the result of the eight years of Democratic occupation of the Executive Mansion. That was about 18 per cent. From 1921 to 1926 the appropriations have been increased on comparable items by $27,846.03, about 8 per cent. There has not been included in these items two amounts appearing in 1926, one of $50,000 for extraordinary repairs to the White House and one of $87,400 for expenses of the White House police. They do not occur in 1913 or 1921, the extraordinary repairs under the Democratic administration having been made in 1914 and 1918, and the White House police in those years having been chargeable to the police force of the District of Columbia and detailed to the White House as members of that force.

It has been customary for each party, when in control of the legislative branch of the Government, to make whatever appropriations have been necessary for the adequate and respectable maintenance of the Executive establishment. That is the way the American people want it done. No party has ever refused to accede to the very reasonable requests of any President—Democrat or Republican—for any modest sum for the upkeep of the Executive Office or the Executive Mansion. Indeed, I might say that during the occupancy of Mr. Wilson extraordinary appropriations were made for renovating the White House and its furnishings aggregating $84,500, and the sums that have been granted during the tenancy of Presidents Harding and Coolidge for the same purposes have totaled $70,000.

It had not been my purpose to indulge in comparisons of maintaining the Executive Office or the Executive Mansion at this time if the gentleman had not opened the subject with the very misleading figures which he gave. Reference was made during the speech of the gentleman from Tennessee to the fact that the President's traveling expense fund has been available for official entertainment.

Mr. Chairman, I believe that in the figures I have given for the Executive establishment for the years 1913 to 1921 there are included all of the sums that Congress has specifically appropriated in one or another of the appropriation bills for that purpose. We all know that during those years, however, that for the first time in the history of the United States the Executive Office was for a time removed from the country and established in a foreign land. We all further know that the expenses of the maintenance of that office were not paid from funds which Congress had specifically appropriated for that purpose, but were defrayed from an appropriation which had been granted to the Executive for the national security and

defense. The only public record of which I know, setting out the purposes for which some of that money was expended, is found in a report which the President made March 1, 1921, in response to a resolution of the House of Representatives asking for information on the subject of how the $150,000,000 voted to his distribution had been expended and allotted.

This statement shows that the expenditures for the American Peace Mission, of which the President was the head at the same time that he was the Chief Executive of the Government, aggregated $1,651,191.09. It is impossible to tell from the report how much of this expenditure is on account of the presence of the Executive Office in Paris and how much of it is on account of the members and retinue of the peace mission. Some of these items are interesting but not illuminating. I find many reading like this:

Wages to employees at Hotel de Crillon	$131,507.00
Rent	176,853.91
Food, hotel, and kitchen supplies	283,560.47
Hire and launder of linen, Hotel de Crillon	64,969.53
Fuel, heat, light, and compressed air	52,457.21
Water rent	5,155.05
Damages and loss of property, Hotel de Crillon	125,870.82
Purchase of automobiles	14,602.96
Confidential expenses, presidential party	17,534.16

In addition to these unusual expenditures abroad, the details of which have been so meagerly explained to the American people, I recall that the Government was put to considerable expense in fitting up presidential suites on the steamship *George Washington* and making alterations to accommodate the retinue and staff which accompanied the presidential party. The expense of these alterations and the cost of the voyages of that ship, I am told, cost thousands of dollars.

It seems to me that when comparisons are drawn between the costs of maintaining the Executive Office at one time and another there should be taken into consideration all of the costs, wherever found, and when the gentleman from Tennessee takes these figures which I have to-day given him for his administration and adds them to the figures which he already knew about I shall be most happy to have him draw a balance of the difference in the total of maintaining the Executive Office and providing for the costs of the President during the Democratic administration and what he will then find to be the very modest charge for annual maintenance under this administration. [Applause.]

Next, gentlemen, I wish to call your attention to the office of the Alien Property Custodian.

The value of the property now held in trust by the Alien Property Custodian is approximately $281,000,000. Under the Winslow Act, which provided for the return of property not exceeding $10,000 in value, the sum of $42,089,418 has been returned as of December 31, 1925, of which $13,684,462 was paid out during the past calendar year. In addition to the sum above mentioned, the Department of Justice allowed the return of property and cash aggregating in value the sum of $264,081,752.15, making a total amount of all property and cash returned as of December 31, 1925, $306,171,170.15. An aggregate of 933 pieces of real estate, situated in almost every State of the Union, are held by the Alien Property Custodian.

The following statement indicates the work of this establishment:

Number and disposition of claims filed as of December 31, 1925

Total number of claims filed	35,442
Disposition of claims:	
Suits under section 9	513
Allowed by Attorney General	6,451
Disallowed by Attorney General	1,404
Pending before Attorney General	334
Allowed by Alien Property Custodian	17,923
Disallowed by Alien Property Custodian	597
Withdrawn	836
Canceled	1,948
Referred to liquidator	444
Pending in office procedure	4,992
Total	35,442

The committee repeats its recommendation of a year ago that legislation be enacted looking forward to the final disposition of property now held in trust, thereby eliminating the necessity of maintaining the office of Alien Property Custodian.

I am glad to say to the committee, it is the policy of the present administration of the Alien Property Custodian's office to conclude its activities when affirmative legislation comes from this Congress containing authority to this end; and such legislation ought to be enacted.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. WOOD. There is no reason to my mind why this activity should be longer continued.

I yield to the gentleman.

Mr. SCHNEIDER. I did not read over the hearings before the gentleman's committee with reference to transactions of the Alien Property Custodian, and I am wondering whether the old policy still prevails of private sales of alien property. Can the gentleman inform us whether that policy of private sales still continues?

Mr. WOOD. They are still operating under the law enacted for such sales, and I do not know whether there has been any change in that respect or not; but my judgment is—and I know this is the policy of the administration of the Alien Property Custodian's office—to wind this thing up. There is no reason why property belonging to others, whether they are nationals of this country or foreign countries, should not be disposed of and these people receive that which is due them. We have ample power to protect ourselves against all alien claims. It occurs to me the committee, having jurisdiction of the subject, should initiate affirmative legislation during this Congress looking toward the final disposition of all properties now controlled by this office. There would have to be some time allowed within which this property could be disposed of and a proper distribution made. We are deferring it from year to year, and there is no telling how long this activity will last.

Mr. SCHNEIDER. It was pointed out yesterday by the gentleman from Wisconsin that much of this property disposed of by the Government was at private-sale method rather than the method used by other departments of the Government of disposing of it to the highest bidder. I would like to know from the gentleman how that is.

Mr. WOOD. We had some information on that subject. I listened to the gentleman from Wisconsin yesterday, and I confess the matters he disclosed were new to me; but, of course, they have the right to reject any of the bids. Strange to say, criticism has come, not only in the House but directly to Members of Congress, in cases where the Alien Property Custodian accepted the highest bid; he has been criticized by those who offered a lower bid because they did not get the property. That is something I know nothing about. But I do think for the benefit of those interested, for the benefit of the good will of the people of this country, and the good will of those who are interested abroad this activity should be concluded.

I now desire to direct your attention to the American Battle Monuments Commission:

To provide for the erection of suitable memorials commemorating the services of the American soldier in Europe, as authorized by the act of March 4, 1923, the committee recommends an appropriation of $800,000 for the fiscal year 1927. The appropriation act for the current fiscal year provided that the complete cost of the program of construction work should not exceed $3,000,000, and to enable the commission to complete their plans and approve projects the committee recommends that, in addition to the appropriation recommended for 1927, authority be given the American Battle Monuments Commission to enter into contractual obligations for construction work, materials, and supplies, which, including the appropriation, shall not exceed the sum of $3,000,000.

To engage the services of engineers, architects, sculptors, and artists, the committee further recommends that the commission may employ, by contract or otherwise, such professional and technical personnel as may be necessary, without reference to the requirements of existing laws or regulations. Authority is also granted the commission to make contracts for work in Europe. It is the program of the American Battle Monuments Commission to complete the memorials of its projects so that they can be dedicated on November 11, 1928, just 10 years after the signing of the armistice, and the removal of the restrictions above mentioned is essential to the successful completion of this program.

We permitted this commission to employ personnel without reference to civil-service requirements, because we were satisfied from the evidence adduced that it would be not only more effective but far more economical if we did so. It would be impossible for us to obtain employees abroad, because we have no civil-service commission there, and it would be most expensive to send civil-service employees abroad.

Now, I want to call attention of the committee to one of these new projects upon which we have embarked, the accomplishment of which will be a beautiful thing when completed and the cost of which is problematical. That is the Arlington Memorial Bridge.

For continuing the construction of the Arlington Memorial Bridge across the Potomac River at Washington the committee recommends an appropriation of $2,500,000 for the ensuing fiscal year. The project contemplated by the act provided for the construction of the bridge and the acquisition of additional land to provide suitable approaches thereto. The limit of cost

for the entire project has been placed at $14,000,000, of which the estimated cost of the bridge will be $7,500,000. It is proposed to construct a low, level, segmental arch bridge with nine arches, the center span being 185 feet long, with the arches tapering off so that the spans are shorter toward the ends. The center span is to be a steel bascule bridge in order to permit boats to go through when necessary. The width of the roadway for vehicle traffic will be 60 feet, with walks on either side 15 feet wide, making the over-all width 90 feet. It is estimated that the entire project will be completed in 10 years, the bridge being completed in approximately 6 years.

I wish to say to the committee that objection was had in our committee with reference to this appropriation. I was against the project when it was first offered in this House for the reason that I felt it was a poor time to enter upon the building of a memorial bridge. It will be an ornament of which we will be proud and of which the world will be proud, but it occurred to me that we were needing some things essentially more practical than the building of this bridge.

But the majority of this House and the Senate approved of this project. There is nothing to do now but to carry it out. It will cost more than anybody estimated before it is completed.

Mr. RANKIN. How much will it cost?

Mr. WOOD. Fourteen million six hundred thousand dollars.

Mr. RANKIN. That is the estimate now, but the gentleman said that it will cost more than is now anticipated.

Mr. WOOD. Of course it will.

Mr. RANKIN. How much more?

Mr. WOOD. I can not and nobody can predict what a project of this character will cost before completed.

Mr. RANKIN. I was trying to get at the ultimate cost.

Mr. WOOD. I have no idea, but the gentlemen who appeared before us say they hope to carry it out within the estimate of $14,600,000, but whoever heard of a Government project that was built within the limits of the estimate?

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. COOPER of Wisconsin. The gentleman asks whoever heard of a Government project that was completed for less than the appropriation. It is my understanding that the magnificent Library of Congress, which was put under the charge of General Casey, was built for less than the appropriation.

Mr. RANKIN. That was under Democratic administration.

Mr. COOPER of Wisconsin. That makes no difference; there is no politics in a project like that; but that was built, as I understand it, for less than the appropriation.

Mr. WOOD. That may be one of the exceptions that proves the rule. It is an exception. But the actual cost will be more than now estimated, because of changes in the plans and the variation in the cost of materials. Whoever built a house—and you gentlemen have all had experience in that, I have no doubt—whoever built a house for what he thought it would originally cost? The Government is worse off than private builders in everything that pertains to it.

Mr. RANKIN. I will say to the gentleman that the reason I asked the question was that I had heard it rumored about the Capitol that this bridge would ultimately cost $25,000,000, and I wanted to know whether the gentleman had any information about it.

Mr. WOOD. No; the committee had no definite information.

Mr. LINTHICUM. If the gentleman will yield, I want to state that the City Hall in Baltimore, of which we are very proud, was built very much within the limits of the appropriation.

Mr. WOOD. What happened to the contractor? [Laughter.]

Mr. LINTHICUM. I expect the contractor made some money out of it. That is what they went into it for.

Mr. WOOD. I was in Missouri a few weeks ago, and they have one of the nicest capitol buildings at Jefferson City that I have ever seen. The contract was let for this building just about the time we got into the war, and it was finished within the appropriation and within the contract, but every contractor that had anything to do with it went bankrupt.

I wish to call attention now to the Bureau of Efficiency. The committee recommends an appropriation of $210,000 for the general expenses of the Bureau of Efficiency for the fiscal year 1927. During the past year the bureau conducted a number of investigations resulting in large savings to the Government through the adoption of the recommended improvements in the method of conducting the business of the various offices, and at present is engaged in a large number of important investigations, with requests pending for assistance in excess of the capacity of the present organization.

In passing, I wish to say with respect to this Bureau of Efficiency that it has been a sort of hound dog that everybody has been kicking around. To my mind it is the greatest office for saving money to the taxpayers in this country. No wonder that it has been unpopular. When it was inaugurated it had to pry into the workings of various offices with their archaic way of doing things and with resentment at any disturbance of their way of conducting business. The practical result shows, however, that it has saved millions of dollars to the Government every year. Within the last few months they have convinced the Treasury Department that that department could get rid of 200 employees in one of its bureaus. That is but one example, and the evidence discloses a large number of investigations that have been made by this activity resulting in not only greater efficiency but in the saving of large sums of money.

Mr. MACGREGOR. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. MACGREGOR. Along that line there is general complaint throughout the country in respect to the red tape in connection with the income-tax collection. Does the gentleman not think that a large number of clerks in the Internal Revenue Department could be gotten rid of if the experts down there would find some simpler forms for making tax returns?

Mr. WOOD. There is no question about that, and if this tax bill goes through, that our brethren are now laboring upon, in anything like the form in which it passed the House, it will result in a reduction of hundreds and hundreds of clerks in the Internal Revenue Bureau. I am reminded that Abe Martin, one of the caricaturists on the Indianapolis News, a few years ago said that he had discovered the means of making a great fortune, because he had devised the most complicated way of making a tax return for which the Government was offering a premium.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. LINTHICUM. Speaking of these bureaus, I am glad to hear the gentleman say that the Bureau of Efficiency is doing such splendid work. I remember that it is not many years ago since that bureau was not held in very good repute in this House. The thing that annoys me about these bureaus, and to which my colleague, Mr. CONNALLY of Texas, adverted some time ago, is the fact of the President requiring resignations to be given him before appointments are made. If that practice is kept up it seems to me that we will all lose faith in these bureaus.

Mr. WOOD. I am going to pay my respects to that business, and I think I will be able to clear up some misinformation in the minds of the Members of the House with reference to the President in that respect.

Mr. LINTHICUM. There is a strong feeling in my State, because our former colleague, Mr. Lewis, says that that was the case with reference to the Tariff Commission, and Mr. Lewis is an able and he is a truthful man. It seems to me it would be very well if the gentleman would clear that up.

Mr. WOOD. I will undertake to do that right now. I wish to speak with reference to this practice of having resignations in the hands of a superior with respect to another activity appropriated for in this bill. There has been much misinformation with reference to what the President did concerning the resignation of Mr. Lewis. Mr. Lewis's appointment had expired, or was about to expire. He had some unfinished business on hand, as this Tariff Commission always has. At the suggestion of a member of the commission the President was induced to permit Mr. Lewis to continue, and at the further suggestion of this gentleman it was proposed that Mr. Lewis tender his resignation, about which complaint is now made. Mr. Lewis, and I do not blame him for it, resented that being done. The work never was completed and never will be completed. The President was simply acting upon the suggestion of somebody who was supposed to be a friend of Mr. Lewis.

Mr. LINTHICUM. I do not believe, from what a Senator at the other end of the Capitol said, that that was the only case. This matter seems to be a practice. That is what I am complaining of. Suppose the practice should be carried into the United States Supreme Court and into other places.

Mr. WOOD. I am going to pay some attention to that with respect to another body here, where I think it is more apropos.

Mr. OLDFIELD. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. OLDFIELD. I am sorry that I did not hear all that the gentleman said about Mr. Lewis, until recently a member of the Tariff Commission. His successor was not appointed until the beginning of the present Congress. It not that correct?

Mr. WOOD. Yes.

Mr. OLDFIELD. After the 4th of March. The statute under which Mr. Lewis and all of them were appointed reads as follows:

A vacancy shall not impair the right of the remaining members to exercise all the powers of the commission, but no vacancy shall extend beyond any session of Congress.

In this particular case the vacancy extended beyond the session of Congress, as I understand it?

Mr. WOOD. Yes.

Mr. OLDFIELD. How does the gentleman explain the violation of the letter of the statute by the President when he permitted that to occur?

Mr. WOOD. There was no actual vacancy; but in order that the President might give Mr. Lewis an opportunity to complete his unfinished work, which another member of the commission told the President would be done, he consented to making this appointment, if Mr. Lewis would tender his resignation, to be used by the President when he deemed proper.

The Tariff Commission is one of the evils inflicted upon this country by the Democratic Party, and you gentlemen have very little cause for complaint. [Applause and laughter on the Republican side.]

So far as I am concerned I do not think it ever amounted to anything. I will tell you why. It consists of six members, three of whom come from one party and three from the other. You can readily see that the tariff, having been the football of politics since this Government originated down to this goodly hour, will continue, I expect, throughout all the future——

Mr. OLDFIELD. Will the gentleman yield for one question?

Mr. WOOD. I will.

Mr. OLDFIELD. If the gentleman is opposed to a tariff commission, why then bring in a bill appropriating $690,000 for that commission?

Mr. WOOD. I will tell my friend why we are doing it. We are trying to give you gentlemen who are responsible for it an opportunity to try to do something for the country you thought you were serving by giving something better. I have always contended that the tariff question, like the tax question, is an economic one and should not be a political question. It has been made a political question from the beginning, and we are so saturated with the fact that we can not consider anything else in politics.

The CHAIRMAN. The gentleman has used one hour.

Mr. WOOD. I will try to get through as quickly as the gentlemen will allow me, and therefore let me run along. [Laughter.]

Mr. GARNER of Texas. Will the gentleman yield for a question, as I can not stay here to hear the gentleman talk on this matter although I am much interested in it. I think I understood the gentleman in reference to the Tariff Commission that he does not believe the Tariff Commission as now functioning is affording any benefit to the Government.

Mr. WOOD. I do not.

Mr. GARNER of Texas. Now I am in harmony with his view. I do not think it is worth a continental. [Applause.] I want to say to the gentleman with reference to who is responsible for this Tariff Commission that it was neither those in favor of a high Chinese wall or those who were in favor of free trade. The Tariff Commission was created and put into law over the protest of both the free trader and the high protectionist and those who thought there ought to be a reasonable competitive tariff rather than a Chinese wall or no wall at all.

The result was they proceeded to destroy the efficiency of this Tariff Commission as to the personnel put on that board. That is exactly what happened to the Tariff Commission. [Applause.] That is the reason you ought to do one of two things: You ought to cut out the appropriation or get an efficient commission to administer and function. [Applause.]

Mr. WOOD. I will tell you what ought to be done. As long as you are going to continue the tariff as a political question, we ought to have a commission, a fact-finding commission, that is in sympathy with the administration. Now, when the Democrats are in power, whether they hold the idea of free trade or tariff for revenue only, they ought to have a commission that is in sympathy with their policy. On the other hand, when the Republicans are in power and have a policy, that has ever been the foundation stone upon which its success was held, for protection of American industries and American labor, it ought to have a commission that is in sympathy with that policy. [Applause.]

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. WOOD. I will.

Mr. JACOBSTEIN. How can the gentleman reconcile those two ideas? The gentleman says we ought to have a fact-finding commission, purely economic, yet the gentleman wants it to be in sympathy with something. How can a fact-finding commission be in sympathy with anything? If it finds the facts it ought to report them regardless of sympathy.

Mr. WOOD. Yes; but did the gentleman ever know of a fact which came from anybody that was not clothed with the sympathy of the finder? [Applause.]

Mr. JACOBSTEIN. I do not think that is an answer. Say the gentleman is on the fact-finding commission. Are you to look at the facts sympathetically from my viewpoint? Now, the fact-finding commission finds something, say, regarding sugar. What did they do with it? The President did not do anything with it.

Mr. WOOD. The President did do something with it.

Mr. JACOBSTEIN. What did he do?

Mr. WOOD. He refused to lower the tariff.

Mr. JACOBSTEIN. Did he follow the facts in the case?

Mr. WOOD. No.

Mr. JACOBSTEIN. Then, what is the use of getting the facts?

Mr. WOOD. Well, I will tell the gentleman why. This demonstrates the thing I am trying to bring to you. You had three men when these facts on the sugar business came up who were in favor of a lower tariff. One of the commissioners was said to have some interest in sugar, and he could not function. Now, suppose he had functioned, there would have been three for an increased tariff and three against; and how would that help any President?

Mr. JACOBSTEIN. Did not the commission recommend a reduction in the tariff on sugar?

Mr. WOOD. Yes.

Mr. JACOBSTEIN. Then, why did not the President follow the facts?

Mr. WOOD. They were not followed because, thanks to the President, he was big enough and had the interests of the people of the United States at heart enough to guard against the greed of those who had tried to destroy them, and the President elected to protect the interests of the people against the majority of the commission, and in favor of the minority.

Mr. JACOBSTEIN. Then, the President does not really need the facts. If he is going to operate in spite of facts and in face of the facts, why does he need any fact-finding body?

Mr. WOOD. If you will just sit down, I will tell you. [Laughter.] You are simply emphasizing the position I have taken. The Republican Party is in favor of protection, and that need of protection is because of the difference between the cost here and abroad.

We have another question now pending before this commission that is demonstrative of the very thing that was brought about by the sugar investigation. We have a number of people in Wisconsin and in Minnesota who, by reason of their diversified interests in farming, have saved themselves from having a single bank failure, and they have done it by making butter and by selling milk and cream and chickens and turkeys, and so forth.

Mr. BERGER. Mr. Chairman, is this a private fight between the gentleman from New York [Mr. JACOBSTEIN] and the gentleman from Indiana [Mr. WOOD]?

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. BERGER. I want to listen to this.

Mr. WOOD. Well, come over here on your side and you can hear it. [Laughter and applause.]

Mr. BERGER. Mr. Chairman, that is not my side; here is my side, in the middle aisle. This is not my side any more than the other one.

Mr. WOOD. I said a while ago, and I repeat, that the Democrats at one time absolutely advocated free trade. I heard Mr. Clark, for whom I have the greatest reverence and ever will have, declare in this House that he would like to live to see the day when the customhouses would be razed and there would be no such thing as a customhouse in this country. He believed in that, just as the old-line Democrats believed in absolute free trade. If that were to be the rule, there would not be any occasion for any kind of a commission, but as long as we are divided with reference to whether there shall or shall not be a protective tariff, or whether we shall adopt the principle of free trade, then, if we are to have a commission at all, it should be in sympathy with the man who is charged with the responsibility of enforcing the principle. I do not think there is any room for argument upon that proposition.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. NEWTON of Minnesota. Is it not true that wherever there has been a unanimous report from the commission, or anything approaching a unanimous report, the findings of the commission have been put into effect?

Mr. WOOD. Yes; that is true.

Mr. COLTON. With reference to the sugar proposition, is it not also a fact that the report of the majority of the commis-

sion was not based upon detailed information with reference to the cost of production of sugar abroad, and is not that clearly shown in the minority report of that commission?

Mr. WOOD. Yes; and I will tell you what I wish you gentlemen who have occasion to criticize would do. Nobody has ever attacked the decision of Mr. Coolidge on the sugar proposition and nobody will, because it would be absolutely futile.

Sugar is the cheapest thing we have in this country to-day in comparison with other staples.

Mr. LINTHICUM. Yes; but it was not when this report was made, and that is what we are complaining about.

Mr. WOOD. It has not varied 2 cents since then. I remember when you had your free trade under the Underwood tariff bill you were paying 35 cents a pound for sugar. That is what you were doing. We produce in this country to-day about 20 per cent of the sugar consumed. Would you destroy that production and give the gentlemen who are manipulating the market a monopoly on that product? I want to say to you, and especially to the gentlemen here who are interested in a farm bloc and in farm-relief legislation, with which I sympathize, something ought to be done to encourage the possibility of producing our own sugar in this country. We have it within our potentialities to produce every pound of sugar necessary in this country.

Mr. JACOBSTEIN. At what cost?

Mr. BANKHEAD. Will the gentleman yield for a question, because I am very much interested in his suggestion with reference to a new system for the Tariff Commission. Is it the gentleman's idea, for instance, that when a Republican House and a Republican Senate came into power the gentleman would provide a law that would instantly set up a Republican Tariff Commission?

Mr. WOOD. That is exactly what I would do.

Mr. BANKHEAD. And in the event that was succeeded by a Democratic House, but the Republican Senate still held power, what would the gentleman do in that event?

Mr. WOOD. If the law provided for it, they would not have any volition about it, and they would have to do exactly what the law provided.

Mr. BANKHEAD. Would the gentleman let the personnel stay the same under those circumstances?

Mr. WOOD. No; I would not let the personnel stay the same. You can not dissociate a man from his party by changing from a Democratic administration to a Republican administration. Suppose, to-morrow, this administration should become Democratic, the personnel being the same, they would still be divided just as they are now, three for and three against.

The fact there was a change of administration would not change the personnel, any more than a leopard could change its spots. There ought to be an organic law whereby when the administration changes and when the policy of that administration is adopted the President can put somebody in who is in sympathy with the administration's policy.

Mr. JACOBSTEIN. Do I understand they are supposed to find the facts the President wants to support his theory?

Mr. WOOD. No. The trouble is the President does not get the facts. He get the facts colored. He is supposed to have a majority, and to go against the majority takes a brave man, and I am glad to say we had a man big enough as President of the United States and brave enough to serve the interests of the people against those who were clamoring for this tariff reduction. [Applause.]

Mr. BLACK of New York. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. BLACK of New York. Does the gentleman mean that in a Republican year we must have only Republican facts and in a Democratic year only Democratic facts?

Mr. WOOD. Oh, no; if we had that, the most disastrous thing that could ever befall us would be the year when we had only Democratic facts. [Laughter and applause.]

Mr. BLACK of New York. I hope the gentleman was not personal in his answer.

Mr. WOOD. No; entirely impersonal. Now, we have a wonderful chance in this country to develop all of our own sugar. We are producing about 20 per cent of the sugar used in this country, and if we had not had this protection there would be no sugar manufactured in this country. We are manufacturing sugar out of corn that never would have been manufactured if it had not been for a protective tariff, and the men are entitled to a whole lot of credit who put their money into the thing, with the reasonable assurance that there would be protection on the experimentation. We are manufacturing thousands and thousands of tons of sugar out of corn.

Another thing developed at the Bureau of Standards was that we can make sugar out of Jerusalem artichokes. Its sugar is twice as sweet as that of beets and one and three-quarters that of cane sugar. You can raise 27 tons to the acre, and the tops are good for silage——

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. JACOBSTEIN. Is the gentleman aware of the fact that there are some agriculturists of the South who came to the Immigration Committee advocating the admission of Mexicans so that they could develop that feature, regardless of wages paid? Is the gentleman in favor of that?

Mr. WOOD. No.

Mr. JACOBSTEIN. They were advocating that Mexicans come up here and work at that development.

Mr. WOOD. We can develop our own industries without foreign labor. But I want to say that if the gentleman had his own way about it there would not be many consumers of sugar in this country, because they would not have the price to pay for it.

Mr. ROMJUE. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. ROMJUE. The gentleman has referred to corn sugar, in which I am very much interested and concerning which I have introduced a bill. I wondered if the gentleman has made sufficient investigation so that he can state what his conclusions are as to the relative merits of beet sugar and corn sugar.

Mr. WOOD. I have some information. Corn sugar is not as sweet as beet or cane sugar. The artichoke sugar is twice as sweet as beet sugar and one and three-quarters as sweet as cane sugar. Now I will tell you something that ought to be done. There is a handicap put on corn sugar. There is a bill pending in Congress now whereby the manufacturers of corn sugar will have the handicap put on it by branding it. It is pure sugar, but it is not as sweet as cane or beet sugar. However, every encouragement ought to be given to the American farmer to make the best out of the thing he raises, and if we can encourage the manufacture of sugar out of corn, even if we have to put a quarter of a teaspoonful more into our coffee in order to insure ourselves against the difference, it will be a good thing.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. NEWTON of Minnesota. The gentleman made a statement to the effect that cane sugar was somewhat sweeter than beet sugar. It has been my understanding, from talking with men who deal in both kinds of sugar, that the percentage of sweetness was practically the same in each, and in many instances the chemist by test could not tell the difference between beet sugar and cane sugar.

Mr. MADDEN. Will the gentleman from Indiana allow me to make a statement?

Mr. WOOD. Certainly.

Mr. MADDEN. It may be interesting to know that in the consideration of one of these appropriation bills not long since it came under my observation that the Bureau of Standards made a scientific demonstration that goes to prove that wild artichokes have more sugar in them than any other thing that grows; that the sugar is twice as sweet in the wild artichoke as it is in beets and twice as great in quantity; that the advantage of the wild artichoke, which can be raised in quantities, has double the sugar of beets and with this difference—that the sugar in artichokes is not affected by frost and if the artichoke freezes it does not destroy the sugar content, and it can be made into sugar notwithstanding the frost. Whereas the sugar in the beet will be destroyed by frost. That is one of the most interesting developments made in sugar discovery in recent times. It is being proposed now to develop this in quantity and encourage agriculture to engage in the raising of the wild artichokes wherever they can raise them as they would flowers or beets or anything else. I predict that the day is not far distant when the sugar question will be solved, when agriculture joins actively in the movement of raising wild artichokes.

Mr. ROMJUE. Does not the gentleman think that we are already producing an abundant supply of corn sugar; and, in view of the agricultural situation, does not the gentleman think that since it has been developed that a good quality of sugar can be produced from corn that it would be a wiser policy to engage in the corn-sugar production?

Mr. MADDEN. The tendency of the time and of civilization is to move forward.

Mr. ROMJUE. But would it not be a better policy to extend the corn acreage and produce sugar than to engage in any other product?

Mr. MADDEN. I believe in engaging in any development that can be proved to be a success. If the farmer can raise artichokes at a profit, then I am in favor of the artichokes. If the artichokes have twice as much sugar and produce more to the acre, and he can make more money in that, I am in favor of that. I am in favor of the farmers raising that which will produce the most money.

Mr. ROMJUE. We are already producing sugar from corn, and it has been demonstrated to be feasible, and that might solve both the agricultural question and the prohibition question by making corn into sugar. [Laughter.]

Mr. WOOD. Mr. Chairman, I want now to call attention to the appropriation for the Civil Service Commission. The appropriations recommended in the accompanying bill for the fiscal year 1927 are in accordance with the estimates submitted in the Budget, aggregating $1,100,592. The following statement indicates the volume of work of the Civil Service Commission for several fiscal years:

Volume of work of Civil Service Commission, 1922–1925

Items of work	1922	1923	1924	1925
Persons examined	244,287	229,640	248,236	216,135
Persons appointed in classified service	63,867	57,604	67,349	50,164
Different kinds of examinations held, exclusive of trade positions	1,002	962	983	979
Original military preference claims	67,731	54,305	58,127	58,785
Communications received	1,206,484	1,061,836	1,091,185	1,130,202
Retirement cases	1,719	2,773	2,082	2,063
Continuance cases	1,127	1,604	1,565	2,085
Unclassified employees	140,175	120,011	120,011	120,000
Classified employees	420,688	428,520	434,975	445,000
Total employees in executive civil service	560,863	548,531	554,986	564,834
Commission's employees	549	519	498	467

If the gentlemen will take the trouble to examine this statement, they will find it very interesting.

I shall divert now for a moment to a criticism which has been raised by my good friend from Arkansas [Mr. OLDFIELD] with reference to the fact that we have increased the number of employees by 20,000 during the Coolidge administration, and in that connection I shall make some other comparisons. Admitting that the gentleman is correct in the statement that he has made, the total expense of this Government with all of its agencies in 1875 was $330,000,000. Twenty-five years ago, in 1902, the total expense of the Government, including all of the activities, was $730,000,000. This year it will cost the Post Office Department alone to carry on the business of this wonderfully progressive Government of ours $739,000,000, or $9,000,000 more than it cost to run the entire Government in 1902. Of the total increase which has been referred to by the gentleman from Arkansas of 20,000 employees during the present administration, 16,000 of them are in the Post Office Department alone. I think the Post Office Department is the greatest index of the progress of this country that we can possibly find. It is one of the great and progressive concerns. The total reduction of employees since the beginning of the Harding administration down to this time in round numbers amounts to 114,696. Take away the 20,000 the gentleman refers to—I am not going to question his figures about it—and you will find that we have had a net reduction during this administration of 94,696 employees. In respect to the increase during the administration, assuming that the gentleman's figures are correct, more than half of the increase has been in the Post Office Department. I know of nothing that furnishes so unfailing an index to the business conditions of the country as the business of the Post Office Department. In 1923 the total revenues of the department were $532,227,000, whereas in 1925 they were within a few dollars of $600,000,000, a gain of over 12½ per cent. The weight of mail carried in 1923 was 5,000,604,000 pounds, while in 1925 it had increased to 6,374,000,000 pounds. The number of pieces in 1923 was 22,466,000,000, while in 1925 it was 25,553,000,000, an increase of approximately 13.74 per cent.

In 1925 the contracts that were awarded for residential building in this country, which runs along with the post-office improvement, in 36 of the 48 States called for an expenditure of $2,671,668,000, while in the same States the contracts for nonresidential building called for $3,150,276,000, or nearly $6,000,000,000 spent in building. Every time you construct a new building in this country, every time you put up a dwelling, every time you put up a factory, every time you build any concern you are adding to the burden of the Post Office Department. Never in the history of the world has there been such an era of building prosperity as there has been in these last four or five years, and that is reflected through the activities of the Post Office Department. Therefore, the business of the Post Office Department has called for the employment of more men. There are more than 6,000 additional city carriers than in 1923. The growth of businesss compelled it. All of these $6,000,000,000 worth of new buildings had to be served. There are nearly 8,000 more post-office clerks on new rural routes which have been created, each of which calls for the employment of at least one man.

Let us get down to the facts and see how this is effected. Take Louisville, Ky., for example. In 1923 the total receipts of that post office—and that is a town that has not been building extraordinarily fast—were $2,427,166. At that time it had 252 clerks, including all of the supervisors, 169 carriers, and 12 laborers, or a total of 433 employees. On February 1, 1926, we find that there are 305 clerks, 237 carriers, and 24 laborers, or 536 employees. Let us look a little further—and I invite the attention of the gentleman from Arkansas particularly to this. In Little Rock, Ark., on June 30, 1923, the post office had 75 clerks, 64 carriers, 5 laborers, or 147 employees. On February 1 last it had 92 clerks, 84 carriers, 5 laborers, or 181 employees in all. The business of that post office under this Republican administration has increased in a manner to require this extra help. I ask the gentleman from Arkansas if he would discharge one of these clerks?

Mr. OLDFIELD. I would not discharge one of them that was needed, of course, and the only objection we have had to the increase in the number of employees is the propaganda from the gentleman's party, making the statement every day that this party had been decreasing the number of employees and practicing so much economy. I am glad to hear the gentleman state that my figures with regard to 20,000 increase of employees is correct. I am only trying to get the record straight.

Mr. WOOD. But the gentleman ought to have stated the whole fact.

Mr. OLDFIELD. I want to make myself clear. I would not discharge a single employee in the Little Rock, or the Louisville, or the Washington post office, or the Gary (Ind.) post office, for that matter, who was needed; but if I did not discharge them, I would not make out that I was discharging them.

Mr. WOOD. No; there has been no pretense by this administration. There was not occasion to discharge. I want to say——

Mr. OLDFIELD. They have increased.

Mr. WOOD. They have increased, as the gentleman says; I am taking the gentleman's figures.

Mr. OLDFIELD. The Postmaster General said so.

Mr. WOOD. Twenty thousand. Sixteen thousand have been in the Post Office Department. The others to a very large extent in the Veterans' Bureau. You remember a few years ago—a very few years ago—we changed the entire scheme of administration of the Veterans' Bureau. When it was a centralized bureau we had reduced the 17,000 employees that had been in the Veterans' Bureau down to about 6,000 or 7,000, as I remember it. Then we established the new regional offices all over the country and increased the number of employees connected with the Veterans' Bureau from 7,000 to 29,000, and we have 26,000 to-day, without any decrease in the efficiency of the administration of the bureau.

Mr. SCHAFER. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. SCHAFER. Prior to the establishment of the regional offices did not we have about the same amount of the same personnel in the so-called district offices of the Veterans' Bureau?

Mr. WOOD. Before the establishment of the regional offices and district offices the administration was centralized here. Here is one thing I desire to call to the attention of my friend OLDFIELD, and that is while we may have increased the employees to 20,000, still it is true that we have reduced them 104,000, making a net reduction of 84,000. We have also provided a scheme and afforded a way whereby the manufacturers and industries of this country could employ 5,000,000 men and women who were out of employment when we came into power. [Applause.]

Mr. SCHNEIDER. Will the gentleman yield?

Mr. WOOD. I will yield.

Mr. SCHNEIDER. The gentleman has given us some fine information with reference to the post-office employment. Is it not true the Postmaster General's report shows in the past four years that the cost of labor for the Post Office Service has gradually decreased each year during the past four years for the amount of business we are doing?

Mr. WOOD. The number of employees has increased.

Mr. SCHNEIDER. The sum total?

Mr. WOOD. That is correct. I want to call attention to the Employees' Compensation Commission. The committee recommends that expenditures incidental to medical examinations,

traveling and other expenses, and loss of wages payable to employees under sections 21 and 22 of the act of September 7, 1916, be paid from the employees' compensation fund rather than from the appropriations for contingent expenses of the commission. An appropriation of $2,600,000 is recommended for the employees' compensation fund.

I wish to call attention to another one of these commissions about which there is a great amount of controversy, and that is the Interstate Commerce Commission.

Appropriations for the Interstate Commerce Commission for the ensuing fiscal year are recommended in accordance with the Budget estimates. An appropriation of $1,189,250 was available for the current fiscal year for the Bureau of Accounts, of which it was proposed to expend $717,665 to keep the work of that bureau current, and $471,585 to bring to date the work required under section 15a of the transportation act. The commission was unable to secure competent employees and consequently the recapture work under section 15a can not be brought to date during this year. The committee therefore recommends that the unexpended balance of this appropriation be continued available during 1927. In addition to this unexpended balance the sum of $1,035,269 is recommended to be appropriated.

Last year we established a new plan whereby we divided into three parts the amount of money that could be expended by the Bureau of Valuation for the purpose of bringing to date accounting and recapture work under the transportation act and primary valuation work. The Interstate Commerce Commission was handicapped by virtue of its not being able to secure competent employees through the Civil Service. One of the great works the Interstate Commerce Commission has to do is in completing the valuation of the property of carriers. About 99 per cent of the preliminary work is done, but valuation work never will be completed. The primary valuation forms a basis upon which they determine the valuation of to-day, but there are indescribable changes that will affect the valuation of to-morrow, and if this thing is to be of any avail all preliminary work should be completed. When this law was enacted, fathered by Mr. La Follette on the other side, for the purpose of fixing the valuation of the road on which to compute the rates of transportation charges, it was estimated the whole thing could be done within four years, at a cost of $4,000,000. They have been at work since 1913 and it is not yet completed. It has cost the United States Government more than $15,000,000 and the railroads five times that amount. In order that the recapture clause in the transportation act may be enforced it is essential that valuation work be completed.

Under this recapture clause there has been turned into the Treasury of the United States from some 14 or 15 roads more than $6,000,000, every cent of which has been paid under protest, and so it remains until the question is finally determined by the Supreme Court of the United States.

Gentlemen, I wish to call your attention to another activity which has caused some little controversy, and that is the Emergency Fleet Corporation and the Shipping Board. I invite your attention to the report with reference to the Emergency Fleet Corporation. It will give you the information in more detail than I will have the time to give it.

The Fleet Corporation as at present organized consists of the following activities: Operations, traffic, treasurer, general comptroller, ship sales, legal, marine insurance, and the foreign and district offices, and the duties of each of these departments will be found on pages 491 to 494 of the hearings.

I invite the attention of every member of the committee to these hearings, because I think they are more complete and furnish a better picture of the actual operations of the Fleet Corporation than has ever been presented to the Congress.

The percentage of imports and exports carried in American bottoms, which includes both Shipping Board and independent American vessels, as compared with the percentage carried in foreign bottoms, is as follows:

Year	Imports		Exports	
	American	Foreign	American	Foreign
1921	71	29	38	62
1922	63	37	40	60
1923	53	47	33	67
1924	54	46	35	65
1925 (to July 1, 1925)	45	55	33	67

I invite your attention, gentlemen, to this table of comparison.

I take it that everybody in the United States, realizing the predicament in which we found ourselves when the World War broke out and knowing how helpless we were, never again wants to find this country in a similar condition, and in order to avoid it, in order to protect the American flag, in order to protect the manufacturers, the farmers, and everybody who is interested in industry in this country, there is an overwhelming duty devolving upon the Congress of the United States to in some way, somehow, establish an American merchant marine.

We have been reducing from year to year the amount we have to contribute to the loss of the American merchant marine or the Fleet Corporation as now conducted. In this appropriation we have cut it down to a point where we think $13,900,000 will be sufficient to cover the loss.

Mr. McDUFFIE. Will the gentleman permit an interruption?

Mr. WOOD. Yes.

Mr. McDUFFIE. Upon what does the gentleman base his belief that $13,900,000 will be sufficient to operate the services we are now operating, when the chairman of the board told the committee that it was not sufficient?

Mr. WOOD. Of course, that is contingent, and hopeful as I am, I am free to confess that the $13,900,000 will not be sufficient unless we succeed in disposing of some of the lines.

The trouble is, gentlemen, the American merchant marine is not receiving the support it should receive from the American people, not because they are not interested in a merchant marine but because we have not had one heretofore, and the average person does not know its value and does not appreciate its worth.

Mr. BLANTON. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. BLANTON. When I first came to Congress the gentleman from Indiana [Mr. WOOD] would have been the last man in the world to vote for the high salaries we are now paying those in charge of our merchant marine. We are doing everything for them. We have given them almost everything they have asked. Why has it not been a success?

The gentleman from Indiana [Mr. WOOD] used to be for economy when I first came here. The gentleman then taught me most of the principles of economy I have learned here; but lately the gentleman has wandered far away from his old practice, and the gentleman now goes in with the gang for every kind of expenditure one can think of. Why the change?

Mr. WOOD. I will say to the gentleman that I have been convinced that if we could secure somebody who was big enough to make this merchant marine what we would like to have it, there is no salary that is too high to pay him. The trouble is we have been cheeseparing, we have been whittling, and we have been undermining the men who have been at the head of this work, until to-day we can not find anybody who will take a position with the Fleet Corporation. That is the trouble about it. Gentlemen, every other country that has a semblance of a merchant marine not only gives its governmental encouragement but its individual encouragement.

Mr. LOZIER. Will the gentleman yield for a question?

Mr. WOOD. Yes.

Mr. LOZIER. Apropos of your suggestion that the American merchant marine is not receiving the support from the American people it should receive, I would like to inquire of the gentleman if it is not a fact that many of the great railroad systems of this country are in contractual agreement with foreign steamship companies by which American tonnage originating in the interior of this Nation is brought to the coast and then transported overseas in foreign vessels?

Mr. WOOD. That is absolutely correct, and that is one of the misfortunes. Some of the great trunk lines, that go from one end of the country to the other, have been and are now under contract with the foreign shipping interests to put their goods, when they reach their terminals, in bottoms of foreign vessels. This is one of the things with which we have to contend, and I will tell you another thing with which we have to contend. When the war broke out we did not have a ship of any consequence. We were utterly helpless, and then, within the very few months that transpired, we built more ships than all the rest of the world combined, and when the war was over the foreign gentlemen said we would lapse back, that we were not a maritime Nation, and lapse back into the position we were before the war. The other countries would then handle this transportation overseas, and they have spread propaganda everywhere that this activity is only of short duration, and have said to shippers, "Why break your connection with us and with our long-established lines when you can depend upon us for receipts and deliveries?" That was a pretty logical conclusion to come to; but if the American people intend to have a merchant marine, they ought to get behind the Government and

let the world know that we are going to establish and maintain a merchant marine.

Suppose it costs us $13,000,000 this year, as it will cost us—and the gentleman from Alabama [Mr. McDUFFIE] says it may cost more, and perhaps he is right—it is $13,000,000 well spent, and will result in the saving of two or three times that amount of money, on account of the rates we would have to pay if we did not have it. Destroy the American merchant marine, drive them off the seas, as England has attempted to drive them off of the seas through the propaganda she has been spreading; what will happen? The rates will be increased, and we will have nobody to encourage our shipping to South America, to Central America, or anywhere else.

I want to tell you further about some of these things. We are to-day running lines of vessels from here to South America that are delivering goods direct from this country to the consumer. Under the old régime these goods had to be shipped in foreign bottoms, going by way of London and Liverpool, then to South America, paying excessive rates, and, in addition, we had to compete against the interference and the obstacles put up by the British merchants and the British manufacturers.

Mr. SCHAFER. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. SCHAFER. The gentleman's argument shows that Government ownership and operation of industries can be advantageous to the Government?

Mr. WOOD. No; I do not say that. It is disadvantageous to the Government. But what I do say is that this Government of ours, that we pride ourselves on as being first among all the nations of the earth in all things worth while, ought to bow her head in shame when she says we are going to submit to the other nations of the earth in driving our vessels off the seas and leaving us helpless as we were when the war commenced. I say that no matter what it costs the American Government, the money will be well spent now and hereafter.

Mr. BLACK of New York. The gentleman admits that all of the cheeseparing and breaking down of the merchant marine, selling ships to private parties, has been done during the Republican administration?

Mr. WOOD. Most of these vessels have been sold since that time.

Mr. BLACK of New York. And salaries cut?

Mr. WOOD. And salaries have been cut, and why?

Mr. BLACK of New York. On account of the economy of the head of the Government.

Mr. WOOD. It is because we are unappreciative. This business is of the greatest magnitude in the world—there is nothing to compare with the business of the Emergency Fleet Corporation. I do not know a port in the civilized world but what the American flag to-day is floating, represented by the Emergency Fleet Corporation. Would you have it different? One of the most encouraging things, not only for our boasted civilization but better than all leagues of nations that you could write in a thousand years, is to have Old Glory symbolic of that for which we stand throughout this country. [Applause.] We have ever stood for that which is fair; we have never had a blot on our escutcheon for the violation of a trade treaty or of a political treaty.

Mr. BANKHEAD. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. BANKHEAD. The gentleman may know that since I have been a Member of Congress I have been on the Merchant Marine Committee and also on the select committee to investigate the Shipping Board activities. I am in hearty accord with most of the expressions just given by the gentleman from Indiana and his attitude toward preserving the merchant marine, although it is to be done under Government ownership and control. I have been gratified to read the hearings and see that under the present people in charge of the policy and control of the situation we are making progress, cutting down expenses, increasing the amount of commerce, increasing imports in American bottoms, sustaining the American flag, and as a general proposition we are making good progress under the necessities of the situation. In view of that fact the situation from a satisfactory standpoint has been increasing from year to year, and under these circumstances, it seems to me unwise to put into effect any radical or material change in the existing situation and law. I hope the gentleman and his party will see to it that that is not done and will give us an opportunity for a few more years to carry on the present situation which, I believe, will be constantly increasing in value under the present system. [Applause.]

Mr. WOOD. I am very glad to have the statement of the gentleman from Alabama to that effect. Now, I wish to call your attention to a letter—there are a lot of them, but I want to read this one in order that you may know the efforts of foreign shippers not only to destroy our merchant marine but to build up theirs. It is as follows:

AMERICAN LINES.

DEAR SIRS: In reply to your letters of the 18th and 29th ultimo. On no consideration whatever will my customers or myself receive any goods that are shipped by other steamers than British, especially from the United States of America.

To enable us to pay the pound of flesh and blood which the United States of America demands from us, we must do our best to support British ships.

Yours faithfully,

WM. H. BANKIER.

Mr. BLANTON. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. BLANTON. Is this two-hour speech of the gentleman a prelude to any rule that is to be brought in that will make in order a ship subsidy bill? Are we to expect that as a solution to the question; and if not, what is the gentleman's proposition?

Mr. WOOD. I will try and elucidate; it may not be satisfactory to the gentleman from Texas, but I think it will to the majority of the committee.

Mr. WHITE of Maine. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. WHITE of Maine. I do not want to pass unchallenged the statement of the gentleman from New York [Mr. BLACK] that all of the vessels sold were sold during the Republican administration or after it came into control. It is true that the larger percentage have been sold during that time, but that has been during a number of years. It is true also that prior to June, 1921, which was only a few weeks after the Republican administration came in, more than 1,550,000 tons of vessels had been sold.

Now, may I make another observation in the time of the gentleman. I caught the reference of the gentleman to the difficulty of maintaining the personnel of the Shipping Board and the Emergency Fleet Corporation. I thought it might be interesting to the House to call attention to the tremendous turnover of personnel. There have been since the Shipping Board was established some 27 commissioners. Of that number, 12 have served less than one year, 4 approximately two years, and only 1 has served for more than five years.

At the same time there have been something over 55 trustees. These figures were checked up some time ago, and they may not be exactly correct as of this date, but there have been 55 or more different trustees of the Fleet Corporation. Forty-three of the 55 served approximately one year, 10 had served two years or more, and 3 only served more than three years.

During this same interval of time there have been 10 different comptrollers, 7 different treasurers, and 15 different directors of operation, and, if I may, let me add that it is small wonder that you could not have a settled policy, continuity of effort, and efficiency at all times in operation with such a tremendous turnover as is here indicated.

Mr. BLACK of New York. Mr. Chairman, will the gentleman from Indiana yield so that I may ask the gentleman from Maine a question?

Mr. WOOD. Yes.

Mr. BLACK of New York. The turnover which the gentleman calls attention to all occurred during a Republican administration, did it not?

Mr. WHITE of Maine. Not at all.

Mr. BLACK of New York. A very large part of it.

Mr. WHITE of Maine. I am not even willing to concede that. I can not give you precisely when the turnover came, but I venture the assertion that most of it occurred before instead of after. I have the data somewhere.

Mr. WOOD. Mr. Chairman, whether it occurred under this administration or under a prior administration, the figures stated by the gentleman from Maine [Mr. WHITE] present a picture that is deplorable and absolutely conclusive of any inefficiency that may be found. We either ought to get behind this thing and stand behind it or abandon it.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. MOORE of Virginia. Do not the facts that have been given by the gentleman from Maine indicate the disadvantage at which we place ourselves in comparison with the position of our main competitor in carrying the commerce of the world?

Mr. WOOD. Absolutely.

Mr. MOORE of Virginia. England having a stable policy, which has been built up during a long period.

Mr. WOOD. Yes; and every manufacturer of consequence in England is interested either in a ship or a line of ships, and the letter to which I addressed your attention is significant of that fact. There is not lack of patriotism among Americans, but they are unappreciative of the necessity of this thing. If by some means we could encourage Americans to be as faithful in their adherence to a merchant marine as Englishmen are, our efforts would surpass theirs, because once we were the pride of the sea. However, we listened to the siren voice and were driven off the seas, to our great discomfort and loss.

Mr. LOZIER. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. LOZIER. In reference to the suggestion presented by the gentleman of the difficulty of maintaining our merchant marine, has the gentleman taken into consideration the fact that the energies of the American people for 100 years have been expended in industrially, commercially, and agriculturally developing this Nation; that we are not a seafaring race, like the Danes, the Dutch, and the English, who for a thousand years have had bred into them the seafaring impulse? Has the gentleman taken into consideration that one of the difficulties of building up an American merchant marine is a fundamental defect or characteristic of the American people which has to be overcome in time?

Mr. WOOD. Let me tell the gentleman what we have to do. We have to get rid of the virus that got into our veins since the Civil War. We were the greatest shipbuilding people on earth prior to that time, and from Newfoundland south, in every town along the Maine coast and all along there, he will find old, abandoned, decadent shipyards, where they used to build ships, not only for our own use but for the world. They were driven off the sea.

I now call attention to one of the great troubles that is fundamental in our organization for the conduct of the Shipping Board and the Emergency Fleet Corporation. We have a divided responsibility there that can not help but be harmful. It has been harmful ever since it was created, and it will be harmful as long as it is continued. We have one board that is constantly checkmating the other. We have a Shipping Board that under one resolution assumes to have the entire responsibility for the conduct of the business; then we have that resolution overcome by another giving that responsibility to the Emergency Fleet Corporation. In addition we have this anomalous condition. The president of the Emergency Fleet Corporation is simply the servant of the hour. I have very great respect for Admiral Palmer. I believe that he was giving the best he had for the building of an American merchant marine. He was handicapped from start to finish by reason of the fact that there was a board who said they had the responsibility and who were constantly throttling his initiative and his desire. They had his resignation in their hands, and overnight they accepted it, and he found himself upon the reefs. There is not an officer appointed down there whose resignation is not in the hands of the men who appointed him from the time of his appointment. Just think of such a condition. If a man is worth while, if he is big enough to do the job, then he is bigger than the trustees who can discharge him any minute. Suppose the board of directors of a bank should select a bank president because of his experience, his knowledge of economy, and knowledge of the banking business, and at the same time say to him that they were appointing him president of the bank but that they wanted his resignation so that they could accept it to-morrow if they wanted to. Why, no financier in the country would accept such a job. Suppose he did; he would simply be the tool of the conflicting interests, and there have been conflicting interests in the board. There is division of sympathy and opinion in this board and there has been all along.

Mr. LINTHICUM. Who dictated that policy of requiring a resignation in advance of the appointment?

Mr. WOOD. I do not know whether it was Mr. Wilson or not, but it began during his administration, and it is a bad practice.

Mr. BLACK of New York. In what instance?

Mr. WOOD. The Shipping Board was organized during the Wilson administration.

Mr. BLACK of New York. When in that administration did they require a resignation in advance?

Mr. WOOD. From the time they selected their first trustee.

Mr. BLACK of New York. In what particular case?

Mr. WOOD. In every case, without exception, from the time they commenced down to the present. I would not refer to this but for the fact of the inquiry. That was one of the evils of this creation. It was created during Mr. Wilson's administration. The board required that every trustee should place his resignation in the hands of the man who appointed him, and that has been continued ever since.

It is a bad practice and ought not to be encouraged by anybody and can not but be destructive of the very service it was supposed to be created for.

Mr. McDUFFIE. If the gentleman will yield again, aside from any trouble that might come from the situation the gentleman describes, the thing that is troubling me is if we are going to encourage the American merchant marine, how do you expect to do so by the failure to provide enough money to extend the service in operation to-day by the amount of money like $6,000,000? If those who have control of running this big business must feel that they can not establish a new line—and one ought to be established to Hamburg now, according to the hearings, in order that the American shipper will know that his flag will go and he can ship in his own ship—if they are held down or feel they can not expand because of the lack of funds under our economical program; if it be that, does not the gentleman think that this failure to appropriate the full $6,000,000 just to maintain the present service is a mistake on the part of the Congress?

Mr. WOOD. That may be. I will tell the gentleman how that can be remedied, and I call attention of members of the Committee on the Merchant Marine who are here. There is a bill pending before that committee which, if passed, plans $15,000,000 in a defense fund. Now, the purpose of this defense fund is very easily explained. The Fleet Corporation is trying to dispose of different lines, placing them in the hands of private individuals. They dispose of these lines upon the best terms possible, with the possibility of their coming back. The very minute these lines are disposed of to private individuals the various shipping interests, whose tactics have been given, commence beating down, with the result that one of those lines came back the other day into the hands of the Shipping Board. This $15,000,000 defense fund would be notice to the world that they have $15,000,000 behind them and are going to conduct a merchant marine in spite of you. [Applause.]

Mr. BEEDY. Will the gentleman yield for a moment?

Mr. WOOD. I will.

Mr. BEEDY. Is not it proposed to take that $15,000,000 out of the fund that has been set aside for reconditioning and repair of ships, and in that connection will the gentleman give some information as to the present policy in the way of replacing ships which have already become useless, so as to keep them up for use?

Mr. WOOD. That is the present policy of the Shipping Board——

Mr. BEEDY. There are two questions, and I hope the gentleman will not lose them.

Mr. WOOD. To operate all lines we have established, and to make replacements necessary to keep them going, reduced, however, to the lowest possible ebb, so as to cut down the expenses. I was opposed to their theory and think it is a false one. They want to keep cutting down the expense of operation. Cutting down the expense of operation is also cutting down the possibility of expansion. One complaint came from South America that they can not get their goods from here as rapidly as they liked, although receiving them faster than before. I think it is a poor policy to adopt economy by cutting down activities in operations. There must be replacements, and we have to meet that expense regardless.

Mr. WHITE of Maine. I understood this $15,000,000 was to be taken from what is technically known as the construction loan fund and was to be applied to this defense purpose, as the gentleman terms it. I do not deserve to comment on this at this time, because I take it that it will come before the Committee on the Merchant Marine and Fisheries, and I would like to answer more fully my colleague from Maine in respect to this matter of replacements. I think that raises one of the most serious problems which faces us in connection with the Government-owned fleet and which Congress must grapple with in the very near future. We have approximately 2,000,000 tons of Government-owned cargo ships in operation in the foreign trade. That fleet averages seven years of age. All the experts agree that the efficient life of a cargo vessel is 20 years. That means that if we start replacement approximately in 3 years from now, that if Congress authorizes this work, and if appropriations are made and plans and specifications worked out and replacements begin in 3 years, we must replace in 10 years' time thereafter this entire amount of 2,000,000 tons. That means the construction of 200,000 tons of cargo vessels a year, and that means an appropriation for that purpose of $20,000,000 a year.

Then, in the same connection, if you undertook to replace your passenger vessels, which have a somewhat longer life, but starting at the same time—three years from now—the best evidence is that you will have to add $10,000,000 a year more for the replacement of your passenger vessels.

So that we face, if we are to prevent this fleet from just disappearing through old age or obsolescence, beginning three years from now an appropriation of $30,000,000 each year, and that is a question this Congress has got to meet. If we are going on with governmental operations, I express it as my opinion that there is an imperative duty resting upon the Congress to authorize such a replacement program, because if we do not replace this fleet and maintain it to at least its present efficiency, all that we are now spending and all that we have spent for Government vessels, so far as the future goes, is completely wasted.

Mr. WOOD. Gentlemen of the committee, I think one of the most profitable things to which this Congress could turn its attention would be some affirmative legislation looking to the consolidation of the two boards which in its enactment would be notice to the world that we are going to run this business either as a governmental proposition or through private initiative.

The trouble, as the gentleman from Maine [Mr. WHITE] has suggested, is that we change and change and change the responsible head of this activity. As I stated a while ago, I think a majority of this Congress had a very high regard not only for the ability but for the integrity of Admiral Palmer, and yet he found himself out of a job overnight. They have a man at the head of the concern now for whom I have the highest respect. He has filled every position, including that of cabin boy, serving under his father before the mast when he was 15 years of age, and has gone all through the gamut of operation and has been adviser to the greatest shipbuilding concerns in this country. Yet that man is handicapped in that he does not know whether he is going to be the president of the Fleet Corporation to-morrow or not. As long as we are deprecating the thing ourselves, as long as we are depreciating it by letting these things go along which are undermining them, and as long as those who are commissioners are injecting personal prejudices, personal desires and spleen, and their desire to get even, it will always be destructive, not only of discipline but of the respect which the world ought to have for a great institution of this kind.

Mr. McDUFFIE. Will the gentleman again permit an interruption?

Mr. WOOD. Yes.

Mr. McDUFFIE. The gentleman has been very generous in permitting interruptions. I want to get back to the proposition the gentleman suggested about the world's being advised that our ships would eventually leave the high seas. This, of course, comes from those who would like to drive our flag from the seas; but let me suggest that, year after year since I have been here, we have gradually cut down the amount expended for the merchant marine. This year it is less than ever before. The number of ships in operation has been curtailed and the service has been curtailed. Additional service is needed to-day. New lines are needed, and the gentleman is correct in saying the expenditure for a merchant marine is justified; but if we are sincere in our efforts to encourage the merchant marine, should we not at least provide the funds actually needed to maintain the service? Does not the gentleman think the failure to appropriate money enough to operate these lines will give rise to additional suggestions throughout the world that the United States is going to get out of the shipping business and that we are proving that by the very manner in which the appropriating powers are providing funds with which to operate the ships? Now, what are we going to do for the balance of the $6,000,000 necessary to maintain the lines already in operation, to say nothing of establishing new ones? That is what I would like to have the gentleman explain to the committee.

Mr. WOOD. It is the opinion of those who are charged with the responsibility of this business that they can curtail their expenses and keep the lines going as they are going, limited, as of course they have been, subject to the criticism the gentleman makes because of the fact we are not furnishing the service, but all the time hoping that we are going to establish some sort of policy.

Everybody here agrees we ought to have a merchant marine and the only difference is the method under which it should be conducted. One or two attempts were made during President Harding's time. What seemed to be the best possible thing was then suggested, but it was defeated. It is up to the Congress of the United States. We are the arbiters of this whole thing after all, and are we not derelict in our duty if we fail to serve the people of this country and the world by giving them something of a substantial nature? The Shipping Board is not to be blamed. We are the ones to be blamed. We have been cheeseparing and cutting down—have been kicking this activity around like a hound dog—ever since the war, and will continue to kick it, continually disrupting the organization, until we agree upon some policy and some organization where there is a solidarity of the activities, with one responsible head.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. OLIVER of Alabama. To what extent will the reduction of appropriations affect the efficiency of the routes that are now established?

Mr. WOOD. They tell me it will not materially affect the efficiency.

Mr. OLIVER of Alabama. May I ask whether there has been any increase in rates on the routes formerly established where the ships have been sold to private parties?

Mr. WOOD. No; there has not been, and under the terms of the sale they regulate that. These rates are regulated by a conference that is supposed to be held ever so often between the maritime countries, when they fix the rates both for freight and passenger business.

Mr. OLIVER of Alabama. Does not this reduction in appropriations rather contemplate that there will be future sales of ships to private parties and a withdrawal of a portion of the trade routes by the Government itself?

Mr. WOOD. Yes; under every sale they make and under every transfer of these lines they stipulate they shall maintain these lines up to a certain degree of efficiency and conduct them under the American flag.

Gentlemen, there are many items in this bill that are very interesting, but I only have time to touch some of the high spots.

I want to call your attention to the Veterans' Bureau.

For the Veterans' Bureau for the ensuing fiscal year the committee recommends appropriations in accordance with the Budget estimates. The total amount recommended to be appropriated is $462,965,000, or $1,000,000 more than it took to run this whole Government in 1875. This is an increase of $57,265,000 over the total appropriations for the current fiscal year.

The following statement compares the appropriations recommended with appropriations for similar purposes during 1926:

Object	Appropriated for 1926	Recommended for 1927	Increase (+) or decrease (−) 1926–27
Salaries and expenses	$45,500,000	$44,000,000	−$1,500,000
Printing and binding	200,000	165,000	−35,000
Military and naval compensation	127,000,000	140,800,000	+13,800,000
Medical and hospital services	35,000,000	35,000,000	
Vocational rehabilitation	38,000,000		−38,000,000
Adjusted service pay	12,000,000		−12,000,000
Adjusted certificate fund	50,000,000	116,000,000	+66,000,000
Military and naval insurance	98,000,000	123,000,000	+25,000,000
Hospital facilities		4,000,000	+4,000,000
Total	405,700,000	462,965,000	+57,265,000

It will be noted from the above statement that all items listed as increases are additional requirements controlled by law and are due to the increases brought about by the World War veterans' act, as amended, and the adjusted compensation act.

Salaries and expenses: For the fiscal year 1926 the total personnel of the Veterans' Bureau will average approximately 28,545 employees, with an aggregate salary roll amounting to $41,316,290. During the next year this number of employees will be reduced to 26,878, with an aggregate salary roll of $40,748,246. The following statement indicates the number of employees in the various services, together with the total salaries as estimated for 1927:

Location	Number of employees	Total salaries
Central office, Washington, D. C.	4,320	$7,539,482
Regional offices	7,618	13,662,829
Hospital employees	14,545	18,698,076
Supply depots, etc.	395	847,859
Total	26,878	40,748,246

Now I want to call attention to the adjusted compensation.

No appropriation is recommended in the accompanying bill for the payment of adjusted service and dependent pay, because of the large unexpended balance available. The sum of $116,000,000 is recommended for the adjusted service certificate fund. The number of applications for adjusted compen-

sation received to January 1, 1926, by branches of the service are as follows: Army, 2,683,207; Navy, 365,498; Marine Corps, 57,340; total, 3,106,045. Of this number 3,039,431 applications have been approved at a total value of $3,013,075,675.21. Cash payments were made in 100,768 cases, amounting to $3,306,428.49, and dependents' payments were made in 36,657 cases, amounting to $13,708,970.72. The total of these payments aggregating $17,015,970.72 deducted from the appropriations available for the payment of adjusted service and dependent pay leaves an unobligated balance of $21,613,998.79. The value of adjusted service certificates issued for 2,901,616 applications is $2,996,060,276. The value of 11,572 death claims approved is $12,001,499.07, of which 11,555 have been paid at a total value of $11,969,249. It is estimated that there will be a total of 3,200,000 adjusted certificates issued by December 31, 1927, the average amount of each certificate being $1,033.

Military and naval insurance: The committee recommends an appropriation of $123,000,000 for the payment of military and naval insurance for the fiscal year 1927, which it is estimated will be expended as follows:

Installments on account of disability and death claims active July 1, 1926 (exclusive of claims awarded Nov. 30, 1925, to June 30, 1926, under sec. 305 of World War veterans' act)	$92,472,156	
Installments on account of disability and death claims awarded Nov. 30, 1925, to June 30, 1926, under section 305 of World War veterans' act	729,241	
Total for installment payments		93,201,397
Deduction of amount of installment payments discontinued by reason of payment of lump-sum claims		2,789,157
Net		90,412,240
Commuted value of lump-sum payments under section 303 of World War veterans' act		28,855,049
Transfer from military and naval insurance fund to United States Government life insurance fund under section 302, World War veterans' act		3,732,711
Total required for fiscal year 1927		123,000,000

The total number of term-insurance policies in force December 1, 1925, is 162,851 and the amount of insurance represented is $1,265,754,520. The number of men out of the service carrying insurance is 153,219 and the amount of insurance carried is $1,190,167,175. The total number of men in the service carrying insurance is 9,632 and the amount of insurance represented is $75,587,345. The total number of converted-insurance policies in force December 1, 1925, is 384,860, and the amount of insurance represented is $1,550,213,845.68.

Mr. WHEELER. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. WHEELER. As I understand, under the law, where a boy in a hospital has only 10 per cent disability, he is discharged. It seems to me that the boy ought to be permitted to remain there, or at least be awarded some compensation, because none of the boys discharged from the hospitals are able to go out into the world and get a chance to work, to perform manual labor, and it stands to reason that the soldier boy with 10 per cent disability does not stand a fair chance. Then in all probability his trouble will be aggravated and he will be in such physical condition that in a short time he will be back in the hospital again. Does not the gentleman think that something should be done in that regard?

Mr. WOOD. No matter what my views might be, or that of the committee, we have nothing to do with that matter. That is a matter for the Veterans' Bureau Committee.

Mr. WHEELER. Then take a boy with tuberculosis. Physicians say that there is no such thing as a permanent cure. When a boy is discharged he has trouble in getting back again.

Mr. WOOD. I will say to the gentleman there is legislation covering the very proposition the gentleman is speaking about before the proper legislative committee.

It is also provided that of the appropriation not to exceed the sum of $3,596,400 may be expended at Veterans' Bureau hospitals, as follows: For major repairs, $1,047,000; for approach work, $399,500; and for new construction, $2,149,900. For hospitals not owned by the Government the Veterans' Bureau expends for rentals the sum of $457,308. A total of 32,298 beds are available for patients of the Veterans' Bureau, of which 20,655 are in hospitals owned by the Veterans' Bureau. It is estimated, under the construction program authorized, that on June 30, 1926, the total number of beds in Veterans' Bureau hospitals will be 21,888; June 30, 1927, 23,226; and thereafter, through the abandonment of leased and Government properties, the number of ultimate permanent Government-owned beds will be 22,101. The following statement shows the average number of patients treated during the fiscal year 1925 in the various hospitals, as well as the total cost thereof:

Hospitals	Number of patients	Total cost
United States Army	2,117	$3,100,772.65
United States Navy	1,285	1,553,319.20
Soldiers' homes	2,533	2,256,360.68
Interior Department	910	548,050.00
Public Health Service	255	326,203.50
Contract and civil hospitals	4,485	4,289,005.50
Veterans' Bureau	16,501	12,451,290.56
Total	28,086	24,545,002.09

Vocational rehabilitation: Under the law vocational rehabilitation will not be extended to veterans of the World War after June 30, 1926. On December 1, 1925, there was a total of 179,800 men entered for training, of which 114,029 had been rehabilitated. The average monthly expenditure per man in training, including maintenance and allowance, was $159.65, and the total expenditures for vocational training up to December 1, 1925, aggregated $628,717,327.51. Congress has appropriated the total sum of $718,666,370.80 for this work, together with certain receipts from sales aggregating $845,266.32, making a grand total for vocational rehabilitation of $719,511,637.12. The committee is of the opinion that vocational training should not be extended after June 30, 1926, except as to certain worthy cases where disabled men have been in hospitals practically all of this time. The Veterans' Bureau should be permitted to rehabilitate these men in consideration of their hospitalization. The director of the bureau concurs in this recommendation.

The grand total, therefore, of insurance policies in force is 547,711, with an aggregate value of $2,815,968,365.68.

Hospital construction: The act approved March 3, 1925, authorized the appropriation of $10,000,000 to provide additional hospital facilities for beneficiaries of the Veterans' Bureau. The deficiency bill pending in the Senate carries $5,000,000, and the accompanying bill provides $4,000,000 more. The following statement indicates the location, type, number of beds, and cost of each of the hospitals proposed to be constructed under the authorization:

Location	Type	Beds	Cost
Boston, Mass.	Neuropsychiatric	300	$1,500,000
Oteen, N. C.	Tubercular	300	1,000,000
Alexandria, La.	do	400	1,400,000
North Chicago, Ill.	Neuropsychiatric	225	819,400
	do	40	
Fort Snelling, Minn.	General	160	1,600,000
	Tubercular	200	
San Fernando, Calif.	do	250	500,000
Palo Alto, Calif.	Neuropsychiatric	200	400,000
Portland, Oreg.	General	300	1,350,000
Legion, Tex.	Tubercular	479	1,182,000
Technical services			300,000
		2,854	10,051,400

In conclusion the committee desires to submit the following statement showing appropriations made for allowances and benefits on account of soldiers, sailors, and marines who participated in the war with Germany, which includes the appropriations carried in the deficiency bill now pending in the Senate and the amounts recommended to be appropriated in the accompanying bill:

Military and naval family allowances		$298,615,000.00
Military and naval compensation		1,087,650,000.00
Insurance	$462,235,000.00	
Receipts from insurance (to Oct. 1, 1925)	605,789,683.13	
		1,068,024,683.13
Administration		293,109,918.02
Hospitalization		385,233,112.00
Hospital construction		62,945,000.00
Vocational training	$718,666,370.80	
Receipts from sales (June 30, 1924)	845,266.32	
		719,511,637.12
Bonus allowance		237,979,340.00
Payment of claims		88,559.21
Adjusted service pay		38,629,398.00
Adjusted service certificate fund		336,000,000.00
Total		4,475,001,647.48
Deduct the total of receipts		606,634,949.45
Total net direct appropriation out of United States Treasury		3,869,366,698.03

Gentlemen, I thank you for your considerate and courteous attention. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Chairman, I had not expected to have anything to say in the course of general debate on this bill,

and would not do so now were it not for the fact that my good friend the gentleman from Indiana [Mr. WOOD] has taken occasion to make some criticism of the remarks which I made on February 2.

The gentleman from Indiana is chairman of the Republican congressional committee, and by his repeated declarations on the floor of this House, and also throughout the country, I think has justly earned the title of being in a sense the political spokesman of the administration and his party on the floor.

The remarks I made on February 2 were directed to the speech which was made by the President of the United States, for whom I have the utmost and most profound respect, to a business meeting, so called, of Government employees on a day or two previous to that day. They were brought forth by the fact that the President had undertaken to claim credit, as he had done on previous occasions, for the reductions which were made in expenditures in 1926 from those made in 1921, and I may say that the gentleman from Indiana at least once, if not several times heretofore, has claimed the same credit on the floor of the House.

I undertook to point out at that time that these reductions, which amounted, as the President stated, to $1,919,000,000, were brought about through savings not as a result of anything the administration had done but as the necessary and logical result of a return to peace-time conditions. For instance, there was a reduction of more than $1,000,000,000 in the Army and Navy in 1926 from the amount of money that was appropriated and expended in 1921.

There was a reduction, as I now recall—I have not the exact figures—of $730,000,000 in the Railroad Administration and $90,000,000 in the Grain Corporation and other items aggregating $2,197,000,000, and to which I referred at that time and which are set forth in the RECORD.

Now, the gentleman from Indiana has not sought to controvert any of the statements I made in reference to these reductions. He brushes them aside with the statement that surely his party and this administration should not be deprived of the fruits, as he expresses it, of these particular reductions. I submit to gentlemen on both sides of the Chamber that no administration and no Congress can claim credit for any of these particular reductions. No administration and no Congress would have been tolerated by the American people for one moment if it had not made those reductions for which the President and the gentleman from Indiana now seek to claim credit.

The gentleman says that Secretary Baker recommended an Army of 500,000 men, and he pointed to that and undertakes by inference at least to hold the Democratic administration responsible for the recommendation made by the Democratic Secretary of War. I call the attention of the gentleman to the fact that at the time that recommendation was made the Budget law had not been established. Now, under the present law the President makes the recommendations. Then the recommendations, as we all know, while transmitted to the Congress by the Secretary of the Treasury were really made by the Secretary of each department, and the Democratic Party can not be held responsible for the acts of a single Cabinet member. And I call the attention of the gentleman to the further fact that at the time Secretary Baker made that recommendation peace had not been declared between this country and the warring nations of Europe, due to the fact that another body in this Capitol was not willing to accept the treaty negotiated by the peace commission and by the President of the United States.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. WOOD. Peace had been declared by all the other nations, and we were the only nation at war at that time.

Mr. BYRNS. That is true as to the Allies. We were the only allied nation at war at that time, and it was due to the fact that Members of another body in this Capitol refused to accept the recommendations and approve the treaty of peace which was entered into by the President and the peace commission. So when Secretary of War Baker made that recommendation the world was in an unsettled condition, as we know. Everybody knows that it had been the previous history of the Secretary of War, Mr. Baker, that he was not for a large standing army, and I dare say that his recommendation at that time was brought about by the fact that, not being at peace with Germany and with Austria, he felt that it was important, until peace was actually entered into, that our Government maintain an Army of reasonable war strength.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. WOOD. Does the gentleman think there was any necessity for that Army of 500,000 men when all the world was at peace except the United States, and we were really at peace as a matter of fact? It was merely a matter of difference between the President and the Senate. Nobody wanted to go to war at that time.

Mr. BYRNS. Oh, no, I did not mean to say that; but I undertake to say to the gentleman that at the time that recommendation was made we were still in a state of war with Austria and Germany, and whether it be true or not that there was no probability of any active hostilities between the two countries, I take it that the Secretary of War at that time felt that this country should, at least until peace was made and declared, maintain a reasonable standing Army of war strength.

Mr. BLANTON. And is any party bound and is its policy fixed by the recommendation of a single Cabinet officer?

Mr. BYRNS. Certainly not. Just as I said a moment ago, under the present law the President makes the estimates. He represents his party. He speaks for his party, but certainly a member of the Cabinet, appointed by the President without being selected by the people or going through the form of selection, should not be considered as representative of his party. [Applause on the Democratic side.]

Mr. AYRES. And is it not a fact that the appropriation bill that was passed last week provided for a military force of over 500,000 at this time; in fact 500,707?

Mr. BYRNS. Yes; I think that was clearly brought out in the discussion last week on the Army appropriation bill.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. MOORE of Virginia. The gentleman has spoken about the recommendation of the Secretary of War. That recommendation did not receive any approval from the Democratic Party here in the House of Representatives, did it?

Mr. BYRNS. It did not.

Mr. MOORE of Virginia. And is not this further the fact, that it was the action of the Democratic Party in caucus that put a quietus on the suggestion that we should have universal military training in this country? [Applause on the Democratic side.]

Mr. BYRNS. That is my recollection, and I thank the gentleman for the suggestion.

Mr. STEAGALL. And there were only 17 members on this side of the House that opposed the resolution against compulsory military training in this country.

Mr. AYRES. I remember that very distinctly because I introduced a resolution in the caucus myself.

Mr. BYRNS. In 1922 Congress authorized an Army of 14,000 officers and 157,000 enlisted men, which included the Philippine Scouts. In 1923 the Secretary of War, who at that time was Mr. Weeks, recommended to Congress that it make appropriations for 13,000 officers and 158,000 enlisted men. Congress did not accept his recommendation. Congress made an appropriation for 11,000 commissioned officers and only 122,000 enlisted men, which included about 7,000 Philippine Scouts. In 1927, exclusive of the force to whom the gentleman from Kansas [Mr. AYRES] refers we are to have, if the bill passes the Senate as it passed the House, 12,000 officers and 132,000 men, or an increase of 10,000 men, and 1,000 additional officers over 1923, and the gentleman from Kansas [Mr. ANTHONY], who was in charge of that bill, stated, as I recall, that with 12,000 officers there were 5,000 more commissioned officers than are needed for the active Military Establishment, and that these officers were scattered throughout the United States in various positions. I am very glad indeed that the gentleman from Alabama [Mr. BANKHEAD] has secured the passage of a resolution through this House which will bring the information to every individual Member and to the country as to just who these officers are, and just where they are located, and what they are doing.

The gentleman from Indiana refers to a reduction of the public debt. I do not want to take up the time of the House unnecessarily, but he made some comment upon the fact that the public debt had been reduced more than $3,000,000,000 under the present administration, that is, the Harding and the Coolidge administrations.

He said that unquestionably the gentleman from Tennessee and other gentlemen on this side of the Chamber would be gratified at that. We are. The gentleman made a similar declaration in his speech which he made several weeks ago. What are the facts in relation to the reduction of the debt? I desire to refer to that just briefly again. I took occasion to put the facts in the RECORD some time ago, and I quote from my remarks at that time:

During the last two years of the Democratic administration the public debt had been reduced $1,507,055,608. That is an average of a little

more than $750,000,000 a year. Under the Republican administration in four years and four months there has been paid $3,571,360,257 on the public debt, which is an average of not a billion dollars a year, as the gentleman from Indiana said, but of a little more than the average paid off during a Democratic administration.

But let us see how it was paid. These great assets which came over from the Democratic administration, which fell into the lap, so to speak, of a Republican administration, were used to pay that debt; and how much was it? Let us see. First, back taxes, $750,000,000; taxes levied under a Democratic administration, which were not paid under a Democratic administration but which the Republican administration collected when it came into power. Then there was surplus property, some of these assets that the gentleman complains of, amounting to $275,800,000; assets of the War Finance Corporation and the Railroad Administration, $394,700,000; interest and principal on the foreign debt, $773,600,000; Treasury surplus, $186,000,000; or a combined total of $2,380,000,000, which I think can fairly be said to have been inherited by the Republican administration and which has been used in the liquidation of these debts.

The result is, my friends, subtracting that from the $3,571,360,257, represented as having been paid by the Republican Party, there is left really only $1,192,000,000, or an average of less than $275,000,000 a year, for which the Republican administration can claim exclusive credit.

Now, gentlemen, I want to hurry on. The particular criticism of the gentleman was directed at some remarks I made in reference to the expenditure for the Executive Office. I stated at the time that the figures which I gave were taken from the report of the Director of the Budget. I held in my hand at the time and have here the report of the Director of the Budget, General Dawes, now Vice President of the United States, which shows that the expenditures for the Executive Office for 1921 were $197,200. General Dawes was the head of a great banking institution in the city of Chicago before he was appointed Director of the Budget. He had been in the habit unquestionably of demanding of his employees in that bank accuracy in the presentation of their figures, and I feel sure that he brought that same influence and that same desire to have accuracy in figures when he came here as Director of the Budget.

I then showed from the report of his successor as Director of the Budget, General Lord, the expenditures of the Executive Office for the years succeeding. Now the gentleman from Indiana takes issue with General Dawes. He says there were other figures for the year 1921 to which I did not refer, appropriations which he said were made for a number of other items and which he proposed to place in the RECORD. I regret that the gentleman did not give me the opportunity at this particular time to have the benefit of those figures, because, of course I am unable to analyze them until I have had the opportunity of seeing them. The gentleman, being closely affiliated with the administration, has had the advantage of assistance from the office of Superintendent of Public Buildings and Grounds, as well as from the clerical force of the White House. He says that sums were appropriated for maintenance and care of the White House grounds in connection with lump sums for other purposes and carried in other bills to which my attention was not called. Granting that he is correct, then the Director of the Budget, General Dawes, whose business it was to report the exact facts to Congress, fell into the same error. The gentleman proposes to go back five years and pick out from these commingled appropriations just what amounts were used in the care and maintenance of the White House grounds. I submit that the accuracy of such separation may well be open to question. But for the sake of the argument let us accept the gentleman's statement on this point. The earliest figures I have been able to obtain as to the maintenance for the White House, exclusive of salaries, contingent expenses, travel, and police, were for the year 1923, $94,400. Now, I take it that such maintenance expenses for 1921, partly under Mr. Wilson and partly under Mr. Harding, did not exceed that sum. If they do, I would like to have the gentleman from Indiana rise now and tell me just to what extent they do exceed it. I strongly suspect the 1921 expenses were less. But if you will take the figures for 1923 as a basis for like expenses in 1921 and 1922, you have $292,280 for 1921 and $298,280 for 1922. Now, let us see how it jumps up in 1923, the first fiscal year of the present Chief Executive. Let us see how it increased in 1923. The expenditures for the Executive Office for 1923 shown by General Lord—and I am sure the gentleman from Indiana will not deny these figures—shows $346,716, which is nearly 19 per cent more than in 1921, based upon the figures which I have given. In 1924 they had increased from $346,716 to $379,989, and in 1925 they had increased from $379,989 to $409,644, nearly 36 per cent above those of 1921. In 1926 they had increased from $409,644 to $462,088, or nearly 58 per cent more than in 1921.

Mr. WEFALD. Will the gentleman yield?

Mr. BYRNS. For a brief question.

Mr. WEFALD. Are those figures due to economy?

Mr. BYRNS. I think not. That is just the point I am trying to make. Now the gentleman from Indiana says, if I remember correctly, there has been only an 8 per cent increase. He says he has arrived at an 8 per cent increase in 1926 by eliminating $50,000 for repairs and $85,000 for the White House police.

Now, my friends, conceding that the $50,000 for repairs for last year should not be used in comparison with previous years, the cost of the White House police is surely a part of expenses of the Executive Office. In 1921, under a Democratic administration, the White House grounds, consisting of I do not know how many acres, but it appears to me to be about the size of two city blocks, were policed by the Metropolitan police of the city of Washington, and at that time Congress was making an appropriation for the Metropolitan police of $1,794,000. In 1923, under a Republican administration, the Congress decided to have special White House police to police those grounds, and they made an appropriation at that time of $50,486 for the White House police, and at that time the appropriation for the Metropolitan police in the city of Washington was $1,825,000. Now what happened? In 1926 we find that the appropriation of $50,000 for the White House police in 1923 had been increased to $85,100, notwithstanding the fact that Congress appropriated for the year 1926 for the Metropolitan police of the city of Washington the sum of $2,964,000. In 1921, under a Democratic administration, I will say to the gentleman from Indiana, when the appropriations for the Metropolitan police were $1,794,000, it was not considered necessary by that administration to have special White House police to police the White House grounds; but in 1926, when the appropriations for the Metropolitan police were $2,964,000, an increase of $1,200,000 over what they were in 1921, the Treasury of the United States is called upon to expend $85,100 for special White House police, instead of leaving the duty to the city of Washington to police the White House lawns; and this is in addition to the fact, as we all know, that secret-service men are always stationed at the White House and in the White House offices.

Now, there is no one who does not want the White House grounds properly protected, but I submit, gentlemen, that with that very large appropriation of nearly $3,000,000 for the city police it is unnecessary to take from the people's Treasury $85,100, or over $200 a day, in order to police the White House grounds.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. I yield to the gentleman.

Mr. BLANTON. Can the gentleman give us any good reason for maintaining here in Washington seven different police forces? We have the Metropolitan police, we have the agricultural grounds police, the park police, the police under the Smithsonian Institution, the House Office Building police, the Capitol police, and the White House police, and is there any reason for this?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BLANTON. I hope the gentleman will get additional time and answer my question.

Mr. SANDLIN. Mr. Chairman, I yield the gentleman from Tennessee 10 minutes more.

Mr. BYRNS. I can not give the gentleman any reason for that, and, of course, that sort of a situation and arrangement makes for inefficiency and extravagance.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. BYRNS. For a question.

Mr. NEWTON of Minnesota. Can the gentleman tell us how many of the Metropolitan police were assigned to the White House at that particular time?

Mr. BYRNS. Last year?

Mr. NEWTON of Minnesota. The last year that Metropolitan police were assigned to the White House.

Mr. BYRNS. You mean in 1921?

Mr. NEWTON of Minnesota. Yes.

Mr. BYRNS. I do not know. I could not tell you the number, but I am quite sure a sufficient number.

Mr. NEWTON of Minnesota. I refer to those that were assigned to the White House from the Metropolitan police force.

Mr. BYRNS. But they were paid out of the appropriation of $1,794,000. That is the point I am making.

Mr. NEWTON of Minnesota. That is true; but those that were assigned to the White House could not perform ordinary and general Metropolitan police duties, could they?

Mr. BYRNS. I take it, it is as much a police duty to police the White House grounds and see that there is no trespassing or anything of that kind on those grounds as it is to police any other portion of the city of Washington.

Mr. NEWTON of Minnesota. But does not the gentleman recognize the fact that if they are policing the White House grounds they can not be used for other police purposes?

Mr. BYRNS. Undoubtedly that is true; but I have just called the gentleman's attention to the fact that since 1921 the Congress has increased the appropriation for the Metropolitan police $1,200,000, or nearly 75 per cent, and certainly if a sufficient number of police could be taken from the regular force in 1921 under the smaller appropriation to protect the White House grounds, certainly that could be done in 1926 with the larger appropriation.

Mr. NEWTON of Minnesota. But the gentleman wholly ignores the fact that from 1921 until the present time there has been an entirely different situation in the District of Columbia as to the general policing of the District.

Mr. BYRNS. I appreciate that.

Mr. NEWTON of Minnesota. And members on the gentleman's side supported the increase in the Metropolitan police force. We did not hear any cries of economy when the recommendation to increase the police force came from those in authority in the District of Columbia.

Mr. BYRNS. Maybe the gentleman was not here and did not hear all the remarks. Go back to the RECORD and I expect the gentleman will correct some of his impressions in that regard; but let me say to the gentleman that certainly an increase of $1,200,000 over $1,794,000 more than takes care, or at least is sufficient to take care of the increase in population and the increased necessities for police here.

Mr. NEWTON of Minnesota. If the gentleman will permit, here is what it seems to me would be a fair comparison: To show the number of police that came from the Metropolitan police force and were assigned to the White House and the number assigned now. The comparison the gentleman is making is not fair.

Mr. BRYNS. I will tell the gentleman how many are assigned now to police about two city blocks, of lawns, if I measure it correctly in my own mind: Thirty-six private police at $2,100 each per annum; two sergeants at a higher salary, and one lieutenant, making a total of $83,400 a year or over $228 a day that it is costing your constituents and mine to police the White House grounds. [Applause.]

Mr. NEWTON of Minnesota. My constituents are perfectly willing to pay an ample sum of money to police the White House grounds.

Mr. BYRNS. Absolutely, and so are mine, but I insist in this day when statements are being repeatedly broadcasted all over the country to the effect that economy is being practiced, we ought to have a little of it, at least, in the White House itself. [Applause.]

Mr. NEWTON of Minnesota. And let me suggest to the gentleman that in 1921 your constituents and mine could not get into the White House, and since that time they have been getting inside the White House.

Mr. BYRNS. Oh, yes, they could.

Mr. NEWTON of Minnesota. It was not opened to the public then, but it has been opened since then.

Mr. BYRNS. I think the gentleman is very unfortunate in thus referring to the extremely critical illness of President Wilson during the last days of his occupancy of the White House. [Applause.]

Mr. NEWTON of Minnesota. And I think the gentleman is unfortunate in drawing a comparison that is unfair.

Mr. BYRNS. Mr. Chairman, I do not yield to the gentleman any further. I want to complete my own statement.

Mr. BLANTON. Will the gentleman yield just for one question?

Mr. BYRNS. For a brief question.

Mr. BLANTON. I want to say to the gentleman from Minnesota that if his party keeps on cutting up the antics they have been cutting up recently, there will be another very distinguished gentleman in the White House in 1928.

Mr. NEWTON of Minnesota. And I will say to the gentleman that, if I remember correctly, the gentleman made some other prophecies in 1924.

Mr. CROWTHER. Will the gentleman yield for just one short question?

Mr. BYRNS. I yield, but I hope the gentleman will be brief, because I want to conclude.

Mr. CROWTHER. I want to know whether the increase of money to which the gentleman has referred meant an increase in the number of men or whether a great portion of that was represented by increased salaries.

Mr. BYRNS. I do not know, but it certainly means a considerable increase in the number of men.

Mr. CROWTHER. I mean that $1,200,000 increase—whether it was altogether for an increased number of men or for increased salaries?

Mr. BYRNS. Part of it was due to increased salaries, but, undoubtedly, it also provided for a greatly increased number in the force.

Now, I want to briefly discuss two or three other matters, and then I will close, and I hope I will not be interrupted.

The gentleman from Indiana referred to the traveling expenses of the President of the United States. It was not my purpose to refer to that on February 2, but I was interrupted by some gentlemen at the time who brought that question into my remarks. Since the gentleman from Indiana saw fit to refer to it, let me tell you something. The present occupant of the White House—and I say it with profound respect—has spent more money than any other President of the United States has ever spent in any one year in the way of traveling expenses. [Applause on the Democratic side.] Because I find in 1924—and I wish to call your attention to the fact that that was a campaign year—the Director of the Budget reports the expenditures under the head of traveling expenses was $33,500. Of course, the appropriation was only $25,000. But in March, 1923, evidently with the intention of giving the President the right to exceed $25,000, for what purpose I do not know, we find that $15,000 or $16,000 in the Treasury unexpended for 1923 was reappropriated, and in that way the President during the next year spent $33,500 for traveling expenses. No other President ever exceeded the regular annual appropriation of $25,000. In 1925, $23,427 was expended. In 1926 it is said that $23,407 will be expended.

Gentlemen will recall that last year when the President went to Chicago to visit the stock show, it was heralded all over the country that the President, in the interest of economy, was traveling in a compartment car instead of by private train. Editorials, some of them in my own part of the country, commented on this great example of economy which was being set for other officials of the Government. I am sure it will be surprising to these editorial writers and to the people to learn that the present Chief Executive in the last three years has expended more under the head of traveling expenses than was ever expended by any other President for a similar length of time in peace times. I wish to make it clear that I do not object to the President traveling. I think very strongly that he should do so, and when he does I want him to travel in the best style. And so I have never objected to the appropriation for traveling expenses, nor to the maintenance of the *Mayflower*. Although I did strongly oppose, and I do now, the use of this fund for the expense of official entertainments, which was for the first time authorized under Mr. Harding. My objection lies to the unjustified claims for economy which have been so persistently circulated throughout the country.

Mr. TILSON. Did the gentleman take into account the traveling expenses of the President in 1919 when he went abroad?

Mr. BYRNS. I am coming to that, and I am glad the gentleman mentioned it. I intended to touch on that earlier. The gentleman from Indiana referred to that and spoke of the great expense incurred in Paris by the Peace Commission. There were a great many people throughout the United States, and they were not confined to the members of the gentleman's party, who did not believe that the President of the United States ought to have gone to Paris with the Peace Commission.

There was a division of opinion in regard to it. But certainly if he had gone some one would have been sent in his stead, and these expenses would have been incurred over there just the same.

But now instead of comparing the expenses of one year with the preceding year they beg the question and seek to throw up a smoke screen by referring to the enormous expenses incurred by the entire Peace Commission during the months it was required to stay in Paris negotiating for the peace of the world and that that is neither fair or just. Certainly there was a world of money spent during those times, and the people expected it. They knew it was necessary. It is neither a just nor a fair comparison to undertake to compare the expenses of 1926 or 1924 with the expenses that were incurred when the President and his retinue of Government employees and representatives were compelled to go to Paris for the purpose of negotiating a peace treaty.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. BLANTON. And the Republican keynoter, the distinguished gentleman from Ohio, approves of the peace treaty that the President of the United States brought back from Paris?

Mr. BYRNS. A great many people in the United States hold the same opinion. Now, I want to say this in passing relative to the executive offices. Take the $50,000 off that was appropriated for repairs for 1926 and which are not required for 1927 and you have $439,960. The bill reported by the gentleman from Indiana and now before the House carries an appropriation of $444,460 for 1927, which represents an increase of $3,500 for the next year over the expenditures of the executive offices for 1926.

That is simply a sample of this economy which has been talked about. In my remarks the other day I said that the White House had not qualified as a member of General Lord's 2 per cent club, and I read a statement the other day that General Lord is organizing a 1 per cent club for 1927. Unless Congress takes action and reduces the appropriations carried in this bill, the White House will not qualify next year in the 1 per cent club.

Now, on the question of employees raised by the gentleman from Indiana. On June 30, 1916, the number of employees was 438,057. They reached the peak November 11, 1918, the day of the signing of the armistice, when there were 917,760. On July 21, 1921, there were 597,482, which represents a reduction of 320,278 in two and a half years under the Wilson administration.

On June 30, 1922, the number of employees were 560,863, a reduction in one year of 37,400, and June 30, 1923, they had been still further reduced to 548,531. June 30, 1924, there were 554,986—an increase of 6,400. On June 30, 1925, the number of employees was 564,718, which represents an increase of over 16,000 over the number in the service in 1923.

So, taking the statement of the gentleman from Indiana [Mr. WOOD] that there has been an increase of 13,000 in postal employees, there is shown to be an increase of more than 3,000 employees in other departments during the years 1924 and 1925. And yet claims are continually being circulated throughout the country that this is an economy administration. [Applause on the Democratic side.]

Mr. SANDLIN. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. CONNALLY].

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, I secured an allotment of time to discuss one of the provisions of this bill, and had no intention to refer to the gentleman from Indiana [Mr. WOOD], because I did not know that he was going to speak. I regret very much that the gentleman from Indiana, anticipating the reply of the gentleman from Tennessee [Mr. BYRNS], thought discretion the better part of valor, and left the Hall, and did not hear what the gentleman from Tennessee [Mr. BYRNS] had to say.

Mr. WASON. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. WASON. Does the gentleman know that the gentleman from Indiana is not very well, and left out of no disrespect to his friend from Tennessee?

Mr. CONNALLY of Texas. I hope the gentleman from Indiana is not ill. For him personally I have the highest regard. He was able to speak for two hours and a half in this Hall, and it does seem to me that he ought to have been able to listen to the gentleman from Tennessee for a few minutes. If he could undergo the physical exertion of making a speech for 2 hours and 30 minutes, he ought to be able to undergo the purely mental agony that the reply of the gentleman from Tennessee, which so completely refuted the speech of the gentleman from Indiana, would have produced.

Mr. WEFALD. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. WEFALD. And if he had stayed to hear the gentleman from Texas [Mr. CONNALLY], I am sure he would have gotten well again. [Laughter.]

Mr. CONNALLY of Texas. I thank the gentleman for his pleasantry. It reminds me of what a friend wrote me some years ago. He wrote me that he had heard of some people who wanted me to run for a very high political office. Then he wanted to say something else to me in the letter, and he began, "but jokes aside," and went ahead and referred to what he was really writing the letter about—merely a pleasant introduction with rather a tragic ending. [Laughter.]

So far as the gentleman from Indiana is concerned, allow me to say that for him personally I entertain a very warm attachment, but the gentleman reminds me of a story that was written a good many years ago by that wonderful novelist, Robert Louis Stevenson, in which he described a man who had two personalities. Robert Louis Stevenson never knew the gentleman from Indiana, because if he had he would have written a novel about a gentleman with three personalities. The gentleman from Indiana has the personality of a friend and a gentleman, which all of us admire and love. He then has another personality—that of a member of the Committee on Appropriations and a Member of this House, in which capacity he shows industry and zeal and generally devotion to the public interest. Then he has yet a third personality, that of chairman of the Republican Congressional Campaign Committee, whose duty it is to elect Republicans to office, to utilize all of the facilities which this floor and the CONGRESSIONAL RECORD provide for him as a Member of the House for the benefit of his personality as chairman of the Republican Congressional Campaign Committee. The gentleman from Indiana to-day consumed 2 hours and 30 minutes of the time of the House and spent a portion of that time as a member of the Committee on Appropriations and as a Member of the House; but during the greater portion of the 2 hours and 30 minutes the gentleman from Indiana was standing before you in that other personality of his—as chairman of the Republican Congressional Campaign Committee—for political purposes. Some statements have been going about the country that speeches made on the floor of Congress are political.

The speech of the gentleman from Indiana will not be placed in that category by the White House spokesman, however, because the gentleman's speech was in defense of the Republican administration, and, therefore, it is the utterance of statesmanship! It is only those who have no access to the directing powers that govern this Congress, it is only those of us who now and then must speak out in protest against the inactivity of departments of the Government that ought to be active, who fall under the reproach that our speeches are for political effect.

The chief claim to fame of the gentleman from Indiana and to oratorical distinction lies in the fact that he delivered in this Chamber some years ago that eloquent eulogium upon the Steel Trust, the United States Steel Corporation, entitled "A corporation with a soul." That speech as delivered by the gentleman from Indiana was devoted to the Steel Trust, and he called it a corporation with a soul. The speech was sent out through the mails and through the CONGRESSIONAL RECORD all over this country, and upon that chiefly rests the claim of the gentleman from Indiana to oratorical fame. My friends, the oration of Ingersoll at the grave of his dead brother will ever remain as one of the choicest and tenderest tributes in the oratory of affection. Blaine's eulogy upon Garfield will throughout time be regarded as one of the noblest and most splendid tributes ever uttered by one public man on the life and character of another. But in the loving literature of the trusts, the speech of the gentleman from Indiana will forever shine; in the pleasing platitudes devoted to privileges, his pæan of praise to the Steel Trust will always attract attention. Among the sordid songs of servitude to corporate interests and corporate autocracy, the peerless production of the gentleman from Indiana will always be regarded as one of the most sparkling gems. [Applause and laughter on the Democratic side.]

The gentleman from Indiana this afternoon improved the opportunity to reply to the speech of the gentleman from Tennessee [Mr. BYRNS], made some time ago on the floor, in which the gentleman from Tennessee pointed out that notwithstanding beautiful tributes to economy, notwithstanding eloquent eulogiums on the principle of economy, the White House was not practicing the things which it was always preaching out on the lawn to an expectant and delighted audience. The gentleman from Tennessee has just now again exposed the increased Executive appropriations. The gentleman from Indiana complained and dug up out of the past the expenses of the *George Washington* in carrying President Wilson to Europe. He complained about the expenditure for that vessel to carry the President across the seas in an effort to bring about a peaceful end of the greatest struggle that ever shook this old globe of ours, and yet the gentleman from Indiana makes no complaint about the *Mayflower*, that rides yonder at anchor and is fanned by peaceful breezes—there is nothing to disturb it—and which costs each year, I understand, something like $450,000 to maintain. I am not complaining of that.

I am not complaining. Let the President have the *Mayflower*. Other Presidents have had it, and I am not so cheap in my views as to say that because President Coolidge is a Republican President he ought not to have the *Mayflower*. Let him have it, but when he has it, and when it is drawing out of the Treasury $450,000 a year to man and equip and maintain it, do not let his spokesman, the official Republican chairman of the congressional campaign committee, come on

this floor and with a sneer and with venom go back and pick up the record of a dead President—who, though dead, will send his name ringing down through all the ages [applause]—come here and complain in a narrow, mean, bitter spirit that it was necessary to effect some renovations and changes in the *George Washington* when it carried President Wilson and the peace commission to Europe. I say, if your claims of economy in expenditures for the White House are resting upon such a flimsy foundation, they will not bear the scrutiny of inspection—they will not bear the scrutiny or inspection of the American people. Now, the gentleman from Indiana [Mr. WOOD] loudly declaims against the practice which he says obtains in the Shipping Board by which some officers on the board require their subordinates to give their resignations in advance. I, too, condemn that practice. I condemn it; I condemn it whether it is in the Shipping Board or in any other branch of the service. But the trouble with the gentleman from Indiana is that he condemns it in the Shipping Board, but he condones it in the President of the United States. [Applause.] That is the difference. It is wrong for the Shipping Board to do it; yes. The Shipping Board ought not to do it, but the President of the United States in the case of the Tariff Commission ought not to do it. The gentleman from Indiana admits that he did that very thing, and yet the gentleman from Indiana, assuming to speak by authority—appearing to speak for the President of the United States—says that it was done by the President in that case because some other member of the Tariff Commission wanted Mr. Lewis to remain a little while longer, and that was the reason the President demanded that Mr. Lewis give to the President a signed resignation in advance before he was appointed.

If the gentleman from Indiana [Mr. WOOD] is authorized to speak for the President, and he did undertake to speak for him in reference to the resignation—if he is authorized to speak for him, a little further along in my remarks I propose to ask him some questions to which I would like for him to respond. But I am digressing. The purpose of the request for time to make these remarks arises because of the fact that this bill carries an appropriation for the Federal Trade Commission, and that the Subcommittee on Appropriations, controlled by the gentleman from Indiana, who is chairman, has inserted in this bill a limitation on the appropriation which, to my mind, seeks further to weaken and debilitate the commission that now only barely survives after repeated assaults upon it by the administration and by the commission itself.

Mr. WOOD. Will the gentleman yield?

Mr. CONNALLY of Texas. I am glad the gentleman from Indiana has returned to the Chamber.

Mr. WOOD. I am very glad I am here.

Mr. CONNALLY of Texas. I will be very glad to yield.

Mr. WOOD. How does that limitation weaken it?

Mr. CONNALLY of Texas. I will explain. If it does not weaken it, what do you want to put it in there for? Let me read it. I want to be exact. Now listen. The gentleman from Indiana wrote this and ought to know what it means, and he asks me for an interpretation of it:

> That no part of this sum shall be expended for investigations requested by either House of Congress except those requested by concurrent resolution of Congress, but this limitation shall not apply to investigations and reports in connection with alleged violations of the antitrust act by any corporation.

Mr. WOOD. Will the gentleman yield?

Mr. CONNALLY of Texas. I yield to the gentleman.

Mr. WOOD. I think that is one of the best provisions we have ever made in an appropriation, not for the purpose of weakening but for strengthening the commission. The purpose primarily was to investigate in relation to competition in trade. Now, of course, it is not proper for me to say anybody does it, but some other branch of the Congress has been in the habit of introducing resolutions, not for the purpose of inquiring into violations of the antitrust law, but which consume about half of their time and divert them from performing other things for which they are supposed to be created, and in evidence of that fact this provision finally went up to the Attorney General of the United States, so we can have a distinction between the things which were in violation of the antitrust acts and those which were not.

Mr. CONNALLY of Texas. The present Attorney General?

Mr. WOOD. Yes, sir.

Mr. CONNALLY of Texas. I thought so.

Mr. WOOD. And as an evidence that this has had some salutary effect even that other body now provides that before a resolution goes to the commission it shall be referred to a committee to see whether or not——

Mr. CONNALLY of Texas. I was going to advert to what the gentleman suggests. The gentleman from Indiana says he believes this limitation is one of the wisest provisions ever made. He says that the reason for that is that in another body in this Capitol they have been in the habit of requesting resolutions to make investigations and occupy the time of the Federal Trade Commission in doing that thing. Now what is the history of this matter? I have here the act creating the Federal Trade Commission, and that act provides that in addition to the antitrust investigations, the commission may on its own motion investigate trade practices, unfair practices in trade, discriminations in any other matters that are in essence violative of the spirit of the antitrust law.

Formerly it was the custom of the Federal Trade Commission, upon a resolution of either House of Congress requesting or directing an investigation into matters of that kind, to conduct the investigation. I believe it was in the last appropriation of this kind the committee inserted a limitation that really is legislation in its nature, and, by the way, we should not extend this doctrine of limitation. We ought to confine it strictly, especially in view of the fact that the Committee on Appropriations in this House now has all the appropriating power. The rules ought to be amended so as to narrow still more the construction of the rules as to limitations. The Committee on Appropriations put a limitation in that bill which provided that the Federal Trade Commission should not conduct any of these general investigations unless requested by a concurrent resolution of both Houses. Now, what does that mean?

Mr. WOOD. Will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. WOOD. I know the gentleman wants to be fair.

Mr. CONNALLY of Texas. I think I catch what the gentleman has in mind. I did not mean they should not conduct any, but I mean in case either body requested an investigation it had to be joined by the other body.

Mr. WOOD. This is the point I want to make to the gentleman. It occurs to me, and I believe it will occur to the gentleman, that if an investigation is of sufficient moment to start this House, it ought to start the other body, and both Houses ought to concur.

Mr. CONNALLY of Texas. I wish the gentleman would be brief, because I have only 30 minutes and the gentleman had two hours and a half.

Mr. WOOD. I will yield the gentleman some more time.

Mr. CONNALLY of Texas. I thank the gentleman.

Mr. WOOD. The point about it is not the use of this thing but the abuse of it.

Mr. CONNALLY of Texas. Yes; I understand.

Mr. WOOD. I expect the gentleman knows that this side has not been much of an offender, but there has been much offense on the other side in doing the very things that have detracted from the purposes for which the commission was originated.

Mr. CONNALLY of Texas. I will try to discuss that. I want to be fair to the gentleman, but I want to be fair in a fair way. Everybody knows that the adoption of that limitation was intended as a curtailment of the activities of the Federal Trade Commission, because everybody knows that it is almost impossible to get the same resolution through both Houses of this Congress calling for any kind of an investigation. You know how difficult that would be. The gentleman from Indiana says that the Senate was in the habit of requesting the Federal Trade Commission to conduct many investigations. Suppose by this limitation he prevents those investigations, what happens? No economy results because the Senate is then able by a simple resolution to establish its own investigation, to appoint its own committees, and to take from the floor of the Senate a number of Members who ought to be there, probably, on the floor attending to legislative business.

I call the attention of the gentleman from Indiana to the record in the Senate on yesterday in which it was brought out that the Senate during the very recent past has been spending so much money on Senate investigations that there is a cry going up for economy in that regard. If the Federal Trade Commission could conduct an investigation at the request of either the House or the Senate, that tremendous pressure would be relieved and both Houses could get the benefit of the Federal Trade Commission's investigation, without consuming their time in pursuing such investigations, and without taking from the floor Members to engage in the work of these special investigating committees.

Mr. WOOD. Has not the very fact which the gentleman has stated about the practice being followed on the other side awakened gentlemen to an appreciation of the fact that they

are wasting thousands of dollars, so that hereafter when they introduce such a resolution, it is proposed it shall be submitted to some committee that will make a primary report upon it.

Mr. CONNALLY of Texas. I will say to the gentleman it has not been necessary to submit it heretofore. If the Senate passes it, that ought to be sufficient. The Senate has more power than any one of its committees. The gentleman is calling attention to something that happened yesterday, when the ruling spirits of the Republican Party in the Senate had a meeting and said they were going to stop investigations hereafter unless they were first submitted to some committee devised by the Republicans in the Senate. Now, I will say to the gentleman, it is rather remarkable that a revival of this spirit of opposition to investigations should come just now when Congress is seeking to investigate the perfect flood of mergers that is sweeping over this country from the New York financial district and those of other financial centers. When the Senate wants to investigate the Aluminum Co. of America as to its violation, not once but many times, of a solemn decree of a Federal court, it is rather remarkable that all at once a desire for economy should require a refusal to investigate.

It is a rather remarkable coincidence that just at that time the gentleman from Indiana should be so concerned with economy and saving what he says is the waste of investigations, and that certain gentlemen in another portion of this Capitol should have a party conference—not an official meeting of a committee of the Senate, but a party conference—to pass resolutions upon this terrible outrage of turning the light on and investigating some dark places that the public would like to take a look into. [Applause.]

Mr. WOOD. Will the gentleman yield?

Mr. CONNALLY of Texas. I yield.

Mr. WOOD. With reference to the aluminum investigation, that further illustrates the advantage of the prohibition we have put upon this business. The Federal Trade Commission was trying, honestly as I suppose, and we will presume that, to make an investigation and report upon the aluminum proposition, and they were going along first rate until the Senate demanded they turn all their records over to their committee. Now, why criticize this commission, or why criticize this House? Why not fortify what we think is right, that these investigations ought to be made and ought to be made where they should be made, through this investigating body?

Mr. CONNALLY of Texas. I will reply to the gentleman. The gentleman from Indiana suggests now that what happened in the Aluminum Co. case illustrates the very point he is seeking to make. The gentleman from Indiana says that the Federal Trade Commission was trying to investigate the Aluminum Co. of America and was getting along first rate. Now, remember that. He says it was getting along first rate; it was satisfactory, and then the Senate came along and made the Federal Trade Commission open up its locked files and disgorge the hidden testimony against the Aluminum Co. of America, and turn it over to the Attorney General, and that spoiled everything.

Let us now examine that, and I hope the gentleman will not ask me any more questions until I get through examining that statement. The gentleman says the Federal Trade Commission was proceeding with the Aluminum Co. case first rate, and investigating it. Now, how far is the gentleman from the facts. The facts are that the old Federal Trade Commission, not the present one but the old Federal Trade Commission, the one that was in existence before President Coolidge put Mr. Humphrey on the commission, who became at once a dominant figure—not a dominant figure, but the dominant figure—Mr. Humphrey, who revised the procedure before the commission in behalf of the defendant and against the public interests by providing a secret hearing before the Board of Review at which the prosecutor was prohibited from being present had already investigated the Aluminum Co. Let me follow that a little further. That old commission, the one that was in existence before Mr. Humphrey was appointed on it—the old commission that had the power to examine into conspiracies in restraint of trade, did investigate the Aluminum Co.

It completed the investigation. It completed its work, and what did it find? It found that the Aluminum Co. was guilty and had violated repeatedly the injunction of a Federal court. Then what happened? Why, the law says that when that happens it becomes the duty of the Federal Trade Commission to transmit the testimony to the Attorney General of the United States for suit. Did the commission as reorganized by Mr. Humphrey and with its changed procedure do that? No. What did it do? Instead of transmitting that evidence to the Attorney General for proceedings in court it put the testimony in the Aluminum case, this incriminating testimony that would convict the Aluminum Co.—instead of putting it in the hands of the Attorney General, instead of putting it in the courthouse, it put it in its private files and locked the door. [Applause on the Democratic side.]

Yet the gentleman from Indiana says that the Federal Trade Commission was going ahead and getting along first rate.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas. Will the gentleman give me 10 minutes more?

Mr. SANDLIN. I will yield to the gentleman 10 minutes.

Mr. WOOD. I will yield the gentleman 10 minutes.

Mr. CONNALLY of Texas. All right; I will not take it all. I am always suspicious when a Republican wants to give me something. [Laughter.] Now, I shall try to conclude. But listen. The gentleman from Indiana says that was first rate, lock it up, do not give it to the Attorney General, and then he says the Senate came along and ruined things.

What did the Senate do? It called the Attorney General and said, "Can you get the testimony from the Federal Trade Commission?" The Attorney General replied that he did not know any way by which the Department of Justice could force the Federal Trade Commission, administered by Mr. Humphrey, the appointee of the President now in the White House, to disgorge that damning testimony that would convict the Aluminum Co. Then the Senate said to itself, "Can it be that this great Government can permit one of its own creatures, the Federal Trade Commission, created by Congress—can it permit one of its creatures to take this convicting evidence and lock it up and defy the Government and say that it can not have it?" Then the Senate started a resolution; and when the Senate started the resolution the Aluminum Co. of America came in and said, "Oh, if you gentlemen are going to be serious about it, if you want it, we will open up the testimony and send it over to the Department of Justice." What good will that do? The Department of Justice got it, but has failed and now refuses to file suit against the Aluminum Co. of America, although the Federal Trade Commission said that it had violated a Federal injunction many times—the Aluminum Co. of which Secretary Mellon is a principal owner.

Mr. WOOD. Will the gentleman yield?

Mr. CONNALLY of Texas. No; I can not yield; I have not the time.

Mr. WOOD. I have given the gentleman 10 minutes.

Mr. CONNALLY of Texas. All right; if that be true.

Mr. WOOD. In reference to the testimony the gentleman is speaking about under the act creating the Federal Trade Commission, they have no power to force this evidence from any source.

Mr. CONNALLY of Texas. I know what the gentleman is going to say, but go ahead.

Mr. WOOD. Everybody may not know it. They get it by request. The purpose of the bureau is to protect legitimate trade. Lots of times complaints are filed absolutely unfounded and which, if given publicity, would be ruinous to the business men. They get the concern to furnish them with evidence upon the promise that it will only be used by themselves, that it will be regarded as confidential——

Mr. CONNALLY of Texas. Now, let me say to the gentleman that even if that were true, as the gentleman says, and the Federal Trade Commission got the testimony in confidence, what good does it do to get evidence of violation of the law if it can not be used? My friends, whenever a department of the Government gets into confidence with a law breaker, whenever any branch of the Government enters into a covenant to secrete evidence of guilt, and will neither use the evidence itself nor give it to the Department of Justice, that branch of the Government ought to be haled in the Federal court and prosecuted for contempt along with the guilty corporation. [Applause.]

Mr. WOOD. Will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. WOOD. I will give the gentleman all the time he wants. Suppose you, to-day, were an investigator and called upon John Smith and you told him that under no circumstances would you reveal the confidence imposed upon you, would you reveal it?

Mr. CONNALLY of Texas. No; but the difference between the gentleman from Indiana and myself is that he would go out and enter into such an agreement with a criminal that he was investigating and I would not. [Laughter and applause.] If I wanted that kind of evidence and the concern said it would not give it, I would report that evidence to the district attorney or the Attorney General of the United States, and if they did not get the evidence that was incriminatory, and made no effort to get it, I would report them to the President of the United States and demand that they be removed from

their jobs. A Federal grand jury, which every district attorney has at his command, could get the evidence. The Attorney General has at his command every district attorney in the United States.

Mr. WINGO. Will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. WINGO. Is not there a clear distinction between an investigator whether he be one of the Federal Trade Commission or any other agency, disclosing trade secrets, and presenting, in a proper way, facts which are incriminatory as a basis for a criminal charge. Does not the gentleman from Indiana confuse the two?

Mr. CONNALLY of Texas. I will say to the gentleman from Arkansas [Mr. WINGO] that there is a clear distinction between the two cases that he mentions.

Mr. WOOD. I call the attention of the gentleman from Texas, and also the attention of the gentleman from Arkansas, to the fact that the criticism now being made by the gentleman from Texas is to a part of the organic law. There is nothing in the organic law creating this commission that will permit it to get the very things that are sometimes absolutely essential in order to arrive at a conclusion, and the only way it can act is by a proposal to this concern to the effect "We are representing you just as well as we are representing the complainant."

Mr. WINGO. Oh, the gentleman from Indiana is talking about one thing and I am talking about another. He is confusing the proper protection of trade secrets received in a proper way, and the divulgence of guilt or incriminating facts on the part of criminals.

Mr. WOOD. I do not think that I am confused at all, and I hope the gentleman is not. That is a mistake of the organic law. There is no way under the law to compel these gentlemen to reveal anything, and the purpose of the creation of this commission was to protect legitimate business against illegitimate business.

Mr. CONNALLY of Texas. Does the gentleman think that the Aluminum Co. of America that has violated the antitrust statutes and the judgment of the court many times is a legitimate business?

Mr. WOOD. I am not trying this case. I do not think the gentleman ought to try it either. That is a matter that is in the courts, and we should not preclude the judgment of the courts. One of the great respects that we should have, and which I know the gentleman has, is for the judgment of the courts.

Mr. CONNALLY of Texas. For the judgment of the courts, certainly. The gentleman says that one of the things we all respect and all must respect is the judgment of the courts. I agree with the gentleman. It is the judgment of the Federal court in Pennsylvania that I am asking the Department of Justice and the President of the United States and the Federal Trade Commission to respect by having it enforced and by having the Aluminum Co., that has violated the judgment of the court, brought before the court and punished for its violation. [Applause on the Democratic side.]

Maintain the courts! I do maintain the courts, and I merely ask that the President of the United States and the Department of Justice and the Federal Trade Commission maintain the dignity of the courts, and that the gentleman from Indiana should not permit by legislation the undermining of the sanctity of the courts by allowing their judgments to go unrespected and the violation of them unrebuked.

The gentleman says there is nothing in the Trade Commission act which permits the Federal Trade Commission to compel testimony. If that be true, then there ought to be nothing in the Trade Commission act which permits the Trade Commission to suppress testimony. If it does not warrant it to require testimony, then there ought to be nothing there that authorizes it to suppress testimony and keep it from the courts. But what good did it do when you got it into the courts? What did the Attorney General of the United States say last fall? Mr. Chairman, it is wonderful how these Republican mouthpieces all speak the same language in the same key, in the same octave, in the same E flat or B sharp, all of them on the same scale.

What did the Attorney General say last fall? He gave out a statement to the effect that in the prosecution of antitrust cases the department was going to protect honest business. Mr. Chairman, honest business does not need any protection from prosecution. The people need no protection from honest business.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas. The gentleman from Indiana gave me 10 minutes.

The CHAIRMAN. The Chair did not so understand it.

Mr. WOOD. Yes; I yield the gentleman 10 minutes.

Mr. CONNALLY of Texas. I am obliged to the gentleman. I am grateful to the gentleman from Indiana, and I want to get through with this matter in 10 minutes. I was observing that all these mouthpieces for the congressional campaign committee, for the Department of Justice, for Mr. Humphrey's Federal Trade Commission speak in the same key and in the same language, always on the same note. They get it just as the Western Union telegraphs out the time each day from the Naval Observatory. These mouthpieces pick up the morning newspaper each day and read down a few lines and find what the White House spokesman says, and then each one of them tunes his little intellectual radio to the proper wavelength, receives the marvelous vibration from the White House spokesman, and begins to talk. [Laughter.] The Attorney General last fall said that when it comes to the antitrust suits—and I have the statement here; it is a press release from the department——

Mr. WOOD. Oh, the gentleman has too many papers there on his desk.

Mr. CONNALLY of Texas. Yes; I have got too much proof on the gentleman's Aluminum Trust to suit him. I made a speech on the 7th of January in this House, and I put it all into the RECORD. The Attorney General said in that press release that the Department of Justice was going to protect honest business, that it is not going to waste any of its energy in chasing investigations that usually do not amount to anything. The gentleman from Indiana now echoes that same sentiment. The spokesman also uses that phrase. What does that mean?

Mr. Chairman, that is the voice of unconcern. That is the language of indifference. That is the posture of acquiescence. Big business understands that language and knows what it means; and understanding that language and understanding the President's speech in New York last fall to the Chamber of Commerce of New York, when he said that responsible business in America had shown every disposition to correct its own abuses with as little intervention of the Government as possible, there followed quickly a flood of mergers that has almost submerged the people of the United States. Monopoly is an economic czar. An economic autocracy in food, in oil, in bread, in almost all of the things that enter into the daily life of the American people is being undertaken by gigantic mergers. What happened? The Attorney General says that he is not going to hurt honest business, and the gentleman from Indiana says that the Federal Trade Commission is not going to hurt honest business. Mr. Chairman, honest business never needed a friend here on this earth to protect it from the courts. Honest business only needs protection from crooked business, from unfair competition, from monopoly. A concern that obeys the law needs no defense, because the law can not touch it. I am a country lawyer. When I practiced law as a country lawyer I always noticed that when the grand jury was about to meet on next Monday, it was not all of the honest law-abiding people who left town before the grand jury met. [Laughter.] It was not the honest business men who left for parts unknown. It is not honest business that the gentleman need worry about; it is not business that obeys the law, but the kind of business that I am talking about is the business that has Federal court decrees entered against it and then violates them. It is lawless business, defiant business, criminal business, exploiting, conspiring business that the Department of Justice and the Federal Trade Commission ought to be prosecuting in the courts, instead of talking in the papers about protecting honest business from the law.

It is the kind of business that forms $2,000,000,000 mergers in food. One gesture from the Department of Justice or from the President of the United States would have stopped it. I have newspaper clippings here that show that since the Department of Justice filed the suit the other day against the Bread Trust several other proposed mergers have been so frightened they have been abandoned by their promoters. All that was needed was knowledge that the law could be enforced. Why, if the President had not made that speech in New York last fall, and if the Attorney General of the United States had not given out utterances that were construed as assurance that big business would enjoy a period of freedom from investigation and that "honest business" would be protected from prosecution, and if gentlemen like the gentlemen from Indiana had not given out statements that the Federal Trade Commission was not going to hurt big business, that it was not going after honest business but only crooked business, there might not have been this flood of mergers, and the gentleman from Indiana knows it. Why, my friends, the White House spokesman only yesterday gave out a statement in yesterday's Wash-

ington Post that the President of the United States had directed the filing of the suits that have been filed against the food corporations. The President of the United States, if he did give orders that those suits be filed, ought not to be unmindful that speeches in both Houses of Congress in regard to these great mergers aided in calling the presidential attention to them and will strengthen his hands in enforcing the law.

Mr. WOOD rose.

Mr. CONNALLY of Texas. Wait a minute. I shall answer. Just when a gentleman with whom he does not agree is about to make a point the gentleman from Indiana rises and undertakes to interrupt him. Just a minute and I shall answer the gentleman. The White House spokesman in the Washington Post—and I have the clipping here now—says that the President of the United States gave his direct orders that those two suits against the Bread Trust be filed.

I want to ask the gentleman from Indiana, who spoke for the President this afternoon, because he said that the President says so-and-so about the Lewis resignation—I want to ask the gentleman from Indiana that if it be true that the President has directed the filing of the bread prosecution, when may we expect the President to direct the prosecution of the Aluminum Co. of America, of which Mr. Mellon is one of the chief owners. [Applause.]

Mr. WOOD. I take great delight in answering the gentleman that it would be very little praise for the President no matter what he did in the estimation of the gentleman from Texas who praises him in one breath for doing one thing and criticizes him in another for doing the very thing he says should not be done.

Mr. CONNALLY of Texas. No; I praise the President for directing that prosecutions be filed. I congratulate him. I want him to continue the good work. I want him to do a really courageous thing, and that is to direct suit against the Aluminum Co., even though the dominant figure in the administration, Mr. Mellon, is one of its principal owners.

Mr. WOOD. I think the attitude of the gentleman from Texas is a little like the attitude of Gulliver when they let him loose to put out a fire in the palace and then put him in prison for the manner in which he did it.

Mr. CONNALLY of Texas. The gentleman from Indiana will never put out any fire in a palace. If it is the palace of privilege of the Steel Trust, if it is the palace of the Aluminum Trust, if it is the palace of all of the other tariff-protected trusts, the gentleman from Indiana may be relied upon to sacrifice in the attempt to put out the fire all except life itself, but if it is a fire in the palace of the people that are being robbed by these tariff-protected industries, if it is a fire in the palace of the people who are being oppressed by the Food Trust and the other trusts, the chances are that the gentleman from Indiana will be absent in some other locality. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONNALLY of Texas. Will the gentleman give me two minutes?

Mr. SANDLIN. I yield the gentleman two minutes.

Mr. CONNALLY of Texas. Let me say in conclusion that I have been bothered so much by the irrelevant and immaterial interruptions of the gentleman from Indiana [laughter] that I have not been able to pursue consistently the thread of my discourse. I propose to offer an amendment at the proper time to strike out that limitation. I am aware, gentlemen, that if these poor words of mine ever filter through the frigid outer door and reach the sacred chamber of the inner sanctuary that they may be regarded as made for political effect. Why, my friends, the minority of this House can not invade the precincts of the steering committee on the Republican side of this House. We have no voice in writing the rules that bind the procedure in this House like the bed of Procrustes bound his suffering body. We do not control the Committee on Rules that plans the legislative program. We do not control legislation and can not control it. All that the minority can do is when it finds wrong to unmask it and show its horrid face to the people; when it finds criminality to expose it; when it sees a department of the Government embezzle its power, abdicate its prerogatives, and refuse to prosecute violators of the law, to point out the malfeasance and let the country know it. If I stand upon this floor and denounce the Department of Justice for not prosecuting guilt, proof of which has already been found and presented, if that be politics, then I shall continue to speak of politics whenever necessary.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONNALLY of Texas. I ask for one minute.

Mr. SANDLIN. I yield the gentleman one minute.

Mr. CONNALLY of Texas. If, my friends, to stand upon this floor and protest against the Federal Trade Commission locking up in its archives guilty knowledge, guilty proof against lawbreakers, against exploiters of the people of the United States, if that be politics, then I shall speak of politics until those abuses are corrected. [Applause.] My friends, if to stand here in this Chamber and protest against holding the people of the United States out on the front lawn and entertaining them with pleasing platitudes on abstract questions of economy, while that economy is being practiced by Congress more rigidly than by the Executive, if to protest against that while the trusts and corporations have a moving van backed up in the alley taking the clothes and furniture out of the people's houses—I say, if that be politics I expect to continue to make political speeches on this floor. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 20 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, in my remarks in the House a few days ago I said that the greatest threat to our political institutions lies in the influence of selfish groups upon the Government. This influence operates upon the executive and judicial branches as much as upon the legislative branch. Indeed, it may be said that this influence is more pernicious in its effect upon our courts and upon those who administer our laws than upon Congress, which makes the laws. The main activities of the legislative branch are in the open. Our votes are duly recorded. We perform under the critical eye of the public, which has been duly trained to criticize and depreciate us and at the same time to clothe the Executive and the courts with sanctity. And so, we are held to a higher account of performance than the judicial and executive branches.

However, the purpose of what I have to say is to point out the effect of organized selfishness on Congress alone. In this I shall not dwell upon its indirect effect through molding public opinion as an instrument with which to control Congress. Yet, after all, that is its most dangerous influence, for the power of organized selfishness is so great that it is able to control and mold public opinion to suit its purposes. By poisoning the sources of the people's information and corrupting its channels by misleading propaganda it may mold a false public opinion and create an artificial demand for legislation against the public interest. By welding his constituency into hostility against him, it may destroy a Congressman who opposes its schemes. It may do even worse by its propaganda—it may bludgeon a Congressman until he becomes its servile tool.

AMERICA IS RULED NOT BY PARTIES BUT BY GROUPS

The Speaker of the House is a wit. To his reputation in that capacity he may now add that of an ironist, for surely finer irony was never uttered than when, in his inaugural address, he referred to the two-party system as "the American system." America is not ruled by parties. Parties are merely the instrumentalities by which the real rulers of America—and this does not include the plain citizen—by which the real rulers work their will. [Applause.] If we had three parties, they would rule just as absolutely through three as through two. I say that for the benefit of my friends who may belong to a third party. [Applause.]

Just across the square in front of the White House is found what is perhaps the most beautiful building in Washington. It is a veritable palace, the recently completed and luxuriously furnished home of the United States Chamber of Commerce. It is not a Government building, yet for its size it is probably the most expensive building in the Capital City, with all its expensive and beautiful buildings. Its cost is said to have been about $3,000,000. It is the home of organized business in the National Capital.

Now, business as such has little activity in the Capital. The centers of financial life are elsewhere. Our great industrial activity is remote from Washington. The marts of trade and commerce are not here. Washington has only a single important aspect, and that is that the heart of American political life is here. And nestled against the White House, which shelters the Chief Executive, is this temple of organized business.

Why was this home of organized business located here, close to the political heart of America? For the very obvious purpose, which no intelligent man would question, of bringing influence to bear upon our Government. And they are in politics up to their eyebrows.

In 1924, which is the last year for which I have the figures, a meeting was held of the members of the United States Chamber of Commerce, which is a federation of American business organizations. This meeting was attended by over 4,000 representatives, coming from its over 1,300 different constituent bodies. Chambers of commerce of your city and of

mine, boards of trade of great marts of commerce and centers of finance, and civic bodies and trade organizations from cities, large and small, on down to even the whitewashed villages of the land; they had their representatives at this meeting. They took their cue; they formed their common view; they settled their policies; they were taught what to think and what to say. There was the influence of organized business coordinated and shaped for its effect on public affairs.

GROUPS IN POLITICS FOR SELFISH GROUP INTERESTS

Mr. Chairman, these business and trade organizations are not in politics as soldiers of the common good. They are not battling for the common welfare. They are not organized as citizens, but as members of business groups to protect their group interests and not their interest as citizens.

Every citizen is a consumer, yet he is not organized as a consumer. Instead, he is organized as a manufacturer or a banker or a dealer or as a member of some other occupational group, and his activity and influence are thrown into the scale in behalf of his occupational or trade-group interest. He is willing that his interest as a consumer may be sacrificed to his interest in business or trade.

Members of organized groups do not respond to public issues as citizens merely. They respond mainly as groups. Each considers the selfish interests of his own group as superior to all other considerations. So long as you do something for the selfish group to which a man belongs, he is for it, and he loses sight of the harm it may do to the general public. Group members are thinking in terms of groups and selfish group interests. They are not thinking in terms of future generations; they are not thinking of the unorganized multitudes who have no way of expressing themselves.

NEED FOR UNION OF CITIZENS AS CITIZENS

Oh, how I wish we had a great union of citizens in this country, an organization of citizens as citizens, of men who think about the future of America and about coming generations, of men whose highest hope and aim is to see America achieve her high destiny as an exemplar of justice and liberty to all the world. How I wish the great business men of our country would submerge their selfish interest into the common good and in a desire to serve the common welfare.

Congressional action is taken only when party leaders feel that the demand for action is so strong that it may not be ignored with safety. Such a demand can be produced only through organized effort. The general public is not organized. There is no army of the common good, hence the interests of the general public are little considered. There are thousands of organized groups having political aspects and activities. At the proper time they come into action in behalf of their group interests. There are, for instance, many thousands of members of trade and business associations. All are citizens, but they are not organized as citizens, and they do not react as citizens. Their influence as citizens and from the sole standpoint of the common good is not exercised. They react as men engaged in their various trades and occupations, and their concern relates merely to the aspect of the matter which affects them as such.

HOW LAWS ARE WRITTEN

Take the tariff, for illustration. Protective tariff laws are written by a process of trading among the groups who expect a direct benefit. They trade off with each other the general public welfare for their private group interests. Enough selfish groups get together to dominate the Government by their aggregate strength, then each gives the other what he demands, as the price of his support for the common selfish purpose. Each knows that the other is robbing his group, but for the privilege of putting his own hand into the pocket of the public, he submits to the other group picking his pocket. A, B, and C submit to being robbed by each other for the privilege of robbing the other letters of the alphabet.

For another illustration. I sit on the Committee on Interstate and Foreign Commerce. A measure comes before my committee greatly affecting transportation, and what do we have? Of course, the bill will not be considered unless the political powers that be desire that it be passed, or are afraid not to allow it to be considered. But assuming that the great hidden hand moves behind the scene—a hearing on the bill is held. Who comes before the committee to discuss the measure, a great measure affecting the public welfare and the whole people of the United States? The transportation companies come, represented by the best brains and influence that money will buy, and, oh, how I mourn the fact that it will buy the very best there is in the country. And if the group interests of the great business and manufacturing interests are involved, their paid lobbyists will appear. And if labor's interests are involved, the representatives of organized labor will come before us. And if the measure directly affects some important group interest of the farmers, the representatives of their organization sometimes appear. But the people as people, the citizen as a citizen, is rarely or never represented. The masses are never heard, and their reaction is ignored altogether. No eloquent counsel or wily lobbyist speaks for them. The plain, unorganized people at home in the distant States remain in ignorance of what is going on, and the standpoint of the public welfare is never presented to the committee. We hear none of the public's argument. We learn nothing about its side of the issue.

Mr. WEFALD. I understood the gentleman's committee was now only considering bridge bills, and I do not see why the men the gentleman speaks about would want to come before his committee.

Mr. HUDDLESTON. We consider bridge bills at odd moments. Our committee is probably the most important committee of the House. We sit on an average of two hours each day, and devote practically all that time to the consideration of measures of great importance.

As an illustration of the usual course: My committee has just concluded consideration of the railway labor bill, a measure of great importance and of much merit. The railroads were represented, labor was represented, an "open-shop" organization had their lobbyists there, the representative of the National Civic Federation appeared, and also an attorney for New England employers of labor. The general public did not come. The people have no organization through which they might have been heard. Of course, I do not criticize those who appeared, nor do I criticize the committee. It is the system that I criticize. What I am saying is that citizens are unorganized as such and have no way of making their influence felt on legislation.

THE GENERAL PUBLIC IS NEVER HEARD

Naturally committees which hear the arguments of selfish groups only, and to whom the side of the common good is not presented, are filled with the views of those who appear and give first consideration to their views. The tendency is, of course, to assume that the public has no interest or that its interests are protected where no protest from the public is made.

And when the measure comes before the House for consideration, the committees repeat the arguments of the selfish groups which appeared before them, and except for the small voice of some illy-informed Member, who speaks from his own initiative only, the unorganized public interest is never heard from. Legislating under such a system and influence, how could it be otherwise than that everything that Congress does is wrong.

Mr. O'CONNELL of New York. Are not the people represented by the members of the committee?

Mr. HUDDLESTON. Occasionally Members represent the people at large, but in the main, Congressmen, after they get to Washington, represent those who supported them in the election back home. Why shouldn't they; surely no constituency has the right to expect their Congressman to be more patriotic or to hold to higher ideals than those whom he represents. The same selfish groups that have control in Congress control the elections at which Congressmen are elected.

Mr. O'CONNOR of Louisiana. Did not the attorney for the manufacturers' association who appeared before the committee on the railway labor bill pretend to speak for the people and voice their sentiments?

Mr. HUDDLESTON. Parliamentary usage requires some sort of observance and respect, and, too, there are ladies in the gallery. I could not do justice to that subject under such handicaps. [Laughter.]

The point I am trying to make is this: Men, good men, patriotic men, are not organized as good and patriotic citizens, but are organized as bankers, manufacturers, dealers, and as laboring men. Practically every business man belongs to some trade or business organization. All react through their groups and organizations. Their reaction is a group reaction. It is a business or occupational reaction. Nearly always it is a selfish reaction. It is not possible that influence formed and exerted in this way should be otherwise than harmful. There are, of course, certain groups not organized on occupational or trade lines, but always they are group organizations in a larger sense, and are based either on business, society, or class, and their activities can not be other than harmful in a general way as representing the reaction, not of the general public, but of a narrow stratum or class.

LOBBIES FOR ORGANIZED SELFISH GROUPS

These illustrations which I have given are merely to show how laws in general are written. Selfish groups demand a certain law in their own interest, and the law is passed when

the group which makes the demand is strong enough or cunning enough in propaganda to make it appear politically dangerous to ignore its demands. Where other groups fear their group interests may be prejudiced by the law, they swing into action and concessions must be made to them or the measure will not be passed if they are powerful enough to prevent it. Members of groups may know of governmental abuses—they may know that a measure should not be passed—yet if it does not affect any of their group interests they feel obliged to make no outcry. They seem to feel that they are under no duty to defend their rights as citizens, but to resist only such wrongs as may affect their group interests.

It is said that there are in Washington something like 100 organized lobbies. Of many of them the public never hears, and some of them remain unknown even to Congressmen. They are here as the paid agents of selfish groups and organizations practically all of which are organized on the dollar basis hence it is only the dollar interest of the citizen that they speak for. You may do what you like to the general public and it will pass unnoticed, for the sole duty of these group agents or lobbies is to look out for the group interest which they are paid to protect.

Mr. DEAL. Members of Congress and the members of the committees represent the people here. I would like to hear the gentleman on that line.

Mr. HUDDLESTON. I reiterate that the same groups whose agents and attorneys appear before the committees of Congress control the elections back at home. The gentleman from Virginia [Mr. DEAL] is an able and patriotic Congressman, yet that will not get him reelected. His reelection will depend upon what the organized business groups in his district think of his ability to get some local benefit of a business nature for his district and of his ability to protect their group interests in Washington. The organized groups control the press and the channels of information. Upon their favor depends whether a Congressman shall be presented at his true value to his constituents. If his course has not pleased these groups he will be ignored and depreciated in the interest of his opposing candidate. The gentleman from Virginia [Mr. DEAL] will not be reelected by his people reacting merely as citizens, but it will be in their capacity as bankers, merchants and other business men and from the viewpoint of selfish business or occupational interests that they will go to the polls.

Mr. BEEDY. I agree with much that the gentleman has said. We all recognize the facts. I want to ask the gentleman how he thinks we are ever going to improve on this situation until human nature itself is changed. What is the remedy?

Mr. HUDDLESTON. As I intimated at the beginning of my remarks, the remedy is for men to organize themselves as patriotic citizens so that they may react as patriotic citizens to public questions. If men of wealth and influence would forget that they are manufacturers and bankers and whatever else their business may be, and remember only that they are citizens, all would be well. If they could be induced to serve their country as citizens instead of serving themselves in their group interests, our Nation's troubles would be greatly lessened. I would have men, whether of high or low estate, to forget their selfish interests and to think only of the common good. I would have great business men to erect here in Washington a shrine to idealism, instead of a temple of man's organized selfishness, such as the United States Chamber of Commerce building. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield to the gentleman from Indiana [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman and gentlemen of the House, I have been wondering for some time what has become of the much-talked-of farm legislation that our farmers were assured would be passed during this session of Congress. We have been here almost three months and not one thing has been done for the farmers except to create a new board in the Agricultural Department to send out information that should have been taken care of without creating any new high-priced jobs at a cost of several thousands of dollars to the taxpayers of the country. In fact, the only thing that has been done for him is to pat him on the back and make him believe that something has been done for him, the same as you have been patting him on the back for the last three or four years making him believe something would be done that would relieve the present depressed condition among our farmers, and, as some one has said:

> It is not new and expert information about the mysteries of cooperative marketing the farmers need, but a fair price for the things they have to sell.

Gentlemen of the House, if there is a promise that has ever been made that should be fulfilled it is the one made to the farmers of the country, and I trust that before this Congress adjourns that some real constructive farm legislation will be enacted that will put the farmers of the country in position to receive just and fair returns for the efforts they put forth.

Laws have been passed that are helpful to the big interests of America. Laws have been passed that are helpful to the laborers of America, and why is it, gentlemen, that when it comes to our farmers nothing has been done for them? [Applause.]

It is only natural that those that are especially aided by laws enacted in their favor will forge to the front and those that are not able to get legislation that will be helpful to them will have to drop back.

At the present time we have our high protective laws which allow the big interests to receive higher than fair prices for their products. Labor has been able to have restricted immigration laws passed, and I feel it is right that they should, which has enabled labor to ask higher prices than labor receives in any other country on the globe, but our poor farmers, who a few years ago were asked to produce all they possibly could, are to-day producing a surplus which must be sold, and the trouble is that the surplus must be sold on the world market, and the price the surplus brings determines the price of everything he has to sell. The facts are, gentlemen, as has been said by some one:

> He sells in an unprotected market in competition with Russian peasants and Argentine peons and buys in the most highly protected market in the world.

With these conditions confronting the farmer of our country is it any wonder that he is facing such desperate conditions to-day? It is impossible under these conditions for him to compete with capital and labor, who both have had special legislation and the farmers unable to get consideration.

Yes; but our Republican friends on the other side of the House say the farmers have a tariff, the same as the big manufacturers of the country. Why should they kick? That is true, gentlemen, but what does it amount to? Tariff is absolutely no good to anyone without you can control production, and the farmers of our country are unable to control production, and everyone that has given the agricultural question any study knows that our agricultural interests are in worse condition to-day than they were before we had a tariff. Yes; they are in worse condition than they have ever been in the history of our country.

The following are the figures given out by the Department of Agriculture, all but the last three by Secretary Wallace and the last three by the present Secretary of Agriculture, both of them Republicans, if you please.

The purchasing power of the farmer's dollar since 1890

(Includes food and farm products with all other products)

	Cents
1890	83
1891	89
1892	87
1893	87
1894	85
1895	85
1896	81
1897	86
1898	88
1899	83
1900	86
1901	92
1902	95
1903	88
1904	93
1905	90
1906	88
1907	90
1908	93
1909	100
1910	96
1911	97
1912	101
1913	100
1914	105
1915	103
1916	97
1917	107
1918	112
1919	112
1920	96
1921	84
1922	89
1923	61.3
1924	62.4
1925	60.3

What do these figures prove to us, gentlemen? The year 1925 with the Fordney-McCumber tariff law in effect, the highest tariff law in the history of our country, a tariff law that is making it possible for the big interests of America to deliberately rob the common people of the country, but what about the farmer who was supposed to be benefited by the

tariff? When we look at the figures put out by the Department of Agriculture we find that the farmers' dollar in years when there was very little, if any, tariff on farm products was worth 100 cents on the dollar. Yes; we find them as high as 112 cents on the dollar, and under our present tariff law, which our farmers were led to believe by our Republican friends would give them protection in every way and put them on an equal footing with those that have always received large benefits from tariff, we find the farmers' dollar worth 61.3 cents in 1923, 62.4 cents in 1924, and only 60.3 cents in 1925.

If you will remember the emergency tariff bill was passed May 27, 1921, and the Fordney-McCumber bill became a law September 3, 1922. The two great tariff laws that our Republican friends said were in the interest of agriculture and the Fordney-McCumber tariff law is still the law. If our present tariff law is in the interest of our farmers I am frank to say to you that the mathematics taught me when I went to school were absolutely wrong. I was always given to understand that a dollar was 100 cents, but under the present tariff law we find the farmers' dollar, instead of representing 100 cents, is only 60.3 cents.

We have been reminded by some of our Republican friends here on the floor of this House that our wheat is higher at the present time than it is in Canada. That is true; it is a few cents higher at the present time, but I would like for my friends on the other side of the House to go back with me for a few years and let us compare the prices of our wheat with Canadian wheat before the present tariff law was enacted. You will remember that the Fordney-McCumber Act went into effect in September, 1922. In January of that year wheat was $1.31 in Minneapolis and $1.08 in Canada. In April of that year it was $1.52 in Minneapolis and $1.20 in Canada. In the month of July, 1922, wheat was 30 cents higher in this country and in July, 1925, wheat was $1.43 in Chicago and $1.56 in Canada with a protective tariff on wheat to protect our farmers.

What does this all mean? If tariff on wheat is going to protect our farmers, why was wheat higher in this country than in Canada in 1922 and lower in this country than in Canada in 1925 with a high tariff on wheat? The fact of the matter is, gentlemen, it is all a joke, or another way our Republican friends have of fooling the farmers into voting the Republican ticket, for where we produce a surplus, tariff means absolutely nothing, whether it is on wheat or anything else, and the only way to get a benefit from tariff is to control production. As some one has said here on the floor:

> You might just as well attempt to dam the Mississippi River with toothpicks as to undertake to lift the price of farm products through the medium of a tariff.

If tariff is helping our farmers, why is it, gentlemen, that over 700,000 farmers have gone into bankruptcy during the last six years, and why was it that the farmers were the most prosperous in the history of the Nation during the eight years previous, which were during a Democratic administration?

The answer our Republican friends generally give to that is: "Oh, that was caused by the war."

If you will take time to look at the report of the Secretary of Agriculture you will find the farmer's dollar was worth 100 cents on the dollar before the war was even thought of and with no one trying to fool him by putting a tariff on agriculture. [Applause.]

Gentlemen, I am not a free-trade Democrat, and I am not a tariff-for-revenue-only Democrat. I am what you might call a tariff Democrat for I believe in fair tariff. I believe in a fair tariff to protect American industries, a fair tariff to protect American labor, and a fair tariff to protect our American farmers when it is possible to do so, but, gentlemen of the House, I am unalterably against the present Fordney-McCumber tariff law, which is in the interest of the big interests of the country and against the interest of our farmers, laborers, and small business men; and worst, of all, it fools the farmers into voting the Republican ticket against his own interest and the interest of everyone else, except those who have a high tariff on products on which they are able to control production.

We have been told many times that there is nothing that can be done for the farmer, and that he must solve his own problems; also, that it would be wrong to take care of his surplus so that he could get a fair American price and thereby make his dollar worth 100 cents.

A few years ago the railroad companies of the country said they were not able to make any money, and they demanded legislation that would put them in position to make a fair percentage on their investment, and what do we find? A Republican House and a Republican Senate almost fell over themselves to give them what they demanded and immediately passed what is known as the Esch-Cummins railroad bill, which not only put the railroads in position to make handsome returns on their investment, but slapped the farmer in the face by discriminating against him in freight rates on his products, and to-day our farmers are paying more than their share of the increase on freight. If legislation can be enacted to help the railroads, why is it something can not be done for the farmers? [Applause.]

Gentlemen, in my opinion farming does not differ much from any other line of business, and when given an equal chance our farmers can succeed, but they can not expect to succeed as long as other classes are given legislation that will be helpful to them and the farmer given no consideration whatever.

The President in his speech before the American Farm Bureau Federation, at Chicago, declared that the farmers are substantially on a free-trade basis in respect to the things he buys. Personally, I can not see how the President could make a statement like this, and I notice that the farmers of the Central and Middle West do not agree with him. In fact, they are protesting against this statement, for the farmer who derives almost none of the benefits from the long-developed system of protective tariff bears the burden and shares in adverse economic implications of protection.

Gentlemen, regardless of what our Republican friends may try to make the farmers of the country believe, we know that the farmers have been very patient, but now their patience is exhausted. Their conditions are growing worse, and to-day we find them desperate, and I feel rightly so.

The United States is the world's greatest agricultural Nation, and those that are engaged in farming are the least prosperous of any of our people and, as I have stated before, the farmers should be given first consideration by this Congress, for there can be no prosperity in the agricultural sections of the country without the farmers are given a fair deal; in other words, there must be something done to put them on an equal footing with capital and labor. [Applause.]

The natural question that you may ask is what should we do, or what can we do to relieve this serious situation?

Gentlemen, there are three things that can be done during this session of Congress, and personally I feel should be done before this Congress adjourns; and if they are not done, our farmers will have to continue in the future as in the past with capital and labor out in front with legislation that has been enacted to take care of them, and the farmer setting in the back seat as usual, asking for help and receiving promises that in the past have meant nothing but bunk to him.

First. The present Fordney-McCumber tariff law should be repealed and a fair tariff law enacted, one that is fair to the farmer, fair to labor, and fair to capital. When this is done they all will be on an equal footing as far as protection is concerned, and, as I have stated before, I believe in a fair tariff.

Second. The transportation question should be given prompt consideration. There should be an immediate adjustment of freight rates on the agricultural products of our country. Freight rates on all food products should be lowered at once, for, as I stated before, the farmers are being discriminated against in freight rates on his products at the present time.

Third. There should be legislation enacted that will enable the farmer to sell his products at a fair American price instead of the surplus price, as it is necessary for him to do now.

This question should be taken up at once and dealt with in a broad, constructive way, so it will not only take care of conditions for the present but for years to come. This should not be considered as a political problem, but as an economic problem.

To-day our farmers are receiving approximately $7,500,000,000 for their products, and the consumers are paying approximately $22,500,000,000 for them, or, in other words, the consumer is paying almost three times as much for the farm products as the farmers are receiving for them. It is the spread between the producer and consumer that must be reduced.

What we need and what we must have is a national cooperative marketing system. At the present time there are over 10,000 farm cooperative organizations in the country, but their difficulty lies in the fact that they are operating independent of each other, and what they must do is to have a national marketing association or corporation, so that they can buy and sell as other large producers do in other lines.

As has been said by some one:

> Cooperation is world-wide and is necessary in the successful operation of every line of production and manufacturing. Therefore its real benefit to those cooperating almost entirely depends upon their ability to control the sale and distribution of their production; without such control cooperation does not mean much in advancing their business and their profits.

The only real remedy that will give continuous prosperity to our farmers must come through a national cooperative-marketing system that is under the control of the farmers themselves and not controlled by Government officials or a board of directors appointed by anyone. [Applause.]

The board of directors should be elected by the farm cooperative organizations themselves.

This board of directors, or whatever you care to call them, should establish a central clearing house or exchange with branches in the capital of each State and subbranches wherever they are needed, so that a cooperative in Indiana that has a car of anything to sell can have it inspected by a licensed inspector and listed on the branch at Indianapolis, Ind., and sold anywhere in the United States, thereby making it possible for the cooperative associations in Indiana to sell at the highest price obtainable and the buyer to buy at the lowest price obtainable direct from the cooperative association, thereby bringing the two together and reducing the spread between the producer and consumer and giving the farmer a fair price for his produce and putting it in the hands of the consumer at a much lower price than he has to pay at the present time.

In this way the problem of the farmer can be solved and their business handled in a businesslike way the same as it is by other large corporations who are successful and have a profitable business.

Gentlemen, the time has come when something must be done. This question can not be soft pedaled any longer; the farmers must have consideration or we are all going to suffer much worse than we have in the past. Piecemeal legislation will not do. You can not pat him on the back and tell him he is a good fellow and get away with it as you have in the past. His need and his demand is for legislation that will give him permanent relief, not just temporary relief, and there is no reason why this Congress should not give it to him before it adjourns. [Applause.]

Gentlemen, I hope that the Republicans representing the agricultural States will join with the Democrats on this side of the House and make it possible for us to enact a fair tariff law, pass legislation that will make it possible to reduce freight rates on farm products, and last but not least, pass a law that will give us national cooperative farm marketing, insuring prosperity for our farmers and all other classes as well, for, without our farmers are prosperous, there can not be continued prosperity in other lines, and while this is a vital question to our farmers, it is likewise very important to our business men, and they should all be interested in helping the farmers get the consideration to which they are justly entitled during this session of Congress. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 15 minutes to the gentleman from Arkansas [Mr. OLDFIELD].

Mr. OLDFIELD. Mr. Chairman, I had not intended to say anything on this bill in particular until the gentleman from Indiana [Mr. WOOD] mentioned the Tariff Commission, and some of the things that I have been saying with regard to the number of Federal employees in the country. There is nothing to answer in respect to my statement about the increase in the number of employees, because the gentleman from Indiana admitted I was correct about it, as well as did the Postmaster General, who spoke in Louisville, Ky., on the 12th. These gentlemen both stated that while the number of employees had really increased under President Coolidge's administration, the increase in number was necessary. I repeat just as I said when the gentleman from Indiana was making his speech. Of course I would not remove any needed employees, but what I do object to is the propaganda that has been going over the country for some time to the effect that President Coolidge and the present administration have been dispensing with a great number of useless employees. That not being the fact, I called the country's attention to it, and I am glad that the Postmaster General and the gentleman from Indiana agree with my figures.

I want now to discuss for a few moments the Tariff Commission.

Mr. O'CONNOR of Louisana. Mr. Chairman, will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. O'CONNOR of Louisiana. Is the gentleman in favor of abolishing the Tariff Commission?

Mr. OLDFIELD. I was going to get to that in a moment.

Mr. O'CONNOR of Louisiana. Will the gentleman also state whether he is in favor of abolishing the Federal Trade Commission?

Mr. OLDFIELD. As at present constituted, I think they are useless and nothing but millstones around the necks of the people of America, and I think the appropriations should be withheld from both those commissions.

Mr. O'CONNOR of Louisiana. With all due respect to the ability of the gentleman from Indiana [Mr. WOOD] to express himself felicitously, and after listening to the splendid speech of the gentleman from Texas [Mr. CONNALLY], I am still at a loss to know whether the gentleman from Texas favors the abolition of the Federal Trade Commission and the gentleman from Indiana, its guardian angel.

Mr. OLDFIELD. I think the gentleman from Indiana has been against the Tariff Commission all along. I was one of those who voted for the establishment of the Tariff Commission in 1916, and I voted for its establishment because I wanted to get a commission of experts under its control who could go throughout this country and the world and bring to the country the facts upon which a tariff act should be based.

That was my position, that is my position now; but when President Coolidge comes along and packs the Tariff Commission so that it is undoubtedly and beyond any question a very high tariff board, I take it that people who feel as I feel, that we ought to have an honest tariff law instead of a Chinese wall around America, would rather see that sort of a tariff commission abolished than retained. Every man on this floor who was here in 1916, and I am sure every man on this floor here to-day, knows that the intention of the tariff commission act was to get real facts upon which the Congress could base an honest tariff law.

Mr. WOOD. Mr. Chairman will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. WOOD. If that is true why did the Democratic Congress keep the appropriations away from the Taft Tariff Commission?

Mr. OLDFIELD. Oh that was a tariff board, it was not a tariff commission.

Mr. WOOD. Oh, it was the same thing exactly.

Mr. OLDFIELD. I do not recall the argument at that time but possibly Mr. Taft had on his board the same character of gentlemen who are on the Tariff Commission to-day. They were not trying to find facts but were trying to find arguments to bolster up false facts on which a tariff law could be written. That is the situation to-day.

I want now to speak about Mr. David J. Lewis. Every Member of this House I take it knows David J. Lewis. He was one of the ablest men that I have served with on this floor. All during the Wilson administration up until we lost control of the House in March, 1919, he was the chairman of the Committee on Labor in this House. I do not believe there is a man who stood higher on either side of the aisle than did David J. Lewis. He was appointed on the Tariff Commission, and I say to you that when President Coolidge refused to appoint David J. Lewis's successor until after the last Congress died and waited until this Congress convened, he violated the spirit of the statute creating the office. Here is the language of the statute:

> A vacancy shall not impair the right of the remaining members to exercise all the powers of the commission, but no vacancy shall extend beyond any session of Congress.

President Coolidge permitted a vacancy to extend beyond the Sixth-eighth Congress and into the Sixth-ninth, and he has now a Tariff Commission that sees the tariff questions through the spectacles of highly protected interests in America, and there can be not the slightest doubt of that proposition. The Tariff Commission ought surely to be abolished until the flexible clause of the Fordney-McCumber tariff law is repealed. Under that provision a Tariff Commission is supposed to make investigations and submit them, not to the Congress but the President so that he can then lower or reduce the tariff 50 per cent either way.

Mr. WOOD. Mr. Chairman, is the gentleman in favor of or opposed to the flexible feature of the tariff law?

Mr. OLDFIELD. I am opposed to it. Is the gentleman in favor of it?

Mr. WOOD. Yes; I am in favor of it, if properly administered. There are to-day 50 bills pending in this Congress, I expect, to either increase or diminish the tariff on certain commodities. It has become axiomatic so that you can not get any relief upon any one given commodity, that there must be of necessity a revision of the entire tariff schedules.

Mr. OLDFIELD. We are ready to do that.

Mr. WOOD. No; you are never ready to do it.

Mr. OLDFIELD. There is no trouble about that; it is easy for the House to do it.

Mr. WOOD. It is never done, and the gentleman never knew it to be done. When you change the tariff upon a single commodity it means a revision of the entire schedule.

Mr. OLDFIELD. I wish the gentleman would get your steering committee on your side to amend one or two schedules.

Mr. WOOD. They never will do it. To be fair with the gentleman and myself, he knows that if you permit any of these things to be done it will have to be done in reference to a hundred articles. That flexible feature is the only redeeming feature about the Democratic proposition.

Mr. BLACK of New York. Will the gentleman yield?

Mr. OLDFIELD. I will.

Mr. BLACK of New York. As I understand the gentleman, he is not opposed to the flexible provision in the tariff act, but he is opposed to the inflexible President objecting to operate under the flexible proposition?

Mr. OLDFIELD. I am opposed to the flexible provision of the tariff act, because I do not believe the Constitution of the United States ever intended that this House, where all revenue bills must originate, should delegate its authority to a tariff commission or to the President to increase or lower a tariff rate. [Applause.] Another trouble about the flexible tariff provision is that it never lowers. I think the gentleman will admit that under Republican administration it flexes up and does not flex down.

Mr. WEFALD. Will the gentleman yield?

Mr. OLDFIELD. I will.

Mr. WEFALD. It does not flex up as far as the tariff on butter is concerned. The butter interests out West believe the Tariff Commission is suffering from a sort of sleeping sickness.

Mr. OLDFIELD. Here is where the Tariff Commission has recommended an increase in the tariff, and also where they have recommended a decrease of the tariff—diethyl barbituric acid, sodium nitrite, barium dioxide, oxalic acid, potassium chlorate, bobwhite quail (red), wheat, taximeters, straw hats—that is the only time the President has reduced the tariff. Only on the 12th of this month the President increased the tariff on straw hats from 60 per cent to 88 per cent, and that is on an 80-cent hat. They are $9.50 a dozen. That is an increase of the tariff from 60 per cent to 88 per cent, and the only one time there was a decrease of the tariff is in reference to the bobwhite quail. Does the gentleman think that upon the report of the Tariff Commission that these rates should be boosted instead of being decreased in any particular?

Mr. WOOD. That matter is a very serious question with me. We are spending about $740,000 a year for this luxury—this Tariff Commission. I never was in favor of it, and I have got no faith in it now. It was organized wrong, and whatever virtue they may have let us give them credit for it. There are few anyhow. Has the gentleman taken into consideration this one virtue, if it is a virtue, in reference to straw hats, as to how much employment that gives to the American manufacturer of straw hats and the number of men who can be employed by it?

Mr. OLDFIELD. I have not the figures. I know they increased the rate as against Italy and Great Britain. That is where the straw hats come from—that is, the cheap straw hats.

Mr. WOOD. And South America.

Mr. OLDFIELD. Not much from South America; those are Panama hats.

Mr. WOOD. It means the employment of more than 7,000 men in the United States.

Mr. OLDFIELD. And increased the price of straw hats to every human being in this country.

Mr. WOOD. That may be true——

Mr. OLDFIELD. There is no doubt; that is the purposes.

Mr. WOOD. On what the gentleman buys and what I buy——

Mr. OLDFIELD. It is not on our hats; these are 80-cent hats. These are not on expensive hats like the gentleman and myself wear.

Mr. WOOD. I wear a cheap hat.

Mr. OLDFIELD. But not an 80-cent hat.

Mr. WOOD. I never paid a dollar for a hat in my life.

Mr. OLDFIELD. Then somebody must have given them to you. [Laughter.]

Mr. WOOD. I want to say to the gentleman that I expect the gentleman would be glad to yield up 10 cents of that money or of my money in order to give employment to those men?

Mr. OLDFIELD. I do not take much stock in this employment proposition.

Mr. WOOD. That is about all there is involved in it.

Mr. OLDFIELD. That is largely bunk. I want to answer the gentleman. The gentleman from Indiana also said that this department had put to work in America 5,000,000 laboring men. Now, when the gentleman takes credit for that sort of statement he must also take the responsibility for bad conditions in other parts of the country. I want to say to the gentleman from Indiana that the farmers of America have never been in so bad a fix as they are to-day. The Secretary of Agriculture——

The CHAIRMAN. The time of the gentleman has expired.

Mr. SANDLIN. I yield to the gentleman an additional three minutes.

Mr. OLDFIELD. The Secretary of Agriculture, or, rather, department, told me about a week ago that in January, 1921, that the farm property of America, the land and equipment, were worth $79,000,000,000.

He says on the 1st day of January of this year they are worth only $59,000,000,000. In other words, they have shrunk to the extent of the entire valuation of all the railroads in the United States.

In addition to that, if the gentleman takes the credit he has mentioned, he must take responsibility for the fact that 2,392 banks have failed in the United States during this administration, and all of them but about half a dozen or a dozen have been in the agricultural sections of the country of the South and the West. Two hundred and ninety-nine of these banks failed in the Minneapolis Federal reserve district alone last year, more than half as many in one Federal reserve district as failed during the entire Wilson administration. Now, the gentleman must take responsibility for these things if he is going to say that that administration is responsible for putting on the pay roll 5,000,000 employees.

Mr. WOOD. Will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. WOOD. In the State of Wisconsin there has not been a bank failure in two years.

Mr. OLDFIELD. How about Minnesota and the Dakotas and Iowa?

Mr. WOOD. And in that portion of Minnesota where there has been as much diversification in agriculture as there has been in Wisconsin there has not been any failure in that portion of Minnesota nor in Iowa; but the gentleman is a youth compared with myself, and in speaking about the condition of agriculture, I remember in 1873 when we were selling oats for 12 cents a bushel and corn for 25 cents a bushel.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. SANDLIN. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. McSWAIN].

BUREAUCRATIC GOVERNMENT VERSUS REPRESENTATIVE GOVERNMENT

Mr. McSWAIN. Mr. Chairman, we hear much denunciation of bureaucratic methods in general and in the abstract, but Members generally are too polite and servile to mention bureaucrats in the concrete by calling names. Members denounce the extravagance and red tape and unbusinesslike methods of bureaucracy, but when the particular issue is made they usually succumb to the propaganda and social influence and patronage persuasion of the bureaucrats in the "seats of the mighty," and the bureaucrats win.

AVIATION VERSUS BUREAUCRACY

If there is any fact upon which the minds of all thinking and reading citizens are agreed, it is that aviation, both military and civilian, in this country is lagging far in the lurch. Though we have spent from the Federal Treasury since the war nearly one-half billion dollars—which means five hundred thousand thousands of dollars—yet we have almost nothing in the way of genuine, combatant, efficacious air power to show for it. Let me say in the beginning that I do not charge nor believe that any officer in the Army or the Navy has profited to his personal pocketbook to the extent of a single dollar of the money that has been wasted. The waste has been due, first of all, to a lack of business experience; and second, to a lack of vision of what real air power must be; and third, to a lack of sympathy with the desires and plans of those who have the genuine vision of genuine air power. Again let me say that in my heart there is not the slightest antagonism to the Army as an institution nor to the Navy as an institution. I recognize that they are indispensable to our national security. But, having said this much, I must say in the same breath that I recognize most clearly—what I fear some of the special champions of the Army and the Navy fail to recognize—and that is, that the Navy and the Army are the agents and servants and creatures of Congress and exist solely for the service they do and can render in behalf of national defense.

ARMY AND NAVY NOT ENDS BUT MEANS

Some of the champions and authorized spokesmen for the Army and Navy get into the attitude and frame of mind that these organizations are independent and self-sufficient institutions within themselves, and that they exist not for a service to be rendered to the civilian population, but that it is the

duty of the civilian population to work and make money and pay taxes in order that we may have the honor and pleasure of maintaining an Army and Navy. Of course, no champion of these institutions would consciously admit such to be his views, but unconsciously their arguments betray the fact that this thought lies deep in their subconscious minds.

ARMY AND NAVY NOT MASTERS BUT SERVANTS

Consequently there crop out from time to time various expressions, lifting of eyebrows, shrugging of shoulders, conduct that implies the thought that those who are masters of the Army and the Navy are also masters of the destiny of the Nation, and therefore masters of the people of the Nation, and therefore masters of the Treasury of the people of the Nation, and therefore masters of the Congress which fills and empties the Treasury of the people. If this statement seems extravagant, please refer to a letter written by the Secretary of the Navy to the chairman of the Naval Affairs Committee of the House of Representatives, dated January 13, 1926, in opposition to a bill to do a simple act of justice with regard to the pay of the warrant officers of the Navy. Consequently we find in it this expression:

> This department would have no objection to the introduction of a bill permitting chief warrant officers appointed as such since June 30, 1922, to count all service rendered by them in computation of longevity pay increases.

Since when must any Member of Congress obtain the consent of the Navy Department or any other department to the introduction of a bill? Then in another place the same letter says this:

> While it is recognized that certain corrections could well be made in the matter of the pay of chief warrant officers, nevertheless the department does not at this time desire to take the initiative in introducing any legislation looking to the relief of this particular group of officers.

Since when could the Navy Department or any other department introduce legislation in the Congress? Since when have the Members of Congress abrogated their exclusive right to introduce legislation?

If it should be argued that I have quoted a few unfortunate expressions and that they do not express the real thought in the mind of the Secretary of the Navy, let me say that I feel sure that the Secretary of the Navy did not personally compose this letter. I believe that he personally has the spirit of a civilian, but the Secretary of the Navy recently acknowledged before the Committee on Military Affairs of the House that he does not speak his personal opinions and convictions on naval questions and on matters relating to the national defense generally. He frankly says that he is speaking the opinion of the Navy Establishment, that is the General Board of the Navy, that is the small group of high-ranking Navy officers that graduated a long time ago at the Naval Academy and have served in the Navy ever since, and have nothing but the Navy point of view. Therefore, I submit that the present Secretary of the Navy, though a good man and in many respects a great man, has abrogated his functions as was contemplated by the Constitution and the law creating the Navy Department. It was intended that the Secretary of the Navy and the Secretary of War should be civilians and should represent the civilian point of view, and that the military and naval spirit and power should be forever subordinate to the civil thought and power. The truth is that the bureaucrat who composed the letter of January 13, 1926, just referred to and quoted from, has subconsciously and unwittingly disclosed the psychology of the Navy Establishment as such. They have the idea that the Navy Establishment should approve in advance any bill before it is introduced in Congress that relates in any way to the Navy Establishment. They have the idea that they have the right and power to initiate and cause to be introduced legislation into Congress. This is what I protest against, and I protest that the Secretary of the Navy has abrogated his throne as the civilian master of the Navy, and that many Members of Congress have abrogated their constitutional powers and duties by leading the Navy Establishment to believe that its approval is essential to the passage of any legislation in Congress.

THE RULE OF RED TAPE VERSUS THE REIGN OF REASON

In an institution so vast as our Federal Government, where in several departments scattered through the country approximately 500,000 civilian employees and clerks are employed, it is inevitable that there should grow up and continue a certain fixedness and iron-cast way of looking at problems and of handling them. Furthermore, to prevent inevitable corruption and to place checks upon the weakness of sordid human nature, the law must require a vast volume of paper work, of records, of checking and counterchecking, in order to make difficult the misappropriation of public funds. Therefore I am not condemning the mere clerical work of these bureaus, but I am condemning the spirit of haughtiness, of arrogance, and of self-sufficiency that comes to control those that rule over them. One of the best examples and instances of this spirit which I am seeking to describe is to be found recorded in the hearings before the Committee on Military Affairs on H. R. 8267 on January 12, 1925. This bill sought to authorize the appropriation of $366,000 to buy a certain tract of land for the enlargement of the reservation at Fort Bliss, Tex., said increase to be about 3,600 acres. The Chief of Staff said:

> I think it is quite necessary that we should have this land as an extension of the military reservation at Fort Bliss. I know the conditions down there quite well. I was stationed there for two years, beginning in 1914, and I have been over and have maneuvered over this ground that they propose to use for maneuver grounds quite frequently, and I have been over it since that time.

And, again, the Chief of Staff said:

> As far as I know, there is no other land in that immediate vicinity that could be utilized for this purpose.

It will be observed that the Chief of Staff said that it is necessary that we should have this particular tract of land containing about 3,600 acres, and that, though he was there for two years and was all over this land, yet there is no other land in that immediate vicinity suitable for the purpose. This was exceedingly strong.

Thereafter the major general, then in command at Fort Bliss, testified and was first warned by the chairman of the committee in these words:

> The CHAIRMAN. Let us get this thing down to our viewpoint. Of course, we hear the criticism sometimes that Army officers are not good business men; that is, that they have not been engaged in business very much. We will let that go. As a military man, you state without any equivocation that in your judgment this post should be retained by the Government? You further say that if it is retained, that in order to function properly you need this additional land?
>
> General HOWZE. Yes, sir; positively.
>
> The CHAIRMAN. And you further state, if I understand your testimony, that in your judgment the prices asked for the land are reasonable?
>
> GENERAL HOWZE. Yes, sir; absolutely.
>
> The CHAIRMAN. And you stand on those statements?
>
> General HOWZE. Absolutely; without any qualifications.
>
> The CHAIRMAN. And you feel assured that unless the Government does take advantage of this within the time of this option that instead of buying it for less money we will have to pay more if we want to buy it?
>
> General HOWZE. Without any question.
>
> * * * * * * *
>
> General HOWZE. I assure you, Mr. Chairman, that I believe, as well as I believe that the sun will rise to-morrow, that when I leave El Paso in June an attempt to get a renewal will be met with a demand to double the price. Certainly the asking price for this close-in property will be double. As to that [indicating], it is possibly open to question a little bit. This property, the Morehead tract, may seem to you gentlemen high in price. It did to me at first. General Dickman was corps area commander at the time I came back from France, and I requested him to go over it with me. We had an extemporaneous board—you might call it a condemnation board—on the question of the price of this air-field land. That was five years ago; some time in January five years ago that we had this board. They unanimously agreed that land could not be bought for that money if it was thrown on the market, this close-in land.
>
> * * * * * * *
>
> The CHAIRMAN. I think, as far as I am concerned, this being an ex parte hearing, it seems to me, General, you have made out a pretty good case. Does anyone want to be heard in opposition?
>
> * * * * * * *
>
> Mr. MCSWAIN. Will they not refuse to sign the deed, or are they not like everybody else—think that they can gouge the Government?
>
> General HOWZE. If we condemn, we will have to pay more than this. In my opinion, the heirs will not offer an objection. They placed the property in the hands of two men, both reputable, one a lawyer and one a banker.
>
> * * * * * * *
>
> Mr. MCSWAIN. Let us see if we have got together the business situation. Have you seen any power of attorney signed by all who own the fee in this land authorizing any particular real-estate firm to sign the deed?

General HOWZE. I have not seen that for this property, but Mr. Bassett had it. He told me. That is enough for me. I have not seen it. That refers to the 2,970 acres, the Ascarate land.

Mr. MCSWAIN. You have not?

General HOWZE. No, sir.

* * * * * * *

The CHAIRMAN. If you will pardon me asking another question, suppose that we report this bill to the House. We must go into the House with absolutely clean hands, so far as the deal is concerned for this land?

General HOWZE. Yes, sir.

The CHAIRMAN. In other words, we can not go in and defend any proposition that must be fathered by or brought about by any individuals who would have a chance to reap a profit out of the money paid by the Government to these individuals. We, as members of this committee, and, I think, as Members of Congress, feel that it is perfectly right and proper for us to pay whatever this land is worth. If it is worth $500—and I can see why that might be true—$550, or $50 an acre for the remainder of the land, and that money goes to the owners of the land for a consideration, why, of course, we can stand up and argue that is a good business proposition, from a military standpoint, connecting that up with Fort Bliss; but if it should develop in any way that this was a plan brought about by some people who wanted to make a profit out of the selling of this land to the Government, why, we would be in deep water.

General HOWZE. Yes, sir.

General HOWZE. Mr. Chairman, this whole project as formed, beginning five and a half years ago, has been mine. I had to have training area, and that was the impetus that has driven me into it. I went immediately to Captain Morehead and said, "Here we have been using your land for five years, more or less, and I want to know your attitude. I can not make plans for training unless I know the ground I will operate on." This Air Service has increased enormously in importance, and Captain Morehead said, "As long as you are here, and as I live, the military can use that property. There will be nobody to come on it."

* * * * * * *

Mr. WURZBACH. During your five years in El Paso, did you interest yourself in making inquiry with reference to land values in that vicinity?

General HOWZE. Yes, sir.

Mr. WURZBACH. Could you state the price which you think the property can now be bought by the Government is a fair value, or are you willing to go further and say that it is considerable less than it is really worth?

General HOWZE. I can say that positively. I read you the figures on adjacent lands. When we started this effort to get the verbal agreement they gave their price on the Ascarate land as $125 an acre, and then we got them down to $50.

Mr. GARRETT. I understand your position to be this in regard to the 2,900 acres of land for maneuvering purposes of cavalry, that if this post is to be maintained at this place this land is absolutely necessary?

General HOWZE. Yes, sir; absolutely; just as much as I can tell it to you; absolutely.

Mr. GARRETT. And that these figures are reasonable, and you think are far below what condemnation prices would be?

General HOWZE. Yes, sir; I am sure, because we had an informal condemnation board.

Mr. GARRETT. So that the question is whether you will take the land at the figures now offered to you, which you think are very reasonable, or whether the Government will institute condemnation proceedings, as a matter of necessity, and get the land in that way, which you think important, at a much higher figure?

General HOWZE. Yes, sir.

BUREAUCRATS NOT BUSINESS MEN

Though the major general was warned that the country realizes that officers of the Army and the Navy are not good business men, yet he made the extravagant statement that this particular land was essential for the purposes of the Government and that he had an option on it which would expire with his departure from Fort Bliss, and that unless the Government should buy at the average price of about $100 an acre we would be compelled later on to buy the same land at a much higher price. It appears that the hard-headed and experienced chairman of the committee was at first taken in by the self-assurance and confidence of these bureaucrats, because he stated that they had made out a pretty good case. Though the major general was warned of the disposition on the part of many people to gouge the Government, particularly in the prices of land, and though he was forced to realize that the proposition was not in business or legal shape, yet he persisted in his original position that this particular tract of land should be bought at this high price quickly or a much higher price would be exacted and paid later on.

BUSINESS SENSE VERSUS BUREAUCRATIC BUMPTIOUSNESS

Instead of reporting H. R. 8267 as it read, the committee amended the same so that a sum of money not exceeding $366,000 might be appropriated for the purchase not of the particular 3,600 acres of land mentioned by the two major generals as the only available land for the enlargement of the military reservation at Fort Bliss, but for the purchase of any land near to and for use in connection with said military reservation at Fort Bliss. Thus, when the money was appropriated the War Department was not tied hand and foot so that it must go and buy a particular tract of land, but all land in that neighborhood could be offered to the War Department, and that is just what happened.

It turned out that other landowners were anxious to sell their lands to the Government, and naturally these landowners began competing with each other in the open, and the War Department was compelled to take the lowest price offered for any land that could be used in connection with Fort Bliss for maneuver purposes. Now, what is the result? The War Department has contracted to buy not 3,600 acres of land but 4,532 acres of land, and at what price? Not $366,000 but $84,560. In support of these latter statements I here insert the letter from the War Department, dated January 30, 1926.

Consider these figures and compare them with the statements of the general in the Army, so positive and confident in his statements, that the 3,600-acre tract was the only land available and was cheap at $366,000.

WAR DEPARTMENT,
Washington, D. C., January 30, 1926.

Hon. J. J. MCSWAIN,
House of Representatives, Washington, D. C.

MY DEAR MR. MCSWAIN: In reply to your letter dated January 22, 1926, regarding the purchase of real estate at El Paso, Tex., for use of the Government in connection with Fort Bliss, you are advised that Public No. 448, Sixty-eighth Congress (H. R. 8267), approved February 24, 1925, authorized the appropriation of $366,000 "for the purchase of land in the vicinity of and use for in connection with the present military reservation at Fort Bliss, Tex.," and authorized the Secretary of War to make said purchase. The second deficiency act, approved March 4, 1925, appropriated the sum of $366,000 for the above purpose.

Contracts have been executed purchasing 4,532 acres of suitable land in the vicinity of Fort Bliss at an approximate cost of $84,560. It has not been necessary to resort to condemnation, as land suitable for the purpose of the Army could be acquired at reasonable prices by negotiation.

The Attorney General is passing upon the sufficiency of these titles in accordance with section 355, Revised Statutes, and his report is being awaited.

Sincerely yours,

DWIGHT F. DAVIS,
Secretary of War.

THE PSYCHOLOGY OF BUREAUCRACY

When Mr. William Mitchell—former Brigadier General Mitchell, formerly Colonel Mitchell—was recently before the Committee on Military Affairs and had condemned the inertia and servility of the bureaucratic mind I asked him please to explain frankly and freely why the heads of the War Department and the Navy Department get into the habits of mind that he was complaining of and that the country is fairly well convinced prevails with them. I said in substance this:

These generals and admirals have been well educated and have widely traveled and have had abundant leisure for observation, reading, and reflection. Furthermore, the money necessary to promote and advance aviation does not come from their individual pockets; as a general rule they are rather small taxpayers. Why should they not be anxious to push rapidly to the front this new weapon of defense found in air power? Surely we can all agree that they are at least as patriotic as the rest of us, and as they have given, presumably, their entire lives to the study of the problems of national defense and the means and agencies whereby to promote the national defense they should be unusually alert to every agency useful in striking down enemy power.

Mr. Mitchell said in substance that their present attitude is due solely to their ideals and methods of education and training for a whole lifetime. That they were taken in youth, put through the Military Academy and the Naval Academy, were taught to submit in body and mind and soul unquestioningly and unreservedly to the powers that be. That originality and initiative and independence of thinking were not developed, but on the contrary repressed and suppressed. That they were compelled to think as those in authority dictated. That they were obliged to see that promotion and future career rested in subservience to the whims and notions of those in command. That

in youth they conceived certain fundamental notions as the very self-evident fundamental maxims and axioms of warfare. That these fundamental notions began to fill the same place in their minds that the simple propositions that a straight line is the shortest distance between two points and that any part is less than the whole occupy in the minds of mathematicians. That among these fundamental formulæ accepted and never questioned are the ideas that the battleship is the unvarying backbone of sea fighting and that every other agency is necessarily auxiliary to and supplemental of the battleship.

Another such idea is that the infantry is to land fighting what the battleship is to sea fighting. That all other fighting must be in cooperation with and dependent upon infantry fighting. Beginning with these infallible creeds, the very fundamentals of the faith, to question which meant not only heresy but excommunication and official burning at the stake, these men have grown old in such ways of thinking, and the thousands of times that they have spoken and written these confessions of the faith have but deepened their conviction in their infallibility. So they test new ideas, not upon their merits, as civilians do, not upon the fundamental conceptions of natural science, but by these preconceived standards of truth. Therefore it is logical and inevitable that those in authority in the Army and Navy should say that aviation and air power must be merely auxiliary to the battleship and to the infantry and must be held subordinate to them and must be in command of those in command of the battleship and the Army. Therefore we condemn not the particular individuals as men who voice these lifetime faiths but we condemn, as we must, the system and method of education that bring about the habits of thought and the ways of mind that these men are creatures of.

We need more new blood in the Army and Navy, and especially in the Navy. It helps any business or institution to get new ideas from the outside. A distinguished general only recently said:

> The art of war is 99 per cent common sense.

If the Navy were reorganized so that a young man, well educated, even a college graduate, could enlist with reasonable expectation of rising on his merits in a reasonable time to commissioned rank, and thence finally to high command, as is possible in the Army, the Navy would receive the new ideas, new initiative, the tolerant liberal spirit which it now so much needs.

Mr. Chairman, this contest between bureaucracy and representative government is age old and perhaps everlasting. Hence the necessity of eternal vigilance. Hence the necessity of preserving the correct balance and proportion between the executive branch and the legislative branch. Some of our people and a few of our Representatives in Congress have become engrossed with the thought of speed and quickness in getting at results, and this they call "efficiency," and by contrast they ridicule and reflect upon the slow and tedious processes of representative government. But, Mr. Chairman, there is one Member of Congress—and perhaps there are many others—that has never wavered nor faltered nor failed in the energy and vigor with which he has defended the principles of representative government. This Member is ever alert to discover and expose the ways and wiles of the enemies of fundamental democracy. This Member has a heart so thoroughly tuned in sympathy with Jeffersonian principles and conceptions of government that propositions and principles and legislative schemes that are not in harmony with Jeffersonian principles strike upon his mind and heart as a false note upon the ear of a trained musician. At the risk of being considered out of good taste, I have deliberately singled out from among our membership this Representative whose heart seems to be ever true to the highest ideals of Americanism, and whose brain can forge and frame logical and convincing arguments to defend fundamental democracy, and whose eloquent tongue can utter these convincing arguments and stirring sentiments with a music that makes harmony between word and thought.

This Member is TOM CONNALLY, of Texas. The announcement that he is to speak soon fills empty benches. When he takes the floor all ears are at attention to hear what he says. Both sides respect his commanding ability, his undoubted patriotism, and his transparent honesty. Though our Republican friends often wince beneath the force of his logic and the point of his wit, they listen with respect and put forth their ablest spokesman to counterattack. Though the lightninglike flashes of his wit strike and sting, they leave no scar. He is the uncompromising foe of this constant and dangerous tendency to consolidate governmental power in Washington. He is the matchless defender of the rights of local self-government in the States. He constantly fights for the preservation of all the prerogatives and privileges of the Houses of Congress as against the monopolizing and dictatorial tendencies among the executive branches. If to know a man or an institution you must know his or its friends, and also his or its enemies, so those who would know the dangers of bureaucracy must know the course of service and the many magnificent arguments that have been made by this firm defender of democracy and this implacable foe of bureaucracy, the Hon. TOM CONNALLY, of Texas. [Applause.]

Mr. WOOD. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. GARBER].

Mr. GARBER. Mr. Chairman, the gentleman from Texas [Mr. CONNALLY] in his closing argument referred to the palace of the Steel Trust, the palace of the Coal Trust, the palace of the Oil Trust, the palace of the Bread Trust, in which he charges that the Republican Party is not putting out any fires. There is one palace which the distinguished gentleman studiously avoided any reference to, and that palace is the prosperity of the American people, in which the Democratic Party can always be relied upon to put out the fires. [Applause.]

Mr. CONNALLY of Texas. The gentleman referred to me. Will the gentleman yield?

Mr. GARBER. For a question only.

Mr. CONNALLY of Texas. I suppose the gentleman refers to Iowa at the present time, the northwest section of the country and its agricultural situation, when the gentleman talks about prosperity?

Mr. NEWTON of Minnesota. The fires are burning in the Northwest.

Mr. GARBER. The fires in the agricultural sections of this country were extinguished, leaving no embers, under the Underwood Act. Under the protective policy of the present administration those fires are being rekindled and replenished with the fuel of a home market composed of American labor steadily employed at higher wages than ever before.

The distinguished gentleman from Arkansas certainly has but little information regarding the banking business in this country. The bank failures referred to and cited as a result of the protective policy were caused by reason of frozen credits put into the banks under a Democratic administration [applause] and carried along from year to year.

Gentlemen may take this floor and recite figures until they are black in the face in the futile attempt to show that this administration under Coolidge is not being economically administered. They might just as well attempt to level the Washington Monument with their numerals, shake the confidence and settled conviction of the people of the country in the honesty, integrity, economy, and courage of the Coolidge administration. [Applause.]

Three hours have been consumed in petty bickering, haggling, and juggling with figures to prove what? Not a profligate expenditure of public funds, not even an extravagant or unnecessary item, but to prove, forsooth, that the Executive head of the Government should not be given credit for the policies he adopts and their execution by his appointees. If one single profligate expenditure of public revenues could have been found with which to go before the country, the President would then have been the only responsible person in the service of the Government. By their three hours of labored declamation they admit their appreciation of the popularity of Coolidge economy, but find fault with the people for their appreciation of it also. Why not be more generous, gentlemen?

The press of the country recently announced a prospective visit to Oklahoma by the distinguished gentleman from Arkansas [Mr. OLDFIELD], who just left the floor. It is said that his mission will be a political one, to revive interest in the national policies of the Democratic Party. The people of that State are waiting with much curiosity to learn just what those national policies are. Appreciating to some extent the arduous duties of his leadership here, and the multitudinous responsibilities of his political leadership throughout the country in looking after the congressional districts in 48 States, and knowing that by reason of insufficient time the gentleman can not acquaint himself with Oklahoma conditions, the promptings of a common impulse to help a brother Member in distress suggests the proffer of information.

In regard to the national policies of the Democratic Party, I am free to confess I am not informed. After diligent search and inquiry I have been unable to ascertain. Nobody around this Capitol seems to know. It seems to be a delicate question, upon which no two Democrats are willing to agree in public. Their suggested resurrection by the distinguished gentleman from Arkansas recalls their sudden disappearance since the last election, without reward offered for their recovery. [Laughter.]

The only observation I have heard on Democratic policies during this session was by the distinguished gentleman from Illinois when leading the opposition to the tax reduction bill. In a penitent moment, although under high mental tension, he confessed to a faint but very unpleasant recollection of them, and, using his own language, the gentleman said:

I attended that New York convention, and, my God, I have been trying to forget it ever since.

[Laughter.]

I doubt if the Democrats of Oklahoma will be able to recall them. They have just as much aversion to that lamentable tragedy and just as much right to forget as the gentleman from Illinois. When South Carolina in the most public legislative body in the country, in the presence of galleries filled to overflowing and in the hearing of the press of the country, plaintively inquires, "What is a Democrat, a Democrat of to-day," and Missouri mournfully replies, "Alas, we do not know," is it not time, gentlemen, to pause and investigate? Is it not time to pass a resolution of denunciation, a resolution providing for the appointment of a committee to investigate the effect of the popularity of a Coolidge administration upon our bipartisan system in this country? [Applause.]

The Democrats of Oklahoma are just as hopelessly divided on this question as they are in nearly every other section of the country. They not only do not know what the Democratic policies are, but, like South Carolina and Missouri, they do not know what a Democrat of to-day is. They do know that the people of this country generally are satisfied with the Coolidge administration and are no longer interested in abstract questions. [Applause.]

I observe that the same indifference manifests itself on this side of the Chamber, where Members vote Mellon public buildings in preference to Democratic principles. [Laughter and applause on the Republican side.] And it is reported elsewhere that they are out-Melloning Mellon to-day in cutting down surtaxes and in allowing the poor old, decrepit Democratic mule to be led in with Mellon holding its ears. While it is tragic, yet it is evidence of a strengthened memory and lately acquired wisdom since the last election. [Laughter and applause.]

Unfortunately for this precarious undertaking of the distinguished gentleman from Arkansas, unfortunately for this political mission to revive a decadent democracy in Oklahoma, the degree of illiteracy in that State is extremely low. It is less than half of what it is in the United States as a whole. American citizenship was a requisite to the exercise of homestead rights when the Territory of which the State is now composed was thrown open to settlement. It was not only settled and developed by American citizens, but she lives American, talks American, understands American, and appreciates the American policy of protection which looks after the interest and welfare of our own people first. [Applause on the Republican side.]

The most important factor in Oklahoma's future growth and settlement is capital to open up her great storehouses of wealth. Oklahoma ranks first in the production of crude oil, first in the production of natural gas, first in the production of gasoline, first in pipe lines, first in her great refining plants, and first in her oil metropolis of the world, where the sky lines of Tulsa reflect the constructive genius and enterprise of her progressive citizens in this, one of the greatest and most important industries of to-day and upon which the automobile travel of the country is wholly dependent.

Oklahoma ranks first in the production of lead and zinc, and second only to the great State of Pennsylvania in the annual value of her mineral production. And yet agriculture is her primary and basic industry.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOOD. I yield to the gentleman five minutes more.

Mr. GARBER. She ranks first in acre income, first in farm-value income, she ranks first in the annual production of the 19 major crops specified by the Agricultural Department. She ranks second in cotton, the great staple crop of the South.

In 1924 she ranked third in the production of wheat of the hard winter variety raised in the Northwest and Canada. She ranks among the five leading agricultural States in the Union. And yet her resources have not been touched.

Illustrative of this, there are two wells of natural gas in the Deer Creek field in the district, which I have the honor to represent that are unused; they are capped. These two wells alone have a rock-bottom pressure of gas sufficient to supply the entire industrial needs of the State of Oklahoma. And yet Oklahoma has more than 10,000 such wells! They are capped, unused, but awaiting the magic hand of capital to come in and convert their storehouse of power into wealth and prosperity for the people. [Applause.]

Mr. O'CONNOR of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. GARBER. Yes.

Mr. O'CONNOR of Louisiana. It would be illuminating, I think, to interested people to ascertain why American capital is not going into this very inviting field instead of crossing the ocean into unknown channels and unknown speculations.

Mr. GARBER. The gentleman has voiced the inquiry of the citizens of Oklahoma and of the economic law so applicable to the situation. Here is an unlimited supply of natural gas. We have 12,000 square miles of coal at a very shallow depth that is being mined now, and the United States Geological Department estimates its value at $79,000,000,000.

Here we have an unlimited supply of natural fuels in the State of Oklahoma, with her cotton fields ranking second to the great State of Texas, in wheat production ranking third, with 19 different minerals of all kinds unmined and unexploited. Why should we not make use of that power and convert it into prosperity for the people? By every economic law the State of Oklahoma is destined within the next 10 years to become one of the leading manufacturing States in the Union. Oklahoma's problem is not foreign-made goods but goods made at home. Her problem is not the employment of foreign labor to create prosperity abroad but employment of home labor to create prosperity at home. [Applause on the Republican side.] Her need is capital to unlock the rich storehouses of her wealth in the way of energy and power—more mills, more factories, so that she can become self-supporting and self-sustaining.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WOOD. Mr. Chairman, I yield one minute more.

Mr. GARBER. I want to say to the gentleman from Arkansas [Mr. OLDFIELD] that the annual value of Oklahoma's mineral production and her agricultural production contributed over one billion and a quarter of new wealth to the State of Oklahoma in the year just closed.

Mr. OLDFIELD. Is the agricultural population of Oklahoma prosperous now?

Mr. GARBER. No; but agricultural conditions have materially improved since 1920 and 1921.

Mr. OLDFIELD. Do they believe in the Fordney-McCumber tariff law, and does the gentleman believe in it?

Mr. GARBER. I believe in the principle.

Mr. OLDFIELD. Is the gentleman for the Fordney-McCumber Act?

Mr. GARBER. I am for the policy of protection which it embodies but believe that some of the rates in its many schedules should be readjusted and revised to meet changing conditions of trade. I believe in a prohibitive tariff to prohibit the importation of all agricultural products so that the American farmers will have the exclusive advantage of our home market. There are too many farm products coming into this country to-day. During the last year foreign countries sold $915,000,000 of their foodstuffs and farm animals in our home market. The rate should be raised on agricultural products to keep out all such importations. Our farmers should not be required to compete with the cheap lands and cheap labor of foreign countries. [Applause.]

Mr. WOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. SNELL having assumed the chair as Speaker pro tempore, Mr. BEGG, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9341, the independent offices appropriation bill, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted—

To Mr. WARREN, for 10 days, on account of illness in his family.

To Mr. STEVENSON, at the request of Mr. MCSWAIN, for three successive days, on account of personal business.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I ask unanimous consent that further general debate on the independent offices appropriation bill be limited to one hour, one half to be controlled by myself and the other half to be controlled by the gentleman from Louisiana [Mr. SANDLIN].

Mr. SANDLIN. That is satisfactory.

Mr. HILL of Maryland. Is it intended to vote on the bill to-morrow?

Mr. WOOD. Yes; if we get the chance.

The SPEAKER pro tempore. The gentleman from Indiana asks unanimous consent that further general debate upon the independent offices appropriation bill be limited to one hour, one-half to be controlled by himself and one-half by the gentleman from Louisiana. Is there objection?

There was no objection.

A COMPARISON OF THE LABOR PROVISIONS (TITLE III) OF THE TRANSPORTATION ACT WITH THOSE IN THE PARKER-WATSON BILL (H. R. 9463)

Mr. NEWTON of Minnesota. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I insert a comparison of the labor provisions of the transportation act with those in the Parker-Watson bill, which is as follows:

TRANSPORTATION ACT	PARKER-WATSON BILL
SEC. 300. The term "carrier" includes: (a) Any express company. (b) Any sleeping-car company. (c) Any carrier by railroad subject to the interstate commerce act, except a street, interurban, or suburban electric railway not operating as a part of a general steam railroad system of transportation.	SECTION 1. The term "carrier" is enlarged to include not only the provisions of section 300, but also the following: "First. The term 'carrier' includes any express company, sleeping-car company, and any carrier by railroad subject to the interstate commerce act, including all floating equipment, such as boats, barges, tugs, bridges, and ferries, and other transportation facilities used by or operated in connection with any such carrier by railroad, and any receiver or any other individual or body, judicial or otherwise, when in the possession of the business of employers or carriers covered by this act: *Provided, however,* That the term 'carrier' shall not include any street, interurban, or suburban electric railway unless such a railway is operated as a part of a general steam railroad system of transportation, but shall not exclude any part of the general steam railroad system of transportation now or hereafter operated by any other motive power."
SEC. 301. Duty upon carriers and employees to settle: "It shall be the duty of all carriers and their officers, employees, and agents to exert every reasonable effort and adopt every available means to avoid any interruption to the operation of any carrier growing out of any dispute between the carrier and the employees or subordinate officials thereof."	SEC. 2. General duty upon both parties to settle: "First. It shall be the duty of all carriers, their officers, agents, and employees to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes, whether arising out of the application of such agreements or otherwise, in order to avoid any interruption to commerce or to the operation of any carrier growing out of any dispute between the carrier and the employees thereof." The provisions are more specific as to the obligation to keep agreements and to settle differences.
SEC. 301. Duty to settle in conference. Then to "the board" having jurisdiction: "All such disputes shall be considered and, if possible, decided in conference between representatives designated and authorized or the employees or subordinate officials thereof, directly interested in the dispute. "If any dispute is not decided in such conference, it shall be referred by the parties thereto to the board which, under the provisions of this title, is authorized to hear and decide such dispute."	SEC. 2. General duty to settle in conference. Then follows more elaborate provisions how, when, and where to be accomplished: "Second. All disputes between a carrier and its employees shall be considered, and, if possible, decided, with all expedition, in conference between representatives designated and authorized so to confer, respectively, by the carriers and by the employees thereof interested in the dispute. "Third. Representatives, for all the purposes of this act, shall be designated by the respective parties in such manner as may be provided in their corporate organization or unincorporated association, or by other means of collective action, without interference, influence, or coercion exercised by either party over the self-organization or designation of representatives by the other. "Fourth. In case of a dispute between a carrier and its employees, arising out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, it shall be the duty of the designated representative or representatives of such carrier and of such employees, within 10 days after the receipt of notice of a desire on the part of either party to confer in respect to such dispute, to specify a time and place at which such conference shall be held: *Provided,* (1) That the place so specified shall be situated upon the railroad line of the carrier involved unless otherwise mutually agreed upon; and (2) that the time so specified shall allow the designated conferees reasonable opportunity to reach such place of conference, but shall not exceed 20 days from the receipt of such notice: *And provided further,* That nothing in this paragraph shall be construed to supersede the provisions of any agreement (as to conferences) then in effect between the parties."
SEC. 302. Boards of adjustment "may be created" to settle "grievances." "Railroad boards of labor adjustment may be established by agreement between any carrier, group of carriers, or the carriers as a whole, and any employees or subordinate officials of carriers, or organization or group of organizations thereof." No specific provision as to powers and procedure. Salaries and expenses to be paid by parties.	SEC. 3. Boards of adjustment "shall be created" by agreement to settle grievances. Given extensive powers as to hearings and procedure. Decisions are made binding. Salaries and expenses to be paid by parties.
SEC. 303. Adjustment boards: Jurisdiction applies only to disputes involving grievances, rules, or working conditions.	SEC. 3. Adjustment boards: The provisions relating to jurisdiction are substantially the same.
SEC. 304. Establishes a Railroad Labor Board, composed of nine members, as follows: (a) Three from labor group. (b) Three from management group. (c) Three from public generally. All are appointed by President. Salary, $10,000.	SEC. 13. Repeals Title III of transportation act, which includes the Railroad Labor Board.
SEC. 307. Has appellate jurisdiction as to grievances, rules, and working conditions from adjustment boards. Has original jurisdiction as (1) to above if adjustment boards not organized; (2) as to wages not agreed to in conference upon request of either side or on own motion if likely to substantially interrupt commerce. (3) May suspend agreements in conference if agreement for increased wages likely to necessitate a substantial readjustment of rates. Take testimony. As to this latter decision, one of public must concur. No power to enforce its decisions. Suspended board of mediation and conciliation provided for first in Erdman Act (1898) and in Newlands Act (1913).	SEC. 4. Establishes board of mediation and conciliation composed of five. All appointed by the President. "No person in the employment of

or who is pecuniarily or otherwise interested in any organization of employees or any carrier shall" be eligible.

SEC. 5. Has jurisdiction to mediate upon own motion or request of either party as to following:

"(a) A dispute arising out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions not adjusted by the parties in conference and not decided by the appropriate adjustment board;

"(b) A dispute which is not settled in conference between the parties, in respect to changes in rates of pay, rules, or working conditions;

"(c) Any other dispute not decided in conference between the parties."

No provision as to arbitration.

SEC. 5. In event of failure to get parties to agree is to induce arbitration.

If parties upon agreeing to arbitration can not agree on neutral arbitrator, board of mediation appoints him or them.

SEC. 7. Rather elaborate provision as to organization of arbitration boards and their procedure.

Given assistance of United States courts for compulsory process of witnesses and papers.

Witnesses shall be sworn.

Arbitral award by majority vote.

Award made final and conclusive.

Enforceable as a judgment. Filed as such in office of clerk, United States court.

Railroad Labor Board consisting of nine members, three from labor, three from management, and three from public. Appointed for fixed terms, have powers to investigate and even to decide but no power to enforce their decisions.

SEC. 10. Emergency board. Substantial provisions are as follows:

"If a dispute between a carrier and its employees be not adjusted under the foregoing provisions of this act and should, in the judgment of the Board of Mediation, threaten substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service, the Board of Mediation shall notify the President, who may thereupon, in his discretion, create a board to investigate and report respecting such dispute. Such board shall be composed of such number of persons as to the President may seem desirable: *Provided, however,* That no member appointed shall be pecuniarily or otherwise interested in any organization of employees or any carrier. The compensation of the members of any such board shall be fixed by the President. Such board shall be created separately in each instance and it shall investigate promptly the facts as to the dispute and make a report thereon to the President within 30 days from the date of its creation." * * *

* * * * * *

No provision against striking or for maintenance of status quo.

"After the creation of such board, and for 30 days after such board had made its report to the President, no change, except by agreement, shall be made by the parties to the controversy in the conditions out of which the dispute arose."

RAILROAD LABOR BOARD BILL

Mr. TILSON. Mr. Speaker, after consultation with the gentleman from New York [Mr. PARKER] and the gentleman from Kentucky [Mr. BARKLEY], I ask unanimous consent that in the consideration of the bill to be presented by the Committee on Interstate and Foreign Commence on Tuesday next, instead of the usual Calendar Wednesday rule, limiting the debate to two hours, that not to exceed two days be used in general debate, and that the time be equally controlled by the gentleman from New York [Mr. PARKER] and the gentleman from Kentucky [Mr. BARKLEY].

The SPEAKER pro tempore. The gentleman from Kentucky asks unanimous consent that instead of the usual rule of bills considered on Calendar Wednesday, in the consideration of the Railroad Labor Board bill from the Committee on Interstate and Foreign Commerce, there be not to exceed two days of general debate, the time to be controlled, one-half by the gentleman from New York and one-half by the gentleman from Kentucky. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, will that change the Calendar Wednesday rule that gives only two days to a committee?

Mr. TILSON. No; it will not.

Mr. BLANTON. Will that extend the time of this committee to more than two days?

Mr. TILSON. It will not without an agreement; but we hope that will be taken care of later.

Mr. BLANTON. There would have to be another agreement extending that time?

Mr. TILSON. Yes; or a rule.

Mr. BLANTON. Either a unanimous-consent agreement or a rule?

Mr. TILSON. Yes.

Mr. BLANTON. But it is not intended by this agreement to extend the time beyond the usual two days?

Mr. TILSON. No.

The SPEAKER pro tempore. Is there objection?

Mr. LANKFORD. Reserving the right to object, will debate be limited to the subject matter of the bill?

Mr. TILSON. That is provided for in the Calendar Wednesday rule, so debate will be confined to the subject matter of the bill.

Mr. LANKFORD. I have no objection.

Mr. BLANTON. Will this bill go on until it is finished after the two days?

Mr. TILSON. We will have to have a further provision——

Mr. BLANTON. Or a rule.

The SPEAKER pro tempore. The Chair hears no objection.

ADJOURNMENT

Mr. WOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 16 minutes p. m.) the House adjourned until to-morrow, Saturday, February 20, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 20, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.30 a. m.)

To amend the Code of Law for the District of Columbia in relation to descent and distribution (H. R. 7975).

To prevent fraudulent transactions respecting real estate; to create a real-estate commission for the District of Columbia; to define, regulate, and license real-estate brokers and real-estate salesmen; to provide a penalty for a violation of the provisions hereof (H. R. 5189).

To amend the Code of Law for the District of Columbia in relation to the qualifications of jurors (H. R. 5823).

Creating a commission to procure a design for a distinctive flag for the District of Columbia (H. R. 6557).

To amend an act entitled "An act to create a juvenile court in and for the District of Columbia" (H. R. 6715).

To regulate the sale of kosher meat in the District of Columbia (H. R. 7255).

To secure Sunday as a day of rest in the District of Columbia (H. R. 7179).

To amend the act approved June 3, 1896, entitled "An act to establish and provide for the maintenance of a free public library and reading room in the District of Columbia" (H. R. 8197) and (S. 2673).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To provide for the promotion or advancement of officers who have specialized in aviation so long as to jeopardize their selection for promotion or advancement to the next higher grade or rank (H. R. 8125).

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10.30 a. m.)

To amend an act entitled "An act to regulate foreign commerce by prohibiting the admission into the United States of certain adulterated grain and seeds unfit for seeding purposes," approved August 24, 1912, as amended (H. R. 8118).

COMMITTEE ON ROADS

(10 a. m.)

To amend an act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented (H. R. 3823).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

364. A letter from the Secretary of the Navy, transmitting a proposed draft of a bill, "To authorize the transfer of naval constructors, who have specialized in aviation so long as to jeopardize their chances for selection and promotion in their own corps, to the line of the United States Navy; to the Committee on Naval Affairs.

365. A letter from the chairman of the Interstate Commerce Commission, transmitting herewith a report for the month of January, 1926, showing the condition of railroad equipment and the related information indicated in Senate Resolution 438, so far as such information is available; to the Committee on Interstate and Foreign Commerce.

366. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Wolf and Fox River, Wis. (H. Doc. No. 257); to the Committee on Flood Control.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WYANT: Committee on Interstate and Foreign Commerce. S. 1746. An act to authorize the Secretary of Commerce to transfer the Barnegat Light Station to the State of New Jersey; without amendment (Rept. No. 320). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Washington: Committee on Indian Affairs. H. R. 96. A bill authorizing an appropriation of $25,000 from the tribal funds of the Indians of the Quinaielt Reservation, Wash., for the construction of a system of water supply at Taholah on said reservation; with amendments (Rept. No. 321). Referred to the Committee of the Whole House on the state of the Union.

Mr. HASTINGS: Committee on Indian Affairs. H. R. 4761. A bill to amend section 9 of the act of May 27, 1908 (35 Stat. L. p. 312), and for putting in force, in reference to suits involving Indian titles, the statutes of limitations of the State of Oklahoma, and providing for the United States to join in certain actions, and for making judgments binding on all parties, and for other purposes; with amendments (Rept. No. 322). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 4458. A bill providing for punishment of assaults upon letter or mail carriers; with amendments (Rept. No. 326). Referred to the House Calendar.

Mr. STALKER: Committee on the District of Columbia. H. R. 3802. A bill to amend the act known as the "District of Columbia traffic act, 1925," approved March 3, 1925, being Public, No. 561, Sixty-eighth Congress, and for other purposes; with amendments (Rept. No. 327). Referred to the Committee of the Whole House on the state of the Union.

Mr. COOPER of Ohio: Committee on Interstate and Foreign Commerce. H. R. 9463. A bill to provide for the prompt disposition of disputes between carriers and their employees, and for other purposes; without amendment (Rept. No. 328). Referred to the Committee of the Whole House on the state of the Union.

Mr. TILLMAN: Committee on the Judiciary. H. R. 6730. A bill to detach Fulton County from the Jonesboro division of the eastern judicial district of the State of Arkansas and attach the same to the Batesville division of the eastern judicial district of said State; without amendment (Rept. No. 329). Referred to the House Calendar.

Mr. McLEOD: Committee on Patents. H. J. Res. 29. A bill to amend section 3 of the joint resolution entitled "Joint resolution for the purpose of promoting efficiency, for the utilization of the resources and industries of the United States, etc.," approved February 8, 1918; without amendment (Rept. No. 330). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. THOMAS: Committee on the Public Lands. H. R. 1580. A bill authorizing the Secretary of the Interior to sell and patent to David A. Vincent certain lands in Oklahoma; with amendments (Rept. No. 323). Referred to the Committee of the Whole House.

Mr. SWOOPE: Committee on War Claims. H. R. 2892. A bill for the relief of Kenneth A. Rotharmel; without amendment (Rept. No. 324). Referred to the Committee of the Whole House.

Mr. SWOOPE: Committee on War Claims. H. R. 7860. A bill for the relief of Capt. George M. Thompson; without amendment (Rept. No. 325). Referred to the Committee of the Whole House.

Mr. DRIVER: Committee on the Public Lands. H. R. 9274. A bill to release and quitclaim title of certain lands to Holyman Battle and his successors in interest; without amendment (Rept. No. 331). Referred to the Committee of the Whole House.

ADVERSE REPORT

Mr. GRAHAM: Committee on the Judiciary. H. Res. 133. A resolution requesting the Attorney General to furnish to the House of Representatives certain information regarding combinations in the mills and baking industries in restraint of trade; without amendment (Adverse Rept. No. 312). Referred to the House Calendar under provisions of clause 2 of Rule XIII.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Claims was discharged from the further consideration of the bill (H. R. 6615) for the relief of Noble-Gilbertson, a corporation of Buford, N. Dak., and the same was referred to the Committee on Public Lands.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LEAVITT: A bill (H. R. 9558) to provide for allotting in severalty agricultural lands within the Tongue River or Northern Cheyenne Indian Reservation in Montana, and for other purposes; to the Committee on Indian Affairs.

By Mr. McCLINTIC: A bill (H. R. 9559) granting certain public lands to the city of Altus, Okla., for reservoir and incidental purposes; to the Committee on the Public Lands.

By Mr. JOHNSON of Washington: A bill (H. R. 9560) granting the consent of Congress to W. D. Comer and Wesley Vandercook to construct, maintain, and operate a bridge across the Columbia River between Longview, Wash., and Rainier, Oreg.; to the Committee on Interstate and Foreign Commerce.

By Mr. OLDFIELD: A bill (H. R. 9561) to find markets and to provide credits for financing the exportation of surplus agricultural products, to authorize the payment of bounties on exports of agricultural surpluses, and for other purposes; to the Committee on Agriculture.

By Mr. BERGER: A bill (H. R. 9562) to amend the immigration act of February 5, 1917; to the Committee on Immigration and Naturalization.

By Mr. RANKIN: A bill (H. R. 9563) for the erection of a public building at Macon, Noxubee County, Miss.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9564) providing for markers for the battle fields of Eastport, Miss., and Iuka, Miss.; to the Committee on Military Affairs.

By Mr. BUTLER: A bill (H. R. 9565) to authorize the transfer of naval constructors and assistant naval constructors who have specialized in aviation so long as to jeopardize their chances for selection and promotion in their own corps to the line of the United States Navy; to the Committee on Naval Affairs.

By Mr. MILLER: A bill (H. R. 9566) to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1911, and for other purposes," approved June 24, 1910; to the Committee on Naval Affairs.

By Mr. UPDIKE: A bill (H. R. 9567) to authorize the detail of officers of the line of the Navy for aerologist duty only, to create the warrant and commissioned warrant grades of aerographer and chief aerographer, and to provide for the appointment of one aerographer per annum; to the Committee on Naval Affairs.

By Mr. CHRISTOPHERSON: A bill (H. R. 9568) amending section 220, Criminal Code of the United States; to the Committee on the Judiciary.

By Mr. MORROW: A bill (H. R. 9569) for the adjustment of water-right charges on the Carlsbad irrigation project, New Mexico, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. WILSON of Louisiana: A bill (H. R. 9570) to prevent the pollution by oil of navigable rivers of the United States; to the Committee on Rivers and Harbors.

By Mr. SPEAKS: A bill (H. R. 9571) to amend section 81 of the national defense act of June 3, 1916, as amended, relating to the Militia Bureau of the War Department; to the Committee on Military Affairs.

By Mr. RANKIN: Resolution (H. Res. 139) providing for the printing of 2,000 copies of the soil survey of Monroe County, Miss.; to the Committee on Printing.

By Mr. FAIRCHILD: Resolution (H. Res. 140) requesting information relating to Mexico; to the Committee on Foreign Affairs.

By Mr. CRAMTON: Resolution (H. Res. 141) providing for the consideration of H. R. 3821, to place under the Civil Service Act the personnel of the Treasury Department authorized by section 38 of the National Prohibition Act; to the Committee on Rules.

By Mr. FISH: Resolution (H. Res. 142) providing for the payment out of the contingent funds of the House the amount not exceeding $300 in payment of vouchers for expenses incurred by the Select Committee to Investigate the National Disabled Soldiers' League (Inc.); to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 9572) for the relief of Bessie Greene; to the Committee on Claims.

By Mr. BOWMAN (by request): A bill (H. R. 9573) granting an increase of pension to Sarah E. Phillips; to the Committee on Invalid Pensions.

By Mr. BRAND of Georgia: A bill (H. R. 9574) for the relief of the estate of John H. Christy; to the Committee on Claims.

By Mr. BRUMM: A bill (H. R. 9575) granting a pension to John Hutton; to the Committee on Pensions.

By Mr. CARSS: A bill (H. R. 9576) granting an increase of pension to Charles N. Ashford; to the Committee on Invalid Pensions.

By Mr. FREDERICKS: A bill (H. R. 9577) granting a pension to Jessie F. Langridge; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9578) granting a pension to Jennie H. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9579) for the relief of George W. Adams; to the Committee on Military Affairs.

Also, a bill (H. R. 9580) for the relief of Michael J. McNulty; to the Committee on Military Affairs.

Also, a bill (H. R. 9581) for the relief of Anton Gmeindner; to the Committee on Military Affairs.

By Mr. KENDALL: A bill (H. R. 9582) for the relief of Andrew J. Henry; to the Committee on Claims.

By Mr. KURTZ: A bill (H. R. 9583) granting an increase of pension to Anna M. Ross; to the Committee on Invalid Pensions.

By Mr. MENGES: A bill (H. R. 9584) granting an increase of pension to Lydia A. Metzel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9585) granting an increase of pension to Catharine Eppley; to the Committee on Invalid Pensions.

By Mr. MORROW: A bill (H. R. 9586) granting an increase of pension to Josephine Peck; to the Committee on Invalid Pensions.

By Mr. SCHNEIDER: A bill (H. R. 9587) for the relief of H. W. Krueger and H. J. Selmer, bondsmen for the Green Bay Dry Dock Co., in their contract for the construction of certain steel barges and a dredge for the Government of the United States; to the Committee on Claims.

By Mr. SPEAKS: A bill (H. R. 9588) granting an increase of pension to Sarah A. Cydrus; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 9589) granting an increase of pension to Mary A. Hogerty; to the Committee on Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 9590) granting an increase of pension to Julia A. Ratcliffe; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 9591) granting an increase of pension to Lydia E. Lewis; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

736. Petition of the New York City Federation of Women's Clubs, regarding the fixing of rates for telephones in New York City; to the Committee on Rules.

737. Petition of William P. Deppe, 151 Church Street, New York City, regarding the wholesale poisoning of the public through excessive carbon monoxide in what are called "wet-mixture" engines in motor vehicles in the hands of the public and still being produced by certain large motor works; to the Committee on Interstate and Foreign Commerce.

738. By Mr. ALMON: Memorial of the following senators from the State of Alabama: W. F. Garth, Madison County; Melvin Hutson, second senatorial district; and the following representatives in the Legislature of Alabama: John Patterson, J. A. Foreman, Morgan County; J. M. Snodgrass, J. K. Thompson, Jackson County; Young Wall, Limestone County; John P. Hampton, Madison County; C. W. Ashcraft, Lauderdale County; and also E. D. Whitman, Lamar Penney, J. L. Gunter, T. Z. Bailey, J. L. Proctor, A. L. Malone, L. B. Wyatt, E. C. Payne, W. W. Fussell, F. F. Tidwell, F. A. Bloodworth, Tennis Tidwell, and J. W. Knight, all citizens of Albany, Ala., all indorsing the action of the United States Senate in striking out the inheritance or estate-tax provision of the revenue bill; to the Committee on Ways and Means.

739. By Mr. CARTER of California: Petition of Galileo Post, No. 236, American Legion, San Francisco, Calif., urging passage of Reed-Johnson bill; to the Committee on Immigration and Naturalization.

740. Also, petition of Los Angeles Chamber of Commerce, unanimously approving report of special committee on the subject of the American merchant marine; to the Committee on the Merchant Marine and Fisheries.

741. Also, petition of United Veterans' Council of California, indorsing the Reed-Johnson bill; to the Committee on Immigration and Naturalization.

742. Also, petition of the California Federation of Women's Clubs, indorsing prohibition and the Volstead Act; to the Committee on the Judiciary.

743. Also, petition of Corporal Harold M. Roberts Unit, No. 6, United Veterans of the Republic; to the Committee on Immigration and Naturalization.

744. Also, petition of Fort Whipple Chapter, No. 3, Disabled Veterans of the World War, submitting amendments to World War veterans' act of 1924; to the Committee on World War Veterans' Legislation.

745. By Mr. DARROW: Resolution of the Philadelphia Chamber of Commerce, opposing the Gooding rate bill; to the Committee on Interstate and Foreign Commerce.

746. Also, resolution of the Philadelphia Board of Trade, protesting against recognition by the United States of the Russian Soviet Government; to the Committee on Foreign Affairs.

747. By Mr. GALLIVAN: Petition of Charles E. Walsh, 3 Tucker Street, Mattapan, Mass., recommending early and favorable consideration of legislation to increase the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

748. By Mr. JOHNSON of Washington: Petition of Frank Sampson and 32 other citizens of Aberdeen and Hoquiam, Wash., urging enactment of a tariff duty on shingles; to the Committee on Ways and Means.

749. By Mr. MEAD: Petition of Buffalo Chamber of Commerce, George C. Lehmann, general manager, approving House bill 6554, a bill to amend subdivisions 11 and 12 of section 20 of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

750. Also, petition of Bosley & Morey, Buffalo, N. Y., favoring salary increase for the Federal judges; to the Committee on the Judiciary.

751. Also, petition of Brooklyn Bar Association, favoring the increase of salaries for Federal judges; to the Committee on the Judiciary.

752. By Mr. O'CONNELL of New York: Petition of the National Metal Trades Association of New York, favoring the passage of House bill 4798; to the Committee on the Civil Service.

753. Also, petition of the Edwards Bros., of Ann Arbor, Mich., favoring the Perkins bill; to the Committee on Patents.

754. Also, petition of the New York City Federation of Women's Clubs, urging a Federal investigation of the American Telegraph & Telephone Co., of which the New York Telephone Co. is but a subsidiary; to the Committee on Interstate and Foreign Commerce.

755. Also, petition of the Merchants Protective Association of New York, favoring the passage of the Federal judges' salary increase bill; to the Committee on the Judiciary.

756. Also, petition of the Salt Lake Hardware Co., of Salt Lake City, Utah, favoring House bill 3857, the Gooding-Hoch bill; to the Committee on Interstate and Foreign Commerce.

HOUSE OF REPRESENTATIVES

SATURDAY, *February 20, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, from whom cometh all wisdom, all righteousness, and all power, regard us in mercy and hold not Thy Holy Spirit from us. Unto Thee we come with our failures and with our sins and ask for divine compassion and forgiveness. Bring our souls into touch with the everlasting sources of our beings. Inspire them with that spiritual quality which God, our heavenly Father, shares with His earthly children. Give us a quenchless desire to serve and to love, born of hunger and restless, until we find rest and peace in God. Bless all members of this Chamber and all officers. If we make mistakes, may we atone for them promptly; if we have faults, may we try to correct them. Always encourage us to keep our eyes toward the future and ever toward the light. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

PARKWAY COMMISSION

The SPEAKER. The Chair lays before the House a resolution from the Senate.

The Clerk read as follows:

Ordered, That the House of Representatives be requested to return to Senate the bill (H. R. 4785) entitled "An act to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of the land authorized to be acquired by the public buildings appropriation act, approved March 4, 1913, for the connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park."

The SPEAKER. Without objection, the request of the Senate will be complied with and the bill returned.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. TAYLOR of Tennessee until February 24, 1926.

SOLOMON'S LODGE, NO. 1

Mr. GARRETT of Tennessee. Mr. Speaker, yesterday morning, following the receipt of a message from the Senate announcing that certain bills had been passed, I made an inquiry concerning Senate Joint Resolution 58, one of those which was messaged. This was done upon the idea that the proper committee of the House had reported the bill, and therefore it could be taken up and passed under the general rule. It was found upon investigation that the House committee had not reported the bill. It is a matter in which the gentleman from Georgia [Mr. EDWARDS] is directly interested, and I ask unanimous consent that the gentleman from Georgia may have a moment in which to make a statement.

The SPEAKER. Is there objection?

There was no objection.

Mr. EDWARDS. Mr. Speaker, I appreciate the intentions of the gentleman from Tennessee [Mr. GARRETT] to try to assist in the early passage of this resolution. I ask that the resolution be no longer held on the Speaker's table, but referred to the Committee on the Library, because I am sure we will get an early report from that committee. I ask that the resolution be given that direction.

The SPEAKER. The Chair will so refer the resolution.

AIR MAIL SERVICE

The SPEAKER. The Chair lays before the House the following resolution of the Senate.

The Clerk read as follows:

Ordered, That the House of Representatives be requested to return to the Senate the bill (S. 776) entitled "An act to authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the air mail service of the Post Office Department."

The SPEAKER. Without objection, the request of the Senate will be complied with and the bill returned.

There was no objection.

THE REVENUE BILL

Mr. TILSON. Mr. Speaker, I wish to make a brief announcement to the House. I am sure that all the Members are deeply interested in the revenue bill and in knowing when the conference report will be submitted to the House. After consultation with the chairman of the Ways and Means Committee, I am authorized to state to the House that it is his judgment it will not be possible to have the conference report ready for consideration before Tuesday morning. We had hoped that we might reach it on Monday.

Mr. BARKLEY. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. BARKLEY. Is that to interfere with the program that has already been agreed upon with respect to Tuesday?

Mr. TILSON. If it does, I think the House will be glad to make good any time that is taken from the Committee on Interstate and Foreign Commerce. If it transpires that we can consider the conference report on Tuesday morning, I shall then ask unanimous consent to extend the time for the consideration of the business from the Interstate and Foreign Commerce Committee. The gentleman from Kentucky will realize that we are eager to consider the conference report on the revenue bill just as soon as we possibly can, but it is doubtful whether it will be ready by Tuesday. However, I wish to inform the Members that it is certain the bill can not be considered before Tuesday morning.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9341) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1927, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the independent offices appropriation bill, with Mr. BEGG in the chair.

The Clerk reported the title of the bill.

The CHAIRMAN. By previous agreement there is one hour remaining of general debate, one-half controlled by the gentleman from Indiana and one-half by the gentleman from Louisiana [Mr. SANDLIN].

Mr. SANDLIN. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. WHITEHEAD].

Mr. WHITEHEAD. Mr. Chairman, ladies and gentlemen of the House, the last Congress enacted a law authorizing the Secretary of the Interior to determine the boundaries and area of the proposed Shenandoah National Park in the Blue Ridge Mountains of Virginia, to receive offers of donations, and to secure options on lands within its area. No report has yet been made to Congress. It is presumed that the Secretary is waiting to be assured that the people of Virginia are sufficiently interested in securing this great national park by making the necessary offers and contributions before making his report. My information is that the Old Dominion is arousing herself rapidly to the realization of the importance of this wonderful opportunity. The valley counties and northern Virginia have naturally been more active and enthusiastic than other parts of the State, but other sections and localities are becoming more and more interested as the time draws near for the report of the Secretary of the Interior. For instance, I notice from the Danville Register that the city of Danville, in the district which I have the honor to represent and which is located 150 miles or more from the proposed park, is determined to subscribe its full quota. Committees are being formed in the counties and cities of the several congressional districts throughout the State for the purpose of converting this proposal into an assurance of success. On account of unpropitious weather and seasons last year, it is not to be expected that some parts of the rural districts will be able to contribute as

largely as they desire, but it is confidently believed that all will do their share.

There are many reasons why this section of the country should have a national park. Out of the 19 national parks maintained and improved by the National Government only one of them, Lafayette, in Maine, is located east of the Mississippi River. The principal reason of this is, because the Government owned large areas of land in the West especially suited for park purposes, which could be easily converted into parks. In fact, the central idea in the beginning of park making by the Government was conservation of our forests. The first national park was the Hot Springs Park, established in 1832, and the second was Yellowstone, established 40 years afterwards, in 1872. It was many years after the establishment of these parks before the Congress began to make appropriations for their improvement as places of recreation and education of the American people.

The great demand for national parks and for beautifying those already in existence did not begin until the World War, when travel to Europe by American tourists and sight-seers was automatically stopped on account of the war. For several years preceding the war it was estimated that Americans traveling abroad for pleasure and sight-seeing expended around $300,000,000 per year in Europe alone. During the war this class of people began to travel in our own country, and they found that the scenic beauty of the United States was equal to that of any other part of the world. The result has been a great increase in the number of tourists and visitors to our national parks since the war, and an actual decrease in travel abroad. For instance, the Director of National Parks in his report for 1924 states that in 1913 the number of visitors to our national parks and monuments was 251,703, and in 1924 was 1,670,908, an increase of 563 per cent, while foreign travel of Americans in 1913 was 245,192, and in 1923 was 241,640, a decrease of 1.5 per cent. This shows that the American people are waking up to a realization of the fact that in the constellation of nations we are not only at the top of the list in agriculture, commerce, finance, and manufactures, but that our mountains, our forests, our streams, our geysers, our caverns, our cascades, our falls, our pinnacles, our lakes, and our sky-lines are as wonderful in their beauty and as sublime in their grandeur as any on the face of the earth. You remember in Jean Valjean when Hugo digressed long enough to write those grand essays on genius and nature, he says that "There could be no Alps without Jura." We could say that there could be no Rockies without Pikes Peak, no falls without the Yosemite, Great Falls and Niagara, no Alaskan range without Mount McKinley, no canyons without Grand Canyon, no trees without sequoias, no mountain lakes without the Sylvan and the Crater, no geysers without Old Faithful, no boiling springs without Hot Springs, and no mountain roads without The Needles.

Our American tourists and travelers have been pouring gold into the lap of Europe for many years in an effort to gratify that universal instinct of love of the beauties of nature. Now that we have made it possible and preferable to indulge this pleasurable passion in the wonderlands of our own country, we should in turn invite our European friends to come over and take luncheon around the hearthstone of American nature under the great blue cloth which she has spread over our mountains in full view of the beautiful green carpet covering the peaceful valleys alongside. I am sure that Virginia will be glad to join in this invitation with the hope that by the time the season is open the proposed Shenandoah Park will be numbered among the national parks of the country. If Virginia did not have a suitable location and site for a park, we could not hope for this good fortune, but the fact is that the proposed Shenandoah National Park meets all the requirements laid down by Secretary Work and the Southern Appalachian National Park Committee. These requirements are:

1. Mountain scenery with inspiring perspectives and delightful details.

2. Areas sufficiently extensive and adaptable so that annually millions of visitors might enjoy the benefits of outdoor life and communion with nature without the confusion of overcrowding

3. A substantial part to contain forests, shrubs, and flowers, and mountain streams with picturesque cascades and waterfalls overhung with foliage, all untouched by the hand of man.

4. Abundant springs and streams available for camps and fishing.

5. Opportunities for protecting and developing the wild life of the area and the whole to be a natural museum, preserving outstanding features of the southern Appalachians as they appeared in the early pioneer days.

6. Accessibility by rail and road.

Secretary Work, in his report addressed to the gentleman from Oregon [Mr. SINNOTT], chairman of the Committee on the Public Lands, and dated January 26, 1925, after referring to the site of the proposed Shenandoah National Park as the first choice of the committee, says:

The site in the Blue Ridge Mountains selected by the committee is within a three-hour ride of the National Capital and readily accessible to a population of 40,000,000 people. Its scenic qualities fully measure up to national-park standards, and it lies in a region rich in associations with the early history of our country and particularly of the Revolutionary and Civil War periods.

Again in that report the committee, with the approval of the Secretary of the Interior, refers to the Blue Ridge Mountains of Virginia as the "outstanding and logical place for the creation of the first national park in the southern Appalachians."

Giving some of the facts upon which the committee based its opinion in the selection of the proposed Shenandoah region as first choice, the report says:

It has many canyons and gorges, with beautiful cascading streams. It has some splendid primeval forests, and the opportunity is there to develop an animal refuge of national importance. Along with the whole southern Appalachians, this area is full of historic interest, the mountains looking down on valleys with their many battle fields of Revolutionary and Civil War periods, and the birthplaces of many of the Presidents of the United States. Within easy access are the famous caverns of the Shenandoah Valley.

The greatest single feature, however, is a possible skyline drive along the mountain top following a continuous ridge and looking down westerly on the Shenandoah Valley from 2,500 to 3,500 feet below, and also commanding a view of the Piedmont plain stretching easterly to the Washington Monument, which landmark of our National Capital may be seen on a clear day. Few scenic drives in the world could surpass it.

We therefore recommend the creation of a national park in the part of the Blue Ridge Mountains of Virginia above described and shown approximately on the accompanying map.

We have not attempted to estimate the cost of acquiring this area as we are not sure that it falls within the scope of our committee's work. We suggest, however, that a spirit of constructive cooperation on the part of the State of Virginia and among some of the large landowners of this region with whom we have been in touch promises reasonable prices and perhaps a number of donations.

The gentleman from Pennsylvania [Mr. TEMPLE], who was chairman of this committee, made a beautiful and historical contribution to the subject in his statement before the Committee on the Public Lands when he said:

Within the boundaries indicated there are features that I will venture to say are little known even to Virginians who live near by, for we learned that the men who went with our committee were as much surprised at the principal features in that tract as the members of the committee were.

Mr. SMITH. How did you travel—on horseback?

Mr. TEMPLE. On horseback and on foot.

Mr. THOMAS. Did it do you any harm to travel on foot?

Mr. TEMPLE. It did us a great deal of good. When I was in there with Colonel Smith we spent about a week going on horseback to places inaccessible to wheeled vehicles. In some places, however, there are roads that cross the tract; the proposed Lee Highway crosses about one-third the way south from the northern tip and the old Spottswood Trail crosses about one-third of the way north from the southern end. Governor Spottswood, of Virginia, in 1716 organized a group of men around the Virginia court, if we may call it that, to go exploring in that section. They followed an old Indian trail; they shod their horses for that purpose, we are told, which was not common in Virginia in those days. They reached a point on the Blue Ridge from which they could see down into the Shenandoah Valley. At that point a monument has been built recently. Governor Spottswood and his companions went on down into the valley and took possession of it in the name of King George. He gave the name Euphrates to the river now known as the Shenandoah, and buried a bottle in the valley with a paper in it taking possession of the valley of the Euphrates in the name of King George. That was something over 200 years ago.

The historical interest as well as the scenic beauty of this park will be very great. There are many historical battle fields in the Shenandoah Valley; the residences of men who were not only great Virginians but great Americans are within easy distance of the park itself. The great caverns at Luray and elsewhere in the valley, while not included within the boundaries of the park, are easily accessible.

The statement of Col. Glenn S. Smith, chief engineer, United States Topographic Service, is not only important in its portrayal of the scenic beauty of the area where the proposed park is to be located, but is a most valuable suggestion to the people of Virginia of the great financial as well as social bene-

fits which will follow in the wake of the establishment of this park to the whole State. I quote from his statement as follows:

The location of this park, being as it is practically halfway between Canada and the Gulf and only a few hundred miles from the Atlantic Ocean, lies in the midst of 40,000,000 of people that are accessible to that area, within a day's ride on the train or within two days' ride in automobiles, so one of the greatest problems facing the park located in the Blue Ridge will be the one of taking care of the people. There is probably no park anywhere in the United States that would have such a large number of people living in the immediate vicinity to take advantage of the park. In fact, it would be, you might say, a great municipal park, capable of being developed like one of our great parks in the neighborhood of the large cities; for instance, like the Interstate Park, of which Major Welch is the chief engineer, in the vicinity of New York.

This park, I would like to say, has all the features that we find anywhere in the Blue Ridge in a very small area. It has mountain peaks; we call them peaks; they rise on the East from an elevation of about 600 feet up to 4,000 or 4,200 feet, which is the highest, and on the west side, from about 1,000 feet, so it gives a relief of about 3,200 feet; from 3,000 to 3,500 feet. * * *

The waterfalls and cascades number hundreds, and there are beautiful cascades; they do not compare with some of the cascades on the west coast and in the Rockies, but they run for several miles, falls running from 20 to 100 feet; not short falls, but cascades.

Colonel Smith also refers to the trout streams in that section of the Blue Ridge Mountains whose mileage aggregates around five or six hundred miles, and he says:

They are trout streams with trout in them, which would give fishing, under certain restrictions, in the park in the fishing season.

The most exacting could not wish for better evidence of the fitness of the proposed site, containing about 430,000 acres, for a great national park in this section of the Nation, and Virginians are gratified to know that the Secretary of the Interior and the distinguished committee appointed by him have awarded the first choice to the "Mother of States." This is a compliment which we prize most highly. While we are well aware of the fact that no consideration was given to the question of the genealogy of the States, I venture to believe that it might not be considered unbecoming in me to refer to the pride which the mother State takes in her offspring. A bit of the history of her motherhood might be interesting.

When Sir Walter Raleigh sent his first expedition to the New World in 1584, there were two small ships, one under the command of Capt. Philip Amidas, and the other commanded by Capt. Arthur Barlow. They landed in July of that year at Roanoke Island, now a part of North Carolina. While exploring the neighboring country they met with the Indians, and inquired of them the name of the country. The Indians informed them that its name was Wingandacon—the word meaning "What pretty clothes you wear." When the expedition returned to England, Queen Elizabeth summoned Captain Amidas and Captain Barlow to the royal palace for a report. During the conversation with the Queen she was told that the name of the new country was Wingandacon. At this, however, the Queen demurred and immediately informed the two captains that she christened it then and there Virginia, in honor of herself. For many years afterwards all the region in America claimed by England was known as Virginia.

Capt. John Smith, in the history of his travels, devotes a chapter to "The sixth voyage, 1606, to another part of Virginia," in which he gives the boundaries of Virginia as follows:

But this Virginia is a country in America between the degrees of 34 and 45 of north latitude. The bounds thereof on the east side are the great ocean; on the south lyeth Florida; on the north Nova Francia; as for the west thereof the limits are unknown.

These boundaries are verified in the preamble of the charter of James I, executed in 1606, making grants to the London Co. and the Plymouth Co., in the following language:

To make habitation, plantation, and to deduce a colony of our people into that part of America commonly called Virginia, situate, lying, and being all along the sea coasts between 4° and 30° northerly latitude from the equinoctial line and 5° and 40° of the same latitude.

Virginia takes delight in the fact that she has so many beautiful daughters and granddaughters carved out of this great area south of the Canadian border, all the way down the Atlantic coast to and including parts of South Carolina and Georgia; and when the Shenandoah National Park is established the old mother State will be expecting all of them to pay her a visit to view the "divine sculpture and architecture" of this twentieth national university of nature, where, in the words of the great dramatist, they will find "tongues in trees, books in the running brooks, sermons in stones, and good in everything." [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield one minute to the gentleman from North Carolina [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman and gentlemen of the committee, I do not rise for the purpose of discussing great matters of state, but to extend to the House an invitation to eat some of the famous North Carolina Smyrna Bay oysters, beginning at noon in the House restaurant below, on Monday, February 22. These oysters are furnished to me through the courtesy of a constituent of mine, Mr. J. E. Woodland, of Morehead City, N. C. They will be served in the restaurant of the House, beginning at noon. The Speaker, the Members of the House, the House officers, and members of the press are all invited. [Applause.]

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. SUMMERS].

Mr. SUMMERS of Washington. Mr. Chairman, no nation ever became rich and great and powerful by swapping dollars with itself. [Applause.]

In all of these America is the premier Nation of the world to-day, but America can not long maintain her supremacy without a merchant marine.

Many years ago, when I first entered several European ports, I was surprised and humiliated to find there passenger and cargo vessels floating all flags except the Stars and Stripes.

My desire to see the American flag on the seven seas has never waned. It is then with no inconsiderable interest that I present a brief statement of the American Emergency Fleet as we find it to-day. My remarks, of course, do not include privately owned American vessels sailing now under the American flag.

Two hundred and ninety-three cargo ships, 24 passenger, and 21 tankers, a total of 338 ships, were operated by the United States Emergency Fleet Corporation in 1924.

In 1925 there were 299 cargo, or freight, vessels operated, 20 passenger, and 14 tankers, or oil carrying vessels—a total of 333.

The 20 passenger vessels operate from Seattle to the Orient and from New York to the British Isles and north Europe.

The freight vessels go to all parts of the world, as the following table will indicate:

To—

Northern Europe	69
United Kingdom and Ireland	60
Japan, China, and the Philippines	44
South America	30
Africa	14
Southern Europe and Mediterranean	13
Australia and New Zealand	11
Scandinavian and Baltic	8
West Indies	2

During the fiscal year of 1924 the total operating revenue amounted to $103,625,416.83. The expenses were $141,046,661.33.

During 1925 the revenue from ships was $100,460,150.07. The expenses were $128,319,166.18.

On December 31, 1925, there were 800 steel cargo ships tied up. This included 186 ships sold to the Ford Co. but not yet delivered. This laid-up fleet is in the harbors of New York, Philadelphia, Norfolk, Mobile, New Orleans, Orange (Tex.), San Francisco, Portland (Oreg.), and Seattle.

On the average two caretakers are assigned to each ship. In 1925 it cost $2,848,633.30 to maintain these laid-up vessels.

During the fiscal year 1925 a total of 58 ships were sold. Since July 1, 1925, the Fleet Corporation has sold American private owners—the American Export Line, 18 ships; the Pan America Line, 4 ships; the South Africa Line, 5 ships; the Pacific-Argentine-Brazil Line, 6 ships; and 2 to W. R. Grace Co. and 68 to other private owners.

As you know, the American merchant marine is what we have left over from ships built during the war. The United States Lines are operated under the supervision of the Fleet Corporation, which itself is under the general supervision of the United States Shipping Board. The shipping policy of the United States is very well defined in a recent letter from the Shipping Board to importers, exporters, and shippers:

The merchant marine act defines the shipping policy of the United States to be the doing of whatever may be necessary to develop American vessels sufficient to carry the greater portion of our commerce. The United States Shipping Board was directed by the Congress to establish strategic trade routes and to operate such vessels on steamship lines as in its judgment are desirable for the promotion, development, expansion, and maintenance of the foreign trade, with a view to furnishing adequate, regular, certain, and permanent service. Such lines in permanent service have been established and are in efficient operation. Due to limited appropriations, however, the full program

of carrying a major portion of American commerce in American ships can not be accomplished for the present, nor could it be done at all without the fullest cooperation of you and other American shippers.

The Shipping Board operates no vessels in the coastwise trade and it operates no vessels in the foreign trade in competition with privately owned American vessels. Excluding the West Indies services and certain industrial carriers, of the three hundred and odd vessels now engaged in overseas foreign trade under the American flag, only 26 are privately owned and more than 275 are operated by the Government under the direction of the Shipping Board. It having proven impossible to transfer the vessels to private American capital under present world conditions, the situation is this: Government operation or no operation at all under the American flag.

Transportation charges, when domestic, can be regulated by Congress through Government agency. Discriminatory charges against American commerce on the ocean can be prevented only by the operation of ships under the flag of the Nation, therefore but for these vessels the American importers and exporters would be without voice in the determination of ocean freight charges that insure protection to those elements in our industrial life from the farmer to the consumer.

The Shipping Board does not operate in competition with privately owned American-flag lines. As soon as the Shipping Board finds that the American-flag owners are properly protecting the routes they take their vessels off. It is the policy of the Government not to run in competition with American-flag vessels. When they are assured that the trade is taken care of they will withdraw.

Testimony before our committee indicates that prior to the establishment of the United States lines freight often wandered over the seas under foreign flags and was long delayed in reaching its destination, thus hindering American commerce.

Freight now goes direct from New York to South American ports in about 24 days, whereas under foreign flags it sometimes went first to Europe and then back to South America.

In an unusually instructive address on January 29 our colleague, WILLIAM E. HULL, in speaking of South American trade, said:

> The merchant marine now established by the United States is the most important of all. You can now write a letter to the United States from Buenos Aires with an order and have the goods at the store door in 44 days, and before three to four and sometimes six months was necessary to make the delivery. Quick mail delivery, quick service in the transportation of United States products, and reliable guaranteed goods will gradually win the South American and make him our friend and customer. Whatever may happen, we should never allow our boats now going to South America to be sold to irresponsible people, and when they are sold we should in some way subsidize them, so that they may not be run off the seas by the competition of our rivals.

I have been informed by a wheat exporter of my State of Washington that the ability to promptly secure a United States cargo vessel has often furnished a prompt market at top prices for American export wheat. Had such vessels not been available, then the farmer would have been in the grip of his competitor.

It is interesting to note that 921,325 tons of wheat and 523,641 tons of flour were exported in American bottoms in 1925. Logs and lumber topped the list of exports, wheat followed, then petroleum, then raw cotton.

I shall insert a table giving all commodities in detail:

Principal commodities carried by United States Shipping Board during fiscal year 1925 (in cargo tons of 2,240 pounds)

[From Bureau of Research Report No. 275]

Commodities (50,000 cargo tons or over)	Imports	Exports	Total
Vegetables and products	225,312	230,478	455,790
Coconuts and copra	81,323		81,323
Other fruits and nuts	62,753		62,753
Sugar	72,158	57,636	129,794
Coffee	188,261		188,261
Paper stock	87,617		87,617
Paper manufactures	51,114		51,114
Rubber	28,457		28,457
Petroleum, candle	217,787		217,787
Iron and steel and manufactures	174,988	87,080	262,068
Logs and lumber	68,037	1,185,900	1,253,937
Wood pulp	144,024		144,024
Dyeing and tanning material	72,335		72,335
Chemicals, not elsewhere specified	70,206		70,206
Seeds	97,536		97,536
Wheat		921,325	921,325
Rye		122,305	122,305
Barley		207,225	207,225
Wheat flour		523,641	523,641
Meat, fish, and dairy products		115,234	115,234
Tobacco and manufactures		61,782	61,782
Cotton, raw		668,838	668,838
Petroleum and products		897,478	897,478
Machinery (including agricultural)		80,180	80,180
Vehicles		82,778	82,778
Copper and manufactures		128,838	128,838
Phosphate		238,296	238,296
Naval stores		97,804	97,804
All other	854,935	670,253	1,525,198
Total, United States Shipping Board	2,496,843	6,377,081	8,873,924

Mr. Chairman, an adequate merchant marine sailing under the American flag is the best guaranty of fair prices and fair dealing in the marts of the world for the products of American farms, American factories, and American labor. But we can not maintain an American merchant marine without support of American exporters and importers.

In my opinion, a widespread campaign of education and organization in behalf of American boats should be undertaken throughout America. Our recent experience with British rubber and the following letter from a British shipper point to that necessity:

AMERICAN LINES.

DEAR SIRS: In reply to your letters of the 18th and 29th ultimo. On no consideration whatever will my customers or myself receive any goods that are shipped by other steamers than British, especially from the United States of America.

To enable us to pay the pound of flesh and blood which the United States of America demands from us we must do our best to support British ships.

Yours faithfully, WM. H. BANKIER.

The committee was also told of a large order for American automobiles on which a postscript stated they would not be accepted except in British bottoms.

I suggest that American importers and exporters paste this letter above the office desk and remember the American merchant marine.

Our merchant marine is one of our best guaranties of peace. It is indispensable in time of war. In peace times and in war it concerns every American citizen. It is the sheet anchor of American commerce, and commerce does not reside in seaports alone. It reaches into our grain fields, our cotton fields, our orchards, our mines, our forests, fisheries, and factories. It touches every man who labors, every man who produces.

A steady increase of Atlantic and Gulf ports shipping no doubt will occur. The commerce of the Pacific, and especially of Portland and Puget Sound ports, will go forward by leaps and bounds. Their strategic location several hundred miles nearer Alaska and the ever-increasing hordes of Asia guarantees their growth. We welcome to our ports the fleets and the shipping of all nations.

But the question of the future is, Shall the British merchant marine continue to master our Atlantic ports, and shall Japanese or American ships dominate the Pacific? [Applause.]

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. STRONG].

Mr. STRONG of Kansas. Mr. Chairman and gentlemen of the committee, I wish to call the attention of Members of Congress to House bill 7895, which I have introduced, proposing a brief amendment to the Federal reserve act, but an amendment which, if adopted, may have a far-reaching effect, namely, the stabilization of the price level of commodities in general.

This amendment is to section 14 of the Federal reserve act, paragraph (d). This section and paragraph provide that—

> Every Federal reserve bank shall have power * * * (d) to establish from time to time, subject to review and determination of the Federal Reserve Board, rates of discount to be charged by the Federal reserve bank for each class of paper, which shall be fixed with a view of accommodating commerce and business—

The amendment strikes out the words "and business" and adds—

> and promoting a stable price level for commodities in general—

And further adds—

> All the powers of the Federal reserve system shall be used for promoting stability in the price level.

The meaning of price level is the average of prices for commodities in general at wholesale. This average of prices is indicated by an index number, so that as the measurement takes place month after month the changes in the index number describe the changes in the height of the price level. I have here a chart showing the price level for this country since 1900. Notice how this price level went up like a skyrocket

during the World War and later came down even more rapidly, since which time it has been fluctuating up and down between 140 and 165. At the right-hand side of the chart is shown the even condition of the price level that would result from the stabilization of the general price level.

This chart is constructed from data supplied by the United States Department of Labor, which measures the price level for the use of mankind; and so does Dun's Review, and Bradstreet's Weekly, and Prof. Irving Fisher, of Yale University.

This chart presents the changes in the price level—the changes in the average of the prices for commodities in general at wholesale, in this Nation.

Stated in another form, this chart pictures the changes in the purchasing power of United States money. The Constitution provides that—

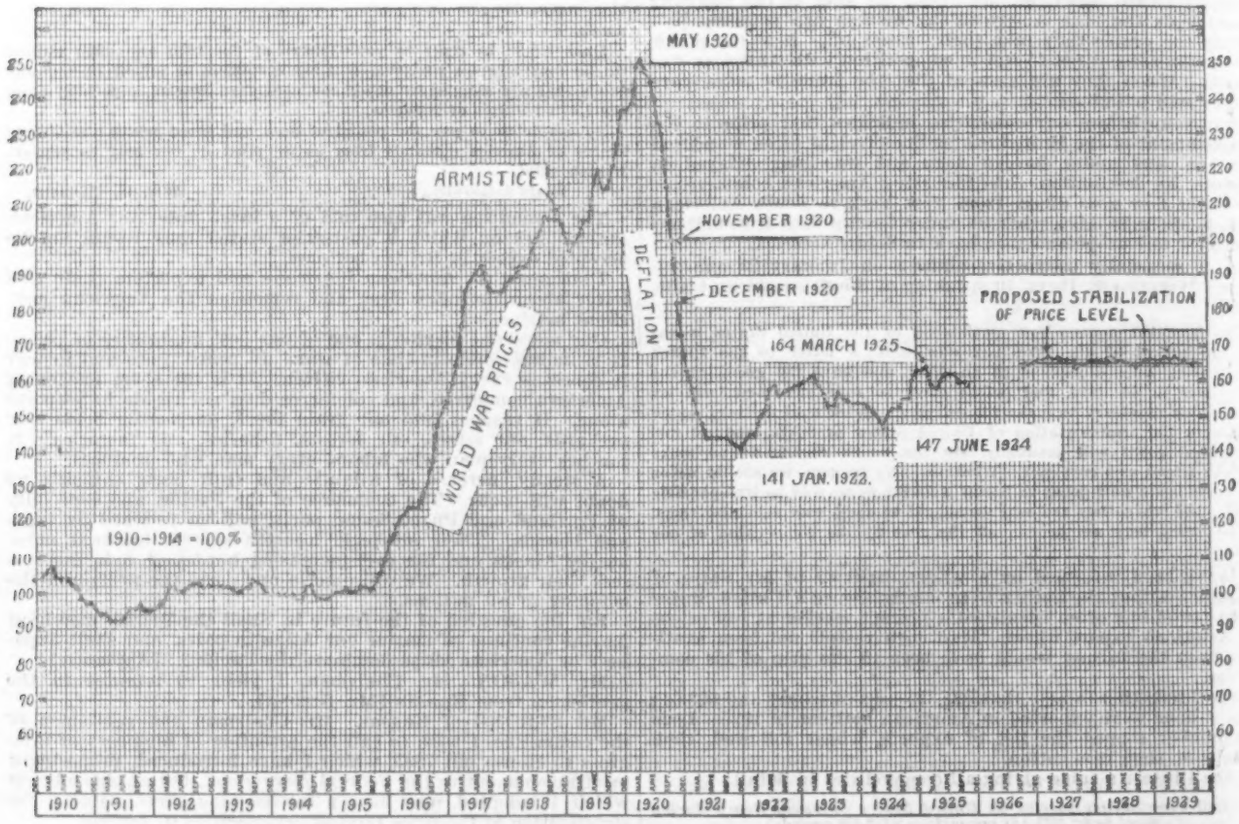
> Congress is empowered • • • to coin money and regulate the value thereof.

Now the proposal is that Congress shall instruct the members of the Government commission, the Federal Reserve Board, to use the powers of the Federal reserve system for promoting stability in the value of money—stability in the price level for commodities in general. Our yardstick has a stable number of inches and our money should be stabilized in its purchasing power. Stable money is the ideal gold standard.

This price level now stands at about 160, a drop from 251, and my bill instructs the officials in the Federal reserve system to use the powers of the system "for promoting stability in the price level." In other words, in place of the existing discretionary power in a majority of the eight commissioners on the Federal Reserve Board to bring on falling prices, they should be obliged by law to hereafter operate the great Federal reserve system to maintain stability in the index number of general prices—the price level.

I am speaking of the average of prices, the price level. This average of prices for commodities at wholesale is represented by what is termed an "index number," which accurately shows the height of the price level month after month and year after year. The chart which I am showing has for its index number a measurement each month by the Depart-

PRICE-LEVEL CHART



ment of Labor in its Bureau of Statistics, using the wholesale prices of about 300 commodities and striking an average, which is represented by the index number. These commodities fluctuate in price among themselves according to the changes in supply and demand, and at the same time another deflation would again lower the prices of practically all products at wholesale.

Furthermore, all the countries of the earth would be injuriously affected, along with the evil effects in this Nation. That is, each nation throughout the world is endeavoring to maintain a stable par of exchange in its transactions of business with other peoples, and gold prices are the standard, actually dominated by the Federal Reserve Board in this country.

My bill when adopted will promote stability in the price level. The time has come, in my judgment, when the Congress of the United States, to whom is confided the exercise of the power "to coin money" and to "regulate the value thereof," should declare for stability. Now is the opportune time in the world's history when the needed stability can be attained. We have nearly two-thirds of the world's gold and so can safely instruct for stability in the gold standard of prices.

In 1913 the Federal reserve bill of Senator Owen actually had in it a provision instructing the Federal reserve system to be so operated by its officials as to "promote stability in the price level." Furthermore, I am informed that this was written in the bill after it had been agreed to by the President and his financial advisers, but the World War was about to be fought and the time had not yet arrived for this great advance in the industrial and business world; but now the conditions are completely ripe in all directions. In addition to the essential factors for the maintaining of stability in the price level which I have mentioned are the additional elements:

First. The maintenance of the existing price level will be the most nearly just, as between debtors and creditors, taking into account the conditions as a whole.

Second. A further lowering of gold prices in this country will injure every human being in this world who is not a creditor in considerable degree; and even those large creditors are where they do not need more wealth, and they are vitally con-

cerned in making world conditions safe from the revolutionary radicalism which flares up whenever falling prices set in and unemployment increases.

Third. For now the sixth year a crisis has existed for the farming population, and one of the remedies is for Congress to instruct the Federal reserve officials to promote stability.

Why should we not seek to stabilize the general price level for the good of all, business, agriculture, and industry? Is it not time to take the money question out of politics or any special class? And at the same time develop the prosperity of all of our citizens and assist the world at large, for our Federal Reserve Board is controlling the gold price level of the entire world. Should not this gold standard of prices be a stable standard, to result in stable money and no longer be a standard that acts like a jumping jack, as is shown in the price level?

I ask the serious consideration of Members of the House to this proposition. I have asked the chairman of my Committee on Banking and Currency for a hearing on the bill I have introduced, and I have been assured that such opportunity will be given. If there is any objection to such legislation, I hope the Members will not hesitate to come to me and present their arguments. I have been for seven years a member of the Committee on Banking and Currency and have been trying to build up and strengthen our financial systems, both for agricultural and commercial interests. I do not want to do anything to weaken or impair them, but if we can, by such an amendment, stabilize the price level of commodities in general, why should we not do so? [Applause.]

Mr. WASON. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. WHEELER].

Mr. WHEELER. Mr. Chairman, in my opinion there is no greater problem before the country to-day than that which confronts us in the agricultural situation. It is so important and of such interest to so many people that it will require the most earnest, careful, and intelligent consideration on our part if we are to accomplish anything worth while in the solution of this great problem.

Every class of industry and labor has had its share of consideration and has secured such legislation as seemed best adapted to its success and development. Now, the time has come when the great number of our people engaged in the pursuit of agriculture must be considered and every measure possible advanced to bring relief to this great farming population.

Farming must, like any other business, be so conducted as to insure a fair profit for both labor and investment. Otherwise we can not expect high-class men to invest labor and money in farms. The present conditions can only result in driving from the farm the active, intelligent young men who are so soon to take up the burdens when we lay them down.

The present situation is in a large degree a result of the World War, or perhaps it is more nearly correct to say that long-existing conditions have been brought to a climax by the World War.

During the period between 1914 and 1920 the demand for food was so urgent that the larger production was secured by increased acreage. The war terminated some months earlier than had been expected; we had a large surplus of food products, but the other nations had no means with which to buy.

As a result prices on farm products began to drop early in 1920, and in some cases brought less than one-half the cost of production. The farmer not being sufficiently protected by legislation, which has provided for a protected market for the products of labor and industry, has been confronted by such serious conditions that he is at last compelled to turn to the Government for relief measures that will not only correct present conditions but give some assurance of better conditions in the future.

Agriculture must be placed on as sound a business basis as any other industry or occupation, for all industries, professions, and occupations are so related and so mutually dependent that when one fails all are affected. This is particularly true of the great business of agriculture, for upon its success the Nation depends for its food supply; and we know that a lack of food either in quantity or quality would soon effect the efficiency of our entire population.

To place agriculture on a business basis, inefficient farming methods must be overcome by study of more scientific methods of production and methods of decreasing the cost of production. The farmers are meeting this requirement by such agencies as the Farm Bureau, institutes, schools for agriculture and farm publications.

But to establish this work and make it worth while we must give earnest consideration to such measures as will bring relief now and insure future success.

Recently the House of Representatives passed the cooperative marketing bill, which is a step in the right direction. I confidently believe the Senate will pass this meritorious measure.

While for some time there seemed to be a lack of unity among our farmers as to their approval of measures most necessary to meet the present situation, there is evidence now of an increasing understanding and a mutual agreement on fundamental principles which will form a good working basis for framing practical farm-relief measures.

Personally, I regard the agricultural problem of such vital importance that I hope that Congress will not adjourn until we have passed some very necessary farm-relief legislation. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield the remainder of my time, 14 minutes, to the gentleman from Illinois [Mr. ARNOLD].

Mr. ARNOLD. Mr. Chairman, I ask unanimous consent to extend and revise my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ARNOLD. Mr. Chairman and gentlemen of the committee, I desire to take the short time allotted to me to-day in this debate to again call attention to some of the conditions existing in the agricultural sections of this country. Coming as I do from a great agricultural State, of course my mind and thoughts are directly interested in that subject. I think the agricultural situation, the consideration of agricultural problems, transcend in importance any legislation that has been before the Congress or that may be brought before the Congress. We have heard a great deal of talk about tax reduction and economy. Of course, we are all in favor of economy, and we all join heartily in tax reduction. I am glad to see by the morning's paper that the conferees of the House and the Senate have gotten together and have ironed out the differences in the bill as it passed the House and Senate. There is no question now but that the people will have the reduction afforded them by the present tax measure, and that that reduction will be available to the income-tax payers for the 1925 incomes. It seems to me that we should now turn our attention to the consideration of the agricultural situation and give the farmers of the country remedial relief.

I do not desire to dwell at length upon the unfortunate plight of agriculture at this time. I would prefer to talk about more pleasant things, and I would not refer to it at all did I not think it might aid in some small measure in speeding up some remedial relief.

There are some forty millions of people directly engaged in agriculture in this country, and all are more or less dependent on agriculture for food and clothing. It is important for the well-being of the people of this country to have the equilibrium between agriculture and industry restored, if that is possible. Certainly we can at least partially aid in bringing about a better equality and we owe it to the country to put forth our best efforts along this line.

The security and independence of the Nation depends upon a well-balanced equilibrium between the food-producing public and our various commercial and industrial activities. Other industrial and commercial activities may prosper temporarily with an unhealthy agriculture, but their prosperity can not be sustained and permanent in the absence of a healthy, prosperous agriculture. Unfortunately, the scales are out of balance at the present time, and we are being transformed from an agricultural into a commercial Nation, at the expense of agriculture, at a pace all to rapid for the well-being of the American people.

Ours was a virgin soil, fertile and seemingly inexhaustible, when our forefathers first trod upon it. It is the foundation of our great economic superstructure. From it has sprung our mills, factories, cities, and our vast national wealth. Our unprecedented rise in the field of commercialism, our enviable commercial position among the nations of the world, is directly traceable to our vast food supply obtained at most reasonable prices. It is the foundation upon which the greatness and grandeur of America is builded. Unfortunately, we have attained this exalted position in the business and commercial world largely at the expense of a depleted soil fertility, and as a result thereof great farms that were once ancestral homesteads, teeming with life and action, are now lying idle and abandoned. Vast acres that once gave forth bountiful harvests, by reason of our policy of robbing the soil of its fertility, no longer respond to efforts of their possessors by producing sufficiently to repay costs of operations, and are gradually, by force of necessity, being thrown into the discard of neglected and abandoned areas.

But a few years ago about two-thirds of our population were engaged in tilling the soil and kindred pursuits. Now about one-third are so engaged. But a few years ago less than one-

quarter of our entire population was urban. The census of 1920 discloses that more than one-half reside in the cities and towns, and are engaged in commercial and industrial pursuits, and the movement from the country to the cities has been greatly accelerated during the past five years.

What has brought about this change and when will this exodus from rural communities to urban centers cease? It is not entirely economic. It is due in large part to special legislation enacted in the interest of industrial and commercial activities. During the colonial period and in the early days of the Republic, our manufactured articles came largely from abroad. Our forefathers, with wise acumen, clearly saw that the establishment of a well-balanced relation between agriculture and commercial industry was necessary for a self-sustaining, independent people and with that end in view fostered and developed commercial industry by staying the inroads of destructive foreign competition by well-established commercial industries of the Old World with our newborn industries to enable our infant industries to thrive and prosper free from the demoralizing effects of foreign competition. This was the inception of our tariff system in this country. Wise and beneficent in its origin, purposes, and early administration, its beneficiaries, having tasted the fruits of special privilege and possessing an insatiate desire for undue advantage, have been knocking at the door of Congresses from time to time for a fuller measure of that special privilege, although these infant industries have long since outgrown their swaddling clothes and have become great, powerful combinations of trade and capital successfully competing in the markets of the world. They usually got what they demanded, and not content with a fair tariff the acme of special privilege was granted them at their behest through the enactment of the so-called Fordney-McCumber tariff law now in effect.

Our national Congress has gone entirely too far in voting special privileges to the commercial and industrial classes of the people, and as a result thereof a great disparity has arisen between agriculture and these other interests. This must be corrected. We have by this system put props under highly protected interests in the nature of special-privilege enactments, and they have come to look upon special privilege in their behalf as a governmental function, and that the Government is not functioning properly unless it continues from year to year to put them up a little higher on the stilts of special privilege, while at the same time agriculture is left to trudge along as best it can without similar assistance.

Agriculture can not keep pace with commercial industry under such unequal handicaps, and as a result we are fast being transformed into a commercial, industrial Nation at the expense of our real basic industry, agriculture. These commercial industries tell us they can not prosper without the tariff subsidy. It would seem that a business that can not subsist without a governmental subsidy and that must be propped up by special privilege is indeed on an unstable foundation. But these same interests, when it is proposed to give agriculture some equivalent special consideration, cry loud and long. If we do not tear down the high tariff wall which props up their economic structure, and that would be the logical, conservative, and efficient thing to do in the interest of agriculture, then fairness and justice demand that we enact some special legislation in the interest of agriculture that will at least have a tendency to put props under agriculture raising it somewhat to a parity with the special benefits accruing to commercial industry through the operation of the present high tariff.

As we produce much more of agricultural commodities than we consume in this country and have an exportable surplus in all basic farm commodities, it is clear that a direct tariff will not operate in the interest of agriculture, so some plan must be devised that will give the farmer similar advantages if present tariff schedules are to stand. If every interest is given an equal amount of special privilege, of course, they are but little better off in the end than if none were given, and in a much less stable position, but fairness and justice demands that we do not legislate in the interest of some classes at the expense of others and that all should receive our consideration alike.

The policy of a protective tariff seems to be firmly entrenched in our economic structure. At any rate, under the present administration and those in control of the policies of the Government at this time, they are so imbued and saturated with the idea of high protection that it is impossible for this Congress to give the farmers the real conservative, substantial relief that they are entitled to by way of tariff reduction.

It matters but little to the farmer what price he gets for his products in dollars and cents. It is the exchange value of his products that concerns him, the purchasing power of his dollar. I want to call your attention to the purchasing power of the farmer's dollar; that is, the exchange value of his dollar for the things he must buy, as given to us by the Department of Agriculture beginning with the year 1890:

	Cents
1890	83
1891	89
1892	87
1893	87
1894	85
1895	85
1896	81
1897	86
1898	88
1899	83
1900	86
1901	92
1902	95
1903	88
1904	93
1905	90
1906	88
1907	90
1908	93
1909	100
1910	96
1911	97
1912	101
1913	100
1914	105
1915	103
1916	97
1917	107
1918	112
1919	112
1920	96
1921	84
1922	89
1923	61.3
1924	62.4
1925	60.3

You will observe that the Fordney-McCumber tariff law went into effect on the 3d of November, 1922, and from that time on the purchasing power of the farmer's dollar has been gradually declining, until now it is at the lowest ebb it has been for 35 years. It is also interesting to note that under the Underwood tariff law, which went into effect October 3, 1913, the purchasing price of the farmer's dollar was higher than it has ever been. Of course war conditions had something to do with the prices prevailing at that time, but the stubborn fact remains that the purchasing power of the farmer's dollar under a more moderate tariff law was more than it is under the present high tariff law and that under the present high tariff law the purchasing power of the farmer's dollar has been gradually declining from year to year.

It is a significant fact, and it controverts all claims that agriculture is benefited by a high protective tariff. We hear a great deal of talk, and the newspapers are broadcasting the statement that this country is in a more prosperous condition than ever before. Of course when we go out to find where this prosperity is we are unable to lay our hands on it. It is a little farther on, a will-o'-the-wisp, but that does not seem to deter the spread of propaganda that we are enjoying unprecedented prosperity. It certainly does not exist in agricultural sections.

Every farm with its equipment is in effect a small factory, producing its products and putting them out in the markets the same as a factory in industrial centers. When factory flues cease to belch forth clouds of smoke indicating activity within, great lamentation is heard, and it is heralded throughout the press of the country that adversity and hard times are upon us, but no note seems to be taken of the fact that broad acres are lying idle and farms abandoned and vast areas heretofore improved and valuable, evidencing a prosperity of bygone days, have reverted to a state of nature where straggly oaks, shrubs, and pines abound, valueless and deserted.

Unless agriculture is placed on something near a parity with industry, whereby the farm can be kept up to a state of productivity and sufficient earnings to replace depletion, the time is coming not many years hence when the matter will be most serious indeed. To make America bloom into her fullest greatness we must have a well-balanced development between agriculture and industry, and our legislation must be directed to that end and not alone in the interest of a commercialism that makes our economic life top-heavy.

The farms are being robbed of their man power by the attractive wages paid in industrial centers, which act as a magnet drawing to the industrial centers tenants and farm laborers as well as the unfortunate landowner who has been unable to stem the tide of adversity. The farmer can not at prevailing prices for his commodities, excessive freight rates, and mounting taxes compete with industrial centers in the payment of the scale of wages there paid and where shorter hours and more attractive working conditions are found; hence this migration from the country to the city. Unless checked there is

an impending crash coming sooner or later, and we should avert this crisis if within our power.

Exorbitant freight rates seriously mitigate against the farmer's chances of success and make it most difficult, if not quite impossible, in many instances for him to procure limestone and fertilizer so necessary for upbuilding and maintaining the fertility of his soil at a price within his reach. These things, coupled with an ever-increasing burden of local and State taxation, mounting higher and higher year after year, is it any wonder he is dissatisfied with the present order of things and asking for some measure of relief that will in some manner ward off approaching financial disaster.

Some of our friends here tell us that the present tariff law is a benefit to the farmer. They do not consider net results, and it is net results that count. The American Farm Bureau Federation estimates that the gross cost to the farmer by way of added costs of the things he must necessarily purchase is $426,000,000; that the estimated gains to the farmer by its operation is $125,000,000. This is a net loss of $301,000,000 per year. In other words, for every dollar he gains it costs him $4. For every added dollar the farmer gets the manufacturer gets from six to eight dollars more, and the Fair Tariff League, indorsed by many leaders of farm organizations, including the National Grange, Farm Bureau Federation, and Farmers' Union, in a statistical summary of 10 leading farm States, estimates the present tariff act costs the farmers of those States $15 by way of added costs of their purchases for every dollar they gain by the operation of the tariff.

Certainly these figures show and prove conclusively that the farmer is being deceived and mulcted by this so-called beneficial tariff.

I have been pleased to see some Members of this House who have heretofore been high-tariff advocates rise on this floor and denounce the present high protective-tariff rates. They realize that a high protective tariff does not raise the price of an article where there is an exportable surplus of the article. They realize now, as many of us have realized for some time, that where we have an exportable surplus of agricultural commodities and where that surplus is thrown upon the foreign markets controlled by world production that a protective tariff does not benefit the farmer in the price of such commodities. The world price not only affects and governs the price of the exportable surplus but it likewise establishes a price for that portion of such products as are sold in the home markets for domestic consumption. The price of wheat in Liverpool controls the price in Chicago and Minneapolis.

Thus we have the farmer in the anomalous position of the prices of his products being controlled by world markets and the necessity of his paying prices for the things he uses on his farm artificially created under the Fordney-McCumber Tariff Act. That places him under an economic handicap, and no advice nor good counsel that the Government could give him under the cooperative marketing bill passed by this House a few days ago can serve to remove that handicap or place him on a parity with the protected industries.

The Legislature of the State of Illinois, in its last biennial session, by a resolution adopted by both bodies, to which I have heretofore called the attention of the Congress from this floor, called attention to the depreciation in prices of the farmers' products in comparison with those of other industries because of the emergency tariff, the Fordney-McCumber tariff, the immigration act, and the Esch-Cummins law, whereby the domestic prices of such products was raised 40 per cent above that of the world markets. Again the Corn Belt committee and the executive committee of the American Council of Agriculture, in conference at their session held at Des Moines, Iowa, December 21 and 22, 1925, speaking for the united farm organizations of the Middle West, representing as they claim not less than a million farmers, say, among other things, in a resolution there adopted, and especially in reply to the reference of President Coolidge in his speech before the American Farm Bureau Federation at Chicago, wherein he said that the existing Fordney-McCumber tariff act is of "great benefit to agriculture as a whole":

> We do not concede that the existing Fordney-McCumber Act is "of great benefit to agriculture as a whole." On the contrary, the staggering burdens imposed upon the consumers of the country through this act fall as heavily upon the farmer as upon any other class—on the one hand, the farmer pays his full share of the heavy tariff tribute upon practically everything he buys, while on the other hand the price of his great surplus commodities is fixed in the world markets. The living standard of organized industry and labor is the highest and most generous any nation has ever known, while the living standard of the farmer is rapidly becoming that of the world farmer. And, therefore, what virtue has the boasted home market? At this hour this home market is offering the Corn Belt farmer 55 cents and 60 cents per bushel for his corn, when it cost him more than twice this much to produce it. Also we hope we will be pardoned for our skepticism when we refuse to become elated over reference to certain articles that are on the free list, such as farm machinery, binder twine, etc., in which lines our American manufacturers dominate the world markets and therefore control the domestic price.
>
> If the existing tariff is such a boon to agriculture, then how can the fact be explained that, although this tariff has been in operation for five years, agriculture is at this hour staggering on the brink of complete collapse? With all due respect to the President we desire to say that the farmers of this country know the source of their difficulties—they know that on the one hand they are carrying the heavy burdens of the protective system and sustaining the generous wage scales of organized labor, while on the other hand they are meeting world competition which industry and labor refuse to meet; and in these premises we demand of the Sixty-ninth Congress that it enact legislation that will assure the same degree of equality for agriculture that industry and labor have so uncompromisingly demanded and received for themselves. If it is not unsound to fix prices on steel, textiles, and other similar commodities by protective legislation, then why is it unsound to fix them for agriculture by the same process? If it was not unsound to vouchsafe the Adamson law to organized labor, then why be so horrified at specific legislation for the Nation's great basic industry? If it was wise on the part of Congress to stabilize our banking system through the Federal reserve act and our transportation system through the Esch-Cummins Act, then why not indulge the same solicitude for the 40,000,000 people who live upon the farm and whose purchasing power is so vital to our myriad mills and factories?
>
> Finally on this score we desire to say to Congress that the time has come when it must choose between one of two alternatives—if industry insists that it can not exist without the tariff, then Congress must take agriculture in on the deal. And failing to do this, it should not blame the farmers of the United States if they invoke the principle that self-preservation is the first law, and if thus they should declare open war upon the protective system. And in saying this we will not forget the real friends of agriculture in Congress in the days to come.
>
> In this connection we desire to remind the farmers of the South that the time has come when corn, wheat, cotton, livestock, and tobacco should make common cause and when we should fight our battles side by side. We do not ask for special privilege or subsidies—we ask only that Congress shall assure to the farmer a dollar of the same purchasing power as the dollar it has so freely granted to industry and labor.
>
> And verily the man or set of men who deny this heartfelt plea of agriculture assume a frightful responsibility. Already hundreds of thousands of farmers have been sold out by the sheriff, while many thousands of others will suffer a similar fate before relief can possibly come. Already more than 2,000 rural banks have been forced to close their doors, while the shadow of insolvency is hovering over hundreds of other banks which only a little while ago were the pride of their communities. Therefore, let those who by plausible pretext seek to minimize the troubles of the farmer pause before it is too late—let them have a care lest their attitude not only assure the final and complete collapse of agriculture but also a condition of affairs which in the not distant future will bring distress to every great industrial center.

I am one of those who believe that we should go right to the heart of the difficulties confronting agriculture and root out the evil, and not try to handle the situation by antidotes which do not go to the seat of the trouble. It seems to me from what we have heard on the floor of this House, from the advice and counsel that has been given to us by the men who have made a study of the situation, and by men who are well versed in the agricultural situation to-day, that we should strike at the heart of the farmer's difficulties, at the seat of the thing that handicaps him most, and do something to reduce the present high existing tariff rates. [Applause on the Democratic side.]

Mr. WYANT. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. WYANT. Is not the principal difficulty now, and has it not been, the inability of the people representing the farm blocs to agree on what they want?

Mr. ARNOLD. They do not entirely agree on what they want, for the reason largely that some of you gentlemen on the Republican side are inclined to go along with your party and are blinded by party fealty in your advocacy of the high protective tariff.

Mr. WYANT. Will the gentleman support the Dickinson bill?

Mr. ARNOLD. I will support a bill of some character along the lines of the Dickinson bill. I do not know whether or not that bill in its present form will meet my entire approval; but if you gentlemen are not willing to strike at the heart of the evil, if you are not willing to permit this Congress to reduce these high protective duties that affect adversely the American farmer, then I am willing to join with any members or any group in this House and help write upon the statute books some legislation that will give agriculture at least as favorable consideration through special legislation as the protected interests of the country get now under the Fordney-McCumber tariff bill. [Applause on the Democratic side.]

Mr. WYANT. The gentleman seems to be well versed in the agricultural problems, and he insists that we get to the heart of the difficulty. I would like to have the gentleman state to this committee what legislation he desires and what he wants this side of the House to vote for.

Mr. ARNOLD. Well, here is legislation that I desire. I want the tariff wall torn down in so far as the rates affect adversely the things the farmer has to buy for use on his farm. [Applause.] I can not give the gentleman a schedule of rates which I would place in that bill from the floor at this time. That is a question that would require thought, consideration, and deliberation.

Mr. COLE. Will the gentleman yield?

Mr. ARNOLD. I will.

Mr. COLE. Would the gentleman be willing to take off the duty on butter, corn, and wheat and agricultural products, eggs——

Mr. ARNOLD. I am in favor, gentlemen, of reducing the tariff on everything that adversely affects the farmer. I am not a believer in free trade, and never have been a believer in free trade.

Mr. COLE. On what would the gentleman reduce it?

Mr. ARNOLD. I am a believer in reducing the rates down to a fair competitive basis.

Mr. COLE. Will the gentleman then point out one thing, name one article upon which the gentleman would want to be given this tariff reduction?

Mr. ARNOLD. The gentleman wants me to go into the details of writing a tariff bill now. That would require more time than I have at my disposal to-day.

Mr. SUMMERS of Washington. The gentleman said he would tear down the wall. Would he tear down the whole wall or simply in pieces and make gaps?

Mr. ARNOLD. I would tear down the wall in some places—make it lower in other places.

Mr. SUMMERS of Washington. What places?

Mr. ARNOLD. In every place where it affects adversely the agricultural interests.

Mr. ROMJUE. I will suggest to the gentleman who inquired a minute ago to name some particular article in the tariff schedule which ought to be reduced—I will name for the gentleman's information specifically the things the farmer has to buy and is now burdened by a high protective tariff, and among them are steel, wire, aluminum, for instance.

Mr. ARNOLD. Of course, we know that.

They tell us agricultural implements are on the free list, and therefore the farmer does not pay added cost in his purchase of agricultural implements, but they fail to tell us at the same time that the things that go into the manufacture of agricultural implements are highly protected. [Applause.] So the American farmer does pay added cost for his agricultural implements on account of a tariff on things which go to make up the manufactured products, although the finished product may be on the free list.

Mr. WOOD. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. WOOD. Will the gentleman mention one thing he would have the tariff taken off of to help the farmer?

Mr. ARNOLD. Well, I just finished saying——

Mr. ROMJUE. Aluminum.

Mr. WOOD. Does the gentleman know that there is not a pound of steel that goes into the manufacture of a single thing used by the farmer that is protected?

Mr. OLDFIELD. What about baling wire and fence wire? They are on the dutiable list and it takes steel to make it.

Mr. WOOD. Does not the gentleman know that we put even churns and creamery separators upon the free list?

Mr. ARNOLD. You put the finished product on the free list and that is just as far as you go.

Mr. BROWNING. The Democratic tariff of 1913 put all of those on the free list, and they did not have nerve enough to take them out; they did not put them there at all.

Mr. ARNOLD. That is true. I want to call attention to this fact. You claim that the present Fordney-McCumber Tariff Act was enacted in the interest of the American farmer. Oh, the agricultural slump, which came in 1920, that was due largely to the curtailment of credits; when that slump came to the agricultural interests you said that we must have a tariff to save the American farmer. You passed the emergency tariff law, and yet the farmer did not benefit by that. His condition continued to grow worse. Following that you placed upon the statute books the Fordney-McCumber tariff law, and what is the result? The purchasing power of the farmer's dollar has been declining from year to year, and to-day, gentlemen, the purchasing power of the farmer's dollar is at a lower ebb under the Fordney-McCumber tariff bill than it has ever been in the last 35 years.

Mr. WOOD. Will the gentleman yield?

Mr. ARNOLD. I only have a short time allotted to me in this debate, and I can not yield any further.

Now, a few days ago we passed in this body the cooperative marketing bill. The cooperative marketing bill, I think, will be of some benefit and some value to the cooperatives who are engaged in agricultural lines, but it is not a panacea for the ills of the farmer. Of course, it is well that there should be a division in the Department of Agriculture where advice and counsel can be handed out to the men who are so engaged. There will be in that division statistical information handed out which will be of aid and assistance to the cooperatives in organization work, in selling their products, in finding markets for their products, in obtaining information as to supply and demand, all of that will be of some aid and assistance, but that is not going to solve the difficulty. You gentlemen on this side of the House who are high-tariff advocates, in the interest of the American farmer I would ask you to read again and ponder well the resolutions of the farmers at the Corn Belt conference in Des Moines, Iowa, last December 21 and 22. If you will read and consider those resolutions, you will learn what the real farmers think about high protection under the present tariff law, as it affects the agricultural interests of this country. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WASON. Mr. Chairman, I yield six minutes to the gentleman from Maine [Mr. BEEDY]. [Applause.]

Mr. BEEDY. Mr. Chairman and members of the committee, I intended to have nothing to say about the tariff or the agricultural program, but apropos of what has just been said, let me say that Members on this side of the aisle may talk as much as they please about cutting gaps in the tariff wall, in so far as it affects the tools and supplies of the farmer. The only specific items which our Democratic friends, prompted by their leader, the gentleman from Arkansas [Mr. OLDFIELD], cite as possible sources of relief to farmers through tariff revision were baling wire and steel fencing wire, disbursements for which any farmer will tell you is a mere inconsequential detail in his annual expense account.

Mr. OLDFIELD. Aluminum is another.

Mr. BEEDY. I want to say to you——

Mr. WYANT. Will the gentleman yield?

The CHAIRMAN. Does the gentleman yield; and if so, to whom?

Mr. BEEDY. I do not. I have only five minutes.

Mr. WYANT. Will the gentleman yield for just a brief statement?

Mr. BEEDY. I have only five minutes. If I yield to gentlemen on my side, I ought to be fair enough to yield to others on this side. I can not yield.

It recently came to my attention that Jefferson was said to have believed in the bee and Hamilton in the hive; that Jefferson's chief concern was the individual, while Hamilton's concern was the community—the welfare of the many. Our side of the House (Republican) is thinking of the many. We contend that you can not make any appreciable inroads on the tariff wall or effect any measurable reduction of tariff duties without striking a serious blow at our diversified industry and thus impairing the earning capacity of the masses, which capacity when crippled deprives the farmer of a market for his goods.

Let that be as it may. I rose intending to call the attention of the committee to the final disposition of the sesquicentennial resolution involving the expenditure of millions of the public money.

Members of the committee will recall that early in the week a resolution was here introduced demanding an appropriation of $4,186,000 for the observance of the sesquicentennial celebration.

It would appear that the Senate has of late learned some valuable lessons. Apparently that body has now concluded not to attempt the analysis or careful consideration of any fiscal legislation. It has apparently decided that when it does make

such an attempt it ruins the legislation. Witness the recent fiasco on the part of the Senate in its attempt to consider the revenue bill.

The resolution to which I have referred was debated carefully in this House for the greater part of two legislative days. Some vigorous opposition developed at the outset, and at the close of the chapter in this body the $4,186,000 first demanded was cut to $2,186,000. In other words, $2,000,000 of the public money was thereby saved.

The Senate has now passed upon the resolution.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. BEEDY. I decline to yield, because I have so little time.

Mr. CONNALLY of Texas. Mr. Chairman, I rise to a question of the highest privilege.

The CHAIRMAN. The gentleman will state his question of privilege.

Mr. CONNALLY of Texas. The rules provide that neither in this Chamber nor in the other shall either make any criticism or reference to what transpires in the other body, and I am doing this for the benefit of the gentleman from Maine.

Mr. BEEDY. Yes; I understand.

Mr. CONNALLY of Texas. If the gentleman feels it is not violative of the rules, I have no objection. I just want to call his attention to the fact that there is a rule to that effect. If the gentleman cares to go ahead after I have called it to his attention, all right; I do not want to stop the gentleman.

Mr. BEEDY. I realize the gentleman intends well by his suggestion.

Mr. CONNALLY of Texas. I do not want to stop the gentleman from criticism of a Republican Senate, of course.

Mr. BEEDY. No; I say this not in criticism of the Republican or the Democratic Senate, but merely to furnish information in connection with an important piece of legislation, appropriating $2,000,000 of the public money.

Referring to page 4224 of the CONGRESSIONAL RECORD, I find that on Wednesday last the Senator from Pennsylvania [Mr. PEPPER] called up the sesquicentennial resolution. It was read by the clerk. Its consideration was unobjected to. It was given the formal third reading, and was unanimously agreed to.

I pause to remark that had the casual observer been present at the falling of the gavel upon that pronouncement of final agreement he might have perceived that the murky haze which has of late been hanging over the Senate was momentarily and dimly illumined by the dyspeptic smile of the Vice President, who, if my recollection does not mistake me, has of late stated, bitterly but not too briefly, something to the effect that brevity and dispatch is the soul of safe and sane legislation. [Applause.]

The CHAIRMAN. The time of the gentleman from Maine has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

OFFICE OF THE PRESIDENT

Salaries: For Secretary to the President, $10,000, and on and after July 1, 1926, the compensation for such position shall be at the rate of $10,000 per annum; personal services in the office of the President in accordance with the classification act of 1923, $85,260; in all, $95,260: *Provided*, That employees of the executive departments and other establishments of the executive branch of the Government may be detailed from time to time to the office of the President of the United States for such temporary assistance as may be deemed necessary.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word, and ask that I may proceed for five minutes out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, next Monday is District of Columbia day, set apart by the rules of the House for transacting District business. In order that there might be District business to take up that day, the full District Committee has held special meetings. The subcommittees have held special meetings and the District Committee has reported and now has on the calendar some very important measures that would take up the day. One of the measures is a bill embracing some vital, urgent amendments to the traffic law that would save the lives of women and helpless little children here in the District of Columbia. [Applause.] This bill ought to be passed. It is important, and your District Committee, realizing the importance of this legislation and the importance of other bills on the calendar, passed a motion unanimously to request the majority leader to give the District its day next Monday, so that the bills may be passed. And because the chairman of the District Committee is out of the city on important business, important to himself—and I attach no blame to him; I would probably go away myself under similar circumstances—the District Committee unanimously passed a resolution that in the absence of the chairman Monday the next ranking majority member of the committee was authorized to call up this business and transact it next Monday in the House.

We have importuned your majority leader, who is my friend and for whom I have high regard. I think h is one of the most valuable Members of the House. We have appealed to him to give the District its day. I wish you knew of the flimsy and silly excuse he gives for not doing it. He says that he deals only with the chairman of his committees, he recognizes only the chairman of his committees to arrange and take up business—a silly, ridiculous excuse. Here is a committee of this House composed of 21 Members of Congress, Republicans and Democrats, working night and day to transact the business of the country. They are just as much interested in general legislation as you are. I pay just as much attention to general legislation in this House as any man in Congress, and yet I give all my extra time to the business of the District of Columbia, because the people of Washington have no one else to legislate for them except the District Committee of Congress. I want to submit it to you Members of the majority party whether it is right and just and fair action on the part of the majority leader?

If he were to carry out that policy, every time the chairman of a committee did not want a bill to pass when the other 20 members were for it unanimously, he could absent himself from Washington, absent himself from the House floor, and not come crawling around to the majority leader's room and begging for recognition.

I protest against that policy; it is not a proper one. I am willing to give just recognition and to do justice to the chairman of every committee, but when he is not here the balance of the committee by authorizing a ranking member of the majority to act for the committee in the absence of the chairman ought to be authorized by resolution to have the right to take up the committee business and pass it. I submit that to you for your serious reflection.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Traveling expenses: For traveling and official entertainment expenses of the President of the United States, to be expended in his discretion and accounted for on his certificate solely, $25,000.

Mr. WEFALD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Mr. WEFALD moves to amend on page 3, line 2, after the figures $25,000 insert the following: "For the expense of maintaining a temporary summer residence for the President of the United States in either one of the following States, viz, Minnesota, Wisconsin, North Dakota, South Dakota, or Iowa, the place to be selected by the President, $100,000; contingent upon suitable quarters for such summer residence being placed at the disposal of the President without cost to the United States Government."

Mr. WOOD. Mr. Chairman, I make a point of order against the amendment.

Mr. WEFALD. Will the gentleman allow me to speak on it?

The CHAIRMAN. Does the gentleman wish to discuss the point of order?

Mr. WEFALD. I admit the point of order will lie against it but I would like to discuss it. Will the gentleman reserve his point of order?

Mr. WOOD. I make the point of order.

The CHAIRMAN. The Chairman has no discretion except to sustain the point of order.

Mr. WEFALD. Will the gentleman reserve his point of order?

Mr. WOOD. No, I will not. It is so patent that I will not reserve it.

Mr. CONNALLY of Texas. A parliamentary inquiry, Mr. Chairman. Would not the gentleman be in order to ask unanimous consent to proceed out of order for five minutes?

The CHAIRMAN. Certainly.

Mr. WEFALD. Mr. Chairman, I ask unanimous consent that I may proceed out of order for eight minutes.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to proceed out of order for eight minutes. Is there objection?

Mr. WOOD. I object.

Mr. WEFALD. I will ask, Mr. Chairman, to proceed out of order for five minutes.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to proceed out of order for five minutes. Is there objection?

Mr. WOOD. I object.

Mr. WEFALD. I move to strike out the last word.

The CHAIRMAN. The gentleman from Minnesota moves to strike out the last word and is recognized for five minutes.

Mr. WEFALD. Mr. Chairman, while I know that a point of order will lie against my amendment, I have offered it in absolute good faith. I sincerely wish it could be adopted. I most earnestly wish that the President could spend the coming summer in the great Northwest. The amendment is offered for several reasons, among which is also that of economy. I notice from the hearings on this bill that the roof of the White House is in dire need of repairs, but that so far the necessary repairs could not be effected because the President felt that he could not stay away from the White House the length of time that was considered necessary to carry through this work. I feel that we should not take any chances on having the President or any of his killed by a falling roof. It is economy to keep him safe and sound; if by order of Congress he would spend a summer in the Northwest, the White House could be put in proper repair and be made safe for a century. It would also be economy to make the White House last longer.

Then if the President would select Minnesota or Wisconsin, preferably Minnesota, for the greater part of his vacation, his health would greatly improve, so that he would come back to his work with increased physical strength, with clearness of vision, and with sunshine in his soul. There are in Minnesota 10,000 lakes over which the breath of summer carries songs of birds and fragrance of flowers on the soothing, cooling breezes that kiss care from each troubled brow. Should the President wish to forget all business care and give himself over entirely to contemplation of nature in its pristine purity, Minnesota has one lake, Lake of the Woods, that alone has 14,000 islands, the mysteries of which it would take him more than one short summer to explore. It would be good economy to conserve the President's strength and to add to his fund of good humor.

Should the President go West to spend the summer, or part of the summer, the most palatial residences in the West would surely be placed at his disposal; but I imagine that he would spend the greatest part of the time seeing the people, high and low, rich and poor, in this strange land that lies outside the pale of the imagination of the average New Englander.

A feeling has grown up in the West that the East does not care for the West, and that, at least, it does not understand the West. There is a feeling in the West that the Capital of this Nation, where the President spends most of his time, lies too far east to function as the real, throbbing heart of this great country, and when the President heretofore took a vacation he went still farther east.

Let him for one summer hear the murmur of growing grain on the prairies rather than the call for $10,000,000 from the Cape Cod Canal. Let him come to Wisconsin and see real cows—cattle upon a thousand hills, as the Bible speaks of. Let him come to Iowa and hear the grunting and squealing of real pigs; give him a chance to pitch real hay—alfalfa—in South Dakota; let him see real wheat fields in North Dakota and see real potato fields in the Red River Valley; let him see where real butter is made, and he will go back East again and propose that the bread and butter country out there, where the bread and butter of this Nation comes from, be entitled to a square deal at the hands of the Government. If he comes out to us and mingles with us, he will find that we practice thrift and economy as well as they do in the East, and he will no more understand than we can understand it why, when his administration has made the East roll in prosperity, we of the West should wallow in bankruptcy and bank failures.

We would like to get the President so far West, for a short time at least, that Wall Street, the monopolies, and the trusts could not get near him. If he saw us in our homes, saw us at work, saw us in trouble, he would begin to understand the problems of the farmer. I say that there will be no farm relief legislation passed out of Congress until the President thoroughly understands the farmer's plight. When he understands it the East will understand it, but not before. The President paid us a flying visit last year in June. For one day he saw the farmers at the Minnesota State Fair grounds, in their Sunday clothes, with their cares left behind them. They listened respectfully to what the President had to say to them, but because they applauded and behaved beautifully the politicians told the President that he had captured the farmers and that he did not need to do anything more for the Northwest. That was a mistake. We respect the President for his high office. We admire him for his many sterling qualities, but we wish him to use both his high office and his individual genius in our behalf also. I warn you leaders of the Republican Party in this House that there is trouble brewing for you in the Northwest and for the President, the head of your party.

For the good of the people of the Northwest he should come out there and learn to know us; for his own good he should come out and find out for himself that many of those who subscribe to the doctrines of the Republican Party and who profess to be his friends are stacking the cards against him. In every public meeting discussing the farm situation there is a man with a stiletto that stabs the President and Republican Congressmen. That is your funeral, not mine. I like to see you licked, but I like to see you defend yourself. Your house in the Northwest is burning down over your head, and you do not know it. Quit your nonsensical talk about prosperity and economy. The two never went hand in hand. Let the President meet the farmer. After he has been in the Northwest send him to the South. When we get a President from the West he ought to spend some time in the East.

Mr. WOOD. Mr. Chairman, I rise in opposition to the motion of the gentleman from Minnesota. I appreciate the advice of the gentleman who has just spoken and we appreciate also that he has never contributed anything to the success of Mr. Coolidge or this administration. We have spent three days in general debate and the gentleman from Minnesota did not ask for time on either side, or he would have been given it.

Mr. WEFALD. Will the gentleman yield?

Mr. WOOD. I do not yield. We were liberal in general debate in the hope that we would not be interrupted by the interjection of speeches out of order.

I give notice now that I shall object every time it occurs, and the gentleman is unfair to the committee—unfair to the committee on both sides—in that he did not ask for some time in which to make the discussion that he has just now made, which would have been perfectly proper at that time, and which he knows is entirely improper to make at this time.

Mr. WEFALD. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WEFALD. Mr. Chairman, I never understood that any gentleman in this House could be unfair to the committee on either side by standing on his rights as a Member of the House. I was absolutely within my right.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

WHITE HOUSE POLICE

Salaries: First sergeant, $2,700; 8 sergeants at $2,400 each; and 35 privates at $2,100 each; in all, $83,400.

Mr. BYRNS. Mr. Chairman, I move to strike out the paragraph. If this motion shall prevail, I shall follow it with a motion to strike out the next paragraph, which provides $2,500 for uniforming and equipping the White House police. I have already discussed at some length the reasons which appeal to me why this particular police duty should be performed by the Metropolitan police of the city of Washington. If the appropriation which is recommended for the Executive Office by the committee should prevail and become a law as reported, it will result in there being appropriated for the Executive Offices $444,460; and if to that is added the cost of the *Mayflower*, it will amount to over $786,000 for 1927 for the entire cost of the White House, or over $2,150 for each and every day in the year. The appropriation recommended for the White House police amounts to $85,700, or over $235 per day for each and every day in the year. I appeal to this House in this day of supposed economy to eliminate this particular appropriation and to save the people of the United States over $235 for every day, Sundays included, of the year 1927.

Mr. Chairman, comparisons have been made between the year 1926 and the year 1921, and statements have been made on the floor of the House and elsewhere that there have been great reductions in the expenditure in 1926 over that of 1921. Without going into a discussion with respect to these allegations, I say that with reference to the White House that there is one particular activity that has greatly increased in cost since 1921, to the extent of something like 50 per cent over the expense incurred in 1921. If these statements which have been made elsewhere and broadcast over the country as to a reduction of expenditures in other departments are true, then certainly it seems to me that, if necessary, the Congress itself should act and see to it that there are similar economies and reductions in the White House. In 1921, under the administration of President Wilson, it was not thought necessary by the Congress or the President to have a special White House police. That duty was performed by the Metropolitan police of the city of Washington. At that time Congress was appropriating for the Metropolitan police of the city of Washington $1,794,000,

which provided for a regular force of police in the city of 935 men.

Last year the Congress appropriated for the Metropolitan police in the city of Washington $2,904,000, or an increase of practically $1,200,000 for the police of this city over what was appropriated in 1921 for a similar purpose, and which provided for a regular force of 1,281 men, or more than one-third by way of increase over the force in 1921—just five years ago.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Chairman, in addition to the 1,281, we have at the White House 39 policemen or a total, when added to the regular force of the city of Washington, of 1,320 policemen here in the city of Washington, an increase of 385 over the number of policemen provided in 1921, or 40 per cent.

In view of those facts, if we really mean economy, if we really mean to save the people of the country from expense, I submit that here is an opportunity to reduce the appropriation and the expenditures of the White House for the next year by more than 10 per cent, or in expenses, excluding the *Mayflower*, practically 20 per cent. There is no man in this House, of course, on either side of the Chamber who is not in favor of giving the fullest and amplest protection to the White House grounds and lawns. No one would deny a single dollar necessary to protect the White House grounds and lawns. I do not know the size of those lawns, but I think they amount to about the space of two city blocks. We are asked to provide 39 policemen, 31 at $2,100 each, one first sergeant at $2,700 per annum, and three sergeants at $2,400 each per annum, or a total in salaries of $83,400, to do what? To watch the White House grounds and lawns, the front and back yards of the White House, because you know and I know that these policemen are not stationed in the White House or in the Executive Offices, because secret-service men are properly provided on the Treasury Department roll to remain in the White House or spend a part of their time in the White House and the Executive Offices for the personal protection of the President. These policemen are not for the personal protection of the President, but merely to guard and protect the White House grounds from trespassers. It is surrounded by an iron-spiked fence about 10 or 12 feet high——

Mr. SUMMERS of Washington. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SUMMERS of Washington. The gentleman refers to the total number of policemen employed in the city, including these. Since 1921 has not the population of the city increased by 75,000 or 100,000 people, and are there not many thousands more automobiles, which require a larger police force?

Mr. BYRNS. There has been an increase, yes; but I do not know to what extent. There has not been such an increase as would require 40 per cent more policemen to-day than were required in 1921.

Mr. SUMMERS of Washington. The gentleman emphasized the total number employed in the city now, and I am calling attention to the different conditions that exist.

Mr. BYRNS. The special police are taking care of duties performed by the regular police in 1921. Therefore it is perfectly proper to add them to the regular force, and when you do that we find that you have 1,320 employed in the city now as compared with 935 employed in 1921, a difference of practically 40 per cent.

Mr. SUMMERS of Washington. It is just a difference in condition.

Mr. BYRNS. I agree that necessarily the force in the city of Washington should have been increased, but I insist, gentlemen, that if 935 policemen in 1921 were sufficient to protect the city and the White House lawns then an increase of more than 40 per cent in 1926 ought to be sufficient to protect the lawns to-day, and your constituents and my constituents, who are interested in the Treasury, who pay the taxes and support the Government, ought to be relieved of this charge of over $235 every day in the year.

Mr. SUMMERS of Washington. And there is the difference of 8-hour shifts instead of a 12-hour shift.

Mr. WOOD. Mr. Chairman, the gentleman from Tennessee seems to be obsessed with the idea that something extraordinary is wrong concerning the appropriations for the Executive Mansion. I am a little bit surprised at the objection he has urged this morning, in view of the fact that he well remembers in 1922, by an affirmative act of this Congress—and I expect the gentleman voted for it—there was transferred from the Metropolitan force of the city to the officer in charge of public buildings and grounds the police protecting the White House grounds, and I desire to say that it does not only pertain to the two squares the gentleman mentions but it pertains to all that great circle of property that the Government owns. Now, those of you who were here prior to the war and have been here ever since realize the fact that this city has increased in population more than 100 per cent.

There has ever been a contention between the city and the Government with reference to who could best police the Government property. So far as I am concerned, and I believe you gentlemen will agree with me, I believe that Government property can be best policed by those who are responsible to the Government itself and not as a by-play to the District of Columbia.

Mr. BYRNS. Will the gentleman yield?

Mr. WOOD. I will.

Mr. BYRNS. Does the gentleman know that during the war there were thousands and thousands of people that came here and who were here during 1918, 1919, and 1920, and when the gentleman takes those into consideration, will he not find that there has not been anything like the increase to which the gentleman has just referred?

Mr. WOOD. No; I will not say so. The statistics on this point show that the population has doubled at least since the gentleman came to Congress.

Mr. BYRNS. Oh, well, I am talking about since 1921. I thought the gentleman referred to the population in 1921 as compared with now.

Mr. WOOD. I said since the beginning of the war. The gentleman, I expect, and I will ask him now, Did not the gentleman vote for this act with reference to the White House police force approved September 14, 1922?

Mr. BYRNS. I do not have any recollection of voting for that. I do not know, and whether I did or not at that time I am satisfied now, in view of the extraordinary amount we appropriate for the Metropolitan police in the city of Washington to-day, we can easily and properly relieve the people of this immense burden.

Mr. WOOD. Then the gentlman ought to make his objection in reference to the appropriation that comes under the head of the Metropolitan police force of the District of Columbia and not against this appropriation. We are responsible to the people of the United States for the safeguarding of the property of the United States and the President of the United States. Why, I sometimes think that the easiest target in the world for an assassin is the President of the United States. Never in a country with a governmental organization was there anyone so illy protected as the President of the United States. And we admire it; our citizens admire the fact that he is living in a country where that extreme protection is not necessary. But assassinations have occurred three different times, and unfortunately a Republican was assassinated each time. I want to say to the gentleman I do not believe, knowing him as I do, that he would like to take any responsibility for anything that might happen either to the property of the United States or to the President of the United States.

Mr. BYRNS. If the gentleman will permit, has the gentleman ever thought of the fact there never has been an assault upon the President of the United States in the White House or grounds. Has it not always occurred away from the White House?

Mr. WOOD. That is true.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOOD. I ask for two additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. WOOD. I expect that had we the guardian care given by any other country here in the United States, Garfield would not have been stricken dead within a very few squares of the White House grounds. I expect that if there had been given the protection that is given to kings and potentates in infinitesimal principalities of the earth that the immortal McKinley would not have been stricken down in Buffalo. The same is true in reference to Lincoln. Of course we all hope that these things will not occur, but they may occur, and I would be the last one to refuse to contribute one iota of consent to the meager protection we are giving.

Mr. BLANTON. Will the gentleman yield?

Mr. WOOD. I will.

Mr. BLANTON. Does not the distinguished gentleman from Indiana realize the more we attempt to make of our President in a Republic a king or potentate the more danger there is directed toward him?

Mr. WOOD. We do not attempt to make a king or potentate of him, and that is one of the things I admire, but after these disasters come there is impressed upon every man a regret that something had not been done to protect him.

There was regret throughout all the North in 1865 and in most of the South that greater protection had not been given to the greatest friend this country ever had. It ill becomes us to pick at this and that point, here and there, for flyspecks. I hope the amendment will not be adopted. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. BLANTON. Mr. Chairman, I offer an amendment before you vote on that.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 8, line 12, after the word "and" strike out "35 privates," and insert in lieu thereof "15 privates," and, in line 13, strike out "$83,400," and insert in lieu thereof "$41,400."

Mr. WOOD. Mr. Chairman, I raise a point of order against that.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. That is not subject to a point of order. It simply diminishes the force.

Mr. WOOD. Your amendment proposes to change the number from 35 to 30?

Mr. BLANTON. It proposes 15 instead of 35. It simply cuts it down.

Mr. WOOD. Mr. Chairman, I withdraw the point of order.

Mr. BLANTON. Mr. Chairman, I want to vote to give the President of the United States every single safeguard that is necessary. But there we should stop. We have in the District of Columbia 1,281 Metropolitan policemen, and every one of them is charged with safeguarding the life of the President, and they are loyal, patriotic citizens, and they will do their duty.

Fifteen extra White House policemen for the grounds down there are sufficient to safeguard the White House grounds. Outside of those grounds you have two different police forces on guard all the time, extra, the Metropolitan police and the park police force. You need only 15 special police privates on the inside. Those extra 85 would be in each other's way on the grounds.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In a moment. What necessity is there for nine separate and distinct police departments in the District of Columbia? You now have nine. You have the Metropolitan police of 1,281 men. You have the park police force of approximately 60 policemen. You have the special police for the Capitol under a different head. You have special police for the House Office Building, and you have special police for the Senate Office Building. You have special police of the Department of Agriculture, in charge of the agricultural grounds. You have special police out here in the Zoological Park, under the Smithsonian Institution. You have special police on the streets of Washington, on street railroad lines, employed by the street railway companies, and paid by them and carrying out the orders of the street railway companies; and over here at the Union Station you have another set of policemen, not responsible to the District or to Congress, but hired and paid for by the steam railroad companies. You thus have nine separate and distinct police forces here. It is ridiculously absurd, and you ought to stop it.

I asked the distinguished gentleman from Tennessee [Mr. BYRNS] yesterday to give me one good reason for these nine separate police forces in the District, and he said there was not a reason. He is one of the best-posted men in this Congress. He is a member of the great Committee on Appropriations and has been for years. He knows all about the business of this Government in Washington. He said there was not a reason. Why does not your economical President, whom I follow on all real economies, and why does not your economical chairman of the Committee on Appropriations assign some good reason for these separate police forces? I want to say in passing right here, in behalf of the people of the country, I thank God that the life of the chairman of the Committee on Appropriations [Mr. MADDEN] has been saved. There is not a man who could take MARTIN B. MADDEN'S place. I take off my hat to him. He has saved millions of dollars to this country. I follow him all the time on his policy of economy. Further, I ask the great majority leader here from Connecticut [Mr. TILSON] if there is any reason here for these nine separate and distinct police departments in Washington? For goodness sake, let us do away with them and have one police department that will enforce the law in this great city of Washington!

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. TILSON. The gentleman is on the District Committee, is he not?

Mr. BLANTON. Yes; I am on it; and when they come in next Monday and ask the House to let them have a day on which to transact their business, it is denied them by no one else except the distinguished majority leader from Connecticut [Mr. TILSON].

Mr. TILSON. I would like to ask the gentleman if one of the bills he would like to have considered on Monday will be a bill to regulate the police forces in the District of Columbia?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Chairman, may I have one minute more?

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for one minute more. Is there objection?

There was no objection.

Mr. TILSON. I suppose one of the bills the gentleman has on the calendar is a bill to regulate this matter of men on the police forces in the District of Columbia?

Mr. BLANTON. No; it is more important, for it is to prevent wild automobile drivers and bootleggers from running over and killing poor women and helpless children—wild drivers whose licenses now can not be taken from them, because the law does not permit it, and we hope to amend the law.

Mr. TILSON. When should we expect a bill coming from the gentleman's committee to regulate the police force?

Mr. BLANTON. I hope by the time we get a District day.

Mr. BLACK of New York. May I ask the gentleman if it is ever necessary to have the police at the meetings of the District of Columbia Committee? [Laughter.]

Mr. BLANTON. Never. The committee fight each other in the District Committee, but they fight for each other everywhere else.

The CHAIRMAN. The time of the gentleman from Texas has again expired. The question is on agreeing to the amendment offered by the gentleman from Texas.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. BLANTON. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 14, noes 50.

So the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Tennessee [Mr. BYRNS].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

INDEPENDENT ESTABLISHMENTS

ALIEN PROPERTY CUSTODIAN

For expenses of the Alien Property Custodian authorized by the act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended, including personal and other services and rental of quarters in the District of Columbia and elsewhere, per diem allowances in lieu of subsistence not exceeding $4, traveling expenses, law books, books of reference and periodicals, supplies and equipment, and maintenance, repair, and operation of motor-propelled passenger-carrying vehicles, $130,000, of which amount not to exceed $122,900 may be expended for personal services in the District of Columbia: *Provided*, That this appropriation shall not be available for rent of buildings in the District of Columbia if suitable space is provided by the Public Buildings Commission.

Mr. FISH. Mr. Chairman, I move to strike out the section. I ask, Mr. Chairman, that the matter which I send to the desk may be read by the Clerk out of my own time.

The CHAIRMAN. Is there objection?

Mr. GARRETT of Tennessee. What is it?

The CHAIRMAN. The gentleman from New York sends something to the desk to be read by the Clerk out of his own time. Is there objection?

There was no objection.

The Clerk read as follows:

House Resolution 113

Resolved, That the Alien Property Custodian be, and he is hereby, directed to inform the House of Representatives, if not incompatible with the public interest, as follows:

(1) A complete memorandum, with names and addresses, of all individual lawyers or law firms who have received legal fees in excess of $10,000 for services alleged to have been rendered to the office of the Alien Property Custodian in the settlement or adjustment of claims or cases since the establishment of the office by the act of Congress.

(2) Whether or not any attempt has been made to recover fraudulent or excessive fees.

(3) What, if any, action has been taken to recover properties sold or returned under suspicious circumstances and in apparently fraudulent manner.

(4) The total value of alien property being held and number of individual owners, and value of property returned, and to how many claimants.

(5) The number of investigations now being conducted into the affairs of the custodian's office and by what departments or subdivisions of the Government, and by how many investigators, and for what length of time, and when will these investigations, in all probability, be terminated.

(6) Whether or not any of the reports or partial reports of the pending investigations are available for the information of the House.

(7) Whether or not there is any reason why the fullest possible information concerning these investigations of the past and present administration of the custodian's office should not be presented to the House of Representatives with the view to final determination as to the advisability of a congressional investigation.

By unanimous consent, the reply of the Enemy Alien Property Custodian to the questions in the resolution are herewith printed in the RECORD:

ALIEN PROPERTY CUSTODIAN,
Washington, February 6, 1926.

Hon. HAMILTON FISH, Jr.,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN FISH: I have received your letter of February 1, 1926, inclosing a copy of resolution introduced by you in the House, directing the Alien Property Custodian to furnish certain information in regard to the transactions of the office.

I would be very glad to furnish to the House of Representatives or to you all of the information requested, but as the detailed audit of the transactions of the Alien Property Custodian being made by the Comptroller General of the United States at the request of the President, is approaching completion, I suggest the desirability of waiting until the report of the audit is made to the President before this office is required to incur the additional expense of compiling data which probably will be contained in such report. Should that report not be made available in a few weeks, or should it not furnish all the information which is required to answer your questions, I shall be very glad to compile any further information in regard to the transactions of the Alien Property Custodian as may be considered necessary. In the meantime, I am able to give you the following general statements in reply to questions asked by you:

The names and addresses of individual lawyers or law firms who have received legal fees in excess of $10,000, as well as lesser amounts, have been published in detail in a report made by the Alien Property Custodian to the Senate April 10, 1922, and printed as Senate Document No. 15, Sixty-seventh Congress, second session, and in the annual report of the Alien Property Custodian published since that date. It is believed that if other payments not included in these reports have been made, they should be developed by the audit now being made of the transactions of this office. No attempts have so far been made to effect a specific recovery of excessive fees paid. While it appears that large fees were paid in certain cases, it will be very difficult to substantiate a charge that they were excessive or that fraud existed in connection therewith.

The most prominent case of an action being taken to recover property sold in an apparently fraudulent manner is a suit now pending in the Supreme Court against the Chemical Foundation (Inc.). It is possible that one or more other actions may be instituted later, should the Supreme Court set aside the sale in this case. The Department of Justice must, however, pass upon this.

The total value of the Alien Property Custodian holdings at the present time is $240,780,758.60, which is being held for the account of approximately 21,074 active trusts. In addition to the above, there is a total of $31,715,276.12, representing undistributed interest which accrued between the date of seizure and March 4, 1923, during which period no provision was made for the credit of income to the trusts in question. The value of property returned is approximately $307,096,007.41 under 24,782 claims.

An audit of the transactions of the Alien Property Custodian is now being made under the direction of the Comptroller General of the United States. The President requested the Comptroller General to make the audit which began April 14, 1925, and, in all probability, will be completed within a few weeks. A maximum of 60 investigators has been employed in this investigation. In addition, the Department of Justice had a few investigators examining certain phases of the transactions of the Alien Property Custodian, with special reference to possible criminal liability. As a result, certain persons were indicted in New York.

There are no reports or partial reports of the investigations which are available at the present time.

As previously indicated, I have to advise, in response to the seventh question, that I know of no reason why the fullest possible information concerning these investigations of the past and present administrations of the custodian's office should not be presented to the House of Representatives as soon as can be done in the orderly course of procedure.

In response to the inquiries contained in the last paragraph of your letter, I have to advise that if unauthorized traveling expenses were paid or free transportation furnished, the practice was long since stopped and every effort will be made to recover any expenditures of this nature which were not authorized by law.

I give below the amount of traveling expenses for each of the following fiscal years, covering payments made to employees of the office and payments for passenger transportation so far as same is readily available:

1918	$4,521.68
1919	23,425.09
1920	7,759.89
1921	9,777.56
1922	11,049.59
1923	7,271.08
1924	7,740.44
1925	3,922.10

The annual reports have contained lists of employees carried on the regular rolls of the office and paid from appropriated funds. In addition, there are two other classes of employees regularly employed in Washington in connection with work of the Alien Property Custodian: One is the force carried on what is called administrative expense roll, payments of whose salaries are charged against trust funds; also certain employees who are working under the Attorney General in connection with the allowance of claims. The names and salaries of these employees are given in the inclosed lists.

I trust the above information will prove satisfactory, and shall be glad to furnish any further upon request.

Very truly yours,

HOWARD SUTHERLAND,
Alien Property Custodian.

Mr. MADDEN. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN The Chair will advise the gentleman from Illinois that the gentleman from New York is not offering an amendment but has simply had a resolution read for information.

Mr. FISH. And it was read out of my own time. I now ask unanimous consent that the answer of the Alien Property Custodian to that resolution be inserted in the RECORD, which I will submit.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the answer of the Alien Property Custodian may be printed in the RECORD following the reading of the resolution. Is there objection?

Mr. BANKHEAD. Mr. Chairman, reserving the right to object, would not the better practice be to make that request when we get back in the House?

The CHAIRMAN. The gentleman from New York is submitting a unanimous-consent request. Is there objection?

Mr. BANKHEAD. I do not make any objection.

Mr. MADDEN. Mr. Chairman, I would like to ask the gentleman a question, if I may. Was this resolution presented to the Alien Property Custodian; that is to say, was the request for the information presented to him?

Mr. FISH. It was.

Mr. MADDEN. I simply want to make the observation that the Alien Property Custodian has no official status through which he may be addressed by any resolution of either House.

Mr. FISH. That is quite right. I agree with the gentleman.

Mr. MADDEN. The inquiry, if made, must be addressed to the President of the United States.

Mr. FISH. Certainly.

Mr. MADDEN. And a request to either of them must be confined to a request for the facts which the records of the office contain. If the request contains anything more than a request for a report on the facts which the records show, it is not a privileged resolution. If the request requests an opinion from the person addressed, it would not be in order.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. BANKHEAD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BANKHEAD. What action was taken upon the unanimous-consent request preferred by the gentleman?

The CHAIRMAN. The request was not put because the gentleman's time expired. Does the gentleman make his request to speak in order or out of order?

Mr. FISH. I have consumed all my time, or others have, and I now want to speak in order. I would like to proceed for five minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. FISH. Mr. Chairman, so I may understand the situation correctly, did the Chairman put my request to include the letter of the Alien Property Custodian?

The CHAIRMAN. The Chair did not, because the time of the gentleman had expired. Does the gentleman wish to renew his request?

Mr. FISH. Yes; I renew the request.

The CHAIRMAN. The gentleman from New York asks unanimous consent to insert in the RECORD the reply of the Alien Property Custodian immediately following the resolution read by the Clerk. Is there objection?

Mr. BANKHEAD. Mr. Chairman, reserving the right to object, I see that the attention of the chairman of the Committee on Appropriations has been temporarily diverted. I think the gentleman ought to be acquainted with the renewal of this request upon the part of the gentleman from New York.

Mr. MADDEN. What is the request?

The CHAIRMAN. The same request that was stated a while ago, to print in the RECORD the reply of the Alien Property Custodian immediately following the resolution which has been read.

Mr. MADDEN. There will not be any reply, because there will not be any request, and therefore there should not be any such request.

Mr. FISH. The gentleman was talking, and I am afraid he does not understand the situation. I agree with everything the gentleman has said with reference to procedure in a matter of this kind; but the gentleman does not know that I hold in my hand the answer now, and therefore I do not think the gentleman will object to my request.

Mr. MADDEN. If the gentleman has an answer, I have no objection.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FISH. Mr. Chairman, for the information of the members of the committee, I will read one paragraph from this letter:

> An audit of the transactions of the Alien Property Custodian is now being made under the direction of the Comptroller General of the United States. The President requested the Comptroller General to make the audit, which began April 24, 1925, and in all probability will be completed within a few weeks. A maximum of 60 investigators has been employed in this investigation. In addition, the Department of Justice has a few investigators examining certain phases of the transactions of the Alien Property Custodian, with special reference to possible criminal liability. As a result, certain persons were indicted in New York. There are no reports or partial reports of investigations which are available at the present time.

According to this letter, reports will be available within a week, or at the utmost within two weeks; and I am led to believe that these reports will contain the greatest mass of evidence indicating waste, extravagance, dishonesty, corruption, and fraud that has ever been shown in any department of this Government during its entire history. For that reason I intend to wait for the report, without going any further with the resolution which I introduced.

Furthermore, for the information of the House I will say that the Treasury Department yesterday informed me that they intended to introduce as soon as the tax bill was out of the way the so-called Mellon bill providing for a bond issue of $250,000,000 to pay all the claims of American citizens against the German Government. For one, I hope that bill will pass, and as soon as it is passed that all the alien property which we were supposed to hold in trust since the armistice will be returned, because it is a disgrace to every Member of Congress and to every American citizen the way the property has been handled, and it is a shame that we should be called on annually to appropriate $130,000 to administer this property which should have been returned five or six years ago. For that reason I hope I will never again be called upon to vote for any more of the taxpayers' money to be spent on the administration of the alien property still in the hands of the Government. For a considerable period it was apparently the patriotic duty of Government officials and their friends to loot these trust funds within the protection of law, if possible; otherwise, in any method they could mulct or obtain possession of the alien property for their own use. Democrats and Republicans alike evidently considered it a part of true patriotism to get their hands on these spoils held in trust by the Government. Oh, Patriotism, what crimes are committed in thy name!

The pro forma amendment was withdrawn.

The Clerk read as follows:

> For every expenditure requisite for or incident to the work of the American Battle Monuments Commission authorized by the act entitled "An act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes," approved March 4, 1923, including the acquisition of land or interest in land in foreign countries for carrying out the purposes of said act without submission to the Attorney General of the United States under the provisions of section 355 of the Revised Statutes; employment of personal services in the District of Columbia and elsewhere; the transportation of, mileage of, reimbursement of actual travel expenses or per diem in lieu thereof to the personnel engaged upon the work of the commission, as authorized by law; the reimbursement of actual travel expenses (not exceeding $8 per day) or per diem in lieu thereof (not exceeding $7 per day) to, and the transportation of the members of the commission, while engaged upon the work of the commission; the establishment of offices and the rent of office space in foreign countries; the purchase of motor-propelled passenger-carrying vehicles for the official use of the commission and its personnel in foreign countries, at a total cost of not to exceed $2,500; the maintenance, repair, and operation of motor-propelled passenger-carrying vehicles, which may be furnished to the commission by other departments of the Government or acquired by purchase; printing, binding, engraving, lithographing, photographing, and typewriting; the purchase of maps, textbooks, newspapers, and periodicals; $800,000: *Provided*, That the appropriation herein made shall be immediately available, and together with the unexpended balances of the appropriations made available for the fiscal year 1926 by the act approved March 3, 1925, shall remain available until expended: *Provided further*, That the commission may incur obligations and enter into contracts for building materials and supplies and for construction work, which, inclusive of the amounts herein made available, shall not exceed a total of $3,000,000: *Provided further*, That without reference to the requirements of existing laws or regulations, the commission may employ, by contract or otherwise, professional and technical personnel, and may make contracts for work in Europe: *Provided further*, That when traveling on business of the commission officers of the Army serving as members or as secretary of the commission may be reimbursed for expenses as provided for other members of the commission: *Provided further*, That disbursements for expenditures outside of continental United States may be made by a special disbursing agent designated by the commission and under such regulations as it may prescribe.

Mr. GARRETT of Tennessee. Mr. Chairman, I reserve a point of order on the paragraph. No; I will not reserve a point of order, although there are things in it which are subject to a point of order, but I move to strike out the last word.

Mr. Chairman, I wish to call attention at this time and in this place, because I do not know of any other place where I can with propriety do it, to the peculiar situation which exists in regard to the personnel of this commission. Now, I do not mean by that to reflect upon any individual who is a member of the commission.

Gentlemen will remember that in the Sixty-seventh Congress, moved by a very proper impulse, we provided for the creation of this Battle Monument Commission. Of course it is unnecessary to go into the reasons for its creation. The reasons are obvious. It was desired that during the time of men now living who had served in a great World War, and while the topography and the scenes and the emotions were all fresh in their memories, plans should be made for the erection of monuments to those who served this country in the great World War.

I do not know whether the present President of the United States or his immediate predecessor made the appointment of those who are now members of the commission, and I wish to repeat again that what I am saying is not intended as any reflection on any of the individuals who have been appointed.

What I am trying to reach is that there is no representation on the commission south of Maryland; there is no representation on the commission west of the Appalachian Mountains.

Mr. FISH. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. FISH. There is no representation north of Pennsylvania, is there? The great State of New York, that had one-tenth of all the soldiers, has no representation, and I will make the statement stronger than did the gentleman—there is no representation north of New Jersey. And let me say that the commission was appointed by President Harding, and one of the members comes from Illinois.

Mr. GARRETT of Tennessee. I shall have to go farther than the Appalachian Mountains, then. There is no representation west of the Mississippi River, no representation south of Maryland, and no representation, the gentleman from New York says, north of New Jersey.

It does seem to me that in a wonderfully great matter of this sort that should not be. Bear in mind that this commission is to determine places at which monuments are to be constructed. It does seem to me that in a great sentimental matter of this sort that some method ought to be found where there can be, not as regards persons but as regards sections, a more equitable distribution of representation than is now on this commission.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. SEARS of Florida. Mr. Chairman, I move to strike out the paragraph.

Mr. McKEOWN. Mr. Chairman, I offer a perfecting amendment to the text.

The CHAIRMAN. The gentleman from Oklahoma offers a perfecting amendment, which the Clerk will report.

The Clerk read as follows:

Page 4, line 22, strike out lines 22, 23, and the word "statutes" on line 24.

Mr. McKEOWN. Mr. Chairman, if this bill passes in its present form it will repeal a section of our statute which makes it the duty of the Attorney General to pass on the title to all real estate purchased by the United States. I do not think that the Congress of the United States wants to take that power from the Attorney General. I think if the Government of the United States spends its money for real estate it ought to have the title passed upon in the purchase of lands in a foreign country. No man's opinion will be so reliable as that of the Attorney General of the United States.

My amendment simply restores section 355, Revised Laws, restoring the powers which the Attorney General now has. There is no reason why the title to monument lands should not be first carefully scrutinized and passed on by the Attorney General, just as any other real estate that the United States proposes to buy. If we pass this bill in its present form, it takes away the safeguard that the Government has in respect to the title to lands that it purchases. If we buy these monument lands, it is something that is to last forever. We ought to have good title to them. I submit the amendment to the committee with this observation. Its purpose is to safeguard the title to the land which the United States itself buys, and no good reason has been given why the United States Government should take down that safeguard.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. WOOD. For the mere purpose of accomplishing the thing which we desire to have accomplished that provision was placed in the bill. What lawyer is there in the United States that could possibly pass on a French title?

Mr. McKEOWN. The Attorney General's office could pass on the title and give his opinion before we spent our money. French lawyers will pass upon it, but who in the United States wants to pay out money on the statement of lawyers without the sanction of the Attorney General?

Mr. WOOD. In the formation of this act that very question was anticipated. Section 4 provides that the President is requested to make necessary arrangements with the proper authorities of the countries concerned to enable the commission to carry out the purposes of the act. A great portion of this land is being donated and it will not cost the Government anything. There is no process of condemnation over there. We can not condemn those lands, but we must go along as best we can, and the best way in the world to get along is through their agents. It would be foolish for us to send some one over there to look up these titles. They do not amount to much anyway, so far as expenditure is concerned. The getting of the title is a mere bagatelle.

Mr. McKEOWN. But the gentleman knows that no matter if the land comes to us by donation, we ought to have a good title to it, and at least Congress ought to have the justification for placing buildings upon the land that the Attorney General of the United States in his official capacity has passed on the title. Suppose we accept the land and somebody comes up after a while with a claim that the title is defective. The United States will be compelled probably to pay some enormous sum to settle some French claim. I think we ought to safeguard the title because we are to place a monument there which is to last for all time.

Mr. WOOD. The question referred to by the gentleman was submitted to the Attorney General, and the language we have here comes in consequence of that submission.

Mr. WAINWRIGHT. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. WAINWRIGHT. To move to strike out the last three words of the paragraph.

The CHAIRMAN. The gentleman from New York rises in opposition to the pro forma amendment.

Mr. McLAUGHLIN of Michigan. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Michigan rise?

Mr. McLAUGHLIN of Michigan. I move to strike out the last word.

The CHAIRMAN. The gentleman from New York has been recognized.

Mr. WAINWRIGHT. Mr. Chairman, the gentleman from Tennessee has referred to the personnel of the Battle Monuments Commission, and I must confess that the observation that he made quite appealed to me; but I have made some inquiry as to the way in which this commission was appointed and the reason for the appointment of those who happen to compose its personnel is this: The chairman, and obviously the proper chairman, is the former General of the Armies, General Pershing; DAVID A. REED, Senator from Pennsylvania; JOHN PHILIP HILL, our colleague in this House; Thomas W. Miller was the nominee of the American Legion; G. John Markey was the nominee of the National Guard Association; R. G. Woodside was the nominee of the Veterans of Foreign Wars; and Mrs. Frederick W. Bentley to represent the Gold Star Mothers; and Maj. X. H. Price, the secretary, an officer of the United States Army.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. WAINWRIGHT. Certainly.

Mr. GARRETT of Tennessee. The gentleman from New York will remember that I was particularly careful to emphasize the fact that I was not objecting to the individual members.

Mr. WAINWRIGHT. I quite understood that. I understood the gentleman's objection went to the concentration of this personnel for an activity, that is so vital and sentimentally affected the whole country, in one part of the country; and that is the explanation. Mr. Chairman, I do not think that we should leave this subject of this appropriation for the Battle Monuments Commission without some further information as to the progress they have made in their work and what they are proposing to do.

Now they have filed their report. It is not a report to Congress but a report to the President of the United States, and by the act appointing them they are giving the broadest kind of power in the location and construction of memorials. It indicates what they are doing in a certain way, but it does not disclose in any way the places where these monuments are to be erected, and the theory upon which the Monument Commission is proceeding, and there is no subject of greater interest to veterans of the war. I find indicated what their plan is, however, in the printed report of the hearings before the committee, and apparently they propose to erect certain large memorials to commemorate campaigns, one at Montfaucon, one at St. Mihiel, one at Chateau-Thierry, one at Nancy, one at Tours, and one at Rome, and then they propose to erect certain other memorials at an aggregate cost of $360,000, which is a comparatively small proportion of the total appropriation compared with what they propose for these larger memorials.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WAINWRIGHT. I ask for five additional minutes.

The CHAIRMAN. Is there objection? The Chair hears none.

Mr. McKEOWN. Will the gentleman yield for a question?

Mr. WAINWRIGHT. I will.

Mr. McKEOWN. Is this contemplated in connection with any other country except France?

Mr. WAINWRIGHT. I do not so understand. I understand the purpose of this commission, and that the reason of their existence is the construction of monuments in France. Now a matter that will interest every veteran of the war, especially those who took part in combats, is the manner in which this commission proposes to proceed. Do they propose to commemorate the activities of the divisions so that there will be a monument for each of the 29 combat divisions, or will that

include division activities in the larger general memorials? That raises a very important consideration; and I do not believe that we should pass by this appropriation without being informed somewhat as to really what they contemplate. It so happens there is on the floor a Member——

Mr. McKEOWN. Does the gentleman know anything about what the battle monuments would cost in the total amount?

Mr. WAINWRIGHT. I can not answer the gentleman by giving the total. Of course, the land upon which these monuments will stand will be in some agency of the Government of the United States or, in fact, in the Government of the United States, and that of course must be arranged by some agreement with the Government of France.

The Government of the United States has no right to go in there and buy land as a private individual. Whatever we do there must be by virtue of some quasi treaty or some arrangement between the two Governments. I assume that as to any land that we get for that purpose we shall have practically the guaranty of the Government of the French Republic as to the security and permanence of our tenure.

Mr. McKEOWN. There is no safeguard for that in this bill.

Mr. WAINWRIGHT. It so happens that we have on the floor here as a Member of our own body one of the members of this commission. I believe that the committee and the country should be informed at this time somewhat of the plan and the procedure they propose to follow in the location of monuments. We have practically no information on that matter, as it stands to-day.

The CHAIRMAN. The time of the gentleman from New York has expired. Without objection, the pro forma amendment will be withdrawn.

Mr. HILL of Maryland. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Maryland moves to strike out the last two words.

Mr. HILL of Maryland. Mr. Chairman and gentlemen of the committee, I think the committee is very properly interested in this appropriation, and I would be very glad indeed to answer any question that any member of the committee desires to ask after I have made a brief statement on the point raised by the gentleman from New York, because I was appointed on this commission as the representative of the House.

In the first place, I think the comment of the gentleman from Tennessee on the geographical location of the members of this commission of seven is a very natural one. Every member of the commission, when the commission organized, was struck by the fact of the location within a comparatively small area of the membership of the commission.

Mr. MONTAGUE. Mr. Chairman, will the gentleman yield?

Mr. HILL of Maryland. Certainly.

Mr. MONTAGUE. Was the partisan composition of the commission in any way considered? It appears to be wholly a partisan commission; but I have no objection to it.

Mr. HILL of Maryland. I will say to the gentleman with entire sincerity that I do not know what are the politics of the members of the commission with one exception. The question has never come up.

Mr. MONTAGUE. In all matters of this sort it is desirable that politics should be wholly eliminated.

Mr. HILL of Maryland. I agree entirely with the gentleman. I do not want to bore the committee with this recital, but I think the committee should understand the origin of the commission.

As I understand, the bill was originally drafted by the Committee on Foreign Affairs, and some of the gentlemen here who are on that committee know more about it than I do. I understand that the bill provided that the commission should consist of seven members, and it was specifically stated that those seven members should be as follows: One representative of the Regular Army, one representative of the Senate, one representative of the House, one representative of the American Legion, one representative of the Veterans of Foreign Wars, one representative of the National Guard Association, and one representative of the Gold Star Mothers. Then, I understand—and perhaps I got my information by reading the hearings on the bill—I had nothing to do with the formation of the commission——

Mr. HILL of Alabama. It was left to the President to select the members of this commission, was it not?

Mr. HILL of Maryland. Yes. The original bill provided that the members of the commission should represent each different organization, but the power finally was given to the President to appoint any seven he wanted. My understanding is that with the exception of General Pershing and the representative of the Senate and the representative of the House the members of the commission were recommended to the President by the above-named organizations.

The commission consists of seven members. General Pershing was naturally picked out to represent the Army. Senator REED of Pennsylvania was picked out because he was at that time one of the few Members of the Senate who had been in the World War. He served as a major in the Seventy-ninth Division. He had a very distinguished service as an artillery officer. He received the distinguished-service medal and the Legion of Honor for war services.

My appointment came about in this way: Apparently there were two very able and distinguished Members of the House whose appointment was strongly urged by their friends. My appointment was urged by nobody. The President, as I understand, came to the conclusion that he could not properly appoint either one of those two Members of the House and——

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. HILL of Maryland. May I have five minutes more?

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. HILL of Maryland. The President then appointed me.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield there?

Mr. HILL of Maryland. Yes.

Mr. WAINWRIGHT. I trust the gentleman will not waste too much time on the personnel of the commission, but will come down to the matter of the program.

Mr. HILL of Maryland. I had no desire to speak on the subject at all, but I thought that, being a member of the commission, some explanation should be made in answer to the gentleman from Tennessee.

Mr. WAINWRIGHT. Knowing the limitations as to time, I thought perhaps the House would be satisfied with the explanation already given concerning the appointments.

Mr. HILL of Maryland. I think there should be time allowed to discuss this matter.

Mr. BLACK of New York. Mr. Chairman, will the gentleman yield there?

Mr. HILL of Maryland. In a moment.

So the representatives of the Army and of the Senate and of the House were appointed in that way. I had not been an applicant for the position and did not know anything about it. I understand very distinctly that Colonel Woodside, who happened to come from Pittsburgh, which is the residence of Major REED—and Major REED had nothing to do with his appointment—received his appointment upon the recommendation of the representatives of the Veterans of Foreign Wars, he having been their grand commander at one time. Colonel Woodside was decorated with the distinguished-service cross and wounded in action in France. I also know that Colonel Markey, who happens to come from Maryland, was recommended by the National Guard Association. He commanded an Infantry regiment in France and received the distinguished-service medal and the Legion of Honor for combat service.

I know there was a very spirited contest in the American Legion over the appointment of their representative, and Colonel Miller, who had served as an officer in the Seventy-ninth Division in the fighting north of Verdun in 1918, and who happened to come from Delaware, was appointed. Mrs. Bentley, of Chicago, lost a son in battle in France, was president of the Gold Star Mothers, and was recommended by them.

Now, gentlemen, this accounts for the grouping of the appointees on this commission in a comparatively small area, and I will say to the gentleman from Tennessee that is a matter for very proper comment, but it came about in that way. There was no question of political consideration in the sense of party politics. There was no question of geographic location. It was a question of representation of different units or organizations.

Mr. BLACK of New York. Will the gentleman yield?

Mr. HILL of Maryland. I yield.

Mr. BLACK of New York. I was just wondering who on the commission passed on the artistic value of the designs submitted for monuments.

Mr. HILL of Maryland. I will say to the gentleman that by the act creating the commission, that, subject to the approval of the Fine Arts Commission in Washington here, and while the Battle Monuments Commission may express an opinion, the final decision on artistic matters where they have been prepared by proper architects is up to them.

Mr. BLACK of New York. Will the gentleman yield again?

Mr. HILL of Maryland. Yes.

Mr. BLACK of New York. Does the gentleman know whether or not on the Fine Arts Commission there is an artist or a sculptor?

Mr. HILL of Maryland. I will say to the gentleman I understand the Fine Arts Commission is a very representative body, but I have no personal knowledge except having met with them.

Mr. McKEOWN. Will the gentleman yield?

Mr. HILL of Maryland. I yield to the gentleman.

Mr. McKEOWN. What is the purpose of leaving out the usual provision that the gentleman is very familiar with, requiring the Attorney General to pass on the title to the real estate that might be acquired?

Mr. HILL of Maryland. That was done at the request of the Department of Justice. They said they knew nothing about French titles, and it would only complicate things. I will say to the gentleman the amount of land to be bought is inappreciable. We have already acquired the cemeteries, and the remaining land to be bought will only be some small sites big enough to put monuments on. Personally, I think it makes no difference whether that provision is in or not.

Mr. McKEOWN. What I wanted to know was whether they expected to spend any money for large fees to lawyers for the examination of titles.

Mr. HILL of Maryland. Oh, no; because, as I have said, the amount of land to be purchased is entirely negligible.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. HILL of Maryland. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WAINWRIGHT. I would like to ask the gentleman if he is correct in the statement that the land for the cemetery was bought. I think the gentleman is in error as to that. I think the lands now constituting the cemeteries are lands practically ceded to this country by the Government of France, and that there is not involved any purchase of land, except, possibly, some additional small lots to piece out.

Mr. HILL of Maryland. I would like to say to the gentleman from New York and to the committee that probably what the gentleman has said is entirely correct. No one knows more about the cemetery situation in France than the gentleman from New York. The gentleman was Assistant Secretary of War, and as a former officer in the Twenty-seventh Division the gentleman took a great deal of interest in the matter, with special reference to the cemeteries and battle fields in the Belgium region, where his division served. What I intended to say was that the cemeteries were all acquired, and it would not be necessary to pass on the titles.

Mr. REECE. Will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. REECE. Am I correct in the opinion that the commission expects to approve monuments for the various divisions that were in the scene of operations during the war?

Mr. HILL of Maryland. I will say to the gentleman that the original plan of the War Department before the commission was appointed was one that seemed very rational. Most of us here in the House saw exhibited out in the lobby a little imitation marble block with a bas-relief bronze map on it. I personally was very much impressed with it. It was intended to have about 1,500 or 1,600 of those markers. That was the original plan of the War Department. The idea was that the American tourists would go to one of these markers, would stand behind it, and be able to locate all of the units in a certain phase of a certain operation; but I will say to the committee that when we went to look at the ground itself we found existing monuments much bigger than those. For instance, the monument of the First Division.

Mr. HILL of Alabama. Will the gentleman tell us who the gentleman means by "we"?

Mr. HILL of Maryland. I mean the Battle Monuments Commission.

Mr. HILL of Alabama. The commission went at the expense of the Government?

Mr. HILL of Maryland. Naturally, the commission went at the expense of the Government. I can not see that there was anything particularly disgraceful in the Battle Monuments Commission having gone there at the expense of the Government. It was authorized by the House and directed by the House, and there was not any possible way to do the work unless the commission did go there. Some of the members of the commission were willing and able to pay their own way, but the Government does not expect members of a commission of this sort to do that.

Mr. REECE. Will the gentleman yield inasmuch as the gentleman has mentioned the monument of the First Division? The commission, as I understand it, has not yet approved the location of the monument of the First Division, and if the gentleman will permit, the reason I am asking about this is that I understand they have erected a monument at Vigneuelles, whereas another American division, namely, the Twenty-sixth Division, had captured Vigneuelles six hours before the advance guard of the First Division reached that place.

Mr. HILL of Maryland. That is a good example of the many difficulties we have had in straightening out matters in such a way as to get at historical accuracy with respect to the different operations.

Mr. HILL of Alabama. If the gentleman will permit, I would like to say I did not mean to criticize the commission for going over there at the expense of the Government. I was asking for information.

Mr. HILL of Maryland. I thought the gentleman's remark was an implied criticism.

Mr. SNELL. Will the gentleman yield for a question?

Mr. HILL of Maryland. I yield.

Mr. SNELL. I would like to get some information in regard to the title to the cemeteries. As I understand it, we purchased the land, but it was deeded to the French Government and they in turn gave us a lease of the land; is that correct?

Mr. HILL of Maryland. I will say to the gentleman my understanding is we have absolute control of the cemeteries.

Mr. SNELL. Is the title in the United States Government or is it in the French Government with a lease to us?

Mr. HILL of Maryland. No; the title, I think, is entirely in the United States, and it is ceded to us. The flag of the United States flies over the cemeteries and we have complete jurisdiction.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. SNELL. Mr. Chairman, I ask unanimous consent that the gentleman from Maryland may have five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WAINWRIGHT. Will the gentleman yield for a word about that?

Mr. HILL of Maryland. I yield to the gentleman.

Mr. WAINWRIGHT. There are six main cemeteries. There is the cemetery of the Argonne-sur-Meuse, at Romagne, where some 14,000 soldiers are now buried. This was a battle field cemetery, where the dead were gathered immediately after the engagement, and by some arrangement that existed between our Government and the French Government that land became cemeterial land. Then there is the American cemetery at St. Mihiel, where the soldiers who were killed in the battle of St. Mihiel were gathered and buried.

Then there is the Oise-Aisne Cemetery near Fere-en-Tardenois, where there are about 6,000 buried, who died in the operations along the Vesle and around Soissons. The same thing applies to the Aisne-Marne Cemetery at Belleau Wood, where there are over 2,000 buried, and that is a cemetery that was established immediately after the operations, where the dead were gathered in the battle area. I am particularly familiar with the cemetery where the Twenty-seventh and Thirtieth Divisions, constituting the Second Corps, attacked the Hindenburg line, at the tunnel of Cambria-St. Quentin Canal. We have a cemetery at Bony, right at the tunnel, where about 2,000 are buried. I vividly recall the way that cemetery was started. In the same way there is the Flanders Field Cemetery at Waereghem, in Belgium. These cemeteries and the land constituting the cemeteries all became the property of the United States; or I think it should be more accurately stated by saying that the French Government holds that land in perpetual trust for the United States.

Mr. SNELL. That is just the question I had in mind.

Mr. WAINWRIGHT. As cemeterial land; and unless there has been some additional territory acquired that was not included in the original confines of the cemetery, which was deemed necessary to be bought, the Government of the United States has not been required to pay anything for any of this cemeterial land, as I recall.

Mr. SNELL. I have been told distinctly, and I remember a bill before Congress appropriating a certain amount of money for the purchase of cemetery land in France.

Mr. WAINWRIGHT. I am only giving my recollection. There may have been additional amounts of land, but most of the larger areas of the cemeteries did not involve the payment of any money.

Mr. SNELL. The gentleman says the French Government holds this land for us in perpetuity.

Mr. WAINWRIGHT. I do not want to be too positive; I am only giving my understanding.

Mr. SNELL. I hope that somebody will be able to tell us of the manner in which we hold that land.

Mr. HILL of Maryland. Originally there were about 1,555 American battle cemeteries with sometimes not more than 10 graves. Immediately after the war those were consolidated into eight cemeteries. We have at the present time abroad a cemetery near Brookwood, England, one near Waereghem, Belgium, and in France one near Bony, one near Suresnes, one near Fere-en-Tardenois, one near Belleau, one near Thiacourt, and one near Romague.

Mr. SNELL. I have been there and seen the cemetery, but I am trying to get information from the gentlemen whether we bought the land, and who owns it. It seems to me that some Member of the House ought to have that information.

Mr. HILL of Maryland. I will get the information and put it in the RECORD. These cemetery lands were acquired several years before you created the Battle Monument Commission. The cemetery land does not belong to the commission but to the War Department. The War Department keeps the cemeteries up. You make the appropriation for markers and stones for the War Department, and the Battle Monument Commission is only concerned in the decoration and beautification of the cemeteries.

Mr. MONTAGUE. Will the gentleman yield?

Mr. HILL of Maryland. I will.

Mr. MONTAGUE. Some Member has used the word "ceded." I do not understand that the lands were ceded. They are simply dedicated by France for cemetery use as long as the American soldiers may be buried under that soil. If they were taken up, the lands would revert.

Mr. WAINWRIGHT. I am quite sure the gentleman from Virginia is entirely accurate.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. WOOD. I ask unanimous consent that the gentleman have two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOOD. I do not think there is any question but that the title to a number of these cemeteries is directly under the War Department. While we were advocating whether or not we would bring the remains of the soldiers back to this country we enacted a bill authorizing the War Department to bring back the remains of those that they thought necessary and desirable to bring back and provide burial places for those not brought back. In that bill we got title to the burial ground in which our dead were buried.

Mr. BLANTON. Will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. BLANTON. The gentleman has said that the interest the United States Government had in the cemeteries was in the War Department. Whatever interest the United States Government has ought to be in the Government of the United States and not in the War Department.

Mr. HILL of Maryland. Perhaps I used the term very loosely.

Mr. BLANTON. The gentleman from Maryland should not use terms loosely.

Mr. HILL of Maryland. I followed the gentleman from Texas, whose language is loose most of the time. [Laughter.]

Mr. HILL of Alabama. Will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. HILL of Alabama. I understand the Battle Monument Commission has made one trip to France.

Mr. HILL of Maryland. Yes; in the summer of 1924.

Mr. HILL of Alabama. Does it propose to make another trip?

Mr. HILL of Maryland. There is no immediate proposition for another trip.

Mr. HILL of Alabama. The gentleman does not think another trip will be necessary.

Mr. HILL of Maryland. At the present time, I do not expect one. During the last summer three members of the commission went to France at their own expense, and made an inspection to see how the work was getting along.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. MOORE of Virginia. I understand General Pershing made a trip independent of the commission.

Mr. HILL of Maryland. I will say that General Pershing made two trips at his own expense. A year ago this past summer General Pershing made the second trip entirely at his own expense to see what had been done in the cemeteries.

Mr. MOORE of Virginia. And let me say, for the sake of accuracy, that in the designs determined upon by the commission the Commission of Fine Arts does not function except by the way of approval. That is in the basic act.

Mr. HILL of Maryland. I will say that so far the designs for the final monuments have not been approved, but we have been in consultation with the Fine Arts Commission.

Mr. MOORE of Virginia. I would say that as a member of the commission that assisted in drafting the statute on which the appropriation is based, there was set up a commission in the original act. Then there was a great deal of controversy as to the composition of the commission. There was a long debate in the Committee on Foreign Affairs, and finally the committee determined that the only thing to do that was reasonable was to leave the designation of the members of the commission to the President.

Mr. HILL of Maryland. As I understand, the committee originally had some definite member from such and such a group, and so forth.

Mr. MOORE of Virginia. There was a designation of certain people to go on the commission in the original draft, but that was tentative and was so regarded. There was a great deal of discussion as to how the commission should be made up.

Mr. HILL of Maryland. I am very glad to have that confirmation of my understanding of the original draft.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. WAINWRIGHT. The gentleman has been diverted very much from the purpose for which he rose. I ask the gentleman to tell us a little more about the plan of the Battle Monuments Commission with regard to the erection of memorials, whether they are proceeding along the line of memorials to campaigns or whether they propose to erect divisional monuments?

Mr. HILL of Maryland. Mr. Chairman, I have been very glad to yield, because I feel this is a matter that the House should know about and that there should be full understanding on everything relating to the commission.

The original plan suggested by the War Department before the commission was created was for about 1,550 markers——

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. BULWINKLE. Then the work of the commission is to have these markers placed in the cemeteries?

Mr. HILL of Maryland. Oh, no; the markers have nothing to do with the cemeteries. These are historical markers.

Mr. BULWINKLE. And you do not have anything to do with them?

Mr. HILL of Maryland. I do not understand what the gentleman means.

Mr. BULWINKLE. The gentleman stated the other day on the floor of the House that crosses would be placed at the graves.

Mr. HILL of Maryland. Those are headstones, and they are different from historical markers.

Mr. BULWINKLE. Then they have headstones. Then you established the cemeteries and bought the land?

Mr. HILL of Maryland. No.

Mr. BULWINKLE. The land was donated?

Mr. HILL of Maryland. No.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. HILL of Maryland. Mr. Chairman, I ask unanimous consent to proceed for two minutes to answer the question that the gentleman from New York [Mr. WAINWRIGHT] has raised.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to proceed for two minutes. Is there objection?

Mr. WOOD. Mr. Speaker, reserving the right to object, it seems to me that this discussion has taken an undue length of time without any accomplishment whatever. We have committed ourselves to a statute here that authorizes the doing of these things. We have transferred the authority from the Congress of the United States to this commission to do a certain thing, and it is within their power unless we by affirmative legislation change it. While the discussion is instructive and educational, we will never get done.

Mr. HILL of Maryland. Mr. Chairman, I withdraw my request for additional time.

I had no desire to speak upon this subject, but it is a matter which the House asked questions about, and I have been trying to explain what the situation is. I ask unanimous consent to proceed for half a minute to make a further statement.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to proceed for half a minute. Is there objection?

There was no objection.

Mr. HILL of Maryland. Mr. Chairman, we have two things here. There are the cemeteries which were created before the American Battle Monuments Commission was created by Congress. In the cemeteries are tombstones, and they are under the supervision of the War Department. The only thing that the Battle Monuments Commission had to do was to decide whether they should use crosses or headstones to mark the graves.

In addition to that, you have various historical markers and things of that sort. There is no necessity for me taking your time. Here is a full report of the commission, which every one of you have had, for the year ending 1925. The next report of the commission will be published in a few days, and, as the chairman of the subcommittee has said, the committee hearings are full and cover this subject. I refer you to the statement of Major Price as to plans for historical monuments. I apologize to the committee for having taken so much time. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

Mr. McKEOWN. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection, and the Clerk again reported the amendment, as follows:

On page 4, beginning with line 22, strike out lines 22, 23, and the word "statutes" in line 24.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I move to strike out lines 4 and 5 of the paragraph we are now considering. I offer that, of course, as a pro forma amendment. I speak of those lines because I wish to call the attention of the chairman and other members of the committee to the particular things to which they relate. It is here provided that for traveling expenses members of the American Battle Monuments Commission may expend $8 per day, $7 per day, and so forth. At another place in the bill there is a provision regarding traveling expenses for the Alien Custodian or those who serve under him, providing for $4 per day. A little further on in the bill—the bill now before us—we find provision made for expenses of travel by members of and men connected with the Federal Trade Commission, at $5 per day and $4 per day. I call the attention of the committee to these numerous and different provisions, to the confusion, to the disordered state of affairs, in respect to allowances for travel expenses by officials and employees of the Government.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. FISH. If the gentleman will look into the proposition he will find it goes much further than he has suggested. Under the bill the members are allowed to spend seven and eight dollars a day. Previous to that—during the trip abroad last year—the commission spent $12 a day, of which $8 was for food.

Mr. McLAUGHLIN of Michigan. It may be too high or it may not be high enough—it might be necessary to increase or decrease it materially—I am not arguing that; I am not now concerned with that feature. I am speaking of the lack of uniformity, the variance, the fact that there is so much variance, between and among our laws—this and other laws—respecting money allowances to officials and employees of the Government traveling out of Washington.

Mr. WOOD. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. I will yield.

Mr. WOOD. The reason for the rule—and we entered into it very thoroughly a year ago, and I think in the hearings now there may be something—is that members of this commission serve absolutely without any compensation.

Mr. McLAUGHLIN of Michigan. I am not questioning the advisability or necessity of any per diem, large or small; I speak at this time only for the purpose of calling attention to the wide and inexplicable difference between different laws relating to the subject of traveling expenses. I am not arguing that this, that, or the other amount is right or wrong. I am simply calling attention to the hopeless confusion in which the House finds itself when bills are brought in to provide, among other things, money to pay traveling expenses of officials and employees of our Government. In a bill we considered a few days ago certain officials are to be allowed expenses at the rate of $10 a day. In the bill before us there is one allowance of $8; for another $7 is to be allowed. In this same bill on the next page certain officials are to be permitted $5, others $4 a day. Why this difference? Why this discrimination, why all this confusion, why this excuse and provocation to contention on the floor of the House whenever these bills are considered? The very matter of which I speak has been brought up many times, and it has been suggested that inasmuch as the Committee on Appropriations has entire authority to bring in these bills, an effort ought to be made to harmonize them. Enactment of laws may be necessary. It has been suggested that this or some other committee bring in a measure of that kind. And I am suggesting that measures should be brought in to arrange this matter in some reasonable and uniform shape.

Mr. GIBSON. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. I will yield.

Mr. GIBSON. I wish to say for the information of the gentleman from Michigan that we have before the Committee on Reform in the Civil Service two or more bills dealing with the specific matters to which the gentleman refers, and a subcommittee has been appointed to draft a bill which will take care of the whole matter of travel pay to Government officials where they are required to travel.

Mr. McLAUGHLIN of Michigan. I am pleased to learn that. That is a step in the right direction.

Mr. WOOD. Mr. Chairman, I rise to oppose the pro forma amendment. I am in sympathy with the general proposition suggested by the gentleman from Michigan that there should be uniform law with reference to per diem allowance, but this commission, I think every gentleman here will readily concede, should be excepted by reason of its activities. The members of this commission invited to serve in this capacity are from the highest walks of life, giving their services without compensation.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. WOOD. I will.

Mr. GARNER of Texas. Of course, it applies to this particular commission, but what does the gentleman say, as a member of the Committee on Appropriations, as to making different rates of allowance to Government employees of equal dignity and responsibility?

Mr. WOOD. I think it is a mistake and should be remedied.

Mr. GARNER of Texas. Why does not the gentleman correct it? I want to say to the gentleman that when we had the tax bill the question came up as to how much allowance should be made to representatives of the so-called tax board. We declined to put any allowance, and I called Mr. MADDEN, and Mr. GREEN talked to Mr. MADDEN, and he told us the Appropriations Committee this year hoped, as they had in the past, to bring in some uniform provision by which they would receive the same compensation. It has not been done and I have wondered if you are ever going to do it?

Mr. WOOD. If I had my way it would be done.

Mr. GARNER of Texas. Who is obstructing it—JOE BYRNS?

Mr. WOOD. I think it is JOE BYRNS. [Laughter.] Mr. Chairman, in building these monuments they ought to be commensurate at least with the importance we occupied in the World War, and the commission erecting them in accord with appropriate designs should not be compelled to visit cheap hotels and restaurants in Paris. We would be ashamed of them, and inasmuch as they are giving their time without charge to the United States Government, it is as little as we can do to make a pretense at their stopping at the Crillon, where the President of the United States stopped. Now, we at least ought to be consistent and the United States is so big that in circumstances of this character it would be a damnable shame and a blemish upon us.

Mr. BYRNS. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. BYRNS. I want to say in reply to the interrogatory of the gentleman from Texas that the chairman of the Committee on Appropriations [Mr. MADDEN] has under consideration the idea of proposing some uniform rule in reference to traveling expenses——

Mr. WOOD. There ought to be.

Mr. BYRNS. We all agree there ought to be, but the gentleman knows, because he is a very busy man, that the chairman of the Committee on Appropriations has been exceedingly busy up to this time with appropriation bills. I think the committee under the lead of its chairman has made a record in preparing and bringing those bills before the House at such an early time and securing their passage; and therefore Mr. MADDEN, chairman of the committee, has not had the opportunity to give his attention to other matters. I am sure he will do so before long.

Mr. GARNER of Texas. I am very glad to hear that encouraging statement, but it seems strange to me that you have not a sufficient force in the Committee on Appropriations to attend to this, or that there is not a sufficient effort made. The latter part of last November this matter should have had the attention of the committee. The RECORD shows that you said you were going to do it a year ago. The RECORD shows that the chairman of the Committee on Appropriations [Mr. MADDEN] promised to have it attended to.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk will read.

Mr. FISH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FISH: On page 6, line 1, strike out the figures "$3,000,000," and insert the following: "$2,999,000, of which sum not to exceed $30,000 shall be expended for the erection near Sechault, France, of a suitable monument to commemorate the valiant services of the colored American Infantry regiments attached to the French Fourth Army."

Mr. BYRNS. Mr. Chairman, I make a point of order on the amendment. It changes existing law. It is a direct violation of the law under which this appropriation is made.

The CHAIRMAN. Will the gentleman from Tennessee please make his point of order again?

Mr. BYRNS. My point of order is that the amendment changes existing law. The law provides the conditions that shall control as to material and design of these monuments and provides for the erection of all American monuments in Europe at such places as the commission shall determine. The amendment offered by the gentleman from New York would take from the commission this power, this discretion, given to it expressly by the statute which created the commission.

Mr. BANKHEAD. Mr. Chairman, I would suggest to the gentleman from Tennessee also that it is not authorized by existing law. I make the further point of order, Mr. Chairman, that it is not authorized by existing law.

Mr. FISH. Mr. Chairman, this amendment merely reduces the expenditure. If the chairman will listen, I would like to read a decision of John G. Carlisle, which is exactly in point:

Under the third clause of Rule XXI an individual Member upon the floor may offer an amendment changing existing law provided it retrenches expenditures in one of three modes: First, by reducing the number and salaries of the officers of the United States; or, secondly, by reducing the compensation of persons paid out of the Treasury of the United States; or, thirdly, by reducing the amounts covered by the bill. The amendment offered by the gentleman from Massachusetts does not propose to add an appropriation of $150,000 to the bill; but it provides that of the amount appropriated by the bill the sum of $150,000 may be used for certain purposes, and it diminishes the amount covered by the bill by striking out "$9,500,000" and inserting "$9,490,000." So that the Chair is bound to hold that the amendment conforms strictly to the language of the rule. Whether the language actually used in this rule accomplishes the exact purpose which the House had in view in adopting it is not a question for the Chair to decide; but taking the language of the rule as it stands and putting upon it the construction which ordinarily would be put upon such language in a statute or in a rule of the House, the Chair is compelled to hold that the amendment comes within the rule and is in order.

Now, I submit that, Mr. Chairman, as being the decision of John G. Carlisle, one of the foremost parliamentarians that has ever been in this House, and I believe that that decision still holds.

The CHAIRMAN. Will the gentleman from New York please state that section?

Mr. FISH. Section 3892, volume 4, of Hinds' Precedents.

Mr. BYRNS. Mr. Chairman, I wish to make a further point of order, that the amendment is not germane.

The CHAIRMAN. Is the gentleman from New York through with his argument?

Mr. FISH. For the moment; yes.

Mr. SNELL. Mr. Chairman, I would like to call the attention of the Chair to section 966:

A limitation must not give an affirmative direction and must not impose new duties and must not be accompanied by language not directly limiting the appropriation.

I do not know that there is any need of arguing this further.

The CHAIRMAN. Will the gentleman please repeat his statement?

Mr. SNELL. I want to call the Chair's attention to section 966:

A limitation must not give an affirmative direction and must not impose new duties and must not be accompanied by language not directly limiting the appropriation.

It seems to me the amendment offered by my colleague from New York not only cuts down the amount of the appropriation but directly imposes new duties on this commission. It provides distinctly that this commission must create a monument plan for colored soldiers, and in doing that it must prescribe new duties not at present authorized by law. If so, a point of order would lie against it.

Mr. CONNALLY of Texas. Mr. Chairman, if this amendment is in order at all, it can be in order only as a limitation. It does not come within the Holman rule, because the Holman rule applies when the law fixes salaries or compensation of officers or other charges on the Treasury, and the amendment, though it may have the effect of changing existing law, reduces expenditures; cuts that down. If this amendment is in order at all, it is in order as a limitation. But a limitation must be negative entirely in its application. A limitation can not direct any affirmative action by any department of the Government.

For instance, if we had an appropriation providing $1,000,000 to build monuments, if the gentleman's amendment said, "provided, however, that no part of this appropriation shall be used for building any monument over 10 feet high and costing more than $30,000," it would be in order because that is a limitation of the use to which the money can be put, since the law would authorize any monument from 1 foot high to 100, the appropriation would be limited to monuments not over 10 feet high, but the gentleman does not stop at that. The gentleman simply reduces nominally the appropriation by $10,000 and then he says, "provided, however, that the commission shall do something." He directs and provides it shall build a monument to some regiment of troops, without naming the regiment, and I do not believe the amendment describes it except to state that it was composed of colored troops.

That is an affirmative direction to the commission to do something which under existing law can not be required of the commission, because under existing law the commission is vested with the discretion and with the judgment to locate these monuments at such points and to dedicate them to such particular battles or engagements as the commission may deem proper. So it is both a change of existing law and a violation of the rules with reference to limitations which require that they must be negative; they must be, in fact, a limitation and not an extension of the legislative power. I submit the gentleman's amendment is not in order.

I want to call the attention of the Chair to a ruling by the gentleman from Connecticut [Mr. TILSON] made at the last session of Congress—I think the parliamentary clerk is familiar with it—in which Mr. TILSON took up all the precedents on the subject of limitations and exhaustively digested them and laid down the rule I am now endeavoring to announce, that the limitation must absolutely be negative; it must not direct anything affirmative; and it must narrow the uses to which the appropriation can be put rather than extend the uses to which the appropriation can be put. The gentleman's amendment violates all three of those fundamental canons as laid down in the ruling made by the gentleman from Connecticut [Mr. TILSON].

The CHAIRMAN. Unless the gentleman from New York [Mr. FISH] has something further to offer, the Chair is ready to rule.

Mr. FISH. I simply want to ask the Chair to read this decision of Mr. Carlisle and some other decisions of the same nature by Mr. Hull. I assume the Chair has the decision of Mr. Carlisle before him. I think it still stands as the rule of the House, and upon that I base my amendment as being in order.

Mr. BANKHEAD. Mr. Chairman, of course, I do not know what is in the Chair's mind about this proposition——

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Alabama.

Mr. BANKHEAD. I would like to submit, in addition to the argument made by the gentleman from Texas [Mr. CONNALLY], that the existing law upon which this appropriation is based provides in section 2:

That the commission shall prepare plans and estimates for the erection of suitable memorials to mark and commemorate the services of the American forces in Europe and erect memorials therein at such places as the commission shall determine, including works of architecture and art in the American cemeteries in Europe.

The proposed amendment attempts to give a positive and direct instruction to that commission to erect a particular

monument at a particular place for a specific purpose. Therefore it is invading the province of the commission as laid out in the original law.

The CHAIRMAN. The Chair feels it is unnecessary to go into any lengthy discussion of the reasons for his decision further than to state that it is a principle recognized by all occupants of the chair in the past that in order to come within the Holman rule there is required something more than a mere reduction in the amount sought to be appropriated, as in this case the amount of $3,000,000 is cut to $2,999,000. If the amendment stopped there it would be in order, and there would be no question about it, but by so undertaking to reduce the appropriation in that manner the introducer of the amendment is not permitted to inject or add legislation on an appropriation bill unless such legislation is essential to the accomplishment of a retrenchment of expenditure. The latter portion of the gentleman's amendment, which says that not to exceed $30,000 *shall* be expended, is clearly a direction to this Battle Monuments Commission, which according to the law is to operate with respect to these matters entirely at its discretion. The Chair therefore sustains the point of order.

Mr. FISH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FISH: On page 6, line 1, after the figures "$3,000,000," insert a colon and the following: "*Provided further*, That not more than one-half of this sum shall be expended unless or until plans and estimates are proposed and approved by said commission for the erection near Sechault, France, of a suitable monument to commemorate the valiant services of the colored American Infantry regiments attached to the French Fourth Army, not to exceed in cost $30,000."

Mr. WOOD. Mr. Chairman, I make a point of order against the amendment.

Mr. FISH. I would merely point out, Mr. Chairman, that this is a proper limitation. It says to this commission that they can only expend one-half of this amount unless or until they draw up plans and specifications, and approve them, to erect a monument to the colored soldiers. It seems to me that is a part of the duty of the commission, and as Members of the Congress we can well limit their actions to that extent.

Mr. BLANTON. It is subject to the same vice that the last amendment was, Mr. Chairman.

Mr. CHINDBLOM. Mr. Chairman——

The CHAIRMAN. If the gentleman from New York [Mr. FISH] has concluded, the Chair will hear the gentleman from Illinois.

Mr. CHINDBLOM. Mr. Chairman, it seems to me it is perfectly clear that the effect of this amendment is not to reduce the appropriation. The effect is to compel the commission to do something in order to use the appropriation; that is all. It is merely a form of compelling action by the commission, and in itself it does not reduce the appropriation.

Mr. CONNALLY of Texas. And therefore is legislation.

Mr. CHINDBLOM. Certainly; and therefore it is legislation.

The CHAIRMAN. The Chair is ready to rule unless some other gentleman desires to be heard. In ruling on this amendment, the Chair is thoroughly aware that there are decisions by decidedly more experienced and able chairmen than the present occupant of the Chair who have held adversely to what the present occupant of the Chair finds himself compelled to rule. But under the later decisions a limitation on executive functions rather than on the appropriation has been held not in order. From a careful reading of section 2, which has been read by the gentleman from Alabama [Mr. BANKHEAD] it seems to the Chair that the gentleman's amendment, as the gentleman from Illinois [Mr. CHINDBLOM] says, directs the commission to do a specific thing, actually changing the basic law creating the commission, and that the amendment does not restrict in any sense the appropriation. The Chair therefore sustains the point of order.

Mr. McKEOWN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 5, line 5, after the word "thereof," strike out the words "$7 per day."

Mr. McKEOWN. Mr. Chairman, I think the commission ought to be paid traveling expenses, whatever they may be. If they do not spend but $2 a day, they would only draw $2 a day.

Mr. FISH. They are worse off in this bill than they were in the former. They were allowed $12 a day, and now we have it down to $7.

Mr. McKEOWN. I do not care what they had in the other bill. If $8 a day is not sufficient to pay the expenses, we ought to increase it to whatever is necessary. I do not want any man working for the Government to pay his own expenses. Here is what you do: If the expenses are only a dollar he can draw $7. Under my amendment if his expenses are $8, he can get $8. It is a question whether you want to set a new precedent and change the situation. That is what the present law does.

Mr. WOOD. I said a while ago that this as a necessity is an exception to the rule. We have got to have faith in the members of the commission. I do not believe that the gentleman from Oklahoma wants to cast a reflection on General Pershing or anybody else that they would put in any charge that was not legitimate.

Mr. McKEOWN. This does not make them put in any charge not legitimate—the way the law is if their expenses are $8 they can only draw $7. And if their expenses are only $1.50 they have the option to take $7 by law.

Mr. WOOD. If General Pershing and gentlemen who were appointed by reason of their high position, serving without compensation, are subject to suspicion, we ought to adopt the gentleman's amendment.

Mr. McKEOWN. I give full credit to them as honest men.

Mr. O'CONNOR of New York. Considering the personnel of the commission, how does the gentleman suppose we will get the material to constitute the commission unless we pay a decent rate of transportation?

Mr. MONTAGUE. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. MONTAGUE. The gentleman fixes no exact figure.

Mr. McKEOWN. No; I want to pay whatever it costs.

Mr. MONTAGUE. I wish to direct the gentleman's attention to this fact, that if that language passes the Comptroller General will hold to $4 a day under the general field service for employees of the Government. If I am not right about that, try it.

Mr. McKEOWN. Why will that be?

Mr. MONTAGUE. Wait until you get the opinion of Mr. McCarl and you will see how it can be.

Mr. McKEOWN. Well, I want to understand the gentleman.

Mr. MONTAGUE. I make the direct statement that when sums are appropriated for a commission to defray actual expenses Comptroller General McCarl ruled that the actual expenses shall be $4 a day—putting them on the same plane as field agents. This House will never forgive itself unless it makes a special absolute figure.

Mr. McKEOWN. Mr. Chairman, in view of what the gentleman from Virginia says I will withdraw my amendment.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

Mr. McKEOWN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 6, line 11, after the word "the" strike out the word "commission" and insert in lieu thereof the words "Comptroller General."

Mr. McKEOWN. Mr. Chairman, the purpose of my amendment is to keep the disbursing fund within the hands of the Comptroller General. He is the one that ought to control it, and there is no reason why we should change the rule. The Comptroller General is vested with the authority at law to pass on disbursements and he ought to be the one designated.

Mr. WOOD. I do not think the gentleman should insist on that amendment. All these matters have to come finally before the Comptroller General. The only exception is because of the fact that they have to have some stenographer or some person that they can not get through the regular channel. This thing is entirely out of the ordinary?

Mr. McKEOWN. Yes; it is extraordinarily out of the ordinary.

Mr. WOOD. It is, and the gentleman will find it still more extraordinary as the thing progresses; but we have entered upon this venture, and we can not afford to be impecunious or to handicap the agency that we have put in force to carry it out.

Mr. McKEOWN. What objection would there be to having the Comptroller General?

Mr. WOOD. The Comptroller General has so many other things to do, and he is not charged with this specific performance. These gentlemen are charged with that, and they must submit their report to the Comptroller General. Let

the responsibility be where it is; if they are not right, let the Comptroller General cut them down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. WAINWRIGHT. Mr. Chairman, I move to strike out the last word. I believe that I am now in a position to supply the information that was called for in the early part of the discussion of this paragraph with respect to the cost of the land used for cemeteries in France. In the first place, the title to the land is in the French Government as trustee for the American Government, to be used in perpetuity for cemetery purposes. If the land ceases to be used for that purpose, it reverts to the French Government.

The cost of all the land has been a total of $26,828.10. For the Belleau Wood Cemetery, the Aisne-Marne, there has been paid $7,803.16; for the Flanders Field Cemetery in Belgium, nothing; for the Argonne Cemetery, which is the largest of them all, the so-called Romagne Cemetery, nothing; for the Oise-Aisne, $5,233.60; for the St. Mihiel Cemetery, $2,825.49; for the Somme Cemetery, which is the cemetery at Bony, $1,995.57; for the Suresnes Cemetery at Paris, $8,970.68.

Most of these expenditures, as I am informed, were for additional land. That certainly applies to Suresnes, but I have not been able to get precise information as to the others, whether it was for the original tract on which these bodies were buried at the time of the war or for enlargements.

Mr. MONTAGUE. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. Yes.

Mr. MONTAGUE. What sum did the gentleman state for Belleau Wood?

Mr. WAINWRIGHT. Seven thousand eight hundred and three dollars and sixteen cents.

Mr. MONTAGUE. As I am informed, the Belleau Wood Cemetery itself cost nothing, but the $7,803.16 was applied to the purchase of the wood itself, a small area on the battle field, and that was secured in the way of personal gifts by people of our own country.

Mr. WAINWRIGHT. The gentleman is quite correct. The purchase of Belleau Wood for the so-called national park was by voluntary gifts, but this amount, as I understand, was either for the original grant or for an enlargement. I feel quite sure it was for an enlargement.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. Without objection, the Clerk will correct the spelling of the word "member," so that it will read "members," in the plural, on line 8, page 6.

There was no objection.

The Clerk read as follows:

ARLINGTON MEMORIAL BRIDGE COMMISSION

For continuing the construction of the Arlington Memorial Bridge across the Potomac River at Washington, authorized in an act entitled "An act to provide for the construction of a memorial bridge across the Potomac River from a point near the Lincoln Memorial in the city of Washington to an appropriate point in the State of Virginia, and for other purposes," approved February 24, 1925, to be expended in accordance with the provisions and conditions of the said act, $2,500,000, including all necessary incidental and contingent expenses, printing and binding, and traveling expenses, to be available immediately and to remain available until expended.

Mr. HOWARD. Mr. Chairman, I move to strike out the last word for the purpose of getting information. In line 24, page 6, I see a provision for traveling expenses of some one in connection with the building of the Memorial Bridge over the Potomac River at Washington. What traveling expenses could there be in that connection?

Mr. WOOD. It is traveling expenses to send some engineer from the city of Washington to Pittsburgh or wherever they may be making the steel for the bridge for the purpose of inspecting it to see whether or not it is up to specifications.

Mr. HOWARD. That is enough.

The Clerk read as follows:

BUREAU OF EFFICIENCY

For chief of bureau and other personal services in the District of Columbia in accordance with the classification act of 1923; contingent expenses, including traveling expenses; per diem in lieu of subsistence; supplies; stationery; purchase and exchange of equipment; not to exceed $100 for law books, books of reference, and periodicals; and not to exceed $150 for street-car fare; in all $210,000, of which amount not to exceed $146,460 may be expended for personal services in the District of Columbia.

Mr. BYRNS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BYRNS: Page 8, line 1, strike out the figures "$210,000," and insert in lieu thereof the figures "$150,000."

Mr. BYRNS. Mr. Chairman, I am frank to say to the committee that if I thought it would carry I would offer an amendment to strike out the paragraph and eliminate this entire appropriation. I say that for this reason: Without discounting any good that this Bureau of Efficiency has accomplished in the past, I feel that the work performed by the bureau is, if not duplication, a work that should be and can be done by other bureaus. This bureau was established, I think, in 1912 or 1913. At the time it was established there was no bureau or activity of the Government which was devoting its time and attention to the question of efficiency and economy in the various departments. Since that time we have passed the Budget law. The Director of the Budget, a gentleman of very great ability, and who has a very earnest desire to serve the Government, has under his control appropriations amounting, if I mistake not, to $190,000; and when you add to that the salaries paid to other employees in the departments who are detailed to the Bureau of the Budget, this bureau is costing the Government, if I remember correctly, something like $300,000 per year, and he has salaried officials getting five and six thousand dollars a year, one of whom is stationed in each one of the various departments, and for what purpose? For the purpose of keeping in touch with the department and ascertaining and informing the Director of the Bureau of the Budget and the President as to just what is being done, what employees can be eliminated, and where activities can be coordinated and combined so as to save the Government money and enable him as the Director of the Budget to make recommendations of economy to the President of the United States. Under those circumstances why have a Bureau of Efficiency performing, as I say, largely the very same duties that are being performed and should be performed by this very efficient Director of the Bureau of the Budget, with his very large staff?

Gentlemen here are familiar with or have read, no doubt, many of the open letters that are being published by the Civil Service League to the President in regard to the Bureau of Efficiency. I am not actuated by those letters in offering this amendment. I am actuated solely by the idea that I believe you can save here safely at least $60,000 a year and keep this bureau for the next year at the same appropriation it has for this year. I know that in the hearings there is a great deal said by the director of this bureau as to savings he has made. If you take the hearings and read them, you will find a paragraph devoted to this and that department in which he says he went there and looked after the personnel and saved thousands of dollars.

There is no detailed statement made by him as to how he saved it, except the mere declaration that so much money was saved. Read the hearings and you will find that the alleged savings are simply declarations on the part of the head of the bureau, and I have an idea that the heads of these various services, if called upon, would claim that they are entitled to at least some credit. He had $150,000 for this year and that was the estimate the Budget submitted to Congress last December, and yet this appropriation seeks to give him $210,000.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNS. I ask for five additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BYRNS. I understand that the Director of the Budget very recently submitted a supplemental estimate for $60,000, and that the committee in reporting $210,000 has reported the final estimate of the Director of the Budget. But, gentlemen, there is not a line, not one single syllable, in these hearings showing why this extra $60,000 is needed; not a particle of testimony, not a letter from the Director of the Budget or the President or anyone else to show why $60,000 should be added to the present appropriation of the Bureau of Efficiency.

Mr. ALLGOOD. Will the gentleman yield?

Mr. BYRNS. In a moment. You gentlemen, or we as Members of this House, are being asked to increase the appropriation for this bureau, which for a number of years has not had more than $150,000 a year, to $210,000 without one line of testimony, without a single bit of information given to us why this $60,000 is to be added. Now, gentlemen, this is just a question with you as to whether or not we are going to increase the appropriation to this bureau, which, as I say, in my judgment could be eliminated with all due safety. I think the time has come to quit creating new commissions and bureaus, and

certainly the time has come when we ought not to be adding to the expenses of bureaus and commissions already in existence; and if we are ever going to accomplish any economy or bring about any economy, Congress has got to quit creating new positions and new bureaus, and certainly we ought not to enter into the policy of increasing appropriations for those already in existence.

Mr. WOOD. Mr. Chairman, I rise in opposition to the gentleman's amendment. The justification for the additional $60,000 of which he complains is found in a communication from the President of the United States, House Document No. 247, recommending this additional appropriation for the purpose of making investigations in various bureaus. There are some 10 or 12 of them.

Mr. BYRNS. That document was never put in the hearings, and Members of Congress——

Mr. WOOD. The gentleman has served upon the Appropriations Committee longer than I have. He knows as well as I do that some information which comes to the Committee on Appropriations is never put in the hearings.

Mr. BYRNS. Then I will say this to the gentleman, if he will yield; I do not think that the committees of which I have been a member have ever undertaken to report appropriations to the House and ask Members of the House to accept recommendations without giving to the House in the hearings, and making public in the hearings, the reasons which influence them. What is the secret reason, if it be so secret, for this particular appropriation? Why could it not have been included in the hearings?

Mr. WOOD. I take very great delight in pointing out to the gentleman——

Mr. BYRNS. Why did not the gentleman hold hearings in reference to this $60,000?

Mr. WOOD. This supplemental estimate came to the committee after the hearings were finally concluded. The necessity for this appropriation was perfectly cognizant to everybody on the committee. The gentleman is not so ignorant of these things but what he knows this very practice has been resorted to a number of times. I want to call the attention of the gentleman to some justification for this appropriation and perhaps I can convince him of the necessity of this thing, which I believe ought to be sufficient to appeal to any reasonable man. Under an investigation made by the Bureau of Efficiency, over the objection of some gentlemen of this Congress and some of the departments, the expenditures for salaries in one branch of the Government, the Treasury Department, were reduced $250,000 a year, or more if you please, than the entire cost of this Bureau of Efficiency. Now, in the opinion of the President of the United States, what was accomplished there can be accomplished some place else. I stated yesterday that when this bureau was created it was born with the opposition of every department of this Government because of the fact that its function in representing the Congress was to inquire into their affairs, and many of them having archaic methods resented it, and repelled any investigation which was made. We have succeeded, by reason of forcing the Bureau of Efficiency into these departments, in the saving of millions of dollars, until now, under the Budget system, we find that the Bureau of Efficiency is the strong right arm of the Bureau of the Budget.

Mr. BYRNS. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. BYRNS. If the object of this Bureau of Efficiency is to aid the Budget, why not put it under the Bureau of the Budget direct? Why have a separate independent bureau—a commission—to do the work the Bureau of the Budget is expected to do?

Mr. WOOD. In answer to the gentleman, I think that is a very pertinent inquiry. There should be a consolidation. Some gentlemen have been trying to consolidate the Bureau of Efficiency with the Civil Service Commission, a thing that should never be done.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WOOD. May I have five minutes more?

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WOOD. There is some reason for the contention of the gentleman from Tennessee. It would be consistent to consolidate the Bureau of Efficiency with the Bureau of the Budget, for the reason that the Budget Bureau, in making its estimates, must depend upon surveys made in the various departments, and the only agency to conduct these surveys, except an advisory agency within that bureau, is the Bureau of Efficiency. I introduced a bill a few years ago for the purpose of consolidating various offices, giving the President the power to consolidate them. It was referred to the coordinating committee. They adopted my bill; but the Cabinet officers, jealous of their jurisdiction, just as courts are jealous of their jurisdiction, could never agree.

Like the gentleman from Tennessee, I would like to make the Bureau of Efficiency a part and parcel of the Bureau of the Budget. But you should not destroy it, because if you did you would destroy the very means whereby the Budget is saving millions of dollars to the Treasury of the United States.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Michigan moves to strike out the last word.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I am very happy to hear from the gentleman from Indiana [Mr. WOOD], chairman of the Subcommittee on Appropriations, this word of commendation of the Bureau of Efficiency, because a great deal that I have been able to learn otherwise is not entirely complimentary to that bureau. Its work does not commend itself to everyone who has occasion to look into it and see how it is operating. In connection with it there is one, or more than one, in each bureau or section of the various departments who periodically makes ratings of employees, and that is often done in a most arbitrary manner.

Mr. WOOD. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. WOOD. I know the gentleman does not want to be unjust.

Mr. McLAUGHLIN of Michigan. Is not that true?

Mr. WOOD. No; it is not true.

Mr. McLAUGHLIN of Michigan. Who makes these ratings? It is done periodically by some one.

Mr. WOOD. I will tell you how the ratings are made. There is only one official from the Bureau of Efficiency, one from the Civil Service Commission, and one from the Bureau of the Budget, so that whatever criticism may be made can not attach more than to the extent of one-third to the Bureau of Efficiency. My experience has been that had reclassification been left entirely to the Bureau of Efficiency there would not be any complaint.

Mr. McLAUGHLIN of Michigan. The gentleman says when a mistake is made only one-third of it is chargeable against the Bureau of Efficiency. Yet for everything that has been done properly by the Budget Bureau, he would have you believe that we must give the Bureau of Efficiency full credit.

It seems to me I have received quite correct information in regard to how these ratings of efficiency of employees throughout the departments are made. They are made in most instances at least by somebody immediately in the office or division or section and reported to somebody higher up, and still higher up, until they reach the members of the Bureau of Efficiency, and those ratings are made in a very arbitrary manner, evidently in many instances with little if any proper or intelligent basis.

Now, I sympathize and agree with the gentleman from Tennessee [Mr. BYRNS] in what he said about the difficulty experienced by Congress in getting information as to whether or not recommendations made by the Bureau of the Budget and later by the Committee on Appropriations are proper, too high or too low.

Officials from the different bureaus go before the Bureau of the Budget, every one of them with his hat in his hand and his heart in his mouth, frightened to death, for fear that too much money will be asked. A threat is held over every one of them that if he attempts to go over the head of the Budget Bureau and communicate with a committee of Congress or with individual Members of Congress for the purpose of getting a larger appropriation than the Bureau of the Budget has recommended he is liable to lose his official head. I have talked with the heads of some of these bureaus, talked with them about appropriations and asked them whether or not the amounts recommended to Congress were sufficient. I found them loth to talk, unwilling to volunteer any information. They say, "I will answer any questions you ask. You as a Member of Congress have a right to ask me questions, but I can not volunteer any statement."

Anybody reading these hearings must be impressed with the fact that they are very meager and do not carry the information which the old hearings did.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I should like to have the attention of the gentleman from Indiana [Mr.

Wood] for a moment. Frankly I have not heard an explanation that is satisfactory or clarifying as to why this appropriation is increased $60,000 over that which is recommended by the Budget. That is the question raised by my colleague.

Mr. WOOD. The question is entirely pertinent. I said in my remarks a while ago, and I now reiterate the statement, that the purpose is defined in Document 247. I think it worth while to invite the attention of this House to the proposed investigations, first, the reorganization of the customhouse division and the office of special agents division in the customs service. By reason of archaic operations in the customs service of this country we are losing millions of dollars every year. Some very interesting information has come to us, and the gentleman can have it. That is one of the things that ought to be corrected.

Mr. GARRETT of Tennessee. This $60,000 is to cover that in part?

Mr. WOOD. Yes; that is part of it.

Another reorganization is in respect to the methods in the Bureau of Engraving and Printing. You have heard complaint all over this country about the money we now have in circulation. It will wear out in your pocket, and it can not be washed. We spent thousands of dollars a few years ago in establishing a laundry department in the Treasury to launder our money. We had to abandon it because of the fact that the texture of the money was so flimsy it went to pieces when we tried to wash it. The Bureau of Efficiency, through the cooperation of the Bureau of Standards, has developed a new paper that it would take a strong man to jerk in two. It will stand the necessary wear and tear, and this will result, if you please, in saving in one year more than the entire expense of the Bureau of Efficiency, which is responsible for this discovery.

Mr. GARRETT of Tennessee. Let me see if I understand the gentleman correctly. They have that paper now?

Mr. WOOD. The paper has been developed.

Mr. GARRETT of Tennessee. Then, what does the Bureau of Efficiency have to do with it if they are just proposing to use it?

Mr. WOOD. I will tell the gentleman what they have to do with it. They have to reorganize the whole scheme of printing down at the Bureau of Engraving and Printing against opposition that the gentleman has some cognizance of. I do not believe there is any one thing that will save more money with less expense to the people of the United States and give more satisfaction than this reform that is proposed with reference to the printing of our money. Then we have discovered that by reducing the size of the dollar bill we can save thousands and thousands of dollars. The life of a dollar bill is about six weeks, and the life of a $10 bill is about six months.

Mr. GARRETT of Tennessee. Now, may I ask the gentleman, the Bureau of Efficiency has discovered that, has it?

Mr. WOOD. Yes, sir.

Mr. GARRETT of Tennessee. Then, what is the use of keeping it up if we know it?

Mr. WOOD. It is simply one of the incidents. They have to inaugurate and install the system. What would be the use of discovering the radio unless you had some way of giving it execution?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for five more minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BYRNS. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. BYRNS. I would like to have some gentleman tell me just what the Director of the Bureau of Engraving and Printing, who is an exceedingly competent gentleman, with three new assistant directors at high salaries, is doing over there in the Bureau of Engraving and Printing, if this Bureau of Efficiency finds it necessary to make the installations to which the gentleman refers, and has to even determine the size of the paper money and what kind of paper shall be used and then takes credit for the quality of paper which is established at the Bureau of Standards. The head of the Bureau of Efficiency seems to run the whole Government.

Mr. WOOD. I supposed the gentleman from Tennessee, being a member of the committee, heard this evidence and knew about it. The Bureau of Engraving and Printing is in entire accord and is cooperating with and inviting the Bureau of Efficiency to do this work.

Mr. BYRNS. I will say to the gentleman I am a member of the subcommittee on the Treasury bill and there came before us the Director of the Bureau of Engraving and Printing, and he detailed all these things, as I remember it, and not one line or one word was said about the Bureau of Efficiency or any credit given to that bureau on account of anything that was done, and I dare say if the gentleman will talk to the director he will tell the gentleman that he and his assistants are certainly entitled to a small part of the credit.

Mr. WOOD. I have information, coming from the head of the Bureau of Engraving and Printing, indicating that they invited and are cooperating with the Bureau of Efficiency in doing this work. I do not know why the gentleman on the other side, except for political reasons, wants to destroy a bureau that has for its purpose efficiency in government.

Mr. BYRNS. I want to say to the gentleman that there is no politics in this.

Mr. WOOD. Well, I hope not.

Mr. BYRNS. It is simply an effort to bring about a reduction in the number of employees in this city, that the gentleman referred to two or three months ago.

Mr. WOOD. Yes; and through this very agency we have reduced them.

Mr. BYRNS. And the gentleman gives no credit to anybody else in the Treasury Department except to this superhuman chief of the Bureau of Efficiency.

Mr. WOOD. No; I am not doing that, but the gentleman knows himself that those who are in charge of various bureaus are not willing, if some excuse can be found, to cut employees off of the pay roll. The average man at the head of one of these commissions or bureaus magnifies or diminishes the importance of his bureau by the number of employees he has. The gentleman knows that as well as I do. Now, through the administration of this bureau, even the Treasury itself was convinced and came before the committee, of which the gentleman is a member, and agreed that they could get rid of these 200 men and women.

Mr. GARRETT of Tennessee. Mr. Chairman, I suppose my time is about exhausted.

The CHAIRMAN. The gentleman has one minute remaining.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes' additional.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Chairman, the explanation of my friend from Indiana touching this matter is not satisfactory.

Now, as far as the size of the bill is concerned, for 20 years, long before Brown was ever heard of, that matter had been discussed. That is no new discovery. I do not know why it has not been put into effect, but it is certainly no new discovery. All the other matters to which the gentleman from Indiana has referred in explanation have been matters of discussion here long before the Bureau of Efficiency was ever created.

Mr. WOOD. I only mentioned three. I have a lot more that I could mention.

Mr. GARRETT of Tennessee. I wonder if they are as lacking in information as the three the gentleman has already mentioned.

Mr. WOOD. I am not responsible for the gentleman's comprehension of the information that is conveyed. I have given the items so that he can be his own judge, and I can give the rest of them if he wishes.

Mr. GARRETT of Tennessee. I shall be glad to yield to the gentleman.

Mr. WOOD. There is the organization of the Secretary's office in the Department of Agriculture——

Mr. GARRETT of Tennessee. Are they not doing that with the amount the Budget recommended? What is the $60,000 for?

Mr. WOOD. This is a part of what is supposed to be done with the $60,000, the supplemental estimate. I want to say to the gentleman from Tennessee that the Bureau of Efficiency last year had 40 per cent of its time and personnel occupied in doing a thing for which it was not created; that is, the additional duties imposed upon it through reclassification.

Mr. GARNER of Texas. If the gentleman will yield, I understood the gentleman from Tennessee to make a suggestion, and I want to see if I understand it. Do I understand that this estimate came to Congress and did not go through the Budget?

Mr. WOOD. Oh, no; it came through the Budget.

Mr. GARRETT of Tennessee. The supplemental estimate came through the Budget?

Mr. WOOD. Yes.

Mr. GARRETT of Tennessee. I will yield further to the gentleman.

Mr. WOOD. I can state other items to the gentleman.

Mr. GARRETT of Tennessee. The gentleman says 40 per cent of their time was taken on matters that were not legal?

Mr. WOOD. No. They were legal but the bureau was not originally charged with those duties. There was no extra appropriation made for the Bureau of Efficiency to perform the duties incident to reclassification. Various divisions have contributed toward the reclassification, but the large percentage of it fell on the Bureau of Efficiency. I am told that 40 per cent of their time and personnel has been devoted to this work.

Mr. GARRETT of Tennessee. I still think the explanation is not satisfactory. The remarks of the gentleman made in the beginning struck me as being somewhat strange when he said that, of course, it was known that estimates came to the Committee on Appropriations included in bills upon which no hearings were had.

Mr. WOOD. Oh, the gentleman misunderstood me. I said that this supplemental estimate, like many others, came at the last hour.

Mr. BYRNS. Does the gentleman say this came before the committee?

Mr. WOOD. Yes.

Mr. BYRNS. Will the gentleman state the time?

Mr. WOOD. The document shows——

Mr. BYRNS. The gentleman means the subcommittee and not the full committee?

Mr. WOOD. Both committees.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the pro forma amendment of the gentleman from Tennessee. I regret that I must take issue with the amendment offered by the gentleman from Tennessee. I think the most favorable sign that we have had for a long time is when a distinguished member of the Appropriations Committee rises up from the floor and takes issue with the chairman of that committee. It is something that has not been done before for a long time.

But I want to say that one of the most important bureaus of the Government is being attacked here at this time. I have taken occasion since I have been a Member of Congress to go to various bureaus to find out the inside work and to make a personal one-man investigation of them. This is one bureau that I looked into when I first came to Washington.

You have not a more valuable man in the employ of the United States Government than Mr. Brown, who is chief of the Bureau of Efficiency. The chairman only gave you a few of the important things that he is doing. In some departments concerning some employees you do not need any Bureau of Efficiency; they are loyal, patriotic American citizens who are doing their duty and giving 100 per cent service to the Government. But concerning many employees in many departments you require a chief of the Bureau of Efficiency to see that they give value received for the money they are paid. And it is Chief Brown and Chief Brown's Bureau of Efficiency that goes into every other bureau and department of the Government and sees to it that the thousands of Government employees give proper service to their Government. [Applause.] I am backing up Mr. Brown's department.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I am always glad to yield to the distinguished gentleman from Wisconsin.

Mr. COOPER of Wisconsin. There are different opinions in respect to the value of that bureau, but the great work which it has done it has done with $150,000 for several years. In these times of economy, is there any reason why that bureau should be given $60,000 additional?

Mr. BLANTON. I will tell the distinguished gentleman, who heads his Wisconsin delegation, why. A hue and cry has gone out that we are decreasing the number of employees all the time, but it is not so, as decreasing has long since stopped. There are more employees of this Government right now on the pay rolls here in Washington than there were two years ago. Is there a man here who will deny that? The employees are now increasing, and whenever you increase the number of employees on the pay roll of this Government you increase the needs of a Bureau of Efficiency to look after them and see that they render proper service to this Government. There are lots of employees who could go into their offices at half past 9 o'clock or 10 o'clock in the morning, or who could be late for a half hour or an hour or two hours every day at luncheon time, if it were not for the investigation and the requirements of your Bureau of Efficiency. Whenever you find a man who pins down on them, whenever you get a man who makes somebody do his duty, you will find opposition to him.

Mr. HUDSON. And is not this true, that Mr. Brown and his colaborers are now extending their work into the employees outside of the city of Washington, which will mean more work and the need of more money?

Mr. BLANTON. I want to say that they have all that they can do right here in the city of Washington. We ought to heartily support this Bureau of Efficiency.

The CHAIRMAN. The time of the gentleman from Texas has expired. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. BYRNS) there were—ayes 32, noes 50.

So the amendment was rejected.

Mr. WOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BEGG, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9341, the independent offices appropriation bill, and had come to no resolution thereon.

MUNICIPAL AVIATION FIELD AT YUMA, ARIZ.

The SPEAKER laid before the House the following request of the Senate:

Ordered, That the House of Representatives be requested to return to the Senate the bill (S. 2307) entitled "An act authorizing the Secretary of the Interior to exchange certain lands in order to acquire land for a municipal aviation field at Yuma, Ariz."

The SPEAKER. Without objection, the request of the Senate will be complied with and the bill returned.

There was no objection.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bill and resolutions of the following titles, when the Speaker signed the same:

S. J. Res. 41. A joint resolution providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress;

H. R. 6740. An act granting the consent of Congress to the Norfolk & Western Railway Co. to construct a bridge across the Tug Fork of Big Sandy River at or near a point about two and a half miles east of Williamson, Mingo County, W. Va., and near the mouth of Lick Branch; and

H. J. Res. 153. A joint resolution providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes.

CONFERENCE REPORT—DEFICIENCY APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I present for printing under the rule the conference report upon the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1927, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes.

ADJOURNMENT

Mr. WOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 32 minutes p. m.) the House adjourned until Monday, February 22, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 22, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10 a. m.)

District of Columbia appropriation bill.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(10 a. m.)

Providing for the consolidation of the functions of the Department of Commerce relating to navigation, to establish load lines for American vessels (H. R. 7245).

EXECUTIVE COMMUNICATIONS, ETC.

367. Under clause 2 of Rule XXIV, a letter from the Secretary of the Interior, transmitting an itemized report of expenditures made from the appropriation "Administration of

Affairs, Five Civilized Tribes, Oklahoma, 1925," as required by act of June 5, 1924, was taken from the Speaker's table and referred to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. LEA of California: Committee on Interstate and Foreign Commerce. S. 1226. An act to amend the trading with the enemy act; with an amendment (Rept. No. 332). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the District of Columbia. H. R. 5045. A bill to establish a board of public welfare in and for the District of Columbia, to determine its functions, and for other purposes; with amendments (Rept. No. 333). Referred to the Committee of the Whole House on the state of the Union.

Mr. HERSEY: Committee on the Judiciary. H. R. 5701. A bill to designate the times and places of holding terms of the United States District Court for the District of Montana; without amendment (Rept. No. 334). Referred to the House Calendar.

Mr. ROBSION of Kentucky: Committee on Pensions. H. R. 8132. A bill granting pensions and increase of pensions to certain soldiers and sailors of the war with Spain, the Philippine insurrection, or the China relief expedition, to certain maimed soldiers, to certain widows, minor children, and helpless children of such soldiers and sailors, and for other purposes; without amendment (Rept. No. 338). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOWELL: Committee on Roads. H. R. 9504. A bill to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; without amendment (Rept. No. 339). Referred to the Committee of the Whole House on the state of the Union.

Mr. COYLE: Committee on Naval Affairs. H. R. 8725. A bill to establish the warrant grade of pay clerk and the commissioned warrant grades of chief marine gunner, chief quartermaster clerk, and chief pay clerk in the United States Marine Corps; without amendment (Rept. No. 340). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. UNDERHILL: Committee on Claims. H. R. 1961. A bill for the relief of B. G. Oosterbaan; without amendment (Rept. No. 335). Referred to the Committee of the Whole House.

Mr. THOMAS: Committee on Claims. H. R. 4124. A bill for the relief of the State Bank & Trust Co. of Fayetteville, Tenn.; without amendment (Rept. No. 336). Referred to the Committee of the Whole House.

Mr. CARPENTER: Committee on Claims. H. R. 6003. A bill for the relief of Charles B. Beck; without amendment (Rept. No. 337). Referred to the Committee of the Whole House.

Mr. SWING: Committee on Claims. H. R. 6615. A bill for the relief of Noble-Gilbertson Co., a corporation, of Buford, N. Dak.; without amendment (Rept. No. 341). Referred to the Committee of the Whole House.

Mr. JOHNSON of Illinois: Committee on Claims. H. R. 2311. A bill for the relief of Harvey Dunkin; without amendment (Rept. No. 343). Referred to the Committee of the Whole House.

Mr. SEARS of Nebraska: Committee on Claims. H. R. 5063. A bill for the relief of P. H. Donlon; without amendment (Rept. No. 344). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 6080. A bill for the relief of J. M. Hedrick; with an amendment (Rept. No. 345). Referred to the Committee of the Whole House.

Mr. MORROW: Committee on Claims. H. R. 7027. A bill for the relief of J. B. Elliott; without amendment (Rept. No. 346). Referred to the Committee of the Whole House.

Mr. SABATH: Committee on Claims. H. R. 8176. A bill for the relief of Walter W. Price; with amendments (Rept. No. 347). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 8896. A bill for the relief of Enriqueta Koch v de Jeanneret; with an amendment (Rept. No. 348). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McFADDEN: A bill (H. R. 9592) to revise and increase the rate of pension to certain widows, former widows, and children of soldiers, sailors, and marines of the Civil War, the war with Mexico, and the war of 1812, and to certain Army nurses; to the Committee on Invalid Pensions.

By Mr. CONNERY: A bill (H. R. 9593) to amend the act of February 11, 1924, entitled "An act to equip the United States Penitentiary, Leavenworth, Kans., for the manufacture of supplies for the use of the Government, for the compensation of prisoners for their labor, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAHAM: A bill (H. R. 9594) for the appointment of certain additional judges; to the Committee on the Judiciary.

By Mr. DAVILA: A bill (H. R. 9595) to authorize the establishment and maintenance of a forest experiment station in Porto Rico; to the Committee on Agriculture.

By Mr. KNUTSON: A bill (H. R. 9596) granting the consent of Congress to the Board of County Commissioners of Aitkin County, Minn., to construct a bridge across the Mississippi River; to the Committee on Interstate and Foreign Commerce.

By Mr. REID of Illinois: A bill (H. R. 9597) authorizing the appropriation of $50,000 for the establishment of a fish-hatching and fish-cultural station in the State of Illinois; to the Committee on the Merchant Marine and Fisheries.

By Mr. WOOD: A bill (H.R. 9598) to amend section 25 of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

By Mr. THATCHER: A bill (H. R. 9599) granting the consent of Congress to the city of Louisville, Ky., to construct a bridge across the Ohio River at or near said city; to the Committee on Interstate and Foreign Commerce.

By Mr. MORROW: A bill (H. R. 9600) for the adjustment of water-right and construction charges on the Carlsbad irrigation project, New Mexico, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. FREAR: A bill (H. R. 9601) regulating Indian allotments disposed of by will; to the Committee on Indian Affairs.

By Mr. BERGER: Joint resolution (H. J. Res. 175) directing the President of the United States to call an international conference for the purpose of revising the terms of the treaty of Versailles and to make public the secret treaties pertaining to the cause of the World War now in the archives of the allied governments and their associates; to the Committee on Foreign Affairs.

By Mr. BRIGHAM: Joint resolution (H. J. Res. 176) establishing a commission for the participation of the United States in the observance of the one hundred and fiftieth anniversaries of the independence of Vermont and the Battle of Bennington, and authorizing an appropriation to be utilized in connection with such observance; to the Committee on Industrial Arts and Expositions.

By Mr. BROWNING: Joint resolution (H. J. Res. 178) to establish an industrial relations commission, defining its duties, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

By Mrs. NORTON: A memorial of the Legislature of the State of New Jersey, a joint resolution urging the retention of the naval air station at Lakehurst, N. J.; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BERGER: A bill (H. R. 9602) for the relief of Hilda Willrich; to the Committee on Claims.

By Mr. CHAPMAN: A bill (H. R. 9603) for the relief of Clyde Cornish; to the Committee on Claims.

By Mr. ESTERLY: A bill (H. R. 9604) for the relief of Clair A. Koch; to the Committee on World War Veterans' Legislation.

By Mr. ROY G. FITZGERALD: A bill (H. R. 9605) granting a pension to Anna Trost; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 9606) for the relief of L. J. Houghtaling; to the Committee on Agriculture.

By Mr. FROTHINGHAM: A bill (H. R. 9607) granting a pension to Algie M. Philbrook; to the Committee on Invalid Pensions.

By Mr. HILL of Maryland: A bill (H. R. 9608) for the relief of John Maika; to the Committee on Claims.

By Mr. HOOPER: A bill (H. R. 9609) for the relief of John W. Barnum; to the Committee on the Judiciary.

By Mr. LUCE: A bill (H. R. 9610) to correct the military record of John J. O'Connor; to the Committee on Military Affairs.

By Mr. MAJOR: A bill (H. R. 9611) for the relief of Edward J. Costello; to the Committee on Military Affairs.

By Mr. MOORE of Kentucky: A bill (H. R. 9612) granting an increase of pension to Mary Ward; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 9613) granting an increase of pension to Adelaide Thacker; to the Committee on Invalid Pensions.

By Mr. MORROW: A bill (H. R. 9614) granting a pension to Mariano F. Sena; to the Committee on Pensions.

By Mr. PARKER: A bill (H. R. 9615) to correct the naval record of William Dietle; to the Committee on Naval Affairs.

By Mr. REED of New York: A bill (H. R. 9616) granting an increase of pension to Sarah F. Calkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9617) granting an increase of pension to Emma Kingman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9618) granting an increase of pension to Grace A. Starring; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9619) granting an increase of pension to Jeannette L. Taylor; to the Committee on Invalid Pensions.

By Mr. REID of Illinois: A bill (H. R. 9620) for the relief of Andrew J. Patrick; to the Committee on Military Affairs.

By Mr. ROWBOTTOM: A bill (H. R. 9621) granting a pension to Andrew S. Deeds; to the Committee on Invalid Pensions.

By Mr. SHREVE: A bill (H. R. 9622) granting an increase of pension to Minora J. Williams; to the Committee on Invalid Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 9623) granting an increase of pension to Elizabeth Hamme; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 9624) granting an increase of pension to Margaret J. Calhoun; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 9625) granting an increase of pension to Mary A. Phillips; to the Committee on Invalid Pensions.

By Mr. WHITEHEAD: A bill (H. R. 9626) granting an extension of patent to the United Daughters of the Confederacy; to the Committee on Patents.

By Mr. EDWARDS: Joint resolution (H. J. Res. 177) authorizing the Librarian of Congress to return to Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., the minute book of the Savannah, Ga., Masonic Lodge; to the Committee on the Library.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

757. By Mr. BLOOM: Petition of Catholic Central Verein of America, New York State Branch, concerning the so-called Curtis-Reed bill; to the Committee on Education.

758. Also, petition of New York City Federation of Women's Clubs, concerning the activities of the New York Telephone Co. and its parent corporation, the American Telephone & Telegraph Co.; to the Committee on Interstate and Foreign Commerce.

759. By Mr. BURTON: Petition adopted by the board of directors of the American Polish Chamber of Industry, Cleveland, Ohio, with reference to proposed immigration legislation; to the Committee on Immigration and Naturalization.

760. By Mr. CURRY: Petition of Spanish War veterans of Sacramento, Calif., favoring the passage of House bill 98, increasing pensions to Spanish War veterans; to the Committee on Pensions.

761. By Mr. GALLIVAN: Petition of James L. Molloy, master, house of correction, Deer Island, Boston Harbor, Mass., recommending early and favorable consideration of legislation to increase the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

762. By Mr. GARBER: Resolution by the Retail Druggists' Association, of Terre Haute, Ind., favoring Federal legislation legalizing the right of any producer of identified merchandise to enter into enforceable contracts, at wholesale or retail, or both, for the protection of resale prices upon his own identified merchandise; to the Committee on Interstate and Foreign Commerce.

763. Also, resolution by the Butler Board of Commerce, opposing the Gooding long and short haul bill; to the Committee on Interstate and Foreign Commerce.

764. Also, letter from the chairman, legislative board, Brotherhood of Locomotive Firemen and Enginemen, State of New York, urging favorable consideration of House bill 7180; to the Committee on Interstate and Foreign Commerce.

765. By Mr. MOONEY: Petition of board of directors, American Polish Chamber of Industry, Cleveland, Ohio, protesting the Aswell registration of aliens bill and indorsing the Perlman immigration bill; to the Committee on Immigration and Naturalization.

766. By Mr. O'CONNELL of New York: Petition of the Building Trades Council of New York City, Long Island, and vicinity, favoring the restoration of light wines and beers; to the Committee on the Judiciary.

767. By Mr. RAINEY: Petition of Mrs. Frank H. Calloway and 36 other citizens of Chapin, Ill., opposing the modification of the Volstead Act; to the Committee on the Judiciary.

768. By Mr. SWING: Petition of board of directors of the Automobile Club of southern California, urging appropriation of funds for the building of needed highways in the national parks; to the Committee on Appropriations.

SENATE

MONDAY, *February 22, 1926*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Lord, Thou hast been our dwelling place in all generations. Before the mountains were brought forth, before even Thou hadst formed the world, from everlasting to everlasting, Thou art God. We recognize the everlastingness of Thy presence, of Thy power, of Thy grace; and we recognize the associations formed in connection with those builders of the Nation in years gone by.

We thank Thee for him whose memory comes up with fresh significance to us this morning as we review the history of the past. We thank Thee for his patriotism, for his splendid devotion to the interests that have had to do with the building of national life; and we pray Thee, our Father, as we think of him that we may think of his devotion in moments of singular significance, as he bowed in prayer before the great God of all and found for himself a refuge and strength in time of trouble.

Hear us, we beseech of Thee, that with profound understanding of our obligations to the national life and to the upholding of the principles then presented as in the past, may God help us to exalt the Nation in righteousness, to make it as a perpetual blessing to humanity, a place of splendid opportunity, of high and holy endeavor.

The Lord save us from meanness, from self-seeking. The Lord help us to find our highest endeavor in fulfilling, yea, in realizing constantly the fact that only as we trust in Thee can there be given strength and perpetuity, and thus make national life a benediction to humanity. We ask in Jesus' name. Amen.

The Chief Clerk proceeded to read the Journal of the proceedings of Thursday last, when, on request of Mr. JONES of Washington and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Bayard	Fess	McKellar	Sackett
Bingham	Fletcher	McLean	Sheppard
Blease	Frazier	McMaster	Shipstead
Bratton	Gerry	McNary	Shortridge
Brookhart	Gillett	Mayfield	Simmons
Broussard	Gooding	Means	Smith
Bruce	Greene	Metcalf	Smoot
Cameron	Hale	Neely	Stanfield
Capper	Harreld	Norbeck	Stephens
Copeland	Harris	Norris	Trammell
Couzens	Harrison	Nye	Tyson
Cummins	Heflin	Oddie	Walsh
Dale	Jones, N. Mex.	Overman	Weller
Deneen	Jones, Wash.	Phipps	Wheeler
Edwards	Kendrick	Pittman	Williams
Ernst	Keyes	Ransdell	Willis
Fernald	King	Reed, Pa.	
Ferris	La Follette	Robinson, Ark.	

Mr. HEFLIN. I wish to announce that my colleague, the senior Senator from Alabama [Mr. UNDERWOOD], is absent on account of illness.

Mr. JONES of Washington. I desire to announce that the senior Senator from Kansas [Mr. CURTIS] is absent from the Senate because of illness.

I wish also to announce that the Senator from West Virginia [Mr. GOFF] and the Senator from Minnesota [Mr. SCHALL] are detained from the Senate by illness.

The VICE PRESIDENT. Seventy Senators having answered to their names, a quorum is present.

READING OF WASHINGTON'S FAREWELL ADDRESS

The VICE PRESIDENT. Under the standing order of the Senate and the appointment heretofore made by the Chair, the junior Senator from Connecticut [Mr. BINGHAM] will now read Washington's Farewell Address.

Mr. BINGHAM advanced to the Secretary's desk and said: It will be noted that Washington's Farewell Address divides itself naturally into three parts, the first part in which he announces his determination no longer to run for office; the second and longer part, in which he gives his counsel and advice and warning; and the third, very briefly, in which he explains certain recent happenings of his administration and bids his countrymen farewell.

Mr. BINGHAM then read the address, as follows:

To the People of the United States:

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to be proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured that this resolution has not been taken without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this previous to the last election had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded whatever partiality may be retained for my services, that in the present circumstances of our country you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust were explained on the proper occasion. In the discharge of this trust I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day the increasing weight of years admonishes me more and more that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering; though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these States, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection, and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which can not end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parted friend, who can possibly have no personal motive to bias his counsel. Nor can I forget as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquillity at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess are the work of joint counsels and joint efforts, of common danger, sufferings, and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest. Here every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry. The *south*, in the same intercourse benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will

more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined can not fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter. Hence, likewise, they will avoid the necessity of these overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your Union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? Let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who in any quarter may endeavor to weaken its bands.

In contemplating the causes which may disturb our Union it occurs as matter of serious concern that any ground should have been furnished for characterizing parties by *geographical* discrimination—*northern* and *southern*—*Atlantic* and *western*; whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts is to misrepresent the opinions and aims of other districts. You can not shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations: they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiations by the Executive and in the unanimous ratifications by the Senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the General Government and in the Atlantic States, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, toward confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? Will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances in all times have experienced. Sensible of this momentous truth, you have improved upon your first essay by the adoption of a constitution of government better calculated than your former for an intimate union and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and alter their constitutions of government. But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency. They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill-concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your Government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the Constitution, alterations which will impair the energy of the system; and thus to undermine what can not be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments as of other human institutions; that experience is the surest standard by which to test the real tendency of the existing constitution of a country; that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion; and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the dangers of parties in the state, with particular references to the founding of them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind. It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of the kind (which nevertheless ought not to be entirely out of sight), the common and continual mischiefs of the spirit of party are sufficient to

make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils and enfeeble the public administration. It agitates the community with ill-founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the Government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming it should consume.

It is important, likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundations of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice toward all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great Nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded; and that, in place of them, just and amicable feelings toward all should be cultivated. The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justification. It leads also to concessions, to the favored nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils! Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence (I conjure you to believe me fellow citizens), the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for

another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the Government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our Nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both Houses of Congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance, and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without anything more, from the obligation which justice and humanity imposes on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views it in the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

Mr. HEFLIN. Mr. President, I ask the indulgence of the Senate while I read a poem on Washington written by Mr. Horace C. Carlisle, formerly of Alabama but now a resident of the city of Washington, a man of very brilliant intellect and of marked poetic genius:

WASHINGTON

(By Horace C. Carlisle)

In the infancy of the Republic
When the Nation's foundations were wrought,
Through the wisdom of Washington's judgment,
And the justice of Jefferson's thought,
Providentially planned, and perfected,
Was the spot for her Capital's home,
On a hill more divinely majestic
Than the hills that immortalized Rome.

On this hill of imperial splendor,
Through the rock-written annals of time,
Stands America's Capitol, lifting
Ever skyward her grandeur sublime,
Where, surrounded by parks and pavilions,
Beauty spots in our national pride—
In the heart of the sovereign city—
The Republic's directors reside.

In the midst of these rival surroundings,
Touched with silver and tinted with gold,
On an eminence—fashioned by nature—
In the formative ages of old—
Palisaded in iron, and builded
Of the choicest creations in stone,
Sits the White House, the statesman's objective,
Independent, apart, and alone.

O'erlooking the passive Potomac,
As he wanders his way to the sea,
On a mound fitly fashioned, and facing
The immortalized mansion of Lee—
Cut and carved from the rocks of the ages,
Which the mountains were loth to release—
Stands the Lincoln Memorial, preaching
The gospel of union and peace.

To the east, in uplifted aloneness—
Fitting climax to lofty surprise—
Stands the Washington Monument, reaching
Up to kiss the cool lips of the skies,
From the top of whose tower of granite,
Over five hundred feet from the sod,
Looking down to the depths through the distance,
Life enlarges its faith in its God.

But the spot that Americans cherish—
To which multitudes constantly come—
On the banks of the peaceful Potomac,
Is the worshipful Washington home,
Where the first in his country's affections,
And the first in her peace and her wars,
Sleeps the sleep of sublime satisfaction,
Overwatched by the Stripes and the Stars.

Mr. BLEASE. Mr. President, I send to the desk an editorial appearing in the Washington Herald this morning on George Washington, which I ask to have printed at this point in the RECORD, together with a brief article from the same editorial page of the Herald.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the Washington Herald, Monday, February 22, 1926]

WE MIGHT HONOR WASHINGTON MORE BY HEEDING HIS ADVICE

Our Nation this morning faces the one hundred and ninety-fourth anniversary of the birth of its chief founder, embarrassed by having just flouted his chief counsel.

"Cultivate friendly relations with all nations," said Washington, "but avoid entangling alliances."

And here we are, snarled in a meshwork of international manipulation which either commits us to pull foreign chestnuts out of the fire or subjects us to the charge of shirking our share of an assumed obligation.

Nevertheless, this Nation is not consciously scornful of Washington. It still reveres his memory and example. It is swift to rebuke any attempt to traduce or belittle him.

Indeed, only recently it became highly indignant when a popular writer somewhat playfully suggested that Washington, after all, shared the human characteristics of folk of his class and time.

A great body of Americans have jealously enshrined the Father of His Country in the pantheon of their demigods, but deny him the more effective honor of heeding his advice.

Yet during the nearly sevenscore years that this counsel was followed its soundness certainly was proved.

In that time the rise of the Republic became the marvel of the world.

By cultivating friendly relations with all, entangling alliances with none, it had won a diffusion of wealth, comfort, and prosperity unexampled in the annals of mankind.

By attending strictly to its own American business and keeping out of quarrels to which it had no true concern, it achieved a success in self-government which amazed and thrilled all who intelligently observed.

Its attainments and example fired the imagination of other peoples until they flocked here by millions, leaving millions upon other millions to dream and pray for the day when they, too, might come.

So striking a vindication of the wisdom of Washington's precept would, one might suppose, have insured obedience to it for all time.

Not so.

In the greatest of books is a parable which applies to nations as well as to individuals. It tells of an adventurous son who thought himself wiser than his sire. He fared afar, spent his substance in riotous living, became so poor that he fain would have fed on husks meant for swine, then, penitent and humbled, returned to his father's house and was regaled with fatted calf.

There can be no question that the policy of Washington is the policy that keeps the calf fat.

There is mighty little nourishment in international knight errantry, whether the quest be for other people's wars to fight and finance, dubious foreign investments to back or merely imaginary windmills to storm.

However, God willing, America may never reach the husk course on the prodigal's menu.

There is a substratum of practical good sense in even the most quixotic of our countrymen which usually asserts itself before the worst has happened.

The flouting of Washington is not final.

* * * * * * *

There is an old axiom, as true to-day as when it was first enunciated, that actions speak louder than words.

It is all very well to give lip service to the spirit of patriotism manifested by George Washington, the Father of His Country, whose birthday we celebrate to-day. It is a better thing to show our appreciation of the wise counsel of Washington by following his advice.

Those Americans who profess to honor Washington and who have only recently done their utmost to get their country involved in the foreign entanglements against which he warned us might do well to read Washington's Farewell Address to-day. It may help them to discriminate between real Americanism and the spurious variety.

ALUMINUM CO. OF AMERICA (S. DOC. NO. 67)

Mr. REED of Pennsylvania. Mr. President, I send to the desk and ask to have printed, with illustrations, as a Senate document the report of the Attorney General on the investigation into the Aluminum Co. of America.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ORDER OF BUSINESS

Mr. KING. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. KING. Is it the purpose of the majority to go on with business to-day? I have just been advised that there would be an adjournment after the reading of Washington's Farewell Address.

Mr. JONES of Washington. I have conferred with various Senators, and it is thought that we should go on with the routine morning business, and then take up the calendar at the point where we left off on the last call; and that after we go through the calendar, disposing of unobjected bills, we then adjourn. I was about to ask unanimous consent that that order be entered.

Mr. BRUCE. Mr. President, I would like to have that suggestion amended in one particular. When the calendar was last called, an item came up for consideration, Order of Business No. 76, a bill for the relief of the city of Baltimore, and the only reason why it was not disposed of at that time was because I did not have an opportunity to refer to a decision of the Supreme Court of the United States which was mentioned in the report on the bill. If the calendar is to be taken up, and there is no objection, I would ask consent that the Senate take up for consideration the bill to which I have called attention.

Mr. ROBINSON of Arkansas. I suggest to the Senator from Maryland and the Senator from Washington that they arrange to have taken up any unobjected bills on the calendar, commencing at the place where we left off on the last call. That will give the Senator from Maryland an opportunity to ask that we recur to the bill to which he referred.

Mr. JONES of Washington. I was about to make that suggestion.

Mr. HEFLIN. If we get through with the calendar, beginning where we left off on the last call, what objection can there be to returning to the first of the calendar and going on from the beginning?

Mr. JONES of Washington. I think there would be objection to that course, but I do not think there would be any objection to returning to a particular bill.

Mr. BRUCE. The consideration of the bill to which I have referred was almost completed. The Senator from Ohio [Mr. WILLIS] called for an explanation, which I am now in a position to give him. I think the bill can be disposed of very quickly.

Mr. ROBINSON of Arkansas. I do not think there will be any difficulty about it.

The VICE PRESIDENT. Did the Senator from Washington desire to ask unanimous consent that the Senate proceed to the consideration of the calendar, to begin at the point where it was left off on the last call?

Mr. JONES of Washington. I suggest that we first go through with the routine morning business. I was simply giving notice that I would make such a request for unanimous consent when the morning business is disposed of.

EXPENSES OF FIVE CIVILIZED TRIBES

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of the superintendent of the Five Civilized Tribes, on expenditures made from the appropriation "Adminis-

tration of affairs, Five Civilized Tribes, Oklahoma, 1925," which, with the accompanying paper, was referred to the Committee on Indian Affairs.

CONDITION OF RAILROAD EQUIPMENT

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Interstate Commerce Commission, transmitting, in compliance with Senate Resolution 438, dated February 26, 1923, a list for the month of January, 1926, on the condition of railroad equipment and related information, which was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

Mr. WILLIS presented resolutions adopted by the council of the village of Newburgh Heights, Cuyahoga County, Ohio, favoring an amendment of the Federal prohibition act so as to permit the manufacture, distribution, and sale of wholesome beers and light wines, which were referred to the Committee on the Judiciary.

Mr. EDWARDS. I ask unanimous consent to have printed in the RECORD and referred to the Committee on Patents a petition signed by members of the faculty of Stevens Institute of Technology.

There being no objection, the petition was referred to the Committee on Patents and ordered to be printed in the RECORD, as follows:

Petition to Members of the Senate and House of Representatives of the United States

Whereas a recent ruling of the registrar of copyrights has barred from copyright all books and pamphlets produced by the mimeographic process of reproduction, such as were previously admitted to copyright without protest; and

Whereas despite the provision of section 4 of the present copyright law of the United States, "that the works for which copyright may be secured under this act shall include all the writings of an author," the wording of the present law (sec. 15) does not specifically include publications produced by the mimeographic process, although it specifically includes the lithographic process and the photo-engraving process (neither of which require the use of type set by hand or by the use of any kind of typesetting machine, on which requirement, we understand, the recent ruling was based); and

Whereas the protection of copyright covering the mimeographic process is indispensable to the teaching profession for the reproduction of text material to be tested in class use, and for general dissemination to other institutions of learning for similar tests prior to final publication, all other processes of reproduction being prohibitively costly for that purpose:

Therefore, we, the undersigned members of the faculty of the University of Stevens Institute of Technology, respectively petition the Hon. EDWARD I. EDWARDS to bring before the United States Congress at the earliest possible opportunity an amendment to section 15 of the present copyright law of the United States by inserting the words "or mimeographic process" after the words "or photo-engraving process," in lines 9, 15, 34, and 41 of the said section 15.

F. DER. FURMAN.	KENNETH E. LOFGREN.
W. R. HALLIDAY.	RUDOLF E. GRAF.
RAYMOND P. LOUGHLIN.	RICHARD T. DOLPHIN.
JOHN C. WEGLE.	GEORGE R. GUERDAN.
SAMUEL H. LOTT.	

Mr. BLEASE submitted the following concurrent resolutions of the Legislature of the State of South Carolina, which were referred to the Committee on Commerce:

Concurrent resolution

Whereas the preservation of the fish in the waters adjacent to our coasts is a matter of vital importance; and

Whereas the development of the fisheries industry in our coastal waters will afford a source of profitable employment for many of our citizens and an added source of cheaper food supply for many people: Now, therefore, be it

Resolved by the Senate of South Carolina (the House of Representatives concurring), That the delegation from South Carolina in the National Congress be urged to lend their aid and support to a bill (H. R. 6549; S. 2327) providing for an appropriation by the Congress to make an investigation of the fish resources in the waters adjacent to North and South Carolina, Georgia, and Florida, believing that such investigation will furnish valuable information upon which these States may more fully develop one of their most valuable resources.

Resolved further, That the clerks of the respective houses of the general assembly be instructed to forward to the Senators and Members of Congress from South Carolina a copy of these resolutions.

A true copy.

[SEAL.] JAS. H. FOWLES,
Clerk South Carolina Senate.

Concurrent resolution

Whereas the gradual drift away from the ancient landmarks embodied in our fundamental law will soon, if not checked, leave the sovereign States of the American Union but mere shadows of the conception of our forefathers; and

Whereas it behooves those who believe in the greatest measure of local self-government attainable under modern conditions to be ever alert; and

Whereas there is now pending before the Congress of the United States a bill (H. R. 17), sponsored by the honorable Mr. BACHARACH, putting under the control of the Secretary of Commerce migratory and anadromous fish; and

Whereas we regard such legislation as a further encroachment by the Federal Government upon the remnant of rights yet reserved by the States; and

Whereas we regard such a step as one not calculated to redound to the best interests of our people: Now therefore be it

Resolved by the Senate of South Carolina (the House of Representatives concurring), That the United States Senators and Members of Congress from South Carolina be, and they are hereby, respectfully urged to oppose the above-mentioned bill and to use every means to prevent its enactment into law.

Resolved further, That the clerks of the respective houses of this general assembly be instructed to send a certified copy of these resolutions to the Senators and Members of the House in the National Congress.

A true copy.

[SEAL.] JAS. H. FOWLES,
Clerk of Senate.

Concurrent resolution

Be it resolved by the Senate (the House of Representatives concurring):

Whereas a bridge across Archers Creek connecting the United States Marine Barracks on Parris Island with Port Royal Island is an imperative need of this important training station in order that a means of economical and rapid transportation may be established with the mainland, and

Whereas the United States Marine Corps (Navy Department) has recognized the urgent need of constructing this bridge and is now building a causeway and approaches at both ends of the proposed bridge, and

Whereas the State of South Carolina has ceded to the United States Government the right of way for an approach causeway, and the county of Beaufort, of the State of South Carolina, is arranging to extend an improved road to meet the Government causeway now building, and

Whereas it is of great military, business, and social importance to the State of South Carolina to connect the great training station on Parris Island with the State system of highways, that the South Carolina congressional delegation be urgently requested to do all things proper in their power to secure an appropriation from the National Congress of $30,000 to cover the cost of this bridge, this being the amount necessary as estimated by consulting engineers.

A true copy.

[SEAL.] JAS. H. FOWLES,
Clerk of the Senate.

QUARANTINE STATION BARRACKS, PORTLAND, ME.

Mr. FERNALD. From the Committee on Public Buildings and Grounds I report back favorably without amendment the bill (H. R. 6376) to amend the act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes, approved August 25, 1919, as amended by act of March 6, 1920. I ask unanimous consent for its present consideration.

Mr. SMOOT. Let the bill be reported.

The VICE PRESIDENT. The bill will be reported.

The Chief Clerk read the bill.

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator should explain the bill. It has already been called to my attention. I understand that a similar bill passed the Senate more than once and that it has also passed the House of Representatives, but that it has never passed both Houses during the same Congress.

Mr. FERNALD. That is correct.

Mr. ROBINSON of Arkansas. I wish the Senator would explain the provisions of the bill.

Mr. FERNALD. The Senator from Arkansas has stated exactly what has taken place with reference to the measure. A similar bill has twice passed the Senate in recent years, but did not pass the House at either time. Last week, after six years of delay, hearings were had on the bill before the House committee. The bill was reported favorably by the committee

and passed the House without a dissenting vote. This would seem to be all that it is necessary to state.

However, let me say further that this is one of the measures coming under the 1919 contractors' relief act. This man failed by 12 days to get his report to the Secretary of the Treasury to enable him so as to come within the provisions of that act. It is a case where the contractor was erecting a public building for the care of soldiers near the city of Portland. Activities began immediately by the Navy Department at Portland, 12 miles away. They took all of his help. The priority order for cars was put in force so that he was unable to get his material. He was left high and dry and unable to get any material for his building. He suffered a loss of about $48,000. The bill, however, makes no appropriation. It simply gives the contractor an opportunity to present his claim to the Secretary of the Treasury where all other claims of a like nature have gone.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole. It proposes to amend the act of Congress entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes," approved August 25, 1919, as amended by act of March 6, 1920, so that it shall include the contractor for the steerage barracks for the United States quarantine station erected at House Island, Portland Harbor, Me., and, as to that contractor, claims for reimbursement as provided by the act of August 25, 1919, as amended by act of March 6, 1920, may be filed within three months after the passage of this act.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CONSTRUCTION OF PUBLIC BUILDINGS

Mr. FERNALD. Mr. President, I have just been called from the Chamber, but now desire to state that when the calendar is called and we shall reach Order of Business No. 30, being the bill (S. 2007) for the construction of certain public buildings, and for other purposes, I ask that it may be indefinitely postponed, and in place of that bill I report unanimously from the Committee on Public Buildings and Grounds the bill (H. R. 6559) to provide for the construction of certain public buildings, and for other purposes, and I submit a report (No. 197) thereon. I ask that the latter bill be substituted for the Senate bill, the title of which I have given, and that it take the same number on the calendar as the Senate bill.

Mr. OVERMAN. I desire to ask the chairman of the Committee on Public Buildings and Grounds a question. The Senate bill to which he refers, as I understand, is on the calendar?

Mr. FERNALD. Yes.

Mr. OVERMAN. Has the Senator asked that any time be set for the consideration of the bill, as it will require some discussion?

Mr. FERNALD. I intend to do so.

Mr. OVERMAN. I should like to have the Senator from Maine set a time when this measure is to be taken up and discussed in the Senate.

Mr. FERNALD. I have taken that subject up, I will say to the Senator from North Carolina, with the steering committee. There is great interest in the bill, and I desire to give sufficient notice when it shall be determined to consider the bill in order that all Senators may then be present. I am unable now to state the precise date when the bill will be taken up for consideration.

Mr. OVERMAN. The bill can hardly be considered when the calendar is called during the morning hour.

Mr. FERNALD. No. I now ask, if there be no objection, that the bill may go over if it shall be reached during the call of the calendar.

Mr. OVERMAN. I am obliged to the Senator. I understand that he is going to have a day set when the bill will be taken up for consideration?

Mr. FERNALD. It is my intention to endeavor to do so. There are, however, two important bills ahead of the public buildings bill. I will say, though, that I am anxious to have the bill taken up for consideration this week if possible.

The VICE PRESIDENT. Without objection, House bill 6559 will be substituted for Senate bill 2007 on the calendar. The Chair understands that the Senator from Maine has moved that the Senate bill be indefinitely postponed?

Mr. FERNALD. Yes; and I have asked unanimous consent that the House bill which I have just reported from the Committee on Public Buildings and Grounds may be passed over if it shall be reached during the call of the calendar.

The VICE PRESIDENT. In the absence of objection, Senate bill 2007 will be indefinitely postponed.

REPORTS OF COMMITTEES

Mr. TYSON, from the Committee on Military Affairs, to which was referred the bill (S. 3031) for the relief of George Barrett, reported it without amendment and submitted a report (No. 194) thereon.

Mr. BROOKHART, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1459. An act for the relief of Waller V. Gibson (Rept. No. 195); and

H. R. 4576. An act for the relief of James A. Hughes (Rept. No. 196).

Mr. FESS, from the Committee on the Library, to which was referred the joint resolution (S. J. Res. 51) providing for the completion of the Tomb of the Unknown Soldier in the Arlington National Cemetery, reported it without amendment.

He also (for Mr. FERNALD), from the Committee on Public Buildings and Grounds, to which was referred the joint resolution (S. J. Res. 55) to authorize the American National Red Cross to continue the use of temporary buildings now erected on square No. 172, in Washington, D. C., reported it without amendment.

ENROLLED BILLS PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that on the 19th instant that committee had presented to the President of the United States the following entitled enrolled bills:

S. 1493. An act to provide for the inspection of the battle fields and surrender grounds in and around old Appomattox Court House, Va.; and

S. 2464. An act to amend section 95 of the Judicial Code, as amended.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RANSDELL:

A bill (S. 3199) for the relief of the Renaut heirs; to the Committee on Claims.

A bill (S. 3200) to confirm the right, title, and interest of the People's Investment Co. (Inc.), of the State of Louisiana, in certain lands; to the Committee on Public Lands and Surveys.

By Mr. BRATTON:

A bill (S. 3201) granting a pension to John Griffin;

A bill (S. 3202) granting a pension to Albert J. Fountain, sr.;

A bill (S. 3203) granting a pension to Harry J. Kendall;

A bill (S. 3204) granting an increase of pension to Maria Rosario Maxsam;

A bill (S. 3205) granting an increase of pension to Epimenia Ortega de Kaselo;

A bill (S. 3206) granting an increase of pension to Lola C. Armijo; and

A bill (S. 3207) granting an increase of pension to Francesca Napoleone; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 3208) for the relief of Gabriel Roth; to the Committee on Claims.

By Mr. KING:

A bill (S. 3209) to authorize the naturalization of aliens who entered the United States prior to May 26, 1924; to the Committee on Immigration.

By Mr. CAPPER:

A bill (S. 3210) granting an increase of pension to Anna M. Johnson (with accompanying papers); to the Committee on Pensions.

By Mr. SACKETT:

A bill (S. 3211) for the extension of Quackenbos Street, in the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 3212) granting the consent of Congress to the city of Louisville, Ky., to construct a bridge across the Ohio River at or near said city; to the Committee on Interstate Commerce.

By Mr. WILLIS:

A bill (S. 3213) to provide for the disposition of moneys of the legally adjudged insane of Alaska who have been cared for by the Secretary of the Interior; to the Committee on Territories and Insular Possessions.

A bill (S. 3214) granting a pension to Harry B. Guyton (with accompanying papers); to the Committee on Pensions.

By Mr. ODDIE:

A bill (S. 3215) to authorize the President of the United States to recommission and retire Frederick Gilmour, late a

second lieutenant in the Medical Administrative Corps of the Army of the United States; to the Committee on Military Affairs.

By Mr. LA FOLLETTE:

A bill (S. 3216) to provide for the payment of claims of Menominee Indians for back annuities; to the Committee on Indian Affairs.

By Mr. JONES of Washington:

A bill (S. 3217) to authorize an appropriation for the construction of a road on the Lummi Indian Reservation, Wash.; and

A bill (S. 3218) for the purpose of reclaiming certain lands in Indian and private ownership within and immediately adjacent to the Lummi Indian Reservation, in the State of Washington, and for other purposes; to the Committee on Indian Affairs.

By Mr. SMITH (for Mr. GEORGE):

A bill (S. 3219) to extend the time for converting term insurance under the World War veterans' act, 1924, as amended; to the Committee on Finance.

By Mr. ERNST:

A bill (S. 3220) for the relief of disbursing officers of the Government; to the Committee on Claims.

A bill (S. 3221) for the relief of Joseph L. Rahm; to the Committee on Military Affairs.

A bill (S. 3222) granting an increase of pension to Nigary Sneed (with accompanying papers); to the Committee on Pensions.

By Mr. STANFIELD:

A bill (S. 3223) validating certain applications for, and entries of, public lands, and for other purposes;

A bill (S. 3224) for the disposition of certain coastal lands in Alabama, Florida, and Mississippi, and the adjustment of claims arising from erroneous surveys;

A bill (S. 3225) to empower certain officers, agents, inspectors, or employees of the Department of the Interior to administer and take oaths, affirmations, and affidavits in certain cases, and for other purposes; and

A bill (S. 3226) to authorize the issuance of deeds to certain Indians or Eskimos for tracts set apart to them in surveys of town sites in Alaska, and to provide for the survey and subdivision of such tracts and of Indian or Eskimo towns or villages; to the Committee on Public Lands and Surveys.

By Mr. BUTLER:

A bill (S. 3227) to authorize the Secretary of the Navy to dispose of sand and gravel from the naval ammunition depot reservation at Hingham, Mass.; to the Committee on Naval Affairs.

By Mr. WILLIS:

A bill (S. 3228) to provide a permanent government for the Virgin Islands of the United States, and for other purposes; to the Committee on Territories and Insular Possessions.

MUSCLE SHOALS

Mr. TYSON submitted an amendment intended to be proposed by him to the concurrent resolution (H. Con. Res. 4) providing for a joint committee to conduct negotiations for leasing Muscle Shoals, which was ordered to lie on the table and to be printed.

AMENDMENTS TO PUBLIC BUILDINGS BILL

Mr. McKELLAR submitted two amendments intended to be proposed by him to the bill (H. R. 6559) to provide for the construction of certain public buildings, and for other purposes, which were ordered to lie on the table and to be printed.

REPORTS ON CONDITION OF RAILROAD EQUIPMENT

Mr. CUMMINS submitted the following resolution (S. Res. 152), which, with the accompanying paper, was referred to the Committee on Interstate Commerce:

Whereas Senate Resolution 438, passed February 26, 1923, requires the Interstate Commerce Commission to make monthly reports of the condition of railroad equipment to the Congress, or, when not in session, to the President; and

Whereas the conditions which called for the furnishing of said monthly reports have now passed: Therefore be it

Resolved, That Senate Resolution 438, passed February 26, 1923, be, and it is hereby, rescinded.

ADMINISTRATION OF SHERMAN ANTITRUST LAW

Mr. KING. Mr. President, I send to the desk a resolution, for which I ask immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 153), as follows:

Resolved, That the Attorney General report to the Senate the number of persons who have been convicted and imprisoned for a violation of Section I of the act to protect trade and commerce against unlawful restraints and monopolies, approved July 2, 1890, together with the dates of such convictions;

The number of persons who have been convicted and imprisoned for a violation of Section II of said act, together with the dates and particulars of such convictions;

The number of persons who have been convicted and imprisoned for a violation of Section III of said act, together with the dates and particulars of such convictions;

The number of decrees which have been obtained in behalf of the United States under Section IV of said act, the number of such decrees which were consent decrees, the number of proceedings in contempt which have been brought to enforce such decrees, and the number of persons adjudged to have been in contempt with respect to the performance of such decrees, together with the dates and particulars of such cases;

The amount of property which has been seized, condemned, and forfeited to the United States under provisions of Section VI of said act, together with the dates and particulars of such forfeitures;

And the number of cases in which judgments have been obtained under Section VII of said act, together with the dates and particulars of such cases.

Mr. KING. Mr. President, there is a resolution pending before the Judiciary Committee to inquire into the operations of the Sherman antitrust law and of the Clayton Act, to determine whether they have been effectual in repressing monopolies and combinations in restraint of trade. There is also a bill pending before the committee which seeks to supplement the Sherman antitrust law and to make it more drastic and more effective. The claim has been made repeatedly, and, I think, with very much foundation, that the Sherman antitrust law as administered and as interpreted by the courts has been ineffectual in accomplishing the end for which it was designed.

The resolution which I have offered merely asks the Attorney General to furnish information which, of course, is in his office as to the number of criminal actions under the Sherman antitrust law; that is, the number of convictions, the number of suits which have been brought under the Sherman antitrust law for the purpose of dissolving trusts and combinations or otherwise, the number of decrees which have been entered whether by consent or otherwise, and the disposition which has been made of the various cases which have been brought before the Department of Justice.

The Senator from Iowa [Mr. CUMMINS] in a brief statement which he made to me sotto voce has suggested that perhaps the words "and particulars" will involve the furnishing of too much information; that is to say, cumbersome and unnecessary information. I am perfectly willing to eliminate from the resolution the words "and particulars" wherever they occur, so that it will ask for the general information which they have doubtless on their docket and can furnish in a very few hours.

Mr. CUMMINS. The words "and particulars" occur five times in the proposed resolution. I think it better if they were stricken out in each case.

Mr. KING. I have no objection.

The VICE PRESIDENT. The resolution will be so modified.

Mr. JONES of Washington. Mr. President, I wonder if the Senator from Iowa [Mr. CUMMINS], the chairman of the Judiciary Committee, has examined the resolution?

Mr. CUMMINS. I have not examined it, but as I heard it read I have not the slightest objection to it.

Mr. JONES of Washington. I do not think I would have any objection either, but it calls for a great many things, and I think I shall ask that it lie on the table until to-morrow. I do not think I shall have any objection to it.

The VICE PRESIDENT. The resolution will go over under the rule.

CORPORATIONS WITH INCOMES EXCEEDING $1,000,000

Mr. KING. Mr. President, I send to the desk another resolution and ask for its immediate consideration.

The VICE PRESIDENT. The Clerk will read the resolution.

The Chief Clerk read the resolution (S. Res. 154), as follows:

Resolved, That the Secretary of the Treasury transmit to the Senate a list of corporations which, for the calendar year 1923, reported to the Commissioner of Internal Revenue net income in excess of $1,000,000, together with a statement as to each corporation, giving the gross income; and the disbursements for cost of goods sold; compensation of officers; interest paid; taxes other than income and profits taxes; deductions allowed for depreciation, amortization, and depletion; wages; miscellaneous expenses exclusive of wages; net profits; deductions from net profits to ascertain net income; net income; deductions for prior year losses; net taxable income; and corporation tax paid.

Mr. JONES of Washington. Mr. President, can the Senator from Utah give us any idea how long it would take to get the

information or the expense to which the Government would be put?

Mr. KING. Advices which I have are that the information is available and it will take but a very short time. However, if the Senator desires to look into the matter, I am willing that the resolution shall lie on the table.

Mr. JONES of Washington. I would really like to look into it, and I will ask that it go over until to-morrow.

The VICE PRESIDENT. The resolution will go over under the rule.

RIGHTS OF AMERICAN CITIZENS IN MEXICO

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, being the resolution, S. Res. 151, submitted by the Senator from Nebraska [Mr. NORRIS] on the 18th instant.

Mr. NORRIS. Mr. President, the Senator from Idaho [Mr. BORAH], at whose request the resolution went over on a former day, is not in the Chamber and is not in the city. I have conferred with him, and he has asked that I do not press the resolution until he returns. He will be gone perhaps a day or two, as I understand it.

Mr. ROBINSON of Arkansas. What is the subject matter of the resolution?

Mr. NORRIS. It calls on the State Department for certain information with reference to the Mexican situation. I ask that the resolution may go over without prejudice.

Mr. WILLIS. Would not the Senator consider having the resolution referred to the Committee on Foreign Relations? It is a matter of a good deal of importance.

Mr. NORRIS. No; I do not think there can be any possible objection to it; it simply calls for information. From my conversation with the Senator from Idaho I do not think that he is going to object to it.

Mr. WILLIS. I do not know that I shall object, either.

Mr. NORRIS. Of course, it will be proper, when the resolution comes up for consideration, for that kind of a motion to be made. Personally I see no reason why it should go to the Committee on Foreign Relations.

Mr. WILLIS. I am inclined to think it should, but inasmuch as the Senator has asked that the resolution go over I shall not press the point at this time.

The VICE PRESIDENT. Without objection the resolution will go over without prejudice.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 5043) granting the consent of Congress to the Midland & Atlantic Bridge Corporation, a corporation, to construct, maintain, and operate a bridge across the Big Sandy River between the city of Catlettsburg, Ky., and a point opposite in the city of Kenova, in the State of West Virginia, in which it requested the concurrence of the Senate.

The message also returned to the Senate in compliance with its request bills of the following titles:

S. 776. An act to authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the air mail service of the Post Office Department;

S. 2307. An act authorizing the Secretary of the Interior to exchange certain lands in order to acquire land for a municipal aviation field at Yuma, Ariz.; and

H. R. 4785. An act to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of the land authorized to be acquired by the public buildings appropriation act, approved March 4, 1913, for the connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park.

APPROPRIATIONS FOR DEPARTMENT OF JUSTICE

Mr. FESS. Mr. President, adverting to the matter discussed on the floor of the Senate a few days ago with reference to work of the war transactions section in the Department of Justice, I send to the desk a letter from the Attorney General, which I ask may be read.

The VICE PRESIDENT. Without objection, the letter will be read.

The Chief Clerk read as follows:

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., February 20, 1926.

Hon. SIMEON D. FESS,
United States Senate, Washington, D. C.

DEAR SENATOR FESS: Pursuant to your request, I am submitting a statement with respect to matters in connection with the deficiency appropriation bill, occasioned by the debate thereon on February 17, 1926:

First. There is no connection or relation between the business in the war transactions section and the requested and recommended supplemental appropriation for 1926 "for assistants to the Attorney General and to the United States district attorneys employed by the Attorney General to aid in special cases (after transfer of $100,000 from this appropriation to 'Salaries, Department of Justice'), $46,000."

Second. This supplemental appropriation of $46,000 is asked by the Department of Justice, is recommended by the Bureau of the Budget, and is required in order to properly conduct the legal business of the Government, to meet unavoidable contingencies which have occurred since the transmission of the Budget for the fiscal year 1926 because of the urgent demands for special legal help incident to the enormous expansion of Federal judicial business.

I assume that every Member of the Senate and the House desires that the Government's interests be properly protected in all litigation to which it is a party.

I know that I will not commit the Government to expenditures for legal assistance beyond the amounts appropriated therefor. To meet this determination, one of two situations must exist:

(a) I must have authority to expend the amounts necessary to employ necessary counsel, or

(b) I must decline to employ the necessary counsel, and so let the Government's interests suffer.

I put the matter thus plainly that each legislator may understand clearly the effect of whatever stand he may take on this matter.

Authorization for the transfer of $100,000 to the appropriation, "Salaries Department of Justice," is asked because the Director of the Bureau of the Budget has suggested, and I agree, that all special assistant attorneys who render service at the seat of government should be on the roll "Salaries Department of Justice." Upon receiving that suggestion I considered it and they were so transferred, and the result is that this appropriation for the current year, made before such transfer, and without consideration of the making thereof, is, after the transfer, $100,000 too small to cover the roll for the current year.

As to the work of the war transactions section, the facts are as follows:

The collections to July 1, 1924, were $5,457,680.63. The collections for the fiscal year ending June 30, 1925, were $3,217,731.65. The collections during the present fiscal year and to February 18, 1925, have been $1,536,831.94. The total collections have therefore been $10,212,244.22. These collections have been made at a cost of less than 20 per cent.

With the exception of two comparatively small items, in which the collections were made in the form of real estate, the above collections were all made in cash and the money has actually been paid into the Treasury of the United States. In addition to the cash collections there are outstanding as of to-day deferred payments, on account of compromises heretofore effected, aggregating $416,692.99. This amount, in due course, will be paid into the Treasury. Furthermore, there are outstanding as of to-day uncollected judgments aggregating $883,046.67. Some of these, however, will never be collected because of the financial condition of the judgment debtors. Included in the outstanding judgments is a judgment for $525,617.05, which was obtained during the present fiscal year, after a protracted trial of one of the aircraft cases. I understand, however, that the defendant in that case intends to appeal.

When the directors of the war transactions section appeared before the Appropriations Committee of the Senate on January 30, 1925, the collections from July 1, 1924, to that date amounted only to $157,581.19. However, during the remainder of the last fiscal year, and from January 30, 1925, to June 30, 1925, the collections were $3,060,150.46, making a total for that year, as I have stated above, of $3,217,731.65. When the directors of the war transactions section appeared before the Appropriations Committee on January 30, 1925, there were 27 attorneys employed in the war transactions section. The appropriation of $1,000,000 was made for the present and not for the last fiscal year.

Sincerely yours,

JNO. G. SARGENT, *Attorney General.*

HOUSE BILL REFERRED

The bill (H. R. 5043) granting the consent of Congress to the Midland & Atlantic Bridge Corporation, a corporation, to construct, maintain, and operate a bridge across the Big Sandy River between the city of Catlettsburg, Ky., and a point opposite in the city of Kenova, in the State of West Virginia, was read twice and referred to the Committee on Commerce.

CONSIDERATION OF THE CALENDAR

Mr. JONES of Washington. If the Senators are now ready, I ask unanimous consent to proceed with the calendar, beginning with the order of business where its consideration was left off the other day, and that the Senate consider unobjected bills.

The VICE PRESIDENT. Without objection, it is so ordered.

CITY OF BALTIMORE, MD.

Mr. BRUCE. Mr. President, if there be no objection, I ask that the Senate now recur to Senate bill 451.

The VICE PRESIDENT. Is there objection?

Mr. OVERMAN. I do not object to the consideration of the Senator's bill, but merely desire to say that the Senator from Wisconsin [Mr. LENROOT] and other Senators who participated in the discussion of the bill when it was before the Senate the other day are not now present.

Mr. BRUCE. The Senator from Ohio [Mr. WILLIS] is present, and I have had a consultation with him.

Mr. WILLIS. I am not able to speak for the Senator from Wisconsin [Mr. LENROOT], but, so far as I am concerned, I am willing to have the bill come up now. I wish, however, to make some observations upon it.

Mr. OVERMAN. I thought out of courtesy I should make the suggestion which I have made.

Mr. BRUCE. I desire to say that I had a talk with the Senator from Wisconsin, and I am sure he is willing that the bill may be considered in view of the explanation I desire to make about the matter.

The PRESIDING OFFICER (Mr. FESS in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 451) for the relief of the city of Baltimore, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the city of Baltimore, State of Maryland, out of any money in the Treasury not otherwise appropriated, the sum of $173,073.60, expended by said city in carrying out the request of Maj. Gen. R. C. Schenck, United States Army, to aid the United States in the construction of works of defense in and around the city of Baltimore on account of the Civil War.

Mr. BRUCE. Mr. President, in 1863 the city of Baltimore incurred a bonded indebtedness to the extent of some $96,000 for the purpose of aiding the Federal Government in establishing proper defense works at that city. At that time, of course, the Civil War was flagrant. In 1879 this principal sum was repaid to the city of Baltimore by the Federal Government. The bonds which had been issued by the city of Baltimore for the principal amount bore interest at the rate of 6 per cent. When the principal was paid by the Federal Government to the city of Baltimore no interest was paid thereon to the city. The bonds had then been running for 16 years. They ran for 14 years more, or for a period of 30 years altogether.

Now the city of Baltimore is asking that the interest on that bonded indebtedness, which amounts to some $173,000, be refunded to it, as well as the principal sum of $96,000, approximately, which has already been refunded to it.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Ohio?

Mr. BRUCE. I do.

Mr. WILLIS. If it will not interrupt the Senator in the course of his argument, I wish he would at that point explain how they arrived at the precise amount named in this bill. They figured interest on what amount, at what rate, and for how long?

Mr. BRUCE. I will go into that. This amount is not claimed to be due to the city of Baltimore as interest at all, though in point of fact it is the interest on $96,152 at 6 per cent calculated for 30 years. The Senator from Ohio may make his calculation and see if that is correct. It is not claimed as interest, but as a principal sum, because in the case of the State of New York against the United States, reported in 160 United States Reports, it was held by the Supreme Court that under such circumstances the interest that accrues on such bonded indebtedness is as much principal as the principal sum itself; in other words, the principal amount and the interest constitute together an aggregate principal sum. Following that decision, on the same principle there have been refunded to some 17 States sums accrued as interest.

The matter will be made clearer if I turn to the case to which I have referred. On July 27, 1861, Congress solemnly pledged the faith of the United States to return all such costs, charges, and expenses as might be properly incurred by any State in aiding the Federal Government in carrying on the Civil War. Subsequent to the act of Congress the State of New York issued a large number of bonds for the purpose of raising money with which to equip the militia of the State for the purposes of the Civil War. After disposing of some preliminary questions, to which it is unnecessary for me to advert, the Supreme Court considered the case on its merits and said:

So that the only inquiry is whether, within the fair meaning of the latter act—

That is to say, the act of July 27, 1861—

the words "costs, charges, and expenses properly incurred" included interest paid by the State of New York on moneys borrowed for the purpose of raising, subsisting, and supplying troops to be employed in suppressing the rebellion. We have no hesitation in answering this question in the affirmative. If that State was to give effective aid to the General Government in its struggle with the organized forces of rebellion, it could only do so by borrowing money sufficient to meet the emergency, for it had no money in its treasury that had not been specifically appropriated for the expenses of its own government. It could not have borrowed money any more than the General Government could have borrowed money without stipulating to pay such interest as was customary in the commercial world. Congress did not expect that any State would decline to borrow and await the collection of money raised by taxation before it moved to the support of the Nation. It expected that each loyal State would, as did New York, respond at once in furtherance of the avowed purpose of Congress, by whatever force necessary, to maintain the rightful authority and existence of the National Government. We can not doubt that the interest paid by the State on its bonds, issued to raise money for the purposes expressed by Congress, constituted a part of the costs, charges, and expenses properly incurred by it for those objects. Such interest, when paid, became a principal sum—

That is the point—

as between the State and the United States; that is, became a part of the aggregate sum properly paid by the State for the United States. The principal and interest so paid constitute a debt from the United States to the State.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Ohio?

Mr. BRUCE. I do.

Mr. WILLIS. Has the Senator finished reading from the decision?

Mr. BRUCE. I have.

The PRESIDING OFFICER. The Chair thinks he ought to state at this point that the Senate is proceeding under the five-minute rule.

Mr. WILLIS. I merely wish to submit a brief inquiry. How is the rate determined? Why is the interest computed at 6 per cent, which is entirely unconscionable according to the present rates charged on Government loans?

Mr. BRUCE. The city paid interest at the rate of 6 per cent, and in some of the cases referred to in the report of the Committee on Claims the Senator from Ohio will find that interest was paid at the rate of 7 per cent and made good to the State.

I should also like to call the attention of the Senator to the fact that one of the States to which a refund has been made under the same circumstances is the State of Ohio. Under the deficiency act of July 1, 1902, there was refunded to the State of Ohio the sum of $458,559.35, and a similar refund was made, I may say, to the State of Wisconsin. Altogether, to repeat what I have already said, refunds of interest have been made to no less than 17 States of the Union.

Down to the time of the decision of the Supreme Court it was supposed that such claims on the part of the States did not bear interest, but after that decision of the Supreme Court of the United States various applications were made by States for refunds of interest, and interest was refunded, not as interest—and that is the gist of the Supreme Court decision—but as principal indebtedness.

Mr. WILLIS. Mr. President, as I have just stated, I do not object to the consideration of the bill; but I do desire to call attention to one or two particular phases of it.

In the first place, this bill, if passed, should not be regarded as an abandonment of the theory heretofore held that in computing a claim against the Government interest is not to be counted, because the decision of the court in the case to which the Senator has referred—United States against New York, found at page 598 of 160 United States Reports—goes off not upon the theory that the Senator has been advancing, but upon the particular provisions of a statute. I have read all of that case, and I have the statute before me. It is the act of July 27, 1861, and it reads as follows, and I call special attention to the language:

That the Secretary of the Treasury be, and he is hereby, directed, out of any money in the Treasury not otherwise appropriated, to pay—

Now, note—

to the governor of any State, or to his duly authorized agents, the costs, charges, and expenses properly incurred by such State for enrolling, subsisting, clothing, supplying, arming, equipping, paying, and transporting its troops employed in aiding to suppress the present

insurrection against the United States, to be settled upon proper vouchers, to be filed and passed upon by the proper accounting officers of the Treasury.

The Senator will observe that that act applied solely and absolutely to States; and the court's decision was rendered upon this particular language—that, in the case of the State of New York, it was entitled, as a State, to count this interest as a part of the costs, charges, and expenses.

In other words, if we desired to be at all technical about the matter—which I do not desire to be—all that the Senator has said touching the New York case has not the slightest bearing upon this matter, because that related to a case where action had been had by State authorities, and the action for which relief is now claimed was had by a city. I think it may be said with propriety, however, as a matter of justice, that if it was a right rule in the one case, perhaps it should be so considered in the other.

So that the case of the United States *v.* New York, as I view it, has no bearing at all upon this matter. I want to emphasize the point that the rule that has heretofore obtained and that has been enforced against me in this Chamber in claims bills that I have had, that interest is not to be allowed, still obtains except in specific cases that come under the terms of the statute which I have read; and the present case is not such a one.

It seems to me, I may say in passing, that the rate of interest that is allowed here is unconscionable. I think it ought not to be 6 per cent. I think it ought to be in accordance with present rates, probably 4 per cent; but I shall not object to the Senator's bill. There is an element of justice in it.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

HERMAN A. LUEKING

The bill (S. 2679) for the relief of Herman A. Lueking was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of Herman A. Lueking, of St. Louis, Mo., the semiannual interest coupons dated September 15, 1923, in the total sum of $1,355.17, which were attached to the following-described United States Treasury notes and United States Liberty bonds, namely, United States Treasury notes Nos. 1360, 1361, 1362, 1363, 1364, and 1365, each in the denomination of $5,000, series B–1927, dated May 15, 1923, and maturing March 15, 1927, and Nos. 46285, 46286, 46287, 46288, 46289, 46290, 46291, 46292, 46293, and 46294, in the denomination of $1,000, series A–1926, dated March 15, 1922, and maturing March 15, 1926; United States third Liberty-loan bonds Nos. 57032, 61221, 61259, and 61782, each in the denomination of $5,000, and Nos. 238997 and 238998, each in the denomination of $500, and Nos. 1108678, 1108679, 1108680, 1108681, 1108682, 1108683, 1108684, 1108685, and 1108686, each in the denomination of $1,000, dated May 9, 1918, and maturing September 15, 1928, without presentation of said semiannual interest coupons, which have been lost, stolen, or destroyed: *Provided*, That the said semiannual interest coupons shall not have been previously presented for payment, and that no payments shall be made hereunder for any of said semiannual interest coupons which shall have been previously paid: *Provided further*, That the said Herman A. Lueking, of St. Louis, Mo., shall first file in the Treasury Department of the United States a bond in the penal sum of double the amount of the aforesaid aggregate total of said semiannual interest coupons in such form and with such sureties as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the said semiannual interest coupons hereinafter described which were lost, stolen, or destroyed.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JONES of Washington subsequently said: A little earlier in the day the Senate passed Senate bill 2679, but that bill had been adversely reported by the Committee on Claims. I ask that the vote by which it was passed be reconsidered, and that the bill be indefinitely postponed.

The PRESIDING OFFICER. Is there objection?

There being no objection, the vote by which the bill was passed was reconsidered, and the bill was indefinitely postponed.

A. T. MARIX

The bill (S. 2086) for the relief of A. T. Marix was considered as in Committee of the Whole.

The bill had been reported from the Committee on Naval Affairs with amendments, on page 1, line 3, after the word "That," to strike out "the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to A. T. Marix, colonel, retired, United States Marine Corps," and to insert "there is hereby authorized to be appropriated," and, in line 7, after "$2,238," to strike out "in reimbursement" and to insert "to reimburse A. T. Marix, colonel, retired, United States Marine Corps," so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,238, to reimburse A. T. Marix, colonel, retired, United States Marine Corps, for the loss by fire of personal property in Christiania, Norway, while he was serving as naval attaché to the American legations in Norway, Sweden, and Denmark.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2178) for the relief of Harry P. Creekmore was announced as next in order.

Mr. JONES of Washington. Mr. President, I desire to have that bill read, so that I may know what it is.

The PRESIDING OFFICER. The bill will be read.

The legislative clerk read the bill.

Mr. JONES of Washington. The junior Senator from Utah [Mr. KING] has asked that bills of that character may go over, so I ask that this one go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 7348) for the relief of Joseph F. Becker was announced as next in order, and was read.

Mr. REED of Pennsylvania. I ask that that go over.

The PRESIDING OFFICER. The bill will be passed over.

ROBERT A. PICKETT

The bill (S. 850) for the relief of Robert A. Pickett was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue a patent in fee to Robert A. Pickett, Crow allottee No. 371, for land allotted to him under the provisions of the act of June 4, 1920 (41 Stat. L. p. 751), and designated as homestead.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

LANDS ON KAW RESERVATION IN OKLAHOMA

The bill (S. 2334) authorizing the sale and conveyance of certain lands on the Kaw Reservation in Oklahoma was announced as next in order and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to sell and convey, in such manner as will best serve the interests of the Kaw Indians, all or part of the unallotted portion of the Kaw school reserve, and the school and agency buildings; the net proceeds of such sale to be duly deposited in the Treasury of the United States to the credit of the Kaw Indians.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. WILLIS. Mr. President, I think I have no objection, but my recollection is that some one has written me or I have had some sort of communication touching either this bill or House bill 6727, with both of which the Senator from Oklahoma [Mr. HARRELD] is entirely familiar; and I should like to have him make a very brief explanation of them.

Mr. HARRELD. I do not think there is any objection to the passage of this bill.

Mr. WILLIS. It may be House bill 6727.

Mr. HARRELD. The senior Senator from Kansas [Mr. CURTIS] belongs to the Kaw Tribe himself, and he tells me there is no objection to the bill; in fact, the tribe wants it passed. I do not think there is any objection there.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

INDIANS OF QUINAIELT RESERVATION, WASH.

The bill (H. R. 97) authorizing an expenditure of $50,000 from the tribal funds of the Indians of the Quinaielt Reservation, Wash., for the improvement and completion of the road from Taholah to Moclips on said reservation, was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CLAIMS OF SIOUX INDIANS

The bill (H. R. 5850) authorizing an appropriation for the payment of certain claims due certain members of the Sioux Nation of Indians for damages occasioned by the destruction of their horses was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LANDS OF KANSAS OR KAW INDIANS IN OKLAHOMA

The bill (H. R. 6727) to authorize the Secretary of the Interior to issue certificates of competency removing the restrictions against alienation on the inherited lands of the Kansas or Kaw Indians in Oklahoma was considered as in Committee of the Whole.

Mr. WILLIS. Mr. President, I should like to ask the Senator from Oklahoma to explain this bill.

Mr. HARRELD. Mr. President, this bill was introduced at the last session. At that time there was some objection to its passage. It was reintroduced and came before the committee at this time. Meantime I have made some investigations, and so has the senior Senator from Kansas [Mr. CURTIS], and he and I are of the opinion that the bill ought to be passed.

There is very little objection to it. In fact, the senior Senator from Kansas said that he had made a special investigation this summer and found that they really want the legislation, and he thinks it advisable. A great many of the Indians who will be affected by this bill live in Kansas, and, as a matter of fact, I have always deferred to the Senator from Kansas in matters relating to Kaw Indian affairs, and I am largely influenced in my present position by what he thinks ought to be done. I am sorry he is not here to say so himself.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

INDIANS OF FORT PECK AND BLACKFEET RESERVATIONS

The bill (S. 1550) to appropriate certain tribal funds for the benefit of the Indians of the Fort Peck and Blackfeet reservations was considered as in Committee of the Whole.

The bill had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 8, after the word "date," to strike out "to the date of the approval of this act at the rate of 4 per centum per annum, and (1) such funds are hereby appropriated, and (2) a sum equal to the amount of such interest is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for expenditure by the Secretary of the Interior for the benefit of, or for distribution by him to, such Indians, respectively, in such manner as he deems advisable," and to insert "until withdrawn, at the rate of 4 per cent per annum, both principal and interest to be subject to expenditure by the Secretary of the Interior for the benefit of said Indians or payment to them, in his discretion," so as to make the bill read:

Be it enacted, etc., That the funds placed to the credit of the Indians of the Fort Peck Indian Reservation and of the Blackfeet Indian Reservation, Montana, under authority of the nineteenth paragraph of section 11 of the Indian Affairs appropriation act, approved May 18, 1916, shall bear interest from such date until withdrawn, at the rate of 4 per cent per annum, both principal and interest to be subject to expenditure by the Secretary of the Interior for the benefit of said Indians or payment to them, in his discretion.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PAWNEE INDIAN SCHOOL, PAWNEE, OKLA.

The bill (S. 1834) providing for remodeling, repairing, and improving the Pawnee Indian school plant, Pawnee, Okla., and providing an appropriation therefor, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Indian Affairs with amendments, on page 1, line 3, after the words "That there is," to insert "hereby authorized to be," and on the same page, after line 7, to strike out section 2, so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated out of moneys in the Treasury not otherwise appropriated, the sum of $22,000 for the purpose of remodeling, repairing, and improving the Pawnee Indian school plant, Pawnee, Okla.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF JUDICIAL CODE

The bill (S. 989) to amend section 129 of the Judicial Code relating to appeals in admiralty cases was considered as in Committee of the Whole.

The bill had been reported from the Committee on the Judiciary with an amendment, on page 1, line 9, after the word "parties," to strike out "That the same is taken within 15 days after the entry and service of a copy of such decree upon the adverse party" and to insert: "*Provided*, That the same is taken within 15 days after the entry of the decree: *And provided further*, That within 20 days after such entry the appellant shall give notice of the appeal to the appellee or appellees," so as to make the bill read:

Be it enacted, etc. That section 129 of the Judicial Code is hereby amended by adding thereto the following:

"In all cases where an appeal from a final decree in admiralty to the circuit court of appeals is allowed an appeal may also be taken to said court from an interlocutory decree in admiralty determining the rights and liabilities of the parties: *Provided*, That the same is taken within 15 days after the entry of the decree: *And provided further*, That within 20 days after such entry the appellant shall give notice of the appeal to the appellee or appellees; but the taking of such appeal shall not stay proceedings under the interlocutory decree unless otherwise ordered by the district court upon such terms as shall seem just."

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ALLOCATION OF WATERS OF COLUMBIA RIVER

The bill (S. 2663) authorizing the Secretary of the Interior to cooperate with the States of Idaho, Montana, Oregon, and Washington in allocation of the waters of the Columbia River and its tributaries, and for other purposes, and authorizing an appropriation therefor, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That in order to assure an adequate water supply for the Columbia Basin irrigation project in the State of Washington, the formation of a proper district organization under the laws of the said State, and the completion of any further investigation that, in the opinion of the Secretary of the Interior, may be necessary, the Secretary is authorized and directed to cooperate with and assist the States of Idaho, Montana, Oregon, and Washington in negotiating an agreement or compact for the allocation of the waters of the Columbia River and its tributaries in accordance with the act of Congress of March 4, 1925; to advise and assist in the formation of the proper district organization under the laws of the State of Washington; and to complete any further economic or other investigations, including power possibilities, that the Secretary may deem necessary to authorize construction of the necessary works for the reclamation of the lands embraced in said Columbia Basin irrigation project.

SEC. 2. That the Secretary of the Interior is authorized and directed to ascertain and report to Congress on or before December 1, 1927, the status of the negotiations, under the act of Congress of March 4, 1925, looking to a compact or agreement from the States of Idaho, Montana, Oregon, and Washington for the allocation of the waters of the Columbia River and its tributaries; what action the property owners within the area embraced in the Columbia Basin irrigation project have taken to organize a district, under the laws of the State of Washington, for the reclamation of the lands of said district and the authority of such district to contract to repay moneys expended in development, construction, settlement, operation, and maintenance of said project; and what action such district has taken to insure the execution of such a contract or contracts, and any data compiled or available from any investigations which the Secretary may have required under this act.

SEC. 3. That the provisions of the act of March 4, 1925, entitled "An act to permit a compact or agreement between the States of Washington, Idaho, Oregon, and Montana respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, and for other purposes," be continued and extended, and the said States are hereby authorized to negotiate or enter into a compact or agreement and report to Congress, in accordance with the provisions of the said act, not later than December 1, 1927.

SEC. 4. That the Secretary of the Interior is hereby authorized to do any and all things necessary to carry into effect the provisions of this act, and there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $25,000, to be expended under the authority and direction of the Secretary of the Interior under the provisions of this act.

Mr. JONES of Washington. Mr. President, on behalf of my colleague [Mr. DILL] I offer the following amendment: On page

2, line 7, after the word "possibilities," insert "as to gravity and pumping systems."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 7, after the word "possibilities," it is proposed to insert "as to gravity and pumping systems," so as to read:

And to complete any further economic or other investigations, including power possibilities as to gravity and pumping systems, that the Secretary may deem necessary—

And so forth.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1859) for the relief of Patrick C. Wilkes, alias Cleburn P. Wilkes, was announced as next in order.

Mr. JONES of Washington. At the request of the junior Senator from Utah [Mr. KING], I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

F. E. ROMBERG

The bill (S. 585) for the relief of F. E. Romberg was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any moneys in the Treasury not otherwise appropriated, the sum of $375 to F. E. Romberg, in settlement of his claim against the Government to reimburse him on account of cash paid to Hal Johnson for a one-third interest in the allotment of Jennie Dirt, deceased Shawnee Indian, which her husband, Dan Dirt, had inherited and conveyed to said Johnson, said allotment having been previously sold by the Government through the Secretary of the Interior to said F. E. Romberg and collected the full consideration therefor, the right of said Dan Dirt to sell and convey said one-third interest now being so declared by judicial decree: *Provided*, That the Secretary of the Interior shall reimburse the Government, in whole or in part, out of any Indian trust property now or hereafter owned by Dan Dirt, the amount appropriated by this act, being a part of the sum which the Government has paid to said Dan Dirt, the proceeds received by the Government in trust for him from F. E. Romberg, purchaser of the Jennie Dirt allotment.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSIONS OF TIME UNDER OIL AND GAS PERMITS

The bill (S. 2461) to grant extensions of time under oil and gas permits was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands and Surveys with amendments, on page 1, line 6, after "1920," to strike out "and" and insert "or"; on the same page, line 9, after "1922," to strike out "shall" and insert "may"; and on page 2, line 8, after the word "extensions," to strike out "shall" and insert "may," so as to make the bill read:

Be it enacted, etc., That any oil or gas prospecting permit issued under the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, or extended under the act entitled "An act to authorize the Secretary of the Interior to grant extensions of time under oil and gas permits, and for other purposes," approved January 11, 1922, may be extended by the Secretary of the Interior for an additional period of two years, if he shall find that the permittee has been unable, with the exercise of reasonable diligence, to begin drilling operations or to drill wells of the depth and within the time required by existing law.

SEC. 2. Upon application to the Secretary of the Interior, and subject to valid intervening rights and to the provisions of section 1 of this act, any permit which has already expired because of lack of authority under existing law to make further extensions, may be extended for a period of two years from the date of the passage of this act.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1430) to establish a board of public welfare in and for the District of Columbia, to determine its functions, and for other purposes, was announced as next in order.

Mr. JONES of Washington. I ask that that may go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2849) to provide for an additional Federal district for North Carolina was announced as next in order.

Mr. JONES of Washington. I ask that that bill may go over.

Mr. OVERMAN. I am glad the Senator has requested that the bill shall go over. My colleague [Mr. SIMMONS] and I are in a little disagreement about the bill on account of a dispute as to some of the counties, and we are trying to get together. Therefore I join in asking that the bill may go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1929) to provide home care for dependent children in the District of Columbia was announced as next in order.

Mr. JONES of Washington. I ask that that may go over.

The PRESIDING OFFICER. The bill will be passed over.

SWEND A. SWENDSON

The bill (S. 492) for the relief of Swend A. Swendson was considered in Committee of the Whole.

The bill had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$4,400" and to insert in lieu thereof "$2,500," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Swend A. Swendson the sum of $2,500, to compensate him in full for the injury received by him in the Government employ.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COLUMBUS HOSPITAL, MONTANA

The bill (S. 867) authorizing the Secretary of the Treasury to pay the Columbus Hospital, Great Falls, Mont., for the treatment of disabled Government employees, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Claims with an amendment, on page 1, line 5, to strike out "$608.44" and to insert in lieu thereof "$397.44," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $397.44 to the superintendent of the Columbus Hospital, Great Falls, Mont., for services rendered and medical attendance from March 13 to June 1, 1919, in the cases of Arthur A. Higgins, William A. Niles, and Floyd Kerr, employees of the War Department, at the nitro general ordnance bureau, Nitro, W. Va., said amount being due the hospital for the care and treatment of the said employees.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REIMBURSEMENT FOR SUPPRESSION OF FOREST FIRES

The bill (S. 1047) to reimburse the State of Montana for expenses incurred by it in suppressing forest fires on Government land during the year 1919 was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the State of Montana, out of any money in the Treasury not otherwise appropriated, the sum of $26,746.17, on account of money expended by the State in the suppression of forest fires on Government lands during the year 1919.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

AIRPLANE ACCIDENT AT LANGIN FIELD, W. VA.

The bill (S. 1463) to provide relief for the victims of the airplane accident at Langin Field was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to pay, in lieu of any other payment now authorized by law, (a) the sum of $5,000 to the personal representative of every person not in the military or naval forces of the United States who was killed or whose death is a direct result of injuries sustained in the airplane accident at Langin Field, Moundsville, W. Va., on July 10, 1921; (b) a reasonable amount, not exceeding $2,000, to every such person who was injured in such accident, as reimbursement for medical, surgical, and hospital attendance, supplies, and expenses and as compensation for loss of time as a direct result of such injury; (c) a reasonable amount to

the owner of any property destroyed or damaged by such accident as compensation for such destruction or damage.

SEC. 2. That the amount to be paid under subdivisions (b) and (c) of section 1 shall be determined after a public hearing by a board of officers appointed by the commanding officer of the nearest aviation post and approved by the Chief of the Air Service and the Secretary of War.

SEC. 3. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

Mr. REED of Pennsylvania. I think we ought to have an explanation of that bill.

Mr. NEELY. Mr. President, a similar bill was passed by the Senate during the Sixty-eighth Congress. Unfortunately it received no attention in the House.

The material facts in the case may be briefly stated as follows:

A large number of people were assembled at Langin Field, near Moundsville, W. Va., on the 10th day of July, 1921, to witness airplane maneuvers. A Government owned and operated bomber plane, in attempting to ascend, crashed into the crowd, killing 5 persons and seriously injuring 22 more. As an additional result of the accident a number of automobiles parked about the field were destroyed by fire. The Government bomber plane was the sole cause of the disaster.

The bill authorizes the Secretary of War to pay, in lieu of any other compensation authorized by existing law, the sum of $5,000 to the personal representative of each of the persons killed, and also to pay a reasonable amount, not exceeding $2,000, to each one whose person or property was injured by the accident as reimbursement for medical expenses, loss of time, or loss of property.

It is provided that the amount to be paid for the injuries to property and the nonfatal injuries to persons shall be determined by a board of duly appointed Army officers after the evidence in the case shall have been heard.

I sincerely hope that no one will object to the immediate passage of this meritorious measure.

Mr. REED of Pennsylvania. Does the Senator think the provision in the bill is the proper method for ascertaining and liquidating claims against the United States? I agree with the Senator that this is a case where the United States ought to make payment, but in no other claims bill that I have ever seen has the amount been liquidated by a board of officers. Under section 2 of this bill it is provided that—

> the amount to be paid * * * shall be determined after a public hearing by a board of officers appointed by the commanding officer of the nearest aviation post and approved by the Chief of Air Service and the Secretary of War.

Mr. NEELY. Can the Senator conceive of anything fairer to the Government than to permit its own officers to determine the amount of the compensation that the unfortunate victims of the Government's injuries are to be paid?

Mr. REED of Pennsylvania. I agree with the Senator that it is a case which the Government ought to take care of. It is simply a question of whether the machinery provided in this bill is the proper machinery. Was the bill which passed the Senate last year in the same form?

Mr. NEELY. It is identical with the bill that was passed by the Senate during the last session of Congress.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MIGRATORY BIRD REFUGES

The bill (S. 2607) for the purpose of more effectively meeting the obligations of the existing migratory bird treaty with Great Britain by the establishment of migratory bird refuges to furnish in perpetuity homes for migratory birds, the provision of funds for establishing such areas, and the furnishing of adequate protection of migratory birds, for the establishment of public shooting grounds to preserve the American system of free shooting, and for other purposes was announced as next in order.

Mr. JONES of Washington. The Senator from Missouri [Mr. REED] is interested in this bill, and I ask that it may go over.

Mr. BROOKHART. The Senator from Missouri was opposed to the bill. He has not spoken to me about it since it was called before, but the others who were opposed to it are now favorable to it. As I do not know about the present view of the Senator from Missouri, the bill will have to go over.

The PRESIDING OFFICER. The bill will be passed over.

MISSISSIPPI RIVER BRIDGE, MINN.

The bill (H. R. 5013) extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of the bridge authorized by act of Congress approved February 16, 1924, and amended by act approved February 7, 1925, to be built by the Chicago, Milwaukee & St. Paul Railway, its successors and assigns, across the Mississippi River, within or near the city limits of St. Paul, Ramsey County, and Minneapolis, Hennepin County, Minn., are hereby extended two years and four years, respectively, from February 16, 1926.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BENJAMIN F. SPATES

Mr. ODDIE. Mr. President, I ask that Order of Business No. 61, Senate bill 1767, for the relief of Benjamin F. Spates, be taken up at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

Mr. JONES of Washington. I object.

The PRESIDING OFFICER. Objection is made.

LAWS AND TREATIES RELATING TO INDIAN AFFAIRS

Mr. HARRELD. I ask that we take up Order of Business 152, Senate Resolution 57, authorizing preparation of compilation of Indian laws and treaties.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the resolution, which had been reported from the Committee on Indian Affairs with an amendment, to add at the end of the resolution the following proviso: "*Provided*, The cost of preparation and indexing thereof shall not exceed $2,000," so as to make the resolution read:

Resolved, That the Committee on Indian Affairs is hereby authorized to have prepared for the use of the Senate a compilation of the laws, agreements, Executive orders, proclamations, etc., relating to Indian affairs passed and proclaimed since December 1, 1913, to be known as Laws and treaties Relating to Indian Affairs, volume 4: *Provided*, The cost of preparation and indexing thereof shall not exceed $2,000.

The amendment was agreed to.

The resolution as amended was agreed to.

BELLE H. WALKER AND FRANK E. SMITH

Mr. BAYARD. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 453, for the relief of Belle H. Walker, widow of Frank H. Walker, deceased, and Frank E. Smith.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read as follows:

Be it enacted, etc., That there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $48,092.38, which sum shall be paid by the Secretary of the Treasury to Belle H. Walker, widow of Frank H. Walker, deceased, and Frank E. Smith, for all damages howsoever sustained by them or Frank H. Walker, deceased, growing out of the construction of the foundation of the west wall or walls of the Government Printing Office, for their full length, running at right angles to G Street and Jackson Alley, in the city of Washington, District of Columbia, upon and occupying a portion of the east part of the adjoining lots owned by Belle H. Walker and Frank E. Smith, without claim of title to said land by or payment thereof by the United States, and for all other damages which may be found to have been sustained by said Frank H. Walker or Belle H. Walker and Frank E. Smith by the operation of said Government Printing Office after its construction: *Provided*, That the said Belle H. Walker and Frank E. Smith, by a good and sufficient title, will convey to the United States, clear of all encumbrances, the following-described land, together with the improvements thereon, being lots 75 and 76 and part of lots 19 and 20, including a private alley 3 feet 6 inches wide, containing 9,483 square feet, more or less, which embraces the property taken, used, or damaged, all situated in square 624: *Provided further*, That the land so embraced shall be transferred to the Public Printer for the use of the Government Printing Office.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BESTOWAL OF DECORATIONS

Mr. REED of Pennsylvania. I ask unanimous consent to submit a report from the Committee on Military Affairs.

The PRESIDING OFFICER. Without objection, the report will be received.

Mr. REED of Pennsylvania. I report back favorably with an amendment from the Committee on Military Affairs the bill (S. 1473) granting permission to certain officers and men of the military forces of the United States to accept various decorations bestowed in recognition of services to the allied cause, and I submit a report (No. 198) thereon. I ask unanimous consent for its immediate consideration.

There being no objection, the bill was considered as in Committee of the Whole.

The amendment was, on page 3, after line 8, to insert:

James D. Basey, captain, retired, decoration of the Order of the White Eagle (fifth class) conferred by the Kingdom of the Serbs, Croats, and Slovenes.

Allen L. Briggs, lieutenant colonel, Infantry, United States Army, decoration and diploma, officer of the Order of Regeneration of Poland.

Clarence R. Edwards, major general, retired, Order of Haller's Swords (chevalier), Polish.

David M. Goodrich, lieutenant colonel, Cavalry Reserve, the Order of the White Eagle (fourth class) presented by the Kingdom of the Serbs, Croats, and Slovenes.

John Tracy Green, first lieutenant, Quartermaster Reserve, decoration of the Order of St. Sava (fifth class) conferred by the Kingdom of the Serbs, Croats, and Slovenes.

Samuel A. Greenwell, captain of Cavalry, United States Army, decoration of the Order of the White Eagle (fifth class) conferred by the Kingdom of the Serbs, Croats, and Slovenes.

Otto Holstein, major, Military Intelligence Reserve, diploma of the medal cross of sanitary merit (second class) presented by Rumania.

Horace Morison, major, Quartermaster Reserve, diploma with translation, cross of sanitary merit (second class) presented by Rumania.

T. Bentley Mott, colonel, retired, Order of the Star of Rumania in the grade of commander conferred by Rumania.

Hugh A. Parker, lieutenant colonel, Infantry, United States Army, decoration the Order of the White Eagle (fourth class) conferred by the Kingdom of the Serbs, Croats, and Slovenes.

Albro L. Parsons, major, Medical Corps, United States Army, decoration the Order of the White Eagle (fourth class) conferred by the Kingdom of the Serbs, Croats, and Slovenes.

Mason M. Patrick, major general, insignia and diploma of the Order of Grand Officer of the Crown of Italy presented by the Italian Government.

Allen W. Pollitt, captain, Quartermaster Corps, United States Army, the Order of St. Sava (fourth class) presented by the Kingdom of the Serbs, Croats, and Slovenes.

Wait C. Johnson, colonel, Infantry, United States Army, cross of the Serbian Order of the White Eagle (fourth class).

Francis Bowen Upham, colonel, Adjutant General's Reserve, cross of officer of the Order of the Regeneration of Poland.

Roy Hoffman, brigadier general, Reserves, decoration and diploma the cross of commander in the Order of the Crown conferred by the King of the Belgians.

Charles E. Kilbourne, Coast Artillery Corps, officer of the French Legion of Honor.

So as to make the bill read:

Be it enacted, etc., That the following officers and men of the military forces of the United States be, and they are hereby, authorized to accept the decorations which have been conferred upon them by the countries with which the United States was associated in the World War, namely:

Willis P. Baker, major, cross of officer of the Order of the Regeneration of Poland.

Alfred Barton, captain, Officers' Reserve Corps, chevalier of the Order of the Star of Rumania.

J. E. Barzynski, major, cross of officer of the Order of the Regeneration of Poland.

Charles W. Berry, major general, Belgian croix de guerre.

James E. Chaney, major, Air Service, Italian croce di guerra.

Edward Donnelly, lieutenant colonel, Field Artillery, Italian croce di guerra.

Lee Roy Dunbar, major, cross of officer of the Order of the Regeneration of Poland.

John M. Eager, major, Field Artillery, Italian croce di guerra.

Henry Fritz, private, Company H, Belgian croix de guerre.

William F. H. Godson, lieutenant colonel, cross of officer of the Order of the Regeneration of Poland.

Bertram S. Griffith, corporal, Belgian croix de guerre.

J. G. Harbord, major general, retired, cross with star of commander of the Order of the Regeneration of Poland.

Nelson M. Holderman, captain, chevalier of the French Legion of Honor.

William McFarland, captain, chevalier of the French Legion of Honor.

Charles G. Mortimer, lieutenant colonel, Quartermaster Corps, officer of the French Legion of Honor.

Arthur Poillon, lieutenant colonel, commander of the Order of the Star of Rumania, grand officer of the Order of the Crown of Rumania.

T. Upham, lieutenant colonel, Officers' Reserve Corps, cross of officer of the Order of the Regeneration of Poland.

Frank C. Vincent, major, Belgian croix de guerre.

Wait C. Johnson, colonel, officer cross of the Order of the White Eagle (fourth class).

James D. Basey, captain, retired, decoration of the Order of the White Eagle (fifth class), conferred by the Kingdom of the Serbs, Croats, and Slovenes.

Allen L. Briggs, lieutenant colonel, Infantry, United States Army, decoration and diploma, officer of the Order of Regeneration of Poland.

Clarence R. Edwards, major general, retired, Order of Haller's Swords (Chevalier), Polish.

David M. Goodrich, lieutenant colonel, Cavalry Reserve, the Order of the White Eagle (fourth class), presented by the Kingdom of the Serbs, Croats, and Slovenes.

John Tracy Green, first lieutenant, Quartermaster Reserve, decoration of the Order of St. Sava (fifth class), conferred by the Kingdom of the Serbs, Croats, and Slovenes.

Samuel A. Greenwell, captain of Cavalry, United States Army, decoration of the Order of the White Eagle (fifth class), conferred by the Kingdom of Serbs, Croats, and Slovenes.

Otto Holstein, major, Military Intelligence Reserve, diploma of the medal cross of sanitary merit (second class), presented by Rumania.

Horace Morison, major, Quartermaster Reserve, diploma with translation, cross of sanitary merit (second class), presented by Rumania.

T. Bentley Mott, colonel, retired, Order of the Star of Rumania in the grade of commander conferred by Rumania.

Hugh A. Parker, lieutenant colonel, Infantry, United States Army, decoration of the Order of the White Eagle (fourth class), conferred by the Kingdom of the Serbs, Croats, and Slovenes.

Albro L. Parsons, major, Medical Corps, United States Army, decoration of the Order of the White Eagle (fourth class), conferred by the Kingdom of the Serbs, Croats, and Slovenes.

Mason M. Patrick, major general, insignia and diploma of the Order of Grand Officer of the Crown of Italy, presented by the Italian Government.

Allen W. Pollitt, captain, Quartermaster Corps, United States Army, the Order of St. Sava (fourth class), presented by the Kingdom of the Serbs, Croats, and Slovenes.

Wait C. Johnson, colonel, Infantry, United States Army, cross of the Serbian Order of the White Eagle (fourth class).

Francis Bowen Upham, colonel, Adjutant General's Reserve, cross of officer of the Order of the Regeneration of Poland.

Roy Hoffman, brigadier general, reserves, decoration and diploma the cross of commander in the Order of the Crown, conferred by the King of the Belgians.

Charles E. Kilbourne, Coast Artillery Corps, officer of the French Legion of Honor.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADJOURNMENT

Mr. JONES of Washington. I move that the Senate adjourn.

The motion was agreed to; and the Senate (at 2 o'clock p. m.) adjourned until to-morrow, Tuesday, February 23, 1926, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, *February 22, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art the King of kings and the Lord of lords, in these hallowed moments it is given us to realize the courage, the devotion, and the character of our forefathers. We praise Thee for the Virginia gentleman and the American patriot; also for his loyal associates in the counsels of war and of peace. They live to-day in the ideals of the Republic and bow over us in sacred benediction. Yonder, from the unseen heights of Thy throne, Thou didst guide their broken columns as they toiled to bring order out of chaos, service out of selfishness, and man out of the throes of political tyranny. May the mighty past interpret to us our duty to redouble our devotion and enthusiasm for our homeland. O Lord God, do Thou stand in the midst of all earthly scenes and direct the upward movements of the world. Lead us all up the hills of time until Christendom conquers and civilization triumphs. Through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of Saturday was read and approved.

CALL OF THE ROLL

Mr. HOWARD. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. HOWARD. Mr. Speaker, not wishing to interfere with the program, I really think we ought to have a quorum here to hear the exercises in honor of our first President, and I make a point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. TILSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The roll was called, and the following Members failed to answer to their names:

[Roll No. 39]

Appleby	Dominick	Johnson, Wash.	Smithwick
Ayres	Drewry	Kelly	Sproul, Kans.
Barkley	Esterly	Kendall	Stevenson
Beedy	Flaherty	Kiefner	Strong, Pa.
Beers	Fletcher	Kindred	Sullivan
Begg	Fort	Kopp	Swartz
Berger	Fredericks	Lazaro	Swoope
Boies	Fuller	Lee, Ga.	Taylor, Colo.
Brand, Ohio	Fulmer	Lehlbach	Taylor, Tenn.
Britten	Gallivan	Letts	Thayer
Browne	Gasque	Luce	Thomas
Brumm	Golder	McClintic	Thurston
Butler	Goldsborough	McFadden	Timberlake
Campbell	Graham	Magee, Pa.	Tincher
Carew	Greenwood	Michaelson	Tydings
Celler	Hall, N. Dak.	Morin	Underhill
Connolly, Pa.	Hardy	Newton, Mo.	Upshaw
Corning	Harrison	O'Connor, N. Y.	Vaile
Cox	Hastings	Oldfield	Vare
Coyle	Haugen	Parks	Walters
Cramton	Hawes	Peery	Warren
Crowther	Hawley	Perlman	Watres
Curry	Hudson	Phillips	Weller
Deal	Hull, William E.	Porter	Winter
Dempsey	Jacobstein	Quayle	Woodrum
Dickinson, Iowa	Johnson, Ill.	Robinson, Iowa	Yates
Dickstein	Johnson, S. Dak.	Romjue	

The SPEAKER. Three hundred and twenty-five Members have answered to their names. A quorum is present.

Mr. TILSON. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. By reason of the order of the House the gentleman from Mississippi [Mr. RANKIN] will read Washington's Farewell Address. [Applause.]

Mr. RANKIN read the address.

(For the address see Senate proceedings of to-day, at page 4326.)

PRINTING OF A DOCUMENT

Mr. JOHNSON of Kentucky. Mr. Speaker, I desire to submit a unanimous-consent request. Mr. Speaker, I deem this the most fitting of occasions to ask leave to have printed as a House document what I believe to be the most valuable paper ever written on the origin and evolution of the flag of the United States. Mr. R. C. Ballard Thruston, of Louisville, Ky., who was recently president of the National Society of the Sons of the American Revolution, has given more time and more study to this subject than perhaps any man who ever lived. In my judgment not only should every Member of this body have this paper but this body should start its circulation with a hope that ultimately it will go into every school in our Nation. I therefore ask unanimous consent to have printed as a House document, with illustrations, the paper written by Mr. Thruston, and, as the paper is so valuable, I ask leave that 2,000 copies extra may be printed. The question arose on Saturday as to whether or not this was the proper method to get this paper printed. I submitted the paper then to the Speaker's parliamentarian. He has looked up the subject and tells me this is the proper way to do it. Then the question of cost may arise with somebody. That, too, has been taken up with the printer, and he advises that the printing of it will cost a little more than $100.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to print as a House document the paper referred to, with illustrations, and that 2,000 extra copies may be printed for the use of the House. Is there objection?

Mr. BLANTON. To be distributed through the folding room?

Mr. JOHNSON of Kentucky. That is the desire; yes.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, I believe in the Sixty-fifth Congress a similar paper was ordered printed as a House document, an address by Congressman Hicks, of New York.

Mr. JOHNSON of Kentucky. That was a very valuable paper, but I do not regard it as similar.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky. [After a pause.] The Chair hears none.

QUESTION OF PERSONAL PRIVILEGE

Mr. DAVEY. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Ohio rise?

Mr. DAVEY. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state his question of personal privilege.

Mr. DAVEY. May I ask the Clerk to read this?

The SPEAKER. The Clerk will read the article on which the gentleman from Ohio bases his question of personal privilege.

Mr. DAVEY. This is an article published in Washington in a weekly newspaper called Labor, under date of February 20, 1926, on which I base my question of privilege.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

DAVEY'S "SLACKER" RECORD AS A MEMBER OF CONGRESS—OHIO NURSERYMAN'S UNJUSTIFIED ATTACK ON FEDERAL EMPLOYEES CALLS ATTENTION TO HIS FAILURE TO DISCHARGE THE DUTIES FOR WHICH UNCLE SAM PAYS HIM $10,000 A YEAR

(By Donald Ramsey)

Washington—official and unofficial—is laughing at Congressman MARTIN L. DAVEY, Democrat, of the Kent, Ohio, district.

DAVEY, who inherited his business and the greater part of his personal fortune from his father, wants to be Governor of Ohio. Some one told him that in order to become governor a man had to "pull" something spectacular.

DAVEY endeavored to act on the suggestion. He sent a statement to the newspapers announcing that he had discovered a plan by which he could save $500,000,000 a year in Government expenditures.

As a first step he advocated dismissing 100,000 Federal employees, declaring that Uncle Sam's workers were guilty of "loafing, time killing, and buck passing."

DAVEY's statement was promptly challenged from a dozen quarters. The "White House spokesman" told the newspaper correspondents that there was nothing to it.

CHALLENGED TO PRODUCE PROOF

The Federation of Federal Employees called on DAVEY to submit evidence to support his claim. He responded by saying that his brother while "doing war work" in Washington during the World War had been told by some of his fellow employees that he was a fool to work too hard.

It remained for former Congressman Stengle, of New York, to deal the blow which made DAVEY the laughingstock of the National Capital.

"If Mr. DAVEY'S real object is honestly to discover and drive out of the public service 'time wasters and buck passers,' I must respectfully suggest that he publish his own record for the past three years and allow the public to decide whether he fills the bill as well or better than those against whom he lays unsupported charges. 'Let him that is without fault cast the first stone,'" was the way Stengle framed his indictment.

DAVEY'S "SLACKER" RECORD

DAVEY draws $10,000 a year as a Member of Congress from the Kent district.

The record shows that he is almost at the head of the congressional "slackers"—men who draw their salaries but neglect their jobs.

During this Congress there have been 32 roll calls in the House on important issues. DAVEY has been present 12 times and absent 20.

His record in the last Congress was almost as bad. All together there were 309 roll calls, and the RECORD shows that DAVEY was present 164 times and was absent 145 times.

The "gentleman from Ohio," as a Member of the House, has drawn pay from Uncle Sam for about seven years.

During that time there have been 1,035 roll calls and he has been present 508 times and absent 527 times.

It would be pretty hard to beat that record for "time wasting and buck passing."

Mr. DAVEY. Mr. Speaker and gentlemen of the House, it is not my purpose to pass judgment upon the article which has just been read or to inquire into its spirit and purpose. I should say that it stamps on its own face whatever spirit there may be behind it.

It is only proper to say that this article is the outgrowth of a consistent and persistent effort I have made in the present Congress to bring about the passage of a real reorganization bill, so that the taxpayers of the United States might have some consideration. The number of the bill which I introduced

on December 10 is H. R. 4798, so that this whole interesting situation is an outgrowth of that effort. The bill reads as follows:

HOUSE OF REPRESENTATIVES,
December 10, 1925.

Mr. DAVEY introduced the following bill; which was referred to the Committee on Rules and ordered to be printed

A bill (H. R. 4798) enlarging temporarily the power of the President of the United States for the purpose of the reorganization of the Government service, and providing for the removal of unnecessary and useless Government employees, officials, divisions, bureaus, and commissions, and providing for the temporary appointment of an advisory reorganization board

Be it enacted, etc., That the President be, and he is hereby, authorized and empowered to remove any or all appointive employees and officials of the United States Government by him deemed unnecessary or useless in the conduct of the Government's business, except members of the Cabinet, judicial officers, and those regularly elected, whether or not such employees and officials have been selected and appointed by the Civil Service Commission and regardless of any classification heretofore awarded by such commission; and the President is hereby further authorized and empowered to abolish any or all of such offices thereby made vacant and to abolish any or all divisions, bureaus, and commissions by him found to be unnecessary for the proper and economical conduct of the Government's business.

SEC. 2. That the President is authorized to appoint, prescribe the duties of, and fix the salaries of (not to exceed $10,000 to each member per annum) a board of not to exceed 10 members, to be known as the advisory reorganization board, which board shall be empowered to advise the President as to unnecessary and useless employees, officials, divisions, bureaus, and commissions of the United States Government, and a majority of such board shall unite in advising the President as to the abolition or removal of unnecessary positions, employees, officials, divisions, bureaus, and commissions of the United States Government, except those exempted in section 1 hereof: *Provided*, That such board is to act in an advisory capacity only, as may be directed by the President of the United States, and the President is not bound by the recommendations of such advisory reorganization board.

SEC. 3. That the President may, after the completion of the reorganization of any department or any division or bureau thereof, restore by proclamation to the civil-service status any such department, division, or bureau.

SEC. 4. That the President is hereby authorized and empowered, during or after the reorganization of any department, bureau, division, or commission, to appoint such employees and officials as he deems best for the public service, and to establish by proclamation any division, bureau, or commission that he deems necessary for the conduct of the public business; and the President is further authorized and empowered to transfer divisions and bureaus from one department to another, and to consolidate or combine divisions, bureaus, and commissions one with the other as he deems best for the public service; and the President is further authorized and empowered to create a central purchasing bureau that shall have exclusive power to make purchases for all Government departments, bureaus, divisions, and commissions.

SEC. 5. That the President is hereby authorized and empowered to increase the annual salaries of underpaid and meritorious employees and officials: *Provided*, That the aggregate amount of such annual salary increases so made shall not exceed 10 per cent of the total amount saved to the Government annually in the exercise of the provisions of this act.

SEC. 6. That the President shall exercise the power and authority hereby invested in him, without regard to or recommendation of or restriction of any existing law, regulation, or classification: *Provided*, That all authority granted to the President herein or by him delegated, including the term of office of the advisory organization board, shall cease two years from the date of the passage of this act.

First of all, I want to read the formal statement which I have prepared and then follow it with a serious discussion of the situation. I read:

STATEMENT OF MARTIN L. DAVEY, MEMBER OF CONGRESS FROM OHIO, CONCERNING HIS PERSONAL RECORD IN CONGRESS

Inasmuch as my efforts to bring about Government reorganization for the sake of real economy and actual efficiency have brought forth certain criticisms with reference to my personal record of attendance while a Member of Congress, I am glad to make the following statement:

In the first place, I want to emphasize the fact that anything which may be said about my own record would not justify the enormous and inexcusable waste in the Government. It is a conspicuous fact that these criticisms of me practically all ignore the real issue. There are none, I think, who have arisen to defend or explain the terrific waste in the Government and the appalling lack of efficient service.

I have been a Member of Congress for something over five years and have never made any claim of answering all the roll calls, the vast majority of which are merely calls to hear some one make a political speech of no consequence to Congress or to the country.

Mr. BLACK of New York. Mr. Speaker, will the gentleman yield?

Mr. DAVEY. Not now. The gentleman will pardon me. I will yield in just a little while. I read further:

I am inclined to think that a Member of Congress who answers all roll calls faithfully will have little time left to get important things done for his district.

On the other hand, I do lay claim very positively to having given my district a most unusual type and quantity of service. I do not believe that there is another district in the country that has had better service, and I doubt if there are many that equal it.

During a little more than five years I have given service through my congressional office to more than 25,000 individuals in the fourteenth Ohio district. This includes everyone from the high-school boy who wants information for an essay to the agent of an organization or the head of a great corporation. The people of my district know from actual experience that their matters are well and promptly handled. I doubt if any Member of the House handles as much mail unless it might be committee chairmen.

It might be interesting also to state that I spend all of my congressional salary for extra clerk hire and expenses, and have never had a dollar of it for myself. It has cost me five or six hundred dollars a month out of my private income to handle my congressional work, not counting campaign expenses.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield?

Mr. DAVEY. Not now; a little later. I read further:

My secretary makes regular trips through the district, at my expense, stopping at each of the important towns, and giving notice in the papers ahead of time that he will be there to meet the people and take care of their problems with the Government. It is a significant fact that a majority of those who come to me for help complain that they can not get an answer to their letters or that they can not get a decision from the Government, either yes or no.

I do take pride in the fact that I get things done for the people of my district who have continued to send me here. It strikes me that this is infinitely more important than answering meaningless roll calls and merely recording myself present. It would be easy to ascertain in my district the reputation which I hold for prompt, efficient, and painstaking service.

It so happens that I have a business to look after which requires a reasonable portion of my personal time. In fact, that is where I make the money that I spend in politics. For 20 years I have been engaged in that business. It was my privilege to build it from a humble beginning and an unknown status, without capital, to its present large volume. I had no inherited wealth, but I did receive from my good old father a great idea, the basic principles of a great and useful science, and a fine philosophy of work and service.

Starting with a half dozen employees 20 years ago, I have built this institution to one of national proportions with nearly a thousand employees at present, and doing an annual business of nearly $2,000,000. The process of building this business was no easy road. It was a terrific struggle and a constant ordeal for more than 15 years.

My business experience has given me some little knowledge of how business should be conducted. I know that private business must be efficient, it must render meritorious service, or it can not last. I do not hope that Government service will ever be equally efficient as a well-managed private business, but it ought to approach it to a reasonable extent.

We are now in a time when people are forced by economic necessity to eliminate waste and unnecessary cost in order to survive. This is true of the great farming community whose people are struggling to exist. It is true of practically all businesses which are now in the most intense competitive era we have seen for a long time. The people are conscious of a steadily increasing cost of government of all kinds that bears down upon them very heavily, and they are thinking now in terms of the cost of government as they have not thought before.

One thing seems to have been overlooked by those who would attempt to excuse the present waste and inefficiency in the Federal Government. Several hundred thousand war workers went home and told the truth about conditions. Several million American citizens, including soldiers, taxpayers, and others, have had personal experience with the inefficiency of the Government at Washington, and can not be deceived by any efforts to throw dust in their eyes.

Mr. LAGUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LAGUARDIA. Does the gentleman under the privilege extended to him propose to speak in——

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman from New York [Mr. LAGUARDIA] can not take

the gentleman from Ohio [Mr. DAVEY] off his feet by a parliamentary inquiry, and the gentleman from Ohio has evidenced his desire not to yield, and it is improper and disobedient to the rules for the gentleman from New York to attempt it.

Mr. LaGUARDIA. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. LaGUARDIA. It is that the gentleman from Ohio is not speaking on the point of order or on the question of privilege, but is simply telling how good a Congressman he is, and is not giving any idea of how the article in question trespasses on his privilege.

The SPEAKER. The gentleman from Ohio will proceed in order.

Mr. DAVEY. I read further:

I am not a candidate for any office unless it might be for reelection to Congress. Political success is not necessary to my happiness. I certainly do not need the job, and would be better off without it, financially and otherwise. It keeps me working all of the time—I never have a vacation. But I do believe that one of the greatest opportunities I have for service to my country is to help bring about a reorganization of the Federal Government for the sake of real economy and actual efficiency. The sentiment of the country is overwhelming for it, the people demand it in a positive sense, and it must come. Moreover, the American people are not the subjects of their Government but are presumed to be its masters. They have a right to expect prompt and efficient service of a real sort, and also a minimum cost for the service which they require. This is my motive if anyone cares to know it, and I shall continue to hammer away on the question of Government reorganization until it receives the attention it deserves.

MARTIN L. DAVEY.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield now?

Mr. DAVEY. Not just now. I will a little later.

I am proceeding on the theory that no government has a moral right to levy any taxes beyond that amount which is reasonably necessary to sustain the normal and proper functions of government. There is no inherent right in the power of government to levy tax beyond its normal and proper requirements. I have been thinking in terms of those people throughout this broad land who have been bearing the enormous load, the increasing load of taxes.

Every income-tax payer in this country and every citizen in this country who pays taxes indirectly are interested in this question of Government economy and efficiency. Every corporation, large or small, is directly interested, because this Congress is now about to pass a revenue bill which increases the corporation tax. But it is not the income and corporation tax payers alone who are concerned. Every man who buys an automobile in this country is paying a direct tribute to the waste and inefficiency in this Government. Every man who buys a car, whether it be a Ford or a Packard, is helping to keep on the pay rolls a large army of useless idlers. If it were not for this vast horde of useless loafers, this tax on automobiles could easily be abolished, and it is one of the most unjust and discriminatory taxes in all our history. Why should one great industry be discriminated against? Other taxes could be eliminated and certain other taxes could be still further reduced if we could bring about real economy and actual efficiency in the Government.

Late Saturday night I sent a letter by special delivery to the newspapers in my district, thinking that perhaps they would better express the opinion of the people back home with reference to my present effort and my service than I might be able to do myself. This is the letter I sent out:

FEBRUARY 20, 1926.

DEAR FRIEND: You may possibly have noticed the attacks made upon my record in Congress from interested sources because I have dared to tell the truth about the loafing and inefficiency in the Government service. The waste in the Government on that account is simply enormous and the lack of efficiency is a national disgrace.

It is my intention to address the House Monday noon on the basis of high personal privilege, and Speaker LONGWORTH has very kindly consented to recognize me for that purpose. I have already sent you copy of my formal statement which I expect to use, but it is my desire to include certain other material of importance to the case.

Do you believe that my effort to help bring about real economy and actual efficiency in the Government is justified and worth while? Does it have your approval and support? Do you believe I have rendered good service to my district and my country as a Member of Congress?

It would please me greatly if you would be kind enough to send me a telegram collect the first thing Monday morning, so as to reach me before noon, if possible, expressing your opinion on these three points. I want to use it in my address to the House as evidence of the state of public opinion in my district.

With thanks for all past courtesies, and personal good wishes, I remain,

Sincerely yours, MARTIN L. DAVEY.

Now I shall ask the Clerk to read these telegrams.

The SPEAKER. Without objection, the Clerk will read the telegrams.

Mr. WYANT. Is the gentleman in favor of the creation of a department of public works, such as every other nation has except the United States, in the interest of economy?

Mr. DAVEY. I would rather not comment on that point just now, if the gentleman please.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. DAVEY. Yes.

Mr. BLANTON. When the gentleman asked his home people to elect him to Congress they knew he was engaged in a business employing a thousand people and aggregating $2,000,000 volume a year?

Mr. DAVEY. It was not that big then.

Mr. BLANTON. But they knew at the time that you were in business and elected you, knowing that you would have to give some of your time from Congress to your business duties?

Mr. DAVEY. Yes; they certainly did know it.

Mr. BLACK of New York. Does the gentleman think he has any more right than any other Government employee to say what part of the public business is important or unimportant? What right have you or any other employee under the Federal Government to say what part of your duty has no meaning?

Mr. DAVEY. May I ask the gentleman to let my formal statement stand as my full and final answer?

Mr. BLACK of New York. Does the gentleman believe that the Budget Bureau is a matter of economy to the Government?

Mr. DAVEY. Yes.

Mr. BLACK of New York. Does the gentleman recall whether or not he was here to vote for it? I have looked at the record, and I will say he was not. Did the gentleman think the Volstead Act was a matter of importance to the people of the country?

Mr. DAVEY. I think that is beside the question.

Mr. BLACK of New York. The gentleman was not here to vote on it.

Mr. DAVEY. Oh, yes; I certainly was.

Mr. BLACK of New York. I will say to the gentleman that the gentleman was not present on the roll call to override the President's veto of the Volstead Act.

Mr. DAVEY. If the gentleman will permit me to respond, that came up on very short notice. There were a vast number of Members of the House absent. It was just before the election, and many Members missed it because there was no notice given.

Mr. BLANTON. Will the gentleman yield for one more question?

Mr. DAVEY. Yes; for a question.

Mr. BLANTON. And I might state to the gentleman from New York that when we forced that overriding of the President's veto that afternoon, we caught about one-half the New York delegation at home. [Laughter and applause.]

Mr. BLACK of New York. Will the gentleman now yield to me?

Mr. DAVEY. Not further just now.

Mr. BLACK of New York. Just a second to answer that statement. Come on; be fair.

Mr. DAVEY. Not now.

The SPEAKER. Without objection, the Clerk will read the telegrams referred to.

There was no objection.

The Clerk read as follows:

KENT, OHIO, *February 22, 1926.*

Hon. MARTIN L. DAVEY,
House Office Building, Washington, D. C.:
Answer yes to all three questions.

A. N. LAWSON,
Editor Courier, Kent, Ohio.

KENT, OHIO, *February 22, 1926.*

Hon. M. L. DAVEY, M. C.,
Washington, D. C.:
We are for antiloafing bill. I believe in supporting it. You are rendering a good service to the country.

J. G. PAXTON, *Editor Tribune.*

Mr. MOORE of Virginia. Mr. Speaker, a parliamentary inquiry, if the gentleman from Ohio will permit.

The SPEAKER. Does the gentleman from Ohio yield to the gentleman from Virginia?

Mr. DAVEY. I would rather not at this point.

Mr. MOORE of Virginia. I make the point of order, then, Mr. Speaker, that the remarks of the gentleman from Ohio are not in order; that they constitute simply an advertisement of himself, and as an advertisement he will be entitled to use the franking privilege to send his remarks throughout the State of Ohio and to his customers and to any other destination he determines.

Mr. DAVEY. Pardon me just a moment. I have never done that. Any of my own speeches that I have sent out I have bought and paid for, and I have paid the postage, except to people in my district, and they are entitled to know what I have to say.

Mr. MOORE of Virginia. I am not going to engage in a controversy with the gentleman from Ohio here. What I have said on this subject I have said outside of the House because I did not desire the privilege of immunity that is given by the Constitution for remarks that are made here.

The gentleman elects now, however, to make an elaborate statement on the floor of the House, and I respectfully make the point of order that if he is entitled to do so, then any Member of this House will be entitled in the future to answer, and to answer elaborately and quite in the manner the gentleman now assumes to do, any comments upon him or with respect to his record that may appear in the newspapers of the country. [Applause.]

The SPEAKER. The Chair noted that no exception was taken to the right of the gentleman to address the House under a question of privilege in the original instance. The Chair thought the margin was rather narrow, but he did think that one or two of the expressions alluding to the gentleman as a congressional slacker did impugn him in his capacity as a Member, and therefore the Chair without question permitted him to proceed. The Chair thinks, however, that the reading of these telegrams, which are merely written in advocacy of a certain bill introduced by the gentleman, comes very near the line as to whether he is proceeding to address himself to a question of personal privilege.

Mr. BLANTON. If the Chair will permit a suggestion on the point of order, I want to suggest to the Speaker that this article attacking our colleague from Ohio [Mr. DAVEY], that appeared in a newspaper that has general circulation all over the United States and which was published by a former Member of Congress, giving extra weight to it, accused the gentleman from Ohio [Mr. DAVEY] of being a liar and a slacker and stated further that he is "a buck passer and a time waster." The gentleman certainly has a right to make a defense of that, and when his services as a Congressman were attacked in this paper of general circulation, if his services are meeting with the general approval of his home people who sent him here, he certainly ought to have the right in this forum to so state. I submit in all fairness and sincerity that the gentleman from Ohio [Mr. DAVEY] is within his rights and ought to be permitted to pursue them without further interruption.

The SPEAKER. The Chair thinks that up to this moment the gentleman has been entirely within his rights. The Chair has some doubt in his mind, however, whether telegrams written in advocacy of a certain bill are proper.

Mr. DAVEY. Before the Chair rules, may I suggest that one specific question asked of the newspaper publishers was whether they thought I had rendered good service to the district.

The SPEAKER. Was that included?

Mr. DAVEY. Yes.

The SPEAKER. Then the Chair thinks the gentleman is in order.

The Clerk continued to read, as follows:

MANTUA, OHIO, *February 22, 1926.*

Congressman MARTIN L. DAVEY,
Washington, D. C.:

First, preeminently so; second, heartily indorse your bill; third, excellent.

MANTUA RECORD.

AKRON, OHIO, *February 22, 1926.*

MARTIN L. DAVEY:
House of Representatives, Washington, D. C.:

I think the district generally understands and appreciates your position with reference to the army of Federal employees who have no worthy function. It is significant that your critics have made no plausible answer to your charges. Roll calls, such as you have missed, impress me as being unimportant as compared with the personal service you are giving daily.

L. E. JUDD,
Editor Akron Times-Press.

LORAIN, OHIO, *February 22, 1926.*

MARTIN L. DAVEY,
House of Representatives, Washington, D. C.:

Your fight to help bring about real economy and efficiency in government will receive every possible support from the Journal. You are now giving the Nation what you have always given your district—good service.

FRANK MALOY,
Editor Journal.

OBERLIN, OHIO, *February 22, 1926.*

MARTIN L. DAVEY,
House of Representatives, Washington, D. C.:

We heartily approve of your economy program. It should have the support of everyone, irrespective of politics. Your district appreciates your service.

C. W. KINNEY,
Oberlin Tribune.

MEDINA, OHIO, *February 22, 1926.*

MARTIN L. DAVEY,
House of Representatives, Washington, D. C.:

People of Medina County, including the Gazette, approve of any sincere effort for real economy in National Government and to improve efficiency. The Gazette gives you credit for careful attention to your district, consequently serving it and your country well.

W. B. BALDWIN,
Editor Gazette.

RAVENNA, OHIO, *February 22, 1926.*

MARTIN L. DAVEY, M. C.,
Washington, D. C.:

You have broken all records for efficient service for the people of your district. Sentiment is unanimous for your success in your present effort in the service of your country.

J. B. SHERWOOD,
Portage County Democrat.

MEDINA, OHIO, *February 22, 1926.*

Hon. MARTIN L. DAVEY, M. C.,
Washington, D. C.:

Medina Sentinel believes your courageous and high-minded effort to help bring about real economy and efficiency in Government thoroughly justified and altogether worth while. Has our unqualified approval and support. People of fourteenth district fully alive to great service you have rendered them.

GEO. M. DENTON, *Editor Sentinel.*

AMHERST, OHIO, *February 22, 1926.*

Hon. MARTIN L. DAVEY, M. C.,
Washington, D. C.:

Your effort is justified and well worth while. It has my hearty support. You have rendered good service to this district and to your country as Member of Congress. I wish you success in your efforts.

STANLEY E. HART,
Editor the Amherst (Ohio) News Times.

AKRON, OHIO, *February 22, 1926.*

MARTIN L. DAVEY,
House of Representatives, Washington, D. C.:

You are to be congratulated. Men who dare are in demand. If more Representatives at the Nation's Capitol utilized moments so wisely as you, perhaps all would be different. Unanimously constituents of this section offer approval of your record, believing that you have always strived in their interests.

R. B. SNOOK,
Editor Kenmore Herald, Barberton Herald, East Akron Review, South Akron Post, The Farm Journal.

WADSWORTH, OHIO, *February 22, 1926.*

Hon. MARTIN L. DAVEY,
Washington, D. C.:

I certainly believe that your efforts to bring about economy and efficiency in the Government are to be commended. My personal knowledge of your work in this district as a Member of Congress is amply sufficient to more than convince me that you are rendering excellent service.

W. S. HOSTETLER,
Editor Wadsworth Banner Press.

Mr. BLANTON. Will the gentleman yield for one question?

Mr. DAVEY. Just one question.

Mr. BLANTON. I want to ask the gentleman from Ohio if it is not the fact that among the Government workers here in Washington there are many splendid, fine men and women who

are loyal, patriotic Americans, and who are giving their very best to the service, and against them the gentleman made no comment whatever?

Mr. DAVEY. That is absolutely the case.

I would under no circumstances lay a blanket indictment against all civilian employees of the Government. Let me quote the exact language of my original charge:

Outside of letter carriers and clerks and those directly concerned with the handling of the mails, the civilian employees of the United States Government include the largest number of loafers, time killers, and buck passers that I have ever seen brought together under one banner.

Please note that I expressly exempted in my charge—

letter carriers and clerks and those directly concerned with the handling of the mails.

Please note also that I used the word "include." I did not say they are all loafers, time killers, and buck passers. I did say that outside of the letter carriers and clerks, and so forth, the civilian employees of the United States Government "include" the largest number of loafers, time killers, and buck passers I have ever seen brought together under one banner.

Right here I want to say that there are many thousands of good, efficient, and loyal Government employees, and many of them are underpaid. Among those who are obviously underpaid I would include many of the scientists and the examiners in the Patent Office as well as many other individuals and perhaps some groups. I would be the most practical sort of a friend to the good, efficient employees, and especially to those who are underpaid.

Outside of those who are concerned with the actual handling of the mails there are over 300,000 civilian employees in Washington and all over the country. I maintain that a hundred thousand of these could easily be dispensed with, who are absolutely useless, and who are actually loafers, time-killers, and buck-passers.

There is rank favoritism in this Government, both inside of the departments and as a result of political pressure. Many unworthy ones get on the pay roll and stay there who render little or no service in return for their salaries.

Many of the division and section chiefs are inefficient and selfish and partial. Many of the assistant chiefs are wholly worthless. Bureaucracy has fastened itself on this Government in a most abhorent sense.

There are thousands upon thousands of unnecessary employees who are loafers by nature, or who are made to loaf by the spirit of the service, or in order to keep some petty chief in his job.

The lot of the average Government worker is almost tragic. His case is hopeless. There are many that would be good workers under right conditions, but they have no incentive, no hope. They are the victims of a vicious system. I would be the friend, the practical and helpful friend of all the good and necessary and efficient employees of this Government. I would eliminate all the vast army of loafers and time killers and buck passers, create fair and sensible conditions for those who remain, and pay them what they are justly entitled to for the service they render.

Mr. SCHAFER. Will the gentleman yield?

Mr. DAVEY. Pardon me; I can not yield further now; a little later.

I would like to make one remark in connection with these telegrams. More than one-half of them came from Republican papers. My district being overwhelmingly Republican, very naturally most of the papers are Republican.

Mr. SCHAFER. Will the gentleman yield for a question regarding the telegrams?

Mr. DAVEY. Not now.

One would assume from the stories in the Washington newspapers that everyone agreed with the opposition, but I have been receiving a good many letters from present and past Government employees. To be sure I have received some caustic ones, but I have also received about three times as many in commendation.

I would like to read, briefly, a few of the typical ones in order to make my case a little more specific:

I wish to congratulate you on your recent attack against the superfluity of employees in the different Government offices in Washington. You are absolutely right in saying that they are a bunch of loafers and time killers.

But I never said they were all that way. I do not believe they all are; in fact, I know that many thousands of them are good, efficient, loyal, and patriotic. My only attack is against those who are loafers and those who are superfluous—the unnecessary personnel.

My observations were obtained first hand, as I was an employee of the Veterans' Bureau from 1918 until my resignation a short time ago. Many seeming attempts were made to reduce the working force during this time, but no material reduction was made.

Many times my boss has come by and asked "Haven't you anything to do?" "No;" "Well look busy. I don't want any of you people to lose out; look busy." That "look busy" seems to be the slogan for the whole bureau; you hear it on every side. And how can anyone look busy when they haven't enough work to keep them busy half the time. Of course they loaf; you can't blame the clerks. They stay here and have no taxes to pay; so why should they worry. You can't reasonably expect anyone getting a good salary for doing nothing to recommend themselves for dismissal. However, a 50 per cent cut in the number of employees should be accomplished some way. This can not be done by telling the clerks to "look busy."

Here is an extract from a young man who used to be one of my employees.

Mr. SNELL. Mr. Speaker, I make the point of order that the gentleman from Ohio is trying to maintain his position in regard to certain legislation that he has introduced in the House rather than to refute charges made against him by the newspaper article read at the desk. I think on the question of privilege he must discuss the charges made in that article and not his position on certain legislation that he has introduced before certain committees of the House. Nearly the gentleman's entire argument has been in connection with legislation, and very little of it confined to the charges made by the newspaper article. I think he has gone far afield, and the Speaker should hold him down to a discussion of the only question he is allowed to speak upon at this time. [Applause.]

The SPEAKER. The gentleman from Ohio will confine himself to the charges in the newspaper article.

Mr. DAVEY. I will be glad to abide by the decision of the Chair. I would like, however, to make a comment and say that I have a considerable number of letters from employees of various departments along this same line.

Mr. LARSEN. Mr. Speaker, is it not in order for the gentleman from Ohio, having said that there are unnecessary employees in the Government, to show it by reading evidence from parties making that admission? I understand that is what the gentleman from Ohio is trying to do.

Mr. SNELL. That is not a question of privilege before the House.

Mr. LARSEN. Sure it is. It is absolutely in point. There can be no question about that. He has been charged with having told a lie about it, and he shows by the admissions of employees in the Government that it is true. If that is not in point, how do you get anything in point?

The SPEAKER. The gentleman from Ohio will proceed in order.

Mr. DAVEY. Now here is a paragraph from another letter:

First, allow me to congratulate you on the attainment of your honored seat; for being a Buckeye; a Democrat; and for saying what you think. Stay right in there, Mr. DAVEY, and luck to you.

Now let us get straight this service of yours concerning a career with Uncle Sam. Your statements are broad and possibly more than half true; certainly from the standpoint of efficiency conditions are disgusting. However, this inefficiency—in the Air Service at least—is not upon the part of the employee, but rather on the part of the system, or rather lack of system, I should have said—

I received a letter from California and signed by a Government employee—

I have noticed your stand as regards Government civil-service employees, and as a member of this class of labor I can personally vouch that you are exactly right. I have been employed in civil service for five years and can verify your statement in full that there never was and never has nor never will be such a band of inefficient experts in any one business. In the particular department where I am employed there are 140 people, and it is a well-known fact that considerably less than 100 could do the work, and I can say that 75 good and well-paid men could easily do it and take their 30 days' leave of absence and their 15 days' sick leave and their half holidays in the summer, and also come to work at 8.30 and quit at 4.

Due to sick-leave absence or off on regular time, I have done my own work and two other people's many times, and for days at a time, and still I found time to do more had I been inclined to let some one else loaf a little more.

Mr. LINEBERGER. What part of California is that from?

Mr. DAVEY. From Valledo.

Mr. SNELL. Mr. Speaker, I still insist on my point of order. The gentleman is not proceeding in order. I maintain that the reading of these letters are purely in reference to legislation which the gentleman has before the committees of the House,

and that he is not entitled to speak on a question of personal privilege in regard to that legislation.

Mr. UNDERHILL. Mr. Speaker, I am not a lawyer, but I know that the truth is always admissible in the defense of slander. I contend that the gentleman has a perfect right on this floor to present to other Members of the House, whether they agree with him or not, the evidence that he has been slandered. [Applause.]

Mr. LAGUARDIA. The gentleman from Massachusetts is in error. It is not the truth with reference to the department having been slandered, but the slander in this case, the question of personal privilege, is the gentleman's inefficiency and not the inefficiency of the employee. The question is whether the gentleman has been slandered with reference to his legislative duties, whether he has missed roll calls, which the gentleman designates as meaningless, and if the gentleman proceeds in order he must confine himself to his duties and his efficiency, and not the efficiency of employees.

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman from Ohio [Mr. DAVEY] had alleged that there were many surplus employees in the Government that were idle, and a former Member of the House said that when he said that he lied. He has a right to establish that fact if he can, and he seeks to do it by letters from various Government employees. It is pertinent to a question of privilege, and he should be allowed to continue without interruption by the chairman of the Rules Committee [Mr. SNELL].

Mr. DAVEY. In answer to what the gentleman from New York [Mr. LAGUARDIA] said I will say that from the standpoint of personal efficiency I have not talked quite as much in the House as he has.

Mr. LAGUARDIA. "The gentleman from New York" has attended all the sessions.

The SPEAKER. The Chair will say to the gentleman from Ohio that it is pretty near the line. The gentleman has been attacked by a newspaper article which reflects on his reputation and capacity, saying things which are likely to injure him in his representative capacity, and they are based on a bill which the gentleman has introduced and which he is discussing. The Chair thinks that some little latitude at least ought to be allowed to the gentleman in discussing a matter of this sort under a question of privilege. [Applause.]

Mr. WEFALD. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Ohio yield?

Mr. DAVEY. I can not yield. I do not want to take up more of the time of the House than necessary.

Mr. WEFALD. I call attention to the fact——

The SPEAKER. The gentleman declines to yield.

Mr. OLIVER of New York. Mr. Chairman, I make the point of order that the gentleman is reading from an anonymous communication.

Mr. WEFALD. That is what I wanted to bring out.

Mr. OLIVER of New York. If the gentleman can certify that the letter was written by an employee, that would be fair enough; but where it is an anonymous communication, I do not see how it supports his position.

The SPEAKER. The gentleman has not yet arrived at the end of the letter, and the Chair does not know, therefore, whether it is an anonymous communication or not.

Mr. OLIVER of New York. But the gentleman announced that it was written by an anonymous writer.

The SPEAKER. Does the gentleman object to the reading of this letter?

Mr. OLIVER of New York. Of that particular letter, if it be from an anonymous writer and not from a Government employee who signs his name to the satisfaction of the gentleman from Ohio. I do not want him to reveal the name. I do not want to wrong anyone in the department by asking that the name be revealed, but I do not think it is fair to support a charge by anonymous communications.

The SPEAKER. The Chair would regard that as a matter of good taste to be decided by the gentleman from Ohio. The gentleman from Ohio will proceed in order.

[Mr. DAVEY completed the reading of the extract from the letter above referred to.]

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. DAVEY. Not now. I have here a letter from an employee in the Treasury Department, that is signed, although I shall not give the name.

I wish to take this opportunity to commend you on the stand you have taken regarding Government employees.

Have had 15 years' experience working for commercial concerns, and after the war I entered the Government service. I worked hard to help cut down the enormous amount of work which had piled up as a result of the war, and received several promotions for my efforts. The work has now gone back to a pre-war basis as to volume and positions have been reclassified, giving to those who administer the law substantial increases amounting to as high as $1,500, and to the so-called rank and file, in some cases, as high as $200, but in most cases a $60 increase.

We have a goodly portion of the so-called old-timers who sit and think, and when one of the laziest of these was recommended to a lower grade which would result in a demotion, he calmly proceeded to enlist the services of political friends. He was not demoted. The young men who work hard are held at moderate salaries until their spirits are broken and they then join the ever-increasing throng of drones.

I will venture to say that our office, if put on a strictly economical basis, as any good commercial office has to be on, could be run with a saving to the Government of between $15,000 and $20,000 per annum, and we only have about 80 employees. I believe in every man standing on his own feet and not in using the shoulders of others to lift himself up.

I have another letter here, which is signed, and a portion of which I shall read:

As I am an employee in the General Land Office, which bureau is, I think, fairly typical (if not more so) of all executive departments of the Government, I have read with interest and some amusement the press observations that you have made and the replies that were elicited in response.

Despite the adverse criticism that your comments brought forth, I am inclined to think that there is a fundamental verity of truth in what you have said.

Under the present dry-as-dust system that pervades the bureau in which I am employed a man should abandon all hope as soon as he enters, because eventually he will anyway.

Probably the majority of persons who enter the Government service are conscientious, honest, and sincere at the inception of Government employ.

It took four years to break me, but I have now learned that it does not pay to have an original idea, for those your immediate superiors frown upon any personality or individual initiative—and the reason is obvious.

* * * * * * *

Here is just one paragraph from another letter:

I have noted your criticism of Government clerks. Pity, do not censure them. They are the victims of the lack of executive ability and "horse sense." Men left over from the statutory-roll period, when advancement came from length of tenure, and were left because they lacked energy to make good in the business world. These are now the heads. They are inefficient. They protect their positions by weeding out those with initiative and worth-while qualifications. The hustler is given the low efficiency rating, so as to discourage him. A head can concoct demerits on such flimsy one-man opinions as "insubordination, lack of cooperation, and personality." A bureau head can say anything about a clerk, and the clerk has no comeback or recourse.

* * * * * * *

Here is an extract from a letter of a former Government employee:

I want to congratulate you on the stand you have taken in introducing the bill to give the President power to reorganize the Government departments and eliminate all useless and unnecessary employees. I know that you are right, as I have been in the Government service in the Government Printing Office from 1904 to 1907, and I found the same conditions existed there that you state exist in all the departments now. I hope that your bill will become a law and that the President will carry it out. I think it is the duty of our representatives in all of our legislative bodies to spend more time in seeking out where they can save money for the taxpayers and less time in seeking new sources to tax and new places to spend the money.

* * * * * * *

Here is another one from a former Government employee:

From 1898 to 1916 I was in the Government service in Washington myself, as an employee of the Treasury Department, in what was then the office of the Auditor for the War Department, now a branch of the Comptroller General's Office. I have seen perhaps more of Government life than you can possibly know about, and when you speak of the loafing, indifference, and inefficiency in the Government service, you do not know the half of it. Nor are conditions now near as bad as they used to be, but certainly bad enough so that there should be a change in the conditions.

* * * * * * *

My father, Frank H. Morris, was Auditor for the War Department from 1898 to 1900, having been appointed by President McKinley, and he endeavored to do personally what you are trying to do through legislation. He paid for it with his life, having been murdered in his office December 22, 1900, as the outcome of his efforts to make the Government employees give a full day's work for the pay they were

receiving. The man who shot him had been removed from office and reduced in position because of inefficiency and boozing.

I feel very strongly upon this matter. I left Washington and the Government service to avoid the possibility of my two sons getting into that work, but I feel also that a large part of the trouble in the Government service is the fact that, for the most part, the Government does not pay enough to secure high-grade, efficient men and women. If the same amount of money that is paid now was paid in higher salaries to fewer employees, the same amount of work could be accomplished in much less time.

I could tell you much more about this subject that you could have observed in seven years, or twice seven years, for I have seen it from the inside in a way that has disgusted me more than it could possibly have you.

* * * * * * *

Here is another extract from a former Government employee:

* * * * * * *

I have been a resident of this city for 30 years; 10 years I worked in the Government service; I resigned voluntarily and got a good recommendation from the "boss," and the remarkable cause of my resignation was on account of hard work. I had to spend at least four hours each day killing time, which I found entirely too hard.

According to the press report, you give the clerks credit for seven hours' work each day. Why, my dear Congressman, what about the two hours' time used in going back and forth from the desk and lavatory, and at least one hour must be put in between the water cooler and the desk?

Well, I will excuse you for your ignorance, because it is plain you never worked as a clerk in Washington for good old Uncle Sam.

A former Government employee, a resident of Washington, wrote from Richmond, Va., as follows:

Allow me to congratulate you for speaking the truth relative to matters contained in the inclosed clipping, taken from Washington Post this morning. I can personally testify as to the useless drones in the employment of the Federal Government, having been an employee myself for seven years. With best wishes.

Here is one from a gentleman in New York:

* * * * * * *

Having spent about 20 years as a commissioned officer in the Regular Army, I know only too well the necessity for some reorganization such as you have in mind, and I fully agree with you that this Government is spending at least a half billion dollars a year more than is justified, most of which could be eliminated through a business-like reorganization of the departments in Washington and reporting to Washington.

Here is a letter from an architect in Cleveland:

Allow me to compliment you on your recent statements relative to Federal employees. For several years I was at the head of a technical division in Washington with some 75 subordinates, and I know whereof you speak. But what can be done about it? The regulations of the Civil Service Commission, specially tuned to the requirements of the division, did give us some live blood but, on the other hand, held in place or even promoted the unfit. Those worth while don't get enough pay to keep them in the service or else are forced out because they do their duty to the loss of politicians. The malingerers stick and are complacent.

Here is one from Waverly, Ill.:

The inclosed clipping brings up some experiences during the war while in the employ of the Aircraft Board at League Island, Philadelphia. Those experiences began the afternoon of the first day I was there, and while I was on top side of the hull of one of the air boats fitting the hull planking. I surely was "speeding" according to the old timers, but to me it seemed that I was but "puttering" along. Anyway, a Marylander crawled up beside me and whispered, "Say, do you know what our motto is here in the yard? Well, if you don't 'its 'don't do to-day what you can put off until to-morrow.'" And believe me, they wore that motto to a frazzle, too.

I am with you on the idea of a Government worker doing a day's work—then he deserves the pay.

Also a letter from a gentleman at New Rochelle, N. Y.:

If you were correctly quoted in a recent issue of the New York Times, I wish to extend to you my thanks as one of the suffering taxpayers who have had to pay the cost of maintaining an army of loafers in Washington.

I have had several opportunities to observe the inefficiency that exists in some of the departments of the Government in Washington, and I heartily indorse your statement that there are many unnecessary employees on the Government pay rolls. Having an occasion to wait for a certain official of the Government recently, I can say of the 50 people in the office where I waited for about an hour that there was not one man or woman in the whole lot who really was busy or had much to do. They were obviously "killing time."

* * * * * * *

Another one from Fort Lauderdale, Fla.:

DEAR SIR: Glad to see you getting busy on the so-called civil-service job holders, and I hope you are successful. I happened to be in the Ordnance Department of the Navy during the war as an inspector, and it was a crime the way the work was done. Even in those strenuous times we did not average five hours a day. We were not expected to. After the armistice we did not do anything at all for the period of time until we got disgusted and resigned. I imagine that the same slack conditions still exist. So I am writing to you to tell you to go to it. You are on the right track.

And here is an extract from another one written from Washington, D. C.:

I read with much interest your article in the Star a few days ago, criticizing the "timer killers" in the Government, and you are to be congratulated upon this article. Every word you said was true.

* * * * * * *

One has only to pay a visit to the Veterans' Bureau to see a fair example of the loafing that is done in the Government. There are about four clerks to every position in that particular department, and still it is next to impossible to get any information whatever on any matter, unless you happen to run across an older man or woman. That place should be on the "sight-seeing list" of the city.

* * * * * * *

I have now another letter which I desire to read in full, and I think every Member of the House will enjoy it:

WASHINGTON, D. C., *February 8, 1926.*

I challenge you to read this to the end.

Hon. (?) MARTIN L. DAVEY:

The old saying, "It takes a thief to catch a thief," may well be applied to you, with a slight change—"It takes a loafer to catch a loafer." And you, in my estimation, are more than a loafer, you are a white-livered, spineless skunk.

If you worked one-half as hard as I do, you would not find time to write such downright lies as were published in to-day's Herald as coming from your lips.

You preach about so few working hours; well, I would like to keep tab on the time you arrived at office, how long you take for lunch, and your time of leaving in the afternoon for just one year, and I can almost guarantee the time spent at office—pretending to work—would come to a great deal less than the 10 months during which you so generously (?) say we Government employees remain at the office.

I have worked for the Government for seven years, and when I say "worked" I don't mean loafed. I work hard for Uncle Sam and I get mighty poor pay for what I do, but that doesn't keep me from expending my energies from 9 a. m. to 4.30 p. m., with a half hour, not one minute more, for luncheon. I have never been tardy and would almost die of shame were a tardy mark put against my name.

I see others around me working as hard as I, and keeping the same strict watch on their allotted tasks; occasionally there is a loafer gets into our section, but he or she, as the case may be, unless they stand in with the "boss," do not tarry long unless they change for the better. In most cases, though, when the raises are going around, it is the girl who stands in who gets the raise.

The chief, who is of your type and spineless, sees that this class of worker always gets the raises—that is, if they will laugh and crack jokes with him when he is in a jesting mood. I and the other honest workers hold ourselves aloof and above such scum; and if we are not justly rewarded for our labors here, we remember there is the "life to come," where real, true "justice" will be meted out to the deserving ones.

The article in to-day's paper affected me in about the same way that a red flag does a bull. Were I a loafer I would not mind in the least being called one—but the rank injustice of your remarks "gets under the skin."

We have a few measly half Saturday afternoons during the summer; how much time do you actually put in at honest hard work in your office? But what's the use; you men, or those who call yourselves men, don't know what the words "honest" or "conscience" mean. You're a crooked bunch up on the hill. In fact "all" men are—there's nothing too mean to be said about the sex, and the more discomfort I am able to put them to the happier I am.

You had your say—now I've had mine, and I can sleep better for having gotten this off my chest.

I'll not sign my name—it's too well known in this town—I'll simply sign myself

"A Government worker" who believes that "justice is justice" and "right is right."

I am not a married woman supporting a husband either. But a single girl working for an honest living.

There are some other experiences, personal and otherwise, that I should like to relate as bearing on the issue. A veteran Member of this House told me of a conversation he had a few days ago with an employee of the War Department, who has been in the Government service for 25 years, and who said to him that after the publishing of my first statement, two minor officials of the War Department who were away on a special leave of absence came back suddenly the next day and went to work. They had already had their regular vacation but were absent on special leave. He told this Member that my statement was the best thing from the standpoint of the Government service that had happened in Washington in 10 years. I give this to you for what it may seem to be worth.

I ran across a young man within the past few days who said to me:

I have been reading in the papers what you have had to say about the Government service. You are absolutely right. I worked at the Congressional Library for three years until I got tired of loafing and then I quit and went to work. You are certainly on the right track.

A few days ago a lady whom I know slightly spoke to me as follows:

I want to congratulate you on what you have had to say about Government employees. I worked in the Civil Service Commission for several years. The loafing was terrible. They have far too many people for the work they are required to do.

A distinguished Member of this House, who was formerly a high official in the Government, told me last Saturday of his personal experience and observation. I wish he could relate to you the things that he told me in private. It was a long and interesting story, but his conclusion was summed up as follows:

I haven't the slightest doubt that 25 per cent of the civilian employees of the Government could be dispensed with without injury to the service.

Many other individuals have spoken to me in like manner. Many Members of this House have told me personally that they thought I was absolutely right.

On the morning of the first Monday in December I had an illuminating experience down at the Bureau of Internal Revenue. An attorney from my district had asked me to go with him to attend a conference that was supposed to be a final one with reference to a tax matter affecting a little amusement company on its returns for 1917. This attorney was a stockholder and he was away at war when the 1917 return was made. They had been taxed 48 per cent of their profits for that year and paid it without complaint. About 1921 they received a notice of an additional assessment of about 20 per cent more, which they contested. They submitted the facts and the arguments in due form but could get no decision. Finally after a long delay he had a meeting with two conferees of the Internal Revenue Bureau in February, 1925. It was agreed in that conference on the part of the Treasury officials that the additional tax was entirely unwarranted, and that this concern was entitled to a refund because of the fact that the average tax for that industry was 25 per cent. Still no final decision. A little later this company received notice from the Government that unless they paid the additional tax the Government would proceed against them and hold their property for it. They put up bond to forestall this unjust action.

Then I went with this attorney on the first Monday in December last to meet with two additional conferees of the Internal Revenue Bureau on the same subject. I pressed the matter rather hard, on the ground that the taxpayer is entitled to a decision, and I wanted to know why it was necessary to have these long delays. Finally one of them said to me, "By the way, are you licensed to practice before the bureau?" I said, "No; why?" He replied, "Well, you are supposed to be licensed before you can practice." I asked him, "What would they do if I didn't have a license?" And he replied, "They would probably ask you to step out of the case." I said, "I would like to see some one try to put me out. I would like to have the chance to go after this bureau for its inefficiency." As soon as I showed a little fight he changed his attitude, and within 10 minutes we had a decision that the extra tax at least would not be levied, and we had a definite promise that the question of a refund would be given all due consideration.

This is one of the clearest cases of Government injustice that I have come in contact with, and as clear a case of merit as I have ever seen. Finally I said to these gentlemen:

Tell me what is the trouble. Why can't the taxpayers of this country get a decision on their cases? Why do they never know when they are through paying taxes? I have no personal feeling in the matter, but I would like to know the real truth.

He replied:

Well, to be perfectly frank, it is a case of passing the buck. A case comes in here and reaches one of the officials who isn't willing to take the responsibility of making a decision. He passes it on down to another official who is also unwilling to take the responsibility of making a decision. Finally way down the line somewhere some clerk takes a chance and decides the case, and passes it on up the line. Somewhere up the line some one says that his decision is not right. It is sent back again, and it continues to go back and forth, never getting anywhere. The whole trouble is buck passing, and the unwillingness of the official to take the responsibility of making the decisions.

My youngest brother, who was subject to the draft during the war, but was way down in the list and would not be called for a year or more, wanted to do something to help his country while he was waiting to be called. He resigned a good position with our company and came to Washington as an examiner in the Civil Service Commission, as a patriotic service. He remained here until he was called, and was finally sent to France to participate actively in the great conflict.

This brother told me that he came down here to do an honest day's work, and proceeded to do so, and merely did his duty and kept his peace. Very shortly he began to hear remarks like this: "What are you trying to do, kill the job?" "Ease up a little, what are you trying to do, show us up?" He told me that he was doing three or four or five times as much work as most of those around him, and he was not killing himself either.

Can you imagine anything more tragic than such a spirit in the Civil Service Commission during the Great War crisis? These examiners constituted the neck of the bottle, through which had to pass all of the vast number of additional employees required to handle the Great War program. If there was any place where efficient work was required, it would be right there in the Civil Service Commission. This story was a shock to me, and it gave me my first real idea of the spirit in the Government service. Since then I have had almost innumerable opportunities for observation and personal experience with the various departments, until I am convinced that there is no greater service I can render my country than to insist and persist on a program of complete Government reorganization for the sake of real economy and actual efficiency.

There is one sentence in the article quoted from Labor that is especially unfair, which reads as follows:

DAVEY, who inherited his business and the greater part of his personal fortune from his father, wants to be Governor of Ohio.

There is no disgrace in inherited wealth, but I sometimes wonder whether the one who receives it is fortunate or unfortunate. It does not happen to be true in my case, and I may be pardoned for telling the simple little story of my experience to set the record straight.

First of all, it might be worth while to relate the experience of my good old father. He was born in England at a time when there were no public schools, and he was 21 before he knew his A B C's. This was not unusual at that time, because only the children of the wealthy and the aristocracy had the benefits of education.

He started in as a full-grown young man to learn to read by the slow and painful process of self-education. He had only a little dictionary and a copy of the New Testament from which he picked out one word at a time. Finally he acquired a grammar, so that he might learn to put the words together properly. He showed me one time not long before he passed away the old faded copy of the New Testament from which he had learned to read. On it was a brown spot where a drop of milk had fallen, in the long ago, as he studied while he milked.

Then as a relatively young man he heard the call of America, this great land of freedom and opportunity, and, like millions of other sturdy sons of Europe, he came here to work out his destiny. He pursued his education, studying by night and working by day until he acquired an education that would do credit to the average college graduate—I think sometimes a more profound education.

But the thing about him which impressed me most was the fact that he became one of the finest Americans that I have ever known. He learned every word of our Constitution—every word. He learned every word of every verse of "America" and the "Star Spangled Banner," and until old age laid its heavy hand upon him he could sing those songs with a zeal and fervor that was good to see.

He became a full citizen at the first opportunity under our law, and he told me one time of that sacred day when he raised his right hand and foreswore allegiance to the British Crown and swore allegiance to the Constitution and the flag of America. His eyes filled with tears as he described to me that most sacred day of his life. And always, from the time I was a little fellow and long before I could comprehend its significance, I saw him every time he passed by Old Glory tip his hat in veneration.

My good old father believed in the sacredness of work. He taught me how to work, and he taught me the philosophy of work. I started out when seven years old with a basket of asparagus on my arm to sell, and I came back with the money. I have been selling things ever since, including ideas.

As a lad of 17 I went away from home to sell his first book, which presented a new and revolutionary idea. The sale of that book marked the beginning of the development of our business in a more than local sense.

Thereafter I went to college on money that I had earned myself and worked my way through as far as I was permitted to go.

Twenty years ago, when my father was 60 years of age, he was still working with his own hands with a few men whom he had trained personally, and he was struggling under a terrific load of debt which he had piled up in his heroic effort to pioneer a new idea. It was then that he asked me to leave college and help him.

It happened to be my privilege and opportunity to manage the business end of the enterprise from that day to this, to pay off the debts, to organize it, and expand it. The institution over which I preside, so far as the business end is concerned, is my own creation, but it never would have been possible except for his magnificent contribution of a great revolutionary idea and a new philosophy which he gave to civilization. His achievement is not only a tribute to himself, but it is also a tribute to the great America which he loved, which is perhaps the only Nation in the world where such an achievement would be possible.

After I was first elected to Congress in 1918, and when I was about to leave for Washington to be sworn in for the unexpired term, my good, old father took my hand in his, that was wrinkled with age and toil. He spoke to me as follows:

My son, you know that I never wanted you to go into politics, but since you decided to do it, I am glad of course that you were successful. You have assumed a great responsibility to your country. I would rather see you in your grave than to see you false to your trust or to see you fail to meet that great responsibility fully and courageously. Go, and do your duty, and God bless you.

There is one other great heritage that I have from that same good father, and that is never to be afraid to speak on a matter of vital importance when I think I am right. It was his philosophy and his lifetime habit.

This is just such a situation. I believe that there is an appalling waste in our National Government, and I am convinced that there is a vast army of useless and unnecessary employees. So, come what may, I shall continue to voice my convictions and to make every honorable effort to bring about a real reorganization of this great Government on a sensible and businesslike and serviceable basis.

I thank you. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. SCHAFER. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to speak out of order for five minutes to obtain some information on the question which has just been discussed.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. UNDERHILL. Mr. Speaker, I object.

Mr. LaGUARDIA. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state his question of personal privilege.

Mr. LaGUARDIA. The gentleman from Ohio who just addressed the House stated that it is not necessary to answer roll calls; that at most the roll calls were meaningless and simply to get Members here to listen to political speeches. Mr. Speaker, I attend to my duties here——

Mr. BLANTON. Mr. Speaker, I make the point of order the gentleman is not addressing himself to the question of personal privilege.

Mr. LaGUARDIA. If it is not a question of privilege when a Member says that we come to this House to answer meaningless roll calls for the purpose of hearing political speeches——

Mr. BLANTON. That is a question of argument to the country.

Mr. LaGUARDIA. I submit it.

The SPEAKER. The Chair does not see how it presents a question of personal privilege. The gentleman, of course, may answer as many roll calls as he likes.

Mr. LaGUARDIA. If the Speaker will bear with me for just one moment. If the gentleman from Ohio is recognized and obtains the floor on the question of personal privilege and explains why he does not answer roll calls and at the same time characterized those roll calls as meaningless and made for the purpose of obtaining Members to hear political speeches, surely the reverse will hold when he charges Members who do answer roll calls as wasting their time in doing something which is meaningless.

The SPEAKER. The Chair does not think the gentleman presents a question of privilege.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9341.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9341, the independent offices appropriation bill, with Mr. SNELL in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 9341) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1927, and for other purposes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For examination of presidential postmasters, including travel, stationery, contingent expenses, additional examiners and investigators, and other necessary expenses of examinations, $26,000, of which amount not to exceed $22,000 may be expended for personal services in the District of Columbia.

Mr. McKEOWN. Mr. Chairman, I move to strike out the paragraph.

The CHAIRMAN. The Clerk will report the paragraph.

The Clerk read as follows:

Page 9, line 11, strike out the paragraph beginning in line 11 and ending in line 16.

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, I move to strike out this paragraph, because I have always contended that the postmasters hold executive positions. I have no objection, and I think it wise, to have civil-service examinations upon the question of qualifications for clerks or positions requiring special training and qualifications, such as stenographers, typists, and clerks of that kind, and experts in many lines. But, gentlemen, I contended in Mr. Wilson's administration, and I contend here now, that postmasters require executive ability in a large measure. In other words, you can take three men, and the man who fails to make the grade will make a better postmaster than any man on the list, and yet he is deprived of it. I had an experience in Mr. Wilson's administration. At one of the cities there were three men who took the examination for appointment to a position of some $3,000 salary. One man who applied for that position was a successful business man, to whom the people had appealed to take the office in order that there would be no confusion or rupture in the good feeling that existed in their city. This man could not make the grade according to the way he was examined, yet he was a successful business man, and, as I have said, as a business man he had accumulated more property and was worth more money than any man who was on the Civil Service Commission who were employed to make the examinations, and yet because, forsooth, he did not work out some example, or he did not parse a certain sentence grammatically, they said he was not fit to be postmaster at this place.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. McKEOWN. I will.

Mr. LaGUARDIA. What other alternative would the gentleman have except to place them back under political appointment?

Mr. McKEOWN. I will say this to the gentleman, you can call them political appointments if you want to, but they give better satisfaction than they can get under civil service.

Mr. LaGUARDIA. I can not agree with the gentleman.

Mr. McKEOWN. The gentleman comes from a great civil-service State, and of course he does not believe anybody should receive an appointment unless they pass the civil service.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. McKEOWN. I will.

Mr. COOPER of Wisconsin. I understood the gentleman to say that when appointments were made under the spoils system it resulted in greater satisfaction than under the civil service?

Mr. McKEOWN. No; I said postmasters; I limited it.

Mr. COOPER of Wisconsin. So the gentleman limited it to postmasters?

Mr. McKEOWN. Yes, sir. I do not want my position misunderstood.

Mr. BLANTON. Will my colleague let me ask him a question?

Mr. McKEOWN. Yes; I will yield to the gentleman.

Mr. BLANTON. My colleague from Oklahoma certainly is not so optimistic that he would think for one moment that during the present administration a Democratic applicant would have a chance of appointment?

Mr. McKEOWN. Oh, I am talking now about the principle of going out here and extending the powers of the Civil Service Commission to things which are not essential. Instead of getting men of ability, you are not getting men of ability. You can take lawyers, for instance, who can not perhaps pass a bar examination, but you go into the courtroom and try to beat them in a lawsuit, and see what will happen to you.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. LaGUARDIA. In the biggest post offices in the country—in New York City and Brooklyn—we have excellent men as postmasters, each of whom has had 40 years' experience in the mail service, and who would not have had a chance under the old system.

Mr. McKEOWN. Well, I can name one of the postmasters in a large city who does nothing in his office but pass on political appointments. I have been to see him, and he has always been out on political matters. Why has not a Congressman just as much judgment as a man down here on the Civil Service Commission?

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COMMISSION OF FINE ARTS

For expenses made necessary by the act entitled "An act establishing a Commission of Fine Arts," approved May 17, 1910, including the purchase of periodicals, maps, and books of reference, and payment of actual traveling expenses of the members and secretary of the commission in attending meetings of the commission, either within or outside of the District of Columbia, to be disbursed on vouchers approved by the commission, $5,000, of which amount not to exceed $3,300 may be expended for personal services in the District of Columbia.

Mr. LaGUARDIA. Mr. Chairman, I move to amend, on line 5, page 11, by striking out "$5,000" and inserting in lieu thereof "$7,000"; and in line 6 strike out "$3,300" and insert "$5,300."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New York.

The Clerk read as follows:

Amendment offered by Mr. LaGUARDIA: Page 11, line 5, strike out the figures "$5,000" and insert in lieu thereof "$7,000"; and in line 6 strike out the figures "$3,300" and insert in lieu thereof "$5,300."

Mr. LaGUARDIA. Mr. Chairman, my purpose in offering this amendment is not so much to obtain an increase of the appropriation—and I hope the gentleman will not oppose it—but to enable this Fine Arts Commission, which is one of the best commissions in the country, to cooperate with the Treasury Department and the Post Office Department in the construction of the new buildings in the District of Columbia which we authorized a few days ago when we passed the new public buildings bill. We took that matter up in committee, and I served notice on the committee that I would introduce an amendment to this bill to strike out the provision which specifically put in a negative requirement that these buildings should not be monumental buildings, but should be built cheaply and be of a "standardized type."

We have a plan now in operation in the District of Columbia to beautify the National Capital. Starting with the Lincoln Memorial and working down to the Capitol, a complete scheme of architectural beauty has been adopted. Now, we have buildings in this city that are real monuments, and, again, we have structures that are of a character such as to constitute eyesores. If the gentleman will walk down the park and view the Pan American Building, and the building of the Daughters of the American Revolution, and the Red Cross Building, there is no one who will not agree that they are a credit to the National Capital. New public buildings should be in keeping with their beauty and style. If we are going to spend $52,000,000 on new buildings in the District of Columbia, and they are to be slapped together without due regard to esthetic, without due regard for the architectural surroundings and the localities in which they are to be placed, it will not only create ungainly sights but will detract from the beauty of the monumental buildings now existing.

It is true that we need additional space, but it does not require a much greater expenditure to put up a building that is not only beautiful in itself but which reflects and receives beauty from its surrounding buildings. If we require the Treasury Department to cooperate with the Commission of Fine Arts, I think we shall not only be doing a useful thing but a worthy thing that will enhance the beauty and dignity of the National Capital.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. KETCHAM. Does the gentleman understand that, with respect to these buildings, not only the general plans and location but in some degree the very types of buildings have been already worked out by the Fine Arts Commission?

Mr. LaGUARDIA. No; they have not. That is the matter I am concerned about. I took up the matter with Mr. Wetmore, of the Treasury Department, when he was before our committee, and he could not give me the assurance that I wanted—that they would cooperate with the Fine Arts Commission.

Mr. KETCHAM. What is the object of increasing the compensation if the work is already done?

Mr. LaGUARDIA. The department has not decided just what buildings it is going to put up with the $50,000,000; and if a slight increase of $2,000 is given at this time I am sure it will not disturb the budgetry plan for the coming fiscal year. It will give expression to our desire that this cooperation be had between the Commission of Fine Arts of the District of Columbia and the Treasury Department.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. KEARNS. Has the commission decided upon the location of any of these buildings?

Mr. LaGUARDIA. Not definitely.

Mr. KEARNS. Are they going to locate some of them at places where nobody can find them?

Mr. LaGUARDIA. That is up to the Treasury Department. Under the public building bill that passed the House under suspension of the rules, if I had had an opportunity, I would have offered an amendment for the approval of the designs by the Fine Arts Commission.

Mr. ARENTZ. Does not the gentleman believe that the location is almost as important as the building itself?

Mr. LaGUARDIA. Absolutely; but the architecture is also very important. It is not only for us, but it is for future generations.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WINGO. Mr. Chairman, it is always interesting to me to find one of these pork-barrel gentlemen, like the gentleman from New York, who voted for the biggest and worst and most ridiculous pork-barrel bill that ever disgraced Congress, the one that was passed here the other day——

Mr. LaGUARDIA. Does the gentleman designate that as a pork-barrel bill?

Mr. WINGO. Pork barrel?

Mr. LaGUARDIA. Yes.

Mr. WINGO. If the gentleman does not know that is a pork barrel bill, he has not enough sense to get in out of the rain. Everybody else but the gentleman from New York knew it was a pork-barrel bill and in private admitted it.

Mr. LaGUARDIA. If the gentleman designates that as a pork-barrel bill, he is still in the rain.

Mr. WINGO. That may be, but I have enough sense to keep out of the rain, and I know something about my own country.

Mr. LaGUARDIA. But apparently nothing about that bill.

Mr. WINGO. Yes; I know about that bill. I know exactly how it was put through this House, everybody apologizing for it but every man saying, "Well, I have got to be for it because I have got a ham in it." That is what one of the Members said to me when I jumped on him about it, and if the gentleman is in the same attitude that Member was, I will say to him now

what I said to that Member, "You think you are going to get some of that pork; you say you are going to get a ham, but unless I miss my guess the only part of that pork you will get will be the pig's tail." [Laughter.] And I hope they will.

Mr. LAGUARDIA. Will the gentleman yield now, in all fairness?

Mr. WINGO. No; I will not yield any more. The gentleman is too artistic for me. Oh, the gentleman is very much disturbed. He wants artistic embellishments on the buildings.

Yes; these gentlemen are opposed to what they call pork barrel bills; that is, Members of Congress putting through a bill under their oath and on their own responsibility, selecting the sites for public buildings, and fixing the limits of cost. Does the gentleman think it is not a pork barrel bill when we turn over to one Federal official $165,000,000, repealing all the limitations with reference to location of buildings, with reference to size of buildings, with reference to cost of buildings, with reference to the embellishment of buildings?

I am not surprised at these artistic comments coming from the artistic gentleman from New York. I remember quite well one of the first pork barrel bills that came before the House after I came to Congress was a bill to increase the appropriations for the assay building, I believe it was, in New York City. They came in here and wanted $385,000 additional for the adornment of the façade. Does the gentleman from New York know what a façade is?

Mr. LAGUARDIA. Of course, he does. Does the gentleman from Arkansas?

Mr. WINGO. Yes; that is the same thing to a building that a snout is to a hog; it is the front part of it, and a pork eater ought to know what the façade is. Three hundred and eighty-five thousand dollars to improve the façade of a building over in New York, and a few years ago, when Congress appropriated $400,000 to build the postal terminal institution in the city of Washington, what did you do? Before you got through nobody knew what it cost, except it was finally determined that the interior artistic embellishment of the lobby cost over $400,000. Oh, yes; you are very much interested in having artistic embellishments for your city of New York. You are very much interested in increasing the appropriation for the Fine Arts Commission, no one of whom knows much about the practical use of public buildings, but whenever a Member of Congress wants six or eight rural carriers and two village delivery carriers and the additional clerks and employees that work hard in a country post office—and you call any post office a country post office if the city is under 100,000 population—whenever a Member wants decent living quarters or comfortable post-office buildings in which the postal employees are to work and be employed, then you cry out, "Pork! Pork! Pork!" [Applause.] It is enough to make any man sick.

Why, gentlemen, there will be more waste, favoritism, and pork in one of the buildings that will be erected here in the city of Washington under that pork barrel bill than there has ever been in all the small buildings that have been built in the villages of this land. Why is it such a crime; why is it pork to have decent quarters for the postal employees to work in, in a good fair-size small city in an agricultural State? Oh, yes, that is pork, but $50,000,000 to embellish the National Capital and a big expense account for the Fine Arts Commission is all right for these self-righteous Members who say Congress has not enough sense and character to designate places.

The gentleman can have all the Fine Arts Commissions and the other embellishments he wants, but I will bet my artistic, sweet-tempered friend wore a claw-hammer coat down to that farmers' pink tea that was held here the other day.

Mr. LAGUARDIA. He did not know one was held.

Mr. WINGO. Certainly, he did not know about it. When the farmers have a meeting here that is too small a thing for the gentleman to know about, and whenever any Member wants a public building to properly house the Federal employees in that city, that is pork.

Why, gentlemen, I remember when we appropriated $100,000,000 for war emergency purposes and put it in the hands of the President of the United States at the time of the greatest crisis that ever faced this Nation, some of the men who were in such great haste to vote for this $165,000,000 pork barrel bill the other day threw up their hands in holy horror and said, "My God; trust any President with $100,000,000 even in time of war!" But they are willing to trust some bureaucrat in time of peace with $165,000,000. I would not vote for a bill which would put the sole control of the expenditure in time of peace of $100,000,000 in the hands of my own brother if he were a member of the Cabinet. I would not do it. It is vicious. But do not come around and continually talk about pork, pork, pork. Men who will vote for anything like that can not raise any question about the ethics of any other Member of Congress.

Mr. BLANTON. Will the gentleman yield?

Mr. WINGO. I yield.

Mr. BLANTON. I want to ask the distinguished gentleman from Arkansas who knows better about the necessities of his district respecting post-office buildings, the distinguished gentleman from Arkansas or the Secretary of the Treasury here in Washington?

Mr. WINGO. I think the Secretary of the Treasury knows more about his business, and I know more about business in my district than he does.

I have enough confidence in our forefathers to believe that they established the best system of government that could be established under which people could govern themselves. I do not want the curse of neither a bureaucracy or that of the dictatorship of the proletariat. Both are vicious. I want a representative government, with its checks and its balances; and if there is any Member here who thinks he is such a coward or thinks he is such an intellectual imbecile that he can not determine the need of a public building in his district, then he ought to have the decency to take his own name off the pay roll and go back home and ask somebody to put him at some kind of work in keeping with the weakness of both his character and his intellect. [Applause.]

I resent a suggestion that was made on the floor the other day. The gentleman said "What have we got to do with the sites?" The gentleman from Ohio asked him if the location of the sites was not more important than the artistic embellishment, and he said, "Oh, yes, but we must let them select them," and now he comes up here and is considerably exercised about this bill for fear the Fine Arts Commission will not have enough money to spend.

Mr. LINTHICUM. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. LINTHICUM. Does not the gentleman think that the $165,000,000 appropriation is another effect of centralization?

Mr. WINGO. Yes; human nature is human nature. I am not going to criticize the Secretary of the Treasury. I have great respect for the Secretary of the Treasury, and on some things I have a great deal of admiration. I believe he can withstand the faults of human nature as well as any Secretary of the Treasury that ever lived. I can understand ordinary frailties. It is the frailty of human nature to want to help our friends. That is why they say we log-roll bills through the House. I know how you get favors out of bureaus. That is the thing that worries me. It is not so much the waste of the money, it is not so much the abuse of power, it is not so much the abrogation of the prerogatives of this House, though each is reprehensible, but I do resent any kind of action that puts a Member of Congress in the attitude of going on bended knees to some bureaucrat who holds the whip hand over Congress. I want Representatives to hold the whip hand over the bureaucrat and not the bureaucrat to hold the whip hand over Representatives. [Applause.] Now a man has to go down and ask a peanut bureaucrat that has never been in his district and has no sense of responsibility to the taxpayers, for what he wants. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas has expired. The question is on the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

For all other authorized expenditures of the Federal Trade Commission in performing the duties imposed by law or in pursuance of law, including secretary to the commission and other personal services, contract stenographic reporting services, supplies and equipment, law books, books of reference, periodicals, garage rental, traveling expenses, including actual expenses at not to exceed $5 per day or per diem in lieu of subsistence not to exceed $4, newspapers, foreign postage, and witness fees and mileage in accordance with section 9 of the Federal trade commission act, $930,000, of which amount not to exceed $825,160 may be expended for personal services in the District of Columbia, including witness fees: *Provided*, That no part of this sum shall be expended for investigations requested by either House of Congress except those requested by concurrent resolution of Congress, but this limitation shall not apply to investigations and reports in connection with alleged violations of the antitrust acts by any corporation.

Mr. CONNALLY of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 13, line 2, after the word "fees," strike out the remainder of line 2 and lines 3, 4, 5, 6, and 7.

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, on last Friday I gave notice I would introduce this amendment when we should reach that portion of the bill relating to the Federal Trade Commission. Under the law establishing the Federal Trade Commission it was authorized to make any investigation requested by either branch of Congress by a simple resolution. A year or two ago this Appropriations Committee, since we adopted the rule that it should appropriate and not legislate, placed in the bill a limitation similar to the one contained in the present bill, and the result of that limitation was to kill off a number of investigations which were then being prosecuted by the Federal Trade Commission on resolutions of different branches of the Congress. Now, Mr. Chairman and gentlemen of the committee, one of the functions of the Federal Trade Commission is to investigate certain matters and questions which in the mind of the Congress ought to be investigated. There are only 533 elected Members of the Federal Government that are directly elected by the people, and that is the House of Representatives and the Senate. That includes the President and the Vice President—only 533 including those two, and the Congress is responsible to the people of the United States for the conduct of more than 500,000 other Federal officials and employees who are in the employ of the Federal Government.

They are not elected by the people; they are not responsible directly to the people, but the Congress of the United States is responsible. The only way that the Congress can intelligently perform its service to the country is to have available at its disposal agencies to investigate the conduct of governmental departments and make report back to the Congress for action.

What is the purpose of this limitation? The purpose of this limitation, instead of giving the Congress greater power to investigate, is to limit the right of investigation. Why, gentlemen, publicity is the greatest corrective weapon that is in our hands to-day. You let wrong be exposed, and public opinion in most cases will correct the abuses.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. I yield to my colleague.

Mr. HUDSPETH. The gentleman will recall that this House in the last Congress increased the appropriation over the estimate of the committee for the Federal Trade Commission, thereby recognizing a very useful activity on the part of the commission down there?

Mr. CONNALLY of Texas. I thank the gentleman for the suggestion. We did that; and yet in this bill it is proposed that if either branch of Congress asks the Federal Trade Commission to conduct an investigation, the commission can not conduct it unless it is concurred in by the other branch. What is the result? There is no saving in money, because if the Senate wants an investigation and the House refuses to concur in the resolution, the Senate turns around and appoints its own investigating committee and employs a big staff of experts and investigators and clerks and employees and draws its Senators from the floor to serve on that committee.

The same rule obtains here in the House. If we want something investigated, instead of waiting for the passage of a resolution that will never pass the Senate, we pass a resolution to appoint an investigating committee of our own.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas. May I have five minutes additional?

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CONNALLY of Texas. Sitting in the Chamber now is the gentleman from Wisconsin [Mr. COOPER], one of the most able and zealous Members on that side of the House, who served for almost two years in the last Congress on a special committee investigating the Shipping Board. He and other Members would prefer not to be on the committee; they would prefer to be here on the floor of the House. That was a single investigating committee appointed by this House.

Now, gentlemen, no Government department that is obeying the law and doing the right thing ought to desire to be free from investigation. Sunlight is the greatest sanitary agent in the world. When they went down to the Panama Canal and found yellow fever and swamps and malaria, what did they do? They simply cut down the underbrush and let in the sunlight, which killed the germs and ended the trouble. If we had not had an investigation a couple of years ago the Department of the Interior and the scandals therein would not have been exposed. If we had had no investigation of the Department of Justice, the abuses therein would still remain hidden.

The abuses in the Navy Department also and all the other Government establishments upon which the light was thrown would not have been looked into. I am not a foe of investigation, and Congress ought to be the last agency in this Government to try to limit investigations, because we are responsible to the people, and we ought to learn the truth, and we ought to give knowledge of it to the country.

Now, what happened to the Federal Trade Commission? The administration, in the first place, has taken all the iron out of its backbone, reorganized it, and put in Mr. Humphrey, who dominates it, so that the administration has hampered and hamstrung it, and the commission itself has undertaken to bring about its own destruction. Poor old Federal Trade Commission, with both its arms in a sling and one wooden leg and all of its teeth pulled except one, and that infected! And now the Committee on Appropriations proposes to pull that one lone tooth and leave the commission harmless and impotent and toothless and unfit to perform the things that the law says it must perform.

I protest against it, Mr. Chairman. I protest against this destruction of an investigating body. The Congress needs it. We need all the information we can get about the conduct of this Government and its constituent departments, and about big business, and about commerce, and about all the things that affect legislation which we are to pass upon. I protest against the Committee on Appropriations of this House, which has no legitimate power to legislate, going out here and in the committee room slipping in a limitation that helps the Federal Trade Commission to complete the work of hara-kiri which it has already commenced.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. COOPER of Wisconsin. Suppose a committee of the House, after holding hearings, should conclude, as the result of those hearings, that there should be an investigation of certain corrupt trade practices, and that that investigation should be conducted by the Federal Trade Commission with a view to remedial legislation. That can not be accomplished by this House alone, because it will require the acquiescence of the Senate. We want the remedial legislation to originate here. We have had the hearing, and we know the facts, but we can not get an investigation without sending over a concurrent resolution to the Senate.

Mr. CONNALLY of Texas. Yes. The gentleman is correct. Of course, as to the actual violation of the antitrust laws, this amendment does not limit that. We have plenty of these antitrust laws now. What we need is enforcement both by the Department of Justice and the Federal Trade Commission, and we need information arising out of every new development in this day of complex, complicated, insidious, skillful, scheming big business. We need that information, and the Federal Trade Commission can get it. It has already a big staff of investigators.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas. Mr. Chairman, I ask unanimous consent to proceed for one minute further.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CONNALLY of Texas. The Federal Trade Commission has already a staff of investigators. You can see by this appropriation it has sufficient funds to conduct those investigations. We come along and say you must not investigate, and then if we want anything investigated we appoint our own investigating body and spend half a million dollars, probably, in investigations during one session of Congress, when we already have a body to do that very thing and report the facts to the Congress. I call that a poor brand of economy. I call that a poor brand of statesmanship.

Mr. KETCHAM. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. KETCHAM. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for one additional minute for the purpose of answering a question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KETCHAM. Is the gentleman's anxiety for a continuation of investigating committees and extending the investigating power of the Federal Trade Commission in the hope that maybe a real issue may be developed by the minority for the coming campaign?

Mr. CONNALLY of Texas. Oh, I will say to the gentleman I am glad he asked that question because it shows what is on

the gentleman's mind. The gentleman's mind is on politics, and mine is on trying to administer properly this law that we are now acting upon. [Applause.]

There is already an issue, so far as that is concerned, and that issue is whether or not the laws of the United States shall be enforced and whether or not the judgments of the United States courts against criminal, lawless combinations in restraint of trade shall be enforced; and if the gentleman does not recognize that as an issue that applies to all of us, he ought not to ask his question.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. WOOD. Mr. Chairman and gentlemen of the committee, the gentleman from Texas [Mr. CONNALLY] has paid a beautiful tribute to the "poor, old Federal Trade Commission," as he denominates it. This poor, old Federal Trade Commission about which the gentleman from Texas now is so much concerned was born of tribulation and has lived through a series of tribulations down to this goodly hour, brought upon it by those who are responsible for its existence. It was born not of the Republican Party, but it is one of the many evils inflicted upon this Government by a Democratic administration.

Mr. CONNALLY of Texas. Will the gentleman yield for a question?

Mr. WOOD. No; wait a minute until I say something you can object to. [Laughter and applause.]

Its purpose may have been a good one. Its primary purpose, giving them benefit of all doubt, was to protect legitimate business in this country against illegitimate business; but from its very inception its power was misused. I think I have stated upon this floor once or twice before, and I now wish to repeat it, for I have the utmost confidence in the man, one of the first men selected to serve upon this commission, who gave it as his judgment that he found the purpose was not to protect legitimate business but to inquire into legitimate business, throwing around it all of the troubles that could be invented by the trouble raiser and subjecting it to the criticism of those engaged in illegitimate business.

Mr. McKEOWN. Will the gentleman yield?

Mr. WOOD. I do not yield; no. I want to say something about this activity.

This is another one of the evidences of the predilection of the Congress to create commissions without ever counting the cost in the present or the future. If we had followed the original design of the framers of the Constitution and had placed the responsibility in some legitimate head, then there would not have been so much complaint about these things we create in order to satisfy some spasmodic present demand or some local desire.

If we had placed this activity under a Cabinet department, where there would have been a responsible head, then the criticism would not be offered that is offered here to-day.

The only purpose of the provision against which objection is now being urged is that we are destroying the possibility of this House or the other House getting up a resolution and putting this commission in motion. The trouble is there has been entirely too much motion with too little practical result. If I had the time I could point out to you how millions of dollars of the money of the taxpayers of the United States have been frittered away to satisfy the caprice of some Member of Congress in order to make an investigation to satisfy his desire to get even with somebody or to satisfy the desires of some people who are engaged in something that might or might not be legitimate.

I have always been of the opinion that the Congress of the United States as constituted consisted of two bodies. I have always thought that the House of Representatives was coordinate with the Senate of the United States. I have always been of the opinion that we were of the same importance as the gentlemen on the other side of the hall. I am not willing now to surrender that opinion, and in maintaining the rights of the people of the United States, which I believe is a part of the prerogatives of this side of the hall, when there is a thing of sufficient importance to be investigated, it is more likely to come from those who are the representatives of the people than from those who are the representatives of the States.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WOOD. Mr. Chairman, I ask unanimous consent to proceed for five more minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOOD. I wish to assert there has been no investigation that is authorized by law under the organic act that has ever been frustrated; not a single one. I do wish to assert, however, that there have been many investigations that should have been prosecuted to an ultimatum that have been frustrated and destroyed by a personal resolution introduced, not in this branch, because we have not been very great offenders in that respect; but there have been more diversions from the track upon which this activity was intended to operate than can be imagined; and that ought not to be, for if there is a thing worth while to the American people it is worthy of the attention of this House as well as the House on the other end of the Capitol.

Mr. CONNALLY of Texas. Will the gentleman yield for a question?

Mr. WOOD. I now yield to the gentleman.

Mr. CONNALLY of Texas. Even if this limitation remains in the bill, how will that stop the Senate about which the gentleman is complaining from still passing all the resolutions and having all the investigations they want?

Mr. WOOD. They can pass all the resolutions they want to pass, but they will only get action hereafter on those recommended by law.

They have been stopped now by the Supreme Court of the United States who said that they can only proceed in their investigation under the law and under provisions made by the law whereby no investigation shall be made except those made by the President of the United States and those made by the Congress of the United States and those based on a violation of the antitrust law.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. CONNALLY of Texas. Is it not true that the gentleman from Indiana made a speech last year protesting against investigations showing up corruption?

Mr. WOOD. I never made a speech against that.

Mr. CONNALLY of Texas. And contended that they were illegal and that they had no power to make them.

Mr. WOOD. No; the only objection I made then is the objection I am making now, and that is that the commission should proceed under appropriations made by Congress to investigate the things authorized by law and should not be diverted from that except by appropriation made for the specific purpose, and that appropriations should not be made except by concurrence of the House and the Senate.

Mr. McKEOWN. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. McKEOWN. If this provision remains in the bill, will it take a concurrent resolution of the House and the Senate to get an investigation by the Federal Trade Commission?

Mr. WOOD. Yes; except those that are in violation of the antitrust law.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. ROBSION of Kentucky. In line 7, I notice the investigation is limited to a violation of the antitrust law by any corporation. Why should it be limited to corporations; why not include partnerships and persons?

Mr. WOOD. The purpose was to bring it within the provisions of the organic act, which says, "by the direction of either house of Congress to investigate and report the facts relating to any alleged violation of the antitrust act by any corporation." That is the language of the organic act.

Mr. ROBSION of Kentucky. Does not the gentleman realize that a partnership or an association can violate the antitrust law?

Mr. WOOD. The only answer I can give the gentleman is that the antitrust law itself applies to corporations; it never was made to apply to individuals. So there is nothing inconsistent in this provision. The only purpose of it is to keep the action of this commission within the law, and, gentlemen, I want to say to you this was not at the suggestion of the subcommittee; it was put in at the suggestion of those who know the circumstances and realize how this law is being abused.

The CHAIRMAN (Mr. SNELL). The time of the gentleman from Indiana has again expired.

Mr. WOOD. I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CONNALLY of Texas. Will the gentleman yield further?

Mr. WOOD. Yes.

Mr. CONNALLY of Texas. Does the gentleman think he brings himself or the committee within the new rule which says that the Appropriations Committee shall appropriate only—does he think it is fair to the House to bring in a limitation that belongs to the legislative committee of the House?

Mr. WOOD. The gentleman is mistaken in this being legislation. I am surprised that the gentleman from Texas, for whom I have the greatest regard, should offer such an objection. This is not legislation; it is a prohibition upon the ex-

penditure of money, and the prohibition is serving the purpose of providing that it is expended for the purposes for which the law was enacted. So, gentlemen, this is your matter and not mine. If you want this commission to go ahead and investigate things for which it was created and protect legitimate business in this country, and not to go into questions outside, this provision should be adopted. If, on the other hand, we are to let them go on far afield, as we have in the past, responsible to no one, then this provision should not be adopted. But I would admonish the committee that the legitimate business of this country is worth while protecting from all the sinister attacks that are now being made upon it.

Mr. McKEOWN. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. McKEOWN. If this proviso is enacted into law, if the political complexion of one side of Congress should be on one side and the applicant on the opposite, then no resolution could ever pass to call on the Federal Trade Commission for any action.

Mr. WOOD. That is not true. This provision has nothing to do with the political complexion of this House or the Senate, but it has much to do with the political demagogue who seeks to destroy legitimate business. The Federal Trade Commission has an initiative of its own. I can send in from my locality in the State where I live a complaint against somebody that I believe has interfered with my business, that he is doing an illegitimate business, or that he is using means that are destructive to honest competition. The Federal Trade Commission in doing its duty will refer that to an investigator, and from the report of that investigator will determine whether or not the complaint should be made, and if they find facts warranting it, the complaint is issued, and they will serve on the offending party notice to give reasons why an order should not be issued against him. All these things that the gentleman talks about can come in under that clause.

Mr. McKEOWN. Mr. Chairman, will the gentleman yield further?

Mr. WOOD. Yes.

Mr. McKEOWN. If that is true, if you carry this provision into the law, a private citizen or a concern will have no power to demand an investigation.

Mr. WOOD. He has every possible right to protect every possible interest he has, and if the gentleman will read the law, he will be convinced that this is true.

Mr. McKEOWN. And a Congressman would not have any right to even bring in a resolution unless he could get it through both Houses?

Mr. WOOD. No; and why should he? If it is not of sufficient importance to affect the general public, or the interest of the general public, why should the opinion of an individual Congressman or the opinion of one branch of the Congress be decisive? If the question is of sufficient importance, the whole Congress, House and Senate, will act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. CONNALLY of Texas) there were—ayes 40, noes 67.

So the amendment was rejected.

The Clerk read as follows:

To enable the Interstate Commerce Commission to enforce compliance with section 20 and other sections of the act to regulate commerce as amended by the act approved June 29, 1906, and as amended by the transportation act, 1920, including the employment of necessary special accounting agents or examiners, and including per diem in lieu of subsistence when allowed pursuant to section 13 of the sundry civil appropriation act approved August 1, 1914, $1,035,269, together with any unexpended balance of the appropriation for this purpose for the fiscal year 1926, of which amount not to exceed $200,000 may be expended for personal services in the District of Columbia.

Mr. NEWTON of Minnesota. Mr. Chairman, I move to strike out the last word. In connection with the appropriation for the Interstate Commerce Commission I rise to call the attention of the House to two or three matters connected with the commission, its work, and its appropriation. It will be recalled that a year ago, I think it was, the Bureau of the Budget cut down the appropriation for the commission something like two and a half to three million dollars, almost 45 per cent of the moneys that the commission had asked for in its annual report. The subcommittee in charge went into the situation very carefully and reported to the House a substantial increase, which gave the commission practically everything that it wanted. Again this year the Bureau of the Budget made a cut in the appropriation for the Interstate Commerce Commission. The cut was nowhere near as substantial as the one of a year ago, but it was more or less arbitrary in character. Again the subcommittee in charge of appropriations recognized the fact, and in the bill as it is before us they have given to the commission, as I understand it, practically everything that the commission can use. In addition, they have apparently prevailed upon the Budget to submit supplemental estimates covering the additions. As one Member of the House, and as a member of the Committee on Interstate and Foreign Commerce, I want to express appreciation of the work of the subcommittee in going into this situation as carefully as they have. The cut was arbitrary, as I say. For example, in the matter of printing a substantial cut was made, the effect of which would be to still further delay the printing of the reports of the decisions of the Interstate Commerce Commission. Of course, there is no such thing as sound economy in that. We ought always to bear in mind—and this is true of the Bureau of the Budget—that rate making is a legislative function; that Congress can not do it itself, and therefore has delegated the task to the Interstate Commerce Commission. The commission is our agent. It is an independent office of the Government. It has no representative in the Cabinet to whom it may look for representation when the Budget is made up. Therefore the matter of the budget of the Interstate Commerce Commission is peculiarly one that Congress ought to guard and guard carefully. That the Committee on Appropriations did a year ago, and that it has done this year. I commend them for their interest.

Along this line let me also say this: The primary business of the commission is one pertaining to the regulation of the railways of the country, the prevention of unreasonable rates and discriminations between persons and localities. The first claim upon its time is on the question of rates. This is the primary work of the commission. When we add other and additional duties we should appreciate that this necessarily means less time for the transaction of these original duties.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Let me conclude my statement first. Rate making is highly technical business. Innumerable factors enter into the making of a rate. Therefore we should not take unto ourselves duties that have been delegated to the commission. That has been attempted within the past few years. We have had proposed legislation of that character. That is true of legislation that will be pending before us undoubtedly during the present session of Congress.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. NEWTON of Minnesota. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. NEWTON of Minnesota. While on this subject I desire to call the attention of the House to a resolution which has been recently introduced in the Senate, Senate Resolution 148, reading as follows:

Resolved, That the Interstate Commerce Commission be, and it is hereby, requested and directed to withhold decision on the said application or others of the same nature until Congress has, by amendments to the act to regulate commerce, resulting from pending bills, prescribed the conditions and means by which such legislation may be effective.

In other words, you have here one branch of the Congress not only requesting but directing this agency of Congress to do what? To refrain from giving a decision in a case which is pending before it. You might say that it is practically on a part with a direction from one of the two Houses of Congress to one of the courts of the United States before whom a case is pending to refrain from rendering a decision until action has been taken by Congress upon it. Here is a case that is being litigated before the commission. While it is pending one branch of Congress directs the commission to withhold its decision. Practice of this kind will soon destroy the confidence of the public in its work and decisions. This we must not do, for what will we put in its place? Gentlemen, the increase in the ordinary duties of the commission has been simply tremendous. That increase is equally apparent during last year. For example, the formal complaints have increased from 1,659 to 1,780; cases pending, 1,958 in 1924 to 2,198 in 1925. If, gentlemen, you will go over the hearings, no matter how you figure it, you will see that the work of the Interstate Commerce Commission is annually increasing. It is tremendously important work. It ought to be our business to recognize that fact, to recognize its primary functions and duties, and to protect the commission in the transaction of its duties. The resolution referred to is, in my judgment, clearly outside the legitimate functions of Congress.

I yield now to the gentleman from Texas.

Mr. JONES. Mr. Chairman, has the gentleman any information as to when the commission will probably act on the question embodied in the Smith-Hoch resolution with reference to farm products and the adjustment of rates?

Mr. NEWTON of Minnesota. Only to this extent, that when the Smith-Hoch resolution was pending before our committee a year or so ago, Mr. Esch appeared there and spoke of the tremendous possibility of the work, and how it would take a matter of months and months in order to complete it. That it necessarily involved a survey of the rate structure of the entire country.

That work is pending and hearings are being held on rate-structure investigation No. 17000 all over the country. Along with that there have been held hearings on an application for general rate increases in Ex parte 87 by so-called western carriers. In many instances hearings on these have been joined. The task is a heavy one and there has not been sufficient time to complete the work.

Mr. JONES. Will the gentleman yield in that connection?

Mr. NEWTON of Minnesota. I would say that a large force of examiners have been placed at the disposal of the commissioner in charge of that particular investigation.

Mr. JONES. One further question in this connection. Does not the gentleman think the application of the 5 per cent increase was made as an offset on the part of the railways and that this might have been included in connection with the same proposition of the reduction of rates to agriculture?

Mr. NEWTON of Minnesota. They are being conducted contemporaneously and at least in some instances in connection therewith.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUDSPETH. I ask that the gentleman's time be extended three minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HUDSPETH. I am very much interested in the gentleman's statement. The gentleman stated that the commission was hard worked. I want to ask the gentleman if that is due to a lack of clerical force or an insufficient number of commissioners, in his judgment?

Mr. NEWTON of Minnesota. I think they certainly have enough commissioners. I do not think an increase in the number of commissioners would help, and I think that so far as the present force is concerned they probably have all the competent help they can use. The trouble goes back, two, three, and four years ago when Congress, not scanning these appropriations carefully, did not notice the fact the Interstate Commerce Commission was having its appropriations reduced horizontally along with the executive branches of the Government, whose force was increased as a result of the war activities. They have been handicapped in that way and have not had a chance to catch up.

Mr. HUDSPETH. I am in favor of giving the commission every dollar they have asked for. They took testimony all over the country relative to the livestock-rate reduction. They were to give a decision on the 11th and 12th of February, and they postponed it indefinitely. Has the gentleman any information why that decision relative to the reduction in livestock rates was postponed indefinitely?

Mr. NEWTON of Minnesota. I am sorry I can not answer the gentleman in that respect.

Mr. WOOD. I will be delighted to answer the gentleman. The gentleman asked whether or not it was due to the fact that they have not enough clerical force. It is due to the fact we are constantly imposing new duties upon the commission. I refer the gentleman to the Smith-Hoch investigation, taking into consideration in reference to rates now being made and including every railroad in the United States, both East and West. Here is another thing that has been a very great detriment: They have not been able to get the men necessary to make these investigations from the Civil Service Commission, so they have been retarded in the work in one department four months and in another department five months. They think now perhaps they may——

The CHAIRMAN. The time of the gentleman has again expired.

Mr. NEWTON of Minnesota. I ask for one additional minute.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HUDSPETH. Of course, they made investigations and have taken a great deal of testimony in regard to livestock rates in which the livestock people are very much interested, but they have postponed their decision indefinitely. I did not know why, unless it was a lack of clerical force or lack of commissioners to handle the matter.

Mr. NEWTON of Minnesota. In closing may I say this, that for almost 40 years the Interstate Commerce Commission in its report to Congress each year has submitted an estimate to Congress as to what money it will need the next year in order to do the work Congress has delegated to it. They reported for the year 1925. I looked over the report and found the estimate as to figures missing. Now, I do not know the reason for this omission, but I can come to the conclusion that some one in the office of the Director of the Budget has indicated to the commission that they did not want the figures submitted to Congress in the report.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. NEWTON of Minnesota. As a matter of fact, Congress in passing the Budget act never intended to prevent the commission, its rate-making agent, from advising it in its annual report what it would require to do the work that Congress had delegated to it. I hope that the practice which heretofore prevailed will be resumed when the report for 1926 is written.

Mr. JONES. Mr. Chairman, I think the entire House will recall the passage of the Smith-Hoch resolution about a year ago, which requested the Interstate Commerce Commission to investigate the matter of readjusting rates so as to give a lower schedule of rates to agricultural products. The resolution also involved the investigation of livestock rates. It is my understanding that those rates are higher in this country than adjoining countries, especially Canada. The rates on wheat are very much higher here, if I am correctly informed, than in Canada. I would like to ask the gentleman if he has any information, or was there any information disclosed in the hearing as to when final action may be expected on the Smith-Hoch resolution?

Mr. WOOD. I take very great delight in calling the attention of the gentleman to the annual report of the Interstate Commerce Commission, commencing on page 37. The matter is also referred to in the hearing, but it is discussed more fully on pages 37, 38, 39, and 40 of the annual report.

Mr. JONES. What is the substance of the report and hearing on this point? They should furnish information as to when we may expect some final action on the matter.

Mr. WOOD. The final action, I will say to the gentleman, depends entirely upon the other agencies of the Government. Here is the trouble: You took and imposed on the Interstate Commerce Commission a duty entirely new and foreign to its creation, and for which they had to take and create a new piece of machinery. They are depending on the Civil Service Commission under the very law creating this new activity. They have been retarded with reference to one branch something like five months, and with reference to another branch, six months. They hope soon to get started and be on an even keel.

Mr. JONES. The gentleman does not think that a matter such as a readjustment of rates, so as to give lower rates to agriculture and livestock shipments during an emergency, is a new function, does he?

Mr. WOOD. It is not a new function, strictly speaking, but it involves a whole lot of accumulated facts before the thing the gentleman is talking about can be brought about.

Mr. JONES. I am asking the gentleman if there is no information as to when we may expect a result? I was trying to obtain the information if it is available.

Mr. WOOD. The gentleman will find a good deal of information on page 636 of the committee hearing, in the testimony of Mr. Esch. I will quote briefly from what he said:

> There are two other matters I should call to your attention in connection with our general appropriation. The first is in regard to the Hoch-Smith resolution, which was passed about a year ago. It required the commission to make an investigation of the entire rate structure, with a view of determining whether or not it would be possible to make reductions in rates, particularly upon agricultural products, including livestock. That is a very large order, and it will take much time and require much money.
>
> Immediately after the resolution was adopted we submitted it to all parties who desired to express their views thereon as to its interpretation and scope and purpose, and many briefs were filed.
>
> Thereupon we initiated the proceedings known as docket 17000, under which we propose to carry out the requirements of that resolution.

Then, in reference to the inquiry as to reducing the rates on this and on that thing, if it were proposed to-day that there should be a reduction of 2 per cent on livestock or 2 or 3 per cent on merchandise, this could not be taken up and made an order unless consideration of other problems and all elements were also considered that have an influence upon the problem inquired into.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JONES. May I have five minutes more?

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WOOD. It would affect the result of the final determination of that thing. This matter of rate fixing is one of the most intricate things that the Government has to do with.

Mr. JONES. I realize that fact.

Mr. WOOD. I have given the gentleman the information we have obtained from the commission, which is trying to arrive at the conclusion desired. It has been handicapped by the want of employees.

Mr. HOCH. Mr. Chairman, will the gentleman yield?

Mr. JONES. Certainly.

Mr. HOCH. I wonder if the gentleman is familiar with the statement made in the annual report of the commission.

Mr. JONES. I have read part of the report.

Mr. HOCH. Let me read a sentence:

While it is true that the particular inquiry with reference to farm products has a relation to the whole survey, nevertheless the commission is hopeful that it may be able to take some action on that prior to a more comprehensive study to be made of the rate structure of the country as a whole.

That is on page 642 of the hearings. He was referring to the hearings by the commission which had recently been completed in Kansas City and with which the gentleman from Texas no doubt is familiar.

Mr. JONES. Yes. Some people from my section attended those hearings.

Mr. HOCH. Mr. Commissioner Esch said:

However, it is hoped that these hearings will afford a means whereby situations of pressing importance in the western district will be brought before us for consideration prior to a more comprehensive study to be made of the rate structure of the country as a whole.

While he does not give a definite date—he could not do that, of course—my understanding is that the arguments will be made in the next three or four weeks. Just how soon the commission may find it possible to do that prior to the general survey, I do not know. I hope they will find it possible to take some action in the livestock cases and other cases affecting farm conditions in the West.

Mr. JONES. I may remark in that connection that I also am hopeful, but there is a saying in the sacred writ to the effect that faith without works is vain. I do not know the reason for the delay, whether it is shortage of help or of commissioners, or what. So long as we are going to retain the commission and have it regulate these matters, I am in favor of furnishing them with the means necessary to make an expeditious determination of matters, especially of pressing matters such as this measure carries.

When this resolution was passed we all had great hopes that within a very few months, in view of the great emergency that existed in agriculture and livestock, there would be a readjustment of rates so as to obviate, at least in a measure, the difficulties that had arisen. Soon after the measure was passed another measure was presented in the House which provided for the repeal of the surcharge on Pullman rates, and the matter was fought here at the suggestion of the Interstate Commerce Commission and by some of the members of the Interstate and Foreign Commerce Committee and others on the floor of the House who insisted that we ought not to vote for the repeal of the surcharge on Pullman rates, because to do so would interfere with the action on the Smith-Hoch resolution; that it would take $40,000,000 from the revenues of the railways and thus make it so they probably could not give as much, if any, relief under the Smith-Hoch resolution as they could otherwise give. The House acted partly on that suggestion and partly on the suggestion that it was an effort on the part of the Congress to engage in rate making. I felt the arguments were good and so voted. Soon after that the commission began extensive hearings on the proposition. About the time we all hoped there would be a decision, there came out a notice that the railway companies had applied for a 5 per cent increase, and they must set a hearing on that.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

Mr. WOOD. I object.

Mr. JONES. Then I ask, Mr. Chairman, for three minutes more. I have not heretofore taken any time on this bill.

Mr. WOOD. I will give him one minute.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for three additional minutes. Is there objection?

There was no objection.

Mr. JONES. Now, Mr. Chairman, about the time we expected a decision the railway companies applied for this 5 per cent increase, and, lo and behold, they said they would have to go into a hearing on that proposition. I would like for any man to give me some logical reason why a hearing on the question of a reduction in these rates would not involve the same proposition and elicit the same facts that a hearing on an application for an increase of the same character of rates would bring out. Since they had had the application for a decrease in livestock rates and had had an investigation of that, why did they not have all the facts essential to determine the question of whether there should be an increase or a decrease of rates? Why go into a great, long maze of discussion and hearings and go over the same facts that were involved in the question of the increase in rates? It seems to me they had all the essential facts and might have made an earlier decision without conducting the second set of hearings. I think, as a matter of fact, everyone recognizes the conditions that exist with reference to agricultural products and the early action that is necessary. The commission at least should make every effort to carry out the hope that one of the coauthors of the bill has expressed, in which hope I very ardently join.

The pro forma amendment was withdrawn.

The Clerk read as follows:

For all printing and binding for the Interstate Commerce Commission, including not to exceed $10,000 to print and furnish to the States at cost report-form blanks, $160,000: *Provided*, That no part of this sum shall be expended for printing the Schedule of Sailings required by section 25 of the interstate commerce act.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. NEWTON of Minnesota: On page 22, after line 25, insert the following: "And the receipts therefrom shall be credited to this appropriation."

Mr. NEWTON of Minnesota. Mr. Chairman, it is very essential in the interest of the shipping public and all of those interested in ascertaining just what the attitude of the Interstate Commerce Commission is upon the law relating to interstate commerce that its decisions should be regularly and promptly published. They are now something like 11 volumes behind. The committee by increasing its item over the original estimate from the Budget clearly indicates an effort to have them get current in publishing these decisions within the next year. This amendment will mean about $10,000 additional. My understanding is if this additional provision is made they will be able to get practically current with the publication of their decisions within the next year. I hope, therefore, the amendment will prevail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

The Clerk read as follows:

For general expenses in connection with the maintenance, care, improvement, protection, operation, repair, cleaning, heating, and lighting of the Washington Monument and Grounds; the Lincoln Memorial and Reflecting Pool, including not to exceed $8,000 for installation and operation of a lighting system for the Lincoln Memorial; the house where Abraham Lincoln died; grounds surrounding executive departments and public buildings in the District of Columbia under the jurisdiction of the Office of Public Buildings and Public Parks of the National Capital, including city directories, contingent expenses, traveling expenses and car fare, not exceeding $300; communication service, professional, scientific, technical, and law books; periodicals and reference books; blank books and forms; photographs, maps; leather and rubber articles for the protection of public property and employees; the maintenance, repair, exchange, storage, and operation of not to exceed one motor-propelled passenger-carrying vehicle; the purchase, maintenance, and repair of equipment and fixtures; and not exceeding $7,000 for uniforms for employees, $607,850.

Mr. BLANTON. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, under this head we are giving the Director of Public Buildings and Parks of the National Capital the following sums: $1,670,500, $607,850, $3,500, and $20,000. These are annual overhead expenses and are in addition to the other big sums of money that the director spends, just one item of

which, for instance, is the $14,750,000 that Congress authorized to be appropriated for the new bridge that is to be built here. Many large sums in other supply bills are spent by this department also.

I rose for one purpose only, however, and that is to call your attention to one situation that exists in this department. There are from 275 to 300 guards in this department who guard the various public buildings in Washington. Many of these guards are splendid men, high-principled, deserving, and efficient; some of them have wives and little children, and most of them get—how much do you suppose a month? Eighty-five dollars a month.

Mr. LAGUARDIA. They have to buy their uniforms out of that?

Mr. BLANTON. They have to buy their uniforms out of their measly salary; they have to wear a certain kind of shoes, white shirts, white collars, appear clean shaven with military hair cuts, and in the hot summer time they have to wear their uniforms buttoned up to their necks, except after 10 o'clock at night. Most of them perform police service in and around these various public buildings and have Metropolitan police authority, although they do not get Metropolitan police salaries. They receive $85 per month. And they can not support their families on it. All this committee has done for them is to provide that after July 1, 1926, their uniforms are to be furnished to them. I am thankful for that.

A MEMBER. Are they compelling these men to do this work and to hold these jobs?

Mr. BLANTON. Oh, my friend ought not to have asked that question, because some of these men are ex-service men who gave up their good jobs during the war to go to France. When they came back their jobs were filled by others, and to keep from idleness they took the best jobs they could get.

Simply because a man holds a Government job is no reason why we should say to him, "If you do not like it get another job." These are jobs of great responsibility, and Congress should not expect these men to fill them on $85 per month, when it will not support them.

Mr. McKEOWN. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. McKEOWN. Which committee ought to correct this inequality?

Mr. BLANTON. There are about a dozen different committees having jurisdiction that ought to correct it, because these various public buildings are under different departments. Some are under the Treasury Department, some under the Agricultural Department, some under the Interior Department, some under the Commerce Department, some under the War, and some under the Navy, and some under the State Department. It is under all the various committees, and that is why I have not been able to get a bill that would cover all their cases. I want to say that this is such an emergency case that the Subcommittee on Appropriations ought to take the bull by the horns and put in a piece of legislation in this bill that would pay them a reasonable salary—more than $85 a month, upon which they can not live and support families. These men all live in Washington, and many are most worthy.

Mr. WOOD. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. WOOD. These salaries are fixed by the classification act, and in anticipation of the generosity of the gentleman from Texas we have provided for the uniforms.

Mr. BLANTON. I thank God for that, because something ought to be provided for them.

The CHAIRMAN (Mr. SNELL). The time of the gentleman from Texas has expired.

Mr. BLANTON. I ask for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. I want to say to the gentleman from Indiana that the reason for all this is that we used to appropriate specifically and tell the departments just what they could spend, how many employees they could have, and what salaries they should receive, and now we give all departments and bureaus lump sums and leave it to them to distribute that lump sum. They have special pets at the top to whom they give the high salaries and the poor devils at the bottom must starve to death under the sliding scale that these 35 members on the Appropriations Committee have adopted. You have got to get away from the lump-sum appropriation, the sliding scale, and get back to specific appropriations and have specific items in each bill to rectify inequalities.

Mr. WOOD. Will the gentleman yield?

Mr. BLANTON. I will give the gentleman the balance of my time if he will promise to correct it.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Without objection, the pro forma amendment will be withdrawn.

Mr. LOWREY. Mr. Chairman, I object to the withdrawal of the pro forma amendment. Mr. Chairman, I want to speak partly in order and partly out of order.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to speak for five minutes out of order. Is there objection?

Mr. TILSON. Reserving the right to object, I hope we shall not have any more controversial matters, and, if we do, I shall be compelled to make objection.

Mr. LOWREY. Mr. Chairman, my remarks shall perhaps be partly in order and partly out of order, so I guess I would best ask to speak out of order.

However, we are just now under the head of public parks and buildings. I guess I can link my speech up with that. Washington is honored to-day with a great host of visitors. We have had a full gallery all the afternoon and they have been usually intelligent-looking people. Two great organizations are meeting in Washington. One is the teachers of the Nation and the other the "Face the Facts" organization opposing the eighteenth amendment and the Volstead Act. Referring to the hard times and the high cost of living a man said recently that he had to live on ox-tongue sandwiches and ox-tail soup to make ends meet. It seems at least that the ends have met when these two organizations come together.

As a former teacher, I want to extend especially a cordial word of welcome to my fellow workers in that honored profession. I am sorry that some of our boys got naughty to-day and misbehaved a little, but the teachers are all used to a thing like that. I guess the anti-Volstead crowd have also learned to tolerate a scrap.

By the way, I also welcome them to the House. I am in favor of facing the facts squarely on this prohibition question. To me two outstanding facts are these: First. The whole liquor business is so utterly lawless that it always defies and evades every law made contrary to its unholy will. When we have conquered the traffic and knocked it out in its legal form, then comes always a long, hard fight against it in its illegal form. The assertion that prohibition does not prohibit is about the severest arraignment that I have heard of this iniquitous business.

Second. Many people who claim to oppose prohibition because it does not prohibit would be desperate, indeed, against prohibition that would prohibit. Note for instance how the digging up and prospective breaking up of some big, wealthy bootlegger rings seem to have stirred the activities of antiprohibition forces.

By the way, the utterances of Doctor Empringham seem to have brought great satisfaction and great hope to some of those who are fighting so hard against the eighteenth amendment. At the other end of the capitol it was recently said:

> Doctor Empringham's frank and comprehensive statement is unanswerable. Coming from the source it does, it will be most helpful in ultimately compelling common-sense modification of the Volstead Act.

Here are some further statements from the same Doctor Empringham. I wonder if those who have gotten so much consolation out of his recent utterances will not now agree that these are also unanswerable.

"Whiskypalian" is the name coined by the Rev. James Empringham for those Episcopal ministers like himself who oppose prohibition and appear on the side of the brewers. In his address entitled "Eighteen inches from hell," Doctor Empringham brands as drug fiends the beer drinkers, those whose cause he now champions. It was in discussing the New York prohibition referendum bill indorsed by the Episcopal clergy of Syracuse and vicinity that Doctor Empringham in June, 1916, coined the title he was to earn for himself 10 years later by his desertion of the prohibition fight and his repudiation by leaders in his own church. Concerning that hearing, Doctor Empringham said:

> At that hearing a chaplain in the Navy, another Episcopal minister, appeared on the side of the brewers. The burden of the remarks of this whiskypalian was that prohibition does not prohibit. The next morning the newspapers throughout the country had this chaplain's remarks in full, and the natural inference was that the Episcopal Church was solid both against prohibition and the right of the citizens to deal directly with the liquor traffic. Not one word was said by any newspaper to the effect that a large body of influential rectors had sent a unanimous request through one of their number urging the passage of the Anti-Saloon League's bill. * * *

In this same address, Doctor Empringham, then only "Eighteen inches from hell," in his own phrase, although he has traveled somewhat since then, declared:

The more I studied the history of the Anti-Saloon League, the more astonished I became at the marvelous results this organization had accomplished in the 23 years of its existence, and the more clearly I saw that the Anti-Saloon League would in the near future emancipate the American people from the slavery of the liquor traffic. A desire to assist in the coordination of these two great moral and spiritual forces, the venerable Episcopal Church and the greatest modern movement for the suppression of the saloon, came to me with great force. * * *

* * * But I became interested in this liquor problem long before I became captain of a soul-saving station 18 inches from hell. My boyhood ambition was to become an analytical chemist. When a young man pursuing my studies I dispensed prescriptions in a pharmacy in England. There I learned that a large proportion of the English people were slaves of narcotic drugs, especially opium.

I remember another narcotic, habit-forming drug, which had many more victims than even opium. We called it ethyl hydrate. It is the active principle of all intoxicating beverages and is popularly known as alcohol. Those who drink beer, champagne, whisky, or cider take it, of course, merely for the sake of the ethyl hydrate, the alcohol. Otherwise the liquid which accompanies this drug would be flung aside as dirty water. A man who takes a glass of beer for dinner is a drug fiend, just as a man who takes opium. But he is ignorant of the awful fact and does not realize the same sense of shame in his bondage. * * *

Again the doctor says:

Another friend said to me, "Well, well, I could not believe my ears when I learned that you had joined that bunch of fanatics." But why do you call them fanatics? "Because you try to dictate what people shall eat and drink." Not at all. We are concerned with what people sell. You may drink sewage, carbolic acid, whisky, or any other poison and our league will not seek to restrain you by force. But if you attempted to sell any commodity injurious to the health of the community, no matter whether it be infected milk, diseased meat, or dangerous drugs, your act ceases to be an individual matter and becomes a social problem.

If you want to find prohibition fanatics, you must go to the battle fronts of Europe where practically all military authorities enforce total prohibition. At the beginning of the war I had letters from friends in the trenches complaining that they had been compelled to abstain from their accustomed beverages, and my sympathy was with the soldiers, for if ever men needed an anesthetic to dull the sense of their suffering it certainly was those poor fellows in the damp and dangerous trenches. The government distributed cards to the men explaining that experiments had demonstrated that a man's efficiency as a marksman fell off 30 per cent after drinking one glass of mild ale. * * *

Doctor Empringham declared that he was serving his Master by "going to the front" in the fight for prohibition. He does not mention whom he is serving to-day when he deserts that Master, abandons that front, and goes over to the enemy and appears as a "whiskypalian," advertised by the liquor group as their champion and principal speaker at a wet rally in Washington.

The Clerk read as follows:

For all printing and binding for the Railroad Labor Board, including all its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, $10,000.

Mr. BLANTON. Mr. Chairman, on page 25, line 21, I move to strike out the words "Railroad Labor Board."

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 25, line 21, strike out the words "Railroad Labor Board."

Mr. BLANTON. Mr. Chairman, we are in this bill at this time appropriating money to carry on the Railroad Labor Board for the next fiscal year, and to-morrow we take up a bill from the Interstate and Foreign Commerce Committee that would abolish that board should such bill be passed.

To the Parker bill, which we are to consider to-morrow, I have given considerable work and time. I have prepared a speech upon it in which I have quoted excerpts of the Erdman Act, excerpts of the Newlands Act, excerpts from section 3 of the transportation act, and I have quoted excerpts from the remarks before the Senate investigating committee of Mr. Richberg and Mr. Thom, who have jointly prepared this measure, and of Mr. Neill, who was a former conciliator and mediator, and of several other gentlemen affecting this measure to-morrow. I do not want to take up the time of the House in discussing that question now, but I ask leave to extend my remarks covering those questions.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks as indicated. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, I thank my colleagues, for I may now print my speech in logical form. And I hope it will be read to-morrow morning by all colleagues who have not yet had time to study this bill.

Mr. Chairman, there are 110,000,000 people in the United States. They are entitled to and must have uninterrupted transportation service. They are entitled to and must have uninterrupted distribution of coal. Their interests are paramount and are of far more importance than the selfish interests of any particular group in the United States. The time has come when in framing and passing laws the Congress should safeguard and protect the rights and interests of the whole people, and then, as far as may be done consistent with the safeguarding of the whole people, grant reasonable and fair protection to the various groups. But no group should be specially favored at the expense of the whole people. And no group should be specially favored at the expense of another group whose interests are of equal importance.

We have just experienced a dreadful and calamitous coal strike, continuing throughout the fall and winter months. It has cost the striking miners in wages alone $150,000,000. They could not afford to lose this income. Their families have suffered thereby. It brought misery upon their loved ones. But the worst misery was inflicted upon every poor family in the Nation. The price of hard coal was prohibitive to them. Even scant supplies of unhealthy substitutes cost more than they could pay. Such strikes never bring suffering to the rich. It is always the poor who suffer. The rich buy their coal in the summer, fill their cellars with the very best, and pay the price regardless of how high it soars, and they always get all they need and want. It is the poor of America who do without. It is the poor families of the United States who freeze and suffer. It is the poor people who pay the penalty. And the striking miners have gained not one penny increase in wages. But the 110,000,000 people of the United States are now called upon to pay the price, and the entire expense of the strike, for even soft coal which can be laid down in Washington for less than $4 per ton is now bringing $14 per ton at all retail dealers here.

And periodically we face a threat of a nation-wide railroad strike, and under such pressure, Congress sleepily passes some measure demanded by railroad employees and agreed to by railroad operators, when less than 30 Congressmen know much about the measure, and in each instance some additional right and safeguard theretofore enjoyed by the public is taken from them.

THERE IS AN INCREASED FREIGHT RATE FOR EACH WAGE INCREASE

The people of the United States have learned through sad experience that whenever railroad employees force an increase in wage schedules, the Interstate Commerce Commission immediately grants to the railroads a corresponding increase in freight rates, so that in each such instance the burden is put upon the backs of the whole people.

FARMERS ARE GETTING TIRED OF IT

The farmers and producers of the Nation are becoming tired of being made the goat. Their problems are becoming unbearable. They annually face more enemies than they are able to combat. It is too much rain, or an unprecedented drought, late frosts that kill their early crops, rust on their grain, corn borers, devastating grasshoppers, rain at the wrong time or no rain at the right time, bollworms, boll weevils, and the scores of other pests their crops are heir to, following which their short crop hardly pays expenses, or when they do make a crop of expectant size, and pay all of the incident expense of making and harvesting, they find freight rates so high they can hardly sell for enough to pay the railroads, and they have lost a whole year of hard work, discouraging to themselves and their families.

No wonder the farm boys are crowding into the cities. No wonder some farms are left uncultivated. No wonder some farmers are now giving a listening ear to Bolshevism. No wonder it was necessary for representatives of the National Grange to spend the Sabbath yesterday considering this Parker bill and others affecting farmers vitally and materially.

ACTION OF THE NATIONAL GRANGE

And the press this afternoon reports that the National Grange "opposes increased freight rates on western railroads," and that it demands that this Parker bill shall be amended "to protect further the interests of the public."

WHAT PRODUCERS HAVE LEARNED

Concerning "railroad revenues and expenses," the Committee on Interstate Commerce of the United States Senate on February 3, 1922, in its office in the Capitol, held hearings on Senate Resolution 23, presided over by its chairman, Senator ALBERT B. CUMMINS, and I quote the following excerpts from page 1913 and subsequent pages of the printed hearings:

(The witness was duly sworn by the chairman.)

The CHAIRMAN. You may state your name and residence and your official relation to the subject we are now discussing.

Mr. EMERY. My name is James A. Emery; my residence is Washington, D. C.; I am counsel of the National Industrial Council.

* * * * * * *

We have been impressed with the fact that as long as there are two bodies in existence, one of which, by virtue of its decisions, controls the greater part of the railroad expenditures, the money expended in labor expense, and the other of which controls the rates that may be charged for passenger and freight traffic, there will be, without coordination of their functions or authority, an inevitable collision between their conclusions, in which both the carriers and the public will be the sufferers.

I think the situation with which we are now confronted is an illustration of that. The Interstate Commerce Commission is now considering a great body of petitions for reduction of rates. There is a widespread demand for reduction in rates. On the other hand, the carriers are making showings as to the increases in their operating expenses; and we all know that the greater part of their expense is in labor cost and that the labor costs have risen rapidly in the past few years.

I think those costs are fully presented in the following table, that has been taken from the figures of the awards of the Federal Railroad Administration and the decisions of the Railroad Labor Board; and I will ask at this point that this table may be inserted, merely for your information.

The table referred to is as follows:

The labor bill of class I carriers in 1916, before the Adamson law took effect, stood at	$1,468,576,394
In 1917, when the Adamson law was in effect, the labor bill was	1,739,482,142
An increase over 1916 of	270,905,748
This was increased by the Railroad Administration in 1918 to	2,613,813,351
Or an increase over 1917 of	874,331,209
This was further increased by the Railroad Administration in 1919 to	2,843,128,432
Or an increase over 1918 of	229,315,081
This was further increased by the Railroad Labor Board in 1920 to	3,698,216,351
Or for every day of the year	10,132,000

Mr. EMERY. This table shows, Mr. Chairman, as you will observe, that the labor bill of Class I carriers in 1916, before the Adamson law took effect, stood at $1,468,000,000. I will not give the details of the figures at this time. It will show in the table. In 1917, when the Adamson law was in effect, the labor bill was $1,739,000,000, an increase over 1916 of $270,900,000.

This was further increased by the Railroad Administration in 1918 to $2,613,000,000, or an increase over 1917 of $874,330,000. This was further increased by the Railroad Administration in 1919 to $2,843,000,000, or an increase over 1918 of $229,315,000. This was further increased by the Railroad Labor Board in 1920 to $3,698,000,000, or $10,132,000 for every day of the year.

Now, that represents an enormous outlay. I am not for the moment concerned with whether it is an economical wage or not. It represents a factor in operating cost immense in its volume, and increasing from 1915 or 1916 by more than 100 per cent.

* * * * * * * *

Wilson *v.* New

Mr. Justice McKenna said (reading):

"When one enters into interstate commerce one enters into a service in which the public has an interest and subjects oneself to its behests. And this is no limitation of liberty; it is the consequence of liberty exercised, the obligation of his undertaking, and constrains no more than any contract constrains. The obligation of a contract is the law under which it is made, and submission to regulation is the condition which attaches to one who enters into or accepts employment in a business in which the public has an interest."

Now, it is not necessary at this time to argue the power of Congress, nor of the respective States, to deal with the subject of regulating a public utility, or the contract of service of either the management or men who enter into or accept the obligations of continually supplying to this interdependent civilization any form of service. That has been passed upon so frequently by our courts, both in equity and law proceedings, that I assume it to be an accepted principle to say that the power of Congress over interstate commerce, or that of the respective States over commerce wholly within their borders is such that there can not be longer any doubt of their right either to regulate the contract of employment, or to regulate the franchise granted to a public service organization, or to regulate the operation of combinations so that the public is completely protected against any deliberate and concerted effort to interrupt or stop that service by the action of a combination of the men who are engaged in the service, or by the action of the men who operate the service, by compelling a man to perform an act which he does not want to do. And nothing I say in that regard can be construed as invading the right of any man to quit such service whenever he pleases, providing he does not violate his contract of employment or does not quit in such a manner as to violate some statute; but I say that because I think there has been some tendency to even require an individual to accept some restraint upon quitting which may be popularly said to be the "obligation of his job."

There is no better lawyer, Mr. Chairman, in the United States than Mr. James A. Emery. His opinion is that of a legal expert on this subject. And with it all, he is a most honorable practitioner and a perfect gentleman.

PUBLIC SAFEGUARDS IN THE ERDMAN ACT

The Erdman Act was approved June 1, 1898. It had in it many safeguarding provisions protecting the general public. It provided that in railroad controversies concerning wages, hours of labor, or conditions of employment, the chairman of the Interstate Commerce Commission and the Commissioner of Labor should constitute a commission of mediation and conciliation, and at the request of either party to the controversy—

with all practicable expedition, put themselves in communication with the parties to such controversy, and shall use their best efforts, by mediation and conciliation, to amicably settle the same; and if such efforts shall be unsuccessful, shall at once endeavor to bring about an arbitration of said controversy in accordance with the provisions of this act.

The Erdman Act further provided that the parties should each select one arbitrator, and should a third be not agreed upon within five days after the meeting of the two arbitrators, then that such third arbitrator should be selected by said commissioners of mediation and conciliation. And it required the parties to the controversy to stipulate in their agreement to arbitrate the following:

First. That the board of arbitration shall commence their hearings within 10 days from the date of the appointment of the third arbitrator and shall find and file their award, as provided in this section, within 30 days from the date of the appointment of the third arbitrator, and that pending the arbitration the status existing immediately prior to the dispute shall not be changed: *Provided*, That no employee shall be compelled to render personal service without his consent.

Second. That the award and the papers and proceedings, including the testimony relating thereto certified under the hands of the arbitrators and which shall have the force and effect of a bill of exceptions, shall be filed in the clerk's office of the circuit court of the United States for the district wherein the controversy arises or the arbitration is entered into and shall be final and conclusive upon both parties, unless set aside for error of law apparent on the record.

Third. That the respective parties to the award will each faithfully execute the same, and that the same may be specifically enforced in equity so far as the powers of a court of equity permit: *Provided*, That no injunction or other legal process shall be issued which shall compel the performance by any laborer against his will of a contract for personal labor or service.

Fourth. That employees dissatisfied with the award shall not by reason of such dissatisfaction quit the service of the employer before the expiration of three months from and after the making of such award without giving 30 days' notice in writing of their intention so to quit. Nor shall the employer dissatisfied with such award dismiss any employee or employees on account of such dissatisfaction before the expiration of three months from and after the making of such award without giving 30 days' notice in writing of his intention so to discharge.

Fifth. That said award shall continue in force as between the parties thereto for the period of one year after the same shall go into practical operation, and no new arbitration upon the same subject between the same employer and the same class of employees shall be had until the expiration of said one year if the award is not set aside as provided in section 4. That as to individual employees not belonging to the labor organization or organizations which shall enter into the arbitration, the said arbitration and the award made therein shall not be binding unless the said individual employees shall give assent in writing to become parties to said arbitration.

The Erdman Act further provided that the award of the arbitrators should be filed in a United States court, judgment to be rendered thereon.

ARBITRATORS CLOTHED WITH POWERS OF COMPULSORY INVESTIGATION

Said Erdman Act further provided:

SEC. 5. That for the purposes of this act the arbitrators herein provided for, or either of them, shall have power to administer oaths and affirmations, sign subpœnas, require the attendance and testimony of witnesses, and the production of such books, papers, contracts, agreements, and documents material to a just determination of the matters under investigation as may be ordered by the court; and may invoke the aid of the United States courts to compel witnesses to attend and testify and to produce such books, papers, contracts, agreements, and documents to the same extent and under the same conditions and penalties as is provided for in the act to regulate commerce, approved February 4, 1887, and the amendments thereto.

MAJORITY OF THE EMPLOYEES EMPOWERED TO ACT

The Erdman Act recognized that a majority of the employees had the right to submit their dispute to arbitration when their union would not arbitrate. Read the following portion of section 6:

Any agreement of arbitration which shall be entered into conforming to this act, except that it shall be executed by employees individually instead of by a labor organization as their representative, shall, when duly acknowledged as herein provided, be transmitted to the chairman of the Interstate Commerce Commission, who shall cause a notice in writing to be served upon the arbitrators, fixing a time and place for a meeting of said board, which shall be within 15 days from the execution of said agreement of arbitration: *Provided, however,* That the said chairman of the Interstate Commerce Commission shall decline to call a meeting of arbitrators under such agreement unless it be shown to his satisfaction that the employees signing the submission represent or include a majority of all employees in the service of the same employer and of the same grade and class, and that an award pursuant to said submission can justly be regarded as binding upon all such employees.

PUBLIC PROTECTED FOR THREE MONTHS AFTER ARBITRATION AWARD

The Erdman Act made it unlawful for any strike to be called during the period of arbitration or for three months after the award. Section 7 so provided:

SEC. 7. That during the pendency of arbitration under this act it shall not be lawful for the employer, party to such arbitration, to discharge the employees, parties thereto, except for inefficiency, violation of law, or neglect of duty; nor for the organization representing such employees to order, nor for the employees to unite in, aid, or abet, strikes against said employer; nor, during a period of three months after an award under such an arbitration, for such employer to discharge any such employees, except for the causes aforesaid, without giving 30 days' written notice of an intent so to discharge; nor for any of such employees, during a like period, to quit the service of said employer without just cause, without giving to said employer 30 days' written notice of an intent so to do; nor for such organization representing such employees to order, counsel, or advise otherwise. Any violation of this section shall subject the offending party to liability for damages: *Provided,* That nothing herein contained shall be construed to prevent any employer, party to such arbitration, from reducing the number of its or his employees whenever in its or his judgment business necessities require such reduction.

And the general public were further protected by the following provision in said Erdman Act:

SEC. 8. That in every incorporation under the provisions of chapter 567 of the United States Statutes of 1885 and 1886 it must be provided in the articles of incorporation and in the constitution, rules, and bylaws that a member shall cease to be such by participating in or by instigating force or violence against persons or property during strikes, lockouts, or boycotts, or by seeking to prevent others from working through violence, threats, or intimidations.

REMUNERATION OF ARBITRATORS AND EXPENSES LIMITED

The Erdman Act provided that the arbitrators should receive $10 per day and expenses for the time actually employed.

ERDMAN ACT AGREED UPON BOTH BY RAILROADS AND EMPLOYEES

Now we must remember that the Erdman Act was a piece of legislation specially prepared by and agreed to both by the railroads and their employees. They requested Congress to pass it as their agreement. And yet the employees remained satisfied only 15 years. And then the railroads and employees came to Congress with another piece of proposed legislation specially prepared and agreed upon, and had Congress to pass it, which became the law July 15, 1913.

THE NEWLANDS ACT

The Newlands Act was approved July 15, 1913. It was bill S. 2517, and was reported unanimously to the Senate on June 23, 1920. To show that it, too, was agreed to both by the railroads and their employees I quote the following from the CONGRESSIONAL RECORD, volume 50, part 3, page 2133:

Mr. NEWLANDS. I will state, Mr. President, in connection with this report that the bill presented has the sanction of the various brotherhoods connected with the employees of the railways of the country, and of the Civic Federation and the railway managers. It also has the approval of Judge Knapp, presiding judge of the Commerce Court, and of Mr. Neill, the former Commissioner of Labor, who figured so conspicuously in labor disputes between the railway companies and their employees.

From page 2179 of said RECORD, I quote:

Mr. ROBINSON of Arkansas declared:

"The proposed bill represents a measure which we are assured by representatives of all the leading organizations and the leading railroads concerned in this controversy will avert a strike that in all probability will occur unless the bill is passed. This strike will tie up the commerce of the entire eastern part of the United States.

"Such are the representations made before the committee at a hearing, at which were represented many of the important railroad systems of the eastern part of the United States and all of the leading organizations of railroad employees. As stated by the chairman of the committee, unless some assurance is given that this bill will speedily pass a strike probably will be ordered about the 4th of July."

And from page 2180 of said RECORD, I quote:

Mr. ROBINSON. We are in this situation: The bill as presented here represents an agreement between committees from the railroads and from their employees. As can be easily understood by everyone familiar with the conditions, there is always a degree of suspicion upon the part of both parties to such controversies that the other party is trying to secure the advantage. The necessity for passing this bill in its present form lies in the fact that it will be of no value whatever unless it is acceptable to both the railroads and their employees.

RAILROADS AND EMPLOYEES PROMISED TO ABIDE BY IT

I quote the following from page 2182:

Mr. POMERENE. Mr. President, I am in favor of this bill as it is written, and though in some respects I would prefer to see a change, I will not vote to change a single word in it, and for the reason I shall state.

It appeared before the committee that the railway companies, through their presidents and representatives, and the railway men's organizations, through their chiefs, said that this bill represented months of work; that while there were slight differences of opinion they all agreed to accept it as a solution of the problem. A number of the witnesses, when interrogated before the committee, said, in substance, that if the bill was passed as it was written, they did not believe there would be a single railroad or a single organization that would refuse to accept the plan of settlement here adopted.

It stands to reason that when they come before the Congress asking that this plan be incorporated into a statute no one of these parties would be in a position where he could honorably say, "I will not accept the plan of mediation or of arbitration which is therein contained."

And thus without changing the dotting of an "i" or the crossing of a "t" the Newlands Act passed the Senate without a record vote on June 26, 1913. The excerpts I have quoted from the Senate debate clearly show that it was forced through the Senate under the threat that it would stop a strike. It was the threat of 90,000 trainmen to tie up 45 railroads so tight they could not operate.

CONFERENCE AT WHITE HOUSE

On July 14, 1913, there was a conference at the White House participated in by the President, the Secretary of Labor, committee representing railroad presidents and brotherhoods, Civic Federation, chairman of the Judiciary Committee of the House, minority leader, and chairman of Interstate Commerce Committee of the Senate.

The next day, July 15, 1913, in the House of Representatives, Mr. Clayton, chairman of the Judiciary Committee, called up the Newlands measure. Let me quote from page 2431 what he said about it:

Mr. CLAYTON. Now, this bill is the concrete expression of the desire or wishes of those most interested in this sort of legislation, to wit, the great transportation companies of the country and the railroad employees themselves. They think, and I will agree with them in that opinion, that the machinery is ample to take care of the contingencies which the gentleman from Wisconsin has suggested, and they are unwilling to have the text of this bill altered.

The gentleman from Wisconsin, Mr. Stafford, had expressed much regret that the railroads and employees would not permit the bill to be amended, and both he and Mr. MONDELL that the public should have representation on the boards of arbitration. But the bill was rushed through to passage because of the imminence of the strike danger.

NEW BOARD OF MEDIATION AND CONCILIATION

The Newlands Act provided for a "United States Board of Mediation and Conciliation," to be composed of a commissioner appointed by the President, to hold office for seven years, and to draw $7,500 per annum, who with not more than two other officials of the Government, appointed by the President, should constitute such board, and providing for an assistant commissioner at $5,000 per annum.

And it provided that there should be either three or six arbitrators, as the parties to the controversy should determine.

PRACTICALLY ALL PROTECTION TO PUBLIC REPEALED

Many of the provisions of the Erdman Act which afforded some protection to the people were repealed by the Newlands Act. For instance, the agreement to arbitrate in the Newlands Act did not require the parties to stipulate that—

Pending the arbitration the status existing immediately prior to the dispute shall not be changed—

And further that the award—

may be specifically enforced in equity so far as the powers of a court of equity permit—

And further—

That employees dissatisfied with the award shall not by reason of such dissatisfaction quit the service of the employer before the expiration of three months from and after the making of such award without giving 30 days' notice in writing of their intention to quit.

And further—

That said award shall continue in force as between the parties thereto for the period of one year after the same shall go into practical operation, and no new arbitration upon the same subject between the same employer and the same class of employees shall be had until the expiration of said one year if the award is not set aside as provided in section 4.

All of these agreements, which the Erdman Act required said parties to sign and agree to in the arbitration, were repealed and left out of the Newlands Act, each one of same being safeguards to the public.

PUBLIC FURTHER LEFT OUT IN THE COLD

And in the Newlands Act the following two salutary sections, protective of the general public, were repealed and left out, to wit:

SEC. 7. That during the pendency of arbitration under this act it shall not be lawful for the employer, party to such arbitration, to discharge the employees, parties thereto, except for inefficiency, violation of law, or neglect of duty; nor for the organization representing such employees to order, nor for the employees to unite in, aid, or abet, strikes against said employer; nor, during, a period of three months after an award under such an arbitration, for such employer to discharge any such employees, except for the causes aforesaid, without giving 30 days' written notice of an intent so to discharge; nor for any of such employees, during a like period, to quit the service of said employer without just cause, without giving to said employer 30 days' written notice of an intent so to do; nor for such organization representing such employees to order, counsel, or advise otherwise. Any violation of this section shall subject the offending party to liability for damages: *Provided*, That nothing herein contained shall be construed to prevent any employer, party to such arbitration, from reducing the number of its or his employees whenever in its or his judgment business necessities require such reduction.

SEC. 8. That in every incorporation under the provisions of chapter 567 of the United States statutes of 1885 and 1886 it must be provided in the articles of incorporation and in the constitution, rules, and by-laws that a member shall cease to be such by participating in or by instigating force or violence against persons or property during strikes, lockouts, or boycotts, or by seeking to prevent others from working through violence, threats, or intimidations.

PROMISE "TO ABIDE BY IT" DID NOT LAST THREE YEARS

Then within three years after the railroads and employees forced Congress to pass the Newlands Act, under a promise to abide by it and to settle their differences by it, came on the threatened nation-wide strike by the employees, forcing the passage of the Adamson law. These employees had persuaded Congress to repeal the provisions of the Erdman Act, which protected the public.

PRESIDENT WILSON CAME BEFORE CONGRESS

On August 29, 1916, the President came before Congress, and in his message described the contest and danger as follows:

The matter came some three weeks ago to a final issue and resulted in a complete deadlock between the parties. The means provided by law for the mediation of the controversy failed and the means of arbitration for which the law provides were rejected.

* * * * * * *

The 400,000 men from whom the demands proceeded had voted to strike if their demands were refused. The strike was imminent. It has since been set for the 4th of September next. It affects the men who man the freight trains on practically every railway in the country. The freight service throughout the United States must stand still until their places are filled, if, indeed, it should prove possible to fill them at all. Cities will be cut off from their food supplies, the whole commerce of the Nation will be paralyzed, men of every sort and occupation will be thrown out of employment, countless thousands will in all likelihood, it may be, be brought to the very point of starvation, and a tragical national calamity brought on, to be added to the other distresses of the time, because no basis of accommodation or settlement has been found.

Just so soon as it became evident that mediation under the existing law had failed and that arbitration had been rendered impossible by the attitude of the men, I considered it my duty to confer with the representatives of both the railways and the brotherhoods, and myself offer mediation, not as an arbitrator, but merely as spokesman of the Nation, in the interest of justice, indeed, and as a friend of both parties, but not as judge, only as the representative of 100,000,000 men, women, and children who would pay the price, the incalculable price, of loss and suffering should these few men insist upon approaching and concluding the matters in controversy between them merely as employers and employees, rather than as patriotic citizens of the United States looking before and after and accepting the larger responsibility which the public would put upon them.

* * * * * * *

While my conferences with them [railroad managers] were in progress, and when to all outward appearance those conferences had come to a standstill, the representatives of the brotherhoods suddenly acted and set the strike for the 4th of September.

Proceeding further the President said:

I based my counsel upon the indisputable fact that there was no means of obtaining arbitration. The law supplied none; earnest efforts of mediation had failed to influence the men in the least. To stand firm for the principle of arbitration and yet not get arbitration seemed to me futile, and something more than futile, because it involved incalculable distress to the country and consequences in some respects worse than those of war, and that in the midst of peace.

I yield to no man in firm adherence, alike of conviction and of purpose, to the principle of arbitration in industrial disputes; but matters have come to a sudden crisis in this particular dispute and the country had been caught unprovided with any practicable means of enforcing that conviction in practice—by whose fault we will not now stop to inquire.

The President proceeded further:

Having failed to bring the parties to this critical controversy to an accommodation, therefore I turn to you, deeming it clearly our duty as public servants to leave nothing undone that we can do to safeguard the life and interests of the Nation. In the spirit of such a purpose, I earnestly recommend the following legislation.

* * * * * * *

Fifth. An amendment of the existing Federal statute which provides for the mediation, conciliation, and arbitration of such controversies as the present by adding to it a provision that in case the methods of accommodation now provided for should fail, a full public investigation of the merits of every such dispute shall be instituted and completed before a strike or lockout may lawfully be attempted.

* * * * * * *

There is one other thing we should do if we are true champions of arbitration. We should make all arbitral awards judgments by record of a court of law in order that their interpretation and enforcement may lie, not with one of the parties to the arbitration, but with an impartial and authoritative tribunal.

THE ADAMSON LAW

And under the threat of a nation-wide strike made by 400,000 railroad employees the Congress was whipped and lashed into passing the Adamson law just as it was whipped and lashed into passing the Newlands Act, and just as it had been whipped and lashed into passing the Erdman Act.

WILSON *v.* NEW

And then the Supreme Court of the United States, in the case of Wilson *v.* New (243 U. S. 331) on March 19, 1917, held:

Being of the opinion that Congress had the power to adopt the act in question, whether it be viewed as a direct fixing of wages to meet the absence of a standard on that subject, resulting from the dispute between the parties, or as the exertion by Congress of the power which it undoubtedly possessed to provide by appropriate legislation for compulsory arbitration—a power which inevitably resulted from its au-

thority to protect interstate commerce in dealing with a situation like that which was before it—we conclude that the court below erred in holding that the statute was not within the power of Congress to enact, and in restraining its enforcement, and its decree therefore, must be and it is reversed and the cause remanded, with directions to dismiss the bill.

THREATENED STRIKE DURING WORLD WAR

And then came the threatened strike during the World War. During Government operation we saw Mr. McAdoo at one time hand out to the railroad employees $764,000,000, dating increases back six months on their wages. Then Director Hines handed out to them another $67,000,000. And later the Railroad Labor Board handed them out another $600,000,000 increase.

PRESIDENT THEODORE ROOSEVELT IN 1905

In his message to Congress on December 5, 1905, President Theodore Roosevelt said:

In any great labor disturbance not only are employer and employee interested, but also a third party—the general public. Every considerable labor difficulty in which interstate commerce is involved should be investigated by the Government and the facts officially reported to the public.

PRESIDENT ROOSEVELT IN 1907

In his message to Congress on December 3, 1907, President Theodore Roosevelt again said:

* * * I renew my previous recommendation that the Congress favorably consider the matter of creating the machinery for compulsory investigation of such industrial controversies as are of sufficient magnitude and of sufficient concern to the people of the country as a whole to warrant the Federal Government in taking action.

The need for some provision for such investigation was forcibly illustrated during the past summer. A strike of telegraph operators seriously interfered with telegraphic communication, causing great damage to business interests and serious inconvenience to the general public. Appeals were made to me from many parts of the country, from city councils, from boards of trade, from chambers of commerce, and from labor organizations, urging that steps be taken to terminate the strike. Everything that could with any propriety be done by a representative of the Government was done, without avail, and for weeks the public stood by and suffered without recourse of any kind. Had the machinery existed and had there been authority for compulsory investigation of the dispute, the public would have been placed in possession of the merits of the controversy and public opinion would probably have brought about a prompt adjustment.

Each successive step creating machinery for the adjustment of labor difficulties must be taken with caution, but we should endeavor to make progress in this direction.

The provisions of the act of 1898 creating the chairman of the Interstate Commerce Commission and the Commissioner of Labor a board of mediation in controversies between interstate railroads and their employees has, for the first time, been subjected to serious tests within the past year, and the wisdom of the experiment has been fully demonstrated. The creation of a board for compulsory investigation in cases where mediation fails and arbitration is rejected is the next logical step in a progressive program.

TRANSPORTATION ACT OF 1920

On November 10, 1919, Senator CUMMINS, chairman of the Committee on Interstate Commerce in the United States Senate—Sixty-sixth Congress, first session—by Senate Committee Report No. 304, favorably reported the bill S. 3288. From pages 21 and 22 thereof I quote the following:

Hitherto, the Government has not undertaken to adjudge the disputes which have so disturbed the field of transportation and which promise to be still more serious in the future than they have been in the past. All that legislation has done up to this time has been to authorize mediation and conciliation and to present an opportunity for voluntary arbitration. After the most careful consideration, it is the judgment of the committee that the time has come to make another advance in the settlement of disputes likely to end in the suspension or restraint of transportation. This forward step must be clearly understood in order to be justly considered. In a controversy between railway workers and railway managers with respect to wages and working conditions and which could only be settled by agreement between the disputants, the right to strike—that is, a concerted cessation of work—seems inevitable, for it is the only weapon which the workers could effectually employ. A proposal to prohibit an agreement among workers to quit their employment at a given time without substituting some other instrumentality for securing justice would not receive at the hands of Congress a moment's consideration. In making the strike unlawful, it is obvious that there must be something given to the workers in exchange for it. The thing substituted for the strike should be more certain in attaining justice and should do what the strike can not do—namely, protect the great masses of the people who are not directly involved in the controversy. The committee has substituted for the strike the justice which will be administered by the tribunals created in the bill for adjudging disputes which may hereafter arise.

From the public standpoint and in the interest of the people generally, it has become perfectly clear that, in transportation at least, both the strike and the lockout must cease. This country has been so developed, its population is so situated, its commerce so crystallized that regularity and continuity in transportation have become absolutely indispensable to the lives and health of the people and the existence of our industrial and commercial welfare. A general suspension in the movement of traffic for a fortnight would starve or freeze, or both, a very large number of men, women, and children; and, if it were continued a month or two months, it would practically destroy half our population. Our business affairs would be so disordered that the loss would be greater than in any conceivable war in which we might engage. It is just as much the function of the Government in these circumstances to see to it that transportation is adequate, continuous, and regular as it is to maintain order, punish crime, and render justice in any other field of human activity. It is clear, therefore, that the Government must settle the controversies between railway managers and railway employees which, if left to be fought out between the parties themselves, will lead to the consequences just described. There is but one way in which this can be done: The Government must undertake to declare, in any such case, what is justice, what is fair and right, between the parties to the dispute, and then there must be no concerted rebellion or conspiracy among those whose rights have been adjudged for the purpose of coercing either of the parties to the dispute into another and different settlement.

SENATE DEBATE, APRIL, 1920

And from the Senate debate let me quote from page 5531 of the RECORD for April 12, 1920, the following:

Mr. NELSON. I want to say to the Senator that while the remedies he proposes may be very good, they will never be effective to meet such a situation in advance, as it ought to be met, unless there is given to the courts the power to restrain these acts by injunction. It is too late after the deed shall have been accomplished to say that the men may be put in prison. What we need is to have the courts armed with authority to stop it in advance. We need preventive justice as well as punitive justice.

And from page 5535 of said RECORD for April 12, 1920, Senator Kellogg, our present distinguished Secretary of State, said:

Mr. KELLOGG. * * * We are aware of the calamity and the suffering in several large cities of this country to-day; starvation is threatening some of them; but, Mr. President, it is nothing to the calamity that may happen to this country if there shall be a nation-wide strike on the railroad systems. You might just exactly as well strike against the Government and tie up the Government itself as to paralyze the arteries of trade, the daily operation of which is necessary to the very life of the people. The way industries are organized in the present condition of the economic development of this country and of every other country, transportation is necessary daily to the life of the people.

Mr. President, I wonder how soon the public and the Congress are going to realize that fact. Every facility should be created by law for the settlement of every dispute, so that every man or organization of men working for the railroads shall have their grievances promptly considered, but when that is done the time is coming when men can not be permitted to conspire to take the Nation by its throat and starve it to death. However, the Congress will not now do anything, but the time will come when it will have to act and when it will act.

ANTISTRIKE CLAUSE

And in the transportation act of 1920, as reported to the Senate, it contained the following provision, which is a salutary one, and which should now be the law of the land, to wit:

SEC. 30. It shall be unlawful for two or more persons, being officers, directors, managers, agents, attorneys, or employees of any carrier or carriers subject to the act to regulate commerce, as amended, for the purpose of maintaining, adjusting, or settling any dispute, demand, or controversy, which, under the provisions of this act, can be submitted for decision to the committee of wages and working conditions or to a regional board of adjustment, to enter into any combination or agreement with the intent substantially to hinder, restrain, or prevent the operation of trains or other facilities of transportation for the movement of commodities or persons in interstate commerce, or in pursuance of any such combination or agreement and with like purpose substantially to hinder, restrain, or prevent the operation of trains or other facilities of transportation for the movement of commodities or persons in interstate commerce; and, upon conviction, any such persons shall be punished by a fine not exceeding $500 or by imprisonment not exceeding six months, or by both such fine and imprisonment.

MOTION TO STRIKE IT OUT FAILED

On December 19, 1919, Senator Stanley, of Kentucky, made a motion to strike said section from the bill, and on roll call his motion was defeated by a vote of 24 for and 39 against, and when the final vote came on the bill the next day 46 Senators voted for the bill, and only 30 Senators voted against the bill (p. 952, CONGRESSIONAL RECORD for December 20, 1919). But before the bill was agreed to by both Houses this provision of the bill was eliminated.

CONTAINED ONE SAFEGUARD FOR PUBLIC

In the transportation act of 1920 it provided that of the nine members who should sit around the council table three of them should represent the public, and no wage agreement should be had unless at least one of these three members for the public should agree. It thus gave to the public a wee small voice around the council table where agreements are reached taking hundreds of millions of dollars out of the pockets of the people.

BARKLEY BILL OF APRIL, 1924

And then came the Howell-Barkley bill of April, 1924. I am proud of the fact that I helped to lead the filibuster in the House that killed it. The following is my outline of my speech I made against it in the House April 29, 1924, to wit:

THE BARKLEY-HOWELL RAILROAD BILL

It is bumcombe, pure and simple.

Four adjustment boards absolutely worthless; 40 members, each drawing $7,000, with horde of high-salaried employees, and to incur huge expenses annually. Their decisions absolutely worthless.

Fifth board, $12,000 each, equally worthless.

Public not permitted to sit at settlement table; yet public pays all raises and added expenses.

One hundred and fifty colleagues have wrested this bill from its committee, and without consideration, make it in order for passage next week, when it is to be railroaded through the House and Congress.

Are you going to be a party to the transaction?

The infamous Adamson bill was forced through.

Remember that petition from 350,000 actual dirt farmers telling you that they don't want any more boards; that they don't want any more commissions; that they don't want you to raise salaries or expenses; that they demand that expenses of Government shall be reduced. It will pay us to remember it.

PRESENT WATSON-PARKER BILL OF 1926

And now comes the Watson-Parker bill of 1926. Hon. Alfred P. Thom, general attorney for the railroads, has now made almost a complete turn around and performed a complete somersault, with reference to his stand taken on the Howell-Barkley bill and his stand now taken on the Watson-Parker bill. From the printed hearings before the Committee on Interstate Commerce of the United States Senate, March 18 to April 7, 1924, let me read you from Mr. Thom's testimony the following excerpts:

I think that it is obvious that the public is interested in legislation of this character in two important and controlling respects.

First, the public is interested in continuous and uninterrupted transportation; and second, the public is interested in having such transportation furnished at a cost which will not constitute an undue burden upon the industry of the country.

The proposed measure entirely ignores both of these aspects of the public interest, as I shall attempt to show.

The ideal situation in respect to these essential public agencies would be that both the carrier when it enters upon the field of performing its transportation service and all of the employees when they engage in that essential service shall do so with the understanding that the obligation on both must be that they will not interrupt that service.

There should be, if this matter is ever settled right, an implied acknowledgment and engagement on the part of the carrier on entering this field that it will not fail to perform the service at any moment; that it will not interrupt the service; that it will continue to carry the United States mails and the public traffic without interruption; and, similarly, there ought to be the implied obligation on the part of every man that engages in the service that he recognizes the essential public interest of continuous and uninterrupted transportation, and that he will under no circumstances do anything to interrupt it by agreement or compact with anybody else.

The measure provides for conferences between the parties; it provides for adjustment boards by parties without any public representative, it provides for boards of conciliation and mediation which would use its persuasive power to bring about agreement, and it permits, but does not compel, arbitration. So, the result is that at last the parties that do not agree are not compelled to agree. Machinery is set up which may bring about an adjustment but for which there is no sanction. The only sanction to which Congress so far has, in dealing with labor controversies, been willing to commit itself, is the sanction that will be created by the development of a public opinion on the matters of a controversy. That sanction is omitted from this bill. There is no way created by its provisions by which there shall be a fact-finding body, a conclusion as to the merits of a controversy, and an announcement to the public of what the merits are. That is in the present act of Congress.

The congressional thought of the country has advanced to that point. Now, this provision, this machinery, proposes to omit that absolutely and to leave the parties perfectly free to carry their controversies to any extent passion may dictate, and provides no method of developing public opinion, which might and probably would bring pressure upon them to make an agreement and thus to prevent an interruption of the public service.

I wish the committee to consider whether, in abandoning this policy, it will not be taking a step backward which the public interests will not justify. Ought not there to be at least an adherence to the progress already made in respect to these matters and the creation of a tribunal which will examine into the merits of a controversy, which will announce its conclusions, which will concentrate public attention and public opinion on the subject, and will give at least the weight of that public opinion to the adjustment that is to be made, and the pressure of that public opinion in bringing about a settlement.

Even if there is an arbitration and all the steps contemplated by this bill are pursued, eventuating in the judgment of a court on the arbitration, then, in my judgment, the bill contains no provision by which that arbitration is in reality made binding on more than one of the parties. The carrier is bound, and possibly the union, in its corporate or quasi corporate capacity; but the men who are to prevent the interruption of transportation, the men whose dispute has been submitted to arbitration, are still left, under the terms of this bill, as they were left under the terms of the Newlands bill, free to leave the service, and it is provided in this bill that no court can prevent them.

Now, I am not forgetting or forgetful of the claim that involuntary labor can not be forced; that each individual must be left free to perform service or not to perform service; but that, Mr. Chairman, is a very different thing from allowing men to leave a service in concert and conspiracy for the purpose of interrupting transportation; and this committee, if it considers the passage of the measure in any of its aspects, ought at least to provide that when two or more men, after such an arbitration, conspire together to leave the service for the purpose of interrupting the transportation and violate the award and the judgment, such action on their part shall be considered a conspiracy in restraint of trade and treated as other conspiracies in restraint of trade are treated.

Now, if arbitration is to be made effective, there should not be made an opportunity for the men whose dispute has been arbitrated then to conspire and to concert themselves together for the purpose of leaving the service and interrupting transportation.

Passing from that point to the other aspect of the public interest, namely, the interest which the public has in the matter of the burden which the transportation of the country must bear—the freight and passenger burden in the way of charges which it must bear—I call attention of the committee to the fact that in the present law Congress advanced to the point, as has been pointed out to you, of providing a voice for the public in the matter as to what the agreements of the parties might do in the way of imposing this burden upon the public. In the transportation act, as you will remember, an agreement of the parties is made subject to be overruled by the Labor Board in the event it is of the opinion that it creates too great a burden in the way of transportation charges. It is provided that any agreement as to wages that comes before it must, before it is made effective, have at least one vote of a public member in its favor. The present act also provides that, in case the parties come to an agreement as to wages without resort to the Labor Board, the Labor Board shall have jurisdiction, in the event it considers the consequent transportation burden too great, to suspend the agreement and modify or affirm it as the merits of the case may require.

Now is it well to abandon these safeguards of the public interest at this time, when there is such a demand for reduced freight rates, when the thing that is standing in the way of a reduction of freight rates is the cost of transportation, when 54 per cent of the cost of transportation is made up of the labor costs—is it judicious to abandon the principles of giving the public a voice in the labor burden which may be agreed upon by the parties?

The committee heard the history of the methods employed during the last 15 years in the settlement of these wage questions, how there had always been a retreat on the part of the management, always a surrender to economic pressure. The public has at last said in one of the laws of Congress that it has an interest in that question. It has created the machinery, a voice for the public in determining what these charges shall be. This bill does not attempt to continue it. It is an absolute abandonment of that step forward. Can the committee and Congress justify the silencing of the voice of the public in questions of what the amount of the charges for labor to be paid out of the revenue to be derived from the transportation shall be?

PUBLIC NOW BUNCOED

Yet Mr. Thom is now for the Watson-Parker bill, notwithstanding that it contains no safeguards whatever for the public, just as his railroads were for the Newlands Act, and just as his railroads were for the Erdman Act, but each time the public gets less and less.

PUBLIC COMMITTEE WITHOUT POWER

All that is given the public in the Watson-Parker bill is the right, after all mediation has failed, and after all arbitration has failed, and when public calamity is imminent, the President may appoint a commission to investigate, but this commission has no power whatever of compulsory investigation, it can not summon witnesses, it can not force the production of papers, and it can investigate only what the railroads and employees voluntarily care to give it.

GENERAL COUNSEL A. P. THOM IN 1926

Now note from his testimony on this present bill, that this general counsel of the Association of Railway Executives admits that there is nothing compulsory in the Watson-Parker bill. I quote from his testimony given in the hearings before the Committee on Interstate Commerce of the United States Senate January 14 to 16, 1926, to wit:

Mr. THOM. I do not think this bill can be described as a compulsory bill. It was not intended to make it compulsory.

Senator BRUCE. I do not see the slightest element of compulsion in it anywhere.

Mr. THOM. It is not intended to be a compulsory bill.

Senator BRUCE. And I do not see the slightest element of publicity in it.

Mr. THOM. Publicity?

Senator BRUCE. Yes. This board of mediation has got no power to call the parties before it. And to have testimony rendered by the parties in public, so that the public may form its own conclusions as to which is the truly aggrieved party, the carrier or the workers.

And further on:

Senator FESS. Will the fact-finding commission have any authority to compel the attendance of witnesses?

Mr. THOM. There is none in this bill. Not at all.

Then, further on:

The CHAIRMAN. And the agreement to maintain the status quo for 30 days is purely voluntary as between the two parties. Could there be any way of enforcing a provision of that kind?

Mr. THOM. Oh, I think that we could write machinery into the bill, but it was not considered necessary.

And a little later:

Senator FESS. Before you get to that, Colonel. There is not any compulsion for the enforcement of the findings of the fact-finding commission?

Mr. THOM. No, sir; none whatever.

Senator FESS. Only public opinion?

Mr. THOM. None whatever.

* * * * * * *

Now, there are certain things that labor is very much opposed to. There are certain things that they do not want to write in a bill. It is a part of the principles of their organization. They do not want to write an antistrike clause in a bill. They regard that as fundamental with them. They are willing to say, "We will pursue every step in this case before there is a strike. But we will not consent to an antistrike clause."

* * * * * * *

You may be told that there are certain things in this bill that are not a prohibition of a strike. That is true.

CONSISTENT STAND OF JAMES A. EMERY

I quote the following from Mr. Emery's testimony:

Mr. EMERY. When this committee was hearing the railroad executives with respect to their objection to the pending Howell-Barkley bill, Mr. Hale Holden, as chairman of the executive committee of the Association of Railway Executives appearing before your honorable committee, said, at page 43, hearing of March 18, 1924, on S. 2646, among his various objections to the measure:

"And, finally, it is a matter of the greatest importance for Congress and for the public to determine whether or not they are willing to withdraw from the present advance that was taken in Title III of the transportation act and leave the question of increases in railroad wages to the uncontrolled agreements of the parties or to casual arbitration tribunals that may be agreed upon by the parties."

Senator COUZENS. Can you tell us briefly what has happened to change that viewpoint?

Mr. EMERY. I know of nothing that has happened myself. I can not speak on behalf of the railroad executives.

Senator COUZENS. Well, I was not here yesterday, and I do not know whether that had been developed or not, or whether you had anything in mind as to what brought about this unanimity of opinion between these two very strenuous factors that appeared before this committee in the Howell-Barkley hearing, and I wondered if you had any idea of what became of all of these objections at once?

Mr. EMORY. I heard no explanation in respect to this matter before yesterday, Senator.

Mr. Emery secured permission to print in the hearings replies of leading railway executives to the question, "What changes, if any, in present Federal laws regulating the railways and in their administration do you favor" as propounded by the Railway Age, of Chicago.

HERE IS WHAT THESE RAILROADS SAID

Mr. J. S. Pyeatt, president Denver & Rio Grande Western:

"Changes in existing Federal and State regulatory laws are looked upon with distinct disapproval, with the possible exception of some modification of subsection 6 of section 5 of the transportation act conferring upon the Interstate Commerce Commission express authority to legalize and encourage practicable consolidations in advance of the formulation of a comprehensive plan for the consolidation of all railroads into a few systems. With such latitude it is believed that this problem would largely solve itself along practical economic lines to the great advantage of both carriers and the traveling and shipping public."

Mr. L. A. Downs, president Central of Georgia Railway:

"Freedom from undue restriction and from adverse legislation by the various regulatory agencies interpreting public policy will enable the railroads to render the prompt, complete, and dependable service which is beneficial to every branch of business, industry, and commerce."

Mr. C. E. Schaff, president Missouri-Kansas-Texas Lines:

"The Federal laws at present covering regulation of the conduct of railroads may not be said to be perfect, but experience since 1920 certainly has proven that they are practicable and workable. Minor changes may be desirable, but from the standpoint of results secured, I should say that greater benefits may be anticipated from the administration of the present laws in the spirit in which they were written than from changes in the laws."

Mr. E. J. Pearson, president New York, New Haven & Hartford Railroad:

"No changes in legislation are needed, except, perhaps, that in view of the recent expression of the Interstate Commerce Commission, an amendment eliminating compulsory consolidations and permitting voluntary groups by the railroads themselves, subject to approval of the commission, would be a step in the right direction."

Mr. W. J. Harahan, president Chesapeake & Ohio Railway:

"I feel that the present legislation is reasonably satisfactory and do not think it advisable to make any important changes until there has been an opportunity for a thorough working out of the present law, so that we may know just what changes are necessary and desirable."

Mr. J. M. Kurn, president St. Louis-San Francisco Railway:

"I'm not so concerned with congressional legislation—rather inclined to the view that there is no necessity for any particular action on the part of Congress at this time. I have no suggestions to offer as to amending any existing railroad law or laws respecting consolidation, nor do I feel that any part of the transportation act should at this time be modified."

Mr. J. M. Davis, president Delaware, Lackawanna & Western Railroad:

"For some time past there has been a recession from regulatory railroad legislation, and this condition has without question to a substantial extent contributed to the excellent showing made by the railroads in handling so well the tremendous volume of traffic in 1925. In my opinion, the transportation interests will be best served by refraining from the enactment of additional Federal railroad legislation at this time."

Mr. A. C. Needles, president Norfolk & Western Railway:

"Since the passage of the transportation act of 1920 the railroads of the country have made rapid progress in attaining a satisfactory condition and rendering efficient transportation service. There may be provisions of the act which might be improved upon, but any changes proposed should receive most serious consideration."

Mr. J. E. Gorman, president Chicago, Rock Island & Pacific Railway:
"I think the present transportation act should be left as it is, and in my opinion no amendments to it are necessary for the consideration of Congress, and particularly do I favor the continuation of the present United States Labor Board, although I know in the minds of many railroad men a different program is proposed in this regard."

Mr. Frank H. Alfred, president Pere Marquette Railway:
"The service which the railroads have given during the past three years is in itself a justification of the transportation act of 1920. No large user of railroad transportation would suggest its repeal. The great interest manifested at the various meetings of the shippers' regional advisory boards is evidence of this. These gatherings have proved a valuable aid in the solution of the transportation problems. There has not been a word of criticism of the transportation act itself offered at these gatherings, and they are made up of men who know conditions.
"With the new Congress entering upon its duties, it is my firm belief and opinion that the transportation act should be left alone, other than perhaps amplifying it to enable voluntary consolidations to take place. The proposals for forced consolidations should be avoided at all costs as a dangerous interference with business."

Mr. William Sproule, president Southern Pacific Co.:
"As to changes in the Federal laws and their administration, I do not believe in constantly meddling with or frequently changing existing laws. The tendency is not to allow the law to stand on the statute books long enough for seasonable trial. The transportation act of 1920 specifically has been valuable in pointing the way to avoiding railroad strikes by arbitrament and has also pointed the way for a constructive attitude toward the railroads in an effort to maintain their earnings upon a compensatory basis. That the law and its administration have not succeeded fully in accomplishing these purposes does not discredit the law."

Mr. W. L. Mapother, president Louisville & Nashville Railroad:
"One of the most important factors contributing to the unprecedented service in the past year was the paucity of agitation designed to influence legislation affecting common carrier operations. The lawmakers, in creating the transportation act, provided on the whole a splendid piece of railway legislation; it is now functioning better than at any time since its enactment five years ago, and I do not believe it should be disturbed or that further regulations of the railway should be effected except it be clearly of a constructive character and specifically calculated to promote the public interest."

Mr. W. B. Storey, president Atchison, Topeka & Santa Fe System:
"While the transportation act of 1920 is not perfect, there has been developed no pressing need for a change, and it would seem better not to try to amend it until the need and the remedy both become clearly outlined."

Mr. L. F. Loree, president Delaware & Hudson Co.:
"The railroad people insistently urged upon the public that the transportation act of 1920 was the greatest piece of constructive legislation that had been passed in recent times. It would not speak very much for their acumen if they were now to discover in it difficulties sufficiently grave to demand changes in it. They have held out to the public that what was needed was time to work the matter out, and certainly five years is not sufficient time for that purpose. If there are some difficulties in the application of the law, these difficulties should be plainly defined and additional effort made to overcome them. I think the danger of opening up the transportation act for amendment is so great that it would be foolhardy to undertake it."

Mr. E. E. Loomis, president Lehigh Valley Railroad:
"I do not think that it is necessary to make important changes in the transportation act at this time."

I hope every Member of the House will carefully study the Parker bill before we reach a vote upon it. Gentlemen will find that the public's rights in it have been taken away. You will find that the public right to sit around the council table when these wage schedules are adopted and agreed upon has been taken away, and the public has no voice in it at all.

The only look-in that the public is given in the bill is after all negotiations have failed, after the new board of mediation has failed, after the board of arbitration has failed, and when a strike is threatening to tie up every railroad in the United States and is imminent; then the President can appoint his little board that has no power of investigation at all, and if the boys do not want to give it any power of investigation, they could deny it, and the President's board is without power. They say they want to agree to the bill because the railroads and the employees have agreed to it. They agreed to the Erdman Act; they agreed to the Newlands Act; they agreed to section 3 of the transportation act. All have been ignored It is the 110,000,000 people of the United States in whose interest I now address you.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WOOD. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Texas. What the gentleman says may be true in respect to the necessity for this appropriation. In all probability there will be no necessity for it at all.

Mr. BLANTON. That was a pro forma amendment, and I shall withdraw it.

Mr. WOOD. I am going to speak now that I have the floor. Knowing full well that the gentleman did not care particularly about the merits of his amendment, my only purpose in rising is to pay a tribute to a Member of this Congress. When this board was created there was much controversy about it, and that controversy involved every interest in the United States—labor, transportation, and public. Those who were interested in labor presented what they thought was best for their interest. Those who were interested in transportation presented what they thought best for their interests. There was one man in this House on the Interstate and Foreign Commerce Committee who stood for the public, and I think that the greatest thing that can be said for labor was the fact that it had a man here who was big enough, broad enough, to look beyond the vision of labor, to look beyond the vision of the employer to the interest of the public, and I refer to the distinguished gentleman from Ohio [Mr. COOPER]. [Applause.] I do not think anybody here, knowing the services that the gentleman has rendered, will attempt to detract one iota of praise for what he has done in an endeavor to render service to the public. Heroes are born not only in war but in peace. It is easy for a man in battle to be a hero, because his blood, his patriotism, all that inspires his manhood compels him to action in self-defense, and in defense of country and of honor; but it takes a man of strong heart to become a hero in time of peace, when there are conflicting emotional and economic ideas and when he acts in opposition to those with whom he is supposed to be in accord. I speak in praise of the man, COOPER, who came from the engine cab to this Congress and who has given us all a lesson in the value of citizenship when it required the courage of manhood to do it. [Applause.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

The Clerk read as follows:

Astrophysical Observatory: For maintenance of the Astrophysical Observatory, under the direction of the Smithsonian Institution, including assistants, purchase of books, periodicals, and apparatus for making necessary observations in high altitudes, repairs and alterations of buildings, preparation of manuscripts, drawings, and illustrations, traveling expenses, and miscellaneous expenses, $31,180, of which amount not to exceed $27,840 may be expended for personal services in the District of Columbia.

Mr. WOOD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 27, line 6, after the word "apparatus," strike out the word "for" and insert in lieu thereof a comma.

The amendment was agreed to.

Mr. RUBEY. Mr. Chairman, I move to strike out the paragraph.

Ladies and gentlemen of the House, I come to speak to you to-day upon the subject of agriculture, that great industry which began with the beginning of time, has 'throughout all the years been the most vital industry in all lands, is now the great source of all success and of all life, and will continue so to be until time shall be no more.

Its acknowledged importance is so well known to each of you that I shall not dwell upon that particular phase, nor shall I take up at any great length the critical condition in which agriculture in the United States finds itself to-day. That, too, is well known to you and acknowledged by everybody.

Go back, if you will, just a few years when the call came, "To arms! To arms!" and that most gigantic struggle, the World War, was on. The farmers of America were called upon in no uncertain language to produce the foodstuff to supply not only our own brave soldier boys but also to produce to the end that we would have an abundance from which to supply our allies. The patriotic farmers of America rallied to a man. Never in all our history were such abundant crops produced. War-time prices came, of course, and the farmers throughout the land increased their acreage of staple agricultural products. They widened their feed lots, broadened their

pasture lands, and, enthused by the war-time prices of agricultural products, added acres upon acres to the farms they already owned. In order to do this they went heavily in debt. The war ended. Soon thereafter came the deflation; that cruel, unjust, and unnecessary deflation brought ruin and bankruptcy in its wake.

That great industry which had done so much toward winning the war, that industry which had so nobly responded to its country's call—agriculture—was the very first to feel the awful effects of that deflation. Farm lands began to decline in value. Farm lands went down and down. Prices of cattle, hogs, and everything produced upon the farm began immediately to decline in value and went from bad to worse. Banks which had been amply secured by high-valued lands and high-priced livestock were, because of the depreciation of those values, compelled to close their doors. Ruin was widespread throughout the whole agricultural sections of the country. From that dreadful time down to this very hour the farmers of America have worked faithfully, in season and out of season, putting forth every possible effort to recuperate their fortunes and "to get upon their feet" again. They have produced. In fact, they produced a great surplus. They have seen this surplus shipped abroad, sold in competition with foodstuff produced by cheap labor in other lands at a very low world price. But worse than all this, they have seen this low world price become the domestic price of the products remaining in our own land unsold.

This condition of affairs has existed now for a number of years. Every possible effort has been made to secure legislation by the Congress of the United States that would take care of the farmer's surplus, but to no avail.

Two years ago there was brought before this Congress what was known as the McNary-Haugen bill, a bill to take care of the surplus, a bill which, if it had been passed, would have enabled the farmers of America to do what the manufacturer now does—get rid of his surplus and at the same time not permit that low foreign price received for his surplus to reflect back and become the domestic price of the foodstuff he does not ship but sells at home.

I am frank to say that I was an ardent supporter of the McNary-Haugen bill. When Congress finally adjourned without having accomplished any farm legislation, and the great parties met to frame their platforms, I saw every party draft into its platform in no uncertain language a plank promising that if elected they would favor farm legislation, and they would place agriculture upon an equality with industry and with labor.

Within the last few months I have seen this same position taken by gentlemen of prominence throughout the country who have discussed agricultural measures. They have advocated strongly the passage of a measure very similar, indeed, to the McNary-Haugen bill which was defeated in this body two years ago.

Some weeks ago this body had up the Haugen cooperative marketing bill, providing for the establishment of a division in the Department of Agriculture which would render aid and assistance in cooperative marketing. It was conceded by all that this measure was not intended to bring immediate relief to agriculture. That bill passed this House by practically a unanimous vote, there being only 3 votes against it. Everybody favors cooperative marketing. I am a firm believer in cooperative marketing myself, and I am confident that as a result of that measure in the future years the Department of Agriculture will be able to render valuable aid to cooperative marketing everywhere. The aid of the Department of Agriculture to teach cooperative marketing is not needed in some of our States. In my own State we already have it. Missouri is acknowledged as having the best cooperative marketing system of any State in the American Union.

I might suggest that when this division is established in the Department of Agriculture they might send some of their men to Missouri to take lessons, and I am satisfied they will secure information that will be of great value to them. The farmers of Missouri, and the farmers of many other States, have cooperative marketing. They are not in need of legislation along that particular line. What they need, and what agriculture needs throughout the country, are prices for their products that will give them a return for their labor and their toil—prices which are not fixed by the prices of their surplus in the foreign lands.

I heard upon the floor of this House a number of gentlemen in discussing the question of agriculture, when the bill was up providing for cooperative marketing, belittle that measure. They called attention to the fact that it would not bring relief to agriculture. They said that the farmers of America had asked for bread and were given a stone. Yet these same gentlemen were the most bitter opponents of the McNary-Haugen bill when it was before the House for its consideration two years ago. Let us hope that when the Committee on Agriculture brings in a bill—as it will most certainly do—providing a method by which the surplus products of the farms of America can be taken care of, a bill which will bring to the farmers immediate and much-needed relief, these gentlemen will have had a change of heart. Let us hope that they will be ready to give to agriculture this much-needed relief.

Some gentlemen say in their arguments against needed legislation that all the farmer has to do is to reduce his surplus, raise only enough to supply the needs of the domestic market, and that will cure the situation. No gentleman who knows anything about the conditions that confront the farmer, or who will stop to think, will make such an argument.

Long years ago we established the Department of Agriculture, and from the establishment of that department up to just a few years ago the whole power of that department was used for the purpose of increasing agricultural production—how the farmer could be taught to increase the production of the soil, how he could upon the same acreage raise more and more products each year, how he could, to use an old hackneyed saying, "Raise two blades of grass where one grew before." These were the great questions studied and urged by the Department of Agriculture from its very inception down almost to the present time. Farmers have always been taught that they must raise more and more. Furthermore, the uncertain weather conditions which confront the farmer are of such a nature that he is unable to determine, no matter how much he may plant, what he will produce. Not only that, but world conditions are also equally uncertain. No one has any idea what the conditions will be a year in advance as to the amount of production in foreign lands. Some two years ago many of our farmers were advised to decrease their wheat acreage, and yet when the season closed they found that the crops in Canada and in foreign countries had greatly diminished, and as a result the price of wheat in the United States was high. Had the farmer obeyed the injunction "not to plant," he would have suffered in consequence. As it was he profited by reason of the fact that there was a decrease in the production of wheat in Canada and in foreign lands.

The Congress has in the years that have gone by passed legislation for the special benefit of every industry in America except agriculture; it has by legislation given aid to labor. The need of legislation for agriculture is acknowledged. The purchasing power of the farmer's dollar has gone down from a little more than 100 cents prior to the World War, until during the last three years it has been just a fraction more than 60 cents. He is compelled to sell in a low-priced world market and has to buy in a highly protected high-priced home market. Either we must reduce that burdensome tariff and bring relief to the farmer or we must by legislation make the tariff upon his own products effective, and thus place him upon an equal footing with industry and labor.

Our Committee on Agriculture will very shortly, I hope, bring in for your consideration a bill that will give to the farmers of America immediate and permanent relief. I most earnestly hope that this bill when reported will be speedily passed by this House. [Applause.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

For an additional assistant secretary of the Smithsonian Institution, $6,000.

Mr. McKEOWN. Mr. Chairman, I move to strike out the last word. I want to ask the gentleman about this assistant secretary. Why is it necessary to have an assistant secretary at a salary of $6,000? How many secretaries have they got in that department and why is it necessary to spend $6,000 for another one?

Mr. WOOD. I will say to the gentleman that whether or not it is necessary is a matter of inquiry of the legislative committee that created this position. It is a matter of fixed law, and we have no alternative but to appropriate for it.

Mr. McKEOWN. I withdraw the pro forma amendment.

Mr. WOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. TILSON having assumed the chair as Speaker pro tempore, Mr SNELL, Chairman of the Committee of the Whole House on the state of the

Union, reported that that committee, having had under consideration the bill H. R. 9341, had come to no resolution thereon.

Mr. UPSHAW. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. UPSHAW. I ask unanimous consent to address the House for three minutes on a matter concerning Washington's Birthday.

The SPEAKER pro tempore. The gentleman from Georgia asks unanimous consent to address the House for three minutes on a subject connected with Washington's Birthday. Is there objection? [After a pause.] The Chair hears none.

Mr. UPSHAW. Mr. Speaker and gentlemen, in happy consonance with the reading of Washington's Farewell Address and as a refutation of a recent charge, a brutal charge, I think, concerning the profanity of the Father of His Country, I ask the privilege of displaying on Washington's Birthday on the floor of this House this inspiring equestrian statue and the general order issued by General Washington in July, 1776, which was enlarged in this splendid photostatic reproduction at my request by the War Department. It reads as follows:

GENERAL ORDER ISSUED BY GENERAL GEORGE WASHINGTON IN NEW YORK, JULY, 1776

The general is sorry to be informed that the foolish and wicked practice of profane cursing and swearing, a vice heretofore little known in an American Army, is growing into fashion. He hopes the officers will, by example, as well as influence, endeavor to check it, and that both they and the men will reflect that we can have little hope of the blessing of Heaven on our arms if we insult it by our impiety and folly. Added to this, it is a vice so mean and low, without any temptation, that every man of sense and character detests and despises it.

G. WASHINGTON.

Asking the approval of our honored and beloved Speaker, I shall present this impressive picture, with these golden words of General Washington, to both the Republican and Democratic cloak rooms as a daily silent message to every Member of Congress and every gallant page who serves us so efficiently and who is to be influenced by our example. I add this word, that in face of his declaration in his Farewell Address, as we heard it to-day, that morality must be the foundation strength of every nation, and that the purest and enduring morality must spring from a genuine love of religion, we are compelled to believe that whatever may have been the indiscretions of an impetuous youth under the "liberal" ideals of his time, General Washington, who issued this wholesome order to our Revolutionary heroes, crowned the evening of his life by the noble attitude and sacred activities of a reverent and God-fearing man. [Applause.]

CONFERENCE REPORT—REVENUE BILL

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent that the conference report and statement on the revenue bill may be filed at any time before midnight. Owing to the fact that this is a holiday, we have not had time to get the document printed in time for the session of the House. They will, however, be printed as a part of the RECORD.

The SPEAKER pro tempore. The gentleman from Iowa asks unanimous consent that the conference report and statement on the tax bill may be filed any time before midnight to-night.

Mr. SNELL. Does the gentleman from Iowa expect to take this up to-morrow?

Mr. GREEN of Iowa. The first thing to-morrow.

Mr. NEWTON of Minnesota. Reserving the right to object, Mr. Speaker, I presume that will not interfere with any order that it otherwise would be subject to?

Mr. GREEN of Iowa. It will not interfere at all.

The SPEAKER pro tempore. Is there objection?

There was no objection.

WAR DEPARTMENT APPROPRIATION BILL—RIVER AND HARBOR IMPROVEMENT

Mr. THATCHER. Mr. Speaker, I ask unanimous consent to extend in the RECORD my remarks on the recent War Department appropriation bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. THATCHER. Mr. Speaker and Members of the House, in my judgment there are no more important appropriation items contained in House bill 8917, the 1927 War Department appropriation bill, than those for river and harbor improvement purposes. More and more it seems that the development and extension of our rivers and harbors shall serve to aid our systems of domestic and overseas transportation and shall also serve to reduce the rates of transportation to our people. Such river and harbor development will not, in my judgment, prove injurious to railroad operation and development but will, on the other hand, prove beneficial to the railroads. This is for the reason that the improvement of our rivers and harbors will stimulate business enterprise, multiply industrial and agricultural activities and opportunities. By reason of this the rail systems will not suffer but will substantially benefit. Through the ever-increasing utilization of our waterways we are returning to first principles in the matter of transportation, and thus we are again realizing the value of natural agencies in our economic life.

So much by way of general observation. The War Department appropriation bill for the ensuing fiscal year carries a total of $50,000,000 for river and harbor improvement work. The original estimate of the Bureau of the Budget was for $40,000,000. According to the Chief of Engineers, this was much less than was required for the proper prosecution of the work of accepted river and harbor projects. Later, following representations made therefor, and after a further study of the subject, there was submitted by the Bureau of the Budget, with the approval of the President, a supplemental estimate of $10,000,000, which was accepted by the House Committee on Appropriations and written into this bill. Thus the total appropriation for such work for the next fiscal year will be $50,000,000, which, it is believed, will be sufficient to continue in an adequate way during the year the work on all existing projects. This, of course, includes the Ohio and Mississippi River projects. It is estimated that they will be completed within the next three or four years if adequate appropriations are provided, and it is to the undoubted interest of economy that appropriations be made adequate for their rapid completion.

It is very gratifying to know that for the ensuing fiscal year adequate funds for these great purposes will be provided; and with the policy of expeditious work on these projects being thus assured, we can look forward to their completion within the indicated time. Their completion will mean everything for the vast and populous regions traversed by these great rivers.

I am, of course, interested in all river and harbor development, because such development, as a whole, affects the entire country. I am especially interested in the development of the Ohio and Mississippi River systems, because such development affects not only the sections having contact with these great waterways, but it especially affects my own district and State. Louisville, a great and growing trade and manufacturing city, lies within my district and is the metropolis of Kentucky. It is situated at the great falls of the Ohio River, where navigation is negotiated by means of a canal equipped with locks. This canal was constructed many years ago.

The Ohio River improvement project contemplates the construction of a sufficient number of locks and dams on the Ohio River to provide an all-year, 9-foot navigable channel in the river from Pittsburgh to its mouth at Cairo, Ill. Most of these locks and dams have been constructed, but some must yet be built or completed. Judged by the extent and variety of its resources the Ohio River Valley is, perhaps, the greatest in the world. The value of an all-year channel in the Ohio River of sufficient depth for the larger river steamers to navigate will prove of incalculable benefit not only to the Ohio River Valley regions but to the entire country as well. The shipments of coal, iron, steel, and metal products originating at Pittsburgh and other points southward are now very large and the completion of the Ohio River project will greatly augment these shipments, which go not only into trade and consumption at points throughout the length of the river but find their way as well to upper and lower Mississippi points, and also to the Gulf of Mexico, whence they are transported to foreign markets. Farm and other products will be transported on the Ohio River in ever-increasing volume.

The completion of an adequate channel in the Missouri River from its mouth to Kansas City, now under way, will give water connection between Louisville and other Ohio River points with that great region west of the Mississippi River which has as its metropolis Kansas City. All these Ohio River cities will therefore have an enlarged outlet for trade to the West and Northwest, and those sections will have, in turn, an enlarged outlet of trade throughout both the Ohio and Mississippi Valleys.

At Louisville there is now beginning the construction of a new dam which will substantially raise the Louisville pool of the Ohio River and at the same time will provide for the utilization of the great water power of the Ohio River Falls. The Louisville Hydroelectric Co., a private corporation and

subsidiary of the Louisville Gas & Electric Co., has received from the Federal Power Commission a license authorizing it to develop the power of the falls.

The Louisville Hydroelectric Co., as licensee, will pay the Federal Government $95,000 a year for the use of this new dam in the generation of hydroelectric power. This figure has been determined on the basis of increased cost of the dam, which has been occasioned by the hydroelectric power feature. The cost of the dam for navigation purposes alone would be less than that for a dam which will serve both navigation and hydroelectric development purposes, the difference in the cost of two such dams being estimated at about $1,600,000. The annual charges to be made against the hydroelectric company are thus made up:

Interest on $1,600,000, at 4 per cent	$64,000
The increase in maintenance and depreciation charges due to the higher dam required for hydroelectric purposes	15,000
The increased cost of operation due to the higher dam	13,000
The amount required for amortizing in 20 years, the cost of the special short-lived equipment for this type of dam	3,000
Total	95,000

In the Federal license under which the Hydroelectric Co. will operate, the charges against the company in behalf of the Federal Government may be revised at the end of 20 years, provided the charges just indicated are not then found to be equitable.

In conclusion I may add that in my judgment no appropriation carried by the present bill is more meritorious than that of $50,000,000 for river and harbor improvement work during the next fiscal year, which begins July 1, 1926. As a member of the House Committee on Appropriations I have been very glad, indeed, to support—both in the committee and in the House—the $10,000,000 increase already referred to. In common with other members here who, from study and observation, realize the importance of the rapid completion of these river and harbor projects, I am very much gratified at the action of the Director of the Budget in submitting, and at the action of the President in approving, this supplemental estimate. Through its prompt acceptance by the House Appropriations Committee, and its inclusion in this bill, there will now be provided, as already stated, a total of $50,000,000 for use during the next fiscal year for the indicated purposes; and thus the work on these projects will go forward economically and expeditiously.

LEAVE OF ABSENCE

Mr. LUCE, by unanimous consent (at the request of Mr. FROTHINGHAM), was granted leave of absence indefinitely, on account of illness.

ADJOURNMENT

Mr. WOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 41 minutes p. m.) the House adjourned until to-morrow, Tuesday, February 23, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 23, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10 a. m.)

District of Columbia appropriation bill.

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.30 a. m.)

To establish a woman's bureau in the Metropolitan police department of the District of Columbia (H. R. 7848).

COMMITTEE ON FLOOD CONTROL

(10.30 a. m.)

Providing for a survey of the Missouri River and of the rivers and lands east of the Rocky Mountains and south and west of the Missouri River to its conjunction with the Mississippi River, of the lands adjacent to said rivers, of the rivers and water courses crossing said territory, and of the lands adjacent to them, for the purposes of flood control, irrigation, water and electric power, and navigation (H. R. 6570). Room 246.

COMMITTEE ON FOREIGN AFFAIRS

(10.15 a. m.)

To provide for the expenditure of certain funds, received from the Persian Government, for the education in the United States of Persian students (H. J. Res. 111).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

Exempting from the provisions of the immigration act of 1924 the Spanish citizens who were residents of Porto Rico at the time of the American occupation (H. R. 5838).

To amend section 4 of the immigration act of July 1, 1925 (H. R. 7097), providing for the admission of the brother or sister of an American citizen.

To amend the immigration act of 1924 (H. R. 7089), providing for the admission of relatives of American citizens.

To amend the immigration act of 1924 (H. R. 5960), providing for the admission of relatives of aliens who have taken out their first citizenship papers.

COMMITTEE ON INSULAR AFFAIRS

(10 a. m.)

To provide a permanent government for the Virgin Islands of the United States (H. R. 9395).

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(10 a. m.)

Providing for the consolidation of the functions of the Department of Commerce relating to navigation, to establish load lines for American vessels (H. R. 7245).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

Department of national defense.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To provide for the equalization of promotion of officers of the staff corps of the Navy with officers of the line (H. R. 7181).

COMMITTEE ON PENSIONS

(10 a. m.)

Consideration of special bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

368. A letter from the Secretary of War, transmitting a proposed draft of legislation providing for an appropriation of $50,000 to complete the tomb of the unknown soldier in Arlington National Cemetery; to the Committee on the Library.

369. A letter from the Secretary of the Navy, transmitting a proposed draft of a bill to authorize the exchange of certain land between the United States and the District of Columbia; to the Committee on Naval Affairs.

370. A letter from the Secretary of the Navy, transmitting a draft of a bill for the relief of Adriano Cruseta, a citizen of the Dominican Republic; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SWEET: Committee on War Claims. H. R. 7081. A bill to authorize reimbursement of the government of the Philippine Islands for maintaining alien crews prior to April 6, 1917; without amendment (Rept. No. 354). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WINTER: Committee on War Claims. H. R. 7134. A bill for the relief of Henry T. Hill; without amendment (Rept. No. 352). Referred to the Committee of the Whole House.

Mr. SWEET: Committee on War Claims. H. R. 7943. A bill for the relief of Mrs. G. A. Guenther, mother of the late Gordon Guenther, ensign, United States Naval Air Corps; with an amendment (Rept. No, 353). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 7809. A bill for the relief of H. H. Hinton; with an amendment (Rept. No. 351). Referred to the Committee of the Whole House.

Mr. MORROW: Committee on Claims. H. R. 2184. A bill for the relief of James Gaynor; with amendments (Rept. No. 349). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 5341. A bill for the relief of Ruphina M. Armentrout; with an amendment (Rept. No. 350). Referred to the Committee of the Whole House.

Mr. CURRY: Committee on the Territories. H. J. Res. 96. A joint resolution to authorize the President to pay to surgeons employed on the Alaska Railroad such sums as may be due them under agreement with the Alaskan Engineering Commission or the Alaska Railroad; without amendment (Rept. No. 355). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 5056) for the relief of Mimie Bergh Eriksen, and the same was referred to the Committee on Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASWELL: A bill (H. R. 9627) to place the agricultural industry on a sound commercial basis, to encourage national cooperative marketing of farm products, and for other purposes; to the Committee on Agriculture.

By Mr. EDWARDS: A bill (H. R. 9628) providing for soil surveys and soil survey maps of Bulloch, Tattnall, Effingham, Liberty, Evans, Long, McIntosh, Bryan, Screven, Burke, Jenkins, Candler, and Chatham Counties, State of Georgia; to the Committee on Agriculture.

By Mr. FAIRCHILD: A bill (H. R. 9629) to provide for celebrating the two-hundredth anniversary of the birth of George Washington by holding an international exhibition of arts, industries, manufactures, and the product of the soil, mine, sea, and air in the city of New York, in the State of New York; to the Committee on Industrial Arts and Expositions.

By Mr. JOHNSON of Illinois: A bill (H. R. 9630) to enlarge, extend, and remodel the post-office building at Freeport, Ill.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9631) to enlarge, extend, and remodel the post-office building at Sterling, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. MICHENER: A bill (H. R. 9632) amending the law providing for special taxes on business and trades in Alaska; to the Committee on the Judiciary.

By Mr. RAGON: A bill (H. R. 9633) for the incorporation of the National American Veteran and Allied Patriotic Organizations; to the Committee on the District of Columbia.

Also, a bill (H. R. 9634) granting the consent of Congress to the Yell and Pope County bridge district, Dardanelle and Russellville, Ark., to construct, maintain, and operate a bridge across the Arkansas River, at or near the city of Dardanelle, Yell County, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. TILLMAN: A bill (H. R. 9635) to establish a national military park at and near Pea Ridge, Ark., and to mark and preserve historical points connected with the Battle of Pea Ridge, Ark.; to the Committee on Military Affairs.

Also, a bill (H. R. 9636) to provide for the inspection of the battle field of Pea Ridge, Ark.; to the Committee on Military Affairs.

By Mr. ZIHLMAN: A bill (H. R. 9637) to change the name of Dent Place NW. between Forty-fourth Street and Foxhall Road, to Greenwich Parkway; to the Committee on the District of Columbia.

By Mr. FAIRCHILD: A bill (H. R. 9638) relating to certain civil employees of the United States Government for the period when in the military service of the United States; to the Committee on the Civil Service.

By Mr. MAGEE of Pennsylvania: A bill (H. R. 9639) to authorize the exchange of certain land between the United States and the District of Columbia; to the Committee on Naval Affairs.

By Mr. SINNOTT (by departmental request): A bill (H. R. 9640) to add certain lands to the Shoshone National Forest, Wyo.; to the Committee on the Public Lands.

By Mr. ALMON: A bill (H. R. 9641) to permit any former officer of the Naval Reserve Force to receive the retainer pay of his confirmed rank from the date of rank stated in his confirmed commission; to the Committee on Naval Affairs.

By Mr. ARENTZ: A bill (H. R. 9642) to authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the Air Mail Service of the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. FISH: A bill (H. R. 9643) authorizing the erection of a monument in France to commemorate the valiant services of colored American Infantry regiments attached to the French Army; to the Committee on Foreign Affairs.

By Mr. THATCHER: A bill (H. R. 9644) to authorize the construction of a George Rogers Clark memorial lighthouse on the Ohio River at or adjacent to the city of Louisville, Ky.; to the Committee on the Library.

By Mr. SCOTT (by request): A bill (H. R. 9645) to amend section 11 of the merchant marine act, 1920, and to complete the construction loan fund authorized by that section; to the Committee on the Merchant Marine and Fisheries.

By Mr. REED of New York: Resolution (H. Res. 143) providing for the consideration of H. R. 8466, to amend section 8 of an act entitled "An act to incorporate the Howard University, in the District of Columbia," approved March 2, 1867; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorials from the following municipal governments of the Philippine Islands: Pastrana, Leyte; Pentevedra, Capiz; Sigma, Capiz; San Clemente, Tarlac; Tanay, Rizal; Pacay, Ilocos Norte; Bolbok, Batangas; Pantevedra, Capiz, favoring the passage of Senator King's bill, which provides for the independence of the Philippine Islands; to the Committee on Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 9646) granting an increase of pension to Margaret E. McConnell; to the Committee on Invalid Pensions.

By Mr. BACHMANN: A bill (H. R. 9647) granting an increase of pension to Elizabeth A. Davis; to the Committee on Invalid Pensions.

By Mr. BLACK of New York (by request): A bill (H. R. 9648) for the relief of William J. Finnerty; to the Committee on Claims.

By Mr. CAREW: A bill (H. R. 9649) for the relief of Charles D. Shay; to the Committee on Claims.

By Mr. EDWARDS: A bill (H. R. 9650) for the relief of the legal heirs of Walter Blake Heyward; to the Committee on War Claims.

By Mr. ROY G. FITZGERALD: A bill (H. R. 9651) granting a pension to Sidney S. Shaff; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9652) granting an increase of pension to Martha Jane Raphfuse; to the Committee on Pensions.

By Mr. GILBERT: A bill (H. R. 9653) granting a pension to Maude Grinstead; to the Committee on Pensions.

By Mr. HAWES: A bill (H. R. 9654) granting an increase of pension to Mary Hartley; to the Committee on Invalid Pensions.

By Mr. KENDALL: A bill (H. R. 9655) for the relief of Edward L. Duggan; to the Committee on Claims.

By Mr. LINEBERGER: A bill (H. R. 9656) granting an increase of pension to Ida L. Martin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9657) granting an increase of pension to Anna Donehoo; to the Committee on Invalid Pensions.

By Mr. MENGES: A bill (H. R. 9658) granting an increase of pension to Salinda Blymire; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9659) granting an increase of pension to Annie M. Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9660) granting an increase of pension to Susan C. Englebert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9661) granting an increase of pension to Emeline Malehorn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9662) granting an increase of pension to Martha E. Biesecker; to the Committee on Invalid Pensions.

By Mr. MICHENER: A bill (H. R. 9663) granting a pension to Luella E. Smead; to the Committee on Invalid Pensions.

By Mr. MILLIGAN: A bill (H. R. 9664) granting a pension to Lucinda Perkins; to the Committee on Invalid Pensions.

By Mr. PARKS: A bill (H. R. 9665) for the relief of Mrs. Onie M. Portis; to the Committee on Claims.

By Mr. RAGON: A bill (H. R. 9666) to correct the military record of Owen J. Owen; to the Committee on Military Affairs.

By Mr. REECE: A bill (H. R. 9667) for the relief of Columbus P. Pierce; to the Committee on Military Affairs.

Also, a bill (H. R. 9668) granting an increase of pension to Naoma Foster; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 9669) granting a pension to Rebecca Alsip; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9670) granting an increase of pension to Isabel A. Whitis; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 9671) granting a pension to Michael H. Daly; to the Committee on Pensions.

Also, a bill (H. R. 9672) granting a pension to Hiram H. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9673) granting an increase of pension to Anna B. Hurd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9674) granting an increase of pension to Mary W. Porter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9675) granting an increase of pension to Sarah A. Borden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9676) granting an increase of pension to Margaret M. Teachman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9677) granting an increase of pension to Julia Gunderman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9678) granting an increase of pension to Ruth C. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9679) granting an increase of pension to Amelia Bradley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9680) granting an increase of pension to Louise Snow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9681) granting an increase of pension to Jane H. Trim; to the Committee on Invalid Pensions.

By Mr. UPSHAW: A bill (H. R. 9682) for the relief of Henry J. Wright; to the Committee on Claims.

By Mr. WEAVER: A bill (H. R. 9683) granting a pension to William B. Roberts; to the Committee on Pensions.

Also, a bill (H. R. 9684) granting a pension to Nancy E. Garrett; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

769. By Mr. ARNOLD: Petition of various citizens of Clinton County, Ill., protesting against the establishment of a department of education in the Federal Government; to the Committee on Education.

770. By Mr. BLOOM: Petition of the Merchants Protective Association of New York, concerning the congested condition of the Federal courts in its jurisdiction; to the Committee on the Judiciary.

771. Also, petition of the Building Trades Council of New York City, indorsing the restoration of light wines and beers; to the Committee on the Judiciary.

772. By Mr. CAREW: Petition of the Brooklyn Bar Association of New York, favoring the passage of Federal judges increase salary bill; to the Committee on the Judiciary.

773. By Mr. FULLER: Petition of the Morris Illinois Chamber of Commerce for a new post-office building at Morris; to the Committee on Public Buildings and Grounds.

774. Also, petition of the Rotary Club of Morris, Grundy County, Ill., for a new post-office building; to the Committee on Public Buildings and Grounds.

775. By Mr. GALLIVAN: Petition of William Hetherington, adjutant, Major P. J. Grady Camp, No. 3, Department of Massachusetts, United Spanish War Veterans, 202 Havre Street, East Boston, Mass., recommending early and favorable consideration of legislation to increase the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

776. Also, petition of Hugh O. Neville, chairman legislative committee, Department of Colorado and Wyoming, United Spanish War Veterans, 916 South Eighth Street, Laramie, Wyo., recommending early and favorable consideration of legislation to increase the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

777. By Mr. LINTHICUM: Petition of James Steele, Chesapeake Council, Baltimore, favoring passage of H. R. 4497, removal of surcharges for transportation in parlor and sleeping cars; to the Committee on Interstate and Foreign Commerce.

778. Also, petition of David Paulson, secretary Independent Order Brith Sholom, Baltimore, protesting against passage of the Wadsworth-Perlman bill; to the Committee on Immigration and Naturalization.

779. Also, petition of the J. W. Crook Stores Co., of Baltimore, protesting against H. R. 9168; to the Committee on Interstate and Foreign Commerce.

780. Also, petition of Brown, Brune, Parker & Carey, attorneys, Baltimore; George Forbes, attorney, Baltimore; Peelle & Ogilby, attorneys, Washington, D. C.; Edward F. Johnson, attorney, Baltimore; Sykes, Nyburg, Goldman & Walter, attorneys, Baltimore; A. B. Makover, attorney, Baltimore; Keech, Deming & Carman, attorneys, Baltimore; George P. Bagby, vice president Western Maryland Railway Co., Baltimore; Jesse Fine, attorney, Baltimore; Hinkley, Hisky & Burger, attorneys, Baltimore; Niles, Wolff, Barton & Morrow, Baltimore; Emory, Beenwkes & Skeen, Baltimore; favoring Graham bill (H. R. 7907) increasing judgeship salaries; to the Committee on the Judiciary.

781. By Mr. MEAD: Petition of the Erie County Committee, American Legion, in regard to officers' pay; to the Committee on Military Affairs.

782. Also, petition of Richard L. Ball, Buffalo, N. Y., favoring increase of salaries for Federal judges; to the Committee on the Judiciary.

783. By Mr. MOONEY: Petition of the Council of the Village of Newburgh Heights, indorsing amendment to the Federal prohibition act to permit the manufacture and sale of light wines and beers; to the Committee on the Judiciary.

784. Also, petition of the City Council of Cleveland, Ohio, indorsing amendment to the Volstead Act to permit the manufacture and sale of light wines and beers; to the Committee on the Judiciary.

785. By Mr. O'CONNELL of New York: Petition of the Sergeant Hamilton Fish Camp, No. 46, United Spanish War Veterans, favoring the passage of H. R. 98, for the benefit of the veterans of the war with Spain; to the Committee on Pensions.

786. Also, petition of the Custodian Employees of Chicago, Ill., favoring the passage of H. R. 5966; to the Committee on the Civil Service.

787. Also, petition of the Willys-Overland Co., of Toledo, Ohio, favoring the passage of the Porter bill, for the purchase and construction of buildings to properly house our Government officials abroad; to the Committee on Foreign Affairs.

788. Also, petition of the Spokane Chamber of Commerce, Spokane, Wash., favoring the passage of the Gooding-Hoch long and short haul bill; to the Committee on Interstate and Foreign Commerce.

789. Also, petition of the Associated Federal Board students, University of Arizona, favoring the passage of House bill 4474; to the Committee on World War Veterans' Legislation.

790. Also, resolution of the New York City Federation of Women's Clubs, urging a Federal investigation of the American Telephone & Telegraph Co.; to the Committee on Rules.

791. Also, resolution of the Hebrew Free Loan Association, of Providence, R. I., favoring a more liberal immigration law; to the Committee on Immigration and Naturalization.

SENATE

TUESDAY, *February 23, 1926*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, revealed to us especially in Jesus Christ Thy Son, we come this morning rejoicing in the sunlight and realizing for ourselves that goodness and mercy have been our portion thus far along the journey. We pray for Thy guidance this day. Grant to each one in this important body such a sense of wisdom from on high that in all their deliberations they shall exercise that wisdom for the highest interests of our country. Hear our prayer for all who need special help in the midst of life's burdens and duties and may they see light in Thy light. We humbly ask in Christ's name. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

ADDRESS BY PRESIDENT COOLIDGE (S. DOC. NO. 68)

Mr. FESS. Mr. President, there are 15,000 teachers of the United States assembled here in Washington at the Fifty-sixth Annual Convention of the Department of Superintendence of the National Education Association. Last night before an audience of 6,000, that being the capacity of the Auditorium, the President delivered a notable address. I ask that the address be printed in the RECORD at this point, and also as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

The President's address is as follows:

ADDRESS OF PRESIDENT COOLIDGE BEFORE THE DEPARTMENT OF SUPERINTENDENCE OF THE NATIONAL EDUCATION ASSOCIATION, AT 8.15 O'CLOCK P. M., FEBRUARY 22, 1926, AT WASHINGTON, D. C.

LADIES AND GENTLEMEN: It is doubtful if anyone outside of certain great religious teachers ever so thoroughly impressed himself on the heart of humanity as has George Washington. No figure in America has been the subject of more memorial tributes and more unstinted praise. And yet the subject never seems to be exhausted and the public interest never seems to be decreased. The larger our experience with

affairs of the world, the more familiar we become with his life and teachings, the more our admiration enlarges, and the greater grows our estimation of his wisdom. He represented the marvelous combination of the soldier, the patriot, and the statesman. In the character of each he stands supreme.

As a brave soldier he won the Revolutionary War. As an unselfish patriot he refused to use the results of that victory for his own benefit, but bestowed them all on his fellow countrymen. As a wise statesman, gathering around him the best talent of his time, he created the American Republic. All the increasing years only reveal to us how universally great he was. If to set a mark upon the minds of men which changes the whole course of human events is teaching, then Washington ranks as a prince of teachers.

The world is not the same as that into which he was born on that February day in 1732. It is a better world. The stately march of civilization, which has since advanced so far, has proceeded in a course which he marked out. The imposing edifice of human progress, which has since been raised so high, rests to a large extent upon the foundations which he wrought. To those who wish more civilization and more progress there must be a continuing determination to hold to that course and to maintain those foundations. If any doubt what benefit these have been, they have but to compare the present state of America especially, or even of the rest of the world, with what it was when Washington was born.

History seems to indicate that he led and directed a transformation that was growing with an increasing strength over western civilization. The fires of the Middle Ages had burned out. The reaction from the days of Cromwell had run its course in England. The glory of the old régime in France was declining. The power of Spain was shifting to other hands. But while the old was passing the new had not yet begun. Materially and spiritually things were at a low ebb in the Old World. It has been described as a time "when poetry sank into dull prose; when philosophy rarely soared above the material or the purely logical; when the only earnestness existing took the direction of greed or self-indulgence; when the public service was corrupt; when public morals were licentious; and when common language was profane."

The finances of the people were in a disordered condition. It was distinctly a transition period in America. The early settlers who had come from the old country had passed away. A very large proportion of the inhabitants of the Colonies, estimated by some as nearly 90 per cent, were native born. The pioneer crusading fervor was gone. The new awakening had not come. The attachment to those institutions that are represented by an order of nobility was breaking down. Both in the Old World and in the New the ancient aristocracy was crumbling, but the modern democracy had not yet arisen. An era was approaching which was to give less and less attention to kings and more and more attention to the people. In that era Washington was to be the heroic figure.

No doubt the most powerful influence which was working to establish the new order was the revival of religion. This movement had been started in England by John Wesley and George Whitefield in 1729. It was distinctly an effort to reach the common people. They went down among those who were not otherwise reached, preaching the gospel. In America Jonathan Edwards led two revival movements, culminating in 1742. Whitefield came to this country and preached to great congregations during this period, and the followers of Wesley sent Bishop Asbury here in 1771. These religious activities were distinctly popular movements. They rested on the theory that every human soul was precious. They resulted in a leveling process, but it was not a leveling down; it was a leveling up. They raised every person that came under their influence to a higher conception of life. A new recognition of spiritual worth gave to all humanity an increased importance.

Another very predominating influence, supplementing religion and flowing from it, was education. This movement was not new in the Colonies, but it increased in volume after 1732. It has been claimed that the Reformed Dutch Church of New York founded an academy in 1633 and that the Boston Latin School was established in 1635. In the same year Boston took action in a town meeting to support a school, and in Connecticut and Rhode Island schools were opened within a few years. In Philadelphia, New Jersey, Maryland, Virginia, and South Carolina and other Colonies early action was taken to provide schools, but the effort was not followed up so assiduously as it was in New England, where the clergy were very active in its promotion. This influence was seen in the first compulsory school law in America, which was passed in Massachusetts in 1647.

"* * * it being one chief project of the old deluder Satan to keep men from the knowledge of the Scriptures," the preamble recited, the general court ordered that each township "after the Lord hath increased them to the number of 50 householders, shall then forthwith appoint one within every town to teach all such children to write and read."

Towns of 100 families were required to have a grammar school and a teacher able to prepare youths for the university. Penalties were fixed for the violation of this law.

In 1732 there were already three colleges in America—Harvard, William and Mary, and Yale—with a combined attendance which is estimated at about 275 students.

The intellectual awakening that went on between that time and the opening of the Revolutionary War could not be more plainly revealed than by the establishment during that period of only a little over 40 years of no less than 10 additional colleges. Then were laid the beginnings of such great institutions as Pennsylvania, Princeton, Columbia, Brown, and Dartmouth. When it is remembered that a knowledge of the truth has always been the maker of freedom, this remarkable quickening of the religious and intellectual life of the Colonies in these years just prior to the Declaration of Independence becomes of enormous significance. Rightly considered, it would have been an ominous warning to the British Government that America had long since begun to think for itself and unless justly treated would soon begin to act for itself.

While this intellectual and spiritual awakening was taking place during the youth and maturing years of Washington, he benefited by it not so much from taking part in it as in later directing the results of it. Although he lived in one of the most populous and perhaps richest of the Colonies, popular education around him was still undeveloped. Newspapers were almost unknown in the New World and permanent and regular lines of transportation did not exist. About the only regular visitors to his Colony were foreign tobacco traders, dealers in fur, and peddlers. The clergy were almost the only professional class. The people were very largely engaged in agriculture.

At the early age of 3, however, Washington was placed under the instruction of a tutor, who seems to have confined his teaching to the most rudimentary subjects. When he was 11 another man took charge of his education and began to instruct him in the fundamentals of the forms of business. Some of his copy books of that day are still in existence. There is evidence that he was taught some Latin, but his preliminary education was virtually completed when he was 13 years old. Paul Leicester Ford says that—

"The end of Washington's school days left him a good cipherer, a bad speller, and a still worse grammarian; but fortunately the termination of instruction did not by any means end his education."

After this he studied surveying and pursued that occupation for several years. This was an exacting calling, training him in accuracy. But when he was 15 he came into close contact with Lord Fairfax, a cultured gentleman of 60 years, who had a considerable library. His diaries of that period show him reading English history and essays in the Spectator. But these early opportunities constituted only the beginning of his education, which he continued in one form or another almost to the end of his days. His experience, his power of observation and absorption finally overcame this lack of early training, so that in his later days his writings, correct in form and taste, adequately revealed the great strength of character which he had developed.

Perhaps because of his own early experience he was the more solicitous for the members of his family. To one who was charged with the care of John Washington he wrote as follows:

"In respect to the kinds and manner of his study, I leave it wholly to your better judgment. Had he begun, or rather pursued, his study of the Greek language, I should have thought it no bad acquisition; but whether if he acquire this now, he may not forego some useful branches of learning, is a matter worthy of consideration. To be acquainted with the French tongue is become part of polite education; and to a man who has the prospect of mixing in a large circle absolutely necessary. Without arithmetik, the common affairs of life are not to be managed with success. The study of geometry and mathematics (with due regard to the limites of it) is equally advantageous. The principles of philosophy, morals, etc., I should think a very desirable knowledge for a gentleman."

His practical interest in education in his later life was further manifest by his accepting the position of a chancellor of William and Mary College in 1788.

In religion he conformed to the practice of his time. It is related that he was baptized when 2 months old and probably attended church regularly until he was 16. From that time until 1759 he was largely engaged in expeditions. After his marriage and settlement at Mount Vernon he was made vestryman in two parishes, for one of which he was instrumental in erecting a building. While he was not a constant church attendant, he was a constant contributor and always gave respectful consideration to the religious beliefs of others. He was tolerant in all things.

The mature opinion of Washington upon the importance of the intellectual, moral, and religious forces of the Nation is not only revealed by his actions but is clearly set forth in his statements. He looked upon these attributes as the foundation which supported the institutions of our Republic. This opinion was most forcibly expressed in his farewell address, where he said:

"Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism who should labor to

subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, Where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths, which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion.

"Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle. 'Tis substantially true that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?"

The policies of Washington always had a national outlook. He warned his country against sectionalism. He promoted internal improvements calculated to bring together different parts of the Nation. When he came to the consideration of the problem of training the youth of the country he was not only in favor of education for its own sake, but sought to make it contribute to the national spirit. Believing thoroughly in American ideals and in the American Union, it early occurred to him that a national university would be beneficial both by the power it would have to present the principles on which the Republic was founded and the power it would have to resist provincialism by creating a forum for the exchange of ideals through a student body drawn from all quarters of the Nation. It is said that he expressed this thought soon after he took command of the Continental Army at Cambridge. He referred to it in a general discussion of the subject of education in one of his early messages to the Congress, in which he said:

"Nor am I less persuaded that you will agree with me in the opinion that there is nothing which can better deserve your patronage than the promotion of science and literature. Knowledge is, in every country, the surest basis of happiness. In one in which the measures of government receive their impressions so immediately from the sense of the community as in ours it is proportionably essential. To the security of a free constitution it contributes in various ways—by convincing those who are interested with the public administration that every valuable end of government is best answered by the enlightened confidence of the people and by teaching the people themselves to know and to value their own rights; to discern and provide against invasions of them; to distinguish between oppression and the necessary exercise of lawful authority, between brethren, proceeding from a disregard to their convenience, and those resulting from the inevitable exigencies of society; to discriminate the spirit of liberty from that of licentiousness, cherishing the first and avoiding the last; and uniting a speedy but temperate vigilance against encroachments with an inviolable respect for the laws.

"Whether this desirable object will be best promoted by affording aids to seminaries of learning already established, by the institution of a national university, or by any other expedients, will be worthy of a place in the deliberations of the legislature."

And in his farewell address he again uttered this same thought as follows:

"Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened."

He urged it more strongly in a letter to the Commissioners of the District of Columbia in 1795, and finally he declared in his will—

"That as it has always been a source of serious regret with me to see the youth of these United States sent to foreign countries for the purpose of education, often before their minds were formed or they had imbibed any adequate ideas of the happiness of their own, contracting too frequently not only habits of dissipation and extravagance, but principles unfriendly to republican government and to the true and genuine liberties of mankind, which thereafter are rarely overcome. For these reasons it has been my ardent wish to see a plan devised on a liberal scale which would have a tendency to spread systematic ideas through all parts of this rising Empire, thereby to do away with local attachments and State prejudices as far as the nature of things would or indeed ought to admit from our national councils.

"Looking anxiously forward to the accomplishment of so desirable an object as this is (in my estimation), my mind has not been able to contemplate any plan more likely to effect the measure than the establishment of a university in a central part of the United States to which the youth of fortune and talents from all parts thereof might be sent for the completion of their education in all the branches of polite literature in arts and sciences—in acquiring knowledge in the principles of politics and good government—and (as a matter of infinite importance in my judgment) by associating with each other and forming friendships in juvenile years, be enabled to free themselves in a proper degree from those local prejudices and habitual jealousies which have just been mentioned and which when carried to excess are never failing sources of disquietude to the public mind and pregnant of mischievous consequences to this country."

And he, therefore, made a bequest to the National Government on condition that it cooperate in carrying out his wish for a national university.

His desire for the increase of knowledge was further elaborated and reiterated in his will. In that instrument he even provided for educating the slave children which he set free. He made bequests to two academies besides that for the founding of a national university. Although the Congress failed to cooperate, so that this wish was never carried into effect as he had contemplated it, yet the city of Washington has been made the seat of no less than 10 colleges and universities, and the larger institutions all over our country are more national than local in their precepts and teaching.

While there has been agitation lasting almost up to the present day for a national university, if the idea ever prevails it will probably not be an institution devoted to the regular collegiate courses, but one for postgraudate and original research work, for which there are such abundant sources and opportunities already located in the Capital City. The Federal Government, however, has not been remiss in the support of advanced learning and of vocational training, for which it has appropriated more than $90,000,000 in the last 35 years, while for general educational purposes it has donated about 95,000,000 acres of the public lands.

The country at large has not failed to follow the precepts of Washington. From the three institutions of higher learning in existence at the time of his birth the number has grown to 913, with a total enrollment of over 664,000 students and over 56,000 teachers, an endowment of nearly $815,000,000, and a property value of over $1,000,000,000. Our elementary and secondary schools have expanded until they provide for more than 26,000,000 pupils and require over 822,000 teachers. In 1912 the toal amount expended yearly for all educational purposes was about $706,000,000. This has been increasing with great rapidity, until in 1924 it reached $2,400,000,000. The source of this enormous expenditure, so far as public money is concerned, is almost entirely from the local and State governments.

This represents the result which has been secured by the carrying out of some of the most important policies of our first President. It should be noted that these are the policies of peace. They are based on a desire for intellectual and moral enlightenment. They are the only means by which misunderstandings, suspicions, hatreds, and wars can finally be eradicated from the earth. They are the foundation of order, of law, and of an advancing civilization. It is these elements of domestic tranquillity and foreign harmony that Washington helped to build into the structure of our institutions. There is no other structure on which they can rest.

Envy, malice, uncharitableness, class jealousies, race prejudices, and international enmities are not realities. They do not abide. They are only the fictions of unenlightened comprehension. Those who preach them are not safe advisers and not sound leaders. Nothing but discord and disaster at home and abroad can result from following these policies. Washington was the antithesis of all this. His writings and teachings breathe a higher, broader purpose, a more inspired leadership. No man clung more tenaciously to what he believed was right, or was prepared to make greater sacrifices in its support. But he viewed the right as a universal principle, to be applied not only to himself but to others, not only to his own State, but to the Nation; not only to his own countrymen, but to foreigners. There was nothing about him of the small American.

He believed our own political institutions were superior to those of other countries, but he never preached hatred of all things foreign and he made large concessions in the negotiation of treaties for the settlement of disputed questions which were for the advantage of foreign nations. He believed that obligations were mutual; that what we expected to receive we should be ready to give, both in the field of citizenship and in the larger domain of international relations. He clung to the realities. That was his greatness.

Washington has been known as one of the most practical of leaders. He was not emotional. He was possessed of that broad comprehension of a situation which made his judgment eminently sound. With the possible exception of the field of Monmouth, when disobedience to his orders amounting almost to treachery was losing the day, history always reveals him as calm, cool, and collected. He always knew what he was doing. He was not a sentimentalist. But he was a man capable of deep and abiding affection and of exalted and inspiring ideals. He loved his country with an abounding devotion. He lavished upon it a wealth of genius.

We are wont to think of him as a military commander and a civil administrator—as a man of public affairs. He was surpassingly great in all of that. But he was very much more. He wished to see his country not only materially prosperous and politically successful, but beyond that, and above it, he wished to see the intellectual, moral, and spiritual life of the people developed. This is the side of Washington to which too little attention has been given. He did not fail

during his lifetime to give the most painstaking thought to these subjects. In his Farewell Address he solemnly warned his countrymen that these are the foundations on which rest all American institutions. More than that, they are the foundations on which all civilization must rest. It is as an expounder of these great principles that he performed the greatest service for the world.

Our country has prospered, our Government is secure. But that prosperity and that security flow from the school and the church. They are the product of the mind and the soul. They are the result of the character of the American people. Through and through Washington is the great example of character. He sought to bestow that heritage upon his country. We shall fail in our estimation and understanding of him unless we remember that during his lifetime he helped to build a place of religious worship; in his will he provided for institutions of learning, and in his Farewell Address he emphasized the spiritual values of life. But what he did was even more eloquent than what he said. He was a soldier, a patriot, a statesman; but in addition to all these he was a great teacher.

RESEARCH WORK, BUREAU OF SOILS (S. DOC. NO. 69)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Director of the Bureau of the Budget, transmitting a supplemental estimate of appropriation for the Department of Agriculture, fiscal year 1927, amounting to $185,000, to enable the Secretary of Agriculture to continue the research work of the Fixed Nitrogen Research Laboratory under the Bureau of Soils of that department, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker of the House had affixed his signature to the following enrolled bill and joint resolutions, and they were thereupon signed by the Vice President:

H. R. 6740. An act granting the consent of Congress to the Norfolk & Western Railway Co. to construct a bridge across the Tug Fork of Big Sandy River at or near a point about 2½ miles east of Williamson, Mingo County, W. Va., and near the mouth of Lick Branch;

S. J. Res. 41. Joint resolution providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; and

H. J. Res. 153. Joint resolution providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes.

PETITIONS AND MEMORIALS

Mr. FRAZIER presented resolutions adopted by the board of directors of Lower Yellowstone Irrigation District No. 2 and officers of Lower Yellowstone Districts Nos. 1 and 2, favoring the establishment and maintenance of an irrigation project in Lower Yellowstone District No. 2, which were referred to the Committee on Irrigation and Reclamation.

Mr. WARREN presented resolutions adopted by the Cheyenne (Wyo.) Chamber of Commerce, favoring the passage of legislation for the establishment and maintenance of the Casper-Alcova reclamation project in the State of Wyoming, which were referred to the Committee on Irrigation and Reclamation.

He also presented a memorial of the Round Table Club, of Cheyenne, Wyo., remonstrating against any extension of the boundaries of Yellowstone National Park, which was referred to the Committee on Public Lands and Surveys.

Mr. PEPPER presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the recognition by the United States of the Soviet Government of Russia, which was referred to the Committee on Foreign Relations.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of Senate bill 2261, the so-called Federal home loan bank bill, and House bill 5581, the so-called national home loan bill, which was referred to the Committee on Banking and Currency.

Mr. WILLIS. Some time ago Senate Joint Memorial No. 5 of the Territory of Alaska, requesting that an adequate survey be made of the region of southwestern Alaska and adjacent waters and that the coast be properly lighted with lighthouses and blinkers, and urging certain legislation, was referred to the Committee on Territories and Insular Possessions. I think it really belongs to the Committee on Commerce.

Likewise, Senate Joint Memorial No. 1 of the Territory of Alaska, relative to certain rivers and harbor improvements, it seems to me should go to that committee.

I therefore ask unanimous consent that the Committee on Territories and Insular Possessions be discharged from the further consideration of these two memorials and that they be referred to the Committee on Commerce.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. FLETCHER. I ask to have printed in the RECORD House Memorial No. 2 adopted by the Legislature of Florida and that it may be referred to the Committee on Public Lands and Surveys.

The VICE PRESIDENT. Without objection, it is so ordered. The memorial is as follows:

House Memorial 2 to the Congress of the United States asking that certain public lands in Palm Beach County formerly used for life saving and refuge purposes, but now unused, be made a public park, aviation field, and memorial, and that an appropriation be made for improving and maintaining the same

Whereas the United States is now the owner of certain lands in the city of Jupiter, in the county of Palm Beach, in the State of Florida, known and described as follows:

"Government lots Nos. 4 and 5, in section 5, township 41 south, range 43 east, Palm Beach County, Fla., containing about 80 acres of land, and having a frontage on the Atlantic Ocean of approximately half a mile"; and

Whereas upon the said piece or parcel of land there was formerly a building or buildings maintained by the United States as and for a life-saving station and refuge for shipwrecked sailors and others; and

Whereas the said buildings on the said land have been sold, razed, and removed and the said land, since such removal and for over 25 years last past, have been wholly unused; and

Whereas the new public highway known as State Highway No. 4, connecting the cities of Jacksonville and Miami, in the State of Florida, will traverse the said land, and which said highway, now about 50 per cent completed, will constitute the main lane of traffic along the east coast of Florida, and will be used by thousands of tourists, nonresidents of Florida, motoring through the State; and

Whereas there is now maintained by the United States in the city of Jupiter a lighthouse and a wireless station with an adequate personnel; and

Whereas the lands along the Atlantic Ocean in the State of Florida are for the greater part held and used by private persons, to the exclusion of the public, and such ownership and use is rapidly increasing to the point where it is apparent that in a short time the ocean front will be inaccessible to the general public; and

Whereas the health, comfort, and enjoyment of not only the residents of the State of Florida but also that of thousands of nonresidents who visit the State either for health or pleasure will be promoted by a public park fronting on the ocean; and

Whereas there are now no public parks along the Atlantic Ocean between the city of Savannah, in the State of Georgia, and the city of Miami, in the State of Florida; and

Whereas there are few, if any, landing fields for aviators on or along the east coast of Florida, and the lands herein referred to are both admirably located and suitable for an aviation field for either military, commercial, or pleasure purposes, and for all such purposes; and

Whereas there are no national memorials in the State of Florida to the memory of those who made the supreme sacrifice in the World War; and

Whereas all of the foregoing objects may be accomplished and economically maintained by joining them in one project: Be it

Resolved by the Legislature of the State of Florida, That the Congress of the United States is hereby respectfully requested to enact the necessary legislation to convert and create the said piece and parcel of land into a public park, aviation field, and memorial, to be appropriately named, and to make a sufficient appropriation to improve and maintain the same for such purposes, and that our Senators and Representatives in Congress use all honorable means to secure the enactment of such legislation and the making of such appropriation or appropriations:

Resolved further, That the secretary of state of the State of Florida be requested to send a copy of this memorial, under the great seal of the State, to each Senator and Representatives in Congress from the State of Florida, and that he also send a copy thereof to the President of the United States, to the Secretary of War, to the Secretary of the Navy, and to the Secretary of the Interior.

Approved by the governor November 30, 1925.

STATE OF FLORIDA,
OFFICE OF SECRETARY OF STATE.

I, H. Clay Crawford, secretary of state of the State of Florida, do hereby certify that the above and foregoing is a true and correct copy of House Memorial No. 2, as passed by the Legislature of the State of Florida (extraordinary session held in November, 1925), as shown by the enrolled memorial on file in this office.

Given under my hand and the great seal of the State of Florida at Tallahassee, the capital, this the 16th day of February, A. D. 1926.

[SEAL.] H. CLAY CRAWFORD,
Secretary of State.

REPORTS OF COMMITTEES

Mr. FRAZIER, from the Committee on Pensions, to which was referred the bill (H. R. 306) to amend the second section of the act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917, as amended, reported it with an amendment and submitted a report (No. 199) thereon.

Mr. BINGHAM, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 2974) granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River (Rept. No. 201); and

A bill (S. 2975) granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River (Rept. No. 202).

Mr. CUMMINS, from the Committee on the Judiciary, to which was referred the bill (S. 2296) authorizing insurance companies or associations or fraternal or beneficial societies to file bills of interpleader, reported it without amendment.

He also, from the same committee, to which was referred the bill (H. R. 6536) to amend section 129 of the Judicial Code, relating to appeals in admiralty cases, reported it with an amendment.

AGRICULTURAL APPROPRIATIONS

Mr. McNARY. From the Committee on Appropriations I report back favorably with amendments the bill (H. R. 8264) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1927, and for other purposes, and I submit a report (No. 200) thereon. I desire to state that I shall call up the bill for action on the first opportunity, to-day or to-morrow.

The VICE PRESIDENT. The bill will be placed on the calendar.

PAYMENT TO SENATOR EARLE B. MAYFIELD

Mr. ERNST. From the Committee to Audit and Control the Contingent Expenses of the Senate, for the Senator from Ohio [Mr. FESS], I report a resolution and ask unanimous consent for its immediate consideration.

The resolution (S. Res. 155) was read, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay out of the appropriation for expenses of inquiries and investigations, fiscal year 1925, to Hon. EARLE B. MAYFIELD, a Senator from the State of Texas, $30,500 as reimbursement for expenses incurred in defending his right by election in 1922 to a seat in the Senate of the United States.

Mr. ROBINSON of Arkansas. I concur in the request for the present consideration of the resolution.

The resolution was considered by unanimous consent and agreed to.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MOSES:

A bill (S. 3229) granting a pension to Annie Young (with accompanying papers); to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 3230) granting the consent of Congress to W. D. Comer and Wesley Vandercook to construct, maintain, and operate a bridge across the Columbia River between Longview, Wash., and Rainier, Oreg.; to the Committee on Commerce.

By Mr. BRATTON:

A bill (S. 3231) for the adjustment of water-right charges on the Carlsbad irrigation project, New Mexico, and for other purposes; and

A bill (S. 3232) for the adjustment of water-right and construction charges on the Carlsbad irrigation project, New Mexico, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. NORBECK:

A bill (S. 3233) granting a pension to Eugene Little;

A bill (S. 3234) granting a pension to Mariano Gonzales; and

A bill (S. 3235) granting a pension to Edgar Fire Thunder; to the Committee on Pensions.

A bill (S. 3236) to provide for the acquisition, sale, and closer settlement of delinquent lands on irrigation projects by the Government to protect its investment; to the Committee on Irrigation and Reclamation.

A bill (S. 3237) authorizing a per capita payment to Indians of the Rosebud Reservation, S. Dak., from their tribal funds held in trust by the United States; and

A bill (S. 3238) authorizing and directing the Secretary of the Interior to prepare, approve, and submit to Congress a final roll of the Indians comprising what is commonly known and referred to as the Sioux Nation, and providing for the issuance of regulations for the election of tribal business committees, and other purposes; to the Committee on Indian Affairs.

By Mr. MEANS:

A bill (S. 3239) for the relief of Saks & Co. and R. Depue; and

A bill (S. 3240) to authorize the Comptroller General of the United States to relieve James O. Williams, former special disbursing agent of the Bureau of the Census, in the settlement of his account; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 3241) for the relief of Frank B. Hawley (with accompanying papers); to the Committee on Claims.

By Mr. McKINLEY:

(By request.) A bill (S. 3242) to authorize a change in postage on books in circulation to or from certain public libraries; to the Committee on Post Offices and Post Roads.

A bill (S. 3243) granting a pension to Sallie G. Williams (with an accompanying paper);

A bill (S. 3244) granting a pension to Robert C. Lewis (with accompanying papers);

A bill (S. 3245) granting an increase of pension to Thomas E. Roberts (with accompanying papers);

A bill (S. 3246) granting a pension to Charles H. Woodward (with accompanying papers);

A bill (S. 3247) granting a pension to Frederick J. Hampy (with accompanying papers);

A bill (S. 3248) granting an increase of pension to Bertel Pederson (with accompanying papers);

A bill (S. 3249) granting an increase of pension to Robert Miller (with accompanying papers); and

A bill (S. 3250) granting an increase of pension to S. A. Wallace (with accompanying papers); to the Committee on Pensions.

A bill (S. 3251) for the relief of George W. Forbes (with an accompanying paper); and

A bill (S. 3252) for the relief of Robert Baker (with accompanying papers); to the Committee on Military Affairs.

By Mr. SCHALL:

A bill (S. 3253) to amend section 89 of chapter 5 of the Judicial Code of the United States; to the Committee on the Judiciary.

By Mr. McNARY:

A bill (S. 3254) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon; to the Committee on Indian Affairs.

By Mr. STANFIELD:

A bill (S. 3255) for the relief of certain counties in the States of Oregon and Washington, within whose boundaries the revested Oregon & California Railroad Co. grant lands are located; to the Committee on Public Lands and Surveys.

A bill (S. 3256) to provide capital for home building and ownership, to create standard forms of investment based on home loan mortgages, to equalize rates of interest upon home loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. WILLIS:

A bill (S. 3257) granting an increase of pension to Joan H. Shumway (with accompanying papers); to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 3258) granting an increase of pension to Hubert B. Rose; to the Committee on Pensions.

By Mr. HEFLIN:

A joint resolution (S. J. Res. 59) authorizing the Secretary of War to lend 3,000 cots, 3,000 bed sacks, and 6,000 blankets for the use of the encampment of the United Confederate Veterans, to be held at Birmingham, Ala., in May, 1926; to the Committee on Military Affairs.

INDIAN WAR PENSIONS

Mr. KING submitted an amendment intended to be proposed by him to the bill (H. R. 306) to amend the second section of the act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891,

inclusive, and for other purposes," approved March 4, 1917, as amended, which was ordered to lie on the table and to be printed.

CHANGES OF REFERENCE

On motion of Mr. NORBECK, the Committee on Pensions was discharged from the further consideration of the bill (S. 2840) for the relief of Daniel S. Taylor, and it was referred to the Committee on Military Affairs.

On motion of Mr. SACKETT, the Committee on Interstate Commerce was discharged from the further consideration of the bill (S. 3212) granting the consent of Congress to the city of Louisville, Ky., to construct a bridge across the Ohio River at or near said city, and it was referred to the Committee on Commerce.

PRESIDENTIAL APPROVAL

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on the 20th instant the President had approved and signed the act (S. 2464) to amend section 95 of the Judicial Code, as amended.

ADMINISTRATION OF SHERMAN ANTITRUST LAW

The VICE PRESIDENT. Resolutions coming over from a previous day are now in order, and the clerk will state the first one.

The CHIEF CLERK. A resolution (S. Res. 153) submitted by the junior Senator from Utah [Mr. KING] on yesterday relative to the administration of the Sherman antitrust law.

Mr. CURTIS. I ask the Senator if he will not allow the resolution to go over until to-morrow? I have not yet had a chance to read it. I desire to take the matter up with the Department of Justice, if I may.

Mr. KING. Of course I shall be glad to accede to the desire of the Senator from Kansas. I only want to state to him that I have a resolution pending before the Committee on the Judiciary for the investigation of the operations of the Sherman antitrust law and the Clayton Act, with a view to determining whether supplemental legislation is needed to deal with trusts. As the Senator from Kansas asks that the resolution may go over until to-morrow, I yield to his request reluctantly because I am anxious to get information by reason of the investigation which is being made. I want to know whether the present laws are sufficient to deal with monopolies and trusts and I want to show also the ineffectiveness of the Department of Justice and of the predecessor of the present Attorney General in prosecuting those who violate the law.

The VICE PRESIDENT. The resolution will go over.

CORPORATIONS WITH INCOMES EXCEEDING $1,000,000

The CHIEF CLERK. The next resolution coming over from the previous day is Senate Resolution 154, submitted by the junior Senator from Utah [Mr. KING] on yesterday, requesting the Secretary of the Treasury to transmit to the Senate a list of corporations with incomes exceeding $1,000,000.

Mr. KING. The chairman of the Committee on Finance [Mr. SMOOT] has asked me if I would consent that the resolution be referred to that committee. I shall consent to the reference with the understanding that it shall be granted immediate consideration by the committee.

Mr. SMOOT. I will say to my colleague that I shall call the committee together as soon as possible and ask it to consider the resolution.

The VICE PRESIDENT. The resolution will be referred to the Committee on Finance.

URGENT DEFICIENCY APPROPRIATIONS

Mr. WARREN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 23 and 43.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 12, 13, 14, 16, 18, 19, 21, 22, 24, 30, 31, 33, 34, 35, 36, 37, 40, 42, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, and 57, and agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In the matter inserted by said amendment before the sum "$125,000" insert the following: "fiscal year 1926"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "For the purchase and exchange of an automobile for the Vice President, fiscal year 1926, $5,135.75"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "For stationery for Senators, committees, and officers of the Senate, fiscal year 1926, $2,500"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$15,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert: "$1,800"; and on page 9 of the bill in lines 24 and 25 strike out "K Street" and insert in lieu thereof "Connecticut Avenue"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In line 4 of the matter inserted by said amendment strike out the following: "fiscal year 1926, and"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Chippewa Indians of Minnesota: For compensating the Chippewa Indians of Minnesota for timber and interest in connection with the settlement for the Minnesota National Forest, $422,939.01, with interest thereon at the rate of 5 per cent per annum from February 1, 1923, to the date of settlement, said total amount to be deposited to the credit of the Chippewa Indians of Minnesota as interest on the permanent fund arising under the provisions of section 7 of the act of January 14, 1889, as authorized by the act of February 28, 1925."

And the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert: "$81,640.37"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For contingent expenses, including the same objects specified under this head in the act of making appropriations for the Department of Justice for the fiscal year 1926, $4,000.

"Pueblo Lands Board: For equipment and supplies, including the purchase of an automobile (at a cost not exceeding $800) and for the maintenance, repair, and upkeep thereof, and the purchase of a photostat machine complete (at a cost not to exceed $1,600) and for repairs and supplies therefor, fiscal year 1926, $3,000."

And the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert the following: "$25,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"FEDERAL FARM LOAN BUREAU

"For personal services for the fiscal years that follow:

"For 1926, $41,325;

"For 1927, $119,020;

"In all, $160,345: *Provided*, That $17,841 for the fiscal year 1926 and $42,820 for the fiscal year 1927 shall be available for personal services in the District of Columbia.

"For miscellaneous expenses, including the same objects specified under this head in the Treasury Department appropriation acts for the fiscal years that follow:

"For 1926, $18,750;

"For 1927, $55,000;

"In all, Federal Farm Loan Bureau, $234,095, payable from assessments upon Federal and joint-stock land banks and Federal intermediate credit banks."

And the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 17, 27, 28, 39, 58, 59, and 60.

F. E. WARREN,
CHARLES CURTIS,
LEE S. OVERMAN,
Managers on the part of the Senate.

MARTIN B. MADDEN,
D. R. ANTHONY, Jr.,
JOSEPH W. BYRNS,
Managers on the part of the House.

The report was agreed to.

TREASURY AND POST OFFICE APPROPRIATIONS

Mr. WARREN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14 and 16.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 7, 8, 11, 12, and 15, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "Except that in unusually meritorious cases of one position in a grade advances may be made to rates higher than the average of the compensation rates of the grade but not more often than once in any fiscal year and then only to the next higher rate"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "For repair and reconditioning of one of the steamers of the Coast Guard for use as an icebreaker, $100,000, to be immediately available"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed, insert: "$7,634,600"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,650,000"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 4 and 13.

F. E. WARREN,
GEO. H. MOSES,
L. C. PHIPPS,

Except on amendment No. 16.

WM. J. HARRIS,
Managers on the part of the Senate.

MARTIN B. MADDEN,
WM. S. VARE,
JOSEPH W. BYRNS,
Managers on the part of the House.

The report was agreed to.

WHY RAILROAD CONSTRUCTION SHOULD BE UNRESTRICTED

LET US RETURN TO THE SEVERAL STATES EXCLUSIVE POWER TO AUTHORIZE NEW RAILROAD CONSTRUCTION WITHIN THEIR RESPECTIVE BOUNDARIES

Mr. MAYFIELD. Mr. President, from the time the Egyptians assembled the stones with which they built the Pyramids and Solomon conveyed the cedars of Lebanon from Tyre to Jerusalem the problems of transportation have vexed the mind of man.

Not since our Government was established have the American people been confronted with so grave an industrial problem as that of transportation. This question has accentuated as no other has the relative rights of State and National Governments and has focused attention on the wisdom of our dual form of government. We have listened to the siren song of nationalism until we have almost been lulled to sleep in the thought that State lines should be completely obliterated and the States surrender to the Federal Government their right to regulate even their domestic affairs. Against such a policy I enter my solemn protest and assert my faith in the fundamental principles upon which our Republic has grown to be the most powerful Government in the world. The whole matter is a milestone which marks the controversy as to whether the States have left any power to regulate their internal affairs. We must meet the issue, not in a narrow, selfish spirit, but upon broad general principles, keeping, in view at all times the general welfare of our country.

It would not be inappropriate to divide Federal legislation of recent years into three classes: First, legislation which has resulted from public demands; second, legislation which has been recommended to us by various departments and bureaus of the Government; and, third, legislation which we out of our own experience have conceived to be in the interest of the people.

As regards the first of these types of legislation little uneasiness need be entertained. Matters which have been debated by the people, which have been adequately presented and considered by the press, which have found clear expression in political platforms, and which have influenced elections are likely to receive correct expression in this tribunal. The happy faculty of the American people accurately to judge the necessities for legislation can not be denied, and laws that we enact in response to public demand have a sanction that guarantees not only their observance but their wisdom as well. The foregoing observation applies with almost equal force to legislation which we enact because of a well-founded conviction that it will promote the general welfare of the people. But, Mr. President, frankness compels me to say that I hold in less esteem that legislation which we not infrequently propose and which we sometimes enact because it comes to us bearing the recommendation of the head of some department or of some bureau chief.

Senators familiar with the classics will recall that among the ancient Greeks it was not uncommon for a community desiring to establish a government or to enact a body of laws to send for a Solon, a Draco, or an Aristotle, who on account of his superior knowledge of legislative affairs would be intrusted the task of familiarizing himself with the necessities of a community and devising a constitution or drafting laws adequate to produce the reformation sought to be effected or the relief which the people desired to obtain. This procedure was considered the equivalent of self-government, but the impermanence of such laws has raised questions in my mind as to their value.

If the bureaus and departments surrounding us were full of Solons and Dracos and Aristotles, it would still be dangerous to abandon the idea of looking for the germs of acceptable legislation among the experiences, ideas, and expressions of the people at large and in the channels of public opinion and to seek our information from the experts laboring in our immediate environment where sometimes vision becomes clouded and perspective distorted. It is quite clear that when legislation originated by some departmental Burbank and enacted into law without public demand or sanction, however wise it may have been estimated by its proponents or how well intended by the Congress is found operating to the public disadvantage, it ought to be promptly repealed.

These remarks have particular reference, Mr. President, to certain provisions of the transportation act of 1920. This act, dealing with a subject of vast importance to the progress and prosperity of our country, probably is the most distinguished example of artificial legislation known to our legislative history. It includes details that never had and to-day have no roots in public opinion. The principles of the law were never submitted to or discussed by the people or the press of the country before enactment. The law reflects theories, ideas, and opinions that have never received the approval of the public, but, to the contrary, it violates and contravenes economic and political principles which have always been considered corner stones of our governmental and industrial structures.

Let me now refer particularly to those remarkable provisions of the act as regards the construction and operation of

new railroads, which, in effect, throttle private initiative, lessen opportunity, retard development, and destroy competition.

PARAGRAPH (18), SECTION 1, AND PART OF PARAGRAPH (20) OF TRANSPORTATION ACT OF 1920

Paragraph (18), section 1, of the transportation act of 1920, with the latter part of paragraph (20), imposing penalties for the violation of paragraph (18), is as follows:

(18) After 90 days after this paragraph takes effect no carrier by railroad subject to this act shall undertake the extension of its line of railroad, or the construction of a new line of railroad, or shall acquire or operate any line of railroad, or extension thereof, or shall engage in transportation under this act over or by means of such additional or extended line of railroad, unless and until there shall first have been obtained from the commission a certificate that the present or future public convenience and necessity require or will require the construction or operation, or construction and operation, of such additional or extended line of railroad, and no carrier by railroad subject to this act shall abandon all or any portion of a line of railroad, or the operation thereof, unless and until there shall first have been obtained from the commission a certificate that the present or future public convenience and necessity permit of such abandonment.

(20) Any carrier which, or any director, officer, receiver, operating trustee, lessee, agent, or person acting for or employed by such carrier who knowingly authorizes, consents to, or permits any violation of the provisions of this paragraph or of paragraph (18) of this section, shall upon conviction thereof be punished by a fine of not more than $5,000 or by imprisonment for not more than three years, or both.

RESTRICTION OF NEW RAILROAD CONSTRUCTION NEVER DEMANDED BY PUBLIC

Mr. President, immediately preceding my election to membership in this distinguished body it was my good fortune to be a member of the Texas Railroad Commission for a period of 10 years. In that position it was my duty to inform myself of the opinions as well as the necessities of the public in my State concerning railroad matters. During that entire service it was never intimated to me by anyone that legislation on the part of Congress such as just read was necessary or desirable. On the contrary, the people of Texas and the Southwest in general had looked forward to the termination of the war in Europe and a return to normal conditions in America with eager expectation that the new era would bring a resumption of liberal railroad construction, which they have always identified with progress and prosperity.

A year or two elapsed before the public of our section had its attention drawn to newspaper articles announcing the filing with the Interstate Commerce Commission of applications by local railroads for authority to construct new mileage in our State, and then the people realized with astonishment that in 1920 the Congress of the United States had defined railroad construction without Federal Government sanction as a crime, and classified individuals so offending as bad as horse thieves, burglars, or bootleggers. In other countries railroad builders are knighted; here it seems they are to be indicted. It is a distinction, but with a substantial difference.

GENESIS OF PARAGRAPH (18) SECTION 1

It is generally understood that the transportation act of 1920 represented collaborated work of the Interstate Commerce Commission and the Committees on Interstate Commerce of the Senate and the House. In 1919 the Interstate Commerce Commission submitted to Congress its annual report, and at the invitation of the Committee on Interstate Commerce of the Senate included in that report recommendations for a legislative program. Among other recommendations was the following:

3. Limitation of railway construction to the necessities and convenience of the Government and of the public and assuring construction to the point of these limitations. The thought underlying the first part of this suggestion is that in some instances, for speculative or competitive reasons, railroads have been built in excess of the reasonable demand and in excess of the necessities of the territory built into, as well as of its reasonably prospective traffic. A railroad once built ordinarily must be operated and permitted to earn a living. The public should not be burdened with the maintenance of two or more railroads when one would substantially answer every legitimate purpose. In this connection it would be desirable that in the exercise of its powers the Congress should say that no railroad shall be constructed or extended that is to engage or is engaged in interstate commerce unless, in addition to required authority from the State, a certificate of public convenience and necessity is secured from Federal authority. The thought underlying the second part of this suggestion is that a railroad having been permitted, by public franchise and the powers that go with it, to build into a given territory, it should be required to properly serve and develop that territory. And in developed territory it is important to provide for the extension of short branch or spur lines or spur tracks to communities and industries that should be served and that can furnish sufficient traffic to justify such extension. (Pp. 2 and 3, Thirty-third Annual Report of I. C. C.)

Mr. President, excepting the last sentence, there is not a statement or a recommendation in the paragraph just quoted with which one thoroughly familiar with the question of transportation can agree. The commission not only erred in its premise but in its conclusions. The ideas advanced offend against our Constitution, against the laws of logic and probability, and ignore the facts of our economic history.

POWER TO COMPEL CONSTRUCTION COUPLED WITH POWER TO PREVENT

It proposed to couple, and Congress in deference to the recommendation did attempt to couple—

limitation of railway construction to the necessities and convenience of the Government and of the public—

With an assurance of—

construction to the point of these limitations.

It apparently was the thought of the commission that these new powers—that is, power at one point to prevent new construction and power at another to compel such construction—to be delegated by Congress to the commission should go hand in hand. Accordingly, the restrictive power solicited by the commission was given expression by Congress in the paragraphs which have been read, and an effort to confer on the commission power to coerce construction was expressed in paragraph (21), section 1, as follows:

The commission may, after hearing, in a proceeding upon complaint or upon its own initiative without complaint, authorize or require by order any carrier by railroad subject to this act, party to such proceeding to * * * extend its line or lines.

A refusal on the part of the carrier to obey an order of the commission requiring it to extend its line or lines was not made a crime, as was unauthorized construction, but only subjected the carrier to a penalty of $100 per day, recoverable in a civil action. Manifestly, no Senator would for a moment contend that under our Constitution or as a matter of practical administration the Government has the power to coerce an unwilling railroad corporation to extend its line or lines. Surely there is not a lawyer in the Senate who believes that Congress has the power to plan investments for the citizens of this country and to compel them by penalties to accept such investments.

No such conception was entertained with reference to the sale even of Liberty bonds at a time when the purchase of such bonds by our citizens was essential to the maintenance of the life of the Nation and the perpetuity of the Republic. Prior to the enactment of the transportation act of 1920 this character of legislation had been addressed to "subjects" rather than to citizens. At the conclusion of the Seven Years' War, in 1763, Frederick the Great undertook to rehabilitate Prussia's dilapidated cities and to revive Prussian industry by commanding his well-to-do subjects to build houses. But that occurred in militarized Prussia, and such action has never before found favor in this land of liberty and freedom.

As before stated, the recommendation of the Interstate Commerce Commission which found expression in the transportation act of 1920 correlated the proposition of preventing new railroad construction without Federal sanction with the proposition of compelling the extension of old lines of railroad by Federal mandate, upon the theory, no doubt, that the proposed restriction on new construction would paralyze, as it has substantially done, new construction, and thereby confer monopolies on existing carriers with respect to their respective local territories. Clearly the commission conceived that it might be contrary to the public welfare for Congress to grant a complete monopoly of the transportation business of the country to carriers existing at the date the transportation act became effective, without at least holding them liable to build additional lines of railroad in territories which the commission thereafter might discover needed new or additional transportation facilities. If such were the idea, the whole conception is wrecked by the fact that we can not under the Federal Constitution confer upon the commission power to create new railroads by coercion. Coercion always was and in the transportation act remains a valid instrumentality for destruction, but it never was and will never be effective in behalf of construction.

ERA OF SPECULATIVE RAILROAD CONSTRUCTION HAS PASSED

It is difficult to understand how the Interstate Commerce Commission reached the conclusion in 1919 that the time was opportune to put an end, by law, to further speculative or competitive railroad construction.

As regards speculative railroad construction, it is safe to say that, with trivial exceptions, the era of speculative railroad construction ended many years before the commission undertook to arouse the minds of the Interstate Commerce Committee of the Senate in regard to its danger.

During the era of commercial, industrial, and financial activity that followed the Civil War the people, encouraged by the Government, set out to finance and create a great transportation system that would bind together all members of the recently distracted union. Railroad construction, far ahead of the immediate requirements of that time, was induced by liberal grants of land by Federal and State Governments, by bond issues donated by States and counties, and by private donations. Communities vied with each other in efforts to secure the location of new lines. Under such circumstances it would have been surprising had not some unnecessary and useless construction occurred. The fact was, most of the territory was virgin; little through traffic existed; locations were related to local conditions and local conditions called for prophecy on the part of railroad promoters rather than perception, because conditions then existing in few instances justified construction. Everywhere the eye of the railroad builder looked and was compelled to look to the unknown and highly speculative future. This period lasted about 25 years, extending from the close of the Civil War to about 1890.

The statement has recently been made that there exist in the United States about 30,000 miles—in another case the statement fixed the mileage at 10 per cent of the entire existing mileage which would be about 25,000 miles—of weak and unnecessary railroads that ought to be abandoned and scrapped. The fact so asserted is questionable and the conclusion more so, but if the correctness of the figures be granted, it is a matter of great surprise if, at the close of the great era of railroad construction in the United States, resulting in the creation of 252,844.99 miles of mail track, there does not remain even a greater percentage of the mileage so induced and so constructed, the territory of which as yet fails to supply traffic adequate to produce compensatory revenues.

That so small a percentage of the total railroad mileage of this country, for one reason or another, fails as yet to justify its creation, is a feeble foundation on which to predicate conclusions that further construction or individual initiative, whether speculative or not, should be treated as a crime.

It has already been shown that long prior to the date of the transportation act, the era of speculative railroad construction in America had closed. The total main track of all railroads in the United States in 1870 was 52,922 miles. The five-year period following the Civil War was just about sufficient for the great impulse in favor of railroad construction to become effective. The results were realized principally during the next two decades. In 1880 main-track mileage was 93,267 miles, an increase of 40,345 miles during the preceding decade or at the rate of 4,034 per annum. By 1890 the main-track mileage had grown to 163,597 miles, an increase during the preceding decade of 70,330 miles or at the rate of 7,033 miles per annum. This was the period of greatest construction in the history of American railroads. In 1900 the main-track mileage had grown to 193,345 miles, an increase during the preceding decade of 29,748 miles or at the rate of 2,975 miles per annum.

By 1890 the legislative policy of the country had changed, and, besides, public gratuities to railroad builders were no longer common. However, between 1900 and 1910 there was a revival of railroad construction. In 1910 the main-track mileage had increased to 240,293 miles, an increase during the preceding decade of 46,948 miles, or at the rate of 4,694 miles per annum.

The close of this decade witnessed what we may regard as substantially the end of the great railroad construction era in our country. The work of that period included the activities of George Gould and B. F. Yoakum, the former planning and promoting the construction of the Western Pacific, and the latter planning and promoting the construction of the Gulf Coast Lines in Louisiana and Texas, representing the last promotions which have occurred in this country involving the construction of entirely new systems.

From 1910 to 1920, the year of the adoption of the transportation act, the increase of main-track mileage was only 12,551 miles, or at the rate of only 1,255 miles per annum, and it may be added that, while this decade included the period of the war in Europe, railroad construction in the United States during the last four years prior to the war—that is, from 1910 to 1914—was confined almost exclusively to the completion of undertakings previously planned, and the cessation of substantial construction during that decade is not to be attributed entirely, if even substantially, to the war in Europe.

In 1923, the main-track mileage of the country had decreased to 250,222.09 miles, a decrease in the first three years following the enactment of the transportation act of 2,622 miles, or at the rate of 874 miles per annum.

During the period of great railroad construction, say from the close of our Civil War to about 1910, approximately 200,000 miles of railroad now constituting the main body of the best and greatest transportation system on earth, were promoted, financed, and constructed under laws which not only extended entire liberty to individual initiative, but under which for several decades public gratuities were given to promoters, the value of which often approximated the actual cost of construction. During the 10 years preceding the enactment of the transportation act a total of only 12,551 miles of railroad was built. When we reflect that west of the Mississippi River there yet remain areas as large as some of the largest States of the Union that have no railroad transportation whatever, and that there exist other areas, served only by a single line, that have no competitive service—the highest inducement to good service—it seems to have been an act of absurdity to pass a law in 1920, the effect of which has been to bring railroad construction to a standstill in the United States.

The period in which any substantial amount of unnecessary or improvident railroad construction can be financed has long since passed. Practically all laws that provided public gratuities have been repealed. A disposition in favor of private grants and donations on the part of individuals, beneficially affected, alone remains and in few, if any, instances to-day do such donations suffice to secure the construction of mileage not otherwise justified. There is no business undertaking, throughout the whole country, so difficult to finance as the construction of a new railroad. The promoter of any railroad project in the United States, who succeeds to-day in running the gantlet of investment bankers, trust companies, and insurance companies, has a certificate of public convenience and necessity, which he can guarantee to the world is safe and sound.

RESTRICTION OF COMPETITIVE CONSTRUCTION FALSE DOCTRINE

As to the thought that it will be in the interest of the country to restrict further construction of competitive railroads "to the reasonable demand and necessities of the territory built into as well as its reasonable prospective traffic" let me observe the proposition holds good only up to the point of attempted application. In the case of Utah Terminal Railway Co. (F. D. 36, 72 I. C. C., 93–94), Division 4 of the commission, in its report, denying the railway company the privilege of constructing a branch line to reach certain coal mines that were already served by the Denver & Rio Grande Western Railroad, interpreted paragraph (18) so as to give it a broader application than the terms of the act itself, and indicated that the language of its 1919 report implied more than it said. The report of Division 4 stated:

> While one of the purposes of the transportation act of 1920 was to preserve competition between carriers, the provisions of paragraphs (18) to (20), inclusive, of section 1 negative any presumption that it was the purpose of Congress to permit the construction of new and competitive lines of railroad where existing facilities are adequate or can be made so by the exercise of available administrative remedies.

It is true that the full commission upon rehearing ultimately granted the Utah Terminal Railway Co. the certificate which had been denied by Division 4, but neither Division 4 nor the commission indicated that the language quoted from the adverse report of Division 4 was a broad extension of the "underlying thought" expressed by the commission in its 1919 report. Reports on subsequent applications for convenience certificates indicate that the commission still holds to the view stated by Division 4 as regards the principle which governs it with respect to applications for authority to build and operate new lines or to extend old ones.

I do not pause to argue that the commission's interpretation of the act is erroneous. Were that plain we might rely upon the courts or the commission itself to correct the error. The peculiar fact is that the act was so constructed as to leave all "underlying thoughts" to the Interstate Commerce Commission. The act nowhere undertakes to define what shall constitute "public convenience and necessity," and since the commission, at least recommended and urged the enactment of the law, it is difficult to dispute whatever implications the commission attaches to it.

But if the implication attached by the commission to the act as quoted is correct, the act abolished the possibility of railroad competition in all those vast areas without railroad service at the time the act was adopted into which, presumably, only one railroad, if any, will be permitted to be constructed or operated, and also in those equally vast areas where but one railroad provided service at the time the act became effective.

Almost instantly throughout the country the railroads have reacted, as might have been expected, to this prohibitory and paralyzing principle. They are claiming that no matter how great or small the volume of traffic in the territories exclusively served by them, whether such territories be fully or only partially developed, whether railroad earnings be slight or exceed the standard return fixed by the commission, they are entitled by law to have and to hold forever exclusive rights in such local territories. They treat proposed new construction as an "invasion" of their territories, and denounce any proposed competition as a "diversion" of their traffic, referring to the territories and traffic of the people, whose servants they are.

In Texas one railroad proposed to build a branch to a great industrial district in the western suburbs of Dallas, which heretofore was served by but one line; another railroad proposed to build into the Rio Grande Valley, which lately has challenged the world's attention as a district calculated to surpass southern California, heretofore served by but one line; another railroad has sought permission to extend its lines to the newly constructed public waterway at Port Arthur. In each instance the single occupying carrier has held up and is preventing the proposed new development by a claim predicated squarely on the language used by the commission in the Utah Railway case, that the district occupied by it—

is adequately served by it, and that it is able and willing to provide any additional facilities that may become necessary.

Mr. President, any law passed by Congress that admits of such an interpretation is an obnoxious and paralyzing law and ought to be repealed.

When and where was it ever true that it was better for a community or a city or a port to have one railroad rather than two?

When and where was it ever true that a community, a city, or a port secured better service or lower rates out of one railroad than it did out of two?

When and where did the people of the country ever signify to Congress any idea or desire that railroad competition not already existing should be prevented?

The transportation act is careful to preserve competition where competition already exists. Paragraph (4), section 5, regarding consolidations, provides that—

In the division of such railways into such systems under such plan, competition shall be preserved as fully as possible.

Mr. President, if it is a correct economic policy to preserve competition in those areas already served by more than one carrier, why is it wrong to permit competition in those equally great areas that have the service of but one carrier, or of no carrier at all?

To permit a railroad company to close the gates of a large city, the entrance of a large and fertile valley, or the door to a great port, and declare—

No tresspassing allowed; all this is mine. I can handle all the traffic that my service originates. If any additional facilities are required, I alone have the right to furnish them—

Is to create in this country a monopoly and a new form of tyranny which violates every principle on which our Government was founded, and gives to such corporations a strangle hold on the commerce and industrial life in the unfortunate districts that such corporations occupy, which is to become more blighting in its effects than paralysis is to the limbs of a strong man.

It is false doctrine.

No single railroad on earth is adequate or can be made adequate to handle all traffic originating in or destined to the superb industrial areas between here and New York City, or between New York and Chicago, or between Pittsburgh and St. Louis, or between Kansas City and the Texas gulf ports, or in other districts to-day which are served and tied to every other section of the country by lines that radiate in every direction. But, Mr. President, a single railroad, no matter how inferior, would be sufficient to handle all traffic to and from those areas if no other railroad had been permitted to build to and serve them. Why? Because railroad service itself sets a limitation on the development of traffic in any area. When transportation is inadequate, industry either shrinks to the capacity of the transportation facilities or dies. In this sense and in this sense alone, is a single carrier, occupying an important district, developed or undeveloped, authorized to say that its facilities will be sufficient to take care of all traffic, actual or potential.

What man has failed to observe the transformation that has occurred in hundreds of instances throughout our country—not here, not there, but everywhere—as regards the growth and prosperity of communities served by but one railroad but which doubled and trebled as the direct and immediate result of the construction and operation of another? No doubt in many instances the linking of such communities to new areas, the creation of new routes of such communities to new areas, the creation of new routes to additional markets with accessability to new productive areas, accounted in part for growth and improvement, but competition in the very localities themselves, competition not only in service but in rates, has always played an important part.

Mr. President, some loose thinking and much more loose talking has been current to the effect that competition in railroad rates has been abolished by the action of the States and the Federal Government in taking jurisdiction over the subject of rate making, and that rates between points remain the same whether those points are reached by one or more lines. The statement admits of so many qualifications and exceptions that it is hardly entitled to rank as a fact at all. How many times have we not seen the traffic management of an old railroad rushing to revise their tariffs—tariffs immune to attack from every technical standpoint—when a new railroad made its advent or was even only seriously proposed! Industries completely shut out of markets by adverse rates many, many times have found their rates voluntarily adjusted to lower levels enjoyed by competitors at other points when a new railroad entered into the situation.

RATE LEVELS NOT LIKELY TO BE RAISED AS RESULT OF NEW CONSTRUCTION

Mr. President, few students of transportation enthuse over the aphorism of the commission, included in that section of its 1919 report to Congress, which declared that:

A railroad once built ordinarily must be operated and permitted to earn a living. The public should not be burdened with the maintenance of two or more railroads when one would substantially answer every legitimate purpose.

These statements are mere theoretical half truths and were poor justification for legislation that took out of the hands of the several States essential power to authorize the most important form of public improvements, which on the whole had been wisely exercised, and reposed that power exclusively in a department of the Federal Government, where apparently the principles that apply are understood in a sense that is reverse to all previous practice. That "a railroad once built ordinarily must be operated," of course, is true, but that it must be "permitted to earn a living," in the sense that the Government must provide it a living, is obviously illogical and manifestly untrue. Whether the railroad or the individual earns a living depends largely on faculties and circumstances over which the Government has no control and in regard to which, if the faculty is wanting or conditions are adverse, the Government has neither a duty to perform nor a power to relieve.

It is contended that improvident railroads will be constructed and the Interstate Commerce Commission will not be able to make a system of rates under section 15a of the transportation act that will take care of these improvident roads if paragraph 18, section 1, of the transportation act is repealed, and the people are left free to construct railroads. This idea is purely theoretical and exists more in the imagination than in fact. The money required to construct and equip any substantial amount of railroad mileage is so great, the financing of new construction is so difficult, and the rate of return now established, even on successful ventures is so low as compared with investments in other lines of business, it is absurd to imagine the construction of an amount of new, improvident railroads that would affect rate levels either throughout the country or in any district established by the grouping of railroads.

The dominating factor in railroad construction is the density of traffic. The theory on which it is assumed that the commission ought to have power to prevent improvident railroad construction supposes the possibility that existing density of traffic might, by the construction of new, improvident mileage, be so divided throughout the country or in a particular district that it would fail to yield under existing rate levels the standard return fixed by the commission.

On December 31, 1924, according to the commission's report, the main-track mileage of the railroads of the country, not including switching or terminal companies, was slightly in excess of 250,000 miles. Their outstanding capitalization aggregated $21,744,682,000, while their investment accounts showed a total of $22,173,482,000. They originated 1,288,357,000 tons of revenue freight, and their gross operating revenues for 1924 were $5,921,490,000. The aggregate density of traffic for class

1 railroads—this is, today the aggregate number of tons of revenue freight hauled 1 mile per mile of railroad throughout the country—is 1,649,369 tons.

How much new improvident railroad mileage do Senators suppose would have to be constructed to decrease this mighty traffic to a point where the decrease would have any effect whatever on rate levels? My answer to the question is that the utmost conceivable amount of new improvident railroad construction, consistent with the state of sanity on the part of the people for whom we legislate, would have no more effect on general rate levels than the stream of water that flows down Rock Creek would have on the level of the sea. It costs today about $50,000 per mile to construct and equip on good standards a new single-track railroad. According to its thirty-ninth annual report, the commission rejected in 1924 proposals to construct new railroads aggregating only 234.03 miles, and it is significant to note that the year 1924 was one of almost unparalleled prosperity, characterized by an abundance of capital seeking investment. If such a thing be possible, let it be imagined that after the passage of Senate bill No. 750 people can be found in the country next year so mentally deficient as to be willing to invest the money necessary to construct 1,000 miles of new, improvident, and unnecessary railroad, with the hope of realizing, after the lapse of several years, a return of 5¾ per cent on their investment. The cost of construction of this mileage would require about $50,000,000. The ratio of $50,000,000 to the existing general railroad investment of $22,173,482,000 is less than one-fourth of 1 per cent. If this mileage and the money invested performed no public service whatever, originated no traffic whatever, and were hung around the neck of the existing transportation system as a dead weight, its influence on the income required to constitute the standard return of 5¾ per cent, fixed by the commission, would be as 5 is to 2,217.

The rapidity with which density of traffic is increasing in our country as contrasted with the increase of railroad mileage, provident and improvident, is exceedingly interesting. In 1910 the average density of traffic of all American railroads was reflected by the figure of 1,071,086 tons, carried 1 mile per mile of railroad; by 1920 the average density of traffic had increased to 1,748,451 tons hauled 1 mile per mile of railroad. The increase in density of traffic in the decade referred to was 677,365 tons, or over 63 per cent. The main-track mileage in 1910 was 240,293 miles and in 1920 it was 252,845 miles, an increase of 12,552 miles in the decade, or not quite 5¼ per cent. (See Tables 1, 3, 5, 6, 7, and 9, Appendix C, pp. 97–103, Thirty-ninth Annual Report of the Commission.)

The first instance in the history of railroad legislation in this country where anyone ever sought to impose indiscriminately on the volume of traffic the burden of producing a fixed return for all the railroads was the enactment of paragraph 2, section 15a, of the transportation act, and even there the obligation imposed on the commission to fix rates on the volume of traffic sufficient to produce a fair return on the carriers' investments is subject to a proviso that particular rates may not be made on an unjust or unreasonable basis. In order to carry out this theory of rate making the transportation act provided for regional consolidations. Under paragraph 4 of section 5 the consolidation of railroads serving territories having a low density of traffic with other railroads serving territories having a high density of traffic was the only possible justification for writing into the transportation act the principle that rates must be fixed so as to allow all railroads a compensatory return regardless of traffic handled. Now comes the Interstate Commerce Commission in its recent report to Congress and admits that after five years of effort it is unable to even devise a plan of carrying out the mandate of Congress under paragraph 4 of section 5.

It is very clear that paragraph 18, section 1, was written into the transportation act as a corrollary to the scheme for regional consolidations. Apparently it was thought desirable to maintain the transportation mileage of the country substantially in a static condition until the problem of regional consolidations could be solved. If the plan of regional consolidations is to be stricken from the transportation act, and by all means it should, logically paragraph 18, section 1, must also be repealed. When the reason for the enactment of a law ceases to exist, the law also should cease to exist.

Does the commission mean to tell us that the rates sanctioned by it for the transportation of persons and property are or would likely be higher on traffic moved by two lines of railroad in competition with each other than on a single railroad having a monopoly of the territory, merely because the cost of the second railroad is added to the general railroad investment? Does the commission mean to tell us that if the volume of traffic moving over any railroad is so slender that such traffic when moved on rates adjusted to fair levels does not afford the carrier a return on its investment, it has any duty or right on earth to compensate the absence or inadequacy of traffic by raising rates? Does it mean to tell us that money invested in new railroads will be any more influential on rates than the same amount of money invested to expand the facilities of existing railroads?

Mr. President, if these questions are to be answered in the affirmative, the Supreme Court of the United States has written many opinions in vain. Brevity of time will not permit the digression necessary to take up a line which itself embraces matter adequate for an independent argument, but it does seem appropriate to observe, without attempting an analysis of the principles upon which railroad rates are made, that only theoretically and in the remotest degree would rate levels be influenced by the construction of any amount of new competitive railroad mileage, or by adding to the general railroad investment of the country the amounts required to construct and equip new mileage. Every year since 1870 the mileage has increased, while during the same time until the last few years, when in fact mileage was diminishing, the rate tendency has been steadily downward.

In reply to the commission's statement that—

> The public should not be burdened with the maintenance of two or more railroads when one would substantially answer every legitimate purposes—

it is submitted that the construction of new competitive railroad mileage, even if improvidently planned and hopelessly unprofitable, does not involve any burden whatever on the general public in the sense that it will be influential on rate levels. Such an undertaking will bring disaster to private investors, whose misfortune we will deplore in the same degree that we condemn their judgment, but similar phenomena are constantly occurring around us everywhere in relation to many other lines of business affected with a quasi public interest. It is not the function of government to protect improvident people against their own folly; more particularly, it is not the function of government to undertake, regarding investments, to substitute the judgment of the government for the judgment of the investor.

George Westinghouse at first was considered a visionary, but after he invented and patented the air brake he solicited an interview with Commodore Vanderbilt, the president of the New York Central, with the view of installing his brake on the New York Central. As Westinghouse stood in an outside office cooling his heels, Vanderbilt sent word to him that he had no time to talk to fools. Subsequently, when the value of the brake was demonstrated on other railroads, Vanderbilt sent for Westinghouse to come to see him, and Westinghouse returned to Vanderbilt the reply that he had no time to talk to fools. If the Congress of that period had undertaken through a bureau to prohibit unwise investments related to transportation, it is conceivable that the bureau might have adoped the view of Vanderbilt and prohibited the installation of the air brake.

As sustaining the statement that improvident or unfortunate competitive railroad ventures do not constitute a burden on the general public in the sense that they require the commission to authorize higher rates, permit me to refer briefly to the decision of the commission in the case of the Wenatchee Southern Railway Co., Finance Docket 2172 (90 I. C. C. 237). In that case the apple growers of the Wenatchee Valley, in the State of Washington, organized a railroad corporation and applied to the Interstate Commerce Commission for a certificate under paragraph (18), section 1, for permission to construct and operate a line of railroad from Wenatchee for several miles along the right of way of the Great Northern Railroad and thence in a southerly direction down the valley of the Columbia River over 100 miles to connections with the Northern Pacific and other railroads. The Wenatchee district was already served by the Great Northern, which protested the granting of the certificate. Practically all the traffic of the new road would come from territory served by the Great Northern, and practically all of such traffic consisted of apples, of which the valley produced and customarily shipped via the Great Northern about 28,000 carloads annually. The certificate was at first denied by division 4, but subsequently on rehearing was granted by the full commission. The commission said:

> Apparently the earnings in prospect for the applicant will be insufficient for some time to sustain the project as an independent enterprise. Ability to earn is not the sole test of public convenience and necessity, although always a factor to be given consideration. When such ability is shown to exist, a strong presumption may arise that public need for the new facility exists. When not shown to exist, it

may frequently be concluded that such need is too slight to warrant the expenditure necessary for the proposed construction. When it is established, however, that a project will render important public service, and its sponsors are willing to assume the risk of loss in the expectation of ultimate gain either directly through the property or indirectly through benefits to themselves and to the shipping community; the requirements as to the public interest may be fully satisfied, although losses to investors seem more probable than gains. We are to consider what is best in order to foster, build, and make efficient transportation facilities as a whole in the interest of the greatest number. Where only the private aspect is involved, individuals are at liberty to take risks. So far as the public is concerned, the advantages of new or better service may be so great as to justify increasing the burden upon shippers generally by the amount necessary to sustain the facility. If it should prove later, however, that the line, because of competitive conditions, lack of business, or other circumstances, can not be operated profitably under fair divisions and fair rates, the burden of the loss would properly fall upon the investors and not upon the shipping public. Our approval of a new enterprise neither constitutes nor requires that such enterprise will prove successful.

And, moreover, in its report in this same case the commission, contrary to its attitude expressed in the report of division 4 in the Utah Terminal Railway case, and contrary to the view expressed in its 1919 report to Congress, declared that—

Competition within reason, rather than monopoly, is in the public interest.

The "underlying thought" of the commission in 1919 was exactly the reverse. At that time it, in effect, argued that in respect to new railroad construction "monopoly within reason rather than competition is in the public interest."

Mr. President, there should be no further acquiescence in the retention of an act which without defining public convenience and necessity leaves it entirely within the power of the commission at one time or place to apply the rule announced in the Utah Terminal Railway case and at another time or place to apply the diametrically opposite principle announced in the Wenatchee Southern Railway case.

AMERICAN RAILWAY TRANSPORTATION SYSTEM IS NOT FINISHED

The railway transportation system of this country is not finished. There are vast undeveloped areas, particularly in the West, including Texas, which are suitable for cultivation and great industrial activity, and which can never be developed until they are penetrated and served by railroads. There are other great areas served by single lines that have not attained their possibilities industrially for the lack of additional or competitive lines that would connect such areas with additional markets and trade territories not reached by the existing lines.

The brilliant and unparalleled industrial development of America during the last century is largely due to the magnitude and efficiency of its transportation system. Cheap and rapid transportation has been and remains the most vital principle in our whole economic structure. We have no right to deny to the vast undeveloped and semideveloped areas of this country, existing principally west of the Mississippi River, the benefits of those same instrumentalities that have made transportation cheap and rapid in the well-developed areas. The eastern half of our country is well supplied with transportation facilities. The western half, constituting an empire, with boundless and innumerable natural resources, looks to the East and with one voice declares:

Millions of acres of the public domain, taken largely out of our territory, were donated by the country to induce construction of 250,000 miles of main track, principally for your service, development, and enrichment. Your dense population, your culture, and prosperity have been raised on that foundation. We, in our turn, now demand the construction of a transportation system serving the West which will accomplish in our half of the country the same results that have been obtained in the eastern half.

The justice and validity of this plea can not be denied. The interest of the entire country requires, and the sentiment of the people demands, that the unnecessary, unjust, and unwise restrictions imposed on new railroad construction by the transportation act should be very greatly modified, if not entirely repealed.

PURPOSE OF SENATE BILL NO. 750 IS TO RETURN TO SEVERAL STATES POWER TO AUTHORIZE CONSTRUCTION AS HERETOFORE WITHIN THEIR BOUNDARIES

I have introduced a bill in the Senate (S. 750) which proposes to attach to paragraph (18), section 1, of the transportation act, a proviso reading as follows:

Provided, That the foregoing provision of this paragraph shall not be construed to require such certificate of convenience and necessity for the building or construction or operation of any new line of railroad or extension of an existing line of railroad where all of such new line or extension is within one State: *And provided further*, That no such certificate for the abandonment of any line of railroad, or any portion of any line of railroad, located wholly within one State, or of the operation thereof, shall operate to relieve the carrier from also procuring such authority for such abandonment from that State as may be required by its laws.

The effect of the proviso will be simply to leave to the commission the jurisdiction conferred by paragraph (18), section 1, over railroads that propose to construct new lines or extend old lines across State boundaries.

It is irreconcilable under our system of Government to repose in the several States exclusive power to grant charters to corporations to construct and operate railroads, each State enforcing a complete jurisprudence concerning the exercise of such power, including the right of eminent domain which the Federal Government can not confer, in the face of a Federal statute which constitutes such exercise of the very power expressly granted to the corporations by the respective States, as a crime, punishable by three years' confinement in the Federal penitentiary.

Senate bill No. 750 does not challenge the wisdom or efficacy of any part of the transportation act of 1920 except the single section which took from the several States authority to authorize new railroad construction and vested that authority exclusively in a department of the Federal Government. Those who favor this measure desire to have returned to the respective States all the power that they formerly enjoyed relative to the construction of railroads, and which they exercised with such splendid results to the commerce, progress, and prosperity of the entire country.

AS TO COOPERATION WITH STATE REGULATORY BODIES

With reference to the declaration of the commission that its practice since 1920 has been to cooperate with the regulatory bodies of the several States and to invite them to hold hearings on petitions for certificates of convenience and necessity and to request the State bodies to file with the commission their recommendations, it is respectively contended:

(1) The function which the State bodies are invited to exercise amounts to little more than that of a notary taking depositions, because the commission in about one-half of the cases, certainly those that have come from Texas, has disregarded or has not requested the recommendation of the local body.

(2) The practice merely intrusts to the State bodies detail work, which imposes heavily on their time, and which is of a nature more appropriate for handling by an examiner or other subordinate of the commission.

(3) If the commission is to continue to function under paragraph (18), it will be better for it to send its examiners to take testimony in such cases, because after the record is completed all the documents are referred to an examiner, and at every such hearing, conducted as though it were a highly complex lawsuit, it is desirable for the examiner himself, who recommends to the commission a preliminary report on the merits of the application, to hear the evidence and acquire more accurate information than reported testimony usually conveys. The practice of the commission in calling on State regulatory bodies to hear the testimony while not hearing the same itself amounts to this—that the judges who hear the case do not decide it, and the judges who decide the case do not hear it.

PROCEDURE OF COMMISSION

When the commission began to pass upon "convenience and necessity" applications, it held round-table conferences with the interested parties the same as a board of directors of a financial institution, invited to underwrite securities, confers with those proposing to issue the obligations. This procedure was more appropriate than that now pursued, but it was abandoned by the commission after the Supreme Court, in the case of United States *v.* Abilene & Southern Railway Co. et al. (265 U. S. 288), held that—

A finding without evidence is beyond the power of the commission.

Since the decision of the Supreme Court in that case, the commission, although an administrative body, has converted itself even in "convenience and certificate" cases into a quasi court, and applications for authority to construct railroads, particularly when protested, become hotly contested suits. In such cases the applicant is plaintiff, the protestant is defendant, and the subject matter is treated as though it were a suit on the part of the plaintiff to recover or take away from the defendant property in which the latter has a vested right.

The application must conform in substance to rules which have been provided by the commission. When the application

is filed, the Bureau of Finance of the commission issues to the applicant a questionnaire containing 38 questions, inquiring about every conceivable feature related to the proposals, and requiring answers that deal in utmost detail with corporate, engineering, traffic, financial, and related matters. It is asserted by those who have had experience in the circumstances that a proposal to construct 100 miles of main railroad track necessitates an expenditure of $250 per mile, or $25,000, to procure the sufficient data to enable one to answer the questionnaire. A few months ago the commission conducted a hearing at Plainview, Tex., upon the application of the Fort Worth & Denver Railroad to extend its line 202 miles into west Texas. In commenting upon this case the Dallas News, a leading newspaper in Texas, stated that the hearing cost $100,000.

The commission also issues questionnaire No. 2 to all railroads in the same territory inquiring their opinion as to the proposed construction and whether they object to the proposed construction; and if so, whether they desire to be heard on their objections.

The rules allow six weeks for the return of answers to the respective questionnaries. After the answers are filed, the commission usually undertakes to arrange with the railroad or corporation commission of the State in which the proposed railroad is to be constructed to take the testimony in the case. After conference with the State body the commission sets the matter for hearing at the State capital or at some other point convenient to the parties and witnesses. In due time the parties appear with witnesses and by counsel; evidence is introduced for and against the application under rules prevailing in courts of law, so far as such rules can be applied to a matter essentially outside the scope of judicial inquiry and procedure. The evidence is reported in shorthand. Protesting railroads, like defendants in ordinary law suits, challenge substantially every fact asserted by the applicant, including estimates of volume of traffic, cost of construction standards and plans adopted for construction, matters related to topography, and resources of the territory to be intersected, as well as the benefits alleged to flow from the proposed construction.

The commission has no method of determining any controversy except the stenographers' reports of the testimony, together with exhibits filed in the case. This procedure does not include the sending of engineers to examine the topography of the territory involved, nor does it include the sending of traffic experts into the territory effected for the purpose of determining the merits of the application. If there has been a dispute between the engineers or traffic experts of the respective companies, the decision of the commission is predicated, as in a court on the preponderance of the evidence. Thus the fate of an important business enterprise may hang on the ability of a shorthand reporter to take notes and to transcribe them correctly, or it may depend at last as lawsuits often do on the oratorical ability of counsel representing the contending parties. At the conclusion of the hearing, the respective counsel secure time in which to file briefs.

The preparation of these briefs necessarily is delayed until the stenographers transcribe their notes, which sometimes requires a month or more. After the briefs have been filed, the Director of the Bureau of Finance usually assigns a legal and also an engineering examiner to study the entire record, including blue prints, profiles, estimates, and other exhibits, and to prepare a report which they recommend for adoption by division 4 of the commission. This work is likely to require several months.

When the preliminary report is completed by the examiners, copies of the report are delivered to the respective parties, who are given a stipulated time in which to file exceptions. Exceptions having been filed, the applicant is at last in a position to present his petition directly to division 4 and support it by any oral argument which he may desire to make. The docket of division 4 is always crowded and the applicant will be fortunate if his case is set for hearing within two or three months. When a specific date for oral argument has been fixed the applicant files with the docket clerk a request for time for argument, which is granted according to the apparent necessities of the case.

The procedure above described has required in recent cases more than 15 months from the date of the filing of the application to its submission to division 4. Up to the moment of submission of the case to division 4, the whole procedure has been handled by subordinates and the members of the commission themselves know nothing about the case. It is understood that they stand in a quasi judicial attitude toward the whole proposal, which forbids them to consider the merits of the application until it comes before them in a formal manner when all interested parties are present or represented. The application is then presented to division 4 just as a case at law is presented to a judge on the bench. After a lapse of time amounting, in numerous instances to many months, a decision in the form of a written report is handed down by division 4 granting or refusing the certificate.

If any party to the proceeding is dissatisfied with the decision of division 4, he may thereafter file an application for a hearing of the case by the full commission, or that the case be reopened for the purpose of taking additional testimony. This application is addressed to the commission and amounts to an appeal from the decision of division 4. Any party opposing the application thus made is allowed two weeks in which to file his written objections to the granting of the application. The commission, when its labors permit, passes on the application, and the members of division 4, from whose decision the appeal was taken, participate in the decision of the commission. Further developments will depend upon the decision of the commission. If the commission unconditionally grants or refuses the certificate, that ends the case. However, if the commission grants the motion to reopen the case for the taking of additional testimony, the whole round of procedure will be pursued over again.

Mr. President, this is a perfectly impossible process for initiating business undertakings. A proposal to build a railroad is not a lawsuit and ought not to be treated as such. Persons desiring to establish national banks are required to obtain their charters under Federal authority, and the Federal Government passes on their proposals. No such difficulties, however, are encountered as those which have been built up under the transportation act in regard to proposals to construct new railroads. The delay alone as well as the expense incident to "convenience and necessity" cases is sufficient to defeat many meritorious proposals. It is wrong. An indefinite delay of justice is tantamount to a denial of justice. Conditions favorable for underwriting new railroad projects in the United States have always been periodical. Such ventures must be launched when the financial tide is coming in. If they are long held in abeyance, the tide recedes and leaves them stranded on the sands of neglect.

PERIOD FOR STARTING NEW CONSTRUCTION IS PASSING

We are now in the midst of an era of great prosperity such as usually succeeds every great war. How long it will last, no man can tell. New railroad construction ordinarily can not be financed in times of financial depression. There is a strong disposition in Texas at present on the part of a number of responsible companies and individuals to construct a large amount of additional railroad mileage in sections where it will greatly serve the public convenience and necessity. On the plains of west Texas, where in late years farming has shown remarkable results and where thousands of farms are taking the place of the great ranches of the old days, three great railroad systems—with men, money, and materials, all ready for the work—are awaiting action by the commission on their applications to extend their lines into this rapidly developing section of my State. Each of these railroads has protested the application of the other. The welfare of the people of my State demands, Mr. President, that all of these railroads be unshackled and that they be permitted to extend their old lines and build new ones wherever they will.

Applications for certificates to construct new railroad mileage in Texas alone now pending before the commission aggregate 981.11 miles and call for an expenditure of $35,169,611. One of these applications has been pending before the commission for more than two years, and all of them as a result of the procedure above described, will in all probability remain before the commission, undecided, for a similar period of time. Any of these projects that lacks merit, whether sanctioned or refused by the commission, will die of its intrinsic weakness. Those that have the necessary financial and commercial support, by these very facts, stand approved as meritorious.

The present opportunities afforded by existing favorable financial conditions ought not to be permitted to pass, leaving these constructive proposals in my State wrecked on the reef of the Interstate Commerce Commission. The increased productivity of Texas and of the Southwest in general has in recent years attracted world-wide attention. Production is beginning to constitute a strain on transportation. There should be a safe margin. The extent and efficiency of our transportation system set a limitation on the volume of our production. In behalf of a greater progress and prosperity I plead for the removal of the artificial restrictions imposed upon further development of our transportation system by the transportation act of 1920.

Mr. President, one of the greatest evils of the times is hypocrisy in public life. If men advocated what they sincerely believed and sincerely believed what they advocated, the interest of the people would be safer and our governmental problems would be easier solved. In disposing of Senate bill 750 we will have an opportunity to carry into practice the principles of States' rights, which we have preached in season and out of season, because that measure restores to the States the right to supervise the construction of railroads wholly within their boundaries.

In behalf of this principle upon which the bill is based, let me commend to your most thoughtful consideration the words spoken not by John C. Calhoun, Jefferson Davis, Robert Toombs, Ben Hill, or Alexander Stephens, but by that cool, calculating statesman whose brilliant intellect once graced this Chamber, Elihu Root, in an address before the American Bar Association. Mr. Root said:

> There will always be danger of developing our law along the lines which will break down the carefully adjusted distribution of powers between the National and State Governments, and if the process goes on, our local governments will grow weaker and the central government stronger in the control of local affairs, until local government is dominated from Washington by the votes of distant majorities, indifferent to local customs and needs. When that time comes, the freedom of adjustment, which preserves both national and local liberty in our system of government will be destroyed and the breaking up of the Union will inevitably follow.

Let us be admonished to support the measure under discussion by the words of warning and wisdom contained in the message of President Coolidge to the Sixty-ninth Congress. The President said:

> The functions which the Congress are to discharge are not those of local government but of National Government. The greatest solicitude should be exercised to prevent encroachment upon the rights of the States or their various political subdivisions. Local self-government is one of our most precious possessions. It is the greatest contributing factor to the stability, liberty, and progress of the Nation. It ought not to be infringed by assault or undermined by purchase. It ought not to abdicate its power through weakness or resign its authority through favor. It does not at all follow that, because abuses exist it is the concern of the Federal Government to attempt their reform.

The Federal Government, Mr. President, owes its creation to the States. It might cease to exist, and yet the States continue to exist as before. But not so with the Federal Government in case of the destruction of the States. With the extinction of the States, the Federal Government necessarily becomes extinct. The States, however, may survive the Federal Government and form another, but it can never survive them. What may be called a Union may spring from the common ruins, but it would not be the Union of the Constitution. By whatever name it might be called, whether Union, Nation, or Kingdom, it would in reality be nothing but that deformed and hideous monster which rises from the decomposed elements of dead States and which is known by the friends of constitutional liberty as the demon of centralism, absolutism, and despotism.

The enactment of Senate bill No. 750 into law will mean the return of one of the ancient landmarks to the States, set by the fathers, which was removed by the passage of the transportation act of 1920 and will convince the people that their servants have determined to hold sacred and to preserve the principles underlying the greatest, the wisest, the happiest, and the best Government ever established by man or of which the children of men have ever dreamed.

ALUMINUM CO. OF AMERICA

Mr. WALSH. Mr. President, I ask that the Chair may lay before the Senate the unfinished business, Report No. 177.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Senator from Montana asks unanimous consent that the unfinished business be laid before the Senate. Is there objection?

There being no objection, the Senate resumed the consideration of the report (No. 177) submitted by Mr. WALSH pursuant to Senate Resolution 109, agreed to January 6, 1926, directing an inquiry by the Committee on the Judiciary as to whether due expedition has been observed by the Department of Justice in prosecuting the inquiry in the matter of the Aluminum Co. of America.

Mr. CUMMINS obtained the floor.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Edwards	La Follette	Reed, Pa.
Bayard	Ernst	McKellar	Robinson, Ark.
Bingham	Ferris	McKinley	Sackett
Blease	Fess	McLean	Sheppard
Bratton	Fletcher	McNary	Shipstead
Brookhart	Frazier	Mayfield	Simmons
Broussard	Glass	Means	Smith
Bruce	Goff	Metcalf	Smoot
Butler	Gooding	Moses	Stephens
Cameron	Hale	Neely	Swanson
Capper	Harreld	Norbeck	Trammell
Copeland	Harris	Nye	Tyson
Couzens	Harrison	Oddie	Walsh
Cummins	Heflin	Overman	Weller
Curtis	Howell	Pepper	Wheeler
Dale	Jones, Wash.	Phipps	Williams
Dill	Keyes	Pittman	Willis
Edge	King	Ransdell	

Mr. HEFLIN. I wish to announce that my colleague [Mr. UNDERWOOD] is detained by illness.

Mr. JONES of Washington. I desire to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from California [Mr. JOHNSON], and the Senator from Minnesota [Mr. SCHALL] are absent on account of illness.

Mr. McKINLEY. My colleague [Mr. DENEEN] is absent from the Senate on account of illness.

The VICE PRESIDENT. Seventy-one Senators having answered to their names, a quorum is present. The Senator from Iowa [Mr. CUMMINS] is entitled to the floor.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Montana?

Mr. CUMMINS. I yield.

Mr. WALSH. When I spoke a few days ago on the subject now before the Senate, I was interrupted by the Senator from Pennsylvania [Mr. REED], who interrogated me about some matters concerning which I promised to supply information. If the Senator from Iowa will be kind enough to yield, I shall be very glad to furnish the information at this time.

Mr. CUMMINS. I am very glad to yield for that purpose, and will take the floor after the Senator from Montana shall have completed his remarks.

Mr. WALSH. The following colloquy occurred on the occasion to which I have referred, the report of which appears on page 4206 of the RECORD:

> Mr. REED of Pennsylvania. When the Senator says that this company has a monopoly in this or that, does he mean that it has possession of any facilities which prevent anybody else from going into the business?
>
> Mr. WALSH. It has control of practically every deposit of commercial bauxite in the United States.
>
> Mr. REED of Pennsylvania. But the Senator knows——
>
> Mr. WALSH. A competitor in the production of crude aluminum may import crude aluminum from other countries, but there is a high tariff upon its importation, so that it is commercially impossible to enter into competition with the Aluminum Co. of America in the production of crude aluminum in this country.
>
> Mr. REED of Pennsylvania. But the Senator knows there is no tariff on the importation of bauxite. Is that not so?
>
> Mr. WALSH. On the importation of bauxite?
>
> Mr. REED of Pennsylvania. Yes, sir.
>
> Mr. WALSH. It does not make any difference whether there is or not. I am not speaking about what might happen; I am telling what the fact is.
>
> Mr. REED of Pennsylvania. Will not the Senator yield, then, to a further question?
>
> Mr. WALSH. Yes.
>
> Mr. REED of Pennsylvania. Does not the Senator know that most of the bauxite which this company uses it itself imports from abroad?
>
> Mr. WALSH. I know it imports large quantities of bauxite from abroad, chiefly from sources which it itself owns.
>
> Mr. REED of Pennsylvania. Does not the Senator know that there is more bauxite in British Guiana and Dutch Guiana——
>
> Mr. WALSH. Wait a moment. I must object to this line of questioning.
>
> Mr. REED of Pennsylvania. Yes; I do not think it is fair to argue with the Senator at this point.
>
> Mr. WALSH. The Senator can not go on and make an argument without diverting me from the course of my discussion of this matter. I am stating that the Aluminum Co. of America is the sole source in America from which manufacturers of aluminum products can secure a supply of aluminum.
>
> Mr. REED of Pennsylvania. One more question, and I will not interrupt again. Does not the Senator know that a very large amount of German and Swiss and French aluminum is constantly being pressed for sale throughout American markets?

Mr. WALSH. Yes; and I shall demonstrate before I get through that there is a working agreement between all of them and the Aluminum Co. of America by which the Aluminum Co. of America fixes prices in America; and, besides that, it owns a controlling interest in many of these foreign sources of supply.

Mr. REED of Pennsylvania. Can the Senator name a single one in which it does own a controlling interest?

Mr. WALSH. I shall be very glad to do that.

Mr. REED of Pennsylvania. I wish the Senator would.

Mr. WALSH. But, as I say, I do not want to be diverted from my argument to discuss side issues just now.

The information upon these subjects is contained in the report of the Federal Trade Commission, to which reference has frequently been made, on pages 92 to 95, inclusive. I read briefly that portion which has reference to the particular subject to which I am now speaking:

Production and manufacturing properties: The company now owns or controls 44 subsidiary or affiliated companies engaged directly or indirectly in some branch of the aluminum industry. It is also interested in 13 other companies engaged in miscellaneous industries, some of which are connected with the aluminum industry. Chart 4, following, shows the relation of the owned and affiliated companies of the Aluminum Co. of America.

In addition to the bauxite properties held in the United States and in South America, the Aluminum Co. of America owns two companies holding bauxite deposits in Europe. Four subsidiary companies are engaged in mining bauxite, two in the United States and two in South America. The American Bauxite Co., one of the subsidiaries, mines all of the bauxite produced in the United States which enters into the production of aluminum. The Aluminum Ore Co. operates the refining plant at East St. Louis, Ill., and produces all of the alumina produced in the United States used in the production of aluminum. The parent company and two subsidiaries operate four reduction plants producing aluminum from alumina. These plants are located at Niagara Falls, N. Y., Massena, N. Y., Badin, N. C., and Alcoa, Tenn. It also has a smelting plant at Toronto, Canada.

The Aluminum Co. of America has eight subsidiary or affiliated companies manufacturing finished aluminum goods. Three of these, the United States Aluminum Co., the Aluminum Goods Manufacturing Co., and the Northern Aluminum Co. (Ltd.), manufacture aluminum cooking utensils. The latter company operates in Canada, while the first two, according to data furnished the Aluminum Wares Association, manufacture about 65 per cent of the aluminum cooking utensils produced in the United States. Each of the three companies operates rolling mills. The Aluminum Goods Manufacturing Co. and Northern Aluminum Co. roll sheet for their own consumption, while the United States Aluminum Co. rolls sheet not only for its own utensil factory, but also for sale to independent utensil manufacturers.

The parent company owns or controls two domestic and five foreign sales organizations handling the sale of finished aluminum products. The parent company and its subsidiary, the St. Lawrence Securities Co., own a number of power companies and other public utility companies, the primary object of which is the production and transmission of power for the company's aluminum works. The company owns four railroads operating short lines connecting its mines and plants with other railroads to facilitate the shipment of its ores and semi-finished products.

Absorption of the Aluminum Rolling Mill Co.: The Cleveland Metal Products Co., a manufacturer of various products, planned to erect a rolling mill to insure an adequate supply of sheet aluminum for the purpose of embarking in the aluminum cooking utensil business. The company ascertained from foreign producers that an adequate supply of aluminum ingots could be obtained from them, and in 1915 the rolling mill was completed and put into operation. Shortly after the beginning of the World War importations of foreign aluminum ceased and the Cleveland Metal Products Co. commenced purchasing ingots from the Aluminum Co. of America. In 1918 the Cleveland Metal Products Co. faced financial difficulties because it was obligated by contract with the Aluminum Co. of America for the purchase of a larger quantity of aluminum ingots than it could profitably use in its rolling mill. It sought, therefore, to cancel this obligation, but the Aluminum Co. of America would not agree to permit it. After several conferences, the Aluminum Co. of America and the Cleveland Metal Products Co. organized, in 1918, a third company known as the Aluminum Rolling Mill Co., with a paid-up capital of $600,000, to purchase the rolling mill from the Cleveland Metal Products Co. The Cleveland Metal Products Co. became the owner of one-third and the Aluminum Co. of America of two-thirds of this stock.

In 1918 the commission began an inquiry into the circumstances of the formation of the Aluminum Rolling Mill Co., and in February, 1919, initiated proceedings against the Aluminum Co. of America. As a result of these proceedings, in March, 1921, the commission ordered the Aluminum Co. of America to divest itself of its stockholdings in the Aluminum Rolling Mill Co. because of the violation of section 7 of the Clayton Act, which prohibits, under certain conditions, the acquisition by one company of the capital stock of a competing company. The Aluminum Co. of America filed a petition in the United States Circuit Court of Appeals for the Third Circuit for a review of the commission's order, but on June 1, 1922, the court sustained the order of the commission and directed the Aluminum Co. of America to dispose of its two-thirds interest in the Aluminum Rolling Mill Co.

The Aluminum Co. of America then sought to obtain the consent of the commission and of the court to a modification of the order so as to permit the Aluminum Co., or one of its subsidiaries, to purchase the physical assets of the Aluminum Rolling Mill Co. at a dissolution sale. The commission opposed such modification of the order, and this proposal was rejected by the circuit court of appeals. On August 13, 1923, the Aluminum Co. of America complied with the order of the circuit court of appeals and sold to the Cleveland Metal Products Co. the capital stock which it owned in the Aluminum Rolling Mill Co.

Subsequently, however, the Aluminum Co. of America expressed its intention to purchase the physical assets of the Aluminum Rolling Mill Co. at an execution sale. The commission sought to prevent this device for combining the two companies by applying to the circuit court of appeals for a modification of its order which would enjoin this transaction also, but the court denied the commission's petition in an opinion rendered on June 24, 1924, on the ground that the commission had not proved that the indebtedness of the Aluminum Rolling Mill Co. to the Aluminum Co., the basis of the proposed execution sale, was fraudulent.

Along the same line I read from the Digges's report, to which reference was made on Thursday last, as follows:

The Aluminum Co. has not confined its operations to the domestic field. On the world horizon it looms up as the most important factor to be reckoned with in the supply of aluminum. Its foreign holdings are extensive. In 1922 it acquired in Norway a 50 per cent stock interest in the Norsk Aluminum Co., which controls the waterfalls at Hoyangfadene, in Sogn, Norway, said to be one of the world's cheapest producing companies. The falls controlled at Hoyangfadene have a total power of over 80,000 horsepower, of which 30,000 horsepower were developed in 1921; i. e., prior to the stock purchased by the Aluminum Co. The aluminum factory operated by the Norsk Co. has a producing capacity of approximately 7,000 tons of aluminum per year. The production of the Norsk Co. in 1923 was about 14,000,000 pounds, about the same time the Aluminum Co. also purchased a one-third interest in the Norske Nitrid Co., another Norwegian corporation. The attractiveness of these two corporate companies lay in the fact that they represented cheap water power and were said to be the cheapest producing companies in the world. In Canada it is found that the Northern Aluminum Co. (Ltd.) is entirely owned by the Aluminum Co. of America. This company has a producing capacity of 20,000,000 pounds of aluminum per year.

Turning now to the bauxite properties of the Aluminum Co., it is found that the Aluminum Co. owns extensive bauxite mines in British Guiana and Dutch Guiana. In the year 1923 it imported into the United States from its British Guiana mines 68,000 pounds of bauxite. An important French company, Bauxites du Midi, is owned 100 per cent by the Aluminum Co. A Yugoslavian company, Jadranski Bauxit Dionico Drus' tvo, is 95 per cent owned by the Aluminum Co. of America.

In this connection it is interesting to note an article in the July 12, 1924, issue of Engineering and Mining Journal-Press by Lloyd T. Emory, consulting engineer of Philadelphia, Pa., and formerly an engineer in the employ of the Aluminum Co. of America. Mr. Emory states in substance that prior to the World War the two chief bauxite producing areas of the world were Arkansas and an area in southern France; that in 1913 the Aluminum Co. of America became alarmed because of the rapidity with which the Arkansas field was being depleted and began to look for new sources of supply; that in 1915 it received a report that extensive deposits of this mineral had been found in Dutch Guiana, and at once dispatched field men to the scene of action. G. C. Rudell, of the Minerals Division, Foreign and Domestic Commerce, Department of Commerce, is authority for the statement that a subsidiary corporation of the Aluminum Co. of America now controls approximately 95 per cent of the bauxite in Dutch Guiana.

The situation in British Guiana is approximately the same. The Demerara Bauxite Co. (Ltd.), of British Guiana, is a subsidiary company of the Aluminum Co. of America. Messrs. Mackenzie and King, for the Demerara Co., acquired some 20,000 acres of land, which contained all of the commercial bauxite known to exist in that country, except Aurora and lower Semerie, on leases from the Government. The leases as finally secured were made in the name of the Northern Aluminum Co. of Canada, ostensibly a British concern and within the jurisdiction of the Canadian courts. When the Demerara Bauxite Co. was incorporated in British Guiana in 1916 the leases were transferred to it. Mr. Emory, above referred to, is authority for the statement that the Aluminum Co. probably owns or controls through its subsidiaries between 90 and 95 per cent of the known bauxite ore in British Guiana and possibly 98 per cent of the ore in Dutch Guiana. These fields are known to be very important factors in the world supply of aluminum.

The facts just stated show that where commercial bauxite appears the Aluminum Co. of America is quick to avail itself of property rights in this bauxite, either through lease or by purchase. They now have an iron grip on the American situation and likewise on the South American situation. Just how far it controls the European supply is conjectural; though if Emory is correct in his premise, it plays an important part in the situation in southern France.

Mr. REED of Pennsylvania. Mr. President, will the Senator tell us from what he is reading?

Mr. WALSH. I am reading from the Digges's report. Mr. Digges's information is gathered largely from an article in the Engineering and Mining Journal by Lloyd C. Emory, consulting engineer, of Philadelphia, an engineer formerly in the employ of the Aluminum Co. of America, and I dare say he knows what he is talking about.

Mr. REED of Pennsylvania. If he does, his statements are exactly at variance from those made by the company itself.

Mr. WALSH. That is possible.

Mr. REED of Pennsylvania. I am told by the company itself that it has no interest whatsoever in any German, French, British, or Swiss company. Mr. Emory seems to think that it has.

Mr. WALSH. I continue the reading:

As indicative of the fact that Mr. Emory is correct, it will be recalled that the largest foreign bauxite holdings of the Aluminum Co. are precisely in the regions named by him, i. e., France, British Guiana, and Dutch Guiana, likewise Yugoslavia. This morning I called the Bureau of Minerals of the Department of Commerce regarding imports of bauxite and found that the largest imports were coming from Dutch Guiana, British Guiana, Yugoslavia, and France. The annual imports from Germany, England, Italy, Malta, the West Indies, Rumania, British India, Argentina, and Brazil do not equal in quantity the average monthly importation from British Guiana. The figures show that by far the largest amount is imported from British Guiana, the second largest amount from Dutch Guiana, the third largest amount from France, and the fourth largest amount from Yugoslavia. Although it is not known what the competitive conditions are in these various countries, it seems pertinent to point out that 95 per cent of a Yugoslavian corporation mining bauxite is owned by the Aluminum Co., 100 per cent of a French company mining bauxite is owned by the Aluminum Co., and it has been estimated that the South American supply is approximately 95 per cent controlled by the Aluminum Co. The figures for these importations are approximately as follows:

This is 1924, a circumstance to which I shall refer again directly.

	Tons
British Guiana	128,500
Dutch Guiana	45,500
France	11,000
Yugoslavia	3,850
Brazil	207
Germany	0
England	2
Italy	1,430
West Indies	1,700

As evidence of the tenacity with which the Aluminum Co. seeks to continue its control of sources of supply, an extremely interesting case was adjudicated in British Guiana some years ago, which involved some rather extraordinary considerations. Briefly, the situation was this: Mr. Emory, above referred to, resigned his position with the Aluminum Co. during the war for the purpose of making himself available for war work and came back to the United States. After being demobilized, however, he returned to South America in the interest of parties adverse to the Aluminum Co. and negotiated for the purchase of land owned by a Mrs. Hubbard. This land comprised 1,500 acres of bauxitic ore and was wedged in between holdings of the Demarara Bauxite Co. Mr. Emory approached counsel for Mrs. Hubbard, a Mr. Humphreys, who was likewise proxy director in the Demerara Bauxite Co., for the purpose of securing an option for the purchase of the land in question. This attorney offered to carry through the proposition and figured also to make a substantial profit for himself. He therefore obtained an option on the land for $5,500 and jockeyed the interests of Emory against the interests of the Demarara Co. until the price offered by the Demerara Co. was raised to $12,200 and the price offered by Emory to $12,000. The trial court gave judgment and title to Emory, holding that because of the confidential relation of attorney and client the transaction as to the Demerara Co. was void. Title was then passed to Emory or the parties in privity with Emory. The Demerara Co. was not satisfied, however, and the case was successively appealed to the appellate court of Guiana, the West Indian Court of Appeals, and the privy council in London. Emory now states that the Demerara Co. is trying to shift its property lines so as to cut him out of some of his bauxite property, and that more than likely the Demerara Co. will start another suit involving the boundary lines. Emory states that the general policy of the Aluminum Co. seems to be to wear out their competitors with lawsuits, and that this apparently is what is being attempted in the present instance.

Just what the foreign situation it is difficult to state. With regard to that situation we know: (1) That the Aluminum Co. of America owns or has a substantial interest in the two cheapest producing companies in Europe; (2) that foreign producers of aluminum meet currently for the purpose of fixing prices in countries other than the United States; (3) that the Aluminum Co. has on occasion undersold foreign producers in their own market; (4) that the British and Swiss companies were investigated early in last year for alleged violations of the American antidumping act. My opinion is that the situation is as follows: The Aluminum Co. as such possibly does not enter into foreign agreements touching on the fixation of prices. However, I believe that the Aluminum Co., through its Canadian subsidiary, must be represented at these meetings. If this is true, then the price is fixed in respect of all countries other than the United States. The Aluminum Co. then may use its Norwegian companies as a Damoclean sword to hold the foreign companies in line. If they cut the price, the Aluminum Co. probably goes into their domestic market and slices prices to such ridiculous figures that the foreign companies are forced back into line.

In this connection it appears that in 1913 the Northern Aluminum Co. (the Canadian subsidiary of the Aluminum Co. of America) was a member of the European price-fixing combination (par. 172, Schedule C, tariff hearings before Committee on Ways and Means, 62d Cong., 3d sess., 1913). Private experts have reported that in England and Belgium the Aluminum Co. has sold at extremely low prices on at least two occasions for the purpose of lining up recalcitrant companies who were underselling the Aluminum Co. in the United States. Other experts have contended that there was an agreement between the American corporation and the foreign producers for an "allocation of customers." If the statements above are correct, and it is earnestly believed that they are correct, then the Aluminum Co. of America can control the imports into the United States and can also protect the domestic price. The two importers who were investigated under the antidumping act last year, because they wished to sell at 1 cent per pound under the prevailing domestic price, were thoroughly frightened because this matter came under the jurisdiction of the Treasury Department, and it is to be presumed that the price cutting has ceased, although in the particular instances no formal action was taken against the companies.

Further along the same line I offer now two articles appearing in the Mining Journal, one in the issue of January 30, 1926, and the other in the issue of February 6, 1926. I read from the first a part thereof as follows. It is entitled "The high price of aluminum," by Robert J. Anderson, bachelor of science, doctor of science, and master of engineering. I read:

[From the Mining Journal, January 30, 1926]

THE HIGH PRICE OF ALUMINUM

(By Robert J. Anderson, B. Sc., Met. E., D. Sc., consulting metallurgical engineer, Cleveland, Ohio, United States of America)

In the December 5, 1925, issue of the Mining Journal the high price of aluminum is discussed editorially. The treatment of the situation was eminently fair—if not too fair. That the selling price of aluminum to the consumer is too high, entirely out of relation to the cost of production, and exceedingly deleterious to the welfare of the aluminum industry, is generally admitted by everyone with any knowledge of the situation, barring aluminum producers and Republican legislators in the United States Congress. A survey of the aluminum industry proves, or at any rate argues very cogently, that aluminum will remain at an exorbitantly high price until there is competition in aluminum reduction in the United States. Another factor which is capable of reducing the world price of aluminum is reduction of the American import duty; this is quite far-fetched and altogether out of the realm of possibility under the present administration unless the Aluminum Co. of America requires a reduction. American consumers of aluminum have been sorely harassed for many years by unnecessarily high prices for the metal and have been subjected to sharp trade practices at the hands of the Aluminum Co. of America. The high import duty on aluminum and manufactures thereof brought into the United States has not only been ruinous to the independent founders and fabricators but has been injurious to foreign producers and consumers. The Aluminum Co. of America takes advantage of the tariff by selling at high prices in the United States and cheaply in foreign markets. When all the evidence is weighed it is found that the aluminum situation, in so far as injurious effects are traceable, is entirely without parallel in the history of the world's metal industry.

In the present short article the reasons for the high price of aluminum will be considered—particularly from the point of view of the American consumer. The position of the American consumer of the metal and that of the independent founder and fabricator is distinctly different from that of the British or continental consumer. In the United States the consumer is dominated by the Aluminum Co. of America, and is hindered in his operations at every turn by the trade practices of this concern. Moreover, he is dependent for his supply of aluminum pig or semimanufactured forms of metal upon the pleasure of the Aluminum Co. The supply of aluminum in the United States is by no means equal to the demand, notwith-

standing considerable importations from abroad, but the Aluminum Co. of America will neither supply the demand nor permit lowering of the tariff, so that an adequate volume of metal can flow into the country.

The American consumer has been engaged for many years in a long and bitter trade and legislative struggle with the Aluminum Co. of America for lower prices on pig and semimanufactured metal, for the elimination of the import duty, and for a fair deal. So far he has been unsuccessful, and the indications are that no improvement in the general situation can be expected. The self-appointed champions of the American aluminum consumers have been certain Democratic legislators in Congress, whose interest in the situation is purely partisan and for political purposes. While the information detailed in the present article is well known to all American consumers of aluminum, the student of economics would be amazed to learn the facts surrounding the industry. A review of the situation may be of interest also to metal men in general.

The present American price for primary aluminum pig (98–99 per cent grade) is 27 cents per pound f. o. b. works. Let us examine the facts now, and see if there is any reasonable justification for this price. It will also be of interest to detail the trade practices of the Aluminum Co. of America as experienced by the domestic aluminum consumer and as established by the Federal Trade Commission, and see what the consumer has to complain about in addition to high price. It may be added parenthetically that the great majority of the independent founders and fabricators in the United States are powerless to defend themselves before the legislators for fear of further antagonizing the Aluminum Co. of America. This company is in a position that it can absolutely hamper, if not actually prevent, the fabrication or casting of aluminum by any company who might oppose the will of the Aluminum Co.

COMMERCIAL AND POLITICAL CONTROL OF THE WORLD'S ALUMINUM INDUSTRY

The world's aluminum industry is controlled by five great groups of producers—viz, (1) the American—i. e., the Aluminum Co. of America, which owns all the reduction plants in the United States and Canada and a plant in Norway; (2) the French—i. e., L'Aluminium Française, which is a holding company controlling most of the reduction plants in France, those in Italy, and operates two in Norway; (3) the Swiss—i. e., Aluminium Industrie Aktien Gesellschaft, which owns the reduction works in Switzerland, one in France, and one in Germany; (4) the German, which are state-owned and control the production in Germany and Austria; and (5) the British—i. e., the British Aluminium Co. (Ltd.), which controls the production in the British Isles and operates works in Norway, and the Aluminium Corporation (Ltd.), operates a reduction works in Wales, having small output. The dominant factor in the world's aluminum industry is the Aluminum Co. of America, controlled by Andrew W. Mellon, Secretary of the Treasury of the United States. The other main producers appear to be constrained to follow the policy of this company, particularly as regards price of pig metal, whether they will or no. Naturally, it is to the advantage of immediate profits to sell at as high a price as possible.

All of the aluminum producing firms either own or control extensive deposits of bauxite, hydroelectric power plants, carbonelectrode factories, alumina preparation plants, aluminum reduction works, fabricating plants, and foundries. They make all kinds of manufactured and fabricated articles in aluminum and aluminum alloys. Naturally, there is nothing reprehensible in all this, per se. But the general attitude of the aluminum producing firms, with conspicuous exceptions, is that it is their divine right to produce aluminum, and that any concern contemplating entering the business is an obnoxious trespasser. They also take the attitude that it is their exclusive right to do all the alloy casting work, rolling, fabricating, stamping, and to engage in all other branches of the industry. In short, anyone who does not produce aluminum is persona non grata in the business, yet they insist that there shall be no new competition in aluminum reduction, and fight tooth and nail to prevent potential competition. The producers in 1912 even went so far as to enter into a contract to fix the world prices of aluminum—the famous "international aluminum agreement." The aluminum producers by and large appear to be believers in the extraordinary doctrine that the law of supply and demand can not conceivably be applicable to the aluminum business.

RELATION OF SELLING PRICE AND THE TARIFF

The present duty on aluminum pig (scrap and alloys) imported into the United States is 5 cents per pound, while that on sheet, plates, coils, bars, rods, and related manufacture is 9 cents. These rates were fixed in 1922 under the Fordney-McCumber law. Under the Underwood-Simmons Act the duties were 2 cents and 3½ cents, respectively (Democratic administration). Under the Payne-Aldrich Act the duties were 7 cents and 11 cents. The import duty on aluminum is a typical example of political logrolling, and finds no basis for its existence either from the point of view of protection to the industry or of revenue. The sum and substance of the reason for the domestic import duty is that the Aluminum Co. of America, although in complete control of the entire industry on the American continent, must needs further ensure its already complete control by preventing what little competition there is from abroad by a high and prohibitive rate of duty. The duty explains in part the high price of aluminum to the American consumer. Investigation of the colored statements of the Aluminum Co., taken from debates on the tariff in previous years, shows that the plea of the Aluminum Co. for protection against "ruinous foreign competition" is not borne out by the actual facts regarding competitive costs of production or volumes of output in the United States and abroad.

The arguments of the Aluminum Co. of America in support of a substantial import duty on aluminum are so fallacious as to be ridiculous were they not so dangerous in their effects on the legislators. The Aluminum Co. argues, for example, that a high duty on aluminum coming into the United States means a low price to the consumer. The reasoning by which this confounding conclusion is arrived at is based on the premise that with aluminum on the free list the works of the Aluminum Co. would have to shut down in the face of cheap foreign metal, and that then, with the Aluminum Co. ruined, the foreigners would raise the price to unbelievable heights. This silly reasoning vanishes in the face of the facts, which are that the foreign producers have no great exportable surplus, that their costs of production are substantially the same as the American, and that the present consumption of the United States is in excess of 300,000,000 pounds per annum, even with aluminum at 27 and 28 cents per pound. The history of the American aluminum tariff shows that this legislative enactment has been of great harm to the independent aluminum consumer and of highly dubious value, even to the Aluminum Co. of America. The Aluminum Co. also argues that the tariff has no effect upon prices. The obvious question to this is: "Why should the Aluminum Co. ask for a tariff?" The answer is that an import duty offers an excuse for the raising of prices—usually out of all proportion to the duty—thereby swelling profits and raising a barrier against foreign metal.

The subjoined figures give the average open market prices for primary aluminum pig in the United States under the different import rates since 1890:

Average price 1890–1894, under 15-cent tariff, 98 cents.
Average price 1895–1897, under 10-cent tariff, 31 cents.
Average price 1898–1909, under 8-cent tariff, 29 cents.
Average price 1910–1913, under 7-cent tariff, 22 cents.
Average price 1914–1921, under 2-cent tariff, 35 cents.
Average price 1922–1925, under 5-cent tariff, 25 cents.

The prices are in round figures and refer to the American market. It is of interest to analyze these prices in relation to the tariff, and see what is found, remembering that the Aluminum Co. alleges that the tariff has no effect on prices. Going back to 1890, the industry was just getting under way, the price of metal in 1890 being $2.28 per pound, and the import duty 15 cents per pound under the tariff act of that year. By 1894 the price had fallen to 45 cents per pound. Production was up to this time insignificant. Under the tariff law of 1894 the import duty was 10 cents per pound, and the price of metal fell to 28 cents per pound in 1897. It will be noticed that the price in that year was the same as in 1925, although the industry was staggering under heavy development burdens in 1897, and the total production in the United States was only 4,000,000 pounds, as against 200,000,000 pounds in 1925. Is it possible that production costs in 1925, with an output fifty times that in 1897, are at the same as in 1897? A general dictum of production practice is that the greater the volume of production the lower the cost. It would seem that this applies to metal production in general, barring aluminum. Under the tariff act of 1897 the import duty was 8 cents, and the average price of aluminum was 29 cents per pound over the following 12 years. The differential in the import duty acts of 1894 and 1897 was 2 cents per pound, while that in the sales price of the metal during the years these respective acts were in force was 2 cents per pound. The duty under the act of 1909 was 7 cents per pound, and the average price over the period 1910–1913 was 22 cents per pound. The low price reached up to 1913 was 20 cents per pound in 1911. The generally low prices for aluminum during this period are not ascribable to the tariff, as the Aluminum Co. would like to have us believe, but due to overproduction and poor industrial conditions. Under the law of 1913 the duty was reduced to 2 cents per pound, and the average price of metal in 1914 was 19 cents per pound. There apparently seems to be some relation between aluminum prices and the tariff, and this relation is that the lower the tariff the lower the price. The 2-cent duty was in force during the eight years of the Wilson administration, viz, from 1914 to 1922. The average market price during this period was 35 cents per pound, as based on open-market prices. During the war aluminum sold up as high as 67 cents per pound, as reported in the markets, although consumers under contract by the Aluminum Co. are said to have obtained metal at much lower prices. Figuring the averages of the contract prices for 1915, 1916, and 1917 (being 32, 34, and 37 cents per pound, respectively), the average price of metal over the period 1914–1921 was 30 cents per pound. This very high price in the face of a low

tariff is readily accounted for by the fact that during all the war years the imports of aluminum into the United States were negligible, demand for the metal was very high, and the Aluminum Co. of America dominated the situation completely. Naturally prices of aluminum rose along with other commodities. In 1918 the United States Government fixed price of aluminum pig was 33 cents per pound. Under the tariff law of 1922 the duty was raised to 5 cents per pound. In 1922 the average open-market price of aluminum was 20 cents per pound, while in 1923, and immediately after the tariff law went into effect, it rose to 25 cents per pound. In 1924 the average price was 28 cents per pound, while in 1925 it was nearly 29 cents per pound. The only conclusion that the aluminum consumer can arrive at from these figures is that the higher the duty on aluminum the higher the market price.

RELATION OF SELLING PRICE AND PRODUCTION COST

Irrespective of the tariff, the consumer of aluminum, whether in the United States or elsewhere, is fully justified in asking whether the current price of aluminum is warranted. It is the mature conclusion of students of the industry that the price is neither warranted nor desirable. Aluminum is the lightest of the commercial metals which are used in large quantity, and certain of its alloys are most desirable for a wide variety of purposes in engineering construction. At the present time, as in the past, neither the metal nor its alloys can be used for many purposes where engineering data indicate that they logically should be employed from the technical point of view, because of the excessively high price. Moreover, there is a positive discrimination on the part of the American producer to encourage the trial of aluminum alloys for many logical purposes, and in numerous cases the company has refused to exhibit any interest in proposals for new applications by various interests.

That the high price of the metal is the main restrictive factor in the more widespread use of aluminum and its light alloys is plainly shown by the attitude of the American automotive industry and that of the general engineering trades in the United States, as well as by the annual output of metal. The use of aluminum in the American motor car has been steadily falling off for a number of years, and American makers are far behind the European in the employment of the metal and its light alloys in automotive construction. In 1920 the average amount of metal used in the American motor car, excluding Fords, was 120 pounds, and in that year the consumption of aluminum by the automotive industry was about 120,000,000 pounds, or 60 per cent of the total United States production of primary metal. In certain types of cars as much as 250 pounds of metal were employed. Domestic motor vehicle production in 1920 was about 1,000,000 cars and trucks, exclusive of Fords. In 1925 the average amount of metal used per car was only 40 pounds, with about 2,500,000 cars and trucks built, exclusive of Fords, in which aluminum was used. The total amount of aluminum consumed to-day by the automotive industry is no more, and probably less, than the total taken five years ago. Even in some of the higher grade cars cast-iron crank cases are being used instead of aluminum-alloy cases. A high tariff on aluminum can have one of two effects in the American automotive industry: (1) It can mean higher-priced motor cars, because of the higher cost of aluminum; or (2) it can mean a lessening of the use of aluminum and aluminum-alloy parts, thereby decreasing the efficiency and quality of the American motor car. The domestic motor-car manufacturers have come to the conclusion by and large that they must cut down on the use of aluminum. The explanation offered by the leading companies is that the metal is too costly, despite its advantages, and that sources of supply are too uncertain in the face of the large excess of demand over supply, that they can not take the chance of being cut off in the midst of production. With the high import duty on aluminum, uncertainty as to source of supply, and the present competition in the domestic automotive industry, it is difficult to believe that the industry will, in the immediate future, absorb much more metal than it does at present. The American automotive industry could easily consume 600,000,000 pounds of aluminum per annum at a reasonable price.

PRODUCTION COST

That the selling price of aluminum pig bears no relation whatsoever to the cost of production has long been suspected by the aluminum consumer and others. That the selling price is in no way dependent upon production costs is a matter of actual fact. When commodity producers in the United States seek to obtain a protective tariff in order to offset lower wage rates, lower power costs, or other lower operating factors in foreign countries, they normally base their demands for a duty on their relative production costs as compared with their foreign competitors. Not so the Aluminum Co. of America. In all the debates on the aluminum tariff before Congress no inkling has ever been disclosed as to the aluminum production costs of the Aluminum Co. Its extreme reticence as to disclosing costs can only be interpreted to prove that its costs are not out of line with foreign production costs, and that disclosure of the actual costs would quickly show that the selling price of the metal is far too high. The cost of producing aluminum can be roughly calculated with sufficient accuracy for all practical purposes to show why the Aluminum Co. of America in the past 10 years has never made less than $10,000,000 per annum on a capital stock of about $18,000,000, and why the equity value of that stock is in excess of $110,000,000—all this on an original investment of $20,000. It should be stated parenthetically that there is nothing reprehensible per se in running a $20,000 shoestring to over $110,000,000, but a company capable of this financial success is certainly not in need of protection from competition.

Turning to the matter of aluminum reduction costs, this can not be much in excess of 12 cents per pound under the worst conditions. The Aluminum Co. of America in its briefs filed in connection with the aluminum tariff and in public statements alleges that the labor item makes up 90 per cent of the production cost. This allegation is so absurdly ridiculous that if taken at its face value it would mean that the production cost of aluminum would be in excess of the present selling price, to accommodate such a relation of the labor item to the total production cost. The facts in the case are that the total labor cost is not over 10 per cent of the production cost starting with the mining of bauxite, and the labor cost in the production of aluminum from alumina is 5 to 6 per cent of the total cost.

Calculations for the production cost of aluminum have been made many times by those competent in the business. Thus Debar gives the cost for German practice as about 16 cents per pound, including interest and investment and amortization of plant. Clacker, of the British Aluminum Co. (Ltd.), has quoted the figure of 12 cents, Collet has given 8.6 cents for Norwegian practice, Nissen has given 12 cents for European practice in general, and Lodin has quoted 11 cents per pound. Calculations by the writer for American practice show 13 + cents, which is amply high.

High-grade bauxite, with 56 to 62 per cent Al_2O_3, sells in the open market for $4 to $8 per ton, depending on the grade and the nature and percentage of the impurities. The actual cost to the aluminum producer who owns his own bauxite deposits and mines his own ore is naturally less. Taking good bauxite at $5 per ton and figuring 4 tons of ore to make 1 ton of aluminum, the cost for ore is $20 per ton, or about 1 cent per pound, as against the selling price of 27 cents for the metal. The total cost of making pure alumina is from 1 to 3 cents per pound, depending upon the quality of bauxite used and the volume of ore treated. In the United States it runs about 1½ cents per pound. Electrodes are worth 2 to 3 cents per pound, and about 0.8 pound of electrode is consumed per pound of aluminum produced. The power cost is about 1.5 to 2.5 cents per pound. Detailed figures need not be given in the present instance, but sufficient is known about costs to demonstrate clearly that with an average cost of even 12 cents, and figuring overhead at 5 per cent on the total cost per pound, a selling price of 27 cents is far out of line with a fair profit. The process of manufacturing aluminum is relatively simple, as everyone who has any knowledge of the metallurgy of the metal is aware, and as anybody who will take the trouble to investigate the matter will find out. The only conclusion that the aluminum consumer can arrive at is that the sales price is high in order to insure exorbitantly high profits to the producer, and that the reason why there is not competition in the aluminum-producing end on the American Continent is because potentially possible competitors are restrained and intimidated by the position of the Aluminum Co. of America.

In 1924 the bulk of the world's copper production was turned out by 29 companies, at an average price of 10.4 cents per pound, or only 1 cent per pound above pre-war costs. The average selling price of copper in 1924 was 13.02 cents per pound. Of these 29 companies 19 paid dividends. Between 1845 and 1923 the United States copper producers enjoyed an average sales price of 16.95 cents per pound, and during these years they paid an average dividend of 4.25 cents per pound—i. e., they distributed 25 per cent of their gross income as dividends. The aluminum consumer would like to know how it comes that the aluminum producer must have a differential between the cost of production and the selling price of as much as say 15 cents per pound on the average, in the light of the history of the copper industry.

RELATION OF OUTPUT AND PRICE

The output of aluminum bears no relation to the price paid by the consumer, as the statistics of the industry clearly show. As mentioned above, the domestic production in 1897 was only 4,000,000 pounds, and the price was 28 cents per pound. In 1925 the output was about 200,000,000 pounds, and the price was also 28 cents per pound. In 1914 the American price reached a low of 19 cents per pound; the output was 90,000,000 pounds. In 1922 the price was 20 cents per pound, and the output was 114,640,000 pounds. In 1911 the price was also 20 cents per pound, and the output was 28,600,000 pounds. In 1918, the peak year, the output was 225,000,000 pounds, and the price was fixed at 33 cents. In 1913, the year generally used now as an index of pre-war conditions, the average price of copper was a shade over 15 cents per pound; that of aluminum was 21 cents. Copper rose to 31 cents in the United States during the war; aluminum to 67 cents and more. The present price of copper is 14.5 cents per pound; that of aluminum is 27 cents.

It has been suggested by some that the price of aluminum would be lower if the output were greater, and comparison has been drawn be-

tween the total production of copper and that of aluminum as indicating greater stability in the copper industry and the reason why consumers specify copper and cuprous-alloy parts in preference to aluminum and its alloys. There is something to be said for the latter comparison, in that it is one of the reasons why aluminum cable has not more extensively replaced copper for transmission purposes, and why large consumers hesitate to change to aluminum from copper—in short, they are fearful that the supply is not large enough. The answer as to why the price of aluminum is so high and the output so relatively small is that both price and production are controlled by the dictates of the Aluminum Co. of America. The policy of this company is, according to all the information that can be obtained and reasoning from what can be seen of its acts in the trade, to standardize output and regulate prices so as to obtain the maximum profit. This is certainly contrary to the general policy of American metal producers, that large profits come with large volume. The general policy of commodity producers in this country is to develop consumption by enlarging and cheapening production, which is a sound policy, greatly to the advantage of both producer and consumer alike, has been shown in the copper, steel, lead, zinc, rubber, automobile, moving picture, foodstuffs, and other basic industries.

The mature conclusion reached by the student of the aluminum industry and by consumers is that the policy adopted by the Aluminum Co. of America is detrimental to the company itself, and has reacted most unfavorably upon the industry as a whole. Aluminum producers by and large have been noted for their secrecy regarding processes, statistics, output, costs, and the general run of their businesses. This policy has been a greatly destructive factor in the progress of the industry. The free interchange of ideas as to manufacturing methods and technical practice, which is a prime necessity to advances, has been completely shut off. The method used for reducing aluminum is the same to-day as it was in 1886. The great bulk of the progress in the technical and scientific end has come through the work of investigators not employed by aluminum producing companies. In this connection a noteworthy case may be cited in the alloy developments brought out at the National Physical Laboratory.

Any industry is entitled to remain as secretive as to manufacturing methods as it sees fit, but no industry has a right to withhold important statistics as to costs, output, and other data desired by Government agencies. The Aluminum Co. of America, for example, sees fit to give out no information at all, but, on the other hand, it goes before the legislators and asks kind consideration in the matter of tariffs, water rights, and other favors. The question naturally arises: "Why be so secretive if there is nothing to conceal?"

It has been suggested that a greatly enhanced output of aluminum might not find a ready market even at a much lower price, and hence the producers of the metal wisely keep the output at a low level. A much larger output than that at present would probably not find a ready market at the current price, but with the present actual demand the producers could figure on a 100 per cent increase in consumption at 20 cents per pound. The writer is of the opinion that with aluminum at 15 cents per pound the world could easily absorb 2,000,000,000 pounds per annum.

THE ALUMINUM CO. OF AMERICA AND THE FEDERAL TRADE COMMISSION

For many years the Federal Trade Commission has been diligently investigating the trade practices of the Aluminum Co. of America, as well as numerous other domestic companies. In 1912 the courts found that the trade practices of the Aluminum Co. were in violation of the antitrust laws, and the Aluminum Co. was warned to discontinue these practices, which it promised to do. That the Aluminum Co. has continued to do just about as it pleases, irrespective of the trade laws, is the experience of the Federal Trade Commission, the domestic aluminum consumers, foreign producers, and the present writer. The most distinguished contribution of the Federal Trade Commission to the enlightenment of the general public on the aluminum situation is contained in its report on the House Furnishing Industry, Volume III, Kitchen Furnishing and Domestic Appliances, dated October 6, 1924. The aluminum clinic conducted for a number of years by the commission charges substantially as follows regarding the trade practices of the Aluminum Co. of America:

(1) Cancellation of customers' orders without warning or cause.

(2) Refusal to promise shipments after taking orders.

(3) Unreasonable delays in deliveries.

(4) In the case of sheet consumers making fabricated articles, where there are orders for several gauges of sheet necessary to finish a given manufacture, one or two gauges are delivered and the others held back so that the work can not be processed to completion.

(5) After deliveries of metal have been unreasonably delayed, large quantities are dumped on customers without warning.

(6) Deliveries of metal in large quantities are made to customers on unreasonably delayed orders shortly after the purchase of foreign metal by customers.

(7) Charging higher prices for pig or semimanufactured aluminum to independent fabricators than to subsidiary companies.

(8) Discouraging potential competition in certain lines of the industry by refusing to sell pig or semimanufactured aluminum to certain companies.

(9) Furnishing metal known to be defective and of poor grade.

In brief, violation of the Sherman Antitrust Act.

Many other charges could be added to the above list of the Federal Trade Commission, but the demands of space prevent a detailed recounting of all the complaints of the domestic consumer. The Aluminum Co., for example, limits the supply to independent fabricators and founders, claiming its inability to satisfy the demand and the necessity for parceling out supplies so that they will go around. Then they say, on the other hand, that the consumptive requirements of the country are much under their productive capacity. The domestic consumer complains, too, that the Aluminum Co. has deliberately prevented competition by purchasing heavy interests in or entirely absorbing all of its larger competitors, and especially the larger consumers of its own products. Without going into this aspect of the situation, it is sufficient to say that the consumer is harassed beyond all reasonable bounds by the domestic situation in aluminum, and is hindered, if not actually prevented, from expanding his operations. Many fabricators and founders have been driven out of the business.

The total results to date from the commission's findings have been nil. It may be said in passing that the news brought forth by the commission as a result of its investigations was no news at all to the domestic consumer, who has been well aware of the conditions for many years. The commission has ample powers to proceed legally against the Aluminum Co., but it has not done so. The point at issue in the aluminum controversy is not whether the Aluminum Co. is a monopoly; that is definitely settled. It is a matter of the utmost indifference to the American aluminum consumer as to whether the Aluminum Co. is a monopoly or not. The point at issue so far as the courts are concerned is whether or not the Aluminum Co. has been conducting its business in such a manner as to be fair to subsidiaries and independent consumers alike. The answer is, irrespective of how the matter is settled by legislators and the courts, no. The aluminum monopoly in the United States has been so long ignored solely because of reluctance on the part of the legislators to disturb the gentlemen who own the company, and because of timidity of consumers in insisting upon their rights. The present attack on the Aluminum Co., led by Senator WALSH, of Montana, and Representative OLDFIELD, of Arkansas, is purely for partisan purposes to discredit the Coolidge administration. All the ingredients of good Democratic ammunition are at hand in the aluminum situation, viz: (1) The metal is protected by a heavy and unnecessary tariff; (2) the industry is a perfect example of a monopoly, controlled by the Aluminum Co. of America; and (3) the company is controlled by the Republican Secretary of the Treasury, A. W. Mellon. That the present inquiry now being conducted in Congress will have any noticeable effects the writer proposes to doubt, and the aluminum consumer in the United States has watched the course of events too long to have any faith whatsoever in governmental inquiry.

POSSIBILITY OF COMPETITION

In 1925 the world's aluminum industry was featured by plans and rumors of plans for the starting of a number of new aluminum producing plants by new interests in various countries, including Canada, Czechoslovakia, Germany, Hungary, Italy, Norway, and Russia. When reports of new schemes for aluminum reduction by independent companies in the United States are announced, the average aluminum consumer is profoundly skeptical. Very many of such schemes have been projected, and they all, with the exception of those of the Aluminum Co. of America, have come to naught. The only scheme which ever amounted to anything on the American Continent was that of the Southern Aluminum Co. in North America, backed by French interests, some 10 years ago. This was regarded by the consumer as the salvation of the industry, since competition was thought to be at hand. This plant was quickly gobbled up by the Aluminum Co. of America. Various and sundry other plans of less importance have engaged the attention of the domestic consumer from time to time. The Aluminum Co. of America alleges that for over 15 years no obstacle has existed to prevent anyone from entering the aluminum-producing field. It is such statements as this by the Aluminum Co., as well as its insistence that the tariff has no effect on prices, that explain in part the enormous capacity of the Aluminum Co. for arousing the rage of the domestic consumer.

The obstacles to entering the American aluminum producing industry are, briefly stated, (1) that the Aluminum Co. of America will seek to restrain and intimidate potential competition; (2) that large financial resources are required, not only for plant and equipment, but to carry on trade war and meet price cuts; (3) that practically all of the available bauxite resources suitable for aluminum production are controlled by the Aluminum Co.; (4) that there are relatively few technical men who know anything about aluminum reduction, and virtually all of these are in the employ of the Aluminum Co.; moreover, they are restrained by contracts not to divulge any technical information acquired while they were in the employ of the company. These obstacles seem real enough to the average consumer of aluminum

who contemplates entering the field. The possibility of entering the field is well shown by the experience of Henry Ford in his attempt to secure the power rights at Muscle Shoals. It will be recalled that his purported object in securing the site was to make fertilizer, but actually what he wanted to do was to produce aluminum. His offer was summarily frowned upon by the legislators, and finally withdrawn. Another instance of the possibility of entering the aluminum reduction field on the American Continent is shown very strikingly by the recent experience of Mr. George D. Haskell, president of the Baush Machine Tool Co., Springfield, Mass. Mr. Haskell's company is prominent in the manufacture of duralumin, an important consumer of aluminum and well financed. Mr. Haskell had a tentative deal on with the late James B. Duke, in which the two interests were to join in the production of aluminum at the Duke hydroelectric power site on the Saguenay River in Canada. The developments in Canada in the past six months are fresh history, and everyone knows that Mr. Haskell is not in on the Duke-Aluminum Co. deal at Chute-a-Caron. Mr. Haskell has now brought suit for $15,000,000 damages, charging that the directors of the Aluminum Co. conspired with the Duke interests to prevent him from producing aluminum. This situation clearly shows what happens to companies which attempt to enter the reduction field on the American Continent.

The question of "making aluminum from clay" need not be discussed in the present article. In brief, the possibility is exceedingly remote so far as independent and new interests are concerned.

The article indicates the views of the engineering profession and the trade with reference to the practices which we are seeking to reach by this means.

Mr. REED of Pennsylvania. Does the Senator think one article couched in such terms indicates the views of the entire engineering profession?

Mr. WALSH. No; one swallow does not make a summer. I offer the article in connection with other matter to which I have referred as indicating at least the general view about the situation.

Mr. REED of Pennsylvania. The Senator will admit that it is a very small swallow at best.

Mr. WALSH. It will be noted that the writer pays his respects to the Republican legislators in the United States Senate, but he is impartial in the distribution of his comments concerning us, for a little later on he indicates that the proceedings in which we are now engaged are instituted and are being carried on by certain Democratic Members merely for partisan political purposes. Let us admit for the present that that is the sole purpose with which I and those who are associated with me in this matter are actuated, that we have no consideration of the public welfare in mind at all; what difference does it make? What difference should it make to the trade or the engineering profession by what motives we are actuated when we expose the facts and endeavor diligently and resolutely to bring relief through the only channels through which relief can possibly come?

Reference was made here to the sources from which our abundant supply of bauxite comes, the purpose evidently being to convey the impression that it is quite within the realm of possibility or even probability that other enterprising American citizens could go into the production of aluminum in this country and get their supply of bauxite from abroad. By the act of 1922 the duty on imports of aluminum ingots was increased from 2 to 5 cents per pound and on coils, plates, sheets, bars, rods, circles, disks, blanks, strips, rectangles, and squares from 3½ to 9 cents per pound. In the year 1922 we imported of aluminum metal—crude, scrap, and alloy—39,951,690 pounds. In 1924 we imported 10,000,000 less, or 29,394,155 pounds. I read the figures from the reports on foreign commerce and navigation of the United States issued by the Census Bureau.

Going back to the imports of 1922, we find that of the 39,000,000 pounds imported, 7,000,000 pounds came from France, 6,884,925 pounds came from the Netherlands, 7,115,767 pounds came from Switzerland, 9,810,326 pounds came from England, and 7,529,202 pounds from the Provinces of Canada. But when we come to 1924, we find that of the 29,394,155 pounds imported, 10,000,000 less than were imported in 1922, 16,868,983 pounds came from Norway, the greater part of it produced by the Norse Aluminum Co., of the stock of which the Aluminum Co. of America had acquired 50 per cent. There also came from Canada 5,949,162 pounds, the Aluminum Co. of America controlling the greater portion of the Canadian supply meanwhile; so that of the 29,000,000 pounds, 22,000,000 came from sources controlled by the Aluminum Co. of America. I think that is an answer to the question asked me by the Senator.

Mr. REED of Pennsylvania. Does the Senator from Montana think that a 50 per cent interest is equivalent to control?

Mr. WALSH. I think that a 25 per cent interest is a controlling interest, ordinarily, in any corporation. So, Mr. President, 33 per cent is regarded by all of the courts of this country as a controlling interest, so as to make effective against a corporation that does so control a large institution the operation of the Federal antitrust act.

Mr. REED of Pennsylvania. Can the Senator refer to a case in which that has been held?

Mr. WALSH. It was so held in the case against the Sugar Trust. The facts were revealed in the inquiry concerning the connection of Mr. Warren with that matter. The company was compelled by the Department of Justice to reduce their holdings from 42 per cent to 33 per cent; then they were allowed liberty of possession and were enjoined from holding more than that amount.

Mr. REED of Pennsylvania. What court held that 33 per cent controlled the remaining 67 per cent?

Mr. WALSH. My recollection is that it was the Southern District Court of New York.

Mr. REED of Pennsylvania. But the Supreme Court has never said anything of that kind?

Mr. WALSH. Oh, no, the Supreme Court has not said so; but I undertake to say that anyone who is familiar with corporate management in this country—and no man on this floor is more so than is the Senator from Pennsylvania—knows that from 25 to 33 per cent in any great corporation gives the persons controlling that percentage control of the corporation.

Mr. REED of Pennsylvania. I can cite a very dramatic situation that would indicate that that was not so.

Mr. WALSH. So can I.

Mr. REED of Pennsylvania. The Senator from Montana will remember the Northern Pacific contest, where 49 per cent was found not to be controlling.

Mr. WALSH. Quite so, Mr. President. Whenever minority stockholders get into such a state of mind that they will not "come through" and a fight ensues, of course, then, 51 per cent is necessary to control; but the Senator from Pennsylvania knows that what I have stated is true as to all the great corporations of this country; and it was so revealed in the investigation conducted by former Secretary Hughes in the insurance investigation, where it was easily disclosed that the directors of a corporation having control of from 25 to 33⅓ per cent, under all ordinary circumstances, will control that corporation. Of course, if the other parties can go out and get the remainder of the stock and they fight, then 33⅓ per cent can not control 66⅔ per cent, as the Senator from Pennsylvania has stated.

Mr. REED of Pennsylvania. I submit that 1 per cent can control if the other 99 per cent will not assert their rights.

Mr. WALSH. Exactly; but when from 25 to 33 per cent secure control of the directorate they handle the corporation, as the Senator fairly well knows, I venture to say.

Mr. CUMMINS. Mr. President——

Mr. WILLIS. Mr. President, several Senators have advised me that they desire to be present when the Senator from Iowa makes his address. I therefore make the point of no quorum, if the Senator from Iowa will yield to me for that purpose.

The VICE PRESIDENT. The absence of a quorum having been suggested, the Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Bayard	Ferris	McKellar	Sackett
Bingham	Fess	McKinley	Sheppard
Blease	Fletcher	McLean	Shipstead
Bratton	Frazier	McNary	Simmons
Brookhart	Glass	Mayfield	Smith
Broussard	Goff	Means	Smoot
Bruce	Hale	Metcalf	Stanfield
Butler	Harreld	Moses	Swanson
Cameron	Harris	Norbeck	Trammell
Capper	Harrison	Nye	Tyson
Copeland	Heflin	Oddie	Walsh
Couzens	Howell	Overman	Warren
Cummins	Jones, Wash.	Pepper	Weller
Dale	Kendrick	Phipps	Wheeler
Edge	Keyes	Pittman	Willis
Edwards	King	Reed, Pa.	
Ernst	La Follette	Robinson, Ark.	

Mr. NORBECK. I was requested to announce that the junior Senator from South Dakota [Mr. McMASTER] has been called home on account of the death of a relative and will be absent for several days.

Mr. JONES of Washington. I desire to announce that the Senator from Kansas [Mr. CURTIS], the Senator from Minnesota [Mr. SCHALL], and the Senator from Nebraska [Mr. NORRIS] are absent on account of illness.

Mr. McKINLEY. I wish to announce that my colleague, the junior Senator from Illinois [Mr. DENEEN] is detained from the Senate on account of illness.

The VICE PRESIDENT. Sixty-six Senators having answered to their names, a quorum is present.

Mr. CUMMINS. Mr. President, in the brief time in which I shall ask the attention of the Senate I do not intend to consider any controverted question of fact. The controversy that actually exists will be dealt with by Senators who will follow me in this discussion. I intend to present as briefly as possible a question which is purely legal. I once heard a President of the United States, in a public address, declare that the Constitution meant at any given time just what the people wanted it to mean, and I am afraid that there are some Senators, if I may substitute them for "the people," who assume the same attitude toward the Constitution of the United States, which we are accustomed to think is the great charter of our liberty and our Government.

I was engaged in the practice of my profession for 25 years. For the following quarter of a century I have been in the public service. I understand, therefore, I think, as well as most men can understand the opportunity for differences of opinion with respect to the constitutional authority of the Senate of the United States, especially when parties and partisan considerations are clamoring for a hearing.

I was not at all surprised to learn that the distinguished Senator from Montana [Mr. WALSH] did not agree with me with respect to the authority of the Senate to instruct the Judiciary Committee to conduct the investigation proposed in the majority report. He is an able lawyer, he is an experienced legislator, and his opinions are entitled to the most careful consideration. I confess, however, that I was deeply and painfully surprised to hear his allusions to the oil cases in the concluding part of his long and interesting address. I feel that upon reflection he will not repeat them, for there is nothing in the minority views which I have presented, and there will be nothing in the argument I am about to make, that could by any possibility provoke or justify those allusions.

It is apparent to anyone who knows anything about the subject that the two suits—one brought in Wyoming and the other in California—for cancellation and recovery do not involve in any of their aspects the authority of the Senate to take any action that it ever has taken or any action that it ever proposed to take. The indictments found in the District of Columbia do involve the authority of the Senate in certain respects, but there are only two questions that might have arisen there which under any circumstances could become material to the present discussion.

The first is, Has Congress the power to direct or command the President to appoint an executive officer? That point did not arise in the oil cases, whether civil or criminal, because the President complied with the command and appointed special counsel; and as the question of the constitutional power of Congress to command him to do it could be raised only upon his refusal to obey the command, the question becomes one of historic interest only.

The other question relates to the authority of the Senate to carry on an investigation in aid of legislation which has been proposed or which may be proposed to compel the attendance of witnesses, and to punish for contempt in proper cases. There is more legal literature covering the period from William Pitt and Lord Campbell to the present moment upon this and related subjects than can be found in any other field of the law. Interesting and important as this study may be, I have eliminated it from this discussion by admitting, for this occasion only, in the minority views that the Senate has the authority to conduct an inquiry in aid of legislation and can compel the attendance of witnesses and can punish for contempt, subject, of course, to the well-known rules of the law.

The minority views do question the right of Congress to command the President to appoint a special Attorney General. That, however, is not yet before the Senate. The motion made by the Senator from Montana, and which is now pending, is to adopt the majority report; and there is nothing in that report that even suggests that ultimately we will be asked to pass a joint resolution directing or commanding the President to appoint a new Attorney General. That will arise at some time, in view of the statement made by the Senator from Montana, but it is not now the question before the Senate. That question is, Shall the Senate direct the Judiciary Committee to make an inquiry or investigation in order to determine whether the Aluminum Co. of America has violated the decree of the District Court of the United States for the Western District of Pennsylvania entered in 1912?

The question of commanding the President to appoint a new Attorney General, or at least another Attorney General, is not in the oil cases and can not be brought into them, because the President did make the appointment required of him. It may be remarked at this point, to challenge your attention to it, that in so far as I am informed it has not been claimed in the oil cases that the joint resolution directing the President to appoint special counsel to prosecute the cases constituted legislation that would support a Senate inquiry in aid of legislation. In fact, it could not be so claimed, because the investigation in the oil cases had taken place, and the Senate had already rendered its verdict and entered its judgment before the joint resolution was introduced in the Senate or in the House; and it was not proposed to make any investigation after that time.

Mr. KING. Mr. President, will the Senator suffer an interruption?

Mr. CUMMINS. Certainly.

Mr. KING. I ask for information, and as I desire to follow the Senator and not to draw deductions from what he said that may be at variance with the proper interpretation to be placed upon his observations.

I want to ask the Senator whether he would regard it as without the power of Congress, for instance, to abolish the Department of Justice and to authorize some bureau to prosecute violations of the law?

Mr. CUMMINS. No, Mr. President.

Mr. KING. Or whether it would be within the power of Congress to take away from the Department of Justice the power to prosecute infractions of the prohibition law and devolve that duty upon some independent officer?

Mr. CUMMINS. It is not a single question propounded by the Senator from Utah.

Mr. KING. No; there were two questions, but I did not wish to take the floor for more than a moment.

Mr. CUMMINS. Undoubtedly Congress can repeal the act which created the Department of Justice. It can repeal the authority of, I suppose, every court of the United States except the Supreme Court.

Mr. KING. Then Congress could pass a law directing the President to appoint somebody to prosecute the Aluminum Trust for violating the terms of the decree of the court?

Mr. CUMMINS. I do not think so. I think that is a radically different question. I have not any doubt that Congress has the power to destroy the United States. It can render it helpless and hopeless by either its legislation or its failure to legislate; but there is one thing that it can not do, and that is to command or direct the President of the United States in the execution of the duties which the Constitution has imposed upon him.

Mr. KING. Mr. President, will the Senator suffer another interruption?

Mr. CUMMINS. Certainly.

Mr. KING. Of course, when I used the expression "direct the President to select some other agency for the prosecution of infractions of the prohibition law," I meant by a statute which would receive his approval. I expressed it in the interrogative form, and I now express it in the declarative form. In my opinion, Congress would have the power to appoint some other agency—of course, the President would have to assent to the legislation—to prosecute infractions of the prohibition law, and to prosecute the violation of the terms of this decree in the Aluminum case.

Mr. CUMMINS. Mr. President, Congress has no power to appoint any executive officer. It can authorize the President to appoint additional executive officers. It can not direct him to appoint; and if the President fails to exercise the authority granted to him by Congress, if the failure is flagrant enough, the House may impeach him, and the Senate may remove him from his office; but I do not grant that the Congress of the United States can appoint any officer save the officers of its own organization. The Constitution reposed that responsibility and that duty in the Executive, and I am not willing to usurp the powers of the Executive in order to reach a combination, however wicked it may be.

I want that to be distinctly understood. I think we can do more harm to the institutions of the United States in a single hour in this body than the Aluminum Co. of America can inflict upon the people in a thousand years by destroying the form of our Government, which has now endured for more than 140 years and has established and preserved a civilization and has fostered a power which makes us the greatest Nation upon the face of the earth. I want my view in regard to that matter to be perfectly understood.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Iowa yield for a question?

Mr. CUMMINS. I yield with pleasure.

Mr. ROBINSON of Arkansas. As I understand him, the Senator from Iowa takes the position that it is within the province of the Congress to authorize the President to employ

counsel to direct proceedings in the courts, but that it is not within the power of the Congress to direct him to do so.

Mr. CUMMINS. That is the distinction I make.

Mr. ROBINSON of Arkansas. There is no question then about the right of the Congress to authorize the employment?

Mr. CUMMINS. None whatever.

Mr. ROBINSON of Arkansas. How does the Senator from Iowa reach the conclusion that the passage of such a resolution as that proposed by the Senator from Montana will destroy the Government of the United States?

Mr. CUMMINS. The Senator from Montana has not presented any resolution. This question is pending upon a motion to adopt a report, and I am now discussing the authority of the Senate to direct the Judiciary Committee to carry on the inquiry there prescribed. I have withdrawn from the point that I was discussing in response to the question proposed by the Senator from Utah [Mr. KING], and I will come to that presently. What I want to consider now is whether the Senate has any jurisdiction or any power to direct the Judiciary Committee to inquire into the commission of a crime, and I hope that the Senator from Arkansas will call my attention to the point he is now discussing when I reach it.

Mr. ROBINSON of Arkansas. Mr. President, the Senate Judiciary Committee has made an investigation into the question as to whether the decree referred to is being complied with?

Mr. CUMMINS. On the contrary, it has not. The very report which we are asked to approve states in its concluding paragraph that the Committee on the Judiciary has no power under the resolution under which it is acting to inquire into a violation of this decree; that its function is exhausted when it inquires into the diligence with which the Department of Justice has prosecuted its inquiry and the good faith that has attended that inquiry. I appeal to the Senator from Montana to know whether I am right about that.

Mr. ROBINSON of Arkansas. Just a moment. I think the Senator is correct in his description of the resolution under which the Senate Judiciary Committee has been proceeding. Does the Senator concede that it is within the province of the Senate to inquire into the question as to whether the Department of Justice has performed its functions in connection with decrees heretofore rendered?

Mr. CUMMINS. I do not.

Mr. ROBINSON of Arkansas. The Senator thinks, then, that the Senate has proceeded outside of its jurisdiction in the investigation and the inquiry it has already made?

Mr. CUMMINS. I do.

Mr. ROBINSON of Arkansas. What does the Senator believe to be the limit on the power of the Senate to make an inquiry?

Mr. CUMMINS. The limit upon the power of the Senate to make an inquiry or to conduct investigations is its power to enact legislation. I admit that it can make any investigation that is necessary; that is not admitted as a general principle, and I think there is great reason to question it, but I admit, for the purposes of this discussion, that the Senate may make an inquiry in aid of legislation.

Mr. ROBINSON of Arkansas. Just upon that point for a moment. The Senator admits the existence of power in the Senate to make an inquiry in aid of its legislative authority. The Senator would not admit that if he did not believe the power exists. Does the Senator think there is any reasonable doubt as to the right of either branch of the Congress to make an inquiry in aid of its legislative authority?

Mr. CUMMINS. That is a pretty hard question for me to answer.

Mr. ROBINSON of Arkansas. Either as to legislation that is pending or which may be proposed?

Mr. CUMMINS. The Supreme Court has repeatedly refused to determine that question, although it has had an opportunity to do so.

Mr. ROBINSON of Arkansas. Assuming that there are laws which are not being enforced, is it not readily within the range of the Senator's conception that the Senate might make an investigation of facts relating to the enforcement of the laws, with a view to legislating for their better enforcement?

Mr. CUMMINS. I do not disguise my position. I want to face the situation. I know what the Senator from Montana said, not only in the committee, but in the Senate a few days ago. I know that he proposes to introduce a joint resolution directing the President to appoint special counsel to prosecute the violations of this decree, provided, of course, the Senate by a further inquiry finds that the decree has been violated.

Mr. WALSH. Mr. President, I rise to state to the Senator that to my mind it would be sufficient if we should authorize the President, not direct him. It will be quite sufficient if we authorize him, because the Supreme Court of the United States has repeatedly held that when the President is authorized by law to do a certain thing, it is his duty to do it.

Mr. CUMMINS. I think if we pass a joint resolution authorizing the President, we will have avoided one of the unconstitutional things that was done in the oil cases; but we will not have avoided all of them.

I desire to look a moment further into the motion which we have now pending, which does not concern any direction or authority to the President. I was saying that these are the reasons for the surprise I have experienced in the reference which the Senator from Montana made to the oil cases. I think I understood in a general way his purpose. It was rather to disparage the suggestion I had made with regard to the constitutional authority of the Senate. However, that is not very material. I repeat, the question before the Senate is a motion to adopt a report made by the Judiciary Committee. Substantially the whole of the four hours consumed by the Senator from Montana on Thursday last was devoted, first, to the delay, alleged to be unreasonable, which occurred in the Department of Justice in making an investigation as to the alleged violation of a decree of the District Court of the United States for the Western District of Pennsylvania. Second, to the manner in which it was carried on, and the incompetency or want of good faith of the men who conducted the inquiry. These matters are dealt with in the minority views presented by the Senator from Oklahoma [Mr. HARREL D], and I do not intend to discuss that phase of the subject.

Mark you—and you can take all the advantage of what I am about to say that keen and alert minds can find in it—from my standpoint, so far as the pending question is concerned, the delay, whether it be reasonable or unreasonable, or the good faith, so far as the Attorney General is concerned, has become entirely immaterial. The Department of Justice has finished the investigation, and has put its conclusions in final form. It has decided, after a painstaking and careful review, that a proceeding for contempt for violations of the decree to which I have referred is not warranted and can not be sustained.

I do not intend to ask whether that conclusion is sound or unsound. It makes no difference, so far as the questions I am presenting are concerned, whether the conclusion be sound or unsound. It differs from the conclusion reached by the Federal Trade Commission and presented in the majority report, and submitted to the Senate in the address of the Senator from Montana.

I desire to read the conclusion of the Department of Justice.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. CUMMINS. I yield.

Mr. FLETCHER. Was that conclusion announced since the report of the committee was filed in the Senate?

Mr. CUMMINS. Yes. The investigation had not been completed at the time the inquiry under the resolution was concluded, and the Attorney General went forward and completed it. I am speaking of the Department of Justice, not of the Attorney General as an individual.

These are the conclusions of the Department of Justice with regard to the institution of a proceeding for contempt of court——

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I yield.

Mr. KING. Are those conclusions based upon the so-called Dunn report?

Mr. CUMMINS. I fear the Senator from Utah has only a partial view of that matter. The Senator from Utah has listened to the Senator from Montana, who is very interesting and at times very persuasive; but if he noticed yesterday morning the Senator from Pennsylvania [Mr. REED] presented the accumulation of material upon which these conclusions are based. I am conjecturing only, but they were ordered printed as a Senate document, and I think they will make a volume of 1,500 or 2,000 pages. Although I have not examined that material, I know that it comprises a great deal more than the Dunn report.

Mr. KING. Being a member of the Judiciary Committee, I listened to the statement of the Attorney General, and I listened to the statement of Mr. Dunn, and to all that was elicited in the aluminum inquiry conducted by the Senate Judiciary Committee, and it was very clear from the statements there made by Mr. Donovan and by Mr. Dunn that they had substantially explored the whole range of activities of the

aluminum business as they conceived it necessary, and it was obvious that the Attorney General did not know a thing about it. I was wondering whether there had been any supplemental investigation since the testimony before the Judiciary Committee.

Mr. CUMMINS. I am speaking of the Department of Justice. I understand the Attorney General himself has not found it possible to do all the work of the Department of Justice in his own person. I think there are about 2,000 or more attachés of the Department of Justice. They are employed throughout the country in the performance of their duties, and I do not think the Attorney General himself can be held to be culpable, because he is unable to do all the work of that immense department of the Government.

Mr. WALSH. Mr. President, will the Senator yield.

Mr. CUMMINS. I yield.

Mr. WALSH. Of that vast volume of business referred to, can the Senator tell us how many of the cases relate to an alleged violation of law by a member of the Cabinet?

Mr. CUMMINS. I assume that sometime before we had finished this discussion Mr. Mellon would appear. Of course, the Senator from Montana does not ask that question in earnest or in good faith——

Mr. WALSH. Oh, yes, Mr. President; the Senator must not make any mistake of that character.

Mr. CUMMINS. Because he knew before he asked it that I know nothing whatsoever about the activities of the Attorney General. I do not know what he does and what he commits to others to do. I do not know whether there are decrees which are claimed to have been violated which involve a member of the Cabinet or not.

Mr. WALSH. The Senator from Iowa has had a very long and honorable career at the bar as well as in this body. It really would be helpful to many here, I am sure, if he would tell us what his view is as to whether the Attorney General of the United States, within five or six months after he took office—as a matter of fact, seven months after he took office—ought to have known of the pendency of this proceeding against the Aluminum Co. of America, practically against a fellow member of the Cabinet.

Mr. CUMMINS. I do not know whether I ought to answer that question or not. But I will say, knowing the inquisitive disposition of some of my Democratic colleagues in the Senate, knowing the suspicious turn of mind which some of them have, being so very ready to impute wrongdoing upon the slightest pretext, that if I had been Attorney General I would have employed every officer in the department, I would have turned them all loose and put them on this particular work, just to avoid what is now happening in the Senate, and I would have reached a conclusion before the Attorney General did.

Mr. WALSH. I am sure the Senator would, but I really asked the question in the most perfect good faith, hoping I might get an answer from the Senator with respect to the matter, utterly regardless of whatever disposition might be evidenced by political enemies. I am inquiring whether the Senator from Iowa cares to express an opinion to the Senate as to whether the Attorney General of the United States discharges his full duty when he does not know anything about a case of this character eight months after he comes into office.

Mr. CUMMINS. The Senator from Montana knows perfectly well that I have not examined the testimony which has been adduced upon that point. I am to be followed by the Senator from West Virginia [Mr. GOFF], and I assume by the Senator from Oklahoma [Mr. HARRELD], and I am sure the Senator from Pennsylvania [Mr. REED], who have given their attention to the question of delay and good faith in the prosecution conducted by the Department of Justice. I have reserved another field for myself.

I proceed now to read the conclusions which have been reached by the Attorney General or by the Department of Justice with regard to the violation of the decree in question:

CONCLUSIONS

At page 112, volume 3, of the report of the Federal Trade Commission, dated October 6, 1924, the following language appears:

"A comparison of these provisions of the consent decree with the methods of competition employed by the Aluminum Co. of America, described above, especially with respect to delaying shipments of material, furnishing known defective material, discriminating in prices of crude or semifinished aluminum, and hindering competitors from enlarging their business operations appears to disclose repeated violations of the decree. Moreover, the original decree is obviously insufficient to restore competitive conditions in harmony with the antitrust laws, especially with respect to the monopolization of bauxite lands."

Hence the major charges of the commission are as follows:

1. Delaying shipments of material.
2. Furnishing known defective metal.
3. Discriminating in prices of crude or semifinished aluminum.
4. Hindering competitors from enlarging their business operations.

With respect to the above charges the following conclusions have been reached:

1. DELAYING SHIPMENTS OF MATERIAL

In order to successfully sustain this charge, it must be affirmatively shown that such delays were intentional on the part of the Aluminum Co. of America and were designed to injure the purchaser.

There is an entire lack of evidence to support such contention. The evidence on this point fully discloses that such delays as occurred were not intentional, but were caused by conditions beyond the control of the company.

Although it appears that manufacturers were put to considerable inconvenience and some extra expense by reason of these delays, there is no specific complaint alleging injury.

Hence, the inevitable conclusion arising from all the evidence must be that this charge is not well founded.

2. FURNISHING KNOWN DEFECTIVE METAL

With respect to this charge, it is true that many deliveries of defective metal were made during the period in question. Here, again, it is required the proof must be conclusive that such shipments were knowingly and designedly made for the purpose of hindering competitors in their business operations.

The evidence at hand clearly shows that the company made earnest endeavors to maintain the quality of its product, and when it was unable to do so it accepted return of defective metal and made proper adjustment.

The evidence further shows that the conditions existing in 1920 and 1921, which were responsible for delayed deliveries, were likewise responsible for the difficulties encountered with respect to defective material.

The conclusion with respect to this charge must be that it is not supported by the evidence.

3. DISCRIMINATING IN PRICES OF CRUDE OF SEMIFINISHED ALUMINUM

To support this charge it would be necessary to show that the company charged higher prices from a competitor "than are charged at the same time under like or similar conditions from any of the companies in which the defendant is financially interested."

The company's price policy as shown by the evidence was to quote the same price to all buyers where quantity, specification, credit, and other conditions were the same or similar.

Such a policy manifestly does not mean that prices will be identical without reference to these factors. There are firm grounds for the conclusion that instances of price variation were amply justified by conditions applicable to each.

The conclusion is that this charge is not warranted by the evidence.

4. HINDERING COMPETITORS FROM ENLARGING THEIR BUSINESS

The decree forbids the "requiring or compelling the making of agreements by competitors not to engage in any line of business nor to supply any special order in competition with defendant or with any company in which it is financially interested as a condition precedent to the procurement of aluminum metal."

The evidence fails to disclose that any such agreements were made or sought to be made, nor does it disclose that any lack of expansion of rolling-mill facilities is attributable to any unlawful acts on the part of the officials of the Aluminum Co. of America. All evidence on this point warrants the conclusion that this charge could not be sustained.

The conclusion of the commission that "the original decree is obviously insufficient to restore competitive conditions in harmony with the antitrust laws, especially with respect to the monopolization of bauxite lands," is wholly unwarranted.

The evidence is convincing that at the present time the dominant position in the aluminum industry occupied by the Aluminum Co. of America is in no wise related to the admitted fact that that company owns practically all of the bauxite lands in the United States.

The charge of violation of a decree is criminal in its nature and requires proof of guilt beyond a reasonable doubt before a conviction can be had.

The facts developed in this investigation show that it was a wise precaution on the part of the department to make a further investigation of the charges alleged by the commission to exist. It now appears that had the department filed a citation for contempt when the report was received it would have been wholly impossible to sustain the charges appearing therein.

With reference to the commission's charges as to delays in deliveries and defective metal shipments, above referred to, the evidence is clear that the principal cooking utensil subsidiary of the Aluminum Co. of America, and a company in which it has a substantial financial interest, suffered equally with other companies in this regard.

In respect to the charge of discriminations in prices the evidence discloses that many customers received as great or greater discounts as those enjoyed by a company in which the Aluminum Co. owned a substantial interest.

In addition to the specific complaints considered above the investigation embraced a number of lesser matters mentioned in the commission's report, which have been dealt with in this report.

It will be recalled that in view of the lack of evidence of domination of the Aluminum Goods Manufacturing Co. by the Aluminum Co. of America it was determined that an independent investigation of the former company be made as to its competitive methods. This investigation is now in progress.

It will be noted that there has been omitted from this report any reference to the matters which are at the moment the subject of hearings being held by the Federal Trade Commission with respect to its complaint of July 21, 1925, against the Aluminum Co. of America.

It ought to be stated in explanation of this part of the conclusions of the Department of Justice that some time in the summer or spring of 1925 the Federal Trade Commission issued a complaint charging the Aluminum Co. of America with unfair methods of competition and unfair practices. That proceeding before the Federal Trade Commission is now in progress. Testimony is now being taken upon the charges made by the Federal Trade Commission. I have observed, although it does not appear here, that there has been some controversy with regard to the appearance of witnesses and the testimony demanded of witnesses in the hearing going forward in Pittsburgh at the present time.

The major issues involved in those proceedings relate to the policy of the Aluminum Co. of America in connection with its manufacture and sale of aluminum sand castings and its policy with regard to the purchase of scrap aluminum.

Much information respecting these matters has been obtained in the course of the investigation by this department and definite conclusions arrived at. In view, however, of the pending proceedings, it is not deemed proper to express them here.

By reason of the lack of evidence upon which to base a citation in contempt against the Aluminum Co. of America or its officers and agents for violations of the decree of 1912, it is recommended that no action be taken by the department in this matter.

Mr. WALSH. Mr. President, will the Senator from Iowa yield to me?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Montana?

Mr. CUMMINS. I will yield in just a moment. I am not prepared to say that the conclusions of the Department of Justice are the conclusions that some other investigating body or some other tribunal would reach upon the same testimony. It is impossible for me to make any assertion with regard to that. I am simply saying that the Department of Justice has concluded its work, has reached a conclusion, and, that in view of that conclusion, it is not within the authority of the Senate to conduct an inquiry into the violation or the alleged violation of that decree; that it is not in aid of legislation; that it is simply an inquiry into the existence or the commission of crime; and, whether it acts as a grand jury or whether it acts as a court, it is equally beyond the power of the Senate to make the inquiry. Now, I yield to the Senator from Montana.

Mr. WALSH. In the report from which the Senator has read we are told—

Much information respecting these matters has been obtained in the course of the investigation by this department and definite conclusions arrived at.

Does that refer to the proceedings now being conducted by the Federal Trade Commission?

Mr. CUMMINS. I am not sure whether it means that or whether it means an independent suit brought because of the relation between the Aluminum Co. and the other company mentioned.

Mr. WALSH. No; the language of the report from which the Senator read is quite definite. The report states:

It will be noted that there has been omitted from this report any reference to the matters which are at the moment the subject of hearings being held by the Federal Trade Commission with respect to its complaint of July 21, 1925, against the Aluminum Co. of America. The major issues involved in those proceedings relate to the policy of the Aluminum Co. of America in connection with its manufacture and sale of aluminum sand castings, and its policy with regard to the purchase of scrap aluminum.

Much information respecting these matters has been obtained in the course of the investigation by this department, and definite conclusions arrived at. In view, however, of the pending proceedings it is not deemed proper to express them here.

Much evidence was submitted in the course of my remarks indicating a violation of the decree in connection with the very matters that are now the subject of these hearings, but this report expressly says that those matters are excluded entirely from its scope; that the report deals only with actions of the Aluminum Co. of America outside the scope of the inquiry; but it is said that conclusions have been arrived at by the department with reference to those. I wish to inquire of the Senator from Iowa if he has any information as to what conclusions they have arrived at; whether, considering the circumstances, there has been a violation of the decree or otherwise?

Mr. CUMMINS. I have not. I assume, however, that the paper I have just read means that the Department of Justice has come to the conclusion that the evidence does not warrant the institution of a proceeding for violation of the decree of 1912. Whatever else may be true, that conclusion can not be questioned.

Mr. WALSH. And that embraces as well the sand-castings matter as these other matters?

Mr. CUMMINS. I am not familiar enough with the decree. I have not studied it sufficiently to know whether that would be a violation of the decree or not.

Mr. WALSH. That is not material here. The conclusion is, as I understand the matter, that there is no violation whatever of the decree, whether it is in connection with the matters the Senator has referred to in the report of the Federal Trade Commission or embraced within the scope of its present inquiry.

Mr. CUMMINS. I so understand.

Mr. WALSH. That is to say, they have gone into that and they have reached a conclusion about the matter that they do not state, but that, nevertheless, they find there is no ground on which to base proceedings.

Mr. CUMMINS. I believe that is the correct interpretation of the conclusions of the Department of Justice. We are, then, to inquire what we can do.

Mr. WALSH. If the Senator will pardon me just a question. If that is the proper interpretation of this statement, then why does the Department of Justice omit to give their conclusions about the matter?

Mr. CUMMINS. I do not know.

Mr. WALSH. They say, "We have inquired into that, and we have reached conclusions about the matter which we will not express"——

Mr. CUMMINS. Precisely.

Mr. WALSH. "But at the same time we find that there has been no violation in any particular."

Mr. CUMMINS. We will have to take it for granted that the Department of Justice has come to the conclusion that there has been no violation of the court decree, and the inquiry formerly conducted and which is now proposed to be continued is entirely with respect to the violation of the decree. It has no other scope. And the Department of Justice says—the Senator may not agree with that conclusion—but it says, "We find no evidence upon which we can proceed."

Mr. WALSH. Yes; but the Senator must not ignore the language that he has read to us.

Much information respecting these matters—

The Attorney General states—

has been obtained in the course of the investigation by this department and definite conclusions arrived at. In view, however, of the pending proceedings, it is not deemed proper to express them here.

Mr. CUMMINS. I find an opportunity to differ from the departments every day in the year. I do not know to what end the Senator from Montana is directing his question.

Mr. WALSH. I am trying to understand this report.

Mr. CUMMINS. They have said that they do not find any evidence that would warrant beginning proceedings of contempt for the violation of the decree. They may be right or they may be wrong.

Mr. WALSH. That is not the point. I want to understand what they say. They do say they find no evidence warranting the institution of proceedings, but at the same time they say one phase of the subject they have inquired into, though they express no opinion at all about that.

Mr. CUMMINS. Precisely.

Mr. WALSH. What does that mean?

Mr. CUMMINS. The Federal Trade Commission is conducting an independent investigation, under section 5 of the Federal Trade Commission act, of charges that the Aluminum Co. is

using unfair methods of competition and employing unfair practices against the persons with whom it deals. The Department of Justice says, "We find no evidence to sustain the allegations of a violation of the court decree, but we do find testimony that bears upon the investigation now being conducted by the Federal Trade Commission." Its conclusions upon that testimony are not relevant; they are not material to the present inquiry.

Mr. WALSH. They would be relevant if they indicated a violation of the decree, would they not?

Mr. CUMMINS. The Department of Justice says they find no evidence of a violation of the decree.

Mr. WALSH. But they say they do not express any conclusion about that phase of it, whether it does or does not violate the decree.

Mr. CUMMINS. I can not agree with the Senator from Montana. The Department of Justice says there are no violations of this decree.

Mr. WALSH. They also say, however, with respect to one field of the inquiry, that they express no conclusion.

Mr. CUMMINS. The Senator from Montana can, of course, take whatever view of the language used by the Department of Justice he chooses to take; but he can not escape from the final assertion of the Department of Justice that it has found nothing upon which to predicate proceedings for contempt.

Mr. FLETCHER. Mr. President——

Mr. CUMMINS. I yield to the Senator from Florida.

Mr. FLETCHER. Reference is made in this report to some other proceedings. Is that reference to the proceedings by the Federal Trade Commission?

Mr. CUMMINS. I so understand.

Mr. FLETCHER. Or is it to some other court proceedings?

Mr. CUMMINS. It has reference to proceedings before the Federal Trade Commission, as I understand.

Mr. REED of Pennsylvania. Mr. President, will the Senator from Iowa yield to me to call attention to what they say in this report?

Mr. CUMMINS. Certainly.

Mr. REED of Pennsylvania. They say:

> Investigation has been made also of the so-called "scrap, sand-castings" matter. A proceeding involving these questions is now pending before the Federal Trade Commission. Such questions were not included in the report submitted by the Federal Trade Commission under date of October 17, 1924. In view of the pending proceeding before the Federal Trade Commission, it was deemed inadvisable to include the findings of the investigation of this department in Mr. Benham's report. It will be made the subject of a separate report.

Showing, evidently, that there has been an examination and investigation of that, although the Federal Trade Commission had not previously done it. The conclusion, after saying that, is—

> The result of the investigation of the department, therefore, makes it evident that no proceedings in contempt can be successfully maintained.

Mr. CUMMINS. Mr. President, I now recall myself and the Senate to the question which I was discussing when I laid before the Senate the conclusions of the Department of Justice. I repeat, the question before the Senate now is, What may we lawfully do in the premises? The proposal of the Senator from Montana is that the Committee on the Judiciary shall enter into an inquiry for the purpose of ascertaining whether the conclusions of the Department of Justice are sound or unsound; and if, in the judgment of the committee, and afterwards of the Senate, and after that, of the House of Representatives, it is found that they are unsound, then, that the President be directed to remove the Attorney General who is responsible for the acts of the Department of Justice and to appoint another legal officer in his stead.

The Senator from Montana would not admit, I assume, the correctness of my phraseology, but I submit to the Senate that I have accurately stated the proposal; for, when this subject is withdrawn from the jurisdiction or management of the Attorney General, he has been removed from his office to that extent.

The Aluminum Co. of America may be the wickedest corporation in the United States; it may be guilty of all the crimes laid at its door in the perfervid oratory of the Senator from Montana; but, as I remarked a short while ago, it can not in all its corporate life do our country as much harm as we can inflict upon it by the adoption of the report of the Senator from Montana, for everybody must concede that we are breaking down little by little the security we have so long enjoyed under the system which prescribes three coordinate, independent branches of government, namely, the legislative, the executive, and the judicial.

The motion before us proposes an inquiry into the commission of a crime; and if it proceeds, as I have before remarked, it must proceed either as a court or as a grand jury; but, whether it proceeds as one or the other, it is exercising a judicial function, a function which the Constitution does not authorize it to perform, either expressly or by any possible implication.

I venture to say that in the entire history of the Senate it was never before proposed, unaccompanied by any suggestion of legislation, that the Senate should conduct an investigation to ascertain whether a specified crime had been committed either by an individual or by a corporation. The Senate has certain judicial powers expressly or impliedly given by the Constitution. It can try impeachments brought by the House of Representatives. It is the judge of the election and the qualifications of its own Members. It can try and punish one of its own Members for disorderly conduct, which may include a violation of its rules of procedure—rules which it has the power to make and enforce. But you will look in vain for even the semblance of any power to inquire into the commission of a crime by any person, artificial or natural, except in the cases I have mentioned; and, of course, the crime that is alleged to have been committed by the Aluminum Co. of America in the violation of a decree entered against it does not fall within any of the judicial powers conferred either upon the Senate or upon the Congress of the United States.

I shall not undertake to review the decisions of the court, of course, upon the point I am now discussing. The Supreme Court of the United States has never decided specifically just what the jurisdiction of Congress is in this respect. The question could not arise save in an investigation in which a witness had refused to appear, refused to answer, or refused to produce books, documents, or other papers; but it has discussed in several cases the general subject, and I simply take the liberty of mentioning some of the cases that might be consulted in order to shed light upon this very important question:

Kilbourn *v.* Thompson, a noted case in One hundred and third United States Reports, page 168.

In re Chapman (166 U. S. p. 661).

In re Pacific Railway Commission (32 Fed. Rep. p. 241).

Interstate Commerce Commission *v.* Brimson (154 U. S. 447).

Harriman *v.* Interstate Commerce Commission (211 U. S. 407).

Federal Trade Commission *v.* American Tobacco Co. (264 U. S. 296).

All these cases are upon the assumption that the inquiry is conducted in aid of legislation. The proposed inquiry in this instance is not in aid of legislation. In the Kilbourn case, to which I have referred and which I can not pause to read, the court explicitly repudiated an inquiry that was judicial in its character.

I want for a moment—and then I shall submit the matter so far as I am concerned—to run out what will happen if this principle or this custom is established and is pursued by the Senate.

It is the judgment of the minority of the committee that there is no constitutional authority for the resolution recommended in the majority report, and that if the course indicated in the proposed resolution becomes the settled practice of the Senate the overthrow of our form of government is the certain result. The struggle which must ensue will end either in the complete subordination of the executive or judicial branches of the Government to the legislative branch or in subjecting the legislative power to the executive power. Stripping the proposal to enter upon this inquiry of everything save its bare essentials, it means just this—no more and no less: The Senate, because it doubts the conclusion reached by the Department of Justice, is to try the Aluminum Co. for the alleged violations of the decree. If it finds the defendant guilty, it will then set about discovering a lawyer who holds the Senate opinion and direct the President to employ him.

The resolution will then go to the House of Representatives, and that body must try the case again; and if it concurs with the Senate, it will pass the resolution. Then the lawyer is employed, and he initiates the proceedings for contempt. If the court agrees with the Senate and House, the fine or imprisonment will be imposed. If, however, it should happen that the court exonerates the defendant, then, in order to be logical and pursue the matter to the end, the Senate and the House would pass another resolution directing the President to appoint another judge or other judges to review the action of the district court. Then would follow a hunt for lawyers who,

it may be assumed, if made judges, would agree with the Senate and House of Representatives; for it may be taken for granted that the Senate would not confirm any nomination that would not lead to the result suggested. But this is not all.

If we persist in the practice of reviewing the conclusions of the Department of Justice with respect to criminal prosecutions, or even civil suits, the Senate will be confronted at every session with demands for inquiries into alleged crimes against the United States which the Department of Justice either has prosecuted against the opinion of the Senate or has not prosecuted against the opinion of the Senate, and the effort will be to direct the President in all these cases. There is no limit to it. I do not say that the Senator from Utah [Mr. KING] would advise that course; I do not say that the Senator from Montana [Mr. WALSH] is yet ready to overturn these fundamental principles of our Government; but those who come after you will pursue that course if it is found in the present instance that the method you are attempting is a lawful, constitutional method.

This new conception of the powers and duties of the Senate may extend to the judicial department of the Government, and may end in a substantial recall of judicial decisions by the vote of both Houses, accompanied, of course, by an effective cooperation of the Senate in the exercise of its functions to advise and consent to the appointment of judicial officers. When a decision is rendered by a district court or by the circuit court of appeals which does not meet the approval of the Senate, if the new policy is correct, why should not the Judiciary Committee be directed to inquire into the soundness of the decision and, if upon its report approved by the Senate and the House, what is to hinder a joint resolution directing the President to appoint a new judicial tribunal to review the decision, assuming, of course, that the Senate would so use its power of confirmation as to accomplish that end?

From the standpoint of the minority members of the Judiciary Committee who have given their approval to these minority views, the whole theory is wrong and utterly subversive of the Constitution and of good government. It is to be understood that these suggestions do not depend for their force upon diligence upon the part of the Department of Justice, nor upon the soundness or unsoundness of the conclusions of that department with respect to the violation of the decree to which reference has been made. We deny the right or power of the Senate to try this case. We deny the jurisdiction of the Senate or any committee of the Senate to summon and hear witnesses upon the issue of a violation of this decree.

The Senate has distinct functions, which I will not again enumerate. They are carefully laid down in the Constitution. They can not very well be misunderstood or misapprehended; and this power to try a criminal for an alleged offense is not among the powers given to the Senate. In fact, we can not exercise any judicial powers unless they are explicitly given to us in the Constitution.

We are brought, then, to this final question; and now I come really to answer the inquiry of the Senator from Arkansas [Mr. ROBINSON]: Is the proposed inquiry into the alleged violation of this decree, entered in 1912, in aid of proposed constitutional legislation? In our judgment, it is not. While we can only conjecture what may be attempted after an expression of opinion upon the part of the Senate that the decree has been violated, the only possible act even remotely approaching legislation is the movement for the appointment of a legal officer to be substituted for the Department of Justice. This is not legislation as contemplated in the Constitution. Congress can repeal the act creating the Department of Justice and all the acts defining its duties and imposing its responsibilities. It can abolish our judicial system with one exception, viz, the Supreme Court. It can render the Government of the United States helpless and hopeless; but there are two things it can not do. It can not administer justice nor can it execute the laws. The Constitution commits the former function to the courts and the latter to the President through such agencies as Congress may establish. In our judgment, the Congress can not command or direct the President in the fulfillment of his oath faithfully to execute the laws. It can not correct, by legislation, the delinquency of the President or any other executive officer appointed to execute the laws. It may authorize the President to appoint an additional officer, whether judicial, executive, or administrative, but it can not command him to do so. If he fails to exercise the authority given him and the offense is flagrant enough to fall within the terms of the Constitution, the House may impeach him and the Senate may remove him from office. Likewise, the Attorney General or the Assistant to the Attorney General, who, in the majority report, are accused of lack of diligence or want of good faith, may be impeached and upon conviction removed from office. This was the plan of our forefathers to preserve the purity of the courts and the diligence and fidelity of our high executive officers, and it ought to be maintained in all its integrity.

These are the reasons which I submit to the Senate for my opposition to the report of the Judiciary Committee, and I sincerely hope that the motion which has been proposed by the Senator from Montana will not receive the concurrence of a majority of the Senate.

Mr. REED of Pennsylvania. Mr. President, I give notice that at the conclusion of the routine morning business to-morrow I shall address the Senate on the pending motion of the Senator from Montana.

Mr. WALSH. Mr. President, the notice given by the Senator from Pennsylvania I suppose foreshadows the purpose of the Senate now to adjourn, at least the purpose of the majority to suggest that course, and I presume votes can be commanded to adjourn at this time. The matter under consideration was made a special order for Thursday last, and I occupied the greater portion of the day, and perhaps more than the occasion demanded. However, a request came from the other side to postpone further consideration of the matter until Monday, and I felt it only reasonable that those who took a contrary view of the question on the facts which I presented to the Senate at that time should have an opportunity to inquire into them. I thought that was a reasonable request, and I assented to it.

Yesterday was a holiday; but we have not been accustomed to refrain from the regular work of the Senate on Washington's Birthday. A further request came, however, and I learned that the Senator from West Virginia [Mr. GOFF], who intends to speak upon this matter, was somewhat ill, and that the Senator from Pennsylvania [Mr. REED], who also desires to speak, had not been well, and I was disposed to yield to the request made yesterday, in consideration of the condition of those two Senators. But I did hope that we would go on with the matter to-day, particularly because there is important business to come before the Senate, some of it of an exceedingly urgent character. I do not know how insistent Senators who are interested in other matters to come before the Senate will be, but I had hoped we might go on this afternoon with the consideration of this subject until at least 5 o'clock.

Mr. CUMMINS. As far as I am concerned, that course is agreeable, but I understand the Senator from West Virginia does not desire to go on to-day.

Mr. REED of Pennsylvania. I would rather not speak at this time. It is pretty late now, and there is a very small attendance of Senators. I hope in the morning to deserve by my brevity a larger attendance of Senators than is able to be on the floor at this moment. I do not believe there is any intention to displace the pending motion as the unfinished business. I never heard the suggestion that that be done until a few moments ago, and certainly my request that the matter go over until to-morrow had no reference to such a course.

Mr. CUMMINS. I was about to ask that the motion be temporarily laid aside. It is the unfinished business, and at 2 o'clock to-morrow would come up automatically, no matter what might be before the Senate in the morning hour.

Mr. WALSH. That is true.

Mr. CUMMINS. I ask that the pending motion, which is the unfinished business, be temporarily laid aside.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the unfinished business is temporarily laid aside.

EXECUTIVE SESSION

Mr. JONES of Washington. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and the Senate (at 4 o'clock and 5 minutes p. m.) adjourned until to-morrow, Wednesday, February 24, 1926, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 23, 1926

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

INFANTRY

Second Lieut. Welborn Barton Griffith, jr., Air Service, with rank from June 12, 1925.

PROMOTIONS IN THE NAVY

Lieut. Hubert E. Paddock to be a lieutenant commander in the Navy from the 27th day of November, 1925.

Lieut. Herbert V. Wiley to be a lieutenant commander in the Navy from the 17th day of December, 1925.

Lieut. (Junior Grade) Arthur W. Peterson to be a lieutenant in the Navy from the 22d day of April, 1925.

Lieut. (Junior Grade) George B. Cunningham to be a lieutenant in the Navy from the 8th day of August, 1925.

Lieut. (Junior Grade) Gyle D. Conrad to be a lieutenant in the Navy from the 16th day of September, 1925.

Lieut. (Junior Grade) James H. McKay to be a lieutenant in the Navy from the 1st day of October, 1925.

Lieut. (Junior Grade) Wade De Weese to be a lieutenant in the Navy from the 16th day of November, 1925.

Lieut. (Junior Grade) Richard P. Glass to be a lieutenant in the Navy from the 16th day of December, 1925.

Medical Inspector George F. Freeman to be a medical director in the Navy, with the rank of captain, from the 24th day of January, 1926.

Naval Constructor John W. Woodruff to be a naval constructor in the Navy, with the rank of captain, from the 23d day of Jaauary, 1926.

Naval Constructor Frederick G. Crisp to be a naval constructor in the Navy, with the rank of commander, from the 23d day of January, 1926.

Chief Gunner Louis M. Wegat to be a chief electrician in the Navy, to rank with but after ensign, from the 21st day of December, 1915.

Chief Gunner Arthur Boquett to be a chief radio electrician in the Navy, to rank with but after ensign, from the 13th day of January, 1919.

The following-named chief gunners to be chief radio electricians in the Navy, to rank with but after ensign, from the 16th day of January, 1920:

Charles F. Dame.
Edgar C. Wortman.
James J. Delany.

Pay Clerk Arthur Lyell, jr., to be a chief pay clerk in the Navy, to rank with but after ensign, from the 20th day of February, 1925.

MARINE CORPS

Capt. Norman C. Bates to be a major in the Marine Corps from the 18th day of July, 1925.

First Lieut. John N. Popham, jr., to be a captain in the Marine Corps from the 25th day of July, 1925.

First Lieut. Thomas A. Tighe to be a captain in the Marine Corps from the 25th day of July, 1925.

First Lieut. Richard O. Sanderson to be a captain in the Marine Corps from the 28th day of July, 1925.

First Lieut. Chaplain G. Hicks to be a captain in the Marine Corps from the 7th day of August, 1925.

First Lieut. Frank R. Armstead to be a captain in the Marine Corps from the 7th day of August, 1925.

First Lieut. Henry S. Hausmann to be a captain in the Marine Corps from the 7th day of September, 1925.

First Lieut. Edwin J. Mund to be a captain in the Marine Corps from the 15th day of September, 1925.

First Lieut. Lee H. Brown to be a captain in the Marine Corps from the 27th day of September, 1925.

First Lieut. Robert E. Mills to be a captain in the Marine Corps from the 1st day of October, 1925.

Second Lieut. Bayard L. Bell to be a first lieutenant in the Marine Corps from the 25th day of September, 1925.

Second Lieut. Vernon E. Megee to be a first lieutenant in the Marine Corps from the 27th day of September, 1925.

The following-named noncommissioned officers of the Marine Corps to be second lieutenants in the Marine Corps for a probationary period of two years from the 12th day of February, 1926:

Corp. Earl H. Phillips.
Corp. Paul A. Putnam.
Corp. Donald M. Hamilton.
Corp. James A. Donohue.
Staff Sergt. Matthew C. Horner.
Sergt. James M. Ranck, jr.
First Sergt. Laramie D. Snead.
Corp. Granville K. Frisbie.
Sergt. Lawrence Norman.
Corp. Presley M. Rixey, 3d.

POSTMASTERS

ALABAMA

Grover A. Bice to be postmaster at Thorsby, Ala., in place of G. A. Bice. Incumbent's commission expires February 24, 1926.

Jacob A. Johnson to be postmaster at Vernon, Ala., in place of J. A. Johnson. Incumbent's commission expires February 24, 1926.

ARKANSAS

Herbert D. Edwards to be postmaster at Benton, Ark., in place of H. D. Edwards. Incumbent's commission expired February 21, 1926.

Joe Mitchell to be postmaster at Danville, Ark., in place of Joe Mitchell. Incumbent's commission expired February 21, 1926.

John E. Reid to be postmaster at Foreman, Ark., in place of J. E. Reid. Incumbent's commission expired February 21, 1926.

Daniel C. Wines to be postmaster at Helena, Ark., in place of D. C. Wines. Incumbent's commission expired February 21, 1926.

John A. Davis to be postmaster at Hope, Ark., in place of J. A. Davis. Incumbent's commission expired February 21, 1926.

Helen Porter to be postmaster at Horatio, Ark., in place of Helen Porter. Incumbent's commission expired February 21, 1926.

Cary Johnson to be postmaster at Hot Springs National Park, Ark., in place of Cary Johnson. Incumbent's commission expired February 21, 1926.

Oscar W. McClintock to be postmaster at Monticello, Ark., in place of O. W. McClintock. Incumbent's commission expired February 21, 1926.

Charley V. B. Harley to be postmaster at Paris, Ark., in place of C. V. B. Harley. Incumbent's commission expired February 21, 1926.

Burton C. Willard to be postmaster at Plainview, Ark., in place of B. C. Willard. Incumbent's commission expired February 21, 1926.

William E. Edmiston to be postmaster at Portland, Ark., in place of W. E. Edmiston. Incumbent's commission expired February 21, 1926.

William H. Moreland to be postmaster at Tyronza, Ark., in place of W. H. Moreland. Incumbent's commission expired February 21, 1926.

CALIFORNIA

Harry R. Borden to be postmaster at Angels Camp, Calif., in place of H. R. Borden. Incumbent's commission expired February 22, 1926.

John Z. Shelton to be postmaster at Oroville, Calif., in place of J. Z. Shelton. Incumbent's commission expired February 22, 1926.

Mary L. Cogan to be postmaster at Santa Margarita, Calif., in place of M. L. Cogan. Incumbent's commission expired February 22, 1926.

William H. Hitchcock to be postmaster at Shafter, Calif., in place of W. H. Hitchcock. Incumbent's commission expired February 22, 1926.

COLORADO

Elizabeth M. Kroll to be postmaster at Castle Rock, Colo., in place of F. B. Rose, removed.

Samuel B. Wasson to be postmaster at Grand Valley, Colo., in place of S. B. Wasson. Incumbent's commission expires February 24, 1926.

Orpha T. Brunner to be postmaster at Johnstown, Colo., in place of O. T. Brunner. Incumbent's commission expires February 24, 1926.

Anna C. Hanson to be postmaster at Strasburg, Colo., in place of A. C. Hanson. Incumbent's commission expires February 24, 1926.

FLORIDA

Edward N. Winslow to be postmaster at Cocoa, Fla., in place of O. K. Key, resigned.

IDAHO

Charles A. Johnston to be postmaster at Cottonwood, Idaho, in place of C. A. Johnston. Incumbent's commission expired February 21, 1926.

Percy E. Ellis to be postmaster at Stites, Idaho, in place of P. E. Ellis. Incumbent's commission expires February 24, 1926.

ILLINOIS

Harry Pensinger to be postmaster at Cerro Gordo, Ill., in place of Harry Pensinger. Incumbent's commission expires February 24, 1926.

Charles O. Anderson to be postmaster at Creal Springs, Ill., in place of C. O. Anderson. Incumbent's commission expires February 24, 1926.

Charles L. Smith to be postmaster at Cutler, Ill., in place of C. L. Smith. Incumbent's commission expires February 24, 1926.

Edgar C. Seik to be postmaster at Grafton, Ill., in place of E. C. Seik. Incumbent's commission expires February 24, 1926.

John R. McIntire to be postmaster at Grand Chain, Ill., in place of J. R. McIntire. Incumbent's commission expires February 24, 1926.

William E. Erfert, jr., to be postmaster at Lansing, Ill., in place of W. E. Erfert, jr. Incumbent's commission expires February 24, 1926.

Delta C. Lowe to be postmaster at Mason City, Ill., in place of D. C. Lowe. Incumbent's commission expires February 24, 1926.

INDIANA

Guy F. Johnson to be postmaster at Ewing, Ind., in place of G. F. Johnson. Incumbent's commission expired February 21, 1926.

Fern Duguid to be postmaster at Ray, Ind. Office became presidential July 1, 1925.

Dean W. White to be postmaster at Vallonia, Ind., in place of D. W. White. Incumbent's commission expired February 21, 1926.

IOWA

Elda B. Sparks to be postmaster at Buffalo Center, Iowa, in place of G. D. Curtis. Incumbent's commission expired January 30, 1926.

Velias L. Gilje to be postmaster at Elkader, Iowa, in place of V. L. Gilje. Incumbent's commission expired February 21, 1926.

Andrew C. Ries to be postmaster at Ringsted, Iowa, in place of A. C. Ries. Incumbent's commission expired August 4, 1925.

Boyd W. Smith to be postmaster at Waukon, Iowa, in place of B. W. Smith. Incumbent's commission expired February 21, 1926.

KANSAS

Elizabeth Snider to be postmaster at Rantoul, Kans., in place of Elizabeth Snider. Incumbent's commission expired December 21, 1925.

KENTUCKY

Quay C. Quigg to be postmaster at Livermore, Ky., in place of Q. C. Quigg. Incumbent's commission expired February 22, 1926.

John W. Tate to be postmaster at Monticello, Ky., in place of H. A. Tate, resigned.

MARYLAND

Charles G. Tedrick to be postmaster at Clear Spring, Md., in place of C. G. Tedrick. Incumbent's commission expired January 24, 1926.

MICHIGAN

Herbert T. Trumble to be postmaster at Elkton, Mich., in place of H. T. Trumble. Incumbent's commission expired February 21, 1926.

Hercules Rice to be postmaster at Muir, Mich., in place of Hercules Rice. Incumbent's commission expired February 21, 1926.

Russell S. Kendrick to be postmaster at New Haven, Mich., in place of R. S. Kendrick. Incumbent's commission expired February 21, 1926.

Claude B. Van Wert to be postmaster at North Adams, Mich., in place of C. B. Van Wert. Incumbent's commission expired February 21, 1926.

George H. Poskitt to be postmaster at Prescott, Mich., in place of G. H. Poskitt. Incumbent's commission expired February 21, 1926.

James E. Skidmore to be postmaster at Vestaburg, Mich., in place of J. E. Skidmore. Incumbent's commission expires February 24, 1926.

MINNESOTA

Annie E. Dobie to be postmaster at Newport, Minn., in place of L. E. Trevette. Incumbent's commission expired November 22, 1925.

MISSISSIPPI

Henry L. Rhodes to be postmaster at Ackerman, Miss., in place of H. L. Rhodes. Incumbent's commission expired February 21, 1926.

Dora McCurley to be postmaster at Stephenson, Miss., in place of Dora McCurley. Incumbent's commission expired February 17, 1926.

MISSOURI

Kinzie K. Gittings to be postmaster at Chilhowie, Mo., in place of K. K. Gittings. Incumbent's commission expired December 19, 1925.

Henry D. French to be postmaster at Jameson, Mo., in place of H. D. French. Incumbent's commission expired August 24, 1925.

Clarence B. Robinson to be postmaster at South West City, Mo., in place of C. B. Robinson. Incumbent's commission expired February 22, 1926.

MONTANA

Leanore K. C. Roderick to be postmaster at Outlook, Mont., in place of L. K. C. Roderick. Incumbent's commission expired January 17, 1926.

NEW JERSEY

Joseph H. McLaughlin to be postmaster at Bradley Beach, N. J., in place of J. H. McLaughlin. Incumbent's commission expired November 23, 1925.

NEW MEXICO

Oliver G. Cady to be postmaster at Alamogordo, N. Mex., in place of O. G. Cady. Incumbent's commission expired February 6, 1926.

Mary C. DuBois to be postmaster at Corona, N. Mex., in place of M. C. DuBois. Incumbent's commission expired January 17, 1926.

Lillie Sutton to be postmaster at Vaughn, N. Mex., in place of O. G. White, resigned.

NEW YORK

John Common to be postmaster at Andover, N. Y., in place of John Common. Incumbent's commission expired February 21, 1926.

Mary H. Dunn to be postmaster at Bellmore, N. Y., in place of M. H. Dunn. Incumbent's commission expired February 8, 1926.

Charles B. Hugg to be postmaster at Cazenovia, N. Y., in place of C. B. Hugg. Incumbent's commission expired February 21, 1926.

Horace B. Fromer to be postmaster at Hunter, N. Y., in place of H. B. Fromer. Incumbent's commission expires February 24, 1926.

Clarence Bryant to be postmaster at Le Roy, N. Y., in place of Clarence Bryant. Incumbent's commission expired January 17, 1926.

Wilfred D. Cheney to be postmaster at Newton Falls, N. Y., in place of W. D. Cheney. Incumbent's commission expires February 24, 1926.

Carolyn E. Perkins to be postmaster at South Otselic, N. Y., in place of C. E. Perkins. Incumbent's commission expired December 20, 1925.

Ahava Rathbun to be postmaster at Williamstown, N. Y., in place of Ahava Rathbun. Incumbent's commission expires February 24, 1926.

NORTH CAROLINA

Loyd V. Sorrell to be postmaster at Cary, N. C., in place of L. V. Sorrell. Incumbent's commission expired February 21, 1926.

Judson D. Albright to be postmaster at Charlotte, N. C., in place of J. D. Albright. Incumbent's commission expired February 22, 1926.

Charles R. Thomas to be postmaster at Milton, N. C., in place of C. R. Thomas. Incumbent's commission expired February 21, 1926.

Mary W. Yarborough to be postmaster at Louisburg, N. C., in place of E. F. Yarborough, deceased.

OKLAHOMA

John K. Miller to be postmaster at Apache, Okla., in place of J. K. Miller. Incumbent's commission expired February 22, 1926.

Alpha Rutherford to be postmaster at Bennington, Okla., in place of Alpha Rutherford. Incumbent's commission expired February 21, 1926.

Grace L. Taylor to be postmaster at Blair, Okla., in place of G. L. Taylor. Incumbent's commission expired February 21, 1926.

William N. Williams to be postmaster at Broken Arrow, Okla., in place of W. N. Williams. Incumbent's commission expired February 22, 1926.

Jasper A. Bartley to be postmaster at Choteau, Okla., in place of J. A. Bartley. Incumbent's commission expired December 22, 1925.

James W. Hinson to be postmaster at Fletcher, Okla., in place of J. W. Hinson. Incumbent's commission expired February 22, 1926.

Thomas E. Miller to be postmaster at Francis, Okla., in place of T. E. Miller. Incumbent's commission expired February 10, 1926.

John M. Tyler to be postmaster at Idabel, Okla., in place of J. M. Tyler. Incumbent's commission expired February 21, 1926.

Ulysses S. Curry to be postmaster at Newkirk, Okla., in place of U. S. Curry. Incumbent's commission expired February 21, 1926.

John D. Morrison to be postmaster at Red Oak, Okla., in place of J. D. Morrison. Incumbent's commission expired February 21, 1926.

Sanford I. Pennington to be postmaster at Ringling, Okla., in place of S. I. Pennington. Incumbent's commission expired February 21, 1926.

OREGON

Ellis L. Morse to be postmaster at Spray, Oreg., in place of Charles Royse, removed.

PENNSYLVANIA

George C. Hughes to be postmaster at East Stroudsburg, Pa., in place of G. C. Hughes. Incumbent's commission expires February 24, 1926.

Lewis H. Blanc to be postmaster at New Salem, Pa., in place of O. A. Rodefer, resigned.

Theodore E. Sweeney to be postmaster at Sewickley, Pa., in place of T. E. Sweeney. Incumbent's commission expires February 24, 1926.

Oscar Maul to be postmaster at Turbotville, Pa., in place of Oscar Maul. Incumbent's commission expired November 18, 1925.

SOUTH CAROLINA

Charles W. Skinner to be postmaster at Darlington, S. C., in place of G. F. Wilson, removed.

SOUTH DAKOTA

Robert C. Van Horn to be postmaster at Kennebec, S. Dak., in place of R. C. Van Horn. Incumbent's commission expires February 24, 1926.

TENNESSEE

Sanders S. Proffitt to be postmaster at Concord, Tenn., in place of S. S. Proffitt. Incumbent's commission expired February 22, 1926.

TEXAS

Clarence Walters to be postmaster at Alice, Tex., in place of A. M. Tower, removed.

Fred P. Ingerson to be postmaster at Barstow, Tex., in place of F. P. Ingerson. Incumbent's commission expired February 22, 1926.

Benno B. Volkening to be postmaster at Bellville, Tex., in place of B. B. Volkening. Incumbent's commission expired February 20, 1926.

Oria H. Siebler to be postmaster at Crosbyton, Tex., in place of O. A. Siebler. Incumbent's commission expired February 3, 1926.

Annie B. Causey to be postmaster at Doucette, Tex., in place of A. B. Causey. Incumbent's commission expired February 22, 1926.

Simon J. Enochs to be postmaster at Georgetown, Tex., in place of S. J. Enochs. Incumbent's commission expired January 25, 1926.

Charles L. Long to be postmaster at Graham, Tex., in place of C. L. Long. Incumbent's commission expired February 14, 1926.

Horace H. Watson to be postmaster at Orange, Tex., in place of H. H. Watson. Incumbent's commission expired February 22, 1926.

Warner W. McNaron to be postmaster at Rotan, Tex., in place of W. W. McNaron. Incumbent's commission expired February 22, 1926.

Layfitte T. Perateaux to be postmaster at Spring, Tex., in place of L. T. Perateaux. Incumbent's commission expired February 14, 1926.

VERMONT

Robert C. Olds to be postmaster at Norwich, Vt., in place of R. C. Olds. Incumbent's commission expired February 3, 1926.

WASHINGTON

Christopher C. Van Leuven to be postmaster at Molson, Wash., in place of C. C. Van Leuven. Incumbent's commission expired February 22, 1926.

Michael J. Murphy to be postmaster at Oakville, Wash., in place of M. J. Murphy. Incumbent's commission expired February 22, 1926.

William Busch to be postmaster at Raymond, Wash., in place of William Busch. Incumbent's commission expired February 22, 1926.

Wilson Howe to be postmaster at Tenino, Wash., in place of Wilson Howe. Incumbent's commission expired February 22, 1926.

WEST VIRGINIA

Harry F. Lewis to be postmaster at Point Pleasant, W. Va., in place of W. H. H. Gardner. Incumbent's commission expired February 21, 1926.

Boyd McKeever to be postmaster at Wardensville, W. Va., in place of Boyd McKeever. Incumbent's commission expired February 21, 1926.

Oscar T. Maynard to be postmaster at Williamson, W. Va., in place of N. J. Keadie. Incumbent's commission expired February 9, 1926.

WISCONSIN

Edward W. Guth to be postmaster at Adell, Wis., in place of E. W. Guth. Incumbent's commission expired November 18, 1925.

Emil C. Kraemer to be postmaster at Fond du Lac, Wis., in place of E. C. Kraemer. Incumbent's commission expired December 15, 1925.

Amund J. Amundson to be postmaster at New Auburn, Wis., in place of A. J. Amundson. Incumbent's commission expired November 19, 1925.

WYOMING

Jesse B. Budd to be postmaster at Big Piney, Wyo. Office became presidential July 1, 1925.

Edna C. Jessen to be postmaster at Newcastle, Wyo., in place of Harry Fawcett, removed.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 23, 1926

DIPLOMATIC AND CONSULAR SERVICE

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY

John Dyneley Prince to be envoy extraordinary and minister plentipotentiary of the United States of America to the Kingdom of the Serbs, Croats, and Slovenes.

H. Percival Dodge to be envoy extraordinary and minister plentipotentiary of the United States of America to Denmark.

TO BE CONSUL

Robert M. Scotten.

THIRD JUDGE, CIRCUIT COURT, FIRST CIRCUIT OF HAWAII

Edward Kingsley Massee to be third judge, circuit court, first circuit, Territory of Hawaii.

CIRCUIT JUDGE, THIRD CIRCUIT OF HAWAII

James Wesley Thompson to be circuit judge, third circuit, Territory of Hawaii.

COAST AND GEODETIC SURVEY

TO BE AIDS

Edward Robert McCarthy.
Francis Bartholomew Quinn.
Emil Herman Kirsch.
Henry James Healy.
Leonard Carl Johnson.
Ira Taylor Sanders.

UNITED STATES ATTORNEYS

John S. Murdock to be United States attorney, district of Rhode Island.

Randolph Bryant to be United States attorney, eastern district of Texas.

UNITED STATES MARSHAL

Louis H. Crawford to be United States marshal, northern district of Georgia.

POSTMASTERS

ALABAMA

James F. Brawner, Andalusia.
Eleanor F. Whitcher, Bridgeport.
Wiley M. Bean, Clanton.
Winston C. Shotts, Hackleburg.
Jewell Sorrell, Jemison.
Benjamin F. Beesley, McKenzie.
Stella K. Martin, Plantersville.
Alice Wilkinson, Prattville.
Helen M. Jones, Whistler.

COLORADO

Henry A. Danielson, Boone.
Henry N. Chapman, Branson.
Robert L. Wilkinson, Burlington.
Frank S. Lucas, Clifton.
Rachel Crawford, Cortez.
Edward P. Owen, Genoa.
Richard G. Dalton, La Junta.
Grace Conrad, Olney Springs.

CONNECTICUT

Charles E. Burnham, Hampton.
James E. Usher, Plainville.

DELAWARE

Howard Rash, Cheswold.
Edward H. Naylor, New Castle.
James E. Willey, Seaford.

ILLINOIS

Lillian M. Dilg, Morton Grove.

INDIANA

Charles E. Combs, Bloomfield.
Mazie F. Cline, Camden.
Maude E. Mitchell, Ellettsville.
Moody L. Katter, Huntingburg.
Ben H. Sink, Jasonville.
Charles S. Dudley, Lewisville.
William E. Kelsey, Monterey.
Ernest C. Purdue, Newburg.
Zeno I. Moore, Paoli.

KANSAS

Sidney H. Knapp, Concordia.
E. Ervin Townsdin, Hugoton.
Elmer E. Haynes, Madison.
John W. Coleman, Sylvia.
Jacob K. Luder, Waldo.

LOUISIANA

Reynald J. Patin, Breaux Bridge.
Solomon C. Knight, Elizabeth.
Benjamin F. Cowley, Leesville.
Emmie G. Webb, Minden.
Elwyn J. Barrow, St. Francisville.

MICHIGAN

Bert W. Klackle, Bridgman.
Thomas H. McGee, Farmington.
E. Harold Ormes, Marenisco.
Alfred H. Stevens, Montrose.
Ellen M. Ray, New Era.
Charles T. Lockwood, Portland.
Edward A. Gast, St. Joseph.

MISSISSIPPI

Charles F. Harris, Bentonia.
Georgia A. McCuen, Brookville.
Clara L. Wright, Enterprise.
Richard K. Haxton, Greenville.
Edward A. Kernaghan, Hattiesburg.
Maude D. Montgomery, Hermanville.
Walter T. Heslep, Indianola.
Charles J. Hyde, Meridian.
Amos D. Dorman, Myrtle.
Etoyle S. Countiss, Pittsboro.
Henry Boswell, Sanatorium.
Charles P. Chappell, Tupelo.
Sue W. Mott, Yazoo City.

MISSOURI

Luther P. Dove, Cabool.
Arthur F. Goetz, Canton.
Henry A. Seemel, De Soto.
Jackson G. Short, Galena.
Robert R. White, Greenville.
Lawrence R. Quick, Hallsville.
Peter S. Ravenstein, Hayti.
Joel W. Sever, Hurdland.
Frank L. Neitzert, Knobnoster.
Herman E. Christrup, Laddonia.
Edwin K. Lett, Marquand.
David L. Blanchfield, Martinsburg.
Henry W. Werges, New Haven.
Carl E. Morris, Pattonsburg.
Grace E. Kirkbride, Ravenwood.
Enos D. French, Skidmore.
John H. Fisher, Sullivan.
Ben J. Drymon, Willow Springs.

NEBRASKA

Isaac A. Reneau, Broken Bow.
Milton L. Pittenger, Crab Orchard.
George W. Miller, Harvard.
Blanche Snyder, Oconto.
John D. Ringer, Omaha.
Gilbert E. Swanson, Oshkosh.
Frank N. Thomson, Winnebago.
Elsie B. Thompson, Wynot.

NEW YORK

Charles H. Whitson, Briarcliff Manor.
John T. Hoffman, Madalin.

NORTH CAROLINA

John R. Rollins, Bessemer City.
Wallace A. Reinhardt, Newton.
Abram L. Alexander, Plymouth.

NORTH DAKOTA

Olof O. Bjorke, Abercrombie.
Estelle A. Kingery, Forbes.
Alf J. Dunnum, Kensal.
Anna E. Reimers, Max.
Marvin Broton, Petersburg.
Joseph J. Simon, Thompson.

OHIO

Herman W. Davis, Bedford.
Myrtle M. McCreery, Brecksville.
Carl Ledman, Byesville.
Charles E. Schindler, Coldwater.
Allen G. Bogart, Columbus Grove.
Roy G. Sutherin, East Palestine.
Edwin E. Cook, Huron.
Earl R. Burford, Minerva.
Benjamin S. Dillehay, Waterford.

PENNSYLVANIA

Elmer D. Getz, Akron.
Eva E. Sechler, Cherry Tree.
Harry L. Koons, East Pittsburgh.
George H. Mull, Knox.
Jefferson B. Hershey, McKeesport.
Newton E. Palmer, Oxford.
George E. Kemp, Philadelphia.
Howard O. Boyer, Rural Valley.
Dayton W. Mills, Ulster.
Helen P. Howell, West Alexander.
Robert C. Simpson, Woodlawn.
Edward S. Brooks, York.

VERMONT

William M. Batchelder, Dorset.
Charles F. Thurber, Fairlee.
Emeroy G. Page, Hyde Park.
Ida H. Holton, Newbury.
Walter A. Amsden, Proctorsville.
Arthur G. Folsom, Tunbridge.
Gertrude E. Trempe, Wilder.

WYOMING

Jason A. Hobbs, Rawlins.

HOUSE OF REPRESENTATIVES

TUESDAY, *February 23, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, before whom we bow in praise and adoration, and to whom we speak the language of our souls, accept our offering. Teach us the high art of self-control and in all things make us masters of our tendencies. Keep Thou the truth in our thoughts, namely, "He that ruleth his spirit is greater than he who taketh a city." In all situations help us to quit ourselves like men and thus prove ourselves to be worthy of our high calling and the dignity which Thou dost bestow upon us. Give our sympathies a wide sweep, and may they reach out toward all classes and conditions of men; thus shall we hasten the day when "men to men shall brothers be the world over." Amen.

The Journal of the proceedings of yesterday was read and approved.

ORDER OF BUSINESS

Mr. TILSON. Mr. Speaker, the Interstate and Foreign Commerce Committee expect to call up the so-called Railroad Labor Board bill to-day. Already leave has been obtained to consider it under certain restrictions to-day and to-morrow. I now ask unanimous consent that, in case the bill should not be completed when the House adjourns on Wednesday, it may be in order to call it up on Thursday and thereafter until finished, and consider it under the general rules of the House.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that, in case the Railroad Labor Board bill reported by the Interstate and Foreign Commerce Committee

is not completed on Wednesday night when the House adjourns, it shall be in order to consider the same on Thursday and thereafter until completed.

Mr. GARRETT of Tennessee. Under the general rules of the House.

The SPEAKER. Yes; under the general rules of the House.

Mr. BLANTON. Mr. Speaker, reserving the right to object, if the gentleman from Tennessee has finished, I did not interfere with the unanimous-consent request which the gentleman from Connecticut [Mr. TILSON] put the other day, which placed the entire debate on this important bill in the hands of those who favor it. The request of the gentleman placed the entire debate in the hands of the proponents of the bill, when it is one of the most important measures that has been before this Congress in 25 years.

Mr. TILSON. I did not submit the request without first having conferred with the gentleman from New York [Mr. PARKER] and the gentleman from Kentucky [Mr. BARKLEY]. I was assured by them that they would take care of anyone on their respective sides who opposed the bill.

Mr. BLANTON. Oh, yes; and they have very courteously agreed to do that, but the gentleman ought to know, and I am sure he does know, that if the interests of the American people are to be protected, this bill needs important amendments before it is passed. As the gentleman knows, this morning 2,000,000 farmers, through the National Grange and the National Farm Bureau, have demanded that, for their protection, this bill be changed.

Mr. TILSON. The gentleman realizes that probably general debate will have been completed at that time and that we shall then be under the five-minute rule. The gentleman will have all his rights to amend the bill under the general rules of the House.

Mr. BLANTON. But there is not a single member on this important committee who has proposed more than one change in the bill, and the change that is proposed, limited and restricted as it is, is of minor importance and of little value to the American people. This bill ought not to be rushed through this Congress in such haste.

Mr. TILSON. It is the purpose of my request to prevent its having to be rushed through the House.

Mr. BLANTON. Why can it not come up under the general rules of the House?

Mr. TILSON. I am asking that it be taken up under the general rules of the House.

Mr. BLANTON. But you are asking to make the bill the special order of business.

Mr. TILSON. I am asking that it may be in order to continue it on Thursday in case consideration of the bill is not concluded by Wednesday night.

Mr. BLANTON. Then it will require the recognition of the Speaker to make it in order.

Mr. TILSON. Certainly.

Mr. BLANTON. And unless the Speaker sees fit to recognize the chairman to again call it up, at the end of two days its consideration would be over.

Mr. TILSON. Oh, no.

Mr. MADDEN. No; it would not be.

Mr. BLANTON. Mr. Speaker, I object for the present.

Mr. TILSON. I hope the gentleman from Texas will not object, because a number of things depend upon it.

Mr. BLANTON. In view of the fact that I realize the same end may be accomplished by bringing in a rule, I withdraw the objection. I hope my colleagues will read my remarks on this bill in yesterday's RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. VESTAL. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. TILSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 40]

Beedy	Graham	Luce	Swartz
Berger	Harrison	McClintic	Swoope
Brand, Ohio	Hastings	McFadden	Taylor, N. J.
Britten	Haugen	McSweeney	Taylor, Tenn.
Buchanan	Hawes	Mooney	Thayer
Cleary	Hawley	Nelson, Wis.	Vare
Connolly, Pa.	Hogg	O'Connor, N. Y.	Walters
Cox	Johnson, Ill.	Oldfield	Warren
Deal	Kahn	Parks	Williamson
Fletcher	Keller	Porter	Wright
Fredericks	Kendall	Quayle	Yates
Fuller	Kincheloe	Shallenberger	Zihlman
Fulmer	Lea, Calif.	Smithwick	
Golder	Lee, Ga.	Steagall	
Goldsborough	Lehlbach	Strong, Pa.	

The SPEAKER. Three hundred and seventy-three Members have answered to their names. A quorum is present.

Mr. TILSON. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

POST OFFICE AND TREASURY DEPARTMENTS APPROPRIATION BILL

Mr. MADDEN, chairman of the Committee on Appropriations, presented a conference report on H. R. 5959, making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes, for printing under the rule.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes.

The message also announced that the Senate had passed without amendment bills of the following titles:

H. R. 97. An act authorizing an expenditure of $50,000 from the tribal funds of the Indians of the Quinaielt Reservation, Wash., for the improvement and completion of the road from Taholah to Moclips on said reservation;

H. R. 5013. An act extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway;

H. R. 5850. An act authorizing an appropriation for the payment of certain claims due certain members of the Sioux Nation of Indians for damages occasioned by the destruction of their horses;

H. R. 6376. An act to amend the act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes, approved August 25, 1919, as amended by act of March 6, 1920; and

H. R. 6727. An act to authorize the Secretary of the Interior to issue certificates of competency removing the restrictions against alienation on the inherited lands of the Kansas or Kaw Indians in Oklahoma.

The message also announced that the Senate had passed bills of the following titles:

S. 451. An act for the relief of the city of Baltimore;

S. 453. An act for the relief of Belle H. Walker, widow of Frank H. Walker, deceased, and Frank E. Smith;

S. 492. An act for the relief of Swend A. Swendson;

S. 585. An act for the relief of F. E. Romberg;

S. 850. An act for the relief of Robert A. Pickett;

S. 867. An act authorizing the Secretary of the Treasury to pay the Columbus Hospital, Great Falls, Mont., for the treatment of disabled Government employees;

S. 989. An act to amend section 129 of the Judicial Code, relating to appeals in admiralty cases;

S. 1047. An act to reimburse the State of Montana for expenses incurred by it in suppressing forest fires on Government land during the year 1919;

S. 1463. An act to provide relief for the victims of the airplane accident at Langin Field;

S. 1473. An act granting permission to certain officers and men of the military forces of the United States to accept various decorations bestowed in recognition of services to the allied cause;

S. 1550. An act to appropriate certain tribal funds for the benefit of the Indians of the Fort Peck and Blackfeet Reservations;

S. 1834. An act providing for remodeling, repairing, and improving the Pawnee Indian school plant, Pawnee, Okla., and providing an appropriation therefor;

S. 2086. An act for the relief of A. T. Marix;

S. 2334. An act authorizing the sale and conveyance of certain lands on the Kaw Reservation in Oklahoma;

S. 2461. An act to grant extensions of time under oil and gas permits; and

S. 2663. An act authorizing the Secretary of the Interior to cooperate with the States of Idaho, Montana, Oregon, and

Washington in allocation of the waters of the Columbia River and its tributaries, and for other purposes, and authorizing an appropriation therefor.

THE REVENUE BILL

Mr. GREEN of Iowa. Mr. Speaker, I call up the conference report on the bill H. R. 1, the revenue bill.

The SPEAKER. The Clerk will report the conference report.

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. SEARS of Florida. Reserving the right to object, I have no desire to insist on the reading of the report, but I was wondering if the gentleman from Iowa would be liberal in the matter of debate.

Mr. GREEN of Iowa. I will be as liberal as I can be.

Mr. SEARS of Florida. Of course we would not gain anything by insisting on the reading of the report.

Mr. GREEN of Iowa. There is an explanation of every amendment in the statement, whereas if I undertook to explain every one of them I would be standing here until evening before I got through, and the same way if Members asked for explanations of all of these technical amendments in the bill. We will save a great deal of time by having the statement read in lieu of the report.

Mr. SEARS of Florida. That is not the point. I admit that to insist on reading of the report would do no good; but take the 80 per cent inheritance tax that vitally affects Florida, I wondered if the delegation from Florida would have an opportunity to be heard on that proposition.

Mr. GREEN of Iowa. That has nothing to do with reading the statement in lieu of the report.

Mr. SEARS of Florida. I will not insist on the reading of the report, for I know the gentleman will be fair.

The SPEAKER. Is there objection?

There was no objection.

Mr. GREEN of Iowa. Mr. Speaker, I want to ask Members to pay careful attention to the reading of this statement, so that they will not find it necessary to ask questions in relation to the administration of technical amendments made in the bill. The explanations in the statement are much better than could be had in any other way, and I hope Members will give strict attention.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 5, 21, 27, 29, 34, 38, 66, 84, 109, 110, 138, 139, 140, 169, 196, 202, and 203.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 7, 8, 9, 10, 11, 12, 13, 14, 15, 18, 22, 23, 25, 26, 28, 31, 32, 35, 37, 39, 40, 43, 44, 45, 46, 47, 48, 49, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 64, 65, 67, 68, 69, 70, 71, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 85, 86, 91, 93, 94, 96, 97, 98, 99, 101, 102, 103, 104, 105, 106, 107, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 129, 130, 131, 133, 134, 135, 136, 137, 142, 143, 144, 145, 147, 148, 149, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 171, 175, 176, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 192, 195, 197, 199, 200, and 201, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: On page 3, lines 2, 4, and 5, of the Senate engrossed amendments, strike out "bed" and insert "deposit"; and on page 3, line 4, of the Senate engrossed amendments, before "exten-" insert "uninterrupted"; and on page 3, line 5, of the Senate engrossed amendments, after "continuing" insert "commercial"; and on page 3, line 10, of the Senate engrossed amendments, strike out "30" and insert "27½"; and on page 3 of the Senate engrossed amendments, strike out lines 17 to 20, inclusive; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: On page 6 of the Senate engrossed amendments, line 9, after "other" insert "casual"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: On page 7 of the Senate engrossed amendments, line 7, strike out "during and"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(14) In the case of an individual citizen of the United States, a bona fide nonresident of the United States for more than six months during the taxable year, amounts received from sources without the United States if such amounts constitute earned income as defined in section 209; but such individual shall not be allowed as a deduction from his gross income any deductions properly allocable to or chargeable against amounts excluded from gross income under this paragraph" and a period.

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendment and on page 285 of the House bill, after line 2 and after the matter inserted by amendment numbered 201, insert the following:

"SALARIES OF STATE AND MUNICIPAL OFFICERS

"SEC. 1211. Any taxes imposed by the revenue act of 1924 or prior revenue acts upon any individual in respect of amounts received by him as compensation for personal services as an officer or employee of any State or political subdivision thereof (except to the extent that such compensation is paid by the United States Government directly or indirectly), shall, subject to the statutory period of limitations properly applicable thereto, be abated, credited, or refunded" and a period.

And the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(11) In the case of a casual sale or other casual disposition of real property, a reasonable allowance for future expense liabilities, incurred under the provisions of the contract under which such sale or other disposition was made, under such regulations as the commissioner, with the approval of the Secretary, may prescribe, including the giving of a bond, with such sureties and in such sum (not less than the estimated tax liability computed without the benefit of this paragraph) as the commissioner may require, conditioned upon the payment (notwithstanding any statute of limitations) of the tax, computed without the benefit of this paragraph, in respect of any amounts allowed as a deduction under this paragraph and not actually expended in carrying out the provisions of such contract" and a period.

And on page 48 of the House bill, line 8, strike out the period and insert in lieu thereof a semicolon.

And the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: On page 11 of the Senate engrossed amendments, line 4, after "include" insert "(at the time of filing their returns)"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendment and strike out lines 8 to 13, inclusive, on page 76 of the House bill and insert in lieu thereof the following:

"SEC. 230. (a) In lieu of the tax imposed by section 230 of the revenue act of 1924, there shall be levied, collected, and paid for each taxable year upon the net income of every corporation, a tax at the following rates:

"(1) For the calendar year 1925, 13 per cent of the amount of the net income in excess of the credits provided in sections 236 and 263; and

"(2) For each calendar year thereafter, 13½ per cent of such excess amount.

"(b) A taxpayer whose taxable year is the calendar year and who elects for the calendar year 1925 to pay the tax imposed by this section in four installments as provided in section 270, shall pay such installments in amounts as follows:

"(1) The amount of the first and second installments shall each equal 24 per cent of the tax; and

"(2) The amount of the third and fourth installments shall each equal 26 per cent" and a period.

And the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: On page 13 of the Senate engrossed amendments strike out all after the period in line 3 down to and including line 10, and in lieu thereof insert: "Such an association may market the products of nonmembers in an amount the value of which does not exceed the value of the products marketed for members, and may purchase supplies and equipment for nonmembers in an amount the value of which does not exceed the value of the supplies and equipment purchased for members, provided the value of the purchases made for persons who are neither members nor producers does not exceed 15 per cent of the value of all its purchases" and a semicolon; and the Senate agree to the same.

Amendments numbered 41 and 42: That the House recede from its disagreement to the amendments of the Senate numbered 41 and 42, and agree to the same with an amendment as follows: On page 92 of the House bill strike out lines 3 to 10, inclusive, and insert in lieu thereof the following:

"(c) For the purpose of this section two or more domestic corporations shall be deemed to be affiliated (1) if one corporation owns at least 95 per cent of the voting stock of the other or others, or (2) if at least 95 per cent of the voting stock of two or more corporations is owned by the same interests. This subdivision shall be applicable to the determination of affiliation for the taxable year 1925.

"(d) For the purpose of this section two or more domestic corporations shall be deemed to be affiliated (1) if one corporation owns at least 95 per cent of the stock of the other or others, or (2) if at least 95 per cent of the stock of two or more corporations is owned by the same interests. As used in this subdivision the term 'stock' does not include nonvoting stock which is limited and preferred as to dividends. This subdivision shall be applicable to the determination of affiliation for the taxable year 1926 and each taxable year thereafter.

"(e) A corporation organized under the China trade act, 1922, shall not be deemed to be affiliated with any other corporation within the meaning of this section" and a period.

And on page 92 of the House bill, line 11, strike out "(d)" and insert "(f)"; and on page 92 of the House bill, line 20, strike out "(e)" and insert "(g)";

And the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendment and on page 104 of the House bill at the end of line 19 insert "Whenever a return is open to the inspection of any person a certified copy thereof shall, upon request, be furnished to such person under rules and regulations prescribed by the commissioner with the approval of the Secretary. The commissioner may prescribe a reasonable fee for furnishing such copy" and a period; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: On page 17 of the Senate engrossed amendments, line 4, strike out all after "(a)" down to and including "deficiency," in line 10; and on page 17 of the Senate engrossed amendments, lines 15 and 16, strike out "excluding Sundays and legal holidays of the District of Columbia" and insert "not counting Sunday as the sixtieth day"; and on page 18 of the Senate engrossed amendments, line 23, strike out all after "deficiency," down to and including line 2 on page 19; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: On page 22 of the Senate engrossed amendments, line 3, strike out "two" and insert "three"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"CLAIMS AGAINST TRANSFERRED ASSETS

"SEC. 280. (a) The amounts of the following liabilities shall, except as hereinafter in this section provided, be assessed, collected, and paid in the same manner and subject to the same provisions and limitations as in the case of a deficiency in a tax imposed by this title (including the provisions in case of delinquency in payment after notice and demand, the provisions authorizing distraint and proceedings in court for collection, and the provisions prohibiting claims and suits for refunds):

"(1) The liability, at law or in equity, of a transferee of property of a taxpayer, in respect of the tax (including interest, additional amounts, and additions to the tax provided by law) imposed upon the taxpayer by this title or by any prior income, excess-profits, or war-profits tax act.

"(2) The liability of a fiduciary under section 3467 of the Revised Statutes in respect of the payment of any such tax from the estate of the taxpayer. Any such liability may be either as to the amount of tax shown on the return or as to any deficiency in tax.

"(b) The period of limitation for assessment of any such liability of a transferee or fiduciary shall be as follows:

"(1) Within one year after the expiration of the period of limitation for assessment against the taxpayer; or

"(2) If the period of limitation for assessment against the taxpayer expired before the enactment of this act but assessment against the taxpayer was made within such period, then within six years after the making of such assessment against the taxpayer, but in no case later than one year after the enactment of this act.

"(3) If a court proceeding against the taxpayer for the collection of the tax has been begun within either of the above periods, then within one year after return of execution in such proceeding.

"(c) For the purposes of this section if the taxpayer is deceased or, in the case of a corporation, has terminated its existence, the period of limitation for assessment against the taxpayer shall be the period that would be in effect had the death or termination of existence not occurred.

"(d) The running of the period of limitation upon the assessment of the liability of a transferee or fiduciary shall, after the mailing of the notice under subdivision (a) of section 274 to the transferee or fiduciary, be suspended for the period during which the commissioner is prohibited from making the assessment in respect of the liability of the transferee or fiduciary and for 60 days thereafter.

"(e) This section shall not apply to any suit or other proceeding for the enforcement of the liability of a transferee or fiduciary pending at the time of the enactment of this act.

"(f) As used in this section, the term 'transferee' includes heir, legatee, devisee, and distributee," and a period.

And the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows: On page 30 of the Senate engrossed amendments, line 18, strike out all after "Commissioner" through "thereto," in line 20; and on page 30 of the Senate engrossed amendments, line 22, strike out "under this act" and insert "in respect of a tax imposed by this title or by prior income, excess-profits, or war-profits tax act"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: On page 32 of the Senate engrossed amendments, line 23, strike out "of" the first time it appears in said line and insert "from"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: On page 33 of the Senate engrossed amendments, line 20, strike out "tax" and insert "determination"; and on page 41 of the Senate engrossed amendments, line 20, strike out "sections" and insert "section"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: On page 42 of the Senate engrossed amendments, line 10, strike out "two" and insert "three"; and on page 42 of the Senate engrossed amendments, line 16, strike out "two" and insert "three"; and on page 42 of the Senate engrossed amendments, line 18, strike out "two" and insert "three"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "paid, or, in the case of a tax imposed by this act, within three

years after the tax was paid"; and the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert the following:

"SEC. 300. When used in this title—

"(a) The term 'executor' means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent;

"(b) The term 'net estate' means the net estate as determined under the provisions of section 303;

"(c) The term 'month' means calendar month; and

"(d) The term 'collector' means the collector of internal revenue of the district in which was the domicile of the decedent at the time of his death, or, if there was no such domicile in the United States, then the collector of the district in which is situated the part of the gross estate of the decedent in the United States, or, if such part of the gross estate is situated in more than one district, then the collector of internal revenue of such district as may be designated by the commissioner.

"SEC. 301. (a) In lieu of the tax imposed by Title III of the revenue act of 1924, a tax equal to the sum of the following percentages of the value of the net estate (determined as provided in section 303) is hereby imposed upon the transfer of the net estate of every decedent dying after the enactment of this act, whether a resident or nonresident of the United States;

"One per cent of the amount of the net estate not in excess of $50,000;

"Two per cent of the amount by which the net estate exceeds $50,000 and does not exceed $100,000;

"Three per cent of the amount by which the net estate exceeds $100,000 and does not exceed $200,000;

"Four per cent of the amount by which the net estate exceeds $200,000 and does not exceed $400,000;

"Five per cent of the amount by which the net estate exceeds $400,000 and does not exceed $600,000;

"Six per cent of the amount by which the net estate exceeds $600,000 and does not exceed $800,000;

"Seven per cent of the amount by which the net estate exceeds $800,000 and does not exceed $1,000,000;

"Eight per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $1,500,000;

"Nine per cent of the amount by which the net estate exceeds $1,500,000 and does not exceed $2,000,000;

"Ten per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $2,500,000;

"Eleven per cent of the amount by which the net estate exceeds $2,500,000 and does not exceed $3,000,000;

"Twelve per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $3,500,000;

"Thirteen per cent of the amount by which the net estate exceeds $3,500,000 and does not exceed $4,000,000;

"Fourteen per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

"Fifteen per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $6,000,000;

"Sixteen per cent of the amount by which the net estate exceeds $6,000,000 and does not exceed $7,000,000;

"Seventeen per cent of the amount by which the net estate exceeds $7,000,000 and does not exceed $8,000,000;

"Eighteen per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $9,000,000;

"Nineteen per cent of the amount by which the net estate exceeds $9,000,000 and does not exceed $10,000,000;

"Twenty per cent of the amount by which the net estate exceeds $10,000,000.

"(b) The tax imposed by this section shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or Territory or the District of Columbia, in respect of any property included in the gross estate. The credit allowed by this subdivision shall not exceed 80 per cent of the tax imposed by this section, and shall include only such taxes as were actually paid and credit therefor claimed within three years after the filing of the return required by section 304.

"SEC. 302. The value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated—

"(a) To the extent of the interest therein of the decedent at the time of his death;

"(b) To the extent of any interest therein of the surviving spouse, existing at the time of the decedent's death as dower, curtesy, or by virtue of a statute creating an estate in lieu of dower or curtesy;

"(c) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, in contemplation of or intended to take effect in possession or enjoyment at or after his death, except in case of a bona fide sale or an adequate and full consideration in money or money's worth. Where within two years prior to his death but after the enactment of this act and without such a consideration the decedent has made a transfer or transfers, by trust or otherwise, of any of his property, or an interest therein, not admitted or shown to have been made in contemplation of or intended to take effect in possession or enjoyment at or after his death, and the value or aggregate value, at the time of such death, or the property or interest so transferred to any one person is in excess of $5,000, then, to the extent of such excess, such transfer or transfers shall be deemed and held to have been made in contemplation of death within the meaning of this title. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within two years prior to his death but prior to the enactment of this act, without such consideration, shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this title;

"(d) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, where the enjoyment thereof was subject at the date of his death to any change through the exercise of a power, either by the decedent alone or in conjunction with any person, to alter, amend, or revoke, or where the decedent relinquished any such power in contemplation of his death, except in case of a bona fide sale for an adequate and full consideration in money or money's worth. The relinquishment of any such power, not admitted or shown to have been in contemplation of the decedent's death, made within two years prior to his death but after the enactment of this act without such a consideration and affecting the interest or interests (whether arising from one or more transfers or the creation of one or more trusts) of any one beneficiary of a value or aggregate value, at the time of such death, in excess of $5,000, then, to the extent of such excess, such relinquishment or relinquishments shall be deemed and held to have been made in contemplation of death within the meaning of this title;

"(e) To the extent of the interest therein held as joint tenants by the decedent and any other person, or as tenants by the entirety by the decedent and spouse, or deposited, with any person carrying on the banking business, in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have been received or acquired by the latter from the decedent for less than an adequate and full consideration in money or money's worth: *Provided*, That where such property or any part thereof, or part of the consideration with which such property was acquired, is shown to have been at any time acquired by such other person from the decedent for less than an adequate and full consideration in money or money's worth, there shall be excepted only such part of the value of such property as is proportionate to the consideration furnished by such other person: *Provided further*, That where any property has been acquired by gift, bequest, devise, or inheritance, as a tenancy by the entirety by the decedent and spouse, then to the extent of one-half of the value thereof, or, where so acquired by the decedent and any other person as joint tenants and their interests are not otherwise specified or fixed by law, then to the extent of the value of a fractional part to be determined by dividing the value of the property by the number of joint tenants;

"(f) To the extent of any property passing under a general power of appointment exercised by the decedent (1) by will, or (2) by deed executed in contemplation of, or intended to take effect in possession or enjoyment at or after, his death, except in case of a bona fide sale for an adequate and full consideration in money or money's worth; and

"(g) To the extent of the amount receivable by the executor as insurance under policies taken out by the decedent upon his own life; and to the extent of the excess over $40,000 of the amount receivable by all other beneficiaries as insurance under policies taken out by the decedent upon his own life.

"(h) Except as otherwise specifically provided therein subdivisions (b), (c), (d), (e), (f), and (g) of this section shall apply to the transfers, trusts, estates, interests, rights, powers, and relinquishment of powers, as severally enumerated and de-

scribed therein, whether made, created, arising, existing, exercised, or relinquished before or after the enactment of this act.

"(1) If any one of the transfers, trusts, interests, rights, or powers, enumerated and described in subdivisions (c), (d), and (f) of this section is made, created, exercised, or relinquished for a consideration in money or money's worth, but is not a bona fide sale for an adequate and full consideration in money or money's worth, there shall be included in the gross estate only the excess of the fair market value at the time of death of the property otherwise to be included on account of such transaction, over the value of the consideration received therefor by the decedent.

"SEC. 303. For the purpose of the tax the value of the net estate shall be determined—

"(a) In the case of a resident, by deducting from the value of the gross estate—

"(1) Such amounts for funeral expenses, administration expenses, claims against the estate, unpaid mortgages upon, or any indebtedness in respect to, property (except, in the case of a resident decedent, where such property is not situated in the United States), to the extent that such claims, mortgages, or indebtedness were incurred or contracted bona fide and for an adequate and full consideration in money or money's worth, losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, or from theft, when such losses are not compensated for by insurance or otherwise, and such amounts reasonably required and actually expended for the support during the settlement of the estate of those dependent upon the decedent, as are allowed by the laws of the jurisdiction, whether within or without the United States, under which the estate is being administered, but not including any income taxes upon income received after the death of the decedent, or any estate, succession, legacy, or inheritance taxes;

"(2) An amount equal to the value of any property (A) forming a part of the gross estate situated in the United States of any person who died within five years prior to the death of the decedent, or (B) transferred to the decedent by gift within five years prior to his death, where such property can be identified as having been received by the decedent from such donor by gift or from such prior decedent by gift, bequest, devise, or inheritance, or which can be identified as having been acquired in exchange for property so received. This deduction shall be allowed only where a gift tax imposed under the revenue act of 1924, or an estate tax imposed under this or any prior act of Congress was paid by or on behalf of the donor or the estate of such prior decedent as the case may be, and only in the amount of the value placed by the commissioner on such property in determining the value of the gift or the gross estate of such prior decedent, and only to the extent that the value of such property is included in the decedent's gross estate and not deducted under paragraph (1) or (3) of this subdivision;

"(3) The amount of all bequests, legacies, devises, or transfers, to or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes, or to or for the use of any corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to a trustee or trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. The amount of the deduction under this paragraph for any transfer shall not exceed the value of the transferred property required to be included in the gross estate; and

"(4) An exemption of $100,000.

"(b) In the case of a nonresident, by deducting from the value of that part of his gross estate which at the time of his death is situated in the United States—

"(1) That portion of the deductions specified in paragraph (1) of subdivision (a) of this section which the value of such part bears to the value of his entire gross estate, wherever situated, but in no case shall the amount so deducted exceed 10 per cent of the value of that part of his gross estate which at the time of his death is situated in the United States;

"(2) An amount equal to the value of any property (A) forming a part of the gross estate situated in the United States of any person who died within five years prior to the death of the decedent, or (B) transferred to the decedent by gift within five years prior to his death, where such property can be identified as having been received by the decedent from such donor by gift or from such prior decedent by gift, bequest, devise, or inheritance, or which can be identified as having been acquired in exchange for property so received. This deduction shall be allowed only where a gift tax imposed under the revenue act of 1924, or an estate tax imposed under this or any prior act of Congress was paid by or on behalf of the donor or the estate of such prior decedent as the case may be, and only in the amount of the value placed by the commissioner on such property in determining the value of the gift or the gross estate of such prior decedent, and only to the extent that the value of such property is included in that part of the decedent's gross estate which at the time of his death is situated in the United States and not deducted under paragraph (1) or (3) of this subdivision; and

"(3) The amount of all bequests, legacies, devises, or transfers, to or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes, or to or for the use of any domestic corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to a trustee or trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used within the United States by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. The amount of the deduction under this paragraph for any transfer shall not exceed the value of the transferred property required to be included in the gross estate.

"(c) No deduction shall be allowed in the case of a nonresident unless the executor includes in the return required to be filed under section 304 the value at the time of his death of that part of the gross estate of the nonresident not situated in the United States.

"(d) For the purpose of this title, stock in a domestic corporation owned and held by a nonresident decedent shall be deemed property within the United States, and any property of which the decedent has made a transfer, by trust or otherwise, within the meaning of subdivision (c) or (d) of section 302, shall be deemed to be situated in the United States, if so situated either at the time of the transfer, or at the time of the decedent's death.

"(e) The amount receivable as insurance upon the life of a nonresident decedent, and any moneys deposited with any person carrying on the banking business, by or for a nonresident decedent who was not engaged in business in the United States at the time of his death, shall not, for the purpose of this title, be deemed property within the United States.

"(f) Missionaries duly commissioned and serving under boards of foreign missions of the various religious denominations in the United States, dying while in the foreign missionary service of such boards, shall not, by reason merely of their intention to permanently remain in such foreign service, be deemed nonresidents of the United States, but shall be presumed to be residents of the State, the District of Columbia, or the Territories of Alaska or Hawaii wherein they respectively resided at the time of their commission and their departure for such foreign service.

"SEC. 304. (a) The executor, within two months after the decedent's death, or within a like period after qualifying as such, shall give written notice thereof to the collector. The executor shall also, at such times and in such manner as may be required by regulations made pursuant to law, file with the collector a return under oath in duplicate, setting forth (1) the value of the gross estate of the decedent at the time of his death, or, in case of a nonresident, of that part of his gross estate situated in the United States; (2) the deductions allowed under section 303; (3) the value of the net estate of the decedent as defined in section 303; and (4) the tax paid or payable thereon; or such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct tax.

"(b) Return shall be made in all cases where the gross estate at the death of the decedent exceeds $100,000, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate.

"SEC. 305. (a) The tax imposed by this title shall be due and payable one year after the decedent's death, and shall be paid by the executor to the collector.

"(b) Where the commissioner finds that the payment on the due date of any part of the amount determined by the executor as the tax would impose undue hardship upon the estate, the commissioner may extend the time for payment of any such part not to exceed five years from the due date. In such case the amount in respect of which the extension is granted shall be paid on or before the date of the expiration of the period of the extension.

"(c) If the time for the payment is thus extended there shall be collected, as a part of such amount, interest thereon at the rate of 6 per cent per annum from the expiration of six months after the due date of the tax to the expiration of the period of the extension.

"(d) The time for which the commissioner may extend the time for payment of the estate tax imposed by Title IV of the revenue act of 1921 shall be five years.

"SEC. 306. As soon as practicable after the return is filed the commissioner shall examine it and shall determine the correct amount of the tax.

"SEC. 307. As used in this title in respect of a tax imposed by this title the term 'deficiency' means—

"(1) The amount by which the tax imposed by this title exceeds the amount shown as the tax by the executor upon his return; but the amount so shown on the return shall first be increased by the amounts previously assessed (or collected without assessment) as a deficiency, and decreased by the amounts previously abated, refunded, or otherwise repaid in respect of such tax; or

"(2) If no amount is shown as the tax by the executor upon his return, or if no return is made by the executor, then the amount by which the tax exceeds the amounts previously assessed (or collected without assessment) as a deficiency; but such amounts previously assessed, or collected without assessment, shall first be decreased by the amounts previously abated, refunded, or otherwise repaid in respect of such tax.

"SEC. 308. (a) If the commissioner determines that there is a deficiency in respect of the tax imposed by this title, the commissioner is authorized to send notice of such deficiency to the executor by registered mail. Within 60 days after such notice is mailed (not counting Sunday as the sixtieth day), the executor may file a petition with the Board of Tax Appeals for a redetermination of the deficiency. Except as otherwise provided in subdivision (d) or (f) of this section or in section 312 or 1001, no assessment of a deficiency in respect of the tax imposed by this title and no distraint or proceeding in court for its collection shall be made, begun, or prosecuted until such notice has been mailed to the executor, nor until the expiration of such 60-day period, nor, if a petition has been filed with the board, until the decision of the board has become final. Notwithstanding the provisions of section 3224 of the Revised Statutes the making of such assessment or the beginning of such proceeding or distraint during the time such prohibition is in force may be enjoined by a proceeding in the proper court.

"(b) If the executor files a petition with the board, the entire amount redetermined as the deficiency by the decision of the board which has become final shall be assessed and shall be paid upon notice and demand from the collector. No part of the amount determined as a deficiency by the commissioner but disallowed as such by the decision of the board which has become final shall be assessed or be collected by distraint or by proceeding in court with or without asssesment.

"(c) If the executor does not file a petition with the board within the time prescribed in subdivision (a) of this section, the deficiency, notice of which has been mailed to the executor, shall be assessed, and shall be paid upon notice and demand from the collector.

"(d) The executor shall at any time have the right, by a signed notice in writing filed with the commissioner, to waive the restrictions provided in subdivision (a) of this section on the assessment and collection of the whole or any part of the deficiency.

"(e) The board shall have jurisdiction to redetermine the correct amount of the deficiency even if the amount so redetermined is greater than the amount of the deficiency, notice of which has been mailed to the executor, and to determine whether any additional amount or addition to the tax should be assessed, if claim therefor is asserted by the commissioner at or before the hearing or a rehearing.

"(f) If after the enactment of this act the commissioner has mailed to the executor notice of a deficiency as provided in subdivision (a), and the executor files a petition with the board within the time prescribed in such subdivision, the commissioner shall have no right to determine any additional deficiency, except in the case of fraud, and except as provided in subdivision (e) of this section or in subdivision (c) of section 312. If the executor is notified that, on account of a mathematical error appearing upon the face of the return, an amount of tax in excess of that shown upon the return is due, and that an assessment of the tax has been or will be made on the basis of what would have been the correct amount of tax but for the mathematical error, such notice shall not be considered, for the purposes of this subdivision or of subdivision (a) of this section, or of section 319, as a notice of a deficiency, and the executor shall have no right to file a petition with the Board of Tax Appeals based on such notice, nor shall such assessment or collection be prohibited by the provisions of subdivision (a) of this section.

"(g) For the purposes of this title the date on which a decision of the board becomes final shall be determined according to the provisions of section 1005.

"(h) Interest upon the amount determined as a deficiency shall be assessed at the same time as the deficiency, shall be paid upon notice and demand from the collector, and shall be collected as a part of the tax, at the rate of 6 per cent per annum from the due date of the tax to the date the deficiency is assessed, or, in the case of a waiver under subdivision (d) of this section, to the thirtieth day after the filing of such waiver or to the date the deficiency is assessed, whichever is the earlier.

"(i) Where it is shown to the satisfaction of the commissioner that the payment of a deficiency upon the date prescribed for the payment thereof will result in undue hardship to the estate, the commissioner with the approval of the Secretary (except where the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax) may grant an extension for the payment of such deficiency or any part thereof for a period not in excess of two years. If an extension is granted, the commissioner may require the executor to furnish a bond in such amount, not exceeding double the amount of the deficiency, and with such sureties, as the commissioner deems necessary, conditioned upon the payment of the deficiency in accordance with the terms of the extension. In such case there shall be collected, as a part of the tax, interest on the part of the deficiency the time for payment of which is so extended, at the rate of 6 per cent per annum for the period of the extension, and no other interest shall be collected on such part of the deficiency for such period. If the part of the deficiency the time for payment of which is so extended is not paid in accordance with the terms of the extension, there shall be collected, as a part of the tax, interest on such unpaid amount at the rate of 1 per cent a month for the period from the time fixed by the terms of the extension for its payment until it is paid, and no other interest shall be collected on such unpaid amount for such period.

"(j) The 50 per cent addition to the tax provided by section 3176 of the Revised Statutes, as amended, shall, when assessed after the enactment of this act in connection with an estate tax, be assessed, collected, and paid in the same manner as if it were a deficiency, except that the provisions of subdivision (h) of this section shall not be applicable.

"SEC. 309. (a) (1) Where the amount determined by the executor as the tax imposed by this title, or any part of such amount, is not paid on the due date of the tax, there shall be collected as a part of the tax interest upon such unpaid amount at the rate of 1 per cent a month from the due date until it is paid.

"(2) Where an extension of time for payment of the amount so determined as the tax by the executor has been granted, and the amount the time for payment of which has been extended, and the interest thereon determined under subdivision (c) of section 305 is not paid in full prior to the expiration of the period of the extension, then, in lieu of the interest provided for in paragraph (1) of this subdivision, interest at the rate of 1 per cent a month shall be collected on such unpaid amount from the date of the expiration of the period of the extension until it is paid.

"(b) Where a deficiency, or any interest assessed in connection therewith under subdivision (h) of section 308, or any addition to the tax provided for in section 3176 of the Revised Statutes, as amended, is not paid in full within 30 days from the date of notice and demand from the collector, there shall be collected as part of the tax interest upon the unpaid amount at the rate of 1 per cent a month from the date of such notice and demand until it is paid.

"(c) If a bond is filed, as provided in section 312, the provisions of subdivision (b) of this section shall not apply to the amount covered by the bond.

"SEC. 310. (a) Except as provided in section 311, the amount of the estate taxes imposed by this title shall be assessed

within three years after the return was filed, and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of three years after the return was filed.

"(b) The running of the statute of limitations provided in this section or in section 311 on the making of assessments and the beginning of distraint or a proceeding in court for collection, in respect of any deficiency, shall (after the mailing of a notice under subdivision (a) of section 308) be suspended for the period during which the commissioner is prohibited from making the assessment or beginning distraint or a proceeding in court, and for 60 days thereafter.

"SEC. 311. (a) In the case of a false or fraudulent return with intent to evade tax or of a failure to file a return the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

"(b) Where the assessment of any tax imposed by this title or of any estate or gift tax imposed by prior act of Congress has been made (whether before or after the enactment of this act) within the statutory period of limitation properly applicable thereto, such tax may be collected by distraint or by a proceeding in court (begun before or after the enactment of this act), but only if begun (1) within six years after the assessment of the tax, or (2) prior to the expiration of any period for collection agreed upon in writing by the commissioner and the executor.

"(c) This section shall not bar a distraint or proceeding in court begun before the enactment of the revenue act of 1924; nor shall it authorize the assessment of a tax or the collection thereof by distraint or by proceeding in court (1) if at the time of the enactment of this act such assessment, distraint, or proceeding was barred by the statutory period of limitation properly applicable thereto, unless prior to the enactment of this act the commissioner and the executor agreed in writing thereto, or (2) contrary to the provisions of subdivision (a) of section 308 of this act.

"SEC. 312. (a) If the commissioner believes that the assessment or collection of a deficiency will be jeopardized by delay, he shall immediately assess such deficiency (together with all interest, additional amounts, or additions to the tax provided for by law) and notice and demand shall be made by the collector for the payment thereof.

"(b) If the jeopardy assessment is made before any notice in respect of the tax to which the jeopardy assessment relates has been mailed under subdivision (a) of section 308, then the commissioner shall mail a notice under such subdivision within 60 days after the making of the assessment.

"(c) The jeopardy assessment may be made in respect of a deficiency greater or less than that notice of which has been mailed to the executor, despite the provisions of subdivision (f) of section 308 and whether or not the executor has theretofore filed a petition with the Board of Tax Appeals. The commissioner shall notify the board of the amount of such assessment, if the petition is filed with the board before the making of the assessment or is subsequently filed, and the board shall have jurisdiction to redetermine the entire amount of the deficiency and of all amounts assessed at the same time in connection therewith.

"(d) If the jeopardy assessment is made after the decision of the board is rendered such assessment may be made only in respect of the deficiency determined by the board in its decision.

"(e) A jeopardy assessment may not be made after the decision of the board has become final or after the executor has filed a petition for review of the decision of the board.

"(f) When a jeopardy assessment has been made the executor, within 30 days after notice and demand from the collector for the payment of the amount of the assessment, may obtain a stay of collection of the whole or any part of the amount of the assessment by filing with the collector a bond in such amount, not exceeding double the amount as to which the stay is desired, and with such sureties, as the collector deems necessary, conditioned upon the payment of so much of the amount, the collection of which is stayed by the bond, as is not abated by a decision of the board which has become final, together with interest thereon as provided in subdivision (j) of this section.

"(g) If the bond is given before the executor has filed his petition with the board under subdivision (a) of section 308, the bond shall contain a further condition that if a petition is not filed within the period provided in such subdivision, then the amount the collection of which is stayed by the bond will be paid on notice and demand at any time after the expiration of such period, together with interest thereon at the rate of 6 per cent per annum from the date of the jeopardy notice and demand to the date of notice and demand under this subdivision.

"(h) Upon the filing of the bond the collection of so much of the amount assessed as is covered by the bond shall be stayed. The executor shall have the right to waive such stay at any time in respect of the whole or any part of the amount covered by the bond, and if as a result of such waiver any part of the amount covered by the bond is paid, then the bond shall, at the request of the executor, be proportionately reduced. If the board determines that the amount assessed is greater than the amount which should have been assessed, then when the decision of the board is rendered the bond shall, at the request of the executor, be proportionately reduced.

"(i) When the petition has been filed with the board and when the amount which should have been assessed has been determined by a decision of the board which has become final, then any unpaid portion, the collection of which has been stayed by the bond, shall be collected as part of the tax upon notice and demand from the collector, and any remaining portion of the assessment shall be abated. If the amount already collected exceeds the amount determined as the amount which should have been assessed, such excess shall be refunded. If the amount determined as the amount which should have been assessed is greater than the amount actually assessed, then the difference shall be assessed and shall be collected as part of the tax upon notice and demand from the collector.

"(j) In the case of the amount collected under subdivision (i) there shall be collected at the same time as such amount, and as a part of the tax, interest at the rate of 6 per cent per annum upon such amount from the date of the jeopardy notice and demand to the date of notice and demand under subdivision (i) of this section, or, in the case of the amount collected in excess of the amount of the jeopardy assessment, interest as provided in subdivision (h) of section 308. If the amount included in the notice and demand from the collector under subdivision (i) of this section is not paid in full within 30 days after such notice and demand, then there shall be collected, as part of the tax, interest upon the unpaid amount at the rate of 1 per cent a month from the date of such notice and demand until it is paid.

"(k) No claim in abatement shall be filed in respect of any assessment made after the enactment of this act in respect of any estate or gift tax.

"SEC. 313. (a) The collector shall grant to the person paying the tax duplicate receipts, either of which shall be sufficient evidence of such payment, and shall entitle the executor to be credited and allowed the amount thereof by any court having jurisdiction to audit or settle his accounts.

"(b) If the executor makes written application to the commissioner for determination of the amount of the tax and discharge from personal liability therefor, the commissioner (as soon as possible, and in any event within one year after the making of such application, or, if the application is made before the return is filed, then within one year after the return is filed, but not after the expiration of the period prescribed for the assessment of the tax in section 310) shall notify the executor of the amount of the tax. The executor, upon payment of the amount of which he is notified, shall be discharged from personal liability for any deficiency in tax thereafter found to be due and shall be entitled to a receipt or writing showing such discharge.

"(c) The provisions of subdivision (b) shall not operate as a release of any part of the gross estate from the lien for any deficiency that may thereafter be determined to be due, unless the title to such part of the gross estate has passed to a bona fide purchaser for value, in which case such part shall not be subject to a lien or to any claim or demand for any such deficiency, but the lien shall attach to the consideration received from such purchaser by the heirs, legatees, devisees, or distributees.

"SEC. 314. (a) If the tax herein imposed is not paid on or before the due date thereof the collector shall, upon instruction from the commissioner, proceed to collect the tax under the provisions of general law, or commence appropriate proceedings in any court of the United States having jurisdiction, in the name of the United States, to subject the property of the decedent to be sold under the judgment or decree of the court. From the proceeds of such sale the amount of the tax, together with the costs and expenses of every description to be allowed by the court, shall be first paid and the balance shall be deposited according to the order of the court, to be paid under its direction to the person entitled thereto. This subdivision in so far as it applies to the collection of a deficiency shall be subject to the provisions of section 308.

"(b) If the tax or any part thereof is paid by, or collected out of that part of the estate passing to or in the possession of, any person other than the executor in his capacity as such, such person shall be entitled to reimbursement out of any part

of the estate still undistributed or by a just and equitable contribution by the persons whose interest in the estate of the decedent would have been reduced if the tax had been paid before the distribution of the estate or whose interest is subject to equal or prior liability for the payment of taxes, debts, or other charges against the estate, it being the purpose and intent of this title that so far as is practicable and unless otherwise directed by the will of the decedent the tax shall be paid out of the estate before its distribution. If any part of the gross estate consists of proceeds of policies of insurance upon the life of the decedent receivable by a beneficiary other than the executor, the executor shall be entitled to recover from such beneficiary such portion of the total tax paid as the proceeds, in excess of $40,000, of such policies bear to the net estate. If there is more than one such beneficiary the executor shall be entitled to recover from such beneficiaries in the same ratio.

"SEC. 315. (a) Unless the tax is sooner paid in full, it shall be a lien for 10 years upon the gross estate of the decedent, except that such part of the gross estate as is used for the payment of charges against the estate and expenses of its administration, allowed by any court having jurisdiction thereof, shall be divested of such lien. If the commissioner is satisfied that the tax liability of an estate has been fully discharged or provided for, he may, under regulations prescribed by him with the approval of the Secretary, issue his certificate releasing any or all property of such estate from the lien herein imposed.

"(b) If (1) the decedent makes a transfer, by trust or otherwise, of any property in contemplation of or intended to take effect in possession or enjoyment at or after his death (except in the case of a bona fide sale for an adequate and full consideration in money or money's worth), or (2) if insurance passes under a contract executed by the decedent in favor of a specific beneficiary, and if in either case the tax in respect thereto is not paid when due, then the transferee, trustee, or beneficiary shall be personally liable for such tax, and such property, to the extent of the decedent's interest therein at the time of such transfer, or to the extent of such beneficiary's interest under such contract of insurance, shall be subject to a like lien equal to the amount of such tax. Any part of such property sold by such transferee or trustee to a bona fide purchaser for an adequate and full consideration in money or money's worth shall be divested of the lien and a like lien shall then attach to all the property of such transferee or trustee, except any part sold to a bona fide purchaser for an adequate and full consideration in money or money's worth.

"SEC. 316. (a) The amounts of the following liabilities shall, except as hereinafter in this section provided, be assessed, collected, and paid in the same manner and subject to the same provisions and limitations as in the case of a deficiency in a tax imposed by this title (including the provisions in case of delinquency in payment after notice and demand, the provisions authorizing distraint and proceedings in court for collection, and the provisions prohibiting claims and suits for refunds):

"(1) The liability, at law or in equity, of a transferee of property of a decedent or donor, in respect of the tax (including interest, additional amounts, and additions to the tax provided by law) imposed by this title or by any prior estate tax act or by any gift tax act.

"(2) The liability of a fiduciary under section 3467 of the Revised Statutes in respect of the payment of any such tax from the estate of the decedent or donor. Any such liability may be either as to the amount of tax shown on the return or as to any deficiency in tax.

"(b) The period of limitation for assessment of any such liability of a transferee or fiduciary shall be as follows:

"(1) Within one year after the expiration of the period of limitation for assessment against the executor or donor; or

"(2) If the period of limitation for assessment against the executor expired before the enactment of this act but assessment against the executor was made within such period, then within six years after the making of such assessment against the executor, but in no case later than one year after the enactment of this act.

"(3) If a court proceeding against the executor or donor for the collection of the tax has been begun within either of the above periods, then within one year after return of execution in such proceeding.

"(c) The running of the period of limitation upon the assessment of the liability of a transferee or fiduciary shall, after the mailing of the notice under subdivision (a) of section 308 to the transferee or fiduciary, be suspended for the period during which the commissioner is prohibited from making the assessment in respect of the liability of the transferee or fiduciary and for 60 days thereafter.

"(d) This section shall not apply to any suit or other proceeding for the enforcement of the liability of a transferee or fiduciary pending at the time of the enactment of this act.

"(e) As used in this section, the term 'transferee' includes heir, legatee, devisee, and distributee.

"SEC. 317. (a) Upon notice to the commissioner that any person is acting as executor such person shall assume the powers, rights, duties, and privileges of an executor in respect of a tax imposed by this title or by any prior estate tax act until notice is given that such person is no longer acting as executor.

(b) Upon notice to the commissioner that any person is acting in a fiduciary capacity for a person subject to the liability specified in section 316, the fiduciary shall assume on behalf of such person the powers, rights, duties, and privileges of such person under such section (except that the liability shall be collected from the estate of such person) until notice is given that the fiduciary capacity has terminated.

"(c) Notice under subdivision (a) or (b) shall be given in accordance with regulations prescribed by the commissioner with the approval of the Secretary.

"(d) In the absence of any notice to the commissioner under subdivision (a) or (b), notice under this title of a deficiency or other liability, if addressed in the name of the decedent or other person subject to liability and mailed to his last known address, shall be sufficient for the purposes of this title.

"SEC. 318. (a) If after the enactment of this act the commissioner determines that any assessment should be made in respect of any estate or gift tax imposed by the revenue act of 1917, the revenue act of 1918, the revenue act of 1921, or the revenue act of 1924, or by any such act as amended, the commissioner is authorized to send by registered mail to the person liable for such tax notice of the amount proposed to be assessed, which notice shall, for the purposes of this act, be considered a notice under subdivision (a) of section 308 of this act. In the case of any such determination the amount which should be assessed (whether as deficiency or additional tax or as interest, penalty, or other addition to the tax) shall be computed as if this act had not been enacted, but the amount so computed shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations (including the provisions in case of delinquency in payment after notice and demand and the provisions prohibiting claims and suits for refund) as in the case of a deficiency in the tax imposed by this title, except that in the case of an estate tax imposed by the revenue act of 1917, the revenue act of 1918, or the revenue act of 1921, or by any such act as amended, the period of limitation prescribed in section 1109 of this act shall be applied in lieu of the period prescribed in subdivision (a) of section 310.

"(b) If before the enactment of this act any person has appealed to the Board of Tax Appeals under subdivision (a) of section 308 of the revenue act of 1924 (if such appeal relates to a tax imposed by Title III of such act or to so much of an estate tax imposed by any of the prior acts enumerated in subdivision (a) of this section as was not assessed before June 3, 1924), and the appeal is pending before the board at the time of the enactment of this act, the board shall have jurisdiction of the appeal. In all such cases the powers, duties, rights, and privileges of the commissioner and of the person who has brought the appeal, and the jurisdiction of the board and of the courts, shall be determined, and the computation of the tax shall be made, in the same manner as provided in subdivision (a) of this section, except as provided in subdivision (b) of this section, and except that the person liable for the tax shall not be subject to the provisions of subdivision (a) of section 319.

"(c) If before the enactment of this act the commissioner has mailed to any person a notice under subdivision (a) of section 308 of the revenue act of 1924 (whether in respect of a tax imposed by Title III of such act or in respect of so much of an estate tax imposed by any of the prior acts enumerated in subdivision (a) of this section as was not assessed before June 3, 1924), and if the 60-day period referred to in such subdivision has not expired before the enactment of this act and no appeal has been filed before the enactment of this act, such person may file a petition with the board in the same manner as if a notice of deficiency had been mailed after the enactment of this act in respect of a deficiency in a tax imposed by this title. In such cases the 60-day period referred to in subdivision (a) of section 308 of this act shall begin on the date of the enactment of this act, and the powers, duties, rights, and privileges of the commissioner and of the person

entitled to file the petition, and the jurisdiction of the board and of the courts, shall, whether or not the petition is filed, be determined, and the computation of the tax shall be made, in the same manner as provided in subdivision (a) of this section.

"(d) If any deficiency in any estate tax imposed by the revenue act of 1917, the revenue act of 1918, or the revenue act of 1921, or by any such act as amended, was assessed before June 3, 1924, but was not paid in full before the date of the enactment of this act, and if the commissioner, after the enactment of this act, finally determines the amount of the deficiency, he is authorized to send by registered mail to the person liable for such tax notice of such deficiency, which notice shall, for the purposes of this act, be considered a notice under subdivision (a) of section 308 of this act. In the case of any such final determination the amount of the tax (whether as deficiency or additional tax or as interest, penalty, or other addition to the tax) shall be computed as if this act had not been enacted, but the amount so computed shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations (including the provisions in cases of delinquency in payment after notice and demand, and the provisions relating to claims and suits for refund) as in the case of a deficiency in the tax imposed by this title, except as otherwise provided in subdivision (g) of this section, and except that the period of limitation prescribed in section 1109 of this act shall be applied in lieu of the period prescribed in subdivision (a) of section 310.

"(e) If any deficiency in any estate tax imposed by the revenue act of 1917, the revenue act of 1918, or the revenue act of 1921, or by any such act as amended, was assessed before June 3, 1924, but was not paid in full before that date, and if the commissioner after June 2, 1924, but before the enactment of this act, finally determined the amount of the deficiency, and if the person liable for such tax appealed before the enactment of this act to the Board of Tax Appeals and the appeal is pending before the board at the time of the enactment of this act, the board shall have jurisdiction of the appeal. In all such cases the powers, duties, rights, and privileges of the commissioner and of the person who has brought the appeal, and the jurisdiction of the board and of the courts, shall be determined, and the computation of the tax shall be made, in the same manner as provided in subdivision (d) of this section, except as provided in subdivision (h) of this section and except that the person liable for the tax shall not be subject to the provisions of subdivision (a) of section 319.

"(f) If any deficiency in any estate tax imposed by the revenue act of 1917, the revenue act of 1918, or the revenue act of 1921, or by any such act as amended, was assessed before June 3, 1924, but was not paid in full before the date of the enactment of this act, and if the commissioner after June 2, 1924, finally determined the amount of the deficiency, and notified the person liable for such tax to that effect less than 60 days prior to the enactment of this act and no appeal has been filed before the enactment of this act, the person so notified may file a petition with the board in the same manner as if a notice of deficiency had been mailed after the enactment of this act in respect of a deficiency in a tax imposed by this title. In such cases the 60-day period referred to in subdivision (a) of section 308 of this act shall begin on the date of the enactment of this act, and, whether or not the petition is filed, the powers, duties, rights, and privileges of the commissioner and of the person who is so notified, and the jurisdiction of the board and of the courts, shall be determined, and the computation of the tax be made, in the same manner as provided in subdivision (d) of this section.

"(g) In cases within the scope of subdivision (d), (e), or (f), if the commissioner believes that the collection of the deficiency will be jeopardized by delay, he may, despite the provisions of subdivision (a) of section 308 of this act, instruct the collector to proceed to enforce the payment of the unpaid portion of the deficiency, and notice and demand shall be made by the collector for the payment thereof. Within 30 days after such jeopardy notice and demand the person liable for the tax may obtain a stay of collection of the whole or any part of the amount included in the notice and demand by filing with the collector a bond in like manner, under the same conditions, and with the same effect, as in the case of a bond to stay the collection of a jeopardy assessment under section 312 of this act.

"(h) In cases within the scope of subdivision (b) or (e) of this section where any hearing before the board has been held before the enactment of this act and the decision is rendered after the enactment of this act, such decision shall, for the purposes of this title, be considered to have become final upon the date when it is rendered, and neither party shall have any right to petition for a review of the decision. The commissioner may, within one year from the time the decision is rendered, begin a proceeding in court for the collection of any part of the amount disallowed by the board, unless the statutory period of limitations properly applicable thereto has expired before the appeal was taken to the board. The court shall include in its judgment interest upon the amount thereof in the same cases, at the same rate, and for the same period, as if such amount were collected otherwise than by proceeding in court. In any such proceeding by the commissioner or in any suit by the taxpayer for a refund, the findings of the board shall be prima facie evidence of the facts therein stated.

"(i) Where before the enactment of this act a jeopardy assessment has been made under subdivision (d) of section 308 of the revenue act of 1924 (whether of a deficiency in the tax imposed by Title III of such act or of a deficiency in an estate tax imposed by any of the prior acts enumerated in subdivision (a) of this section) all proceedings after the enactment of this act shall be the same as under the revenue act of 1924 as amended by this act, except that—

"(1) A decision of the board rendered after the enactment of this act where no hearing has been held by the board before the enactment of this act may be reviewed in the same manner as provided in this act in the case of a tax imposed by this title;

"(2) Where no hearing has been held by the board before the enactment of this act the commissioner shall have no right to begin a proceeding in court for the collection of any part of the deficiency disallowed by the board; and

"(3) In the consideration of the case the jurisdiction and powers of the board shall be the same as provided in this act in the case of a tax imposed by this title.

"(j) In the case of any estate or gift tax imposed by prior act of Congress, in computing the period of limitations provided in section 310 or 311 of this act on the making of assessments and the beginning of distraint or a proceeding in court, the running of the statute of limitations shall be considered to have been suspended (in addition to the period of suspension provided for in subdivision (b) of section 310) for any period prior to the enactment of this act during which the commissioner was prohibited from making the assessment or beginning distraint or proceeding in court.

"SEC. 319. (a) If the commissioner has mailed to the executor a notice of deficiency under subdivision (a) of section 308, and if the executor after the enactment of this act files a petition with the Board of Tax Appeals within the time prescribed in such subdivision, no refund in respect of the tax shall be allowed or made and no suit for the recovery of any part of such tax shall be instituted in any court, except—

"(1) As provided in subdivision (c) of this section or in subdivision (l) of section 312 or in subdivision (b), (e), or (g) of section 318 or in subdivision (d) of section 1001; and

"(2) As to any amount collected in excess of an amount computed in accordance with the decision of the board which has become final; and

"(3) As to any amount collected after the statutory period of limitations upon the beginning of distraint or a proceeding in court for collection has expired; but in any such claim for refund or in any such suit for refund the decision of the board which has become final, as to whether such period had expired before the notice of deficiency was mailed, shall be conclusive.

"(b) All claims for the refunding of the tax imposed by this title alleged to have been erroneously or illegally assessed or collected must be presented to the commissioner within three years next after the payment of such tax.

"(c) If the board finds that there is no deficiency and further finds that the executor has made an overpayment of tax, the board shall have jurisdiction to determine the amount of such overpayment, and such amount shall, when the decision of the board has become final, be credited or refunded to the executor as provided in section 3220 of the Revised Statutes, as amended. Such refund shall be made either (1) if claim therefor was filed within the period of limitation provided for by law, or (2) if the petition was filed with the board within four years after the tax was paid, or, in the case of a tax imposed by this title, within three years after the tax was paid.

"SEC. 320. (a) Whoever knowingly makes any false statement in any notice or return required to be filed under this title shall be liable to a penalty of not exceeding $5,000, or imprisonment not exceeding one year, or both.

"(b) Whoever fails to comply with any duty imposed upon him by section 304, or, having in his possession or control any record, file, or paper, containing or supposed to contain any information concerning the estate of the decedent, or, having in his possession or control any property comprised in the gross estate of the decedent, fails to exhibit the same upon request to the commissioner or any collector or law officer of the United

States or his duly authorized deputy or agent, who desires to examine the same in the performance of his duties under this title, shall be liable to a penalty of not exceeding $500, to be recovered, with costs of suit, in a civil action in the name of the United States.

"SEC. 321. (a) The term 'resident' as used in this title includes a citizen of the United States with respect to whose property any probate or administration proceedings are had in the United States Court for China. Where no part of the gross estate of such decedent is situated in the United States at the time of his death, the total amount of tax due under this tile shall be paid to or collected by the clerk of such court, but where any part of the gross estate of such decedent is situated in the United States at the time of his death, the tax due under this title shall be paid to or collected by the collector of the district in which is situated the part of the gross estate in the United States, or, if such part is situated in more than one district, then the collector of such district as may be designated by the commissioner.

"(b) For the purpose of this section the clerk of the United States Court for China shall be a collector for the territorial jurisdiction of such court, and taxes shall be collected by and paid to him in the same manner and subject to the same provisions of law, including penalties, as the taxes collected by and paid to a collector in the United States" and a period.

And on page 44 of the Senate engrossed amendments, line 21, strike out "Sec. 300. (a) Section" and insert "Sec. 322. (a) Subdivision (a) of section"; and on page 46 of the Senate engrossed amendments, line 11, strike out "301" and insert "323"; and on page 47 of the Senate engrossed amendments, line 1, strike out "302" and insert "324"; and on page 48 of the Senate engrossed amendments, line 17, strike out "303" and insert "325"; and on page 48 of the Senate engrossed amendments strike out lines 21 to 23, inclusive.

And the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment; and on page 190 of the House bill, line 12, strike out "50" and insert "75"; and on page 193 of the House bill, line 11, strike out "fairs; or" and insert "fairs" and a period; and on page 193 of the House bill strike out lines 12 to 23, inclusive; and the Senate agree to the same.

Amendment numbered 126: That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with an amendment as follows: Restore the matter proposed to be stricken out by said amendment and on page 223 of the House bill, line 12, strike out "7" and insert "5"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert "6"; and the Senate agree to the same.

Amendment numbered 128: That the House recede from its disagreement to the amendment of the Senate numbered 128, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert "7"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(7) When any distilled spirits exported free of tax and reimported in the original packages prior to January 1, 1926, are, after the enactment of the revenue act of 1926, withdrawn from any internal-revenue bonded warehouse for tax payment or for bottling in bond, an allowance may be made for actual loss by leakage or evaporation not exceeding 1 proof gallon as to each cask or package of a capacity of not less than 40 wine gallons for each period of 6 months or fraction thereof from the date of official regauge after reimportation, and such distilled spirits may be bottled in accordance with the provisions of the act of March 3, 1897, entitled 'An act to allow the bottling of distilled spirits in bond,' as amended. The allowance for losses provided in this paragraph shall be made subject to the conditions of section 50 of the act of August 27, 1894, entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes,' as amended."

And the Senate agree to the same.

Amendment numbered 141: That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert the following:

"(b) The terms of office of all members who are to compose the board prior to June 2, 1926, shall expire at the close of business on June 1, 1926. The terms of office of the 16 members first taking office after such date shall expire, as designated by the President at the time of nomination, 4 at the end of the sixth year, 4 at the end of the eighth year, 4 at the end of the tenth year, and 4 at the end of the twelfth year, after June 2, 1926. The terms of office of all successors shall expire 12 years after the expiration of the terms for which their predecessors were appointed; but any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired term of his predecessor and a period."

And the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert "The mailing by registered mail of any pleading, order, notice, or process in respect of proceedings before the board shall be held sufficient service of such pleading, order, notice, or process" and a period; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment as follows: On page 58 of the Senate engrossed amendments strike out lines 14 to 26, inclusive, and insert in lieu thereof the following:

"SEC. 1001. (a) The decision of the board rendered after the enactment of this act (except as provided in subdivision (j) of section 283 and in subdivision (h) of section 318) may be reviewed by a circuit court of appeals, or the Court of Appeals of the District of Columbia, as hereinafter provided, if a petition for such review is filed by either the commissioner or the taxpayer within six months after the decision is rendered" and a period.

And on page 59 of the Senate engrossed amendments, line 2, after "petition," insert a comma and the following: "the preparation of the record for review" and a comma; and on page 59 of the Senate engrossed amendments, line 6, strike out "section 274" and insert "sections 274 and 308"; and on page 59 of the Senate engrossed amendments, line 21, strike out "Title II"; and on page 59 of the Senate engrossed amendments, line 22, after "274," insert "or subdivision (d) of section 308."

And the Senate agree to the same.

Amendment numbered 168: That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert:

"SEC. 1101. The commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this act" and a period.

And the Senate agree to the same.

Amendment numbered 170: That the House recede from its disagreement to the amendment of the Senate numbered 170, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert:

"SEC. 1106. (a) The bar of the statute of limitations against the United States in respect of any internal-revenue tax shall not only operate to bar the remedy but shall extinguish the liability; but no credit or refund in respect of such tax shall be allowed unless the taxpayer has overpaid the tax. The bar of the statute of limitations against the taxpayer in respect of any internal-revenue tax shall not only operate to bar the remedy but shall extinguish the liability; but no collection in respect of such tax shall be made unless the taxpayer has underpaid the tax" and a period.

And the Senate agree to the same.

Amendment numbered 172: That the House recede from its disagreement to the amendment of the Senate numbered 172, and agree to the same with an amendment as follows: On page 63 of the Senate engrossed amendments, lines 15 and 16, strike out "277 and 278" and insert "277, 278, 310, and 311"; and the Senate agree to the same.

Amendment numbered 173: That the House recede from its disagreement to the amendment of the Senate numbered 173, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "sections 284 and 319"; and the Senate agree to the same.

Amendment numbered 174: That the House recede from its disagreement to the amendment of the Senate numbered 174,

and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "sections 284 and 319"; and the Senate agree to the same.

Amendment numbered 177: That the House recede from its disagreement to the amendment of the Senate numbered 177, and agree to the same with an amendment as follows: On page 65 of the Senate engrossed amendments, line 10, strike out "knowingly and"; and the Senate agree to the same.

Amendment numbered 191: That the House recede from its disagreement to the amendment of the Senate numbered 191, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "sections 283 and 318"; and the Senate agree to the same.

Amendment numbered 193: That the House recede from its disagreement to the amendment of the Senate numbered 193, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(b) There shall be in the Bureau of Internal Revenue the following officers who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall perform such duties as may be prescribed by the commissioner or required by law:

"(1) Four assistant general counsel each of whom shall receive a salary at the rate of $8,000 per annum.

"(2) One assistant to the commissioner who shall receive a salary at the rate of $8,000 per annum. The office of assistant to the commissioner provided by existing law is abolished to take effect at such time as the assistant to the commissioner first appointed under this section takes office.

"(3) One special deputy commissioner who shall receive a salary at the rate of $7,500 per annum" and a period.

And the Senate agree to the same.

Amendment numbered 194: That the House recede from its disagreement to the amendment of the Senate numbered 194, and agree to the same with an amendment as follows: On page 71 of the Senate engrossed amendments strike out lines 17 to 25, inclusive, and lines 1 to 6, inclusive, on page 72, and insert the following:

"(c) It shall be the duty of the joint committee—

"(1) To investigate the operation and effects of the Federal system of internal-revenue taxes;

"(2) To investigate the administration of such taxes by the Bureau of Internal Revenue or any executive department, establishment, or agency charged with their administration;

"(3) To make such other investigations in respect of such system of taxes as the joint committee may deem necessary;

"(4) To investigate measures and methods for the simplification of such taxes, particularly the income tax;

"(5) To publish, from time to time, for public examination and analysis, proposed measures and methods for the simplification of such taxes, and to make to the Senate and the House of Representatives, not later than December 31, 1927, a definite report thereon, together with such recommendations as it may deem advisable; and

"(6) To report, from time to time, to the Committee on Finance and the Committee on Ways and Means and, in its discretion, to the Senate or the House of Representatives, or both, the results of its investigations, together with such recommendations as it may deem advisable" and a period.

And on page 72 of the Senate engrossed amendments, line 13, strike out "shall" and insert "may."

And on page 73 of the Senate engrossed amendments, after line 8, insert the following:

"(g) The members shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the joint committee, other than expenses in connection with meetings of the joint committee held in the District of Columbia during such times as the Congress is in session" and a period.

And on page 73 of the Senate engrossed amendments, line 9, strike out "(g)" and insert "(h)."

And the Senate agree to the same.

Amendment numbered 198: That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with an amendment as follows: On page 74 of the Senate engrossed amendments, line 1, strike out all after "1921," down to and including "basis," in line 3; and the Senate agree to the same.

Amendment numbered 204: That the House recede from its disagreement to the amendment of the Senate numbered 204, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"COMMUNITY PROPERTY

"SEC. 1212. Income for any period before January 1, 1925, of a marital community in the income of which the wife has a vested interest as distinguished from an expectancy, shall be held to be correctly returned if returned by the spouse to whom the income belonged under the State law applicable to such marital community for such period. Any spouse who elected so to return such income shall not be entitled to any credit or refund on the ground that such income should have been returned by the other spouse" and a period.

And the Senate agree to the same.

Amendment numbered 205: That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1213"; and the Senate agree to the same.

Amendment numbered 206: That the House recede from its disagreement to the amendment of the Senate numbered 206, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1214"; and the Senate agree to the same.

W. R. GREEN,
ALLEN T. TREADWAY,
ISAAC BACHARACH,
JNO. N. GARNER,
J. W. COLLIER,
Managers on the part of the House.

REED SMOOT,
GEO. P. MCLEAN,
DAVID A. REED,
F. M. SIMMONS,
PETER G. GERRY.
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommend in the accompanying conference report:

On amendment No. 1: It has been contended that under existing law a corporation, especially one which has only a few stockholders, might without resorting to the device of a stock dividend be able to make a distribution to its stockholders which would have the same effect as a taxable dividend. For example, assume that two men hold practically all the stock of a corporation for which each had paid $50,000 in cash, and the corporation had accumulated a surplus of $50,000 above its cash capital. It is claimed that under existing law the corporation could buy from the stockholders for cash one-half of the stock held by them and cancel it without making the stockholders subject to any tax, yet this action in all essentials would be the equivalent of a distribution through cash dividends of the earned surplus. Section 201(g) of the House bill rewrites the provision of the existing law to make clear that such a transaction as above indicated is taxable. Obviously this subdivision does not apply in cases of a complete liquidation of all the stock of the corporation, or to one of a series of distributions in a complete liquidation which is bona fide carried out. This amendment provides that in the case of the cancellation or redemption of stock not issued as a stock dividend this subdivision shall apply only if the cancellation or redemption is made after January 1, 1926; and the House recedes.

On amendment No. 2: In computing the gain or loss from the sale or other disposition of property section 202 (b) (2) requires the cost or March 1, 1913, basis to be diminished by the amount of exhaustion, wear and tear, obsolescence, amortization, and depletion which has since the acquisition of the property been allowable in respect of such property under this or prior income tax laws, and provides that in no case shall the amount of the diminution in respect of depletion exceed the depletion deduction computed without reference to discovery value. In view of the fact that paragraph (2) of subdivision (c) of section 204 changes the depletion deduction from the appraisal basis under existing law to a percentage of the gross income, the Senate amendment specifically provides that in no case shall the amount of diminution in respect of depletion exceed a depletion deduction com-

puted without reference to paragraph (2) of subdivision (c) of section 204; and the House recedes.

On amendment No. 3: The existing law provides in section 203 (c) that if on a reorganization there is distributed to the shareholders stock or securities in a corporation a party to the reorganization no gain to the distributee from such receipt shall be recognized. This amendment broadens this provision and provides that where one corporation owns at least a majority of the voting stock and at least a majority of the total number of shares of all other classes of stock of another corporation and distributes such stock to such shareholders, then no gain to the distributee shall be recognized even though there is no reorganization. The Senate recedes.

On amendments Nos. 4 and 5: These amendments make clerical changes; and the Senate recedes.

On amendment No. 6: The House bill provides that in the case of oil and gas wells discovered by the taxpayer on and after January 1, 1925, in an area not proven at the date of such discovery, where the fair market value of the property is materially disproportionate to cost, the basis for depletion shall be the fair market value at the date of discovery or within 30 days thereafter of the property proven by such discovery and included within the taxpayer's tracts or leases. It also provides that in the case of oil or gas wells, each well producing oil or gas in commercial quantities shall be considered as having proven at least that portion of the productive sand, zone, or reservoir which is included in the square surface area of 160 acres having as its center the mouth of such well. It further provides that in case two or more persons enter into an agreement whereby the cost of the well shall be shared if oil or gas in commercial quantities is not found, such well shall not be considered as having proven any part of the tract or lease held by such other persons. The discovery depletion deduction limitation of an amount not in excess of 50 per cent of the net income of the taxpayer from the property upon which the discovery was made, provided in existing law, is retained in this provision.

The Senate amendment makes only one basic change in the discovery depletion provision of existing law so far as such provision relates to mines. It provides that discoveries shall include minerals in commercial quantities contained within a vein or bed discovered in an existing mine or mining tract by the taxpayer after February 28, 1913, if the vein or bed thus discovered was not merely the extension of a continuing vein or bed already known to exist and if the discovered minerals are of sufficient value and quantity that they could be separately mined and marketed at a profit.

The administration of the discovery provision of existing law in the case of oil and gas wells has been very difficult because of the discovery valuation that had to be made in the case of each discovered well. In the interest of simplicity and certainty in administration the Senate amendment provides that in the case of oil and gas wells the allowance for depletion shall be 30 per cent of the gross income from the property during the taxable year. The provision of existing law limiting this amount to an amount not in excess of 50 per cent of the net income of the taxpayer from the property is retained.

The House recedes with an amendment providing that the depletion deduction based upon gross income in the case of an oil and gas well shall be 27½ per cent of that income instead of 30 per cent, and in the case of mines the Senate amendment is changed to provide that discoveries shall include minerals in commercial quantities contained within a vein or deposit discovered in an existing mine or mining tract by the taxpayer after February 28, 1913, if the vein or deposit thus discovered was not merely the uninterrupted extension of a continuing commercial vein or deposit already known to exist and if the discovered minerals are of sufficient value and quantity that they could be separately mined and marketed at a profit.

On amendment No. 7: In computing the net loss deduction the existing law and the House bill provide that the deduction for depletion shall not exceed the amount which would be allowable if computed without reference to discovery value. Inasmuch as the depletion deduction in the case of oil and gas wells is to be based upon a percentage of gross income instead of discovery value, as provided in section 204(c), this amendment provides that in computing net losses the deduction for depletion shall not exceed the amount which would be allowable if computed without reference to section 204(c) (2); and the House recedes.

On amendment No. 8: This amendment makes a clerical change which is necessary because of the action taken with regard to amendment No. 25; and the House recedes.

On amendment No. 9: This amendment makes a clerical change; and the House recedes.

On amendment No. 10: The 12½ per cent capital gain and loss provisions apply only to the sale or exchange of capital assets which have been held by the taxpayer for two years. This amendment provides that in determining the period for which the taxpayer has held stock or securities received upon a distribution where no gain is recognized to the distributee under section 203(c) of this bill or the revenue act of 1924, there shall be included the period for which he held the stock or security in the distributing corporation. Inasmuch as section 203(c) in this bill and in the revenue act of 1924 is broad enough to include the case of stock dividends, this amendment takes care of the determination of the two-year period in the case of stock dividends as to which the present Treasury regulations apply the same rule; and the House recedes.

On amendment No. 11: This amendment is a minor clarifying amendment; and the House recedes.

On amendments Nos. 12, 13, 14, and 15: The Senate amendment reduced the estimated revenues from surtaxes $20,500,000 by reducing the surtax rates on the intermediate brackets of incomes between $24,000 and $70,000; and the House recedes.

On amendment No. 16: The Commissioner of Internal Revenue, in pursuance of his authority to accept and define the accounting methods which clearly reflect income, has for a number of years recognized the installment basis of accounting, but prior revenue acts have not defined the transactions or businesses to which the installment method of computing income might be applied. This amendment writes into the bill the basic principles of the installment method authorized by prior regulations. It provides that under regulations prescribed by the commissioner with the approval of the Secretary a person who regularly sells or otherwise disposes of personal property on the installment plan may return in his income therefrom in any taxable year that proportion of the installment payments actually received in that year which the total profit realized or to be realized when the payment is completed bears to the total contract price. In the case of casual sales of personal property or of the sale or other casual disposition of real property if in either case the initial payments do not exceed one-fourth of the purchase price, the commissioner with the approval of the Secretary is authorized to make regulations so that the income from such transactions may be returned on the basis and in the manner above prescribed. If the taxpayer chooses, as a matter of settled practice, to treat an entire transaction as completed in the year in which the sale is made, it is intended that he shall have a right to make a return for the whole profit realized or to be realized from the entire transaction as income for the year in which the sale is made; and the House recedes with a clarifying amendment.

On amendment No. 17: Under existing law, the proceeds of life insurance policies "paid upon the death" of the insured are exempt. The House bill, in order to prevent any interpretation which would deny the exemption in the case of installment payments, amended this provision so that proceeds "paid by reason of the death" of the insured would be exempt. In order to prevent an exemption of earnings where the amount payable under the policy is placed in trust upon the death of the insured and the earnings thereon paid, the Senate amendment provides specifically that such payments shall be included in gross income.

Under existing law a return of premiums paid under a life insurance, endowment, or annuity contract is exempt only when returned to the insured. The Senate amendment grants to the various persons to whom the payments are made an exemption of an amount equal to their proportionate shares of the premiums paid. In the case of an assignment for valuable consideration, the exemption provided in the amendment is limited to the consideration and the premiums paid by the assignee; and the House recedes with an amendment, making a clerical change.

On amendment No. 18: The House bill provides that the value of property acquired by gift, bequest, devise, or descent shall be exempt from tax. The amendment changes the word "descent" to "inheritance" as more appropriately including both real and personal property; and the House recedes.

On amendment No. 19: The House bill provides that there shall be excluded from gross income in cases of our citizens employed abroad in selling our merchandise amounts received as salary or commission for the sale for export of tangible personal property produced in the United States in respect of such sales made while actually employed outside the United States, if so employed for more than six months during the taxable year. The Senate amendment strikes out this provision and substitutes one providing that there shall be excluded from gross income in the case of an individual citizen of the United States, a bona fide nonresident for more than six months during

the taxable year, amounts derived and received from business conducted without the United States. The House recedes with an amendment which provides in the case of an individual citizen of the United States, a bona fide nonresident of the United States for more than six months during the year, there shall be excluded from gross income items of income received from sources without the United States which are classified as "earned income" under section 209.

On amendment No. 20: This amendment grants an exemption from taxation under the revenue act of 1924 to January 1, 1925, and under prior revenue acts of amounts heretofore received by officers or employees of any State or political subdivision thereof as compensation for personal services in such office or employment (except to the extent that such compensation is paid by the United States Government directly or indirectly), and provides for refund of any taxes that have been paid upon such incomes prior to January 1, 1925, if the statutory period for the refunding of such taxes has not expired; and the House recedes with an amendment transferring this provision to another place in the bill as section 1211.

On amendment No. 21: This amendment makes a clerical change; and the Senate recedes.

On amendment No. 22: This amendment restores the language of existing law omitted in the House bill by reason of the insertion in the House bill of section 214(c), which later subdivision is stricken out by amendment 25; and the House recedes.

On amendment No. 23: The existing law allows depreciation as a deduction. This amendment makes it clear that in the case of improved real estate held by one person for life with remainder to another, the depreciation deduction shall be equitably apportioned between the life tenant and the remainderman; and the House recedes.

On amendment No. 24: It is claimed that occasionally real property is sold under contracts by others than dealers in such property which require the vendor to put in water system, sewers, streets, and to make other expenditures which can not be determined at the time of sale, and that unless such a vendor is allowed to take a deduction for such expenditure against the gain from the sale, he may not have sufficient income in future years to write such expenditures off against. This amendment proposes in such cases to permit such a taxpayer to take a deduction for such future expenses in the year in which the transaction is closed. However, it authorized the commissioner to require such taxpayer to furnish a bond in a sum not less than the estimated tax liability computed without the benefit of this deduction, conditioned upon the payment of the tax computed without the benefit of this deduction in respect of any amounts allowed as a deduction under this paragraph and not actually expended in carrying out the provisions of such contract. The House recedes with clarifying amendments and with an amendment making another condition of the bond that the taxpayer will pay the tax notwithstanding any statute of limitations.

On amendment No. 25: The House bill provided for the dededuction of all interest paid or accrued within the taxable year on indebtedness but limited the deduction in the case of interest on nonbusiness indebtedness to the excess over tax-exempt interest received. The Senate amendment strikes out this provision; and the House recedes.

On amendment No. 26: This amendment makes a clerical change; and the House recedes.

On amendment No. 27: The revenue act of 1924 provided that gains derived from the purchase of personal property within and its sale without the United States, or from the purchase of personal property without and its sale within the United States, should be treated as derived entirely from sources within the country in which sold. Porto Rico, for example, taxes the income from the sale of its tobacco in the United States and the United States also taxes the income from such sale. The result is that income taxes are imposed upon 200 per cent of such income. The House bill permits the allocation of income from such transaction between the United States and its possessions for the purpose of the imposition of income taxes. The Senate amendment struck out this provision, the effect of which would be to leave the provisions of existing law in effect; and the Senate recedes.

On amendment No. 28: The existing law is not clear concerning the proper method of taxing trusts created by an employer as part of a pension fund established for the exclusive benefit of his employees. Such pension funds are similar to the stock bonus and profit-sharing plans covered by subdivision (f) of section 219, and this amendment applies to such pension funds the clear and definite method of taxation heretofore applied to stock bonus and profit-sharing plans; and the House recedes.

On amendment No. 29: The early practice of the Treasury Department permitted a grantor of a revocable trust to include the income and losses of the trust in his tax return. Later the Treasury Department reached the conclusion that this practice was invalid. The effect of this decision is to necessitate the imposition of additional taxes upon certain grantors of such trust who had taken the losses of the trust in computing their net income. This amendment proposes the validation of the earlier practice as applied to all the tax years from 1919 to 1923, inclusive; and the Senate recedes.

On amendment No. 30: The existing law in the case of corporations formed or availed of for the purpose of preventing the imposition of the surtax by failure to distribute the earnings imposes upon the net income of such corporations a tax of 50 cent in addition to the regular corporation income tax. This amendment provides that this tax shall not apply in any year if all the stockholders include in their gross income and pay surtax upon their entire distributive share, whether distributed or not, of the earnings of the corporation for such year. If the surtax is thus paid, failure to distribute the earnings has not resulted in any avoidance of tax, and the reason for the imposition of the 50 per cent tax on the corporation no longer exists. The amendment also provides that upon any subsequent distribution by the corporation out of its earnings and profits for the year in which the shareholders have thus paid the surtax the amounts distributed to the shareholder who paid the tax upon his distributive share shall be exempt from tax. The House recedes with an amendment specifically providing that the 50 per cent tax imposed shall not apply if the shareholders include their distributive share, whether distributed or not, in their gross income at the time of filing their returns.

On amendment No. 31: This amendment provides that a debtor corporation having outstanding tax-free covenant bonds shall be required to withhold at the rate of 1½ per cent instead of 2 per cent in all cases in which the bondholder advises the debtor corporation that his net income for the taxable year in excess of the credits provided in section 216 does not exceed $4,000. This provision is necessary to eliminate the necessity of the debtor corporation withholding tax at a greater rate than the holder of the bonds will have to pay, in view of the fact that the first $4,000 of a taxpayer's net income in excess of his credit provided in section 216 is taxable at the rate of 1½ per cent; and the House recedes.

On amendment No. 32: This amendment makes a clerical change; and the House recedes.

On amendment No. 33: The House bill imposed a corporation income tax of 12½ per cent. The Senate bill eliminated the capital stock tax on corporations and this amendment increased the corporation income tax to 13½ per cent. The House recedes from its disagreement to the corporation income tax amendment with an amendment imposing a tax for the calendar year 1925 at the rate of 13 per cent and for each calendar year thereafter of 13½ per cent. Provision is also made that in the case of a taxpayer whose taxable year is the calendar year and who elects to pay his tax in installments for the calendar year 1925, the amount of the first and second installments shall each equal 24 per cent of the tax, and the amount of the third and fourth installments shall each equal 26 per cent of the tax.

On amendment No. 34: This amendment provided that complete exemption from income tax should be granted to mutual dairy loan associations substantially all the business of which is confined to making loans to members; and the Senate recedes.

On amendment No. 35: In the United States there are numerous organizations composed of individuals, partnerships, and corporations designated as subscribers operating as interindemnity or reciprocal insurance companies organized on a premium deposit plan through an attorney in fact, for the purpose of insuring against loss by fire and other casualty. The attorney in fact is authorized to bind the particular parties thereto under the name designating the particular group of subscribers. No premiums are charged for policies, but each subscriber makes certain deposits with the attorney in fact for the purpose of securing his undertaking to indemnify the other subscribers. There is usually an advisory committee of a specified number of persons who have custody of the funds deposited by the subscriber. The Treasury Department now holds that such interinsurers and reciprocal underwriters are exempt from tax under the provisions of subdivision (10) of section 231 of the revenue act of 1924 if the income tax of such interinsurers and reciprocal underwriters from investments is not in excess of 15 per cent of the total income of the organization. This amendment gives a complete exemption to such

organizations if their income is used or held for the purpose of paying losses or expenses; and the House recedes.

On amendment No. 36: The existing law, strictly construed, allows exemption only to those farmers', fruit growers,' or like associations which act as sales or purchasing agents for producer members and which return to such members the entire proceeds of their operations except necessary sales or purchasing expenses. However, in order that any such association not operated for profit and which is a true cooperative association shall get the benefit of this exemption, the Treasury Department in its regulations has construed the existing law with great liberality, enlarging the term "member" to mean any producer, whether a member or not, if treated by such an association on the same basis as a member; exempting such an association not acting as an agent, but taking title to products or supplies; allowing such an association to have outstanding capital stock and to pay dividends on such stock (subject to certain limitations); permitting such an association to build up reserves for State requirements or other necessary purposes; and allowing such an association to manufacture its products, to change the form of raw materials, and in some cases to operate subsidiaries, so long as the operations are not conducted on an ordinary profit-making basis. The House bill reenacted existing law. This amendment does not broaden the scope nor even include all of the provisions of the Treasury regulations, but only incorporates certain provisions adopted by the department as fundamental in allowing exemptions to cooperative marketing and purchasing associations. The amendment assures such associations, now exempt, that the liberal construction by the department of existing law is sanctioned by Congress, and will prevent a restriction upon the present exemptions, such as is now possible under existing law. The amendment exempts not only the association acting as a sales or purchasing agent but any association organized and operated on a cooperative basis, and specifically includes other producers as well as member producers. A capital-stock association is not to be denied exemption if substantially all the stock, other than nonvoting preferred stock, is owned by producers marketing or purchasing through the association; if its annual dividend rate is limited so as not to exceed the legal rate of interest in the State of incorporation or 8 per cent (whichever is greater) of the value of the consideration for which the stock was issued; or if it accumulates and maintains a reserve required by State law, or for any necessary purpose. The amendment permits an association to market the products of nonmembers in an amount, the value of which does not exceed the value of the products marketed for members; and to purchase supplies and equipment for nonmembers in an amount the value of which does not exceed the value of the supplies and equipment purchased for members, if the value of the purchases made for persons who are neither members nor producers does not exceed 15 per cent of the value of all its purchases; and the House recedes with a clarifying amendment.

On amendment No. 37: This amendment makes the installment basis provided in subdivision (d) of section 212 applicable to corporations to the same extent as in the case of individuals; and the House recedes.

On amendment No. 38: This amendment adds two paragraphs to subdivision (a) of section 234, and sets forth additional deductions proposed to be allowed in computing net income in the case of lands managed for the production of crops of timber; and the Senate recedes.

On amendment No. 39: This amendment requires the withholding of a tax of 12½ per cent in respect of all payments of income made before the enactment of this act and 13½ per cent in respect of such payments made after the enactment of this act to foreign corporations specified below. In view of the fact that the corporation income tax rate has been increased to 13½ per cent, it is necessary to amend the withholding provision to require the withholding in the case of foreign corporations subject to the income tax and not engaged in trade or business within the United States, and not having any office or place of business therein, at the rate of 13½ per cent. Because the persons making payments to such corporations during the calendar year 1925 and the early part of 1926 had no notice that the corporation income tax would be increased, the withholding rate is not increased with respect to payments made before the enactment of this act; and the House recedes.

On amendment No. 40: This amendment makes a clerical change; and the House recedes.

On amendments Nos. 41 and 42: Under the House bill two or more domestic corporations are permitted to file a consolidated return if one corporation owns at least 95 per cent of the voting stock of its subsidiary or subsidiaries, or if at least 95 per cent of the voting stock of two or more corporations is owned by the same interests. The Senate amendment strikes out "voting" and requires that (1) a corporation must own at least 95 per cent of all the stock of its subsidiary or subsidiaries or (2) 95 per cent of all the stock of two or more corporations must be owned by the same interests. The House recedes with an amendment leaving the existing law relative to affiliations in effect for the taxable year 1925 and providing the following rule for affiliation for the taxable year 1926 and succeeding years:

"Two or more domestic corporations shall be deemed to be affiliated (1) if one corporation owns at least 95 per cent of the stock of the other or others, or (2) if at least 95 per cent of the stock of two or more corporations is owned by the same interests."

The term "stock" as used in this rule does not include nonvoting stock which is limited and preferred as to dividends.

On amendment No. 43: This amendment makes a clerical change; and the House recedes.

On amendment No. 44: The House bill provided that domestic life insurance companies should pay the same percentage of their net income as imposed upon other corporations by section 230. The Senate amendment provides that these insurance companies should pay a tax of 12½ per cent of their net income instead of 13½ per cent imposed by the Senate bill upon other corporations. The extra 1 per cent tax was imposed by the Senate bill on other corporations as a substitute for the capital-stock tax which was repealed by the Senate bill. A life insurance company is not subject to the capital-stock tax and there is, therefore, no reason why it should be subject to an increased income tax. The House recedes.

On amendment No. 45: The Senate amendment makes a corresponding change to the one made by amendment No. 44, making the tax on foreign life insurance companies 12½ per cent of their net income from sources within the United States. The House recedes.

On amendment No. 46: This amendment makes a clerical change; and the House recedes.

On amendments Nos. 47 and 48: These amendments make the rate of tax on insurance companies other than life or mutual insurance companies 12½ per cent, for the reasons explained in connection with amendment No. 44. The House recedes.

On amendment No. 49: This amendment is a clerical change made necessary by amendment No. 194; and the House recedes.

On amendment No. 50: This amendment authorizes the commissioner to furnish certified copies of certain income-tax returns upon the payment of a reasonable fee to be fixed by him. The House recedes with an amendment specifically providing that the commissioner may furnish certified copies of returns to persons who are entitled to inspect the same, and provides that in the discretion of the commissioner a reasonable fee may be charged for the same.

On amendments Nos. 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 67, and 68; The House bill provides for the payment of income tax "on or before" the 15th day of certain months, dependent upon the citizenship and residence of the taxpayer and whether or not the return is filed on the basis of a fiscal or calendar year. These amendments prescribe the 15th day of such month as the definite date for the payment of the tax, but amendment No. 60 permits the taxpayer at his election to pay the tax at any time before such fixed date. In other parts of the bill references are made at various places to "the date prescribed for the payment of the tax" and these amendments assure certainty as to that date; and the House recedes.

Amendments Nos. 61 and 62: These amendments make clerical changes; and the House recedes.

Amendment No. 63: This amendment rewrites subdivisions (a) to (h), inclusive, of section 274 of the House bill.

Subdivision (a). This subdivision provides that, with enumerated exceptions, the commisisoner can take no action to assess or collect by distraint or proceedings in court a deficiency in an income tax imposed by the new act, until he has mailed to the taxpayer notice of the deficiency, nor, if the taxpayer has filed a petition with the Board of Tax Appeals for a redetermination of the deficiency, until the decision of the board has become final. Such prohibition does not, of course, bar proceedings by way of counterclaim by the commissioner for the amount of the deficiency in connection with any claim or suit for refund by the taxpayer; nor by reason of the specific exception of section 282 does the prohibition bar filing of claims by the commissioner for the amount of a deficiency in connection with bankruptcy or receivership proceedings. This subdivision also provides that, despite section 3224 of the Revised Statutes (which prohibits an injunction to restrain assessment or collection of the tax), the taxpayer may in a proper

case go into court for an injunction to restrain the commissioner from assessing or collecting a deficiency until the procedure outlined in the bill has been completed.

The Senate amendment adds a provision making the return of the taxpayer prima facie evidence of its correctness. This provision, which apparently is intended to shift the burden of proof, in proceedings before the board, from the taxpayer to the commissioner, is omitted by the section as agreed to by the conferees. Under the existing law and under the bill as agreed to in conference the burden of proof in proceedings before the board is on the taxpayer.

The Senate amendment also provides that the commissioner shall not declare a deficiency until he has given the taxpayer notice of the deficiency and afforded him opportunity to explain the alleged deficiency. This provision is omitted by the action of the conferees on the ground that other provisions of the bill afford the taxpayer adequate opportunity for a hearing before the assessment is made. The present practice of the department is to give the taxpayer an opportunity for hearing in the bureau before a 60-day letter is sent out, and there is no reason for believing that this practice will be discontinued.

The House bill authorized the taxpayer to file a petition with the Board of Tax Appeals within 60 days after the deficiency letter was mailed. The Senate amendment excludes from the computation of the 60-day period Sundays and legal holidays in the District of Columbia. Under the action of the conference committee, Sundays and holidays are to be counted like any other days, but if the sixtieth day falls on Sunday, the petition may be filed on the sixty-first day.

Subdivision (b). This subdivision in the Senate amendment is identical with the House bill.

Subdivision (c). This subdivision is substantially the same as under the House bill.

Subdivision (d). This subdivision of the House bill provided for the making of jeopardy assessments. The Senate amendment strikes out this subdivision for reasons explained in connection with amendment No. 86, and inserts a provision authorizing the taxpayer, by signed notice in writing, to waive the restrictions placed upon the commissioner by subdivision (a) on assessment and collection of the deficiency. The Senate amendment also contains a sentence providing that such waiver shall not bar the taxpayer from receiving a refund if the final decision of the board determines an overpayment of tax. This sentence is omitted in the bill as agreed to in conference as being surplusage.

Subdivision (e). Under the House bill the board is authorized to determine that the deficiency is greater than that contained in the deficiency letter, whether or not claim to that effect is asserted by the commissioner at or before the hearing. The Senate amendment gives this authority to the board only if claim therefor is asserted by the commissioner at or before the hearing or a rehearing. The House agrees to this amendment. The House bill also contains a clause providing that the board shall by rules prescribe under what conditions and at what times the commissioner may assert a greater deficiency than that contained in the deficiency letter. The Senate amendment strikes out this clause as surplusage (the board having this right under its general powers to prescribe rules); and the the House agrees to this amendment.

Subdivision (f). The House bill provides that if after the enactment of this act the commissioner has sent a 60-day letter, he shall have no right to determine any additional deficiency, except in certain enumerated cases. Under the Senate amendment this limitation is placed on the commissioner only where the taxpayer has filed a petition with the board within the 60-day period after the mailing of the notice. The House concurs in this amendment.

Subdivisions (g) and (h). These subdivisions are the same as in the House bill.

The House recedes on amendment 63 with amendments making the changes above referred to.

On amendment No. 64: This amendment makes a change in reference to a section number; and the House recedes.

On amendment No. 65: This amendment provides that the 6 per cent interest on a deficiency in cases where the taxpayer has waived the restriction placed on the commissioner by subdivision (a) shall run up to the thirtieth day after the filing of such waiver or to the day the deficiency is assessed, whichever is the earlier. The House recedes.

On amendment No. 66: This amendment gives a taxpayer a right to have his deficiency determined by the district court in lieu of the Board of Tax Appeals before the assessment of any tax and requires the taxpayer to file a sufficient bond to cover any deficiency that may be determined. The amendment also provides that in such cases no distraint or proceedings can be instituted by the commissioner. It is believed that the taxpayer's right to file a petition with the board to have his deficiency determined before assessment is adequate and in the interest of uniformity; and the Senate recedes.

On amendments Nos. 67 and 68: These amendments have been explained in connection with amendment No. 51. The House recedes.

On amendment No. 69: The House bill retained the existing law and provided that in the case of estates of incompetent, deceased, and insolvent persons there should be collected interest at the rate of 6 per cent a year in lieu of interest at the rate of 1 per cent a month for delinquencies in payment of taxes.

Under the existing law there is considerable doubt whether the reduced rate of interest provided is applicable only to cases where the tax is imposed upon the estate, or also includes cases where an estate is called upon to pay interest for the period before the estate came under the control of the fiduciary, for example, if notice and demand is made upon the taxpayer, and he is delinquent in payment, and dies, can there be collected out of the estate interest at the rate of 1 per cent a month down to the time of his death? Under the existing law there is also the difficulty of determining with accuracy the time when a person becomes incompetent or insolvent. The Senate amendment met the above difficulties by providing that the reduced interest rates should cover only the period when the property is under the control of a fiduciary appointed by order of any court of competent jurisdiction or by will. The House recedes.

On amendments Nos. 70 and 71: These amendments make clerical changes dependent upon the action taken in connection with amendment No. 86; and the House recedes.

On amendments Nos. 72 and 74: Under the House bill income taxes imposed by the new act must be assessed within four years after the return is filed. The Senate amendments change this to two years, and the House recedes on amendment No. 74, and recedes on amendment No. 72 with an amendment making the period three years.

On amendment No. 73: This amendment makes a change in paragraph number; and the House recedes.

On amendment No. 74: This amendment has been explained in connection with amendment No. 72. The House recedes.

On amendment No. 75: The House bill in section 277 (a) provides that "except as provided in section 278" no proceeding in court for the collection of incomes, excess-profits, and war-profits taxes imposed by the revenue acts of 1921 and 1924 shall be begun after the expiration of four years after the return was filed. Section 278 of the House bill provided that where the assessment was made within the 4 years a proceeding in court may be begun at any time within 6 years after the assessment. The Senate amendment clarifies the House bill by making it clear that the prohibition of the House bill on proceedings in court after the four-year period is limited to proceedings in court "without assessment," which was the legal effect of the House bill before the amendment. The House recedes.

On amendment No. 76: This amendment makes a change in paragraph number; and the House recedes.

On amendment No. 77: This is an amendment having the same purpose as amendment No. 75; and the House recedes.

On amendment No. 78: This amendment makes a change in paragraph number; and the House recedes.

On amendment No. 79: This is an amendment having the same purpose as amendment No. 75; and the House recedes.

On amendments Nos. 80, 81, and 82: These amendments make changes in paragraph numbers; and the House recedes.

On amendment No. 83: The House bill provided that the running of the statute of limitations on the assessment and collection of a deficiency should be suspended for the period during which, under the provisions of the income-tax title, the commissioner is prohibited from making the assessments or collection. The Senate amendment suspends the running of the statute for the period during which, for any reason, the commissioner's hands are tied, and in addition assures him a period of at least 60 days after he is free in which to make the assessment or bring proceedings for collection; and the House recedes.

On amendment No. 84: The House bill provided that in case of a false or fraudulent return with intent to evade tax, or of failure to file return, the tax may be assessed at any time. The Senate amendment provides that this may be done "notwithstanding any other provisions of this act." These words are surplusage; and the Senate recedes.

On amendment No. 85: This amendment rewrites in more definite language, and correcting clerical mistakes, subdivisions (d) and (e) of section 278 of the House bill, dealing with the time within which distraint or proceeding in court may be

begun after the assessment has been made; and the House recedes.

On amendment No. 86: The House bill in subdivision (d) of section 274 and section 279 provided that in case the commissioner believes that the assessment or collection of the tax will be jeopardized by delay he may make a jeopardy assessment at any time before the taxpayer has taken an appeal to the circuit court of appeals from the decision of the board, and that upon the making of such jeopardy assessment the jurisdiction of the board and of the courts shall cease. Under the House bill if the jeopardy assessment is made after the decision of the board is rendered but before a petition for review is filed with the circuit court of appeals, it would be necessary, in order to obtain a determination by the board, to file a claim in abatement, which, when denied by the commissioner, would form the basis of a new right to take the case to the board. The Senate amendment substitutes for the system of claims in abatement of the House bill a system of jeopardy assessments which does not interfere in any manner with the regular course of procedure of deficiency letters, petitions to the board, and review of the board's decision by the circuit court of appeals. Upon the making of the jeopardy assessment, the taxpayer, if he so desires, may stay the collection of the tax by filing a bond. If he does not elect to file a bond, the commissioner may collect the tax, but the right of the taxpayer to have the correct amount of the deficiency determined by the board and the appellate courts is not interfered with, and if in the course of such procedure it is decided that he has overpaid the tax a refund will be made to him. It should be observed that the board and the appellate courts have no authority to examine into the question as to whether the jeopardy determined by the commissioner in fact exists. The House recedes.

On amendment No. 87: The Senate amendment added a new section, the House bill containing no corresponding provisions. The House recedes with an amendment which is a substitute for the Senate amendment. The substitute modifies the Senate amendment in the matter of interest and the statute of limitations for assessment of transferees. Further it omits certain unnecessary language of the Senate amendment that was merely explanatory and rephrases for purpose of clarification certain other language of the Senate amendment. As thus modified the provisions of the Senate amendment are summarized in the following paragraphs:

The amendment covers a number of situations in which by reason of the fact that the assets of the taxpayer have been disposed of in whole or in part the Government can not successfully distrain or otherwise collect the full amount of the tax originally returned or found due as a deficiency. For example:

(1) Corporation A may distribute its assets to its shareholders and thereupon either dissolve or continue undissolved.

(2) Corporation A may sell its assets to corporation B for a fair consideration either in cash or property or in stock of B. The proceeds are transmitted directly by corporation B to the shareholders of corporation A or indirectly to them through corporation A. Corporation A thereupon either dissolves or continues undissolved.

(3) Corporation A may reorganize into a partnership.

(4) Corporation A may reorganize into corporation B by a mere change of name or State of incorporation or by an amendment of the financial provisions of its charter.

(5) Corporation A may impair its capital but have what are in effect distributed assets in the form of unpaid subscriptions of its shareholders.

(6) A husband may make a gift of the whole or part of his property to his wife.

(7) Personal property of a decedent may be transferred to the beneficiaries without prior settlement of income taxes accruing during the life of the decedent or during the administration of his estate.

(8) A decedent's estate with a claim for unpaid income taxes accruing during the life of the decedent may be composed of real estate and pass directly by descent to the heirs.

By reason of the trust fund doctrine and various State statutory provisions the transferee of assets of an insolvent transferor is ordinarily liable for the accrued and unpaid taxes of the transferor. The amount of such liability is not in excess of the assets received and the transferee has a right of recoupment against other transferees of the assets of the same taxpayer, if the transferee is held liable in excess of his pro rata share of the tax liability of the transferor. Regardless of insolvency the same doctrine applies in case of the transfer of assets of a taxpayer who has died since the transfer or in the case of a corporation that has since the transfer dissolved or otherwise terminated its existence without making adequate provision for tax liabilities. Proceedings against the tranferee are ordinarily had in equity, though if the taxpayer is still in existence, an unsatisfied return of execution must be had against him and a creditor's bill brought to satisfy the judgment. Swan Land & Cattle Co. *v.* Frank (148 U. S. 603).

Without in any way changing the extent of such liability of the transferee under existing law, the amendment enforces such liability (whether in respect of the tax as originally returned by the taxpayer or a deficiency therein) in the same manner as liability for a tax deficiency is enforced; that is, notice by the commissioner to the transferee and opportunity either to pay and sue for refund or else to proceed before the Board of Tax Appeals, with review by the courts. Such a proceeding is in lieu of the present equity proceeding and is exclusive, save that, of course, in a proper case a tax lien upon the assets arising prior to their transfer may be enforced against the transferee by distraint, or in case of real estate by a proceeding in equity. In the case where the taxpayer remains in existence after the transfer, an unsatisfied return of a distraint warrant, issued in pursuance of an assessment lawfully made after a deficiency letter has been mailed to the taxpayer, would suffice in lieu of an unsatisfied execution to establish the liability of the taxpayer.

In the view of the above situation it will be seen that the amendment makes the procedure for the collection of the amount of the liability of transferees conform to the procedure for the collection of taxes. The amendment thereby substitutes the specialized and more expeditious procedure of the board for that of the district courts in equity and will develop through the board a uniformity of precedents in lieu of the present rather vague principles of law governing the liability of a transferee for unpaid taxes of a transferor.

Section 274 (a) requires notice of a deficiency in a tax to be sent the taxpayer before further proceedings for collection of the tax liability are continued. The section, however, in terms applies only to a deficiency in a tax and does not apply to the liability of a transferee in respect of the tax of the taxpayer. Therefore, in proceedings against the transferee, notice need not be given the taxpayer under section 274 (a). However, under the substitute agreed to by the conferees, the liability of the transferee is collected in the same manner as the liability for tax. Section 274 (a) is thus incorporated by reference, but the result of such reference is that for procedural purposes the transferee is treated as a taxpayer would be treated, and under section 274 (a) notice would be sent to the transferee (and not the taxpayer) in proceedings to enforce the liability of the transferee.

Under the amendment the liability of the taxpayer for the tax, including all interest and penalites, is fixed as of the time of the transfer of the assets. No further interest subsequently accrues upon such liability as assumed by the transferee, except the interest under section 276 (b) and (c) for failure to pay upon notice and demand after the outlined procedure has been completed and interest at 6 per cent a year for reimbursing the Government at the usual rate for loss of the use of the money due it.

The amendment provides that the liability of the transferee must be assessed within one year after the period for assessing the transferor has expired. The period during which the transferor may be assessed is, of course, extended under section 277 (b) by the time during which the Government is barred by pending proceedings from assessing or collecting. If the transferor is still in existence this would also include the time during which the prosecution of proceedings before the board and the court in case of future tax determinations, or before courts of equity or otherwise, in case of past tax determinations, are necessary in order to obtain judgment upon which a creditor's bill may be instituted against the transferee. The statute of limitations as to collection is covered by the incorporation by reference of section 278 (d).

The principles of the section are also applicable for the enforcement of the tort liability of fiduciaries under section 3467 of the Revised Statutes, for distribution of an estate within their control without making adequate provision for payment of taxes due the Government.

Amendment No. 88: The Senate amendment adds a new section, the House bill containing no corresponding provisions. The Senate amendment is described as follows in the report upon the bill made to the Senate by the Finance Committee:

The term "fiduciary" is defined in section 200 (b) to mean a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person. The right of the commissioner to assess and distrain and otherwise proceed for the collection of tax depends, for instance, upon giving notice of the deficiency to and making demand upon the proper person. It therefore becomes necessary to make certain that there shall be some individual to whom the notice may be mailed and upon whom the demand may be

made, in the case of, for example, an incompetent, a decedent's estate, or an estate in the hands of a receiver or trustee in bankruptcy.

To accomplish this purpose, the section provides that if the Commissioner of Internal Revenue has been notified as to the identity of the fiduciary, notice is to be mailed to and demand made on the fiduciary. In case the commissioner has not been notified of the fiduciary, notice is to be mailed to and demand made on the taxpayer at his last-known address. In case of a change of fiduciary, notice is to be mailed to and demand made on the last fiduciary of whom the commissioner has been notified.

Under subdivision (b) of the section the above principles are made applicable in the case of the liability of a transferee under section 280.

The House recedes with an amendment which makes merely a clerical and a minor clarifying change therein.

On amendment No. 89: The Senate amendment adds a new section, the House bill containing no corresponding provisions. The House recedes with an amendment making a clerical change. The provisions of the Senate amendment are summarized in the following paragraphs.

During bankruptcy proceedings or State or Federal receivership proceedings the assets of the taxpayer come within the control of the bankruptcy or equity court whenever the taxpayer has been finally adjudicated a bankrupt by the bankruptcy court or the receiver has been finally appointed by the equity court. If a deficiency is determined by the commissioner during the pendency of such proceedings, the amendment permits the deficiency to be assessed and the bankruptcy or receivership proceedings, to continue despite the prohibitions of section 274 (a). If a petition for the redetermination of a deficiency has been filed with the board prior to the adjudication of bankruptcy or the appointment of a receiver, the amendment permits the proceedings for the redetermination of the deficiency to be continued simultaneously with the bankruptcy or receivership proceedings. The claim for the amount of the deficiency may, of course, be filed with the bankruptcy or equity court. In case of final decision of the board before termination of the bankruptcy or receivership proceedings, a copy of the decision could be filed with the bankruptcy or equity court and the decision would presumably be followed by such courts. During the pendency of the bankruptcy or receivership proceedings a deficiency may be assessed in accordance with the final decision of the board, but the amount thereof may not be collected by distraint against the assets while under the jurisdiction of the bankruptcy or equity court.

The bankruptcy and receivership proceedings do not foreclose any unsatisfied portion of the claim of the United States and such portion may be collected by distraint or otherwise within six years after the termination of the bankruptcy or receivership proceedings. In case the final decision on appeal from the board in a proceeding for redetermination of a deficiency is reached after termination of the bankruptcy or equity proceedings, such portion of the deficiency allowed as has not already been satisfied may likewise be collected by distraint or otherwise within six years after the termination of the bankruptcy or receivership proceedings.

Interest for any period during which the estate of the taxpayer is under the control of the trustee or receiver appointed by the equity or bankruptcy court is provided at the rate of 6 per cent a year in lieu of 1 per cent a month in certain cases by sections 276 (c) and 279 (j).

On amendment No. 90: This amendment rewrites section 280 of the House bill, dealing with the procedure in the case of taxes under prior acts.

(1) Deficiencies not assessed before passage of bill: Section 283 (a) provides that if after the passage of this bill the commissioner determines that any assessment should be made of any income, war-profits, or excess-profits tax imposed by the revenue act of 1916 or subsequent revenue acts (including the revenue act of 1924) the procedure to be followed shall be exactly the same as in the case of the income tax imposed by this bill, except that the amount which should be assessed shall be computed without regard to the provisions of this bill.

Subdivision (b) of the House bill provided that where before the passage of the new bill an appeal has been taken to the board under the revenue act of 1924, and the appeal is still pending, the board shall retain jurisdiction and the rights of the commissioner and the taxpayer shall be determined under the procedure outlined in the new bill, except that the taxpayer should not be barred from a suit for refund. The subdivision as rewritten by the Senate amendment excepts from the operation of the subdivision cases pending before the board in which the hearing has been held at the time of the passage of the new bill, which cases are dealt with in subdivision (j) and are discussed below in connection with that subdivision.

Subdivision (c) provides for the cases where the deficiency letter has been mailed to the taxpayer before the enactment of this bill, if the time for appeal to the board has not yet expired. In such cases he is given 60 days after the enactment of this bill to file a petition with the board. Whether or not he files his petition the respective rights and duties of the commissioner and of the taxpayer are determined in exactly the same manner as if the controversy were in respect of a tax imposed by the new bill. Thus, for example, if the taxpayer takes the case to the board and the board decides against the Government, the commissioner must take the case up to the circuit court of appeals and, if necessary, to the Supreme Court before he may make any assessment. So, also, the taxpayer, if he avails himself of his right to take the case to the board, is forever barred from any claim or suit for refund in respect of the year to which the deficiency letter related.

(2) Deficiencies assessed before passage of bill: Section 283 (e) covers cases where a deficiency in income, war-profits, or excess-profits taxes under the revenue acts of 1916, 1917, 1918, or 1921 was assessed before the enactment of the revenue act of 1924, but was not paid in full before the passage of this bill, and where the commissioner, after the passage of this bill, finally determines the amount of the deficiency. In such cases the collection of the deficiency is to be made in exactly the same manner as provided for in case of income taxes imposed by this bill; that is, the commissioner can take no steps until he has sent a deficiency letter, thus giving the taxpayer an opportunity to have the case tried before the board and the appellate courts.

Subdivision (f) relates to cases like those described in the preceding paragraph but which are pending before the board at the time of the enactment of this bill. The House bill provided that the jurisdiction of the board should be preserved and the case should proceed exactly in the same manner as in the case of a tax under the new bill, except that the taxpayer should not be barred from a suit for refund. The Senate amendment makes the same exception as in the case of subdivision (b) described above.

Subdivision (g) covers the same taxes assessed before the enactment of the revenue act of 1924, where the deficiency letter has been mailed to the taxpayer before the enactment of this bill and where the 60 days for appeal to the board has not yet expired. In such cases the taxpayer is given 60 days after the enactment of the bill to take the case to the board, and, whether or not he takes advantage of this right, the case is treated the same in all respects as in the case of an income tax imposed by this bill.

(3) Jeopardy distraint: Subdivision (i) of the House bill provided that in case of a tax assessed before the enactment of the revenue act of 1924, where the commissioner finally determines after the enactment of the revenue act of 1924 the amount of the deficiency and where he believes that the collection of the deficiency will be jeopardized by delay, he may proceed to enforce payment, despite the restrictions prohibiting him from collection until the case has been decided by the board. The bill further provided that in such cases the board and the appellate courts shall have no jurisdiction, nor was the taxpayer allowed to stay collection by the filing of a bond, his only remedy being to pay the tax and sue for refund. The Senate amendment in this subdivision provides for a stay of collection by filing a bond in like manner, under the same conditions and with the same effect as in the case of a bond to stay collection under a jeopardy assessment under section 279.

(4) Pending cases where hearing held: Subdivision (j), added by the Senate amendment, provides that in cases pending before the board at the time of the passage of the new bill where a hearing has been held, and the decision is rendered after the passage of the act, neither party shall have a right to review by a circuit court of appeals. In such cases the commissioner may within a year from the decision bring suit for the collection of any part of the amount disallowed by the board. In any such suit by the commissioner or in a suit by the taxpayer for refund the findings of the board shall be prima facie evidence of the facts therein stated.

(5) Jeopardy assessments under the 1924 act: Subdivision (k), added by the Senate amendment, provides that in case of a jeopardy assessment made before the enactment of the new bill all proceedings shall be the same as under the revenue act of 1924 as amended by the new bill, except that where no hearing has been held by the board before the passage of the new act, the decision of the board may be reviewed by the circuit court of appeals, and that in considering any such cases, the jurisdiction and powers of the board shall be the same as provided in the new act, such as, for example, the power of the board to determine that a refund should be made where the decision is not only that there is no deficiency but also that the taxpayer has overpaid his tax.

(6) Suspension of statute of limitations before passage of new bill: Section 277 (b) of the bill as agreed to in conference

provides for the suspension of the running of the statute of limitations on assessments and collections during the time when the hands of the commissioner are tied, not only in the cases of taxes imposed by this title, but also (by reason of the provisions of section 283) in the cases of taxes under prior acts, whether a deficiency letter under the 1924 act has been sent out or not. Subdivision (1) of section 283, added by the Senate amendment, provides that in addition to the period of suspension already provided for, the running of the statute shall be considered to have been suspended for any period prior to the enactment of this act during which the commissioner's hands were tied.

The House recedes with an amendment making a clerical change and making a minor clarifying amendment.

On amendment No. 91: This amendment makes a change in a section number; and the House recedes.

On amendment No. 92: The House bill provided in subdivision (b) of section 281 that claims for credit or refund for income, war-profits, or excess-profits taxes should not be allowed unless made within four years from the time the tax was paid. The Senate amendment provides that, so far as relates to the tax imposed by Title II of the new bill, this period should be two years. The House recedes with an amendment making it three years.

On amendment No. 93: The House bill provided that where a 60-day letter has been sent out the right of the taxpayer to file a petition with the board shall constitute his sole right to contest the amount of the tax, and whether or not he files a petition with the board he has no right to claim or sue for refund, with certain enumerated exceptions. The House bill further provided that this limitation on the rights of the taxpayer should not apply in any case where he could prove that the deficiency letter was not received by him within 45 days from the time of mailing. The Senate amendment substitutes a subdivision providing that where the commissioner has sent a 60-day letter, and where the taxpayer files a petition with the board within the 60 days, he shall be barred from claim or suit for refund; but that if he does not choose to take the case to the board, he may pay the tax and bring suit for refund. The Senate amendment also provides that even where a petition has been filed with the board the taxpayer may bring suit for refund if the commissioner collects any amount in excess of the amount determined by the board. This (by virtue of subdivision (e) of section 906 of the revenue act of 1924 as amended by the new bill) would permit a suit for refund of any tax collected after the board has decided that the assessment or collection of the tax was barred by the statute of limitations at the time the deficiency letter was mailed. The Senate amendment also permits a suit for refund in cases where the board has decided that the deficiency letter was sent out in time, but where the commissioner, after his hands are untied and he is free to make the assessment, waits until the statute of limitations has run. The right to sue for refund is given in both the above cases, since the taxpayer has no right to enjoin the assessment or collection of the tax. The House recedes.

On amendment No. 94: This amendment makes a clerical change; and the House recedes.

On amendment No. 95: The House bill provided that where the Board of Tax Appeals finds that there is no deficiency, and further finds that there has been an overpayment of tax, the amount of the overpayment shall be refunded. The House bill further provided that this refund should be made if claim has been filed within the proper period of limitations or if the petition was filed with the board within four years after the tax was paid. The Senate amendment adds, in view of the action on amendment No. 92, that the refund might be allowed if the petition is filed with the board, in case of a tax imposed by the new act, within two years after the tax was paid. The House recedes with an amendment making this three years instead of two years.

On amendment No. 96: The Senate bill provides that if a taxpayer has on or before June 15, 1926, filed a waiver giving the commissioner additional time in which to assess taxes due for the taxable year 1920 or 1921, then a credit or refund relating to the taxes for such years shall be allowed or made if claim therefor is filed either on or before April 1, 1927, or within four years from the time the tax was paid. This amendment is in accordance with the similar action taken by Congress at various times with respect to the giving of waivers for the assessment of taxes for 1917, 1918, and 1919. It seems only reasonable if a taxpayer waives the statute of limitation and permits the commissioner to make an assessment after the expiration of the statute that a similar right for filing a claim for refund should be granted to the taxpayer; and the House recedes.

On amendment No. 97: The Senate bill provides that if a waiver of the statute of limitations with respect to taxes due for the taxable year 1920 or 1921 is extended, a credit or refund relating to taxes for such year shall be allowed if a claim therefor is filed on or before April 1, 1928. The reason for this amendment is the same as the reason for amendment No. 96; and the House recedes.

On amendment No. 98: This amendment makes a change in section number; and the House recedes.

On amendment No. 99: The House bill provided that the income-tax title shall take effect as of January 1, 1925. The Senate amendment provides that section 257, relating to publicity of returns, and sections 271 to 286, inclusive, dealing with procedure for assessment and collection of taxes, shall take effect on the enactment of this act. The House recedes.

On amendment No. 100: The House bill imposed an estate tax and imposed rates upon the net estate ranging from 1 to 20 per cent. The rate of 20 per cent was imposed upon the amount by which the net estate exceeded $10,000,000. The House bill permitted a credit against the estate tax of any estate, inheritance, legacy, or succession taxes actually paid to a State or Territory or the District of Columbia in respect of any property included in the gross estate. The House bill limited this credit so that it could not exceed 80 per cent of the estate tax imposed. The Senate bill repealed the estate tax. The House recedes with an amendment restoring the estate tax and the rate structure of the House bill, but increases the exemption in computing the net estate from $50,000 to $100,000. The 80 per cent credit of the House bill is retained. The credit provision in the House bill provided that this credit should only include such taxes as were actually paid and credit therefor claimed within four years after the filing of the return. The amendment reduces this period to three years, because the amendment as agreed to also reduces the time for assessment and filing claim for refund to three years instead of four years as provided in the House bill. The provisions relative to the assessment and collection of estate taxes are changed in the amendment as agreed to to correspond to the similar provisions for the collection and assessment of income taxes. The Senate bill reduced the rates imposed by the revenue act of 1924 in case of the estate tax and the gift tax by substituting for such rate the estate-tax rates imposed in the revenue act of 1921, and these rates as applied to the 1924 estate tax and gift tax are retained in the amendment as agreed to.

Sections 316 and 317 of the estate-tax title relate to the enforcement of the liability of transferees or fiduciaries in respect of an unpaid estate or gift tax and to the giving of notice to the commissioner by fiduciaries of the assumption of their fiduciary capacity. In general the discussion under amendments Nos. 87 and 88 is applicable in explaining the effect of sections 316 and 317. Therefore a complete discussion is here omitted.

Among the liabilities which the procedure outlined in section 316 will cover are the liability in respect of an estate tax, of an heir, devisee, distributee, or legatee of the decedent, and the liability under section 315 (b) of a transferee of a gift made by a decedent in contemplation of death, or of a specific beneficiary of an insurance contract of a decedent; the liability of a donee of a gift in respect of the gift tax imposed on the donor under the revenue act of 1924, as amended; and the tort liability of a fiduciary in his own person and estate under section 3467 of the Revised Statutes for the distribution of an estate within his control without making adequate provisions for the payment of taxes to the Government. The notice given by an executor to the commissioner in conformity with section 317 is, of course, subject to the requirements of section 304 (a) as well as to the regulations by the commissioner with the approval of the Secretary under section 317.

On amendment No. 101: The House bill imposed a tax of $2.50 per thousand upon cigars manufactured or imported to retail at not more than 5 cents each. The Senate amendment reduced this tax to $2 per thousand; and the House recedes.

On amendment No. 102: The House bill imposed a tax of $4.50 per thousand upon cigars manufactured or imported to retail at more than 5 cents and not more than 8 cents each. The Senate amendment reduced this tax to $3 per thousand; and the House recedes.

On amendment No. 103: The House bill imposed a tax of $7 per thousand upon cigars manufactured or imported to retail at more than 8 cents and not more than 15 cents each. The Senate amendment reduced this tax to $5 per thousand; and the House recedes.

On amendment No. 104: The House bill imposed a tax of 8 cents per pound upon all unmanufactured leaf tobacco produced in the United States and hereafter sold or removed for sale to

the consumer, and provided that such tax should be paid by the person so selling or removing such leaf tobacco. The House bill also provides that this provision should not apply to leaf tobacco sold or removed for sale to the consumer by (1) a farmer or grower of tobacco or (2) a tobacco growers' cooperative association. The Senate amendment strikes out this provision; and the House recedes.

On amendment No. 105: This amendment is a clerical change; and the House recedes.

On amendment No. 106: This amendment permits smoking tobacco, snuff, fine-cut chewing tobacco, and certain specified other kinds of tobacco to be put up in four additional sized packages of 9, 11, 13, and 15 ounces; and the House recedes.

On amendment No. 107: The House bill gave the commissioner, with the approval of the Secretary, authority to prescribe the size of packages to be used by taxpayers selling unmanufactured leaf tobacco to consumers subject to tax. The Senate amendment strikes out this provision. In view of the action taken on amendment No. 104, the House recedes.

On amendment No. 108: The House bill imposed the same taxes on admissions and dues as are imposed under existing law with the exception of admissions to any place of amusement in which there is produced exclusively a legitimate spoken drama. The Senate amendment repealed these taxes. The House recedes, with an amendment restoring the admissions and dues taxes imposed by existing law and increasing the exempt class of admissions from 50 cents to 75 cents.

On amendment No. 109: The House bill imposed a tax of 3 per cent upon the manufacturer's or importer's selling price of passenger automobiles. The Senate amendment repealed this tax; and the Senate recedes.

On amendment No. 110: This amendment makes a clerical change; and the Senate recedes.

On amendment No. 111: The House bill imposed a 10 per cent excise tax upon pistols. It was believed that the term "pistol" included "revolvers." In the interest of certainty this amendment includes the term "revolvers," thereby imposing a tax upon pistols and revolvers; and the House recedes.

On amendment No. 112: The House bill reenacted the capital-stock tax imposed under existing law. The Senate amendment repealed this tax; and the House recedes.

On amendment No. 113: This amendment makes a clerical change; and the House recedes.

On amendments Nos. 114 and 119: These amendments make clerical changes; and the House recedes.

On amendments Nos. 115, 116, 117, and 118: The House bill imposed a graduated special excise tax upon the use of foreign-built yachts, ranging from $1 to $4 according to length. The Senate amendment doubles the House rates, but provides that the tax shall not apply to any foreign-built yacht or boat which was owned on January 1, 1926, by a citizen of the United States or by a domestic partnership or corporation; and the House recedes.

On amendment No. 119: This amendment is explained in connection with amendment No. 114; and the House recedes.

On amendments Nos. 120, 121, and 122: These amendments relate to changes in section numbers; and the House recedes.

On amendment No. 123: The House bill imposed a stamp tax upon bonds issued by both persons and corporations. The Senate amendment limits the stamp tax upon the issuance of bonds to those issued by corporations; and the House recedes.

On amendment No. 124: The House bill retained the stamp-tax provisions of existing law relative to the entry of merchandise at the customhouse. The Senate amendment repealed this provision; and the House recedes.

On amendment No. 125: The House bill reenacted the provisions of existing law imposing a stamp tax of 50 cents upon the entry for withdrawal of merchandise from customs bonded warehouse. The Senate amendment repealed this provision; and the House recedes.

On amendment No. 126: The House bill reenacted the provisions of existing law imposing stamp taxes upon passage tickets sold or issued in the United States for passage by any vessel to a port or place not in the United States, Canada, or Mexico, if costing more than $10. The Senate amendment repealed these taxes; and the House recedes, with an amendment restoring these taxes and making a clerical change in the paragraph number.

On amendments Nos. 127 and 128: These amendments relate to paragraph numbers; and the House recedes, with amendments making further changes in these numbers.

On amendments Nos. 129, 130, and 131: These amendments make clarifying changes; and the House recedes.

On amendment No. 132: This amendment adds a new paragraph to section 600 of the revenue act of 1918, providing for an allowance for loss on reimported distilled spirits. In the case of the reimportation of distilled spirits a customs duty equal to the internal-revenue tax imposed upon distilled spirits is imposed upon the amount of distilled spirits shown upon the gauge at the time of reimportation. This amendment provides for an allowance for loss after reimportation and provides that in such cases an allowance for leakage shall be made in an amount that would have been allowed if such distilled spirits had remained continuously in an internal-revenue bonded warehouse from date of manufacture until date of withdrawal. The House recedes, with an amendment providing that an allowance may be made for actual loss by leakage or evaporation in the case of such distilled spirits reimported prior to January 1, 1926, not exceeding 1 proof gallon as to each cask or package of a capacity of not less than 40 wine gallons for each period of six months or fraction thereof from the date of official regauge after reimportation, and authorizing the bottling of such spirits in accordance with the provisions of the act of March 3, 1897; and also providing that allowance for losses shall be subject to the condition set out in section 50 of the act of August 27, 1894.

On amendments Nos. 133, 134, 135, 136, and 137: These amendments make clarifying changes; and the House recedes.

On amendment No. 138: This amendment amends sections 611 and 612 of the revenue act of 1918 by making reductions as of January 1, 1927, and January 1, 1928, in the rates imposed by section 611 of the revenue act of 1918 upon wine and in the rates imposed under section 612 of the revenue act of 1918 upon grape brandy or wine spirits used in the fortification of wine; and the Senate recedes.

On amendment No. 139: This amendment provides that the district courts of the United States should have exclusive jurisdiction to hear and determine all internal-revenue cases in which the amount involved is in excess of $3,000; and the Senate recedes.

On amendment No. 140: This amendment is a clerical change; and the Senate recedes.

On amendment No. 141: The House bill fixed the term of office of the members of the Board of Tax Appeals at 14 years. The Senate amendment reduces the term of office to 10 years; provides that no person who has been an employee of the Internal Revenue Bureau shall be eligible to appointment to any vacancy on the board until at least two years have elapsed since such official connection; and provides that the President by failing to fill vacancies may reduce the number of members of the board if he determines at any time that the full membership is not necessary; and the House recedes with an amendment changing the term of office of members (after the original appointments) to 12 years and striking out the prohibition with regard to the appointment of employees of the Internal Revenue Bureau and the provision authorizing the President to reduce the number of members of the board.

On amendments Nos. 142, 143, and 144: Under the House bill, in the case of a decision by a division of two or more members, the decision and findings of fact made in connection therewith became the decision and findings of the board unless within 30 days after such decision the chairman directed that it be reviewed by the board, but required that the entire board review every decision of a division of one member. Amendment 142 applies to a decision of a division of one member the rule applicable to a decision of a division of two or more members; and the House recedes. Amendment 143 is a clerical change, due to the change made by amendments 142 and 144; and the House recedes. The House bill also required every decision by any division dismissing any proceeding on the ground that the proof is insufficient to sustain the allegation of the petition or to entitle the petitioner to any relief to be reviewed by the full board. The Senate amendment strikes out this provision; and the House recedes because of the change made by amendment 142. The House bill denied the taxpayer a rehearing before the board. The amendment strikes out this provision in order to permit the rules of the board to govern the granting of a rehearing; and the House recedes.

The Senate amendment also provides that a decision of the board dismissing a petition for a redetermination of a deficiency shall be considered as its decision that the deficiency is the amount determined by the commissioner. In the case of dismissal upon the ground that the petition was filed too late, this provision is primarily necessary in order that the amount of the bond may be fixed, in the event the taxpayer desires to have the decision reviewed by the court; but a suit for refund in such case, of course, is not barred, as it is in the case of a dismissal for want of prosecution, for example; and the House recedes.

On amendment No. 145: This amendment is a clerical change; and the House recedes.

On amendment No. 146: This amendment provides that mailing by registered mail to the taxpayer of any pleading, order, notice, or process in respect of proceedings before the board shall be held sufficient service of such pleading, order, notice, or process; and the House recedes with an amendment making the provision applicable to all persons as well as to the taxpayer.

On amendment No. 147: The House bill provided that any taxpayer might appoint a person as his agent in the District of Columbia to receive notices of deficiency and to receive all pleadings, orders, notices, or process in respect to proceedings before the board. This amendment strikes out this provision; and the House recedes.

On amendment No. 148: This amendment provides that the commissioner may pay his witnesses in advance when such payment is necessary; and the House recedes.

On amendment No. 149: This amendment is a clerical change; and the House recedes.

On amendment No. 150: The House bill provided that the decision of the board rendered after the enactment of this act may be reviewed by the Circuit Court of Appeals or the Court of Appeals of the District of Columbia if a petition for such review is filed by either the commissioner or the taxpayer within 90 days after the decision is rendered. The Senate amendments provides that an appeal should lie to the district court of the district in which the taxpayer resides, if notice of appeal is filed within six months, and that the decision of the district court should be subject to review upon appeal as an ordinary civil action. The Senate amendment also clarifies the provisions of the House bill relating to an appeal which involves the validity of only a part of the deficiency determined by the board; and the House recedes with an amendment providing that the decision of the board rendered after the enactment of the act may be reviewed by a circuit court of appeals or the Circuit Court of Appeals of the District of Columbia (as provided in section 1002) if the petition for such review is filed by either the commissioner or the taxpayer within six months after the decision is rendered; making it clear that the court rules will include rules for the preparation and certification of the record; and making clerical changes.

On amendment No. 151: Under the House bill, in case of a corporation which had failed to make a return, a decision of the board would be reviewed by the circuit court of appeals for the circuit in which is located the office of the collector to whom the corporation should have made the return. The amendment provides that in such case the decision may be reviewed by the Court of Appeals of the District of Columbia, and also provides that the commissioner and the taxpayer may, in any case, stipulate the court to which the review will be taken, in order to remove any doubt as to the proper court; and the House recedes.

On amendments Nos. 152, 153, and 154: These amendments relate to clerical changes; and the House recedes.

On amendment No. 155: The House bill provided that the appellate court shall have power to remand cases to the board for rehearing only if there had been prejudicial error by the board in ruling upon admissibility of evidence. The amendment strikes out this provision and provides that an appellate court may, in modifying or reversing a decision of the board, remand the case for rehearing, as justice may require; and the House recedes.

On amendments Nos. 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, and 167: These amendments make clerical changes; and the House recedes.

On amendment No. 168: The House bill authorized the commissioner with the approval of the Secretary to prescribe all needful rules and regulations for the enforcement of the act. The Senate amendment provides that in addition to publishing such rules and regulations the commissioner shall promulgate and publish all rules, practices, principles, and formulæ applied or followed in the interpretation and application of any revenue act; and the House recedes with an amendment striking out the Senate provision, but requiring the commissioner with the approval of the Secretary to prescribe and publish all needful rules and regulations for the enforcement of the act.

On amendment No. 169: The House bill provided that no taxpayer shall be subjected to unnecessary examinations or investigations and only one investigation of the taxpayer's books of account shall be made for each taxable year unless the taxpayer requests otherwise or unless the commissioner after investigation notifies the taxpayer in writing that an additional inspection is necessary. The Senate amendment provides that no taxpayer shall be subjected to more than two inspections of his books of account each taxable year unless the taxpayer requests an additional examination; and the Senate recedes.

On amendment No. 170: This amendment provides that the bar of the statute of limitations against the United States and against the taxpayer shall operate to bar the remedy and also extinguish the liability. This amendment is deemed advisable because of an opinion in a recent decision of the Court of Claims (Toxaway Mills *v.* U. S.), although in a case presenting the specific point this opinion very probably would not be followed by the Supreme Court (see, Taft, C. J., in Graham *v.* du Pont, 262 U. S. 234, 256, 258). The House recedes with an amendment making certain that the provision does not require a refund to a taxpayer for any year (even though the statute has run against the Government) unless he had in fact overpaid his tax for that year, nor require a taxpayer to pay an additional tax for any year (even though the statute has run against his claim or suit for refund) unless he had in fact underpaid his tax for that year. Obviously, this section does not apply in the case of fraud or in the case of a waiver.

On amendment No. 171: This amendment makes a clerical change; and the House recedes.

On amendment No. 172: This amendment rewrites the provisions of the House bill relative to limitations on assessments and suits by the United States to make the section more nearly correspond with the similar sections relating to the income-tax title; and the House recedes with an amendment making a clerical change.

On amendments Nos. 173 and 174: These amendments relate to changes in section numbers; and the House recedes with amendments making further changes in the section numbers.

On amendment No. 175: This amendment makes a clerical change; and the House recedes.

On amendment No. 176: This amendment makes a clerical change; and the House recedes.

On amendment No. 177: The House bill provided that any person who willfully aids or assists in the preparation or presentation of a false or fraudulent return, affidavit, claim, or document authorized or required by internal revenue laws, etc., shall be guilty of a felony and subject to fine or imprisonment upon conviction. The Senate bill makes it certain that this provision applies to the preparation or presentation under or in connection with any matter arising under the internal revenue laws of a false or fraudulent return, affidavit, claim, or document; and the House recedes with an amendment striking out two words as surplusage.

On amendment No. 178: Under existing law a distraint may be made upon personal property of a delinquent taxpayer even though in the possession of another person. This amendment specifically makes it the duty of the possessor to surrender the property upon which the levy is made, and imposes upon him (in addition to any criminal liability) a civil liability if he fails to do so equal to the value of the property, but not exceeding the amount of tax, a liability similar to that of an executor who pays debts before he pays the debt due the United States; and the House recedes.

On amendment No. 179: This amendment makes a clerical change; and the House recedes.

On Amendment No. 180: This amendment makes a clerical change; and the House recedes.

On amendments Nos. 181 and 182: The House bill reenacted without change the existing law relating to payment of interest on refunds and credits. Under existing law in the case of a credit taken against an additional assessment the taxpayer is allowed interest from the date of his overpayment to the date of the additional assessment. In the case of taxes imposed by acts prior to the act of 1921 the taxpayer (except as provided in section 283 of this bill) pays no interest in the case of underpayment up to the date of assessment. Consequently it frequently happened that the taxpayer who owes the Government money upon which he is paying no interest is collecting interest upon money which the Government owes him. This amendment remedies this situation by allowing interest in the case of a credit under an act prior to the revenue act of 1921 only to the date on which the original tax against which the credit is taken was due. In the case of refunds interest is allowed "to the date of the allowance of the refund." In practice the commissioner first signs the schedule of overassessments, which is sent to the collector, in order to determine whether the overpayments should be credited or refunded. This amendment proposes to fix as the date upon which the refund is allowed the date on which the commissioner signs the schedule of overassessment; and the House recedes.

On amendments Nos. 183 and 184: These amendments make clerical changes; and the House recedes.

On amendments Nos. 185 and 186: Under existing law the courts are authorized to allow interest on judgments against the United States. However, no uniform rate is prescribed,

and in some cases no interest is allowed, while in others the maximum rate permissible under the State law is allowed. Frequently in cases where an appeal is taken interest is compounded. This amendment provides that simple interest at 6 per cent per annum shall be allowed. Inasmuch as judgments and suits against collectors, with practically no exception, are being paid by the United States, this provision is also made applicable to suits against collectors; and the House recedes.

On amendment No. 187: Under section 3200 of the Revised Statutes a collector is authorized to seize real property outside of his collection district but within the State. This amendment amends section 3200 of the Revised Statutes so as to permit the seizure of personal property as well as real property outside of the collection district but within the State, except property exempt from distraint and sale; and the House recedes.

On amendment No. 188: Under existing law considerable difficulty is encountered by reason of the fact that no time is specified as the date on which distraint proceedings are begun. This amendment fixes a definite and readily ascertainable date in the case of both personal and real property; and the House recedes.

On amendments Nos. 189 and 190: These amendments provide that the publicity and administrative provisions of the income tax title of the revenue act of 1924 shall be repealed on the date of the enactment of the bill; and the House recedes.

On amendment No. 191: This amendment relates to a change in section numbers; and the House recedes with an amendment making further changes in these numbers.

On amendment No. 192: This amendment provides that the salary of the general counsel for the Bureau of Internal Revenue shall be payable out of any appropriation available for the payment of expenses of assessing and collecting the internal-revenue taxes; and the House recedes.

On amendment No. 193: The House bill created in the Bureau of Internal Revenue the office of special deputy commissioner of internal revenue, and provides that special deputy commissioners shall be appointed by the President by and with the advice and consent of the Senate, for terms of 10 years; that not more than six special deputy commissioners shall hold office at any one time, and fixes the salaries of such officers at the rate of $8,000 per annum, and provides that these commissioners shall perform such duties as may be prescribed by the commissioner or required by law. The amendment strikes out this provision and creates in lieu thereof in the Bureau of Internal Revenue the office of assistant to the general counsel, and provides that these assistants to the general counsel shall be appointed by the President, by and with the advice and consent of the Senate, and that not more than six assistants shall hold office at any one time. Each assistant to the general counsel is to receive a salary at the rate of $8,000 per annum, and they shall perform such duties as may be prescribed by the commissioner or required by law. The House recedes with an amendment providing for four assistant general counsel in the Bureau of Internal Revenue, and also creating in the Bureau of Internal Revenue the office of assistant to the commissioner and special deputy commissioner, and providing that the four assistant general counsel and the assistant to the commissioner shall each receive a salary at the rate of $8,000 per annum, and the special deputy commissioner a salary of $7,500.

On amendment No. 194: The House bill provided for the establishment of a commission to be known as the joint commission on taxation and to be composed of 15 members: Five to be Members of the Senate, five to be Members of the House, and five to be selected from the general public. Such commission was to investigate and report upon the operation, effects, and administration of the Federal system of income and other internal revenue taxes and upon any proposals or measures which in the judgment of the commission might be employed to simplify or improve the operation or administration of such systems of taxes. It was contemplated that the work of such commission would be completed within two years. All members were to serve without special compensation. A fund of $25,000 was provided for clerical and traveling expenses. The Senate eliminated the House provision and provided for the creation of a joint committee comprised of five members each from the Ways and Means Committee of the House and the Committee on Finance of the Senate. The Senate bill provides for the employment of necessary experts and assistants through whom the joint committee will be in direct contact with taxpayers for the purpose of obtaining all necessary information, to assist in the framing of future revenue legislation. The House recedes with an amendment accepting the main features of the provision of the Senate bill and stating specifically that the committee shall have authority to publish from time to time for public examination and analysis proposed measures and methods for the simplification of internal-revenue taxes, and requiring the committee to make to the Senate and the House not later than December 31, 1927, a definite report thereon, together with such recommendations as it may deem advisable.

On amendment No. 195: The House bill provided for a refund to the manufacturers of passenger automobiles equal to 2 per cent of the price for which the automobiles are sold, in the case of all automobiles that are held by automobile dealers on the date the reduction in the rate upon passenger automobiles becomes effective. Provision is made in the House bill for the remission of such refund by the manufacturer to the automobile dealer. The amendment provides that the words "to a dealer" shall be stricken out in the interest of certainty. In view of the fact that the tax is imposed under existing law, in the case of complete automobile bodies, upon the body manufacturer, and in view of the fact that the House bill limits the refund to the tax imposed upon the article sold by the manufacturer to the dealer, it has been suggested that under a strict interpretation of this section of the House bill, since the automobile manufacturer sells direct to the dealer, a refund could not be allowed to the dealer of the tax imposed upon the body and reimbursed by him to the manufacturer. The amendment to this section is made in order to make certain that the dealers shall be entitled to a refund based upon the tax paid upon the selling price of both the body and the chassis; and the House recedes.

On amendment No. 196: The House bill provides for a refund to the manufacturer of passenger automobiles equal to 2 per cent of the price for which the automobile is sold in case of all automobiles that are held by automobile dealers on the date the reduction in the rate upon passenger automobiles becomes effective. The Senate amendment, in view of the action of the Senate in striking out the entire passenger automobile tax, provided for a refund of the entire tax. The Senate recedes.

On amendment No. 197: This amendment fixes the salary of the Government actuary, so long as the position is held by the present incumbent, at $10,000 a year; and the House recedes.

On amendment No. 198: This amendment validates the regulations of the Internal Revenue Bureau applicable to the revenue acts of 1917, 1918, and 1921 in so far as such regulations apply to the relationship between invested capital of one year and taxes for the preceding year; and the House recedes with an amendment making a clerical change.

On amendment No. 199: This amendment provides that the installment basis provided in subdivision (d) of section 212 shall be retroactively applied in computing income under the provisions of the revenue acts of 1916, 1917, 1918, 1921, and 1924. In the application of this provision it is intended that the installment provisions of Regulations 45, promulgated on December 29, 1919, will be substantially followed in settling all cases under prior acts and under this bill; and the House recedes.

On amendment No. 200: This amendment provides that the amortization deduction provided by paragraph (9) of subdivision (a) of section 214 and paragraph (8) of subdivision (a) of section 234 of the revenue act of 1918 may (notwithstanding any provision in the revenue act of 1921) be allowed for the taxable years 1918, 1919, or 1920 if claim therefor was made before June 15, 1924; and the House recedes.

On amendment No. 201: This amendment provides that if an individual has paid a tax under the revenue act of 1918 or 1921 as a stockholder of a personal service corporation he shall be entitled to a credit or refund, even though the statutory period of limitations may have expired, if such corporation has been finally determined not to be a personal service corporation and such corporation has paid the tax imposed by Title II of the revenue act of 1918 or Title II of the revenue act of 1921, and such person files his claim for refund within one year after the enactment of this act or before the expiration of the period of limitations for filing such a claim, whichever is the later; and the House recedes.

On amendment No. 202: This amendment provides that the exemption granted mutual interinsurers and reciprocal underwriters under paragraph (11) of section 231 shall be retroactively applied in determining the tax liability under the provisions of the revenue acts of 1916, 1917, 1918, 1921, or 1924, and provides for the refund of any taxes paid by such mutual interinsurers and reciprocal underwriters if claim for refund is filed within one year after the enactment of this act; and the Senate recedes.

On amendment No. 203: This amendment provides that if any information relating to the liability of any taxpayer for any internal-revenue tax is obtained or received from any person other than the taxpayer, and is considered by any officer, employee, or agent of the Treasury Department, or by any bureau or division thereof, in determining such liability, then

the taxpayer shall after due notice giving the nature of the information and the name and address of the person from whom such information was obtained or received, be afforded a reasonable opportunity to be heard in respect thereof; and the Senate recedes.

On amendment No. 204: This amendment was intended to provide for retroactive validation of all Treasury decisions, opinions of the Attorney General, and regulations of the Treasury Department made under prior revenue acts; it provided that the liability of any taxpayer under any internal revenue law should be determined in accordance with the Treasury decision, opinion of the Attorney General, and Treasury regulations in force at the time the taxpayer's return was made. The House recedes with an amendment striking out the Senate provision, and inserting a section providing that income for any period before January 1, 1925, of a marital community in the income of which the wife has a vested interest as distinguished from an expectancy, shall be held to be correctly returned if returned by the spouse to whom the income belonged under the State law applicable to such marital community for such period. The section as agreed to also provides that any spouse who elects so to return such income shall not be entitled to refund on the ground that such income should have been returned by the other spouse.

On amendments Nos. 205 and 206: These amendments make clerical changes; and the House recedes with amendments making further clerical changes in section numbers.

W. R. GREEN.
ALLEN T. TREADWAY.
ISAAC BACHARACH.
JNO. N. GARNER.
J. W. COLLIER.
Managers on the part of the House.

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with. We have passed over the most important part requiring an explanation, and I think it will not be necessary to read the remainder of it.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent that debate on the conference report be limited to two hours, one-half to be controlled by myself and one-half by the gentleman from Texas [Mr. GARNER]; with the understanding that we will each of us take care of Members on our respective sides of the aisle, whether for or against the conference report, and at the expiration of the debate the previous question be considered as ordered.

The SPEAKER. The gentleman from Iowa asks unanimous consent that debate on the conference report be limited to two hours, one-half to be controlled by himself and one-half by the gentleman from Texas [Mr. GARNER], and at the conclusion of the debate the previous question shall be considered as ordered. Is there objection?

Mr. LAGUARDIA. Reserving the right to object, how about Members who are against the bill entirely? Will they be cared for?

Mr. GREEN of Iowa. They will be cared for as well as possible.

Mr. NEWTON of Minnesota. Reserving the right to object, will the gentleman eliminate the ordering of the previous question?

Mr. GREEN of Iowa. Yes; although at the end of debate I can move the previous question.

Mr. NEWTON of Minnesota. Yes, I know, but I would prefer not to have it come up in the unanimous-consent agreement.

Mr. GREEN of Iowa. I will omit that.

Mr. DRANE. Mr. Speaker, reserving the right to object, I want to file a motion to recommit. Would the agreement which is proposed by the gentleman from Iowa interfere with that?

The SPEAKER. No; the motion to recommit will be in order after the previous question is ordered. The gentleman from Iowa modifies his request by omitting the previous question and merely asks that general debate be limited to two hours, one-half to be controlled by himself and one-half by the gentleman from Texas [Mr. GARNER]. Is there objection?

Mr. RAMSEYER. Reserving the right to object for the purpose of asking a question, does the gentleman from Iowa think that two hours' debate will take care of gentlemen who have objected to particular parts of this report? If so, how generously will they be taken care of; the gentleman ought to have an hour himself.

Mr. GREEN of Iowa. I will give gentlemen all the time I can. If we should permit each Member to speak on every little objection he has, we would be here until some time next summer.

Mr. RAMSEYER. I think we might be here until 5 o'clock anyway.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GREEN of Iowa. Mr. Speaker, in taking up the Senate bill with the conferees of the Senate we found, what probably every gentleman in the House knows, that never was there so much difference between the House and the Senate revenue bills as in this particular case, and in my 15 years' experience in Congress never has the Senate conceded as much as it yielded in agreeing to this settlement which we now present to you. The principal point of controversy, and the one on which there hinged the possibility that there might be no agreement whatever upon the bill, was the estate tax. The Senate capitulated entirely upon the estate tax, and with a minor amendment, which affects it in an insignificant manner, has yielded upon that question. [Applause.]

Of the other main features of the bill, the Senate abandoned the automobile tax and agreed to the provisions as in the House bill. Upon the admission tax the Senate abandoned its repeal and agreed to a provision exempting admissions not in excess of 75 cents. The House has finally yielded upon what is sometimes known as the retroactive features with reference to the 1924 inheritance tax, although possibly in some respects that is no more retroactive than many other features of the bill. It is not necessary to say that I was opposed to that provision, and I agree to this report only because of the possibility that loomed up very strongly at one time that we would have no bill if we insisted on that provision also being eliminated on the part of the Senate.

We agreed also to the small changes which were made by the Senate in the surtax rates from $24,000 up to $70,000. In short, Mr. Speaker, the conferees of the House come back here with every principle of the bill as it was passed by the House intact. [Applause.] Every tax that was in the bill before is in the bill now, with the single exception of the capital-stock tax, which by agreement was shifted over to the profits tax on corporations in order that the corporations might make only one return, and to save the difficulty there was in assessing the capital-stock tax.

There are but a few other features to which I wish to allude at this time. Probably many of the Members have been surprised to see the large number of administrative amendments to the House bill, as to which the House receded. In most cases the House receded with an amendment which merely means in accordance with the forms under which we have to proceed that the Senate receded in fact, and the conferees on the part of the House rewrote the provision in accordance with what they thought it ought to be. The number of these amendments was caused by circumstances which arose after the House passed the bill. There were four decisions of various courts—the Supreme Court, the Court of Claims, the Board of Tax Appeals—which would have necessitated a complete change of the regulations of the Treasury Department and going back for five or six years on some of the most complicated matters ever submitted, unless we put in this bill a retroactive provision closing up those cases on the basis of the settlement by the taxpayer and in accordance with the rules under which the Treasury Department had been acting—rules and regulations which the House itself had practically sanctioned, because it attempted to make no change in them, believed them to be valid, to be enforcible, and on the whole believed them to be the best ones that could be enacted. I refer now to the community-property decision of the Supreme Court, the installment-sales decision on the part of the Board of Tax Appeals, the decision of the Supreme Court with reference to the year when taxes should be credited in determining invested capital, and the decision of the Court of Claims with reference to the force and effect of the statute of limitations. The other matter that caused so many of these amendments to this bill was the fact that the Treasury Department came in after the bill had passed the House and said that there were a large number of administrative measures that in the interest of economy, efficiency, and justice to the taxpayers as well as the Treasury should be adopted. Those were written into the Senate bill. A large number of them were changed to a considerable extent by amendments made by the House conferees.

Mr. Speaker, owing to the large demands for time, I reserve the remainder of my time.

Mr. BARBOUR. Mr. Speaker, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. BARBOUR. There are some things in the bill about which some of us would like to have information, and how are we to have an opportunity to get that information? I did not want to interrupt the gentleman while he was explaining the bill.

Mr. GREEN of Iowa. I hope the gentleman read the report.

Mr. BARBOUR. I have read the report, but some of the things I wish to be certain of.

Mr. GREEN of Iowa. What is it?

Mr. BARBOUR. With reference to community property.

Mr. GREEN of Iowa. The effect of the provision with reference to the community property is simply this, that we begin under new rules, required by the Supreme Court decision, for the year 1925.

Mr. BARBOUR. That is in the Robbins case?

Mr. GREEN of Iowa. Yes; and that the old rules and regulations, the old settlements shall remain in force prior to that time. It is to take care of the situation of citizens of the gentleman's own State.

Mr. BARBOUR. Will the gentleman bear with me for a moment? I want this information and I feel that we are entitled to it in California. This last sentence in the amendment is aimed directly at the California situation, is it not—the community property amendment, the last one in the list of amendments.

Mr. ARENTZ. Page 29 of the printed conference report.

Mr. BARBOUR. It enforces the regulations.

Mr. GREEN of Iowa. Yes.

Mr. BARBOUR. As I understand it, it is aimed at the California situation, so that if the Supreme Court should decide in favor of the California claimants, the United States would not have to pay back a large amount of taxes already paid.

Mr. GREEN of Iowa. I would not put it that way.

Mr. BARBOUR. The language of the amendment is—

> Any spouse who elected so to return such income shall not be entitled to any credit or refund on the ground that such income should have been returned by the other spouse.

The taxpayers of California did not elect to pay, because they had to pay. They were compelled to pay under the rulings of the Bureau of Internal Revenue. It seems to me that that word "elected" still leaves the matter wide open if the taxpayers of California see fit to come in, because it can not be said that they "elected" or chose to pay as they have, because they were compelled to pay that way.

Mr. GREEN of Iowa. Well, I see no objection to it.

Mr. BARBOUR. I spoke in reference to the practical construction of that word "elected."

Mr. GREEN of Iowa. While I have the floor I want to call the attention of the House to an error or misprint in the statement of the conferees. On page 32 thereof, in the next to the last line, the word "casual," before the words "disposition of real property," should be stricken out.

I reserve the remainder of my time.

Mr. GARNER of Texas. Mr. Speaker, I yield myself 15 minutes. [Applause.] Mr. Speaker and gentlemen of the House, at the time the Committee on Ways and Means brought this bill before you and asked your indorsement of it and its passage in the House of Representatives we told you it had been made up from a nonpartisan, bipartisan standpoint, and if you would give us a vote of confidence and pass the bill we would see to it that substantially the same bill went into law. I think we have kept that promise. The House passed the bill in practically the same form as reported by the committee. It went to the Senate, where many amendments were adopted. It then went to the joint conference committee of the two Houses, and the report of the committee on conference is now before you. Substantially the principles involved in the House bill are involved in the conference committee report. From the very nature of things when you go into conference with a body of equal power in enacting legislation you must take into consideration their viewpoint as well as your own, and in coming to an agreement you must yield something on your side or else lay down the proposition wholly that the other body shall take the House provisions as a whole or they will have no law. The House conferees did not do that as to all the amendments, but in the course of their conference they did do that in reference to one amendment, which was that on the estate tax.

In the course of the conference the House conferees and the Senate conferees came to what you might term a deadlock on the estate tax, and the committee of the other body said that they would have to ask the House conferees to go back to the House of Representatives and ask for a vote of confidence; in other words, for the House of Representatives to record itself as to its position on that particular feature of taxation. We said to them, "If you require us to go back on that amendment we are going back on all the amendments, and the result will be there will no longer be a question of conference, but a question of agreement, as to all the Senate amendments by the House of Representatives in detail." The Senate conferees did not care to do that because they had a lot of Senate amendments which they did not believe in themselves which had gone in on the floor of the Senate. A very usual feature on the part of the Senate is to put in all kinds of amendments and repudiate them when they get in conference. The House of Representatives does not do that, and it is to be commended for its position in that particular. [Applause.]

I want to talk, if I may, just for a moment about the essential or rather the principal or essential feature of disagreement on this bill, and that is the estate tax, and see if I may just for a moment contrast the situation in the House and Senate in reference to this principle of taxation. The estate tax, the recent estate tax, in its history is somewhat like this: In 1916 Congress levied an estate tax. We levied that tax in 1917, 1919, 1921, and 1924. The House of Representatives voted for all those taxes almost overwhelmingly, and you will pardon me if I address myself more particularly to the so-called southern portion of the Republic. I want to show just for a moment the difference between the Senate viewpoint for the past 10 years and its present viewpoint. I am not going to speak now of the present Senate, because under the rules of the House of Representatives I can not do that, but I can speak of the Senate of 1916, 1917, 1919, 1921, and 1924, because it is not the present Senate, because it is a dead Senate so far as the rules of the House of Representatives are concerned. [Laughter and applause.]

Why, gentlemen, the fathers of the Constitution originally thought that it was wise to place in the Constitution a provision that Congress could levy a direct tax according to the population of the various States and levy it directly upon the people. Amendment was made in 1911 or 1913—1913 I think it was. The various States ratified the amendment to the Constitution providing for the levy of the income tax without apportionment according to population. It has always had the right to levy an excise tax, so under the excise clause as such we are now receiving taxes on estates which is not based on population but based on wealth, reversing the position from population to a tax upon wealth. The Supreme Court has repeatedly held that Congress has always possessed the power to levy an excise tax. The estate tax is essentially a tax upon wealth and has no relation to the population of the State or where the individual resides; whether he resides in New York or Texas, it makes no difference. It is a question of exercising the right to levy a tax for the privilege of transfer of property. Now, what do we find? We find the entire Democratic Senate in 1916—remember, that was in 1916—all the Democrats of the Senate of the United States voted for an estate tax.

Right along they voted the same way; the entire Democratic membership voted for an estate tax, up to and including 1924. In 1924 that tax was passed in the Senate by 37 Democratic yeas and no nays. That was, I say, in 1924.

Now, gentlemen, I want to ask you what is the reason why Congressmen in 1924 voted for this estate tax and now oppose it? And I say "Congressmen" because when I mention the word "Congressmen" I mean Members of both the other end of the Capitol and this end, because the definition of a "Congressman" is being a Member of the Congress of the United States, but if you want to designate particularly you must say "a Senator" for a Member of the Senate, and "a Representative" for a Member of the House. Now if the Congressmen (Senators) in 1916, in 1917, in 1919, in 1921, and in 1924 vote for an estate tax, what reason have they got now for not continuing that estate tax on the statute books. [Applause.]

I read the RECORD, and I read where Congressmen (Senators) have assaulted this provision in the House bill because they say it invaded State rights. I called the attention of a gentleman to the fact that he voted for the same principle in 1924.

Now, I am going to talk about the South. I make no sectional appeal. I make no class appeal. This is not a sectional argument. I speak of the South because that is where I come from and that is where much of the objection to the estate tax comes from. I see some Alabama people here; Alabama complaining very bitterly, the Congressmen (Senators) from Alabama, about the tax. We have had this tax from 1916 to 1926. It has been on the statute books that long. What did Alabama pay? What has Alabama contributed under this system of taxation to the Treasury in proportion to what the other States have contributed? One-fourth of 1 per cent, as compared with all the other States of the Union.

Mr. OLIVER of Alabama. Mr. Speaker, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. OLIVER of Alabama. It should be clearly understood that Members of the House from Alabama have not opposed the inheritance tax. If there be any part of that provision they are not in agreement on, it is the 80 per cent deduction allowance. Personally I feel this allowance should not exceed 25 per cent, especially since the exemption is now $100,000.

Mr. GARNER of Texas. I will say to the gentleman from Alabama that so far as the Congressmen (Representatives) from Alabama are concerned, their record is clear. I am talking about Congressmen who talk in the RECORD in another place. [Applause.] The term "Congressman" or "Congressmen" does not include alone Members of the House of Representatives. It includes Members of another body. Alabama in 1916, when the roll was called, voted for the tax. In the Senate Alabama was then represented by Bankhead and UNDERWOOD. In 1924 Alabama voted for the tax. The principle in this bill is the same as it was in 1924, except the 25 per cent deduction allowed in the act of 1924, for estate taxes paid to the States, is now instead 80 per cent; so that if the principle was bad in 1926, why was it not bad in 1924?

How comes it that these gentlemen who voted for the 1924 act, containing the principle of 25 per cent deduction for taxes paid to the States, can now defend themselves from assault because others of them contend, as I see in the RECORD, that they voted against it because they did not want to injure the State's chance of raising revenue? There is but little taxes collected from estates in Alabama. Little Rhode Island paid eight times as much as Alabama. The little State of Rhode Island, since 1916 and until 1926, paid eight times as much as Alabama. Yet Alabama is very much alarmed about the injury to its citizens on account of having to pay the tax. We have not heard any objection from Rhode Island.

Now let us see about some other States; Arkansas, for example. It is represented in Congress. Now what do you suppose Arkansas did? Arkansas paid one-eighth of 1 per cent of the tax. Little Rhode Island paid 20 times as much as Arkansas; and yet we hear statesmen, Congressmen, leaders from Arkansas, talking about this villainous principle of an estate tax, and she has contributed next to nothing to the Treasury, but the rich people in the rich States of Connecticut, Rhode Island, New York, Massachusetts, Pennsylvania, and others, contribute nearly all of it. For instance, let us see what New York contributed.

Mr. WINGO. Mr. Speaker, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. WINGO. The gentleman from Texas has not heard anybody from Arkansas in this House talking about it.

Mr. GARNER of Texas. I did not speak of anybody from Arkansas in this House. I said "Congressmen" had been talking about it a good deal. Let the gentleman look at the RECORD. Let us see down the list of these States where the Congressmen from those States have been voting against the record they have made for 10 years, Mr. WINGO. They have been voting for the estate tax for 10 years, including 1924. Arkansas voted for the act of 1924 as well as the others.

Mr. WINGO. The gentleman does not mean anybody in this House?

Mr. GARNER of Texas. I am satisfied that the gentleman understands who is who; and you, gentlemen, will understand the situation.

Mr. KINDRED. Mr. Speaker, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. KINDRED. The gentleman was going to speak of New York. How much does New York pay?

Mr. GARNER of Texas. I will state that. All the 13 Southern States put together, including Oklahoma, paid less than 6½ per cent of the inheritance tax for the last 10 years, while New York paid five times more than all the Southern States put together, including Oklahoma. Yet gentlemen from those Southern States are opposed to any such tax as that. [Applause.] You are unwilling to go up and get OGDEN MILLS's money. [Laughter and applause.] You do not want this economic system by which you collect according to wealth.

Payment on a basis of wealth, on a basis of ability to pay, is a fair, just, equitable basis of taxation. It operates upon wealth and ability to pay regardless of sections, regardless of geography, regardless of State lines. The reason the South pays so little in comparison with New York is that the South is poor and New York is rich; it is not because of geographical location. If I lived in New York I should be for the estate tax just as strongly as I am while living in Texas. If Texas were rich and New York poor I should still be for the tax just the same, because it is based on wealth and ability to pay wherever wealth and ability to pay are found.

I do not know what has influenced these men who voted this way. I do not know what influenced them to change their viewpoint. I know there has been activity in the last three or four months. I know it and the gentleman from Iowa, Mr. GREEN, I am sure is aware of it. They have been after me. They may get me. I do not know; but one thing is certain, they have not got me to change my viewpoint; that is one thing they can not get. [Applause.]

But, gentlemen, unfortunately, they did get some other men at another place to change their viewpoint. I do not attribute anything but honest motives, but it is strange to me that men whose convictions have lasted a decade, all at once when the American Bankers League, when the legislators organization, when the moneyed interests of this country get busy, change their viewpoint. That is the fact. They have done that. [Applause.] I do not say what caused it, but it happened.

I am going to take up the other Southern States to show you how little taxes they pay. I want to get it from the people who have got it and are able to pay. We have not got it down our way in proportion to the richer States. The reason we have not got it is that we are poor. If we had it, we should be glad to pay just like the rich States, because it is right.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. GARNER of Texas. I will yield myself 10 minutes more, Mr. Speaker.

Now, I come to Florida. Of course, there is no use saying anything about Florida. Florida voted for this tax in 1924. Florida voted for it in 1916. Florida has changed its mind about it now. It pays less than one-half of 1 per cent into the Federal Treasury. This is about all I have to say with respect to Florida. They may have a very good reason. There may be a political reason for Florida changing its mind, and at least it has a better excuse than some of these other fellows from Arkansas, and other points, to say the least about it.

Now, here is the State of Georgia. Georgia has paid 0.684 per cent, or less than three-fourths of 1 per cent into the Treasury of the United States in the last 10 years.

Kentucky! Well, Kentucky is very good. Its record is pretty good. There is no doubt about that.

Then here is Louisiana. Louisiana pays less than one-half of 1 per cent. What caused Louisiana to change its mind? I can say one thing and I think I can mention it without any embarrassment to him. The gentleman from Louisiana, my friend WHIT MARTIN, came to Washington against the estate tax, when he came up here in October. He heard the argument on both sides before the Ways and Means Committee, and he said to me, "JOHN, I believe I am wrong. I believe an estate tax is right, and I am going to support it." I like that kind of man, when he gives his reason. [Applause.] But there were others that were not converted.

Mr. SANDLIN. If the gentleman will permit, they are not in this body, are they?

Mr. GARNER of Texas. No; they are not members of this House but of another body.

Here is Mississippi. Oh, Mississippi! They tell me they have had prosperous times down in Mississippi, and a lot of money has been made down there. They are getting right close to Florida and are flourishing from a real-estate standpoint. Everybody is making money, including Congressmen, and everybody else. They have been making oodles of money and have seen a new light. Mississippi has seen a new light. Now, how did it affect Mississippi? Here is the way Mississippi is fixed. Mississippi paid less than one-eighth of 1 per cent. [Laughter.] Poor old Mississippi has not got much, but what we have got we do not want to give up any of it although New York paid over one-third of the entire taxes paid under this system. New York paid 35¼ per cent plus of all the estate taxes that have been paid under this principle since it has been on the statute books, and yet the folks down in our country are complaining about it, although you have established an economic system of taxation whereby the money is made in Texas or in Mississippi or in Alabama but accumulates in New York and the tax is paid out from New York. I think we ought to collect some of that money and put it in the Treasury.

Here is North Carolina. Every Member of the House of Representatives from North Carolina, as I recall, voted for the inheritance tax. Every member of the delegation from North Carolina in 1924, including the other body, voted for the inheritance tax, and also voted for it in 1916. One of them told me, "Oh, I did not vote for it in 1916." I said, "Why,

here is the RECORD that shows you voted for it." "Well," he said, "that was in time of war." "Why," I said, "my dear Senator [laughter] I understand the Democrats won the 1916 campaign on the slogan, 'He kept us out of war.' [Laughter and applause.] War in the East, peace in the West. Thank God for Woodrow Wilson." That was our slogan. [Applause.] We passed the 1916 act before the election of 1916, and he voted for it, although he said he never voted for it in time of peace. He said that now he could not support it because it had the deduction feature in it. "Why," I said, "Senator, you supported one in 1924." He said, "Oh, no; there was not anything of that kind in the 1924 act." I said, "There was a 25 per cent deduction." He said, "Do you know, I did not know that." [Laughter and applause.]

Now, I think I had better get over to Texas. Gentlemen, Texas pays a larger amount; but listen, Texas pays less than 1¼ per cent. In the entire period since the estate tax has been in effect Texas has paid less than 1¼ per cent.

Mr. DOUGHTON. Will the gentleman give us the amount that North Carolina paid?

Mr. GARNER of Texas. Pardon me. North Carolina does pretty well, BOB. It does pretty fair. And may I say that I will put these figures in the RECORD, because I think it will be of interest to you to have these figures with respect to all the States of the Union. It will show the percentages of all of the States. It will show that what is true of the South is also true of the West. It will show the poor States pay little regardless of section or locality. It is not a matter of South or North, or East or West. It is a matter of wealth and ability to pay regardless of political, or geographical, or any other consideration whatever. North Carolina paid 1.189 per cent; less than 1⅕ per cent. Just a little under Texas.

Mr. WINGO. How about Tennessee?

Mr. GARNER of Texas. Tennessee is mighty low down, Otis. Tennessee pays one-fourth of 1 per cent, but Tennessee's wealth is in the possession of a few men, and those men have much power and it may have influenced the vote; I do not know.

What I want to say now is about Texas. I feel proud of Texas. I think we have a right to have a pride in Texas. [Applause.] The record of Texas is good. It is consistent; not a vote from Texas from anywhere against the estate tax at any time, or any bill. [Applause.] Texas and Virginia are the only Southern States that have a clean record, though. Now, remember that; go and examine the record. Texas and Virginia are the only Southern States that have a clean and consistent record with reference to the estate tax, and I am proud of it.

I am speaking of the records of Congressmen in another body—the records of Members of Southern States as well as other States in this House have been good, very good, and quite consistent. But, gentlemen, it is not because we did not have pressure brought to bear on us. I do not doubt but that this was the most wicked campaign made in the history of this country. I know it is the most vicious, indefensible effort ever made since I have been a Member of Congress. I have documents showing where the American Bankers League disclosed its methods of doing business in an endeavor to influence or intimidate Chairman GREEN and myself. They go on to say that if you can reach either one of them, either GREEN or GARNER, we can get rid of the estate tax—an organization that influences with propaganda and money men in office, members of legislatures of various States, speakers of the house of representatives of Southern States, especially Arkansas, South Carolina, Texas, coming to Washington urging a repeal of the estate tax.

Listen to this statement: I charge on the floor of the House and I challenge them to ask for an investigation, that the expenses of these gentlemen were paid to Washington, and that they did not come here for patriotic purposes alone but because they were influenced by money. I could mention them if you wanted me to. [Cries of "Name them!" "Name them!"]

Well, there was Mr. Brown, of South Carolina. He came here when the South Carolina Legislature was in session to get an interview. I gave him one and he will never forget it. [Laughter.] He said, "Well, I must hurry home. There is a ten-million dollar appropriation lying on my desk to-night and the legislature is in session and I am speaker of the house of representatives." I said, "Brown, I appreciate a fellow that does anything because his soul is wrapped up in it, because he believes in it, because he is a crusader; but I have not got a bit of respect for a fellow that will leave his post of duty as speaker of the house of representatives and come up here because he is paid to do it." [Applause.]

They came here from Arkansas, didn't they? They came here from Texas. If they came here because they were actuated by patriotic motives, if they came here because they thought we needed their advice to prevent our doing something to wreck the country, if they came here of their own volition I would praise them, although I might disagree with their viewpoint, but when they came here with expenses paid by a notorious organization, one of the most damnable in the country, I have no respect for them and the American people ought not to have. [Applause.]

Mr. TILLMAN. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. TILLMAN. Will the gentleman put in the RECORD the two names of the men from Arkansas who came up here?

Mr. GARNER of Texas. I will if I have them.

Mr. TILLMAN. A speaker of the house named Hill and another man named McCall.

Mr. GARNER of Texas. There is a lot of data in my office, and I would be glad to put it in. For instance, I have seen some lists by the American Bankers' League—and that is why I have attempted to point out the votes in both ends of the Capitol—but here is what the Bankers' League have to say: "The Senate is all right, but we need pressure on the House." That is commendatory to me. I have heard it said that the House is getting to be the real representative body. I have always thought the House ought to be the real representative and guiding power, and when an institution, or an organization, of this kind says that the Senate is all right, and that they need to influence the House, it commends itself to me as being an indication that the House is the real body that legislates for the American people. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. BLANTON. The gentleman does not need to put in the names of the Texas men who came up here because the people of Texas have their numbers now.

Mr. GARNER of Texas. I think that is correct. You gentlemen of the South voted for the estate tax. You have got to go home and defend it, and in defending it you have got to do one of two things—you have got to take issue with your Senators or change your view point. In this country no State can maintain its attitude or influence on a vital principle of this kind with the Senate going one way and the Representatives going the other way. That is true whether the State is Democratic or Republican. They have to go in the same track, Senators and Representatives, or the principle will not prevail.

I want to put this in to-day to emphasize it because I want to see it made an issue. I want to see it made an issue in every Southern State, especially in reference to the estate tax, because it is a system of taxation, an economic system, under which we pay less taxes than other States, and why should not we adopt it. That will not continue because the South will soon be rich. Why should not wealth pay its share whether in New York or Texas? But why should it not be attractive to us when the entire 13 Southern States, including Oklahoma—and by the way, Oklahoma pays less than one-fourth of 1 per cent—why should not we in the South, who only pay 6¼ per cent, and New York alone pays more than five times all these States put together—why should not we be in favor of it? It is not only fair and just as a fundamental proposition, but as a practical proposition it is to our interest; it is to our interest because based upon the sound principle of ability to pay. Does it not surprise you that one State in the Union under a system of taxation pays more than five times as much as 13 States, including the entire South?

The SPEAKER. The time alloted by the gentleman has been consumed.

Mr. GARNER of Texas. I shall not take up any more time, Mr. Speaker. [Cries of "Take more time!"]

Mr. GARRETT of Tennessee. Mr. Speaker, the gentleman has promised me a brief time, and I hope he will take that.

Mr. GARNER of Texas. Oh, I want my leader to say what he thinks about the bill.

Mr. CRISP. The gentleman may take my time.

Mr. GARNER of Texas. Mr. Speaker, before I close, I want to say one thing in commendation of your conferees. We have endeavored to represent the views of the House faithfully and consistently. We yielded on a good many things that we did not want to yield on, but in the very beginning we knew that the crux, the very life of the legislation, depended upon some kind of an agreement with the Senate conferees. We knew also that if we came back here without an agreement we would have to go over the whole bill from the beginning or else have a rule sending it to conference without a vote on a single amendment—an unusual procedure.

Your conferees, with all the earnestness of their souls, endeavored to reach an agreement. I wish I could have preserved in some way the facial expression of the gentleman

from Iowa, Mr. GREEN, on one or two occasions in the conference, because it would have been something worth while keeping forever; it seemed to break his heart to give in. [Laughter.] I would urge him to stay, and he would stick, but they would come around to the same point and say, "Gentlemen, we have done this, and we have done that, and we have done the other"; but when we came down to the estate tax finally they made all kinds of propositions.

We finally set the hand down and said—and I think I made the statement—"Gentlemen, there are 205 amendments in the bill; you can yield on 204 and then leave the estate tax for us to yield on, but in such case there will never be a bill, because we are going to have that estate tax in the law or this bill will never become a law." And, Mr. MILLS of New York, I thought of you at the time. If we had not agreed to the estate tax, it would have been out of the law right now and I am thankful for the fact that we did agree in just that way. You thought and I thought that the Senate would vote for an estate tax. If you had brought a provision of repeal in here and passed it and repealed the estate tax, as you had the votes to do, it would have been out of the law at the present time, but, gentlemen, it is in there.

The estate tax is in the law, and, mark my prediction, the American people are going to become accustomed to it, and will see the advantage of it, and when the proposal comes again to repeal it, you will find an issue made throughout the country, and you will find enough votes here to hold it in the law forever. I believe it will be a part of the law as long as the income tax law exists. [Applause.]

As a part of my remarks I desire to include the following table, showing the amount and percentage of estate taxes paid by each State from 1917 to the present time, for the information of the House, as also a table showing amount of estate tax on specified estates under the rates of the 1926 act:

Federal estate-tax receipts for the years 1917 to 1925, inclusive [1]

	1917	1918	1919	1920	1921	1922	1923	1924	1925	Totals—1917-1925	
										Amount	Per cent of total
Alabama	$5,055.76	$149,405.05	$602,666.46	$168,205.46	$516,685.20	$217,620.74	$168,137.10	$264,656.37	$207,584.86	$2,300,017.00	.266
Alaska											
Arizona		89,962.21	11,253.49	50,446.86	24,665.92	9,721.82	31,335.28	60,222.03	3,189.51	280,797.12	0.032
Arkansas	6,227.49	24,280.56	89,730.71	214,270.77	131,252.65	109,625.70	232,300.60	92,544.55	150,889.01	1,060,122.04	.123
California	173,913.70	1,528,498.12	4,662,692.58	2,243,339.27	7,450,600.14	4,241,140.66	4,758,141.24	4,428,672.88	4,412,642.33	33,899,640.92	3.925
Colorado	23,622.82	157,182.76	398,911.64	540,303.03	2,210,595.37	276,495.62	1,871,265.71	339,936.66	555,809.62	6,394,123.23	.740
Connecticut	331,456.37	1,941,111.21	2,277,668.14	6,495,928.57	2,246,828.18	8,429,612.19	2,169,121.42	2,706,996.15	4,204,143.58	30,802,865.81	3.566
Delaware	57,083.86	159,281.98	783,277.64	412,430.49	223,174.98	197,078.39	87,111.24	71,499.98	68,323.45	2,059,262.01	.238
District of Columbia	32,880.15	875,323.16	1,002,955.64	959,927.60	2,264,906.27	1,525,143.02	585,913.16	961,362.48	416,095.04	8,624,506.52	.998
Florida	9,903.79	45,721.91	110,819.83	212,213.19	160,397.63	189,130.08	950,656.82	1,118,980.51	1,217,702.01	4,015,525.77	.465
Georgia	6,956.50	342,340.53	338,885.84	501,052.51	378,170.80	663,596.47	2,615,348.08	480,572.26	585,204.06	5,912,127.05	.684
Hawaii		72,435.15	139,019.70	271,526.76	861,778.14	61,288.73	59,040.80	134,679.05	150,537.00	1,750,305.33	.203
Idaho	17,614.34	46,776.41	49,811.89	45,633.29	35,430.02	24,990.04	34,756.64	126,335.86	28,898.35	410,248.84	.047
Illinois	726,669.42	2,657,313.84	3,996,359.03	10,399,307.52	5,095,022.00	4,630,997.99	5,407,744.25	6,497,456.15	5,137,339.01	44,548,208.21	5.157
Indiana	6,687.88	925,781.04	579,067.79	795,074.97	914,199.47	664,896.71	1,503,435.81	726,081.90	1,148,344.02	7,263,589.39	.841
Iowa	12,934.87	436,217.59	1,128,570.38	759,893.08	1,007,845.24	823,076.47	950,044.90	708,069.00	501,086.11	6,327,737.64	.733
Kansas	21,984.93	160,281.49	232,222.61	482,657.12	470,648.06	254,831.71	654,573.73	401,730.21	330,124.27	3,009,054.13	.348
Kentucky	19,850.84	264,267.94	7,842,751.73	461,549.80	360,244.78	258,768.52	442,840.61	556,255.65	1,350,194.37	11,556,724.24	1.338
Louisiana	105,809.21	134,465.41	312,919.44	393,520.21	336,549.13	352,450.73	356,800.12	658,418.69	908,540.80	3,609,473.74	.418
Maine	7,297.37	444,661.32	316,989.34	1,517,224.22	274,643.29	1,465,077.54	320,925.58	3,549,371.59	397,083.44	8,293,273.69	.960
Maryland	73,395.86	376,331.53	615,883.36	1,201,654.63	1,668,594.36	1,037,985.02	1,036,801.93	913,541.08	961,136.36	7,875,324.13	.912
Massachusetts	486,057.76	2,624,082.18	7,432,437.60	6,481,763.86	8,598,241.57	11,082,046.58	6,000,112.03	7,547,053.27	5,354,462.27	55,606,257.12	6.438
Michigan	101,349.24	1,056,839.00	1,367,346.71	2,182,901.67	5,272,245.98	17,861,727.73	4,128,178.18	4,536,565.63	5,058,471.81	41,565,625.95	4.812
Minnesota	25,015.67	900,163.88	1,314,850.31	578,211.73	1,336,899.37	1,080,680.98	3,028,948.80	1,371,428.47	1,269,501.52	11,105,700.73	1.286
Mississippi	33,402.26	94,807.27	126,443.17	197,922.86	79,654.26	170,357.40	184,051.77	243,706.62	158,546.09	1,288,891.70	.149
Missouri	197,640.46	950,704.21	1,365,416.96	1,339,315.94	1,759,495.21	1,725,268.56	2,034,832.45	2,138,173.62	1,148,310.50	12,659,157.91	1.466
Montana		4,121.00	49,136.30	165,470.77	48,923.80	62,494.85	194,882.34	50,912.77	32,406.66	608,348.55	.074
Nebraska	13,131.96	648,147.21	357,897.80	586,908.79	579,107.43	314,263.62	760,577.49	475,226.54	502,366.74	4,237,627.58	.491
Nevada			76.25	16,260.57	10,314.25	3,865.41	2,452.36	7,364.52	398.98	40,730.34	.005
New Hampshire	61,555.70	140,310.81	300,615.05	254,807.38	228,071.90	155,037.66	293,410.52	468,169.91	278,974.86	2,180,953.80	.252
New Jersey	60,495.52	5,097,240.47	4,403,917.95	3,864,350.69	6,569,481.69	2,576,482.85	7,219,684.88	3,740,664.95	8,097,053.24	41,629,392.24	4.820
New Mexico	5,386.45	4,864.10	15,482.16	264,455.75	6,819.54	63,163.16	10,503.71	4,073.33	4,660.09	379,408.29	.044
New York	1,431,132.22	14,913,465.73	22,079,446.44	32,772,304.60	68,403,477.62	47,023,286.59	55,914,532.24	31,351,421.55	34,334,108.07	308,223,175.06	35.684
North Carolina	223,072.37	244,729.84	302,305.70	3,174,019.28	239,689.04	1,696,763.61	1,528,469.80	460,450.82	2,403,015.21	10,272,515.67	1.189
North Dakota		19,901.63	6,850.99	31,757.17	45,690.88	74,896.94	87,648.68	29,099.74	30,377.89	326,233.92	.038
Ohio	456,878.06	2,145,398.80	2,448,809.54	4,308,643.15	5,058,198.73	3,167,475.89	3,506,116.96	2,793,373.15	4,179,275.97	28,064,170.25	3.249
Oklahoma	935.45	27,308.62	97,509.89	54,437.46	187,493.49	72,093.31	62,218.14	139,035.53	55,176.87	696,289.76	.081
Oregon	6,524.79	81,783.66	556,704.20	314,822.54	816,053.99	403,023.20	382,795.27	140,178.69	191,476.51	2,893,362.85	.335
Pennsylvania	731,520.05	6,086,770.00	11,270,215.63	10,305,942.55	20,591,364.00	8,329,481.00	10,224,173.27	14,506,143.33	10,123,406.75	92,169,016.58	10.671
Rhode Island	341,039.39	76,459.55	46,832.52	613,436.75	3,474,009.61	13,574,587.51	2,200,095.40	2,097,417.42	883,515.99	23,307,394.14	2.698
South Carolina	15,346.16	17,411.72	276,721.44	195,603.26	111,671.37	175,136.77	266,538.60	249,469.70	146,790.84	1,454,689.86	.168
South Dakota		9,898.63	47,808.94	75,081.20	78,957.63	60,008.42	170,553.40	68,422.59	40,400.94	551,131.75	.064
Tennessee	24,448.23	106,196.13	293,123.47	366,986.93	260,473.07	314,765.04	264,304.99	480,75[illegible].85	185,736.02	2,296,784.75	.266
Texas	53,192.91	324,231.54	399,988.56	3,840,869.75	948,327.11	1,287,905.34	1,351,327.36	1,165,365.85	1,288,543.31	10,659,751.73	1.234
Utah		107,023.75	96,384.82	412,350.17	45,739.38	132,401.45	57,805.90	104,068.69	85,091.38	1,040,865.54	.120
Vermont	3,429.60	69,201.24	26,164.17	60,054.31	215,190.77	182,311.10	122,026.42	126,420.93	69,791.70	874,590.24	.101
Virginia	23,415.67	256,157.38	260,321.48	636,381.00	531,469.59	530,919.58	689,556.56	989,118.03	578,611.34	4,495,951.13	.520
Washington	15,871.89	23,711.81	175,983.26	218,999.50	417,608.77	141,253.48	262,420.10	497,818.95	509,773.40	2,263,441.16	.262
West Virginia	95,228.82	277,403.19	202,328.49	179,687.31	168,990.43	424,631.24	224,149.57	547,012.43	522,929.74	2,652,361.22	.307
Wisconsin	31,159.47	303,668.37	930,314.30	1,907,845.64	1,228,318.99	1,291,782.35	1,275,712.26	1,764,283.96	1,125,099.07	9,858,184.41	1.141
Wyoming		9,238.85	56,000.79	107,831.29	49,049.23	7,206.28	19,106.24	56,187.79	19,616.72	354,237.19	.041
Philippine Islands											
Tax payments made in Shanghai, China							1,725.84			1,725.84	
Total	6,076,575.26	47,452,879.78	82,029,983.13	103,635,563.24	154,043,290.39	139,413,846.04	126,705,206.55	102,966,761.68	101,421,766.20	863,750,842.27	100.000

[1] Figures taken from annual reports of Commissioner of Internal Revenue.

Table showing amount of tax on gross estates under the estate tax rates of the act of 1926. All estates are exempt $100,000, and additional deductions for funeral expenses, administration expenses, claims against estates, etc., are allowed.

Gross estate	Amount of tax	Gross estate	Amount of tax
$50,000		$2,500,000	$173,500
100,000		3,000,000	227,500
150,000	$500	3,500,000	286,500
200,000	1,500	4,000,000	350,500
400,000	8,500	5,000,000	489,500
600,000	17,500	6,000,000	638,500
800,000	28,500	7,000,000	797,500
1,000,000	41,500	8,000,000	966,500
1,500,000	80,500	9,000,000	1,145,500
2,000,000	124,500	10,000,000	1,334,500

Mr. GREEN of Iowa. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, the first speech that I ever heard the gentleman from Texas [Mr. GARNER] make in this House was a tariff speech favorable to items in a tariff bill. I agreed with the sentiments he expressed at that time, and I agree with the doctrine that he has been enunciating so well to the House this afternoon. I congratulate him on absorbing so much good Republican doctrine. [Laughter.] Mr. Speaker, the Democrats in this conference have treated the Republican side with very great consideration. We are under obligations to the gentleman from Texas [Mr. GARNER] and to his colleague, the gentleman from Mississippi [Mr. COLLIER], for their cooperation in the conference, and in that connection let me also say that as a party, as a Congress, as a country, we are all under very great obligations to the distinguished gentleman from Iowa [Mr. GREEN], the chairman of the Committee on

Ways and Means, for the great consideration that he gave the conference. [Applause.]

I have not had very much experience as a conferee. Two years ago was the first time that it was my privilege to serve as such, as a member of the Committee on Ways and Means; but if any more tense situation can arise than that through which we went while we sat in conference during last week, if I am one of the conferees, I am quite sure that at the end of it I shall be a candidate for a sanitarium where they treat nervous disorders, and I think the other conferees feel the same way about it.

The fact that we have gotten out a bill from a group of 10 men, whose views differed as materially as did those of the conferees, is a source of satisfaction to those of us who served under the leadership of the gentleman from Iowa [Mr. GREEN]. In passing, not as a compliment, not as a mere bouquet, the much-deserved statement of fact should be made that the gentleman from Iowa should be given a large part of the credit for the insistence of the conferees on the House position. [Applause.]

Personally, I am not in favor of an estate tax. I am on record to that effect time and time again. Still, with my associates, I was only too glad to stick for that one principle incorporated in this law by the House Ways and Means Committee and by the action of the House. It was the backbone of the agreement.

This is another illustration of the fact that in conference no one must or can expect to have his personal views adopted. The principles for which the House voted and for which your conferees stood, are incorporated in the final draft of the bill.

By this bill, soon to become law, the desire of President Coolidge, as expressed two years ago when he signed the revenue act of 1924, is being carried out. We are not only bringing about tax reduction of over $380,000,000 per annum but we are accomplishing the important feature of tax reform.

There are so many gentlemen anxious to speak on this measure, Mr. Speaker, and the report deals so explicitly with such answers as can be made to various questions and intricate problems that are coming up, that I do not feel I should consume even the time the chairman has allotted to me, and with permission to extend my remarks in the RECORD, I yield back the remainder of my time. [Applause.]

The SPEAKER. Without objection, the gentleman from Massachusetts is granted leave to extend his remarks in the RECORD.

There was no objection.

Mr. GARNER of Texas. Mr. Speaker, I yield five minutes to the gentleman from Mississippi [Mr. COLLIER].

Mr. COLLIER. Mr. Speaker and gentlemen of the House, as my colleagues have said, in its essential features, in its entirety, and in the spirit of the House bill, we have returned this bill to the House practically as it passed the House, except in some of its details. I do not believe that the bill as an entirety suited any one of the conferees. There were many features in this bill that I would have liked to have seen amended. I would like to have seen some of the special taxes removed, those taxes which are inheritances of the war. I would have liked to have gone further, and no doubt other Members would have liked to have made changes here and there, but after sitting in there day after day this was the best bill that all 10 of us could agree upon, and we left in that bill the basic principles of the bill which passed the House. Now, in 1916, 1917, 1919, 1921, 1924, and every other time that the inheritance-tax provision came before this House I gave it my vote. I have never been able to see the logic of the reasoning that if one man vesting his entire fortune on a hazard, contributing to the wealth of his county and his State and his country by putting raw materials into finished articles or engaging in agriculture or any other business, may be giving many of his neighbors employment whereby they might educate their children, and by so engaging in this business and by so risking his fortune contributing to the wealth of his country, he may have accumulated during the year $150,000; I see no reason why, if he should pay to the Federal Government by means of an income tax over $28,500 on what he accumulated, and we all cheerfully subscribe to that, why another man in his neighborhood who may have been unfortunate in his business, who may never have contributed one dollar to the support of his country, and yet has an uncle or distant relative in some far country who leaves him $150,000, why he should pay no tax at all. Both of those men living side by side in the same year get the sum of $150,000 each, but the man who has earned his is taxed over $28,000, and they tell us it is an injustice to tax the other man who has gotten his $150,000 the sum of $500 for the support of his government. We have heard much in the discussion of this question about how when a man has passed away and is no longer here to look after his own interests that the cruel relentless hand of the Federal tax gatherer after he is dead is laid upon his widow and orphans. We have heard much of that, but, my friends, I think when an estate of $100,000 is entirely exempt from taxation and when an estate of as much as $200,000 is taxed only to the amount of $1,000, I believe by careful management and strict economy the widow and orphan may be able to get along with the other $199,000 free from the Federal tax. [Applause.] Why the principle of such a tax is as old as the hills. The Pharoah's collected an inheritance tax. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. GREEN of Iowa. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. NEWTON].

Mr. NEWTON of Minnesota. Mr. Speaker, the Committee on Ways and Means commenced hearings on the tax bill in October. Their report was awaiting us when Congress convened. The House passed the bill promptly and sent it over to the Senate before Christmas. The country was pleased and gratified at the reduction of $330,000,000 contained in the House bill and the statesmanlike manner in which the bill was discussed and considered. The other day it came back here with additional tax cuts far in excess of what the country's finances would stand, and which, if written into the law, would have meant a Treasury deficit. We sent the bill to conference. I want to join with others here in expressing appreciation of the general good work of the gentleman from Iowa [Mr. GREEN] and his fellow conferees. In the main, the bill from the conferees is the House bill. In this the country will rejoice, for it is apparent to anyone who has been out of Washington in the last two weeks that the House has sold its revenue ideas to the country.

Mr. Speaker, I regret, however, that the conferees felt compelled to yield to the Senate provision which calls for a retroactive estate-tax reduction. This provision, yielding back as it does some $85,000,000 of revenue, is so unprecedented in principle and so lacking in legislative fairness as to warrant a motion to recommit, which I hope later to make and to ask for your support.

What is the proposition before us? From 1921 to 1924 the maximum estate tax rate upon the great wealthy estates was 25 per cent. On June 2, 1924, the rate was raised on estates of $10,000,000 or more to 40 per cent. Estates of lesser amounts were graded down to 1 per cent. The exemption was $50,000. Therefore, since June 2, 1924, these increased rates have been in effect. Several thousand estates have either paid in or are obligated to make payment to the Government on these rates. My understanding is, however, that it is only in the higher rates that there were real substantial changes made in the 1924 law. In all there is about $85,000,000, which has been paid in or which is due from the estates, aggregating over five millions of dollars in value. I mention the following:

Estimated taxes due from certain estates

	Net estate
Anderson	$4,981,000
Ayer	9,457,000
Begg	40,000,000
Benjamin	14,030,000
Bridge	1,523,000
Clark	40,000,000
Coe	15,000,000
Corning	8,225,000
Duke	75,000,000
Evans	4,184,000
Fleishman	50,000,000
Gardner	617,000
Hostetter	10,030,000
Huntington	19,331,000
Johnson	6,023,000
Lauder	8,715,000
Lawson	18,000,000
Morgan	6,300,000
Preston	6,519,000
Sage	7,703,000
Slocum	5,562,000
Spreckles	5,211,000
Towne	8,385,000
Wellington	5,314,000
Winthrop	12,000,000
Woolworth	54,898,000

Not included in the above list, which was made up in the Treasury, are the estates of the Dodge Bros., of Detroit, and the Valle estate, of New York. The amounts given are, of course, approximate. Part payment on some of the estates has already been made. As to these the Senate provision contains a straight provision for a refund of these payments. As to the amounts due and payable within the three-year period in which time estates have to settle with the Government, they are to be canceled by these retroactive provisions.

Now, then, Mr. Speaker, after this bill left the House there was inserted in the bill in committee by the Senate an amend-

ment reducing these 1924 law rates to the rates of the 1921 law and making that reduction effective as of June 2, 1924, the very day when the rates first took effect under the 1924 act. It is this action that stands without a legislative precedent so far as I can learn.

Mr. AYRES. Mr. Speaker, will the gentleman yield?

Mr. NEWTON of Minnesota. In just a minute.

It is this provision which hands out refunds of cash or cancels obligations to the beneficiaries of these few great estates.

Gentlemen, who requested this? If you search the printed hearings of the Committee on Ways and Means you will find no answer. They are silent. You will find that many appeared there and advocated the reduction or repeal of this or that tax, but no one apparently had the temerity to appear at these public hearings and ask that the beneficiaries of these great estates be granted cash refunds aggregating $85,000,000. If you search the hearings of the Committee on Finance in the Senate you will find the pages equally silent. Yet the proposal was first put into the bill over at the other end of the Capitol. Has the matter ever come up in the House for a determination on the merits? No. This is the first time it has ever been presented or proposed to this House, and it comes before us tied up with the conference report and at a time when practically everyone wants to see tax reduction accomplished, and that speedily.

Was it ever considered in the Senate? Only in a limited extent. The Senate amendment (No. 100) repealed the estate tax entirely. As a part of that amendment the Senate inserted this retroactive provision. The retroactive provision itself was never separately voted upon in that body. So that it can be said without fear of successful contradiction that this proposition has never been considered on the merits separately in either House of Congress. Yet it provides for turning back to the beneficiaries of these 25 or more large estates $85,000,000 in cash or obligations due the Treasury. If the Treasury does not need this money, I would rather see the reduction given in the form of a repeal of what is left of the admission and automobile taxes.

Now, what is the remedy?

Mr. AYRES. Mr. Speaker, before the gentleman goes into the remedy, will he yield?

Mr. NEWTON of Minnesota. Yes.

Mr. AYRES. I understood the gentleman to say that these estates that have not paid the tax will be relieved, and it is also provided that on those who have already paid there will be a refund?

Mr. NEWTON of Minnesota. The gentleman is correct. There is a distinct provision providing a refund.

What can we do to prevent this imposing of the will of a few in another Chamber upon the will of the many in this House of Representatives? If I am given the opportunity I shall offer the following motion to recommit and instruct the House conferees to strike this iniquitous measure from the report:

To recommit the conference report with instructions to the managers on the part of the House to insist on the disagreement of the House to that part of Senate amendment 100 which makes retroactive a reduction in the rates of certain estate and gift taxes imposed by the revenue act of 1924; that said rates are more particularly described in sections 322 and 324 of the conference report.

Under the rules of the House but one motion to recommit is in order. I realize that it is the custom here for the presiding officer to recognize first any Member of the political minority who demands the right to move to recommit. I hope that no one from that side will claim this privilege. The main question at issue here to-day is whether we shall recommit this bill with instructions to strike out the retroactive estate-tax provision. I hope, therefore, that no Member will offer any motion which will prevent the House from having this opportunity to express itself. However, if some one else is recognized and a different motion to recommit is offered, then I shall offer an amendment to that motion, which amendment will be substantially along the lines of my proposed motion to recommit. To be able to do so, however, we must vote down the previous question upon the motion to recommit. [Applause.] There are but two parliamentary ways open whereby this question can be passed upon by the House at this time.

Now, of course, plausible arguments will be made in behalf of these retroactive provisions. Time for debate is limited. There will be little or no opportunity to expose them by questioning. I can not anticipate them all but I may anticipate two or three of them. First, it will be claimed that a mistake was made in enacting the 1924 rates; that they were excessive. Granted for purpose of argument. However, this is equally true of other rates. Especially the surtaxes. There is no provision in the bill, however, reducing them to June 2, 1924. Other mistakes were made. Still others exist. If we are going to correct injustices in the tax rates why confine our efforts to these few beneficiaries and forget the others.

Then it will be claimed that this bill is retroactive to January 1, 1925 on the income taxes. This bill reduces the income tax rates earned during the calendar year 1925. The calendar year 1925 does not end until January 1, 1926. The tax is not due until March 15, of 1926, which will be some days after this bill becomes a law. The difference is obvious. The comparison is a weak one.

Next you will be told that if you recommit this bill you will jeopardize and possibly defeat tax reduction. I do not believe that any such result will follow. I believe that if the House will recommit this report with instructions to strike out the retroactive estate tax provisions that the managers from the legislative body at the other end of the Capitol will not only ultimately but speedily yield. If this action is taken the country will then know that tax reduction is being held up because the beneficiaries of some of these great estates are demanding refunds in cash or obligations aggregating $85,000,000 out of the Treasury. When the country does realize this the demand from all of the people will be so great that these conferees will be compelled to yield. The gentleman from Iowa [Mr. GREEN], stood out against this proposal for days. He yielded only when he thought tax reduction itself was being jeopardized. He stood up alone. If we send this bill back with these instructions he will not have to stand alone. The House of Representatives will be standing with him and back of the House of Representatives will be the entire people of the United States who believe in equal rights to all and special privileges to none, and who want to see that principle set forth in tax legislation. They will back the gentleman to the limit when he goes back into conference. [Applause.]

Mr. BARKLEY. Mr. Speaker, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. BARKLEY. If some one should be recognized for a motion to recommit and his motion should provide for the repeal of the estate tax altogether, would your motion be considered as a substitute?

Mr. NEWTON of Minnesota. Yes.

Mr. BLANTON. Does not the gentleman realize that it would be a dangerous and hazardous thing to send this conference report back to conference?

Mr. NEWTON of Minnesota. No; for the reasons given.

Mr. Speaker, this proposition would not muster a corporal's guard if it came up for a vote here unattached and as a distinct and separate proposition. This fact must have been clearly known by those who outside of this Chamber have advocated this unprecedented action. This is the first time that this House has had an opportunity to express itself on this retroactive provision. Let us assert our rights and express ourselves in no uncertain terms. If we permit ourselves to be imposed upon in this manner this time we merely invite similar action in the future. Let me plead with the House and the Members here to assert and express ourselves by striking this proposition from the conference report. [Applause.]

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. GREEN of Iowa. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. CHINDBLOM].

The SPEAKER. The gentleman from Illinois is recognized for 10 minutes.

Mr. CHINDBLOM. Mr. Speaker and gentlemen of the House, let me say, first, that, as suggested by the gentleman from Texas [Mr. BLANTON], it would certainly be a most hazardous and dangerous thing to send this bill back to conference. We can not control the conference committee. We can simply instruct the House conferees to go back and try to do what they have already been trying to do and what they have already failed to do.

I will say for myself that I am in favor of the Senate amendment that my good friend from Minnesota [Mr. NEWTON] inveighs against so heavily. It is not a new thing to all of us in this House. I think I have a right to say that the proposition was adopted by the Committee on Ways and Means, as was reported in the public press. It was in the draft of the bill until the very last morning when the committee considered the bill for the last time, and then it was taken out largely upon the argument, so far as the proceedings in the committee are concerned, that we could not afford to include the reduction in revenue that would be caused by the provision.

The Senate amendment is eminently fair and just. In 1924 the House of Representatives and the Congress saw fit to raise the level of our estate taxes. We embarked upon a new policy. In time of peace we indicated it to be the policy

of Congress to raise the rates of estate taxes as high as possible for the purpose of making the estate tax one of the permanent principal sources of income for the Federal Government. What else was the meaning, in time of peace, of raising the maximum rate from 25 per cent to 40 per cent? We have now changed that policy. We are now going back to the policy of 1921 and of all prior acts. We have gone further than merely reducing rates. We are remitting 80 per cent of the taxes due the Federal Government to the estates which pay taxes to the States.

Mr. GREEN of Florida. Will the gentleman yield?

Mr. CHINDBLOM. I can not yield now. Under the 1921 act our maximum rate was 25 per cent. Under this act, 1926, it will be 20 per cent. In between these acts there stands a pillar rising to high heaven of 40 per cent, which is levied against the estates of those persons who are unfortunate enough to pass away during a period of less than two years. I say it is an act of justice; it is an act of fairness; it is an act of equity that we shall now change the rates imposed by the act of 1924.

If we had continued in the policy upon which we embarked in 1924, I would not ask that this action be taken now; but we have reversed ourselves. This Congress is reversing itself, and we are no longer making the estate tax one of the principal sources of income, and we should not penalize the estates of those who happen to have passed away during this period.

It has been said that this amendment is for the benefit of only the large estates. Such is not the case. Even the so-called small estates get substantial benefits. For instance, a net estate of $150,000 gets a saving of $375, or 16.6 per cent of the present tax; a net estate of $250,000 gets a reduction of $1,175, or 21.4 per cent; a net estate of $450,000 gets a reduction of $4,125, or 28.9 per cent; an estate of $750,000 gets $10,875, or 31.5 per cent; a net estate of $1,000,000 gets a reduction of $18,375, or 32 per cent; and so on all along the line to a net estate of $10,000,000, which gets a reduction of 34.3 per cent. It will be seen, therefore, that this so-called retroactive feature will give a refund or reduction proportionate to the amount of the tax levied or to the amount of the tax paid.

Mr. LINTHICUM. Will the gentleman yield for just a question? I would like to know the aggregate amount that would be paid back.

Mr. CHINDBLOM. I do not know just how much will be paid back. The gentleman from Minnesota said that the total loss in revenue would be $85,000,000. Mr. McCoy, the Actuary of the Treasury Department, as I recall it, said that the total loss would probably be $68,000,000. But it will be stretched out over a period of years. My friend the gentleman from Minnesota [Mr. NEWTON] was wrong when he said these payments are made during only three years. The commissioner has the right to extend the time of payment for five years after the due date, which is one year after the date of death. So that, as a matter of fact, these taxes are paid generally, in the case of the large estates, at least, in a period of six years, and the loss in revenue will be spread over a long period of time.

We are still receiving taxes under the 1921 act and have only begun to collect under the 1924 act. Even if we were to repeal the estate tax this very moment, we would be collecting estate taxes for many years to come, and those of us who believe, as we all believe, that this revenue bill not only is going to reduce taxes but will in time bring larger revenues to the Federal Government have every reason to believe—not only to hope but to believe—that these enlarged revenues will be amply sufficient to cover any loss that may arise from this very fair and equitable, so-called retroactive feature. In fact, Secretary Mellon upon his first appearance before the Committee on Ways and Means himself advocated the ultimate repeal of the entire estate tax and said if its repeal was made effective January 1, 1927, the increased revenues would by that time, under the operation of the lower surtax rates, be sufficient to meet any loss of revenue that might be occasioned by the repeal of the Federal estate tax.

The estate tax of 1924 is entirely out of harmony with the policy of the Government both before its enactment and since its enactment. To continue the 1924 rates would make the estates of those who have died since June 2, 1924, the innocent victims of a temporary policy of Congress, which was not even necessitated by the condition of the Federal Treasury, as the 1924 revenue act produced more than sufficient revenue for the needs of the Government. Whether we believe in the estate tax as a permanent means of securing revenues for the Federal Government or not—and I am one of those who as speedily as possible would entirely eliminate the Federal estate tax, I will say for myself—but whether we believe in that tax or not, there can be no reason why we should insist upon collecting these exorbitant rates during a short period of less than two years.

Mr. JACOBSTEIN. Will the gentleman permit just a question there?

Mr. CHINDBLOM. What is the question?

Mr. JACOBSTEIN. Why do you not apply the retroactive principle to the surtax?

Mr. CHINDBLOM. We do apply the retroactive feature to the income tax.

Mr. JACOBSTEIN. If the gentleman will permit——

Mr. CHINDBLOM. I can not yield any further. I will answer the gentleman's question. Gentlemen speak about retroactive features as if they were something extraordinary. Let me point out to you some of the retroactive features in this very bill. The income tax is retroactive to the 1st of January, 1925. When we passed the gift tax in 1924 we even made that tax retroactive to the 1st of January, 1924. In the revenue act of 1924 approved by the President on June 2, 1924, we gave a retroactive credit of 25 per cent upon the income tax of individuals for 1923, assessed under the revenue act of 1921. Right in this bill you will find the computation of invested capital, in section 1207, made retroactive so as to apply under the revenue acts of 1917, 1918, and 1921. In section 1208 you will find that the provisions relative to the income tax on installment sales are made retroactive so as to apply to the revenue acts of 1916, 1917, 1918, 1921, and 1924. In section 1209 you will find that the amortization deduction provided by the revenue act of 1918 is made allowable, notwithstanding the provisions of the revenue act of 1921, for the years 1918, 1919, and 1920, if claim therefor was made before June 15, 1924. In section 1211 taxes imposed by the revenue act of 1924 or any prior revenue act upon salaries of State and municipal officers and employees are retroactively abated, credited, or refunded.

Retroactive features are not at all uncommon in revenue legislation. No revenue law can be made perfect. It is never passed perfect and is never perfect in its first inception. We come back and correct our errors, and in this case we are correcting a very grievous error which we committed in the revenue act of 1924. [Applause.]

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. GREEN of Iowa. Mr. Chairman, I yield seven minutes to the gentleman from New York [Mr. MILLS]. [Applause.]

Mr. MILLS. Mr. Speaker and gentlemen of the House, the gentleman from Texas [Mr. GARNER] with commendable frankness has admitted that his party favors a Federal tax system under which the South will pay little or nothing and the North will get soaked, and he advocates the estate tax as one of the most likely to bring about that happy result. [Laughter and applause.] Incidentally, of course, he has pointed out very forcibly the reason why anyone who does not happen to represent one of these fortunate southern districts should be actively interested in seeing the Federal tax repealed.

The gentleman from Texas has suggested that if it had not been for an agreement which he made with me very early in the session the estate tax might have been repealed. I want to say this, that if it had not been for that agreement there would not have been any bill by March 1, because unless it had been a nonpartisan bill in the House, it would not have been a nonpartisan bill in the Senate, and the 1924 history would have repeated itself.

But the gentleman from Texas did not get everything. The estate-tax rates are substantially reduced, and there is an 80 per cent rebate provision in this bill which does take care of the North and East, and which justifies us in supporting the conference report.

Mr. GREEN of Florida. Will the gentleman yield?

Mr. MILLS. I can not yield. It is in defense of the 80 per cent provision that I beg the indulgence of the House to-day. We find ourselves in this situation: The constitutionality of the 80 per cent provision was not extensively discussed in the House, except by the gentleman from Florida [Mr. SEARS], and no defense was offered. Since then the constitutionality of the 80 per cent provision has been severely attacked in the Senate and no defense was offered. It seems desirable, therefore—and that is my purpose in speaking to-day—to put something into the RECORD demonstrating the constitutionality of granting the rebate for estate taxes paid to the States, and I am going to ask unanimous consent to extend and revise my remarks for the purpose of putting in a brief on that particular point.

But let me lay the foundation for the extension. The first argument that has been advanced is that excise taxes have to be uniform and this tax is not uniform as between the States. The Supreme Court has said that uniformity does not mean uniformity as between the States, but general uniform application throughout the United States; and in Knowlton against Moore, a case involving the constitutionality of the Spanish War estate tax, where the claim was made that there was a lack of uniformity because the rate was determined by relationship to the deceased person and that relationship in turn was determined by State laws, varying in different States, the Supreme Court said that the Constitution did not mean that kind of uniformity and that the tax was constitutional since the same degree of relationship was taxed uniformly throughout the United States. That case is directly in point.

Now, in the second place it is contended that the provision is in violation of State sovereignty, in that we try to induce the States to do something they might not want to do, and that our primary purpose is not to raise revenue. We are seeking to raise revenue, for even if the full 80 per cent is taken this measure will yield twenty or thirty millions a year; and in the second place the 80 per cent rebate, although there have been arguments to the contrary, is not intended to influence State action, but to base the Federal estate tax, if there is to be one, on the accepted principle of taxing estates in accordance with their ability to pay. Ability to pay is based perhaps on the size of the estate; perhaps on the economic situation in which it finds itself, but very clearly ability to pay is largely determined by the amount of taxes the State may impose in the form of an inheritance tax. If the State of New York takes 4 per cent of an estate of a given size the ability to pay Federal taxes is greater than if the State of California takes 30 per cent as an inheritance tax on an estate of similar size. The only way that the Federal Government can recognize ability to pay is to say that we will give credit for taxes paid the States for inheritance tax purposes, because the greater tax the State takes, the less ability the individual estate has to pay the Federal tax.

That is the basis of the 80 per cent rebate. It is an honest and sincere attempt to base a Federal tax rate on the ability of the individual estates throughout the United States to pay a Federal tax, and their ability in turn is dependent on the tax they have to pay the States.

In addition, it insures throughout the United States uniformity of taxation if you take the really important factor into consideration, that of total taxes combined, State and local.

Far from diminishing the rights of the States, it increases them since it makes available to them the inheritance tax as a source of revenue, of which they would be eventually deprived were the Federal Government to continue present high rates without recognizing State priority by granting this deduction.

I am extending my remarks by inserting a memorandum prepared at my request by Mr. Lee, legislative counsel of the Senate.

FEBRUARY 23, 1926.

Memorandum in re credit of State inheritance taxes

The opinion of this office has been requested as to the power of Congress under the Constitution to impose a Federal estate tax against which there may be credited 80 per cent of the amount of all against which there may be credited all State inheritance, estate, legacy, and succession taxes paid in respect of the estate up to an amount not in excess of 80 per cent of the Federal estate tax. The proposal is but the increase of the existing credit found in the Federal estate tax (section 301 (b) of the Revenue Act of 1924, 43 Stat. 253, 304) from 25 to 80 per cent.

At present 45 States have inheritance, estate, succession, or legacy taxes. Only Florida, Alabama, Nevada, and the District of Columbia impose no such taxes. In Florida the legislature is barred by a recently adopted constitutional provision from enacting any such tax. In the 45 States having such taxes, the maximum and minimum rates range as follows:

Percentage:	*Maximum rates* — Number of States
5	4
7	1
8	5
9	1
10	8
12	2
14	1
15	3
16	3
20	7
21	1
25	3
30	2
35	1
40	3

Percentage:	*Minimum rates* — Number of States
½	2
1	35
2	7
3	1

Of course it is hardly necessary to add that the tax burden is determined not alone by the rate of tax but also by the applicable exemptions, classifications of beneficiaries, property subject to tax, method of computation, scale of brackets, and the like. (See R. C. Osgood, Practical Difficulties in the Settlement of Decedents' Estates, Proceedings of the National Conference on Inheritance and Estate Taxation, February 19–20, 1925, published by the National Tax Association, pp. 24–30.)

The constitutional problems involved are discussed in connection with the four following questions:

1. Would the enactment of an estate tax with the proposed credit be an exercise of the taxing power?

2. In case the first question is answered affirmatively, would the tax violate the due-process clause of the fifth amendment?

3. In case the first question is answered affirmatively, would the tax be a uniform excise tax?

4. Would the enactment of an estate tax with the proposed credit be an improper delegation of Federal legislative power to the States?

The constitutional difficulties of uniformity and delegation of power are inherent in equal degree in the present estate tax with its 25 per cent credit and are not affected by the increase in the amount of the credit to 80 per cent. They might well, therefore, be omitted from consideration in this memorandum. However, in view of the fact that the constitutionality of the present credit of 25 per cent has not been determined by the courts, it is thought desirable to consider the questions of uniformity and delegation of power as well as the questions of due process and whether the proposal can be brought within the taxing power. As to these latter two questions, the constitutional difficulties involve matters of degree, and therefore may be accentuated by the 55 per cent increase in the amount of the credit.

I. THE ENACTMENT OF AN ESTATE TAX WITH THE PROPOSED CREDIT WOULD BE AN EXERCISE OF THE TAXING POWER

The Federal Government is one of delegated powers only. In order that Congress may constitutionally enact the proposed tax it must be found that power to do so has been granted the Congress either expressly or impliedly by the Constitution. (United States *v.* DeWitt, 9 Wall. 41; Kansas *v.* Colorado, 206 U. S. 46.) The fact that a particular monetary exaction is not an exercise of the taxing power does not necessarily mean that it is unconstitutional. It may be an exercise of another delegated power—e. g., the commerce power in the case of the head-money tax, tariff duties, and the recapture clause of the Esch-Cummins Act, or the postal power in the case of postal fees, or the "money powers" in the case of the tax on State bank notes. (For cases and legislative precedents see House Report No. 631, 68th Cong., pp. 65–68 and 80.) In the case of the proposed tax and credit, however, it is believed that they must find their support solely in the taxing power of Congress. No other available power has been suggested. In consequence, unless the proposed tax be an exercise of the legislative power to levy taxes, it must be found beyond the congressional power.

Estate taxes may be enacted by Congress as a constitutional exercise of its power to levy excise taxes. This is true regardless of the fact that the privilege upon which the tax is imposed, namely, the privilege of transmission of property upon death, is derived solely from State law and not from the sovereignty imposing the tax. (Knowlton *v.* Moore, 178 U. S. 41; New York Trust Co. *v.* Eisner, 256 U. S. 345.)

Does the inclusion in the tax, however, of the proposed credit take the enactment from without the category of an exercise of the taxing power? Is the law, despite its name, no longer a tax law for the reason that the substance belies the form? Not all so-called taxes are valid exercises of the taxing power. A so-called tax may be beyond the taxing power and all other powers of Congress. If so, it is an attempted regulation of a matter reserved to the States and unconstitutional. (Child Labor Tax Case, 259 U. S. 20; Hill *v.* Wallace, 259 U. S. 44; Lipke *v.* Lederer, 259 U. S. 557; Linder *v.* United States, 268 U. S. 5; Trusler *v.* Crooks, 46 Sup. Ct. 165.

Discovering whether the proposed estate tax, with a credit up to 80 per cent of the Federal tax, of the amount of any State inheritance, estate, legacy, or succession tax paid, would be an exercise of the taxing power, is not the simple determination of whether the law is completely fiscal or completely something else. It is the more delicate process of balancing opposite characteristics in order to decide whether the fiscal characteristics are outweighed by the other characteristics. If any effect is to be given to the presumption of the constitutionality of congressional acts, a bare 51 per cent of illegitimate characteristics will not suffice to hold the law invalid. It must be barefacedly nonfiscal.

The character of an alleged taxing statute will not be determined by congressional motives or purposes save as inferred from the face of the statute. The court will not go beyond inferences drawn from the language of law as to the purposes that will be achieved by the law, the results that will be obtained by it. Regardless of the results

intended by Congress, the statute is judged by the results naturally and reasonably to be inferred from the statute itself, by its practical operation and effect. (Collins v. New Hampshire, 171 U. S. 30, 33–4; Hammer v. Dagenhart, 247 U. S. 251, 275; American Mfg. Co. v. St. Louis, 250 U. S. 459, 462–463; Wagner v. City of Covington, 251 U. S. 95, 102; Shaffer v. Carter, 252 U. S. 37, 55.) This is the reasoning of Chief Justice Taft in uncovering the purposes of the child labor tax. (See Child Labor Tax Case, supra.)

Among the results claimed by opponents and proponents of a Federal estate tax with an 80 per cent credit are the following:

(1) It will reduce the revenue derived from the tax so substantially that the proceeds of the tax will be insufficient to pay for the cost of its administration.

(2) It will result in the adoption of inheritance taxes by the States now without such taxes.

(3) It will result in the increase of inheritance-tax rates by other States in order to absorb the full Federal credit.

(4) It will result in uniformity in the level of State inheritance taxes.

(5) It will tend to make the combined taxes payable to the States and to the Federal Government from any one estate uniform, regardless of the situs of the estate.

(6) It will remove the incentive to change residence and situs of personal property from States imposing a high inheritance tax to States imposing no inheritance tax or a low inheritance tax.

The first of the results above listed is in all probability incorrect. Estimates of the amount of revenue to be produced by the proposed Federal estate tax and credit are complicated for the following reasons: First, payments under the proposed tax and credit will not commence until March, 1927; second, the payments during any year will comprise not only payments under the new tax and credit but will also comprise collections under past estate taxes until such time as the appropriate statutes of limitations and waivers thereof have expired; and third, there is no way of ascertaining the effect that will be given the credit, particularly during the next few years, by changes in State law increasing or decreasing death duties payable to the States. Nevertheless, the Government Actuary estimates that the Federal estate tax and credit will always produce a minimum of $20,000,000 a year and for the fiscal years 1927 and 1928 the gross receipts from all Federal estate taxes will equal $93,000,000 and $80,000,000, respectively. The above amounts are obviously far greater than the portions of the internal revenue appropriations that have been allocated to the collection of estate taxes in past years.

Without considering for the moment the correctness of the remainder of the results above listed, it seems desirable first to ascertain what the Supreme Court has found to be the results effected by other questioned tax laws and the true constitutional character of such laws as deduced from the assumed results.

In McCray v. United States (195 U. S. 27) the Supreme Court concluded that an increase in the tax on yellow oleomargarine from 2 to 10 cents per pound was oppressive and might even destroy the sale of the product and all revenue therefrom. These results were inferred from the excessive amount of the tax imposed. The court concluded that such results, though oppressive and destructive of revenue, were not a basis for characterizing the statute as something other than a taxing statute. In the proposed estate tax the effect of the increase in the credit from 25 per cent to 80 per cent is eventually a reduction in revenues due to the elimination of estates that may be subjected to the full payment of the tax. The increase in the tax on yellow oleomargarine likewise produced a reduction in revenues, due to the destruction of the subject matter of the tax. If the almost total destruction of the incidence of taxation in the oleomargarine cases does not characterize the statute as something other than a tax statute, there would seem to be no reason in precedent for holding that the partial destruction of the incidence of taxation in the case of the proposed estate tax would be sufficient to characterize the enactment of such statute as beyond the taxing power of Congress. Further, the reduction in the amount produced by the Federal estate tax is but a part of a substantial tax reduction program of the Federal Government. The power to tax includes the power to reduce taxation to accord with reduction in the expenditures of the Government. Undoubtedly, then, mere reduction in the revenue derived from a tax does not make the tax lose its character as an exercise of the taxing power.

In the oleomargarine case (McCray v. United States, cited supra), the statute not only increased the tax on yellow oleomargarine from 2 to 10 cents per pound, but also imposed upon white oleomargarine (which could not be confused with butter and was presumably not even a competitor with butter in the market) a tax of ¼ cent per pound. The court inferred from such selection of subject matters and differences in the burden thereon that the statute would not only oppress and perhaps destroy the sale of yellow oleomargarine, but would thereby discriminate in favor of, and result to the benefit of the market for, white oleomargarine. The court, however, refused to conclude that a statute producing such results did not have the character of a taxing statute. In the enactment of the proposed Federal estate tax the Congress will in effect be selecting different classes of estates for different Federal tax burdens. The classification will be based on the amount of State inheritance, estate, legacy, and succession taxes previously paid by the estate. Following the rule of the oleomargarine case, however, there would seem to be no reason in precedent for holding that the Congress may not likewise in the case of the proposed estate tax select and classify the subject matter of the tax with discriminatory effect to the benefit of estates paying a large State inheritance tax without the statute losing its characteristic as an exercise of the taxing power.

In the narcotic drug act the Congress imposed a special tax of $1 on dispensing certain narcotic drugs. The statute contained numerous administrative provisions, requiring among other matters the registration of persons subject to the tax, written orders on official forms, and the retention of such forms for a period of two years. The results of such provisions were that publicity was given to the dispensing of the specified products for improper purposes and information thereby furnished State authorities as to violations of State laws restricting such improper disposition. The Supreme Court in United States v. Doremus (249 U. S. 86) refused to conclude that such results showed the statute to be something other than a taxing statute so long as it could find that the administrative provisions served some fiscal purpose in enforcing the Federal tax. The court clearly indicated, however, that if the statute contained administrative provisions that produced nonfiscal results and that could not be found reasonably related to the enforcement of the tax, then such provisions would be beyond the exercise of the taxing power of Congress and would lose their tax characteristics. (See also Linder v. United States cited above.) In the case of the proposed estate tax, however, there will be found in the language of the law no provision unrelated to the enforcement of the tax. The mere alteration of the figure 25 to 80 is all the relevant change to be made in the present law. The retention of the remaining language "the tax imposed by this section shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State, Territory, or the District of Columbia in respect of any property included in the gross estate" is sufficient for the proposed change. Certainly such language does not involve administrative provisions not reasonably related to the enforcement of the tax.

Finally in the child labor and grain futures tax cases cited above the congressional statutes combined a discriminatory selection of subjects for taxation and taxes oppressive and destructive in their burden with substantive detailed specifications particularizing the basis of taxation and administrative provisions not related to the collection of revenue. Congress made knowledge of the use of child labor one of the tests for imposing the tax. It prescribed distinctions based upon the age of the child and the character of his work, and provided for the administration of the law in part by nonfiscal officers of the Government. The court found that the child-labor tax resulted in eliminating the use of the specified types of child labor, and that such results could be inferred from the detailed language of the statute and not merely from the rate of the tax and the mere fact of its imposition. Similar conclusions were reached in the case of the grain futures tax. The title to the act confessed to a regulatory purpose. No revenue was raised, and the taxes were a part of a detailed plan for supervising certain transactions on the exchanges. These cases are, however, clearly inapplicable to the proposed estate tax, for that tax would contain no extensive detailed specifications particularizing the basis of taxation.

It follows that, as a matter of logic, the proposed estate tax falls within the principle of the oleomargarine case and is readily distinguishable from the child-labor, grain futures, and narcotic-drug cases. In the child-labor tax case it was emphasized that the oleomargarine tax was an excise tax upon a commodity. An estate, however, is not a commodity. It is, therefore, not safe to conclude that the proposed estate tax is constitutional simply because it avoids the pitfalls of having on its face numerous details in no wise related to the inherent character of the tax or its enforcement, but achieves its nonfiscal results by the mere imposition of a heavy increase and discriminatory Federal tax burden upon estates paying low State inheritance taxes. A statute placing an unusually drastic excise tax on divorces might have a face as barren of detailed specification as that of the oleomargarine statute. A child-labor tax might be framed without such specifications. Yet the laymen would conclude that the nonfiscal results of discouraging divorces and child labor predominated. The court could distinguish such taxes from the oleomargarine tax on the ground that the former were not on commodities. Similarly, it could support the tax on white-phosphorus matches on the basis of such distinction. The truth is that while the distinction made in the child-labor case between detailed specification and lack of it saves the oleomargarine tax, yet the logic of the distinction is not so persuasive that it would necessarily prevent reexamination thereof by the court and the determination of new methods of discovering evidence of predominant nonfiscal results.

Having decided the child-labor tax case, the court will not in the future close its eyes to what "all others can see and understand" as readily as it did in the oleomargarine case.

After all it is the results to be achieved by the alleged tax and not the method of uncovering such results that must guide the court. It is not enough to distinguish the proposed tax from the child-labor tax. Affirmative proof of constitutionality is required. It is not enough to show that the logic of the oleomargarine tax is applicable to the proposed tax. The oleomargarine-tax principles may be limited solely to taxes on commodities. Opponents of the proposed tax and credit may still properly urge that it is not an exercise of the taxing power if they can show that the nonfiscal results entirely dominate the revenue characteristics. In the opinion of this office, however, no such showing can be made for the following reasons:

(a) It is true that the amount of revenue to be produced by the proposed Federal estate tax could be raised by the Federal Government through a tax with lower rates and no credit. Such a tax, however, would not permit Congress to give full effect to the recognized principle of taxation upon the basis of "ability to pay." A tax with the proposed credit will give full effect to such principle. The ability of an estate to pay the Federal tax is dependent upon a number of factors. In the first place it depends upon the value of the estate. This is recognized in the Federal estate tax by the system of brackets, whereby the greater the value of the estate the greater is the amount of the Federal tax to which the estate is subject. The ability of an estate to pay the Federal tax is, however, also dependent upon the amounts that are extracted from such an estate by the inheritance, estate, legacy, and succession taxes of the States. An estate that has been subjected to a 40 per cent State inheritance tax is far less able to pay a 20 per cent Federal estate tax than is an estate that has been subject to a 5 per cent State inheritance tax. This phase of ability to pay is recognized by the Federal Government in the proposed credit. The graduated bracket system in the imposition of Federal death duties has been recognized by the courts as being within the constitutional power of Congress. (Knowlton *v.* Moore, 178 U. S. 41.) It would seem, therefore, that there is nothing inherently unconstitutional in any other system of Federal taxes, which likewise adopts the principle of ability to pay. The credit in the proposed Federal estate tax will undoubtedly result in uniformity in the amount of combined State and Federal death duties imposed upon any one estate. Such a result, however, is but the proper effect of recognition by Congress of the principle of imposing taxes in accordance with the ability to pay the tax.

(b) Whether or not a State raises its revenues by death duties or by other forms of taxation is the concern of the State and is within its discretion. The proposed Federal estate tax with a credit does not eliminate this discretion. It is not mandatory upon the State to adopt an inheritance tax or to increase the rates of its inheritance taxes if it has already adopted such system of taxation. Such matters remain solely within the control of the State legislature. Whether or not a State legislature chooses to act will depend solely on whether it desires to obtain a portion of its revenues from death duties or, despite the added burden to its citizens, prefers to obtain them from other sources.

(c) The proposed Federal estate tax with an 80 per cent credit does not regulate the individual in nonfiscal matters. It does not demand of him the effectuation of nonfiscal results as does the child labor tax. No penalty is imposed upon the individual as a result of the credit. Regardless of the effect of the credit upon State tax laws, regardless of the amount of the Federal tax paid, the combined State and Federal tax burden upon any one estate will remain fixed.

The principle of crediting the taxes paid another sovereignty is not novel in Federal tax laws. Credits against the Federal income tax of the entire amount of income taxes paid a foreign country with certain limitations were allowed by the revenue acts of 1918, 1921, and 1924. Again practically all State taxes are allowed as deductions in computing net income under the revenue acts of 1913, 1916, 1917, 1918, 1921, and 1924. The same deduction is allowed in the case of foreign taxes paid (other than income taxes already allowed as a credit). So far as the constitutional basis of such deductions and credits are concerned, no distinction is to be made between deductions allowed in computing net income and credits allowed against the tax itself. The constitutionality of the above deductions and credits has never been questioned.

Nor is the principle of crediting or deducting taxes paid another sovereignty novel even to Federal estate tax laws. Under the first Federal estate tax—that found in the revenue act of 1916—no specific provision was made for the deductibility of State inheritance and estate taxes in computing the net estate. It was urged, however, that such State taxes were deductible as administrative expenses in computing the net estate. State inheritance taxes, however, were as a matter of statutory construction denied as deductions on the ground that such taxes were not charges against the estate but against the particular distributees shares. (New York Trust Co. *v.* Eisner, cited above; Title Guaranty and Trust Co. *v.* Edwards, 200 Fed. 617.) On the other hand, State estate taxes were as a matter of statutory construction allowed as deductions on the ground that such taxes were charges against the entire estate. (Lederer *v.* Northern Trust Co., 262 Fed. 52, certiorari denied, 253 U. S. 487; Curley *v.* Tait, 276 Fed. 845 affd. 291 Fed. 761; Kearns *v.* Dunbar, 292 Fed. 1013.) In the opinion of this office, the deduction of such State estate taxes involves the same constitutional principles as the proposed credit of State inheritance or estate taxes. In the cases just cited, however, the constitutional questions were not discussed and apparently were presented neither to the Federal courts nor in the petition for certiorari to the United States Supreme Court so far as the reports show. It would seem fair to conclude, however, that if the constitutional questions involved were really matters of grave doubt, they would have been thought at least worthy of presentation to the courts and consideration by them.

Without placing too great reliance on any one argument it would seem that the cumulative effect of the conclusions that the proposed estate tax (1) falls logically within the principles of the oleomargarine case sustained by the Supreme Court; (2) is readily distinguishable from the child labor and grain futures tax cases held unconstitutional by the Supreme Court; (3) produces nonfiscal results that are merely incidental to the effectuation of the principle of ability to pay, and (4) has numerous legislative precedents whose constitutionality has never been questioned—leads to the opinion that the proposed Federal estate tax will be held to be an exercise of the taxing power of Congress if the question is presented to the courts.

II. THE PROPOSED ESTATE TAX WOULD NOT VIOLATE THE DUE PROCESS CLAUSE OF THE FIFTH AMENDMENT

No Federal tax has thus far been held to be in violation of the due process clause of the fifth amendment. In a considerable array of cases the Supreme Court has intimated that the fifth amendment is in no wise a restriction upon the power to tax. (See, for examples, McCray *v.* United States, 195 U. S. 27, 63; Brushaber *v.* Union Pacific R. R. Co., 240 U. S. 1, 24; Billings *v.* United States, 232 U. S. 261, 282; LaBelle Iron Works *v.* United States, 256 U. S. 377, 392.) On the other hand, there are a number of intimations by the Supreme Court that a so-called tax may be so arbitrary and outrageous as not to be an exercise of the taxing power. Thus, in Brushaber *v.* Union Pacific Railroad Co., above cited, the court said (p. 24):

"And no change in the situation here would arise even if it be conceded, as we think it must be, that this doctrine would have no application in a case where, although there was a seeming exercise of the taxing power, the act complained of was so arbitrary as to constrain to the conclusion that it was not the exertion of taxation but a confiscation of property; that is, a taking of the same in violation of the fifth amendment, or, what is equivalent thereto, was so wanting in basis for classification as to produce such a gross and patent inequality as to inevitably lead to the same conclusion."

Arbitrary classification in the case of State taxes is barred by the equal protection clause of the fourteenth amendment. In the case of Federal taxes, however, the due process clause is the sole limitation upon arbitrary classification. Classification must be so outrageous as to amount to a confiscation of property to fall within the scope of that clause. Under the proposed estate tax no possible confiscation of private property can arise by reason of the credit allowed. In fact, the contrary result is produced. The proportion of the estate required for payment of the tax is diminished. The only possible objection is the discriminatory effect as between various estates. So far as the amount of tax paid by various classes of estates to the Federal Government is concerned, such discrimination will admittedly exist under the proposed law. Such discrimination would not, however, amount to confiscation and be barred by the fifth amendment. In any case, when the complete effect of the Federal tax is considered, it is readily seen that it will eliminate present discriminations in the total amount of combined Federal and State taxes payable from various estates under existing law and make the amount of such combined taxes uniform regardless of situs and residence. It is therefore concluded that the due process clause of the fifth amendment does not bar the enactment of the proposed estate tax.

III. AN ESTATE TAX WITH THE PROPOSED CREDIT WOULD NOT VIOLATE THE CONSTITUTIONAL REQUIREMENT OF UNIFORMITY

A close analysis of the numerous decisions upon the question of uniformity of excise taxes is not necessary to reveal the fallacy of any contention that the proposed tax would not be "uniform throughout the United States," because of varying and divergent State laws that would vary the amount of the credit allowed.

In Knowlton *v.* Moore (178 U. S. 41, 83–109), Mr. Justice White, in an exhaustive opinion, reached the conclusion which is applied to-day (see Taft, C. J., in Barclay & Co. *v.* Edwards, 267 U. S. 442, 450–1, and cases there cited), that the constitutional requirement of uniformity means "geographical uniformity," is synonymous with the expression "general operation throughout the United States," and does not mean "intrinsic uniformity" nor "equality among the States."

In this case the court sustained the constitutionality of the legacy tax imposed by sections 29 and 30 of the war revenue act of 1898 (30

Stat. 448, 464–6), despite the insistent contentions that the tax was repugnant to the uniformity clause of the Constitution because—

(a) Legacies and distributive shares below $10,000 were exempt;

(b) A rate of tax was imposed progressing with the amount of the legacy or share; and

(c) The tax could not operate with geographical uniformity "inasmuch as testamentary and intestacy laws may differ in every State."

The last argument is substantially the same as the contention under discussion. The legacy tax of 1898 varied in amounts, depending upon the legatee to whom the property was distributable under the State testamentary or intestacy laws and upon the relationship of such legatee to the decedent as determined under State law. In the present case the estate tax varies in accordance with taxing laws of the various States.

In answering the last of the above arguments the court said (p. 108):

"It is yet further asserted that the tax does not fulfill the requirements of geographical uniformity, for the following reasons: As the primary rate of taxation depends upon the degree of relationship or want of relationship to a deceased person, it is argued that it can not operate with geographical uniformity, inasmuch as testamentary and intestacy laws may differ in every State. It is certain that the same degree of relationship or want of relationship to the deceased, wherever existing, is levied on at the same rate throughout the United States. The tax is hence uniform throughout the United States, despite the fact that different conditions among the States may obtain as to the objects upon which the tax is levied. The proposition in substance assumes that the tax is levied. The proposition in substance assumes that the objects taxed by duties, imposts, and excises must be found in uniform quantities and conditions in the respective States, otherwise the tax levied on them will not be uniform throughout the United States. But what the Constitution commands is the imposition of a tax by the rule of geographical uniformity, not that in order to levy such a tax objects must be selected which exist uniformly in the several States."

Applying this rule to the instant problem, it is apparent that the proposed tax applies generally throughout the United States, wherever the same facts are found to exist. The rule of law laid down by Congress is the same in every State. The application of every rule of law is always dependent upon the existence of certain "operative" facts, but the same result is reached wherever the facts are the same.

Admittedly a State could deny the privilege of transmission of property upon death. Such State action would make the whole Federal estate tax as well as the credit inapplicable to the decedents of that State and thereby deny equality in the operation of the Federal tax among the States. The above possibility was recognized in Knowlton *v.* Moore, cited above, and yet that case held the Federal tax was not invalidated by reason thereof. It would seem then that a similar conclusion should be reached as to the single feature of the credit.

In the opinion of this office, the proposed tax is a uniform excise tax, within the meaning of the uniformity requirement in section 8 of Article I of the Constitution.

IV. THE ENACTMENT OF AN ESTATE TAX WITH THE PROPOSED CREDIT WOULD NOT BE AN UNCONSTITUTIONAL DELEGATION OF FEDERAL LEGISLATIVE POWER TO THE STATES

It might be contended that the enactment of an estate tax with the proposed credit would be a delegation by Congress to the State legislatures of power to determine and prescribe the amount of the tax due the United States, and that, consequently, it would be an unconstitutional delegation of the legislative power of Congress.

It is true that a change in the laws of a State will change the amount of the credit and, therefore, the amount of the tax to be paid. But the amount paid under a State law is merely one of the many factors which determine the taxability of an estate and the amount of tax due. Practically all of the determinative facts are subject to change, sometimes by the individual himself, sometimes by a change in a rule of the common law by judicial decision, and sometimes by a change in a rule of law by legislation.

Congress itself will impose the tax, fix the rate of the tax, and specify the facts by which the liability to tax and the amount of tax are determined. Whenever the specified facts are found to exist, a tax of a definite amount is due. No power is delegated to change this prescribed rule of law.

The proposed legislation does not attempt to go as far as many of the familiar forms of congressional legislation which have been held proper by the Supreme Court. In Clark Distilling Co. *v.* Western Maryland Railway Co. (242 U. S. 311) the court upheld the Webb-Kenyon Act, which prohibited the shipment of intoxicating liquors into any State "in violation of any law of such State." It should be noted that the West Virginia law involved in this case was amended after the Webb-Kenyon Act was passed.

The provision of the bankruptcy act giving effect to the divergent exemption laws of the States was sustained in Hanover National Bank *v.* Moyses (186 U. S. 181). In Butte City Water Co. *v.* Baker (196 U. S. 119) the delegation to the States of power to regulate the location of mining claims under Revised Statutes, sections 2319, 2322, 2324, 2332, 2338, was held constitutional. The practice conformity act (R. S., sec. 914) was sustained in Amy *v.* Watertown (130 U. S. 301). (See also Gibbons *v.* Ogden, 9 Wheat. 1, 207, 208; Cooley *v.* Board of Wardens, 12 Howard 299, 317, 318; and 6 Fed. Stat. Ann. 2d ed. 21.) The adoption of State remedies for the enforcement of a judgment (R. S. sec. 916) is proper. (See Yazoo & Mississippi Valley Railroad *v.* City of Clarksdale, 257 U. S. 10; see also 6 Fed. Stat. Ann. 2d ed. 70.) The uniform rules of decisions act (R. S. sec. 721) is of daily application and is valid. (See 5 Fed. Stat. Ann. 2d ed. 1123.)

The contrary rule peculiar to admiralty, established by the Supreme Court in Knickerbocker Ice Co. *v.* Stewart (253 U. S. 149) and repeated in State of Washington *v.* Dawson & Co. (264 U. S. 219) is clearly not applicable. (See Holmes, J., dissenting, in the Knickerbocker case, and Brandeis, J., dissenting, in the Dawson case.)

Nor does the proposed legislation go as far as many of the existing tax laws of the various States which have been declared to be constitutional. For example, the corporation income tax of Connecticut is imposed upon the income upon which the corporation pays its Federal tax. (See Underwood Typewriter Co. *v.* Chamberlain, 94 Conn. 45, 65; 36 Harv. Law Rev. 752; see also 23 Col. Law Rev. 674 for a discussion and collection of State statutes "adopting" Federal laws and regulations.)

In the opinion of this office the proposed tax is not unconstitutional as a delegation of legislative power.

CONCLUSION

The enactment of the proposed Federal estate tax subject to the credit of all State inheritance estate, legacy, and succession taxes paid in respect of the estate up to an amount not in excess of 80 per cent of the Federal estate tax, would be within the power of Congress.

Respectfully submitted.

FREDERIC P. LEE,
Legislative Counsel.

Hon. OGDEN L. MILLS,
House of Representatives.

Mr. GARNER of Texas. Mr. Speaker, I yield one minute to the gentleman from Georgia [Mr. CRISP].

Mr. CRISP. Mr. Speaker, I simply rise to express to the House conferees my appreciation of the splendid service they have rendered to the country, the House, and themselves in discharging their duties as conferees. They have reflected credit upon themselves and upon the House of Representatives. I rejoice to know that I had some small part in the framing of this revenue bill. It is a nonpartisan bill. It is the joint product of the entire House of Representatives, and in my judgment it is the best tax reduction bill that has been passed by the Congress since the armistice was declared. I take pleasure in supporting the conference report. [Applause.]

Mr. GARNER of Texas. Mr. Speaker, I yield three minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Speaker, I think the gentleman from New York [Mr. MILLS] misinterpreted the remarks made by the gentleman from Texas [Mr. GARNER] when he construed them to mean that the latter favored a system of taxation which would relieve the Southern States of taxes and collect them from the North. I am quite sure the gentleman from Texas made no remarks that would justify that construction. The fact is that we have not the wealth in the South upon which to pay these taxes.

Mr. CAREW. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. I have only three minutes, but I yield.

Mr. CAREW. I shall try to get the gentleman another minute. Do not the statistics that the gentleman from Texas [Mr. GARNER] used show that all the Western States and Vermont and Maine and New Hampshire are just as poor in testate and intestate wealth as the South and that all of the big wealth is being piped into a few States; that nine States of the Union pay 80 per cent of these inheritance taxes, and that practically none is collected from all the other States of the Union, and those States that pay are only New Jersey, New York, Pennsylvania, Ohio, Illinois, Michigan, Massachusetts, Rhode Island, Connecticut, California. It is not a sectional problem at all. The wealth of the whole Union is tribute to these States but it is national wealth and should be nationally taxed. It can never be taxed by States where it is produced but where it does not reside at the owner's death.

Mr. GARRETT of Tennessee. The gentleman is quite correct, and that which I desired to emphasize was that this is in no sense a sectional bill.

I do not wish it to go to the people that the Democratic Party is now or ever has been a sectional party; it is a national party. [Applause on the Democratic side.] If we of the South had the wealth and the political power existed where it exists now, we have no doubt, in view of past experience, what

would be done to us, but we have not the wealth, and we have only a small modicum of political power, but that modicum we are attempting to use in order to pass nonsectional, national legislation. [Applause.]

I like this conference report in most of its fundamental aspects. I am disappointed that the Senate saw fit to strike from the bill as it passed the House a provision which was inserted in the House as a committee amendment, providing that there might be dealing in loose-leaf tobacco upon the payment of a tax of 8 cents per pound. I do hope that some day the Senate may obtain some information upon this matter from sources other than the tobacco manufacturers of the country, and this small measure of relief be provided for tobacco growers. I have no time to discuss it further now.

I repeat, I indorse the conference report in its great fundamental aspects, and congratulate the conferees of the House upon their ability to maintain intact the principles written into the bill by the House, and I am sure we shall overwhelmingly sustain their work. [Applause.]

Mr. GARNER of Texas. Mr. Speaker, I yield one minute to the gentleman from Alabama [Mr. ALLGOOD].

Mr. ALLGOOD. Mr. Speaker, I just want to make a statement in regard to the estate or inheritance tax. I favor a Federal estate tax, and it is my information that every Member in this House from Alabama favors a Federal estate tax. We think the 80 per cent provision is unfair. I am against the bill, however, not on account of that feature of it, but I am against it on account of many objectionable provisions. My main objection is based on the drastic reductions made in surtax rates from 40 to 20 per cent, which relieves the multimillionaries of many millions of taxes annually. We owe a national debt; the interest upon it is approximately $800,000,000 a year. By reducing the surtaxes in this bill we are reducing the Federal income and thereby extending the time over which this debt will continue to be a burden on this Nation of ours. [Applause.]

Mr. GREEN of Iowa. Mr. Speaker, I yield seven minutes to the gentleman from Iowa [Mr. RAMSEYER].

Mr. RAMSEYER. Mr. Speaker and Members of this House, when the revenue bill was before this House I expressed my views on the essential features contained therein. I voted for the bill as it passed the House. That bill carried a tax reduction of $330,000,000 for the fiscal year 1927. To-day I am not going to discuss any rates or schedules. I am going to address myself to the objections I have to this conference report, which to me are more vital than any of its rates or schedules. Although I do not approve all the rates and schedules, I could vote for this report if, in my judgment, the revenues to be derived from this report would not mean a deficit in the Treasury for the fiscal year 1927 and thereafter.

When the gentleman from Texas [Mr. GARNER] spoke, he addressed himself to the Democrats. I want to address myself to the Republicans. If this bill does not produce the revenues to meet the running expenses of the Government and to carry out the administration's policy of paying off our national debt promptly, we Republicans will get the blame. A good deal has been said that this bill is a nonpartisan bill. Nonpartisanship is all right if it represents the combined wisdom of the parties. This report contains much wisdom of the parties, but, in my opinion, it also has in it much of unwisdom of one or both parties. We know there are some people in this country, for political reasons or otherwise, who would like to see a Treasury deficit in 1927 and 1928 rather than a handsome surplus, such as the Treasury has had annually since the war. There are some people in this country who want to postpone the payment of the national debt indefinitely. There are also some people who do not care whether the Treasury will be embarrassed or not when the debt-refunding operations begin next year. Following next year, for seven or eight years our entire national debt can be refunded. This conference report, the way it impresses me right now, appears to be a triumph for those who are trying to bring about a Treasury deficit, for those who are opposed to the prompt payment of the national debt, and for those who do not care whether the Treasury will be embarrassed by a deficit when the time comes to refund our national debt.

I want it clearly understood that I have no criticism to make of any individual Member of this House or any of the conferees. I want here and now to commend the splendid fight put up by my colleague, Mr. GREEN, chairman of the Ways and Means Committee, and the ranking Democratic member, Mr. GARNER of Texas. Mr. GREEN and myself are absolutely in accord on all tax questions, including rates and schedules. If this bill proves to be unproductive of revenue, as I believe it will be, it will not be the fault of my colleague. He has had to fight against tremendous odds, and for what he has been able to save he is entitled to praise from every Member of this House.

Now, let me call your attention to interviews given out by my colleague, Mr. GREEN, as to the revenues we can expect. After the Senate passed this bill and before it went to conference, he gave out an interview that the tax reduction carried by the Senate bill was in the neighborhood of $600,000,000. The tax reduction carried by the House bill as you know, was $330,000,000. In an interview given out in the Washington Post of yesterday, Mr. GREEN said:

> It may, therefore, be necessary to increase taxation after the expiration of a year when it can be determined more accurately what our revenues will be.

I quote Mr. GREEN for the reason that I have absolute confidence in his forecasts. I have never known him to be inaccurate.

I want to say something in defense of the Treasury. Up to this moment, in the discussion of this conference report, no one has undertaken to give any estimates as to what it will produce in revenues. On January 4, 1926, after the revenue bill had gone to the Senate, in the hearings before the Senate Finance Committee, on page 3, Secretary Mellon stated that the estimate of the Treasury Department gave $250,000,000 as the margin of tax reduction, but urged the Senate not to go beyond the reduction of the House bill of $330,000,000. I read from his testimony:

> Secretary MELLON. I think in the matter of reduction that we should not go beyond $330,000,000.
>
> Senator KING. Is that based on the Budget recommendation?
>
> Secretary MELLON. Yes; on all our estimates, the Budget estimates and the Treasury estimates.
>
> Senator SIMMONS. Mr. Mellon, you say we should not go beyond $380,000,000 by way of reduction——
>
> Secretary MELLON. No; $330,000,000.
>
> Senator SIMMONS. That is what the House put it at?
>
> Secretary MELLON. Yes. The estimates of the Treasury Department gave a margin of $250,000,000. But the House of Representatives went beyond that, to the extent of $330,000,000.

On page 22 of the hearings before the Finance Committee of the Senate the Secretary has this to say, and I want Members to listen closely to this testimony:

> We have made more certain our estimates of taxes and there is less unusual revenue to influence our Budget. We have estimated our taxes based on a high degree of prosperity in the country. A radical change in conditions would probably be down rather than up, with the usual swing of the industrial cycle. I feel, therefore, that our estimates, while justified, can not safely be considered as too low.
>
> I say this particularly because from now on the Government will have to rely almost exclusively on current revenues and can not continue to fall back on the realization of capital assets which represented Government expenditures in past years. For example, the sale of surplus war supplies, railroad securities, and the liquidation of the War Finance Corporation alone accounted for $528,000,000 of our receipts in the past three years. There are no more surplus war supplies, the War Finance Corporation is practically liquidated, and, as I have said, most of the strong railroads have paid their debts to the Government and we are left holding the obligations of the weak roads.
>
> Looking at the other side of the picture, I see very little opportunity to decrease Government expenditures. On the contrary, we must adopt a public buildings program which has been neglected since before the war. The country itself is growing, and the Government must necessarily expand with it. I wish to impress upon this committee, as seriously as I can, that the reduction in revenue carried in the House bill is as far as it is safe to go.

You will see therein that the Treasury estimates were based on "a high degree of prosperity in the country," and the Secretary further says—

> a radical change in conditions would probably be down rather than up.

Then he closes with this emphatic statement:

> I wish to impress upon this committee, as seriously as I can, that the reduction in revenue carried in the House bill is as far as it is safe to go.

The Senate reduced taxes $600,000,000. No one has ever disputed the figures of Congressman GREEN in this regard. The items that were put back in conference do not begin to bring the tax reduction down to that provided for in the House bill. I have gone over the estimates of the Treasury Department, and I got the figures this forenoon a few minutes before coming to the House, showing the items of tax reduction as prepared by the Government actuary, Mr. McCoy, in the

Treasury Department. In the letter submitting these figures to me I am advised that they are based on Treasury estimates on page 166 of the last annual report of the Secretary of the Treasury. Comparing the items on page 166 with similar items in the figures submitted by Mr. McCoy, it figures out that this conference report carries a tax reduction of $499,000,000, or $169,000,000 in excess of the House reduction, which was conceded to be the limit, and above which Secretary Mellon, before the Senate Finance Committee, urged, almost begged, the Senate not to go.

In discussing the revenue bill on the floor of this House last December I stated that if I had to choose between sacrificing the estate tax and the administration policy of debt retirement, I would not hesitate at all in sacrificing the estate tax and retaining the administration policy of debt retirement. The principles of the estate tax have been saved. I am now up against the proposition of sacrificing the principle of paying off the war debt by the generation that made it. I am confronted now with sacrificing a most vital principle for which I have been contending ever since the war. I am going to stand my ground and protest as emphatically as I can against this phase of the conference report.

For three Congresses I have had a bill pending before the Ways and Means Committee to make the sinking fund apply to the entire national debt. Under the provisions of that bill we can pay off the entire national debt in the course of 25 years. I have advocated on the floor of this House that every generation should pay the debts made by it. Before nearly every commercial body in my district, on the stump, and before other audiences, I have espoused and defended this principle. I have made speeches on the floor of this House urging the necessity of paying off our entire war debt speedily. I am again to-day standing on the floor of this House defending this principle and protesting against this conference report because, if enacted into law, it will violate that principle.

I am glad to call your attention to the fact that the President's message at this session of Congress came out boldly and emphatically for the prompt payment of our war debt. The President in his message, in calling attention to the debt-paying policy of our country, stated that the Civil War debt was paid within 23 years. He opposed the proposal to extend the payment of our war debt over a period of 62 years, and then by an illustration suggested a 20-year period. I read this from his message, "The reduction of the debt has been only about $500,000,000 each year, not an excessive sum on so large a debt." The sinking fund, which applies to only about one-half of the war debt, amounts to a little over $300,000,000 a year. Under this conference report, even though we are enabled to balance the Budget, we will fall short nearly $200,000,000 a year on debt retirement, as suggested by the President in his message. Further on, the President says this, "The more we pay while prices are high, the easier it will be." That is absolutely true. We are now going through a period of industrial and business prosperity never before enjoyed in the history of this country. If, during such a period of prosperity, we adopt a policy of neglect or indifference to the payment of the war debt, we certainly will not retire our debt when we reach a period of slack business or business depression. As the Secretary testified before the Senate Finance Committee, "a radical change in conditions would probably be down rather than up." To abandon the administration policy of speedy retirement of the National debt, to my mind, is so utterly indefensible and so unjust to the next generation and so inimical to the welfare of the Republic, that I can not bring myself around to approve a report that, according to all estimates before us, is going to make it impossible to carry on the debt-retirement policy of this administration.

The way I view it this conference report does not carry out the recommendations the Treasury Department has made in its report and before the House Ways and Means Committee and the Senate Finance Committee, and it is going to make it impossible to carry out the President's recommendations for debt reduction as outlined in his last annual message.

Our war debt of $20,000,000,000, beginning with next year, can be refunded during the seven or eight years following. If the conditions of the country are fairly prosperous, and the Treasury is in a healthy condition, which it can not be if it is confronted with deficits, Treasury officials advise me that that debt can be refunded at a rate of interest at least one-half per cent below the average of the present rates. That will mean a saving to the taxpayers of the country over a period of about 10 years of nearly a billion dollars.

Another thing we should not overlook. This conference report does not contemplate revenues for much-needed public buildings, for internal waterway improvement very much in demand in the West, or for increased pensions for the old soldiers.

Now, what is the parliamentary situation? If we vote this report down, the House can instruct its conferees to bring in a report providing taxes to insure the Treasury against a deficit. I favor bringing about a situation so that such instructions can be given. Unless the estimates of the Budget and of the Treasury, including the Treasury figures I received this morning, are all wrong, we are sure to be confronted with a Treasury deficit. Furthermore, we will have to abandon the policy of paying the war debt by the generation that made it, and we will be unable to save the taxpayers of the country hundreds of millions of dollars on interest charges when we go to refunding the war debt. [Applause.]

Mr. CRISP. Mr. Speaker, by direction of the gentleman from Texas I yield five minutes to the gentleman from Texas [Mr. CONNALLY]. [Applause.]

Mr. CONNALLY of Texas. Mr. Speaker and gentlemen of the House, the conference committee of the Senate and the House has agreed upon the tax reduction bill and the conference report is now before the House for adoption. The chief point of difference was the inheritance tax. As the bill passed the House it allowed a $50,000 exemption and taxed the next $50,000 at the rate of 1 per cent, or $500. The rates were slowly graduated until that portion, and that portion only, of an estate over $10,000,000 was taxed 20 per cent. A deduction was allowed the taxpayer for State inheritance taxes paid not to exceed 80 per cent of the Federal tax. When the bill went to the Senate an amendment was adopted proposing the total repeal of the inheritance tax. Each House then appointed conferees to adjust the disagreement. In the conference the inheritance tax was retained, and the exemption was raised to $100,000. The rate of the tax on the next $50,000 is 1 per cent; on the next $50,000, 2 per cent; 3 per cent from $200,000 to $300,000 with slowly graduated rates. The House will adopt the report by practically a unanimous vote. The Senate will confirm it overwhelmingly and the President will approve it. It will become the law.

TAX ACT OF 1924

If this bill is not enacted, the tax act passed in 1924, and now the law, will continue to be the law. That act provided an exemption of $50,000, while the pending bill exempts $100,000. The rates in the act of 1924 were higher than those of the present bill; under that act the maximum rates on that portion of an estate above $10,000,000 was 40 per cent, while under this bill they are 20 per cent. That law of 1924 provides that the taxpayer may deduct all State taxes paid on inheritances to as much as 25 per cent of the Federal tax. It carried the principle of deduction for taxes paid to a State just as the pending bill carries that principle; the only difference is in the percentages of 80 and 25 per cent.

Now, does the pending bill introduce any new principle? Does it put any additional burden on inheritances? Does it establish any new doctrine? The answer is, No. The exemption is raised. The rates are reduced all down the line.

No new principle is introduced. The burden is not increased, but reduced.

When the act of 1924, carrying the principles of this bill but with higher rates, was in the Senate in 1924, every Democratic Senator voted for it. Every Senator who voted against it was a Republican. Among those supporting the bill were Senator OSCAR W. UNDERWOOD, of Alabama, at one time Democratic leader in the House and later leader in the Senate, and Senator ROBINSON of Arkansas, the present Democratic leader in the Senate.

The Senators from every Southern State, Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Missouri, New Mexico, North Carolina, South Carolina, Tennessee, Texas, and Virginia voted for that bill. Remember that bill carried a deduction clause against which so much opposition has lately arisen and which has brought down upon Members so much denunciation. There was no claim advanced then that it was an invasion of State rights. No one in Texas held mass meetings to protest against the deduction clause. No delegation was sent to Washington then by the American Bankers' League. There were no speeches then made in Texas denouncing the tax and predicting the destruction of the State and indicting it for high crimes. There was no outcry then that it was socialistic or communistic or any other kind of "istic." It was only in 1925, after the American Bankers' League, a lobbying and political propaganda organization, had been created with a calm and sedate mind and with malice aforethought and with a formed design to kill Federal inheritance taxes and then State inheritance taxes, that we hear that agonized outcry, that wail of anguish. Is it not remarkable that it

only arose when the tax was being reduced instead of increased; when Congress was raising the deduction and surrendering to the States a larger field for their taxing powers, instead of restricting their taxing powers?

ACT OF 1894

In a speech which I made in this House on December 12, 1925, I pointed out that as early as 1797 a legacy tax was levied by Congress, but I desire to deal with legislation of recent years. In a speech in the House on February 1, 1926, I showed that during the administration of President Cleveland the Democratic income tax act of 1894 taxed all inheritances of personal property above a $4,000 exemption. That was a Democratic bill and was supported by Senator Richard Coke, of Waco, and Senator Roger Q. Mills, of Corsicana. In the House of Representatives every Congressman from Texas voted for it. Joseph W. Bailey, afterwards elected Senator from Texas, and Joseph D. Sayers, afterwards elected governor of Texas, are now the only living members of that distinguished company. That act was passed in time of peace. The public debt was then less than $1,000,000,000. It is now $20,000,000,000.

ACT OF 1916

During the administration of President Woodrow Wilson in 1916 a Federal inheritance tax was levied. Every Senator and Congressman from Texas who was present voted for it. Senator Culberson was absent on account of illness, but was paired and would have voted for it had he been present. The RECORD, page 10768, for July 10, 1916, shows the vote in the House, and for September 5, 1916, the vote in the Senate.

Every Democrat in the Senate that was present and voting supported the bill. Among the number were Senators UNDERWOOD of Alabama, ROBINSON of Arkansas, and the Senators from Florida.

ACT OF 1917

Again during the administration of Woodrow Wilson in 1917 an inheritance tax bill was passed by the overwhelming votes of Democratic Senators and Members of Congress.

The tax bill of 1919 under President Wilson carried an inheritance tax and was supported by a Democratic Senate and House. The act of 1921 carried an inheritance tax and the Democrats in the House and Senate supported it. It has already been noted that the 1924 tax bill included the inheritance tax with a deduction for State inheritance taxes up to 25 per cent of the Federal tax. That brings it down to the present. That is the existing law.

ARGUMENTS OF THOSE OPPOSING INHERITANCE TAX

STATE RIGHTS

Those leading the fight in Texas against the inheritance tax, and that is where the hardest fight has been made, argue, first, that any Federal inheritance tax is an invasion of State rights; that the Federal Government has no right to levy the tax at all, but it should be left entirely to the States. They say that the Federal Government ought to get out of the field entirely.

The next moment, however, they admit if the field is left entirely to the States, they then propose by their votes to kill the State inheritance tax also. There was once a dog that took possession of a manger filled with hay. After he had driven away the cow that needed the hay, he refused to eat the hay himself. That conduct has always been the object of just reproach—its doctrine of "you shan't and I won't" has received the condemnation of just men in every age. These men say that the Federal Government shall not levy an inheritance tax because it belongs to the State. They then say that the State shall not levy such a tax because they as members of the Legislature of Texas propose to kill it.

When it is shown that the United States Government has levied such a tax in 1894, 1916, 1917, and 1919, all under Democratic administrations, and it was supported by Democrats again in 1921 and 1924, and when they learn that the Supreme Court has upheld the levy of a Federal inheritance tax as being within the proper constitutional authority of Congress ever since the adoption of the Constitution they shift their position. They then fall back upon the claim that the deduction clause constitutes an invasion of State rights; that to allow the taxpayer to deduct inheritance taxes paid to the States from his Federal tax will coerce the States into levying an inheritance tax. The deduction clause was not designed to coerce the States. Both the Federal Government and the State governments have an undisputed, constitutional right to levy inheritance taxes. It is a common field. This bill provides a large exemption, which in case of a community property estate in Texas amounts to $200,000. All of that field below the exemption is left entirely to the States. On such estates the Federal Government surrenders to the States the entire field. The State may or may not levy the tax. It may utilize the field or let it alone. The act of 1924 carried a deduction clause and no complaint has been made that it coerced any State.

The deduction was proposed in order that if the States desired to levy State inheritance taxes, to secure revenue for State governments, and to reduce the State taxes on land and houses, they ought to be able to do so without imposing double taxation It was urged that if the Federal Government levied an inheritance tax without allowing credit for taxes paid to the State, it might coerce the States to repeal State inheritance tax laws which they already had. In other words, it was contended that the levy of a Federal inheritance tax without a deduction would amount to a preemption of the inheritance-tax field by the Federal Government to the exclusion of the States in some cases. If the Federal Government really desired to coerce the States with reference to inheritance taxation, that result could be easily accomplished by the levy of a high Federal inheritance tax without any deduction. The States could thus be influenced or induced or coerced to repeal their inheritance tax laws. Such tremendous pressure might be brought to bear in the States for the repeal of their inheritance tax laws, on the ground that such estates were taxed by the Federal Government, that it could not be resisted. They would say it was double taxation.

Let us examine that proposition. Take, for instance, the matter of the income tax. The State of Texas has the same constitutional right and power to levy an income tax as has the Federal Government. Texas has no State income tax law. Though hard pressed for revenue, it has never levied a State income tax. Why? For the very apparent reason that the Federal Government has already levied an income tax, and that fact in the case of Texas has amounted to a preemption of the income-tax field to the exclusion of the State. It has influenced Texas not to levy an income tax.

The deduction was urged in order that the 45 States which have inheritance tax laws may not be driven out of that field; that they may continue to secure that revenue. Is there not just as much coercion, if not more, in preempting the field than in allowing a deduction? The deduction was urged on the ground that unless it were allowed the citizen would be doubly taxed on the same estate.

Another consideration urged in behalf of the deduction clause and an important element in all tax legislation was "the ability to pay." The Federal Government levies its taxes upon the individual. It does not ask in what State he lives or in what part of the United States he resides. The Federal Government in determining "the ability to pay" of one who inherits an estate finds that an estate of $500,000 is reasonably able to bear a certain amount. That is the amount which it can equitably contribute. But when it assesses one citizen it finds that he has already paid on account of that same estate a certain sum to his State; it was said that it should take that fact into consideration, in order to avoid an undue hardship upon the taxpayer and allow him to deduct from the Federal tax the tax which he had already paid to his State. It finds another citizen who has inherited a $500,000 estate and he has paid a different amount to another State. He deducts that amount. It was urged that according to the doctrine of ability to pay when that had happened each of these two citizens of the United States had paid approximately the same sum to the support of government on account of the estate which he inherited. He had made the same degree of sacrifice. The deduction was urged to prevent double taxation.

The Federal Government does not levy direct taxes on lands or houses or property. The Constitution of the United States provides that any such direct taxes which may be levied by the Federal Government must be apportioned among the various States according to population. If such taxes were levied on the basis of population, Texas would pay to the Federal Government many times more than she now pays, because Federal estate taxes are based on wealth and not on population.

The State of Texas exercises the exclusive field to tax lands, houses, and all other tangible property, as well as intangible property. The Federal Government does not directly tax it at all. However, in the matter of income taxes and inheritance taxes the field is a common one. The State may tax and the Federal Government may tax. Since the field is common to both governments, the fact that the Federal Government allows the taxpayer to deduct from his tax what he has already paid to the State on account of the same estate respects the rights of the States instead of taking all of the field itself.

FLORIDA

It is argued that a Federal inheritance tax will coerce Florida, which has amended her constitution to prohibit the levy of an inheritance tax, to repeal that amendment. Florida as a sovereign State originally possessed the power to tax

inheritances. If her sovereignty in that regard has been surrendered, Florida herself surrendered it. If her freedom of action has been destroyed, Florida herself destroyed it. If State rights in Florida have been violated, Florida herself violated them. Florida voluntarily tied her own hands behind her. She voluntarily surrendered a part of her sovereignty, a part of her State rights, a part of her freedom of action. The Federal Government is not responsible for Florida's action. The other 47 States are not responsible for Florida's action. The Florida Senators voted for the act of 1924 which carried a deduction clause that now is denounced as violating Florida's rights.

Florida may offer a haven of refuge for millionaires of other States who want to escape State inheritance taxes, and no cry is heard in behalf of the rights of the other States. If the Federal inheritance tax is repealed, they may spend a few weeks in Florida in the winter and claim it as their home and avoid the State inheritance tax laws now in force in 45 other States of the Union—in every State except Alabama, Nevada, and Florida. The claim to do that thing is again based upon State rights. I affirm that there is no real State rights in permitting Florida, a single State, to conspire with tax dodgers to evade, to escape, and to defy the laws of 45 other sovereign States which have inheritance tax laws. There is no honest State rights that will permit one State to undermine and weaken and destroy the sovereign rights of 45 other States of equal dignity and of equal rights. There is no State rights or any other kinds of rights that entitles one State to override 45 States.

CAMPAIGN BY AMERICAN BANKERS' LEAGUE

In 1894, 1916, 1917, 1919, 1921, and in 1924, when the act allowing 25 per cent deduction for State taxes was enacted, there was no American Bankers' League carrying on propaganda against all inheritance taxes. In none of these years was there set up any claim of an invasion of State rights.

In 1925 there appeared on the scene the American Bankers' League. It established headquarters in Washington with J. A. Arnold as secretary. It assumed the name "American Bankers' League" to give its activities a cloak of respectability and to conceal its real purposes. It thought that name would appeal to bankers and business men. It is not an organization of bankers to promote the banking business. Bankers generally do not belong to it. It is merely a name, a campaign chest, and a purpose. Its chief object in life is to kill all inheritance taxes. It raised a campaign fund from those who expected to benefit by the repeal of inheritance taxes. It prepared and issued bulletins filled with propaganda against inheritance taxation. On May 9, 1925, it issued its Bulletin No. 4. This was many months before the Ways and Means Committee met to consider the pending bill. There was then no 80 per cent deduction clause in existence. No one knew what the terms of this bill would be. If the bill had been in different form the Bankers' League would have had an argument in different form against it. It would have had a form of objection for every form of bill. Any and every form of inheritance tax would have been opposed by the American Bankers' League.

Hon. Frank W. Mondell, former Republican leader in the House of Representatives, is its general counsel. J. A. Arnold, who directs its affairs, is also in charge of the Southern Tariff Association. The Bankers' League and the Southern Tariff Association occupy the same office in the Munsey Building in Washington and J. A. Arnold manages the affairs of both organizations. From this office has been directed the campaign in Texas.

The league selected Iowa and Texas as the places to begin its fight on Members of Congress. The gentleman from Iowa [Mr. GREEN] is chairman of the Ways and Means Committee and the gentleman from Texas [Mr. GARNER] is the ranking Democrat. It coolly and slyly calculated that if these gentlemen could be influenced or intimidated or browbeaten the tax could be destroyed. George H. Colvin, of Fort Worth, is the Texas representative of the American Bankers' League; R. A. Crawford, of Des Moines, Iowa, is the Iowa representative. Under the leadership of George H. Colvin, tax clubs were organized in Texas to intimidate Members of Congress. When the league could shake neither the gentleman from Iowa [Mr. GREEN] nor the gentleman from Texas [Mr. GARNER], it decided to try to defeat the inheritance tax on the ground of State rights. It determined to start that kind of an appeal in the Southern States. If the large financial interests of New York and Philadelphia and Chicago and Boston should openly make a campaign against the inheritance tax, their selfish interest would be apparent. With a high degree of shrewdness the Bankers' League determined that the plea for State rights must come from the Southern States. It must come not wearing the appearance of cold-blooded selfishness, not wearing the livery of the lobbyist with expense money in his pockets—it must come in the name of lofty patriotism, of exalted statesmanship, ready to do all and give all to preserve the rights of the States—it must come wearing the cloak of unselfish public service. It must come from officers of the State—not from the cold, selfish, calculating interests that they are in reality serving. The league therefore had the speakers and a few members of the legislatures of several Southern States to come to Washington. It financed their trips to and from Washington, where they faithfully did what the league told them to do. They appealed for the total repeal of the tax. State rights were merely a pretense. It was but the sheep's clothing under which the wolf prepared to devour the inheritance tax.

SO-CALLED TEXAS LEGISLATIVE COMMITTEE

The American Bankers' League has been led in Texas by State Senators R. A. Stuart, of Fort Worth, and John Davis, of Dallas, and Representative E. C. Kemble, of Fort Worth, under the direction of George H. Colvin, of Fort Worth. They came to Washington last December representing the tax clubs and the league. Their expenses were paid. Each one admitted that he was against Federal inheritance taxes of any and every kind and was opposed to any and every form of inheritance taxes by the State of Texas. It is easy for one against inheritance taxes by the State of Texas to be against one levied by the Federal Government. When that is destroyed it will be easier to kill State inheritance taxes. Following an elementary principle of military tactics, he falls upon one victim at a time, and when the first is destroyed then turns upon the other.

What were the arguments of these gentlemen? They claimed that any inheritance tax, State or Federal, is socialistic, communistic, bolshevistic, is a capital levy on property, robs orphans and widows, distributes property by law, and does a great many other terrible and unrighteous things. They made that sort of argument in the face of the fact that the Federal Government has repeatedly levied the tax, that 45 States out of the 48 have inheritance tax laws, that the great, enlightened, democratic countries of the world have inheritance tax laws, that practically all political economists and world-famous tax authorities advocate it, that Democratic Senators and Representatives from Texas have always supported it, and that Texas has a State inheritance tax law.

TEXAS OPPONENTS SAY LAW WILL NOT PRODUCE REVENUE

In one breath they say the tax is confiscation and in the next breath claim it will not raise revenue. Some of them say that the deduction clause indicates that the Federal Government does not need the money; if it needed the money, the tax would be all right. They ignore the $20,000,000,000 of war debt which the Federal Government must pay. The Secretary of the Treasury officially estimates that the pending bill for the year 1926 will raise $108,000,000 from the inheritance tax and that during the year 1927 it will raise $92,000,000. Is not $100,000,000 per year a pretty good amount of revenue to apply on the war debt? The pending bill has reduced taxes $389,000,000 per year. That cut has been so large that the President is fearful of a deficit. The Government will need every dollar that this bill carries.

WIDOWS AND ORPHANS

A $100,000 separate-property estate pays nothing. A $200,000 community estate pays nothing. A $300,000 community-property estate only pays $500, because $150,000 goes to the widow tax free and $100,000 goes to the children tax free, and the remaining $50,000 is taxed only $500, from which is deducted all State inheritance taxes up to $400. A $150,000 separate estate pays only $500, from which a similar deduction may be made. How preposterous that such a moderate tax can rob widows and orbpans!

CAPITAL LEVY AND CONFISCATION

But they say it is a levy on capital and amounts to confiscation. Any State tax is a levy on capital. A State or county or city tax on land, or houses, or stocks of goods, or cattle, or horses, or automobiles, or any property is a tax on capital. It is much more a tax on capital than an inheritance tax. There is no $100,000 or $200,000 exemption on houses or farms or property of any kind under State laws. The ridiculous claim that the extremely low rates amount to confiscation answers itself.

If a single person by his industry and toil, by the exertion of his brain and initiative and enterprise, earns an income of $100,000 during the year 1926 this bill will take from him the sum of $16,133.75 as an income tax. On the other hand, if an only son during 1926 inherits $100,000, of which he did not earn 1 cent, toward the accumulation of which he did not expend one ounce of physical effort or one impulse of the brain, he is taxed by this bill on that $100,000 not 1 cent. If a mar-

ried man in Texas with dependent children during 1926, by his own efforts, makes an income of $100,000, this bill will take from him about $10,000 as an income tax. If an only son and single man inherits $100,000, without any effort, he pays nothing. If a married man in Texas makes a community income in 1926 of $200,000, that income will have to pay more than $32,000 income tax. If a community estate of $200,000 is left to the wife and children of another man, it will pay nothing. If a single person in 1926 makes by his own efforts $150,000, he will be required to pay an income tax of $28,633.75. If another person, an only child, inherits $150,000, without any effort or toil or enterprise, he will pay only $500, and he may deduct from that his State inheritance tax. Is it wrong, is it immoral, is it confiscation to take from such a person $500 for receiving property which he did not earn, while at the same time the Government takes $28,633.75 from another person who earned the same amount by the sweat of his brow, by the exertion of his brain, and by his enterprise, industry, and application? Does such a tax rob widows and orphans when it takes much more from the living out of the fruits of their labor?

THIS IS CONTEST TO PRESERVE THE INHERITANCE TAX

Mr. Speaker, this is not a contest over the form in which the inheritance tax is levied; it is a contest to destroy all such taxes or to preserve them. The real fight is not on the deduction clause but on the life and principle of inheritance taxes. It is a choice between the provisions of this bill and no inheritance tax at all. That is true, because the American Bankers' League does not demand that the deduction clause be stricken out; it demands "total repeal." The Texas representatives who came here in December, though they denounced the clause, wound up with a demand for "total repeal." The resolutions by the joint session of the tax clubs and the unofficial meeting of the legislature, the meeting of the 12 members of the legislature at Dallas, and the "meeting of State's-rights Democrats" at Dallas, after "whereas" and "whereas" denouncing at length the deduction clause, wound up with a demand for "total repeal"—not a demand to cut out the defect which they pretended was the source of all the evil, but a demand to cut out the heart of the tax itself. If a patient has a bad tooth that is causing trouble, the dentist removes it. He does not kill the patient. If an appendix needs removal, the surgeon cuts it out. He does not remove the heart and bring on death. We must take the clause in this bill or "total repeal," as demanded.

I did not draft the inheritance-tax clause in this bill. No individual Member of the House had that power. No individual member of the Ways and Means Committee had that power. The provision is the result not of one mind but of many minds. We are forced to accept the best provision we can secure or none at all.

I stated in my speech in December last that, as a permanent plan, I would favor a high exemption. Such a plan would leave to the States entirely all inheritance taxes on estates below the high exemption, and the deduction could be eliminated. On very large estates, of a million dollars or more, there would have been no undue burden, even though both the Federal Government and the State government should tax them.

The State rates are usually low. There could then be no pretense or claim that the States could be influenced in any way. My earnest desire is to see the principle of an inheritance tax preserved in the States and in the Federal Government, in order that the great fortunes that are accumulated in New York, Chicago, Philadelphia, Boston, and other centers, but which are in fact made off the people of the whole of the United States may be required to pay a fair share of the war debt due by the Government of the United States and the general expenses of State and Federal Governments. In order to retain that principle and to make it more easily maintained I would endeavor to obviate all the specious arguments against the tax. I desire to take out of the hands of its enemies every weapon that they aim at its heart.

It must, however, be borne in mind that the present bill leaves all separate estates of $100,000 and under and all community property estates in Texas of $200,000 and less entirely and exclusively to the taxing power of Texas. There can be no kind of claim or pretense that any form or shadow of interference or influence is exercised by the Federal Government with reference to such estates.

WAR TAX

The enemies of the inheritance tax say that it is justified as a war tax, only in time of war, but it should be repealed upon a declaration of peace. They would tax the estates of soldiers killed on the field of battle, but as soon as the last shot is fired they would take it off the estates of those who made fortunes at home in safety while other men were dying in France—some of them making fortunes out of the war, and those who were not making fortunes were having their property protected by American soldiers and sailors. If it is justified as a war tax, it is justified until the cost of the war is paid. But they say it must be repealed. But we can not repeal the $20,000,000,000 of war debt. We can not repeal the wounded soldiers. We can not repeal the widows and orphans that the war made. We can not repeal the insurance which the Government owes to dependents. We can not repeal the expenses for hospitalization and rehabilitation of the wounded and maimed. We can not repeal the thousands upon thousands of maimed who will wear to the grave the badge of their service and suffering. We can not repeal all the suffering and misery and agony of war. We can not repeal the 100,000 graves in which sleep 100,000 brave boys who gave the only lives they had to a cause to which the enemies of the inheritance tax do not want to give out of their plenty a few dollars. They say we must repeal the inheritance tax.

MISREPRESENTATION THAT MY SPEECH WAS PRINTED AT GOVERNMENT EXPENSE

Mr. Speaker, I have been bitterly denounced in my district and out of it and charged with advocating socialism and communism, because I refused to obey the command of the American Bankers' League. On December 12, 1925, I made a speech in the House of Representatives on the inheritance tax. I had the Government Printing Office print copies of the same and had them mailed to the people who have honored me by electing me to represent them in this House. It was publicly charged in my district that my speech had been printed at Government expense on stationery paid for by the Government. As all of you know, the law requires Members of Congress to pay to the Government Printing Office for printing copies of speeches from the CONGRESSIONAL RECORD. I paid to the Government Printing Office $265.02 for printing that particular speech. I beg to here insert a letter from the Government Printing Office, as follows:

GOVERNMENT PRINTING OFFICE,
OFFICE OF THE PUBLIC PRINTER,
Washington, February 19, 1926.

Hon. TOM CONNALLY,
House of Representatives, United States,
Washington, D. C.

MY DEAR MR. CONNALLY: In reply to your request, I beg to state that you paid to the Government Printing Office the sum of $265.02 for printing 60,000 copies of speech delivered by you on the "Inheritance tax," of date December 12, 1925.

The records of the Government Printing Office show that during your service in Congress you have paid to the Government Printing Office for printing speeches the total sum of $2,689.36.

Respectfully,

GEORGE H. CARTER, *Public Printer.*

After the public charge had been made that the printing had been paid for by the Government, I had inserted in the Waco Times-Herald of January 26, 1926, and in the Waco News-Tribune of January 28, 1926, newspapers published where this public charge had been made, notices denying the charge and stating the facts. Several days after the publication of my corrections in these papers, there were mailed out printed pamphlets, which contained the untrue charge that my speech had been printed at Government expense. I am informed that these pamphlets were printed in Fort Worth, Tex., the home of George H. Colvin, the Texas representative of the American Bankers League. Unless he paid for their printing, I can see no reason why they should have been printed in Fort Worth instead of Waco. My information is that they were mailed out to a very great number of people over the district I have the honor to represent. On February 1, 1926, there were mailed at Waco, Tex., copies of said pamphlet in envelopes upon which was printed, "Waco Tax Club, Waco, Tex.," and they were addressed to Members of Congress in Washington. The purpose of their being so sent was to endeavor to injure my standing and influence among my colleagues and, if possible, to embarrass me as a Member of the House. That purpose was not accomplished. The Members of this House all know of the methods and propaganda of the American Bankers' League, and the effort to injure me recoiled upon those who sought to perpetrate it. After a protest from me by telegraph and letter, I secured a retraction of the charge by the chairman of the Waco Tax Club.

It is proper that the law requires Members of Congress to pay for the printing of speeches, which they mail to their constituents. If they were printed free, the privilege might be abused. As appears from the statement of the Public Printer, since I have been a Member of Congress I have spent more

than $2,600 for the printing of speeches, which I have mailed out to the people. Such speeches have been paid for out of my own private funds. No Bankers' League, nor any other interest except my own pocket, has ever paid for a single speech. I had them printed and sent out, because I believed the people had a right to be advised as to the conduct of their Representative in Congress. To inform the people of the fight on inheritance taxes alone will cost me $500, a sum as large as the inheritance tax on a $300,000 community property estate. And that occurred because I did not yield to the demands of Colvin and the Bankers' League.

TEXAS DELEGATION DENOUNCED AND MISREPRESENTED

When State Senators R. A. Stuart and John Davis and Representative George C. Kemble, of Fort Worth, appeared before the Texas delegation in December they were patiently heard and considerately treated. Every courtesy was extended them, unless it be a discourtesy to force them to admit that they oppose State inheritance taxes and that their expenses to and from Washington were paid by somebody else. However, statements have been circulated throughout Texas that they were neither courteously treated nor patiently heard. When they returned to Texas they issued a press statement and caused it to be published in many of the papers of the State in which Members of Congress were denounced and misrepresented. It was said in Texas that the bill takes 20 per cent of estates. That is not true. On a $150,000 estate it takes one-third of 1 per cent; on a $500,000 estate, 2½ per cent; and on $1,100,000 only 4.85 per cent. On $10,100,000 only 13.53 per cent, and on that portion above ten million, and that alone, 20 per cent. It was said it distributes property by law. Of course, that is not true. Every cent goes into the Treasury of the Government.

These are the same gentlemen who when in Washington pretended to act for a joint meeting of the Texas Legislature and the Texas tax clubs. The tax clubs were furnishing the funds; they were furnishing their names and prestige as legislators. When they returned to Texas they dropped the tax clubs and called a meeting of members of the legislature only. They were still serving the tax clubs, but they did not want to appear to do so. The newspapers reported that from both house and senate only 12 members attended. When they were not able to enlist the members of the legislature in their campaign, they then changed their name again, and called another meeting to which they gave the name "State rights meeting," at the Baker Hotel, Dallas, Friday, February 12. They changed the name of the meeting, but the same men issued the call, Senators Davis and Stuart and Representatives Kemble and two others. They changed the name, but they did not change the purpose or design. They changed the sign on the door, but the same three gentlemen were doing the same business at the same old stand.

These gentlemen must have regarded me as a pretty good State rights Democrat. They sent to me at Marlin, Tex., an invitation to attend the meeting. It said it was to "a conference of old-fashioned Democrats who believe in State sovereignty and in local self-government." The invitation said:

> We are inclosing a few extra copies of the call, which please distribute among your friends, urging them to accompany you to the meeting.

Apparently as a Democrat residing at Marlin, Tex., I am on the list of these gentlemen as an "old-fashioned Democrat" who believes in State sovereignty and local self-government; but because as a representative of the people I do not take orders from these gentlemen I lose my standing as a Democrat.

Of course, everybody knows that these meetings were called for the purpose of intimidating and influencing Members of Congress from Texas to vote as these gentlemen dictated. I desire to insert here extracts from a letter written by J. A. Arnold from the Washington offices of the American Bankers' League to an Iowa banker who belongs to the league in Iowa, on February 11, 1926, in which Arnold tells him that a State meeting of legislators and taxpayers has been called at Dallas, Tex., to influence Mr. GARNER of Texas:

ARNOLD'S LETTER

FEBRUARY 11, 1926.

Mr. ——— ———,

——— *National Bank, Des Moines, Iowa.*

DEAR MR. ———: The Senate bill carries all the legislation asked for by the Iowa tax clubs, but we were sorry to see Senator CUMMINS vote against the repeal of the inheritance tax. Senator BROOKHART did not vote, but was paired against it.

Chairman GREEN is, of course, the key man in conference, and the highly controversial issue between the House and Senate conferees will be the inheritance tax.

There has been a committee of speakers of State legislatures here for the past few days, and they find Chairman GREEN and Congressman GARNER combined in forcing the administration to accept the inheritance-tax provision of the House. If either GREEN or GARNER would agree to recede, the inheritance tax would be repealed. Tremendous effort is being made in Congressman GARNER'S district to persuade him to recede. A State meeting of Texas legislators and taxpayers has been called at Dallas, Tex., to protest against the position he is taking. However, he is, of course, a Democrat and antiadministration and has some cause for opposing the administration, while Chairman GREEN has none.

* * * * * * * *

If there is anything you see in Chairman GREEN'S district or State that can be done to influence him it should be put in motion, for the bill will be in conference by the middle of next week.

Very truly yours,

J. A. ARNOLD.

I hold in my hand a card upon which is engraved:

J. A. Arnold, American Bankers' League, Washington, D. C.

That is the card of the man who wrote that letter. That letter confirms the fact that the league was making its drive in Iowa and Texas. It was written on February 11, 1926. The State rights meeting at Dallas met on February 12, 1926. Note the following statement in Arnold's letter:

> tremendous effort is being made in Congressman GARNER'S district to persuade him to recede. A State meeting of Texas legislators and taxpayers has been called at Dallas, Tex., to protest against the position he is taking.

Also note the following about bringing pressure to bear on Mr. GREEN:

> If there is anything you see in Chairman GREEN'S district or State that can be done to influence him, it should be put in motion, for the bill will be in conference by the middle of next week.

That letter shows that the fight is directed by the Bankers' League from Washington. The voice may be in Texas or Iowa, but the stage director is in Washington—the man behind the scenes who tells the actors when to go on is in Washington.

The Bankers' League is keeping up its campaign of intimidation and pressure until the last moment. It was its plan from the beginning to frighten Members by stirring up opposition in their districts, and it is keeping it up. Mr. Colvin, of Fort Worth, started the Texas campaign by threatening Texas Members of Congress with defeat unless they voted as he dictated.

I SHALL HAVE OPPOSITION IN THE PRIMARY

Mr. Speaker, the Bankers' League has been busy in Texas districts. It has been agitating and will continue to agitate. It will, no doubt, get out opposition to me. It will probably endeavor to conceal the real object of the opposition. An endeavor will be made to clothe it with some other appearance. It will try to hide it behind some other cloak. It will probably say nothing about the inheritance tax. It will run on some catchy platform and may say nothing about the inheritance tax; but however much they may conceal it, that opposition will arise because I have not taken dictation from the Bankers' League. They know and I know why I shall be opposed. Whoever the opponent may be, he will expect to get the benefit of the opposition to me because I did not yield to the demand that I vote for "total repeal" of the inheritance tax.

The people do not employ a staff of paid lobbyists and propagandists with their pockets full of expense money. If the representatives of the people, who are paid by the people to speak and act for them, do not speak and act for them, representative government is a failure.

REAL STATE RIGHTS

Mr. Speaker, there is always a real and a false. If there were not a real article there could not be a counterfeit. I believe in real State rights. I have voted against many measures because I thought that they related to matters which should be left to the action of the States.

ESCH-CUMMINS RAILROAD BILL

Mr. Speaker, I voted against and spoke against the Esch-Cummins railroad bill, known as the transportation act of 1920. I voted against it because it interfered with State control of railroads. I voted against it because I knew section 15a would operate to unreasonably raise freight rates. Under it rates have been greatly increased. The rates on farm products that the farmer raises and on cattle that he raises and on the things that he must buy are too high. High freight rates and the high tariff of the Fordney-McCumber bill, on practically everything the farmer must buy, are the cause of the distress of agriculture to-day. If freight rates could be re-

duced and the tariff taken off the farmer, he could be relieved of the burden that the law puts upon him for the benefit of the railroads and manufacturing industries. I voted to take them both off. Three years ago I introduced a bill to repeal section 15a of the railroad bill that affects rates, but a Republican Congress refused to pass it. Bills are now pending to repeal it. I wish they could be passed.

Mr. Speaker, I think I know the difference between real State rights and the artificial "decoy" variety. I am not going to be deceived by the "decoy" and led down a dark alley where the enemies of all inheritance taxes are waiting with a blackjack to noiselessly assassinate it. I am not going to be bunkoed by the counterfeit variety into killing the inheritance tax.

JUSTNESS AND FAIRNESS OF TAX

The inheritance tax is the least burdensome of all taxes. After one hundred thousand, or in the case of community of property of $200,000, has been exempted, a moderate tax above that amount is not a burden. It is not a tax on enterprise or initiative, as is the income tax, or a tax on property, or lands, or houses, or stocks of goods.

WILL REDUCE OTHER TAXES

The $100,000,000 which this bill will raise from inheritances if taken off, must be put on the backs of those who pay an income tax and on all those who are less able to bear it. Their taxes will be increased $100,000,000 a year. In Texas, if $20,000,000 per year is required to maintain the State government and to provide for schools, roads, and other expenses and $3,000,000 of that amount should be raised by a State inheritance tax, it would mean that only $17,000,000 would have to be raised by taxes on property. On the other hand, the entire $20,000,000 would have to be raised by taxes on lands, houses, and other property.

INTANGIBLE PROPERTY THAT ESCAPES TAXATION

It has been conservatively estimated that within the United States there is $100,000,000,000 worth of intangible property that escapes practically all taxation. A very large amount of that intangible property is in the form of stocks of corporations. The tangible property of the corporation may be in Texas or Oregon, but the stocks and bonds, the paper evidence of ownership, may be in New York. The State of New York does not tax intangibles at all. There are $20,000,000,000 worth of Federal war bonds; there are $18,000,000,000 worth of county and municipal bonds. All of these amounts are practically free of taxation. They are called tax-exempt bonds. They are, however, subject to an inheritance tax, and that is the only kind of tax that can reach them.

INHERITANCE TAX APPROVED BY ECONOMISTS AND TAX AUTHORITIES

Practically all great political economists advocate an inheritance tax. Dr. E. R. A. Seligman, of Columbia University, New York, the seat of wealth, regarded as an outstanding tax authority in the United States, urges such a tax. At pages 477–478 of the hearings before the committee he said:

An estate tax is the result of one of the modern democratic movements in the world; it is found wherever we have democracy. It was introduced first in Australia, then in Switzerland, then in England, and then it came to this country. Wherever we have democracy we have two things—an income tax and an inheritance tax. The arguments in favor of one are just about as good as the arguments in favor of the other.

Dr. Thomas S. Adams, professor of political economy at Yale University, appeared before the Ways and Means Committee and urged the tax as it is in the bill. The gentleman from New York, Congressman OGDEN MILLS, who is himself a very rich man and who represents in Congress more wealth than any other Member, who served, before he came to Congress, on the New York State Tax Commission and is a tax authority, advocates an inheritance tax and is supporting this bill. He says that an inheritance tax is just and fair.

President Wilson on the 20th day of May, 1919, in a message to Congress on taxation, said:

The tax on inheritances ought no doubt to be reconsidered in its relation to the fiscal systems of the several States, but it certainly ought to remain a permanent part of the fiscal system of the Federal Government also.

Germany, France, England, Switzerland, and practically all of the great democratic enlightened nations of the world have adopted the tax.

FARM ORGANIZATIONS ARE IN FAVOR OF THE INHERITANCE TAX

Representatives of farm organizations appeared before the committee in favor of the tax and in opposition to its repeal. The printed hearings on page 455 show that the American Farm Bureau Federation appeared and filed a brief. I quote from it as follows:

1. That under the combined tax systems of the States, their local government units, and of the Federal Government, the farmer is bearing more than his fair share of the public burden;

2. That the abandonment of the estate tax, which falls more lightly on the farmer than on other industrial classes, would relatively increase the farmer's burden;

3. That the inheritance or estate tax is in itself just, is a legitimate source of revenue, and should be preserved at its highest degree of usefulness;

4. That it can be so preserved only through the aid of the Federal Government; and

5. That, therefore, the Federal estate tax should not be repealed.

In its issue of February 13, 1926, the Progressive Farmer, an agricultural journal published at Dallas, carried the following editorial:

TEXAS REPRESENTATIVES RIGHT ON INHERITANCE-TAX QUESTION

There is a tax club in the State composed of wealthy men and their henchmen, which was organized for the set purpose of doing away with the inheritance tax. Some time ago representatives of this club went to Washington and appealed to our Senators and Congressmen to use their influence to repeal the inheritance tax. But our Representatives in Congress knew that the inheritance tax was a good tax; that it is one of the few taxes that can't be shifted to the poor people; that it works no unbearable hardship on the rich; that if it is repealed the farmers will probably have to pay more taxes sooner or later, so they refused to heed the urgings and finally the commands of these few rich men, who are so presumptuous that they imagine themselves the spokesmen of the people of the State. Failing to browbeat our Texas Representatives, this Texas Tax Club is now out to defeat those Texas Representatives who refused to do their bidding.

The Progressive Farmer is not a political journal in any sense of the word. It has no political affiliations, and it gives its support to no candidate for political office. It supports measures rather than men. It does wish to point out, however, that in refusing to lend their support to the repeal of the inheritance tax our Representatives rendered excellent service to the farmers of the State. The support of one good measure is not sufficient reason for selecting a Representative. It is possible that some of these men should not be elected. We don't profess to know. We do know, however, that our Representatives are to be commended for the stand they took on the inheritance tax and that the farmers of the State should consider this a point in their favor when they offer for reelection.

PERCENTAGES OF FEDERAL TAX PAID BY EACH STATE

It is my desire to insert at the end of my remarks a table showing the amounts and percentages of Federal inheritance tax paid by the various States for the period from 1917 to 1925. That table will show that all the 13 Southern States, including Oklahoma, paid less than 7 per cent of the Federal inheritance tax for the last 10 years, while New York paid five times as much as all of these 13 States. Yet, strangely enough, it is in these 13 Southern States that we find the opposition to such a tax. Florida paid less than one-half of 1 per cent; Georgia paid less than three-fourths of 1 per cent; Louisiana paid less than one-half of 1 per cent; Mississippi paid less than one-sixth of 1 per cent; Tennessee paid less than one-third of 1 per cent; South Carolina paid about one-sixth of 1 per cent; and yet Mr. Brown, the speaker of the South Carolina Legislature, came to Washington to protest against the tax, and made a trip to Texas against the tax, and claims to have been the cause of arousing opposition in Texas to the tax. Legislators from Arkansas visited Washington and opposed the tax, yet Arkansas paid only one-eighth of 1 per cent. Texas paid less than 1¼ per cent, and yet it is in Texas that we find the most bitter opposition to the tax. Rhode Island, the smallest State, paid 2.69 per cent, more than twice as much as Texas, the biggest State. New York paid more than twenty-eight times as much as the State of Texas, yet New York is not complaining, but in Texas we find strong opposition. New York paid 35.68 per cent, or more than one-third of the total tax. Pennsylvania paid 10.67 per cent, or more than eight times as much as Texas paid. And yet we find the opposition in Texas instead of Pennsylvania.

The reason that New York, Pennsylvania, Illinois, Massachusetts, New Jersey, and Connecticut pay so much larger percentages of the tax is because it is based upon wealth and not upon population. It is not based upon geography or upon section. It taxes wealth wherever that wealth is located, whether in Texas or Wyoming or New York. It is based on ability to pay, because that is a fair, just, and equitable basis of taxation. It operates regardless of section and regardless of State lines.

The reason that New York pays more than five times as much as all of the 13 Southern States is because New York is rich and the South is poor. If my home were in New York I should be for the inheritance tax just as I am, though I live in Texas. I am for it because it is right. If Texas were rich and New York poor, I should still be for the tax just the same, because it is based upon wealth and ability to pay, regardless of where wealth and ability to pay are found. Iowa paid 0.733, or less than three-fourths of 1 per cent, and Texas less than 1¼ per cent. Yet we find the opposition to the tax strongest in Iowa and in Texas. The American Bankers' League, in an effort to take the tax off all those who contributed to its campaign, and in an endeavor to take off the 35 per cent of the total tax paid by New York, goes out into Iowa and into Texas and starts the movement for repeal, because Mr. GREEN of Iowa is chairman of the Ways and Means Committee and Mr. GARNER of Texas is the ranking Democrat.

Money made all over the United States accumulates in New York. It is well known that the really great fortunes of the country are made from all the people of the United States, but they accumulate in New York and other financial centers. As an instance, the Union Pacific Railroad starts at Omaha in Nebraska and runs to San Francisco. Not a mile of its railroad is in New York State. It has an office there, and in 1923 the Union Pacific paid an income tax in New York of $4,500,000, and not a mile of its road in that State. The people living along its line from Omaha to San Francisco maintain it by their patronage. They make it prosperous and rich. The Southern Pacific runs from New Orleans, through Texas, to California. The Southern Pacific paid an income tax in New York of $5,000,000. Much of their stocks and bonds are owned by people who live in New York. Intangibles are not taxed in New York. When the owners die New York State, which has an inheritance tax, would receive the benefit of that tax, though not a mile of the railroad is in that State. The inheritance tax is not levied on the corporate property. It is levied on the stocks and bonds which individuals own, and they are in New York or other centers. That is but an instance of many cases in which fortunes, accumulated from all the people, find their way into great financial centers. A Federal inheritance tax alone can properly reach them.

ONE TAX THAT CAN NOT BE DODGED

It has been charged in Texas that the great fortunes of New York and other States could escape the inheritance tax, because they consist of personal property, and that 90 per cent of them could be avoided. Against that charge I set the fact that New York alone pays more than 35 per cent of all Federal inheritance taxes. The inheritance tax can not be dodged. Executors and administrators of estates must file sworn inventories and lists of property of the estate. Title to the property can be perfected only by its being listed. Here is one place where all the property must be disclosed. Great estates can not be carried into the next world.

NO PREJUDICE AGAINST WEALTH

Mr. Speaker, I have no prejudice against wealth simply because it is wealth. The accumulation of honest and worthy wealth is commendable. But wealth ought to bear its share of the burdens of government. Courthouses and judges are provided to protect not alone persons, but property and wealth. Armies and navies cost the United States $600,000,000 annually to protect not alone American lives, but American wealth at home and abroad—on land and ships and cargoes at sea. Wealth must pay its share of the burdens of government.

WAR DEBT IS FEDERAL, NOT STATE DEBT

The war debt of $20,000,000,000 must be paid by the Federal Government. The war was fought by men from every State, but the Federal Government contracted the debt. Not a dollar of tax money paid to the States goes to pay the war debt of the Federal Government. The only way by which wealth can be made to pay its share of the war debt is through a Federal tax, not a State tax. It must either be paid by higher income or other taxes or a part of it must be paid by a Federal inheritance tax.

Men talk about "confiscation" by the Federal Government, and a "capital levy on property," and a "death tax" on property. When war was declared, the Federal Government drafted the manpower of the Nation to fight its battles. It "confiscated" the services of its young manhood. It made a "capital levy" on the lives of its men and boys. It levied a "death tax" on the lives of its gallant and courageous soldiers on the battle fields of France. Those who are denouncing inheritance taxes find no fault with that kind of "confiscation" or "capital levy" or "death tax," but when the Federal Government proposes to make great wealth, for whose protection in part the soldiers died in France, pay its share of the cost of that terrible struggle—pay its share out of what it did not earn—after a large exemption is allowed, that is "confiscation" and a "death tax."

I know of a man, now living, who is possessed of an estate of $50,000,000. That estate he inherited. He never earned a dollar of that vast wealth by his own toil or by any exertion of his brain, except such accumulations as that estate has produced since he owned it. Much of that property is in railroads in Texas and elsewhere, while he lives in New York, and Texas will get none of the tax on his estate. He has no child to whom he can leave it. When war came he was above military age and was physically incapacitated. It was right that he should not go. He had no son to go. But other men, who were within the age and who were not physically incapacitated, did go. Many thousands of them died. Many more thousands were wounded or maimed or sickened. They died or were wounded helping to protect that man's property along with the other property of the United States. While they were fighting and dying, his property was increasing and accumulating. The war left a tremendous debt that must be paid. Is it wrong, is it immoral, is it illegal, is it unjust, to make that great estate pay a Federal inheritance tax to help pay off that burden? Do you want to take the inheritance tax off that gigantic estate and put it on the backs of the young men who fought the war and upon the backs of their families and dependents, and upon the backs of an already tax-overburdened people.

In conclusion, Mr. Speaker and gentlemen of the House, the House is to be congratulated on its leadership and on its triumph in this fight. The leader on the Republican side and the leader on the Democratic side [Mr. GARRETT of Tennessee], the chairman of the Ways and Means Committee [Mr. GREEN of Iowa], and the minority leader on the committee [Mr. GARNER of Texas] are agreed upon the action which this House ought to take, and that is to approve the conference committee report. There is not a better or more consistent State rights Democrat in this House or out of it than the Democratic leader [Mr. GARRETT of Tennessee], and he is for this bill and the inheritance-tax clause. The gentleman from Texas [Mr. GARNER] in his remarks indicated the tremendous and constant pressure that has been brought to bear upon the gentleman from Texas [Mr. GARNER] and the gentleman from Iowa [Mr. GREEN].

Gentlemen of the House, that campaign of propaganda was waged against the gentleman from Iowa [Mr. GREEN] and the gentleman from Texas [Mr. GARNER], who is now and has always been an outstanding State rights Democrat. When propaganda was not successful they brought other pressure to bear upon those gentlemen, and when that was not sufficient they brought threats of opposition in the primaries to bear on those gentlemen. The letter from Arnold to Iowa on February 11 shows that the pressure has been kept up to this very moment. How easy it would have been in the conference committee for GREEN or GARNER, behind secret doors, to have yielded to that pressure and said, "Oh, well, the Senate insisted and we had to compromise." I desire to say this House is under a lasting debt of gratitude to Mr. GREEN of Iowa and Mr. GARNER of Texas [applause], because they had the courage as Representatives of this House and out beyond this House as Representatives of the American people to stand up and fight, to resist political threats and every kind of pressure that this organization here in the city of Washington could exert through its backers and supporters scattered all over the country at different places. I congratulate the country. I congratulate the House on the conduct of the gentleman from Iowa [Mr. GREEN] and the gentleman from Texas [Mr. GARNER]. [Applause.]

As a part of my remarks I include a table, showing the amount and percentage of estate taxes paid by each State from 1917 to the present time, for the information of the House, and also a table showing the amount of estate tax on specified estates under the rates of the 1926 act.

Tax on specified estates under the estate-tax rates of the 1926 act before deduction:

Estate:	Amount of tax
$150,000	$500
$200,000	1,500
$300,000	4,500
$500,000	12,500
$700,000	22,500
$900,000	34,500
$1,100,000	48,500

Estate:	Amount of tax	Estate:	Amount of tax
$1,600,000	$88,500	$5,100,000	$503,500
$2,100,000	133,500	$6,100,000	653,500
$2,600,000	183,500	$7,100,000	813,500
$3,100,000	238,500	$8,100,000	983,500
$3,600,000	298,500	$9,100,000	1,163,500
$4,100,000	363,500	$10,100,000	1,353,500

Federal estate-tax receipts for the years 1917 to 1925, inclusive

[Figures taken from annual reports of Commissioner of Internal Revenue]

	1917	1918	1919	1920	1921	1922	1923	1924	1925	Totals 1917–1925	
										Amount	Per cent of total
Alabama	$5,055.76	$149,405.05	$602,666.46	$168,205.46	$516,685.20	$217,620.74	$168,137.10	$264,656.37	$207,584.86	$2,300,017.00	0.266
Alaska											
Arizona		89,962.21	11,253.49	50,446.86	24,665.92	9,721.82	31,335.28	60,222.03	3,189.51	280,797.12	.032
Arkansas	6,227.49	24,280.56	89,780.71	214,370.77	131,252.65	109,625.70	232,300.60	92,544.55	159,889.01	1,060,122.04	.123
California	173,913.70	1,528,498.12	4,662,692.58	2,243,339.27	7,450,600.14	4,241,140.66	4,758,141.24	4,428,672.88	4,412,642.33	33,899,640.92	3.925
Colorado	23,622.82	157,182.76	398,911.64	540,303.03	2,210,595.37	276,495.62	1,871,265.71	359,936.66	555,809.62	6,394,123.23	.740
Connecticut	331,456.37	1,941,111.21	2,277,668.14	6,495,928.57	2,246,828.18	8,429,612.19	2,169,121.42	2,706,998.15	4,204,143.58	30,802,865.81	3.566
Delaware	57,083.80	159,281.98	783,277.64	412,430.49	223,174.98	197,078.39	87,111.24	71,499.96	68,323.45	2,059,262.01	.238
District of Columbia	32,880.15	875,323.16	1,002,955.64	959,927.60	2,264,903.27	1,325,143.02	585,913.16	961,362.48	416,095.04	8,624,506.52	0.998
Florida	9,903.79	45,721.91	110,819.83	212,213.19	160,397.63	189,130.08	950,656.82	1,118,980.51	1,217,702.01	4,015,525.77	.465
Georgia	6,956.50	342,340.53	338,885.84	501,052.51	378,170.80	663,596.47	2,615,348.08	480,572.26	585,204.06	5,912,127.05	.684
Hawaii		72,435.15	139,019.70	271,526.76	861,778.14	64,288.73	59,040.80	134,679.05	150,537.00	1,750,305.33	.203
Idaho	17,614.34	46,776.41	49,811.89	45,633.29	35,430.02	24,990.04	34,756.64	126,335.86	28,898.35	410,246.84	.047
Illinois	726,669.42	2,657,313.84	3,996,359.03	10,399,307.52	5,095,022.00	4,630,907.99	5,407,744.25	6,497,455.18	5,137,339.01	44,548,208.21	5.157
Indiana	6,687.88	925,781.04	579,067.79	795,074.97	914,199.47	664,896.71	1,503,435.81	726,081.90	1,148,344.02	7,263,569.59	.841
Iowa	12,934.87	436,217.59	1,128,570.38	759,893.08	1,007,845.24	823,076.47	950,044.90	706,069.00	501,086.11	6,327,737.64	.733
Kansas	21,984.93	160,281.49	232,222.61	482,657.12	470,648.06	254,831.71	654,573.73	401,730.21	330,124.27	3,009,054.13	.348
Kentucky	19,850.84	264,267.94	7,842,751.73	461,549.80	360,244.78	258,768.52	442,840.61	556,255.65	1,350,194.37	11,556,724.24	1.338
Louisiana	105,809.21	134,465.41	312,919.44	393,520.21	386,549.13	352,450.73	356,800.12	659,418.69	908,540.80	3,609,473.74	.418
Maine	7,297.37	444,661.32	316,989.34	1,517,224.22	274,643.29	1,465,077.54	320,925.58	3,549,371.59	397,083.44	8,293,273.69	.960
Maryland	73,395.86	376,331.53	615,883.36	1,201,654.63	1,668,594.36	1,037,985.02	1,036,801.93	913,541.06	951,136.36	7,875,324.13	.912
Massachusetts	486,057.76	2,624,082.18	7,432,437.60	6,481,763.86	8,598,241.57	11,082,046.58	6,000,112.03	7,547,053.27	5,354,462.27	55,606,257.12	6.438
Michigan	101,349.24	1,056,839.00	1,367,346.71	2,182,901.67	5,272,245.98	17,861,727.73	4,128,178.18	4,536,565.63	5,058,471.81	41,565,625.95	4.812
Minnesota	25,015.67	900,163.88	1,514,850.31	578,211.73	1,336,899.37	1,080,690.98	3,028,948.80	1,371,428.47	1,269,501.52	11,105,700.73	1.286
Mississippi	33,402.26	94,807.27	126,443.17	197,922.86	79,654.26	170,357.40	184,051.77	243,706.62	158,546.09	1,288,891.70	.149
Missouri	197,640.46	950,704.21	1,365,416.96	1,339,315.94	1,759,495.21	1,725,268.56	2,034,832.45	2,138,173.62	1,148,310.50	12,659,157.91	1.466
Montana		4,121.00	49,136.30	165,470.77	48,923.86	62,494.85	194,882.34	50,912.77	32,408.66	608,348.55	.074
Nebraska	13,131.96	648,147.21	367,897.80	586,908.79	579,107.43	314,263.62	760,377.49	475,226.54	502,366.74	4,237,627.58	.491
Nevada			76.25	16,260.57	10,314.25	3,865.41	2,452.36	7,364.52	396.98	40,730.34	.005
New Hampshire	61,555.70	140,310.81	300,615.05	234,807.38	228,071.90	155,037.65	293,410.52	468,169.91	278,974.88	2,180,953.80	.252
New Jersey	60,495.52	5,097,240.47	4,403,917.95	3,864,350.69	6,569,481.69	2,576,482.85	7,219,684.88	3,740,664.95	8,097,063.24	41,629,382.24	4.820
New Mexico	5,386.45	4,864.10	5,482.16	264,455.75	6,819.54	63,163.16	10,503.71	4,073.33	4,600.09	379,408.29	.044
New York	1,431,132.22	14,913,465.73	22,079,446.44	32,772,304.60	68,403,477.62	47,023,286.59	55,914,532.24	31,351,421.55	34,334,108.07	308,223,175.06	35.684
North Carolina	223,072.37	244,729.84	302,305.70	3,174,019.28	239,689.04	1,696,763.61	1,528,469.80	460,450.82	2,403,015.21	10,272,515.67	1.189
North Dakota		19,901.63	6,850.99	31,757.17	45,690.88	74,893.94	87,648.68	29,099.74	30,377.89	326,233.92	.038
Ohio	456,878.06	2,145,398.80	2,448,809.54	4,308,643.15	5,058,198.73	3,167,475.89	3,506,116.96	2,793,373.15	4,179,275.97	28,064,170.25	3.249
Oklahoma	935.45	27,308.62	97,509.89	54,437.46	187,493.49	72,093.31	62,218.14	139,035.53	55,176.87	696,289.76	.081
Oregon	6,524.79	81,783.66	556,704.20	314,822.54	816,053.99	403,023.20	382,795.27	140,178.69	191,476.51	2,893,362.85	.335
Pennsylvania	731,520.05	6,066,770.00	11,270,215.63	10,305,942.55	20,591,364.00	8,329,481.00	10,224,173.27	14,506,143.33	10,123,406.75	92,169,016.58	10.671
Rhode Island	341,039.39	76,459.55	46,832.52	613,436.75	3,474,009.61	13,574,587.51	2,200,095.40	2,097,417.42	883,515.99	23,307,394.14	2.698
South Carolina	15,346.16	17,411.72	276,721.44	195,603.28	111,671.37	175,136.77	266,538.60	249,469.70	146,790.84	1,454,689.88	.168
South Dakota		9,898.63	47,803.94	75,081.20	78,957.63	60,008.42	170,553.40	68,422.59	40,400.94	551,131.75	.064
Tennessee	24,448.23	106,196.13	293,123.47	366,906.95	260,473.07	314,765.04	264,304.99	480,750.85	185,736.02	2,296,764.75	.266
Texas	63,192.91	324,231.54	399,988.56	3,840,869.75	948,327.11	1,257,905.34	1,351,327.36	1,165,365.85	1,288,543.31	10,639,751.73	1.234
Utah		107,023.75	95,394.82	412,350.17	43,739.38	132,401.45	57,805.90	104,068.69	85,091.38	1,040,865.54	.120
Vermont	3,423.60	69,201.24	28,164.17	60,054.31	215,190.77	182,311.10	122,028.42	126,420.93	69,791.70	874,590.24	.101
Virginia	23,415.67	286,157.38	260,321.48	636,381.00	531,469.59	530,919.58	689,556.56	989,118.03	578,611.84	4,495,951.13	.520
Washington	15,871.89	23,711.81	175,983.26	218,999.50	417,608.77	141,253.48	262,420.10	497,818.95	509,773.40	2,263,441.16	.262
West Virginia	95,228.82	277,403.19	202,328.49	179,687.31	168,900.43	424,631.24	224,149.57	547,012.43	522,029.74	2,652,361.22	.307
Wisconsin	31,159.47	303,668.37	930,314.30	1,907,845.64	1,228,318.99	1,291,782.35	1,275,712.26	1,764,283.96	1,125,099.07	9,858,184.41	1.141
Wyoming		9,238.85	86,000.79	107,831.29	49,049.23	7,205.28	19,106.24	56,187.79	19,616.72	354,237.19	.041
Tax payments made in Shanghai China							1,725.84			1,725.84	
Total	6,076,575.26	47,452,879.78	82,029,983.13	103,635,563.24	154,043,260.39	139,418,846.04	126,705,206.55	102,906,761.68	101,421,766.20	863,750,842.27	100.000

Mr. GREEN of Iowa. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. BURTON].

Mr. BURTON. Mr. Speaker and gentlemen of the House, I am keenly disappointed because amendment No. 29 was not concurred in. I had thought the action of the Senate in adopting that change in the bill was not a mere gesture but the result of a decisive intention. I have not the time to explain the provisions of this amendment at this time, but the result of a ruling by the Commissioner of Internal Revenue in 1923, relating to revocable trusts, in my judgment, creates a very serious injury to a large class of taxpayers, and the question will probably be still further agitated, if not before the courts, then in the House. In brief, this ruling in 1923, revoking a former ruling, seeks to prohibit taxpayers who had paid taxes on their gains from deducting losses upon the principles enunciated.

Now, turning to the matter of the inheritance tax, I believe in inheritance taxes. They are prominent in the revenue systems of practically every civilized country. If a citizen of the United States or one of the great Commonwealths of this country accumulates a great fortune, his success can not be ascribed alone to his ability. It is due in even greater measure to the protecting shield of American law and the marvelous opportunities of American life. [Applause.] And he owes part of that accumulation to the community or communities in which he has lived. As an ideal system I believe in leaving our inheritance taxes to the respective States. Their needs are greater; the proportion of local taxation is now three to two as against Federal taxation. Thus States and municipalities are more in need of this kind of revenue. But we are confronted with a very peculiar condition. Nevertheless it is a condition.

Mr. CAREW. Mr. Speaker, will the gentleman yield?

Mr. BURTON. Not now.

There is confusion and lack of uniformity among the States, and until a better system is worked out it is my opinion that this system of taxation may well be reserved by the Federal Government. The plan for a transfer of 80 per cent of the tax from the Federal Treasury to the States in a way secures to the States their proper or natural share of the amounts collected.

Very hastily I wish to touch on another point. I listened with attention to the remarks of my good friend from Minnesota [Mr. NEWTON] in regard to the retroactive provision of this bill. Why is that here? Partly because the tax of the act of 1924 was unduly large—40 per cent. With such a tax added to the taxes in many of the States, it would amount to virtual confiscation. Consequently it was considered that the inheritance taxes of 25 per cent in the act of 1921 and of 20 per cent proposed in this act were more just and reasonable.

But there is another point in this connection to which I wish to call the attention of the House particularly. The provisions in this act in regard to the tax on incomes are retroactive. Incomes, beginning the 1st of January, 1925, are by this bill subject to a very substantial reduction. If we

adopt a similar provision for inheritance taxes it would leave a period for the larger tax of 40 per cent operative only from the 2d of June, 1924, to the 31st of December, 1924. Certainly if the reduction is made on income taxes back to December 31, 1924, there should also be a retroactive provision relieving the taxes on inheritances as well, and the gap or interval of a little less than seven months is not a sufficient reason for a different rule.

Mr. Speaker, I yield back the balance of my time. [Applause.]

Mr. GREEN of Iowa. Will the gentleman on the other side use the balance of his time?

Mr. GARNER of Texas. Mr. Speaker, I yield five minutes to the gentleman from Oklahoma [Mr. McKEOWN].

The SPEAKER. The gentleman from Oklahoma is recognized for five minutes.

Mr. McKEOWN. Mr. Speaker and gentlemen of the House, the reason why Oklahoma pays very little estate tax, as reported by the gentleman from Texas [Mr. GARNER], is the fact that there are no dead millionaires in Oklahoma; they are all alive. [Applause.]

Oklahoma pays an enormous sum into the National Treasury in income taxes and other Federal taxes, and for the year 1924 Oklahoma increased by a greater percentage her Federal taxes than any other State in the Union save and except the glorious State of Florida, that we have heard so much about.

I was sorry that Senate amendment 108, which took off admission taxes, could not have been agreed to. But I am not impractical. I know the difficulties and the trials that beset the conferees, and I know that most legislation is arrived at by compromise, and I am not willing, however disappointed I am that the admission taxes were not taken off, to vote against the conference report.

Gentlemen, the admission taxes, as I stated heretofore when we had the bill before us, should be removed because they are merely war taxes, and no man who has ever stood on the street corner and seen the great circus parade go by has failed to be thrilled with emotion; it takes us back to our boyhood days. I wanted to see the admission tax removed so that the American boy could not only see the parade but could see the side show and the big top also. [Applause.]

I am sure this admission tax should be removed, and I am sure you will agree with me if you ever have the opportunity to see the great circuses that make their home in the great State of Oklahoma. I am sure if this Congress should have the opportunity to see Orange Bros. or the 101 Wild West and Near East you will vote in the next Congress to immediately remove the admission tax.

I wish to take this occasion to congratulate the committee on the fact that they have raised the exemption from 50 to 75 cents. After all their struggles to bring back to the House a bill that we can agree on, the gentleman from Iowa [Mr. GREEN], the gentleman from Texas [Mr. GARNER], and the gentleman from Massachusetts [Mr. TREADWAY], the gentleman from Mississippi [Mr. COLLIER], and the gentleman from New Jersey [Mr. BACHARACH] on the conference committee are entitled to the sincere gratitude of the Members of this House for the splendid way in which they came out of that conference.

Mr. Speaker, I yield back the remainder of my time. [Applause.]

Mr. GARNER of Texas. Mr. Speaker, I yield three minutes to the gentleman from Florida [Mr. GREEN]. [Applause.]

Mr. GREEN of Florida. I am indeed grateful to the leader of the Democratic side [Mr. GARNER] when he gives me three minutes. In view of the fact that he has only 60 minutes to be consumed by about 200 Members on this side of the aisle, I think he is indeed generous to me. I appreciate this opportunity to register again the protest of one and a half million people in the State of Florida against what I believe is the most iniquitous bill which has ever been attempted to be passed by the Congress of the United States.

My fellow Members, some of you have forgotten that in the passage of this bill, if it is passed, that it virtually carries the repeal of the constitution of a sovereign State. I know the people of the State of Florida are entitled to the same protection when you equalize taxes and when you impose taxes and collect taxes as any State in the Union.

The 80 per cent credit which this bill would give to the various States which collect an estate tax for the State, and thus compelling the State of Florida to pay approximately 80 per cent more Federal tax into the Federal Treasury, I know is iniquitous, is unfair, is inequitable; and, my fellow Members, I regret that you here attempt to force this upon the people of my State. It is absolutely contrary to the Constitution of the United States. There are a million and a half people in my State who will send more money per capita under the inheritance-tax provision of the bill to the Federal Government than will the inhabitants of any other State of the Union. I ask you is that fair and is that just? Is it just for Florida to pay 100 per cent inheritance tax to the Federal Government and for New York, Massachusetts, and other States—yes, in fact, all except Florida and two others—to pay only 20 per cent inheritance tax to the Federal Government?

If you were repealing the constitution of your State by the encroachment of the Federal monster like this bill, then would you not ask the Congress to protect your citizenry? Bureau after bureau is created here in Washington; the departments of the Government are usurping more and more power; and you are centralizing your Government here in Washington, and day by day violating the great and safe principle of State rights; and may I warn you, fellow Members of the House of Representatives, that if you pass this bill carrying this inheritance-tax provision you are virtually repealing the constitution of my fair and great State, Florida; and, further still, you are, in my opinion, violating the Constitution of the United States, when it says:

Representation and taxation shall be apportioned among the States.

Mr. Speaker, is this bill an apportionment of taxes among the several States? I say no. My fellow Members, I warn you, especially those of you who are from the weaker States, from the Southern States, that if you go hand in hand with the great monopolistic and corporate interests of the seven States of the Northeast and assist them in this great centralization of power of Congress to repeal State constitutions and foster a bureaucratic government, and usurping State rights, your States may sooner or later suffer the same deathblow that mine, Florida, is now about to suffer. [Applause.]

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. GARNER of Texas. Mr. Speaker, I want to say to the Members of the House that my attention has been called to an error I made at the time I stated all the Southern States except Texas were guilty of inconsistency in another body. The good old State of Virginia, through her great Senators, has been consistent from 1916 to 1925.

I wanted to make this correction before the House as well as in the RECORD. [Applause].

Mr. GREEN of Iowa. Mr. Speaker [prolonged applause, the Members rising], first of all I want to thank the Members on both sides of the House for the cordial cooperation they have given me in the consideration and passage of this bill.

I have been engaged in a great conflict, I might say a desperate fight, ever since last spring on matters that are now contained in this bill. No matter whether gentlemen agreed with me or not, they have always treated me with the utmost courtesy and consideration, and I am proud to say that all through the House has endeavored as a whole to give its support to the measures which I have advocated.

I have come back to-day with the best bill I could get, again asking your support, and in this connection I want to say with reference to the remarks made by the gentleman from Iowa [Mr. RAMSEYER] I am very much surprised at the statements which he made. Lest anything I might say may be considered as critical of the gentleman, I want to say that he and I are warm personal friends. We have been for years and will be to the end. The gentleman is one of the best-informed men in the House in relation to taxation, especially in respect to the inheritance tax. He has rendered most valuable service to the House and to the country by the manner in which he has handled that subject; but, Mr. Speaker, I can not rest under the imputation that this bill will deplete the Treasury improperly. If it does, it is not the fault of the conferees. The responsibility for that must rest with the Treasury itself.

I had not intended to speak of some conversations I have had with the Secretary of the Treasury, and I do not wish to go into any matter that would be improper to bring before the House, but I must defend myself and defend the conferees from any thought on the part of this House that in presenting this bill the conferees have acted in opposition to the wishes of the Treasury, because absolutely the contrary is the case. Every act of the conferees has been confirmed by the Treasury. [Applause.]

Mr. RAMSEYER. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. RAMSEYER. I made no reflection on the conferees whatever. I said the report was in violation of the statement of the Treasury and not in line with the President's message. I do not want the gentleman to get the impression I was reflect-

ing on the conferees. I do not doubt at all that the conferees have probably gotten all it was possible to get under the circumstances.

Mr. GREEN of Iowa. I wanted to make it clear to the House. I was afraid there might be some misunderstanding about it. I did not want the House to be under the impression the conferees were not acting in cooperation with the Treasury, because the contrary is the fact.

Mr. RAMSEYER. From nothing I said could the gentleman infer that.

Mr. GREEN of Iowa. The conferees have the support of the Treasury in this bill. Possibly it is unnecessary I should amplify this fact, in view of the statement that appeared last Sunday in the daily papers on the part of the Secretary of the Treasury; but I want to also say—and I feel compelled to say this—if the Secretary of the Treasury had wanted this bill to carry a less amount of reduction he could have had it, and the reason it does not carry a less amount of reduction—or in other words, the reason it does not produce more revenue is because the Secretary of the Treasury felt confident it would bring in all that the Government needed for the next year and the year following and that the increase in business thereafter would take care of anything that might occur after that date.

Let me say that the Treasury in so doing disregarded all these previous estimates, as it might rightfully do, from the fact that within the last six months alone the revenues of the country have been about $70,000,000 more than anticipated at the time the Budget was made up and the estimates prepared which are contained in the report of the Secretary of the Treasury. The estate tax alone, as it stands on the books, for this calendar year will probably bring in $150,000,000, and it was only estimated at $110,000,000.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. GARNER of Texas. I will yield the gentleman five minutes.

Mr. GREEN of Iowa. The increase in receipts from corporation taxes and the income tax corresponds to the increase in the estate tax. The effect of the good work that was done in the 1924 bill is now being realized. At that time we closed up a number of gaps that enabled parties to escape from corporation tax and income tax, and we are getting the benefits of it in the increased returns. The general prosperity of the country has also been, and will be, reflected in the tax receipts. The income of the country, only about $50,000,000,000 in 1921, is over $70,000,000,000 at this time, and you can see what a change that will make in the returns in the income tax of corporations and individuals.

The figures I got from Mr. McCoy last Saturday evening were that the reduction in the returns from taxes for the fiscal year 1926 would be only $196,000,000; for the fiscal year 1927, $300,000,000; and yet the surplus for each is estimated at considerably over these amounts. It is true the reductions will be larger in the following year owing to the change in estate taxes.

Now, gentlemen, here we are. We met with greater opposition than has ever been met before in conference. We have brought back the best bill we could bring, if we were to bring any bill at all, out of that meeting. I submit it to you in the hope that you will find that it merits your approval. [Applause.] Mr. Speaker, I move the previous question.

Mr. NEWTON of Minnesota. A parliamentary inquiry.

The SPEAKER. The question is on ordering the previous question.

The question was taken, and the previous question was ordered.

Mr. NEWTON of Minnesota. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. NEWTON of Minnesota. I have a motion to recommit. Will the ordering the previous question apply to a motion that is offered later to recommit?

The SPEAKER. It will not.

Mr. DRANE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DRANE. I am opposed to the bill.

The SPEAKER. The Chair will recognize the gentleman from Florida to offer a motion to recommit.

The Clerk read as follows:

Mr. DRANE moves to recommit the conference report, with instructions to the managers on the part of the House to recede from the disagreement of the House to the amendment of the Senate No. 100, and agree to the same with an amendment as follows:

"In lieu of the matter proposed to be inserted by said amendment insert the following:

"SEC. —. Title III of the revenue act of 1924 relating to estate taxes is hereby repealed."

Mr. GREEN of Iowa. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Florida [Mr. DRANE] to recommit the bill.

The question was taken, and the motion to recommit was lost.

The SPEAKER. The question is on agreeing to the conference report.

Mr. GREEN of Iowa. And on that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 355, nays 28, present 1, not voting 47, as follows:

[Roll No. 41]

YEAS—355

Abernethy	Doughton	Kincheloe	Robinson, Iowa
Ackerman	Douglass	Kindred	Robsion, Ky.
Adkins	Dowell	Knutson	Rogers
Aldrich	Drewry	Kopp	Romjue
Allen	Driver	Kunz	Rouse
Almon	Dyer	Kurtz	Rowbottom
Andresen	Eaton	Lanham	Ruhey
Andrew	Edwards	Lankford	Rutherford
Appleby	Elliott	Larsen	Sabath
Arentz	Ellis	Lazaro	Sanders, N. Y.
Arnold	Eslick	Lea, Calif.	Sanders, Tex.
Aswell	Evans	Leatherwood	Sandlin
Auf der Heide	Fairchild	Leavitt	Scott
Ayres	Faust	Letts	Seger
Bacharach	Fenn	Lindsay	Shreve
Bachmann	Fish	Lineberger	Sinnott
Bacon	Fisher	Linthicum	Smith
Bailey	Fitzgerald, Roy G.	Little	Smithwick
Bankhead	Fitzgerald, W. T.	Lowrey	Snell
Barbour	Flaherty	Lozier	Somers, N. Y.
Barkley	Fort	Lyon	Sosnowski
Beedy	Foss	McFadden	Speaks
Beers	Frear	McKeown	Spearing
Begg	Free	McLaughlin, Mich.	Sproul, Ill.
Bell	Freeman	McLaughlin, Nebr.	Stalker
Bixler	French	McLeod	Steagall
Black, N. Y.	Frothingham	McMillan	Stedman
Black, Tex.	Fuller	McReynolds	Stephens
Bland	Funk	McSwain	Stevenson
Blanton	Furlow	McSweeney	Stobbs
Bloom	Gambrill	MacGregor	Strong, Kans.
Boies	Garber	Madden	Strother
Bowles	Gardner, Ind.	Magee, N. Y.	Summers, Wash.
Bowman	Garner, Tex.	Magee, Pa.	Summers, Tex.
Box	Garrett, Tenn.	Magrady	Swank
Boylan	Garrett, Tex.	Major	Swartz
Brand, Ga.	Gasque	Manlove	Swing
Briggs	Gibson	Mansfield	Taber
Brigham	Gifford	Mapes	Taylor, Colo.
Britten	Glynn	Martin, La.	Taylor, N. J.
Browning	Golder	Martin, Mass.	Taylor, W. Va.
Brumm	Goldsborough	Mead	Temple
Buchanan	Goodwin	Menges	Thatcher
Bulwinkle	Gorman	Merritt	Thomas
Burdick	Green, Iowa	Michaelson	Thompson
Burtness	Greenwood	Michener	Thurston
Burton	Griest	Miller	Tillman
Busby	Griffin	Milligan	Tilson
Butler	Hadley	Mills	Timberlake
Byrns	Hale	Montague	Tincher
Campbell	Hall, Ind.	Montgomery	Tinkham
Canfield	Hall, N. Dak.	Mooney	Tolley
Cannon	Hammer	Moore, Ky.	Treadway
Carew	Hardy	Moore, Ohio.	Tucker
Carpenter	Hare	Moore, Va.	Tydings
Carter, Calif.	Hawes	Morgan	Underhill
Carter, Okla.	Hayden	Morin	Underwood
Celler	Hersey	Morrow	Updike
Chalmers	Hickey	Murphy	Upshaw
Chapman	Hill, Ala.	Nelson, Me.	Valle
Chindblom	Hill, Md.	Nelson, Mo.	Vestal
Clague	Hill, Wash.	Newton, Minn.	Vincent, Mich.
Cole	Holaday	Newton, Mo.	Vinson, Ga.
Collier	Hooper	Norton	Vinson, Ky.
Collins	Houston	O'Connell, N. Y.	Wainwright
Colton	Huddleston	O'Connell, R. I.	Wason
Connally, Tex.	Hudson	O'Connor, La.	Watres
Connery	Hudspeth	Oliver, N. Y.	Watson
Cooper, Ohio	Hull, Tenn.	Parker	Weaver
Cooper, Wis.	Hull, Morton D.	Patterson	Weller
Corning	Hull, William E.	Peery	Welsh
Coyle	Irwin	Perkins	Wheeler
Cramton	Jacobstein	Perlman	White, Kans.
Crisp	James	Phillips	White, Me.
Crosser	Jeffers	Pou	Whitehead
Crowther	Jenkins	Prall	Whittington
Crumpacker	Johnson, Ill.	Pratt	Williams, Ill.
Cullen	Johnson, Ind.	Purnell	Williams, Tex.
Curry	Johnson, Ky.	Quin	Wilson, La.
Darrow	Johnson, Tex.	Ragon	Wilson, Miss.
Davenport	Johnson, Wash.	Rainey	Wingo
Davey	Jones	Rankin	Winter
Davis	Kearns	Ransley	Wolverton
Dempsey	Kelly	Rathbone	Woodrum
Denison	Kemp	Rayburn	Wright
Dickinson, Iowa	Kerr	Reece	Wurzbach
Dickinson, Mo.	Ketcham	Reed, Ark.	Wyant
Dickstein	Kiefner	Reed, N. Y.	Zihlman
Dominick	Kiess	Reid, Ill.	

NAYS—28

Allgood	Gilbert	Lampert	Schneider
Anthony	Green, Fla.	Morehead	Sears, Fla.
Beck	Hoch	Nelson, Wis.	Simmons
Browne	Howard	Oliver, Ala.	Sinclair
Carss	Johnson, S. Dak.	Peavey	Voigt
Christopherson	Kvale	Ramseyer	Wefald
Drane	LaGuardia	Schafer	Williamson

PRESENT—1

McDuffie

NOT VOTING—47

Berger	Gallivan	Lehlbach	Sullivan
Bowling	Graham	Luce	Sweet
Brand, Ohio	Harrison	McClintic	Swoope
Cleary	Hastings	O'Connor, N. Y.	Taylor, Tenn.
Connolly, Pa.	Haugen	Oldfield	Thayer
Cox	Hawley	Parks	Vare
Deal	Hogg	Porter	Walters
Doyle	Kahn	Quayle	Warren
Esterly	Keller	Sears, Nebr.	Wood
Fletcher	Kendall	Shallenberger	Woodruff
Fredericks	King	Sproul, Kans.	Yates
Fulmer	Lee, Ga.	Strong, Pa.	

So the conference report was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Brand of Ohio (for) with Mr. Berger (against).
Mr. Bowling (for) with Mr. McDuffie (against).

General pairs until further notice:

Mr. Graham with Mr. Oldfield.
Mr. Luce with Mr. Gallivan.
Mr. Sweet with Mr. Quayle.
Mr. Walters with Mr. Cleary.
Mr. Connolly of Pennsylvania with Mr. Deal.
Mr. Woodruff with Mr. Lee of Georgia.
Mr. Strong of Pennsylvania with Mr. Cox.
Mr. Hogg with Mr. McClintic.
Mr. Kendall with Mr. Sullivan.
Mr. Vare with Mr. Harrison.
Mr. Swoope with Mr. Warren.
Mr. Thayer with Mr. Fletcher.
Mr. Lehlbach with Mr. Doyle.
Mr. Porter with Mr. Shallenberger.
Mr. Wood with Mr. Fulmer.
Mr. Hawley with Mr. O'Connor of New York.
Mr. Taylor of Tennessee with Mr. Parks.
Mrs. Kahn with Mr. Hastings.

Mr. McDUFFIE. Mr. Speaker, I wish to withdraw my vote of "no," as I am paired with the gentleman from Alabama, Mr. BOWLING.

The result of the vote was announced as above recorded.

On motion of Mr. GREEN of Iowa, a motion to reconsider the vote by which the bill was passed was laid on the table.

GENERAL LEAVE TO PRINT

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent that all Members have five legislative days within which to extend their own remarks on this bill.

The SPEAKER. The gentleman from Iowa asks unanimous consent that all Members have five legislative days within which to extend their remarks upon the conference report. Is there objection?

Mr. HOWARD. Mr. Speaker, does that refer alone to the distinguished gentlemen who were permitted to speak?

The SPEAKER. To all gentlemen and gentlewomen. Is there objection?

There was no objection.

THE REVENUE BILL

Mr. HUDDLESTON. Mr. Speaker, the interest which officials of certain States are taking in opposition to the Federal estate tax is passing strange. It is more than strange, when no interest which their States might have is affected. Such activity upon the part of State officials leads to the suspicion that they are moved by ulterior motives. When we understand the activity of certain selfish organizations in opposition to the estate tax and recognize that they are spending a great deal of money in carrying on their campaign against it, it is hard to avoid the thought that some of these State officials who are so active are being moved by the great hand that works behind the scenes.

In this connection my attention is called to the statement of Hon. W. I. Nolan, lieutenant governor of Minnesota, which appears on page 254 of the hearings before the House Committee on Ways and Means. His statement was as follows:

Mr. NOLAN. Mr. Chairman, gentlemen of the committee, I am here representing Governor Christianson, of Minnesota. The governor is unable to be present at this hearing and he has requested me to read a brief statement setting forth his position on the repeal of the Federal estate tax. This statement is addressed to the chairman of the committee and is as follows:

"Minnesota needs all the revenue that can be derived from taxation of inheritances within the State, and I believe that the Federal Government should relinquish this form of taxation to the States. This would enable the State to reduce the burden of taxation on property, which has become excessive everywhere. The farmers especially would gain if the revenue which the Federal Government now derives from estate taxes could be applied and used to reduce State taxation; for the farmers, of all people, pay upon their property a tax which is disproportionate to the income which they derive from the use of that property.

"If the Federal Government would reduce its activities and leave to the States the functions which constitutionally and properly belong to them, it should be possible to so reduce the Federal expenditures as to bring them within the revenue, without imposing a tax on inheritances."

The CHAIRMAN. I am sorry that the governor is not here, so that I could ask him a question or two, because I would like to ascertain how he expected the State to be able to enforce the State inheritance taxes if the Federal inheritance tax was simply absolutely wiped out and repealed. That is, I am wondering how he would expect the State to get much benefit out of the State inheritance tax. I was just informed the other day that already over in the neighboring State of Minnesota five extremely wealthy men in one city have emigrated to Florida in order to escape the inheritances taxes in their own State, and also the income tax.

Mr. NOLAN. Well, that is probably true. I am not here with any authority to commit the governor to any statement; but, of course, I think that he feels, and I think many of us in our State feel, that the levying of an inheritance tax is a function of the State government. We have had an inheritance tax in our State for some years, and it has worked out very successfully.

Mr. CAREW. Would you like to have the people who pay it go to Florida to escape it?

Mr. NOLAN. I do not care whether they go there or not. If they want to go there, that is their privilege. This is a free country. They can go to Florida or any place that they want to go.

The CHAIRMAN. Then we will go on with the next witness. I am glad to know that you are perfectly willing that the wealthy should escape the taxes.

Mr. NOLAN. I do not feel that way about it; but I feel that we can not help it if Florida offers inducements.

Mr. RAINEY. Would you want to keep them from offering those inducements if you could?

Mr. NOLAN. If we could; yes. But I do not know how we could do it.

Mr. RAINEY. If we could devise a method by which it could be done, would your State favor it?

Mr. NOLAN. Well, I would like to know what that method would be first, before I would be willing to say.

Mr. RAINEY. You want to accomplish the result without committing yourself to any method?

Mr. NOLAN. Yes; we want to accomplish the result; but I am frank to say that I do not have any program in mind.

Mr. RAINEY. You want to be in a position to favor that result, but to complain about almost any method that we could devise to put it into effect?

Mr. NOLAN. I will say that, so far as we are concerned in our State, we are not trying to relieve anybody from paying his just share of the taxes.

Mr. RAINEY. Do you know of any other agency except the Federal Government which, under its Constitution, can do this? Do you know of any other agency that can make a regulation which would, in effect, compel the States to make these taxes uniform, so that one State would not have any advantage over another?

Mr. NOLAN. I do not know of any other agency, and I question whether it is a proper duty of the Federal Government to interfere with the States in this respect.

Mr. RAINEY. Then you want the result accomplished which you say you favor, but you are opposed to its being accomplished by any possible agency?

Mr. NOLAN. I say I am favorable to any system of uniformity if you can work it out; but I am speaking from the point of view of our own State.

Mr. GOODWIN. Mr. Speaker, it is with grave concern that I have examined the conference report on H. R. 1, as made to this House, particularly on the agreement of the conference committee of the House and Senate with reference to the agreement made and report submitted to this House on the retroactive features of the estate taxes included in and provided by the bill now before the House.

Under the provisions of this bill as it is now reported back to the House the Government will lose approximately $85,000,000 in taxes already accrued and determined and in refunds to estates where collections have already been made under the provisions of the present law. It is estimated that the refunds will approximate $15,000,000 in taxes this year, and in a total loss of approximately $85,000,000 in taxes already assessed on estates subject to this tax in the period since the 1921 act went into effect.

Just why the retroactive feature of this bill on estates should be made effective is beyond my understanding, and particularly so, as no such recommendation has been made by the Secretary of the Treasury, and apparently the House Ways and Means Committee, in its hearings on this subject, never contemplated any such result.

While I believe that this form of taxation should be the exclusive province of the States, yet under the present conflicting laws of the several States and in view of the fact that three of our States now have no law taxing estates, therefore I believe that this system of taxation should inure to the benefit of the Federal Government until at least such time as all the States in the Union have enacted laws taxing estates on as uniform a basis as is possible, and to be accomplished through a conference of all the States of the Union by its properly accredited representatives, but until such time as uniformity is obtainable in this direction the Federal Government should have the right to impose a tax upon estates and the consequent revenue inure to the benefit of the National Government.

There has been imposed and collected a variety of so-called "nuisance taxes," and some of which are particularly obnoxious and burdensome upon the people. It would have been and would be of far greater utility if these "nuisance taxes" had been abated and the full value of the estate tax retained as a part of our taxing system to the full extent of the present law.

It is argued that the estate tax is burdensome and unjust in that it deprives the widow and the orphan of a portion of their property at the time when the amount of the tax is of the greatest need, but this argument fails when we consider that there is an exemption of $50,000 allowed by law and that the amount of the tax is extremely small in comparison with the total value of the estate, and if the estate is not in a position to pay the tax the law permits of a long period within which the property of the estate can be liquidated and the amount of the tax segregated. This period extends for some five years, and the tax accrues upon the net amount of the estate after the charges provided by law have been deducted.

The original bill provided for a substantial decrease in the tax on estates and in line with reductions on incomes and other forms of property. I believe that the owners of estates should have the benefit of a proportionate reduction in the amount of the tax imposed upon estates, but to make a gift to the owners of these estates already in process of administration in an amount equal to $85,000,000 is not only wrong in theory but absolutely unjust to the Government and that vast number of taxpayers who still will have to continue to pay the so-called "nuisance taxes," because the amount we fail to raise in inheritance taxes must, of necessity, be raised by taxes on other property.

There are now in process of administration a number of extremely large estates; some of these estates have already paid into the Federal Treasury the amount of the estate taxes; in other estates the taxes are in process of collection and the personal representatives of the decedents undoubtedly have made provisions for the payment of the taxes in full under the act of 1924.

By this proposed measure the Federal Government is making a donation of millions of dollars to the owners of these estates and who can well afford to pay the tax from the enormous resources of these estates, and nowhere in the committee report nor in the arguments before the House has there been advanced any reason indicating any obligation resting upon Congress to make a gift in such a tremendous amount to the estates, because it virtually amounts to a gift and favors only a small class as against the great mass of the American people who, by other forms of taxation, will be required to make up the amount of this gift by continuing taxes upon other forms of property. There is no precedent or parallel for such legislation in the history of the American Congress. On the one hand we have a favored few and on the other hand millions of people who will still be required to pay, for instance, the admission taxes on amusements and many of the latter will be denied the privilege of their amusements, recreation, and education by the retroactive feature of the estate-tax provision as now and proposed to be embodied in this law.

It is the duty of Congress to legislate for the general welfare of the entire American public and to so equalize taxes that one class will not be burdened unduly at the expense of other classes. In defense of the estate tax I wish to say that I can not conceive that any injustice is done to the several States by the Federal Government continuing in the estate-tax field at this time. In the case of a manufacturer of an article in nation-wide use, the decedent owner has accumulated his wealth by contributions by the people of the entire Nation.

California has contributed to the enrichment of people living in New York and in Michigan, and large industries are being built and prosper under legislation of the most favorable character; their property is protected and their every right is protected by the Federal Government, and the people constitute the Federal Government. Why, then, is there any injustice when a rich manufacturer or distributor dies and leaves behind him a vast estate, if the Federal Government steps in and appropriates under the terms of just taxation a portion of his accumulations and his fortune and participates in the distribution of that fortune in a proportionate degree with the beneficiaries of the estate, who in many instances have neither by their ability nor industry assisted in the accumulation of that fortune. By this feature of the bill we are extending a gift or gratuity to a class of people who are not only not entitled to it, but abundantly able to pay the very reasonable amount of the tax imposed under the law of 1924, as the same is modified by the present bill in a reduction of the amount of the tax.

I am constrained to vote for this bill in its entirety, but do so under protest with this retroactive provision included, because I fully realize that in order to give tax relief to the American people this bill must be promptly enacted into law, but by voting for the same I feel it my duty to register my protest against the retroactive features of those provisions of the bill relating to the estate tax.

Mr. FREAR. Mr. Speaker, few tax reduction bills are entirely satisfactory to anyone, but when voting on such measures the facts must serve to determine whether a vote of protest should be cast against a bill on its final passage or whether the bill's good features justify its support.

A tax cut bill was passed in 1921 drastically reducing the "war taxes" and included a repeal of the excess-profits tax. A second tax reduction bill was passed in 1924, at which latter time an annual tax cut of $400,000,000 was estimated to have been made. The 1924 bill then urged by Secretary Mellon endeavored to give a 50 per cent tax cut to large income-tax payers while small taxpayers were proposed to have only a 25 per cent cut. Congress reversed the Mellon proposals and gave the largest relief to small taxpayers on the theory that those best able to pay needed less relief.

The 1926 tax bill reported by Senate and House conferees, in addition to the two prior tax cut bills, now gives a further tax cut estimated at from $375,000,000 to $400,000,000 per annum, or nearly $100,000,000 more than the present tax cut recommended by the Treasury Department. Among the tax items reduced, compared with existing law, are the following:

Income tax, reduction	$164,400,000
Capital-stock tax	68,500,000
Automobiles	46,400,000
Tobaccos	17,000,000
Tires	25,000,000
Admissions (theaters, etc.)	9,000,000
Jewelry	8,000,000
Brokers	2,100,000
Bowling alleys	2,000,000
Stamp taxes	5,250,000

Other miscellaneous taxes make up the balance of the total cut and are of a nature that grant general relief to the masses of the people who now are directly or indirectly paying Federal taxes not needed for Government expenses.

The bill before us raises the tax exemption of single persons from $1,000 to $1,500 and of married persons from $2,500 to $3,500. This affects every income-tax payer by the increased exemptions. A reduction in normal taxes also affects all taxpayers. The administrative features it is generally conceded improve the 1924 law. That, then, is the bill now before us.

I voted against the bill when it passed the House in order, among other things, to register a protest against its unwarranted reduction of maximum surtaxes from 40 per cent to 20 per cent. The normal tax when added makes the total maximum surtax reduction practically from 46 to 25 per cent. "Ways that are dark" are not alone practiced by the heathen Chinese, however, and few people of large wealth ordinarily pay anything like the maximum tax rates fixed by law. Undistributed profits and stock dividends exempted by court decisions, tax-free securities, and other methods of tax avoidance always cut down the average surtax rate on actual incomes, although not distributed, so that few, if any, actual incomes now average a 25 per cent rate of taxes paid to the Government.

In other words, great incomes frequently pay less than one-half the rate they are supposed to pay.

Instead of growing better, tax avoidance within recent years has grown worse, and whether the tax reduction contained in this conference bill will reduce legalized and illegalized tax dodging remains to be seen. The efforts of the Couzens investigation caused the acceptance of many needed amendments found in the pending bill.

A repeal of the gift tax and the publicity provision in existing law was first made in the bill by the House without justification. However, limited publicity that discloses only the amounts paid by taxpayers is of little value in preventing tax dodging.

Nine out of every ten Members of the House, irrespective of party, presumably will vote for the conference bill, so that a vote of protest against the bill will be of little value, excepting as a further record of protest, because no improvement in its terms can be hoped for. Can it properly be supported because of existing law?

The bill compared with existing law exempts from any payment probably one and one-half million small taxpayers or more who have incomes below $1,500 where single persons and $3,500 when married. It thus practically exempts one-third of the total number now paying income taxes and gives a small tax reduction to every other taxpayer through the increased exemption. Next in importance the following reductions for married persons are made on incomes under $10,000, compared with existing law, and the figures show an average reduction will be had of approximately 45 per cent or more on annual incomes below $10,000 (1926 bill):

Income, 1924	1924 act	1926 bill
$3,000	$7.50	None.
$4,000	22.50	$5.63
$5,000	37.50	16.88
$6,000	52.50	28.13
$7,000	75.00	39.38
$8,000	105.00	56.25
$9,000	135.00	78.75
$10,000	165.00	101.25

Approximately 1,000,000 persons, or about one-quarter of the total number of income-tax payers, will share in these reduced rates on or below $10,000 incomes, while those having higher incomes, including multimillionaires, will receive proportionately great or greater tax reductions. The tax reduction of $71,000,000 on automobiles and tires will benefit a large portion of the people who own over 20,000,000 cars now in use. So, too, the benefits of the bill will be more general than any of its predecessors through the repeal of miscellaneous war taxes, including theater and show admissions up to 75 cents, jewelry, bowling alleys, and other items not mentioned in detail.

The Federal inheritance tax is still retained in the bill as it passed the House with a 20 per cent maximum rate, but with an indefensible retroactive feature inserted. The entire estate tax was struck out by the Senate on the theory that Federal estate taxes belong to the States. To have changed the existing Federal estate tax law in this summary fashion would have resulted in a repeal of many State taxes throughout the country because of the action of States that now invite nonresidents to move to them on that ground. The House conferees made a successful fight to preserve this important Federal tax. The estate tax brings to the Treasury about $100,000,000 annually from which State credits are allowed and its retention is otherwise vastly important because it protects the inheritance tax laws of the various States that would otherwise be repealed because of the noninheritance tax States. I believe the maximum estate tax rates in existing law ought to have been retained, also that maximum income surtaxes ought to have been left higher than they are in the bill before us, although all are entitled to some share in the tax cut.

Tax reduction warranted relief all along the line, and the question now to be determined is, Can one who voted for the 1921 or 1924 tax bills, with their much higher tax rates, now refuse to support a conferees' bill that carried over $375,000,000 new tax cuts by lowering of rates that in the past were approved? Compromise tax measures are always necessary, and this bill as stated now gives a large share of tax relief to those most in need, and for that reason I shall vote that it may become law.

Mr. LANKFORD. Mr. Speaker, I am supporting the present tax reduction bill because of its good features, and yet it is objectionable in many respects. My greatest apprehension is that in the very near future there will be renewed a most determined effort to impose a general sales tax and to prevent by constitutional amendment the issuance of tax-exempt securities.

A sales tax in addition to the tax imposed by a high tariff would amount to a double tax in the most vicious form on everything that the common people buy. This would place on the backs of the great consuming public a burden of taxation for Federal purposes more than twice as heavy as ever heretofore borne.

And yet this burden would be made very much heavier if there should be passed the so-called "tax exempt securities resolution" and it should be written into our Constitution.

To my mind, this is one of the most vicious measures ever attempted to be placed into our fundamental law. Stripped of its pretty name, it simply means to deprive the States and the Nation of their rights to control their respective credits. It means an extra tax burden on good-roads bonds, school bonds, drainage bonds, all kinds of public-improvement bonds and farm-loan bonds—a tax which must be borne by the school children, their fathers and mothers, and the common people of the country. It would be a blow at the progress of Georgia and all Southern States, and would increase the interest rate of money for all public improvements and especially the rate of interest on all farm loans.

The North and East have made most expensive public improvements of all kinds with money from tax-free bonds, and now when the South is in need of cheap money for good roads, drainage, good schools, and for the farmers, a great cry goes up to deprive us of the benefit of tax-free bonds. The investors favor taxable bonds because they can buy them for less and yet get the same interest. They hold back enough when they buy them to pay the tax. If they dodge the tax they save the amount held back, and if they ever pay the tax, the payment is made in their own community rather than in the struggling community seeking to make the improvement. The people in Georgia would, in most instances, never get to tax the bonds which they would sell, for they would be sold in the North and East and would be taxed there. Our people would lose by selling the bond below par and would never recover the loss.

There are many other reasons why this measure is one of the most vicious and yet one of the most deceptive ever offered in Congress. I have at length discussed the matter several times before and hope to do so when it comes up again. I now only call the attention of the country and Congress to the danger of the measure with the hope that all interested parties will give it most careful study.

Mr. GILBERT. Mr. Speaker, when the income tax bill was before the House I supported it with no enthusiasm. In a speech then made I pointed out some of its glaring fallacies. I firmly believe in a graduated income tax, spread over as many people as possible. Out of 110,000,000 people, this bill will exact revenue from approximately 1,000,000. I would tax the moderate income very little, yet collect some tax, for as many taxpayers as possible should contribute to the support of the National Government and feel a responsibility in it.

The provision crediting national inheritance taxes to the extent of 80 per cent of the amount paid to the States is very unwise. The only way Kentucky and similar States can justly share in the taxes paid on the swollen fortunes to which they contribute is through a national inheritance tax, because the owners of great fortunes garnered in part from these States always live and die in one of four other States.

In addition to these unwise provisions as embodied in the House bill, the conferees have added another indefensible provision, making retroactive the reduction in inheritance taxes for a period of about two years. Within this time the Duke estate of several hundred millions and the Clarke estate of one hundred millions and many other great estates have become liable to a Federal tax under the higher rate of the existing law. This retroactive provision for which there is no sound reason will cost the Government more than eighty millions of dollars, much of which has already been paid into the Treasury.

I had gone as far as I could go and could not conscientiously approve this absolute gift to these multimillionaires and at the same time require the poor to pay a tax on the many necessities and harmless amusements, which is required by the bill.

Mr. KVALE. Mr. Speaker, I am opposed to the conference report. I have tried hard to find some reasons for voting for this bill. But while in a few minor details it is an improvement on the existing law, taken in its entirety it is so emphatically in favor of a few wealthy individuals and opposed to the interests of the average taxpayer that I find it impossible to register my vote in favor of its adoption.

The large amount of taxes to be raised under this revenue act is very largely an aftermath of the war, the war that enabled the professional flag wavers of the Nation and the dollar-a-year patriots to amass their enormous fortunes. In the 1924 revenue act we made an honest, even if somewhat weak, attempt to make the profits of the war pay the cost of the war. But here we enact a law which in all its essential features displays the most tender regard for the feelings of the war profiteer. And of course to the extent that it relieves the profiteer the burden is laid on the shoulders of those least able to bear it.

This bill is another typical Mellon tax bill. It has been extensively advertised as a tax relief measure, as a further

proof and sample of Coolidge economy. And so in truth it is. Tax relief and economy for the ultra rich; little or nothing for the professional man, the small banker, the small business man, the laboring man, or the farmer. By a reduction in surtaxes alone from 40 to 20 per cent it cuts in one chunk $119,000,000 from the taxes of the wealthy—between three and four thousand men—the ones best able to bear the burden of taxation.

This tax bill, when enacted into law, will not only favor the small group of wealthy citizens with huge slashes in their surtaxes, will not only favor these with many subtle provisions of administrative features, will not only give a few people a reduction far greater than all the reductions for the average taxpayer which are thrown out as a sop, will not only facilitate a return to the unfair, evasive, irregular conditions that obtained prior to the enactment in 1924 of the publicity clause which is now repealed, will not only do all these things, Mr. Speaker, but as a climax, the bill will actually return to a few fat estates not far from $100,000,000 which has already been collected into the Treasury or assessed against the estates. I refer to the indefensible provision of making retroactive the reduction in the estate taxes.

This section of the bill, and worse than all, the manner in which it was made a part of the bill, was so vicious as to call forth protests even from Members otherwise reactionary Republicans and docile party men. It provides for turning back to the beneficiaries of some 25 large estates the neat little sum of $85,000,000 in cash or obligations due the Treasury.

And this on a mere technicality, with only a few minutes discussion in the House, and without even an opportunity for a record vote. And our Government is a democracy, functioning in the year of our Lord 1926.

We leave in the bill an automobile tax of $69,000,000, a tax which affects every purchaser of an automobile in the country; but hasten to relieve 25 large estates of $85,000,000 either already in the Treasury of the United States or on its way.

It is inconceivable that a man in my constituency who receives a reduction of a few dollars in his personal tax will for that reason expect me to support this monstrous measure.

I want the RECORD to show something more, particularly for the citizens of the State of Minnesota. I want them to know that on October 23, 1925, before the House Ways and Means Committee, while this bill was under preliminary consideration, appeared a personal representative of the Governor of Minnesota.

From Iowa, the home State of the chairman of the Ways and Means Committee [Mr. GREEN], and from Texas, the home State of the ranking Democratic member of the committee [Mr. GARNER], came delegations representing bankers and tax clubs, attempting to intimidate the members of the committee into abandoning the estate-tax features of the bill. From other States came governors and other officials, all loaded with arguments against a Federal estate tax. I blush to record that my own State of Minnesota was among those furnishing such a delegation. The lieutenant governor, Mr. Nolan, brought a message from the governor, Mr. Theodore Christianson. The whole statement sounds more like propaganda emanating from the Bankers' League than an opinion from officials of a great agricultural State numbering very few of the multimillionaire class in its midst. I am confident that it does not express the sentiment of the vast majority of the citizens of Minnesota. On page 254 of the hearings before the Committee on Ways and Means of the House we read the following:

STATEMENT OF HON. W. I. NOLAN, LIEUTENANT GOVERNOR OF MINNESOTA

Mr. NOLAN. Mr. Chairman, gentlemen of the committee, I am here representing Governor Christianson, of Minnesota. The governor is unable to be present at this hearing and he has requested me to read a brief statement setting forth his position on the repeal of the Federal estate tax. This statement is addressed to the chairman of the committee and is as follows:

"Minnesota needs all the revenue that can be derived from taxation of inheritances within the State, and I believe that the Federal Government should relinquish this form of taxation to the States. This would enable the State to reduce the burden of taxation on property which has become excessive everywhere. The farmers especially would gain if the revenue which the Federal Government now derives from estate taxes could be applied and used to reduce State taxation; for the farmers, of all people, pay upon their property a tax which is disproportionate to the income which they derive from the use of that property.

"If the Federal Government would reduce its activities and leave to the States the functions which constitutionally and properly belong to them, it should be possible to so reduce the Federal expenditures as to bring them within the revenue without imposing a tax on inheritances."

The CHAIRMAN. I am sorry that the governor is not here, so that I could ask him a question or two, because I would like to ascertain how he expected the State to be able to enforce the State inheritance taxes if the Federal inheritance tax was simply absolutely wiped out and repealed. That is, I am wondering how he would expect the State to get much benefit out of the State inheritance tax. I was just informed the other day that already over in the neighboring State to Minnesota five extremely wealthy men in one city have emigrated to Florida in order to escape the inheritance taxes in their own State and also the income tax.

Mr. NOLAN. Well, that is probably true. I am not here with any authority to commit the governor to any statement; but, of course, I think that he feels and I think many of us in our State feel that the levying of an inheritance tax is a function of the State government. We have had an inheritance tax in our State for some years, and it has worked out very successfully.

Mr. CAREW. Would you like to have the people who pay it go to Florida to escape it?

Mr. NOLAN. I do not care whether they go there or not. If they want to go there, that is their privilege. This is a free country. They can go to Florida or any place that they want to go.

The CHAIRMAN. Then we will go on with the next witness. I am glad to know that you are perfectly willing that the wealthy should escape the taxes.

Mr. NOLAN. I do not feel that way about it; but I feel that we can not help it if Florida offers inducements.

Mr. RAINEY. Would you want to keep them from offering those inducements if you could?

Mr. NOLAN. If we could; yes. But I do not know how we could do it.

Mr. RAINEY. If we could devise a method by which it could be done, would your State favor it?

Mr. NOLAN. Well, I would like to know what that method would be, first, before I would be willing to say.

Mr. RAINEY. You want to accomplish the result without committing yourself to any method?

Mr. NOLAN. Yes; we want to accomplish the result; but I am frank to say that I do not have any program in mind.

Mr. RAINEY. You want to be in a position to favor that result, but to complain about almost any method that we could devise to put it into effect?

Mr. NOLAN. I will say that so far as we are concerned, in our State, we are not trying to relieve anybody from paying his just share of the taxes.

Mr. RAINEY. Do you know of any other agency except the Federal Government which, under its Constitution, can do this? Do you know of any other agency that can make a regulation which would, in effect, compel the States to make these taxes uniform, so that one State would not have any advantage over another?

Mr. NOLAN. I do not know of any other agency, and I question whether it is a proper duty of the Federal Government to interfere with the States in this respect.

Mr. RAINEY. Then you want the result accomplished which you say you favor, but you are opposed to its being accomplished by any possible agency?

Mr. NOLAN. I say I am favorable to any system of uniformity if you can work it out; but I am speaking from the point of view of our own State.

This statement by the Governor and the Lieutenant Governor of Minnesota speaks for itself. No further comment is necessary.

Mr. DAVEY. Mr. Speaker, now that the new revenue law has been approved by both Houses of Congress and has become a reality, it seems pertinent to point out certain facts of direct interest to all the American people.

This tax reduction, like its predecessors, is not primarily the result of economy in National Government, but is the inevitable consequence of a transition from a war to a peace time basis. In other words, the war taxes yielded too much revenue for peace-time requirements.

In this connection I want to give the President credit for preaching the gospel of economy and for having exercised a certain wholesome restraint on the natural tendency to spend money, especially when it is contributed by someone else. Furthermore, I want to give the President credit for a sincere desire for economy, in spite of the fact that the normal expenses of the Government have increased under his administration, after giving due consideration to the natural elimination of war-time agencies. These facts are clearly set forth in the speech of Congressman JOSEPH W. BYRNS that appeared in the CONGRESSIONAL RECORD of February 4.

In spite of the President's earnest and repeated pleas for economy, there was an actual increase of more than 20,000 civilian employees of the Government since a few months after he assumed office. According to the report of the Civil Service Commission there were 544,671 civilian employees on the pay

roll December 31, 1923. On June 30, 1925, there were 56,718 civilian employees. I am not blaming the President, but merely pointing out the fact that there has been an increase, rather than a decrease.

The President and his illustrious predecessor, as well as his able Secretary of Commerce, have all pleaded consistently for Government reorganization. This is the key to real economy. Without it we can never hope to have the benefits of tax reduction which the American people have a right to expect, nor can there be any hope for real efficiency in the Government service.

The objective which I seek is the enactment of a real Government reorganization bill, whoever may be its author. I want to reaffirm my conviction that the enactment and faithful execution of such a law can easily save the American people $500,000,000 a year, and dispense with a hundred thousand useless and unnecessary Government employees.

It is quite appropriate to remind the American people that under the new revenue bill they will still be required to pay the unjust tax on automobiles, even though it has been somewhat reduced. Every man who buys an automobile, whether it be a Ford or Packard, is paying a direct cash tribute to the waste and inefficiency in Government and to the army of useless Federal employees.

The same thing is true of every man who pays an admission tax. Every man who uses tobacco is paying a direct tribute to this Government waste. This thing affects the whole people, including everyone who pays a direct tax to the Government, and all the rest who pay taxes indirectly.

Some of these taxes could easily be eliminated if we could bring about real economy and actual efficiency in the Government. This is particularly true of the automobile tax, the most unjust and discriminatory tax of modern times. Why should those who buy automobiles be compelled to pay a cash tribute to a hoard of useless Government employees?

Here I wish to reassert my original charge in its original language, as follows:

> Outside of letter carriers and clerks and those directly concerned with the handling of the mails, the civilian employees of the United States Government include the largest number of loafers, time killers, States Government include the largest number of loafers, time killers, and buck passers that I have ever seen brought together under one banner.

Please note the word "include."

Also, I want to say that there are many thousands of good, efficient, and loyal Government employees, and many of them are underpaid. Among those who are obviously underpaid I would include many of the scientists, economists, and other technical men, and the examiners in the Patent Office, as well as many other individuals and perhaps some groups. A large number in these classes in the employ of the Government are holding their positions at a real personal sacrifice and in a spirit of loyalty and patriotic service. Many of them could secure much larger salaries from private concerns.

There is rank favoritism in this Government, both inside of the departments and as a result of political pressure. Many unworthy ones get on the pay roll and stay there who render little or no service in return for their salaries. Many of the division and section chiefs are inefficient and selfish and partial. Many of the minor assistant chiefs are wholly worthless. Bureaucracy has fastened itself on this Government in a most abhorrent sense. There are thousands upon thousands of unnecessary employees who are made to loaf by the spirit of the service or in order to keep some petty chief in his job.

The lot of a large class of Government workers is almost tragic. Their case is hopeless. There are many that would be good workers under right conditions, but they have no incentive, no hope. They are the victims of a vicious system. I would be the friend, the practical and helpful friend of all the good and necessary and efficient employees of this Government. I would eliminate all the vast army of loafers and time killers and buck passers, creat fair and sensible conditions for those who remain, and pay them what they are justly entitled to for the services they render.

However, no government has a moral right to tax its people beyond the amount that is necessary for the conduct of the normal and proper functions of government, economically administered. Any tax levied by any government beyond that which is reasonably necessary is a moral and economic wrong, and constitutes a perversion of government and a prostitution of power.

We have altogether too many useless employees that are an unjust drain upon the earnings of the people. We are getting too much government, too many laws, too many new activities of government, and gradually destroying the fundamental principles and purpose of democracy. The time has come to call a halt, to produce less government activity and intereference, and to restore and protect as far as possible individual initiative and rights.

These are the reasons why I am so firmly convinced that one of the greatest services I can render my country is to keep hammering away for Government reorganization. It would present, I think, a very great peace-time achievement.

Mr. PERKINS. Mr. Speaker, the revenue bill of 1926 is a continuation of the administration's economy program.

In 1924 a tax reduction bill was passed which cut the taxes paid to the Federal Government by about $400,000,000. The 1926 revenue bill, just approved by the President, saves another $400,000,000 to the people.

It is a nonpartisan bill. It continues the policy of tax reduction put into operation by the Republican administration. For the first time in the history of our country, a revenue bill was prepared and ready for consideration by the Congress at the opening of the session. The credit for this is due to the members of the Committee on Ways and Means who, under authority given in the special deficiency appropriation bill of last session, spent not a little of the vacation in hearings and in the preparation of the bill.

Now that the bill has become law, the average taxpayer will naturally be more interested in the result of the bill in the saving of taxes than in a discussion of its general provisions.

The reduction of taxes on personal incomes is affected in four ways, as follows:

(1) By increasing the personal credits as shown by the following table:

	Act of 1924	Act of 1926
For single persons	$1,000	$1,500
For married persons and heads of families	2,500	3,500

(2) Reduction in normal tax rates:

	Act of 1924	Act of 1926
	Per cent	*Per cent*
On the first $4,000 of taxed income	2	1½
On the second $4,000 of taxed income	4	3
On the remainder of taxed income	6	5

(3) By increasing the amount of earned income on which credit of 25 per cent of the amount computed as the tax:

	Act of 1924	Act of 1926
Earned income credit	$10,000	$20,000
First $5,000 presumed to be earned	(1)	(1)

[1] Same.

(4) By a change in the rates of the surtax, fixing the maximum at 20 per cent to apply on incomes in excess of $100,000.

The following table gives a comparison of taxes assessed by the act of 1924 and the present act upon incomes up to $10,000:

Income	Act of 1924	Act of 1926
$3,000	$7.50	None.
$4,000	22.50	$5.63
$5,000	37.50	16.88
$6,000	52.50	28.13
$7,000	75.00	39.38
$8,000	105.00	56.25
$9,000	135.00	78.75
$10,000	165.00	101.25

The total savings to the people in the payment of income tax alone is estimated to amount to $200,000,000.

The act, moreover, makes reductions in many other directions by removing certain occupational, stamp, and nuisance taxes, taxes on art, jewelry, and a reduction of taxes on automobiles, tires, and other necessities and luxuries.

It is of interest to state that 30 days after the approval of the bill, namely on March 28, a provision becomes effective which makes it unnecessary to use stamps on real-estate transactions.

The following table gives an estimate of items of reduction compared with the present law:

Income-tax reduction	$193,500,000
Capital-stock tax	68,500,000
Automobiles	46,400,000

Tobaccos	$17,000,000
Tires	25,000,000
Admissions (theaters), etc	9,000,000
Jewelry	8,000,000
Brokers	2,100,000
Bowling alleys	2,000,000
Stamp taxes	5,250,000

The Federal inheritance tax feature is retained in the present law. In the act of 1924 there is a provision that any estate or inheritance taxes paid to a State might be credited upon the Federal inheritance tax to the extent of 25 per cent. The present act permits a credit upon the Federal inheritance tax to the extent of 80 per cent. The effect of this is to give to the States practically full freedom to make use of the inheritance tax. The Federal inheritance tax in the present act continues the exemption up to $50,000, as in the previous existing law. The rates of the inheritance taxes are all substantially reduced.

An important feature of the tax act of 1926 is that it is retroactive—that is, it applies to the payment of taxes on earned incomes for the year 1925.

In 1922 the people of the State of New Jersey paid in personal income, taxes to the amount of $40,982,616. In 1923 New Jersey citizens contributed $30,664,690. This amount is greater than the amount paid by the 19 States of Arkansas, Arizona, Delaware, Idaho, Kansas, Nevada, New Mexico, North Dakota, North Carolina, Mississippi, South Carolina, New Hampshire, Montana, Utah, Wyoming, Nebraska, and Vermont.

This fact is cited to demonstrate the great importance of the personal income tax act to the citizens of New Jersey, and indicates the relief from tax burdens that the act affords.

Mr. ACKERMAN. Mr. Speaker and Members of the House, now that the House of Representatives has by a vote of 355 to 29 approved the conference report on the tax bill and we have listened to an explanation of the very small percentages paid in estate taxes by some of the States, it may not be amiss for me to show a comparison of the income taxes paid by the various States. This comparison is based on the 1923 Treasury Department returns, which is the latest compilation available.

It will readily be seen that four States—New York, New Jersey, Pennsylvania, and Ohio, pay a fraction of 1 per cent, 84/100, less than the other 44 States, the District of Columbia, and Hawaii combined. These 4 States are represented in Congress by 8 Senators and 113 Representatives, while the 44 States have 88 Senators and 322 Representatives.

The figures for the four States mentioned are given in detail. Those for the 44 States are condensed in order to save space and yet make the statement in as brief and readable a form as possible.

Four States (New York, New Jersey, Pennsylvania, and Ohio)

	Population	Per cent of population	Amount of personal income tax paid	Per cent of tax paid
1923	29,440,072	26.52	$349,001,042	49.58
1922	29,034,491	26.51	447,826,660	52.02
Increase	405,581			
Decrease (22.07 per cent of 1922 tax paid)			98,825,618	

Forty-four States plus District of Columbia and Hawaii

	Population	Per cent of population	Amount of personal income tax paid	Per cent of tax paid
1923	81,556,081	73.48	$364,961,123	50.42
1922	80,517,637	73.49	413,230,648	47.98
Increase	1,038,444			
Decrease 14.11 per cent of 1922 tax paid)			58,269,525	

NEW JERSEY

Had a population of 3,378,963, or 3.04 per cent, as of July 1, 1923 (estimated), as compared with a population of 3,315,231, or 3.03 per cent, as of July 1, 1922 (estimated), an increase of 63,732.

Personal income tax paid by individuals filing reports therein in 1923 was $30,644,670, or 4.35 per cent, as compared with a total tax paid in 1922 of $40,982,616, or 4.76 per cent, a decrease of $10,337,946.

Paid more in 1923 than the total tax paid by 19 States and Hawaii combined, as follows:

	Amount of personal income tax paid	Per cent of tax paid	Per cent of population	Population
North Carolina	$5,426,150	0.77	2.42	2,696,325
Alabama	2,846,927	.40	2.18	2,423,912
Arkansas	2,730,647	.39	1.64	1,816,287
Nebraska	2,561,459	.36	1.20	1,333,922
Kansas	2,141,621	.30	1.62	1,797,489
Mississippi	2,028,933	.29	1.61	1,790,618
South Carolina	1,755,820	.25	1.57	1,744,408
New Hampshire	1,650,844	.23	.40	447,592
Hawaii	1,562,123	.22	.25	272,392
Delaware	1,405,395	.20	.21	230,460
Vermont	1,333,438	.19	.32	352,428
Montana	859,065	.12	.55	611,199
Utah	841,751	.12	.43	476,812
Wyoming	716,482	.10	.19	211,864
Arizona	605,006	.09	.34	380,960
Idaho	528,338	.08	.42	470,179
North Dakota	424,774	.06	.61	672,041
South Dakota	383,575	.05	.59	655,532
New Mexico	338,781	.05	.34	372,265
Nevada	313,076	.04	.07	77,407
Total	30,455,205	4.31	16.06	18,824,092
1922 total (included Florida and Tennessee)	40,971,859	4.76	20.12	22,038,651

Per cent of decrease in tax paid for all States in 1923 under 1922 ..... 18.24
Per cent of decrease in tax paid for New Jersey in 1923 under 1922 ..... 25.22

NEW YORK

Had a population of 10,843,661, or 9.77 per cent, as of July 1, 1923 (estimated), as compared with a population of 10,712,680, or 9.78 per cent, as of July 1, 1922 (estimated), an increase of 130,981.

Personal income tax paid by individuals filing reports therein in 1923 was $202,159,777, or 28.72 per cent, as compared with a total tax paid in 1922 of $273,960,079, or 31.82 per cent, a decrease of $71,800,302.

Paid more in 1923 than the total tax paid by 41 States and Hawaii combined, as follows:

	Amount of personal income tax paid	Per cent of tax paid	Per cent of population	Population
Michigan	$29,879,183	4.24	3.58	3,077,821
Maryland	15,782,160	2.24	1.36	1,505,205
Missouri	13,588,695	1.93	3.10	3,443,971
Wisconsin	12,433,996	1.77	2.47	2,739,574
Connecticut	11,202,890	1.59	1.33	1,476,483
Texas	11,087,537	1.58	4.45	4,940,630
Rhode Island	8,427,156	1.20	.57	626,672
Indiana	8,159,752	1.16	2.71	3,013,134
District of Columbia	8,083,050	1.15	.43	475,966
Minnesota	7,306,708	1.04	2.25	2,499,396
Iowa	4,803,543	.70	2.22	2,468,643
Louisiana	4,863,408	.69	1.67	1,849,746
Tennessee	4,396,162	.62	2.16	2,393,077
Washington (includes Alaska)	4,382,752	.62	1.34	1,489,034
Kentucky	4,065,930	.58	2.22	2,462,317
Florida	3,955,588	.56	.94	1,046,287
West Virginia	2,876,254	.55	1.40	1,551,186
Oklahoma	3,854,748	.55	1.95	2,162,079
Georgia	3,769,990	.54	2.70	2,999,196
Virginia	3,722,974	.53	2.16	2,398,441
Colorado	3,486,472	.49	.89	990,320
Oregon	2,899,388	.41	.74	823,270
Alabama	2,846,927	.40	2.18	2,423,912
Maine	2,787,223	.40	.70	777,259
Arkansas	2,730,647	.39	1.64	1,816,287
Nebraska	2,561,459	.36	1.20	1,333,922
Kansas	2,141,621	.30	1.62	1,797,489
Mississippi	2,028,933	.29	1.61	1,790,618
South Carolina	1,755,820	.25	1.57	1,744,408
New Hampshire	1,650,844	.23	.40	447,592
Hawaii	1,562,123	.22	.25	272,392
Delaware	1,405,395	.20	.21	230,460
Vermont	1,333,438	.19	.32	352,428
Montana	859,065	.12	.55	611,199
Utah	841,751	.12	.43	476,812
Wyoming	716,482	.10	.19	211,864
Arizona	605,006	.09	.34	380,960
Idaho	528,338	.08	.42	470,179
North Dakota	424,774	.06	.61	672,041
South Dakota	383,575	.05	.59	655,532
New Mexico	338,781	.05	.34	372,265
Nevada	313,076	.04	.07	77,407
Total	201,934,609	28.68	57.88	64,246,534
1922 total (included North Carolina and Ohio)	273,784,921	31.78	65.86	72,154,679

Per cent of decrease in tax paid for all States in 1923 under 1922 ..... 18.24
Per cent of decrease in tax paid for New York in 1923 under 1922 ..... 26.21

PENNSYLVANIA

Had a population of 9,100,326 or 8.20 per cent as of July 1, 1923 (estimated), as compared with a population of 8,991,666 or 8.21 per cent as of July 1, 1922 (estimated), an increase of 108,660.

Personal income tax paid by individuals filing reports therein in 1923 was $80,310,092 or 11.41 per cent, as compared with a total tax paid in 1922 of $93,573,559 or 10.87 per cent, a decrease of $13,263,467.

Paid more in 1923 than the total tax paid by 31 States and Hawaii combined, as follows:

	Amount of personal income tax paid	Per cent of tax paid	Per cent of population	Population
North Carolina	$5,426,150	0.77	2.42	2,686,325
Louisiana	4,863,403	.69	1.67	1,849,746
Tennessee	4,396,162	.62	2.16	2,393,077
Washington (includes Alaska)	4,382,752	.62	1.34	1,489,034
Kentucky	4,065,930	.58	2.22	2,462,317
Florida	3,955,588	.56	.94	1,046,287
West Virginia	3,876,254	.55	1.40	1,551,156
Oklahoma	3,854,748	.55	1.95	2,162,079
Georgia	3,709,990	.54	2.70	2,999,196
Virginia	3,722,974	.53	2.16	2,398,441
Colorado	3,486,472	.49	.89	990,320
Oregon	2,899,388	.41	.74	823,270
Alabama	2,846,927	.40	2.18	2,423,912
Maine	2,787,223	.40	.70	777,259
Arkansas	2,730,647	.39	1.64	1,816,287
Nebraska	2,561,459	.36	1.20	1,333,922
Kansas	2,141,621	.30	1.62	1,797,489
Mississippi	2,028,933	.29	1.61	1,790,618
South Carolina	1,756,820	.25	1.57	1,744,408
New Hampshire	1,650,844	.23	.40	447,592
Hawaii	1,562,123	.22	.25	272,392
Delaware	1,405,395	.20	.21	230,460
Vermont	1,333,438	.19	.32	352,428
Montana	859,065	.12	.55	611,199
Utah	841,751	.12	.43	476,812
Wyoming	716,482	.10	.19	211,864
Arizona	605,006	.09	.34	380,960
Idaho	528,338	.08	.42	470,179
North Dakota	424,774	.06	.61	672,041
South Dakota	383,575	.05	.59	655,532
New Mexico	338,781	.05	.34	372,265
Nevada	313,076	.04	.07	77,407
Total	76,516,089	10.85	35.83	39,766,274
1922 totals	89,643,193	10.40	35.91	39,344,899

Per cent of decrease in tax paid for all States in 1923 under 1922 ..... 18.24
Per cent of decrease in tax paid for Pennsylvania in 1923 under 1922 ..... 14.17

OHIO

Had a population of 6,117,122, or 5.51 per cent, as of July 1, 1923 (estimated), as compared with a population of 6,014,914, or 5.49 per cent, as of July 1, 1922 (estimated), an increase of 102,208.

Personal income tax paid by individuals filing reports therein in 1923 was $35,886,503, or 5.10 per cent, as compared with a total tax paid in 1922 of $39,310,406, or 4.57 per cent, a decrease of $3,423,903.

Paid more in 1923 than the total tax paid by 20 States and Hawaii combined, as follows:

	Amount of personal income tax paid	Per cent of tax paid	Per cent of population	Population
North Carolina	$5,426,150	0.77	2.42	2,686,325
Florida	3,955,588	.56	.94	1,046,287
Alabama	2,846,927	.40	2.18	2,423,912
Arkansas	2,730,647	.39	1.64	1,816,287
Nebraska	2,561,459	.36	1.20	1,333,922
Kansas	2,141,621	.30	1.62	1,797,489
Mississippi	2,028,933	.29	1.61	1,790,618
South Carolina	1,756,820	.25	1.57	1,744,408
New Hampshire	1,650,844	.23	.40	447,592
Hawaii	1,562,123	.22	.25	272,392
Delaware	1,405,395	.20	.21	230,460
Vermont	1,333,438	.19	.32	352,428
Montana	859,065	.12	.55	611,199
Utah	841,751	.12	.43	476,812
Wyoming	716,482	.10	.19	211,864
Arizona	605,006	.09	.34	380,960
Idaho	528,338	.08	.42	470,179
North Dakota	424,774	.06	.61	672,041
South Dakota	383,575	.05	.59	655,532
New Mexico	338,781	.05	.34	372,265
Nevada	313,076	.04	.07	77,407
Total	34,410,793	4.87	17.90	19,870,379
1922 totals	36,069,247	4.19	17.95	19,661,343

Per cent of decrease in tax paid for all States in 1923 under 1922 ..... 18.24
Per cent of decrease in tax paid for Ohio in 1923 under 1922 ..... 8.71

ALABAMA

Had a population of 2,423,912, or 2.18 per cent as of July 1, 1923 (estimated), as compared with a population of 2,402,273, or 2.19 per cent as of July 1, 1922 (estimated), an increase of 21,639. Paid personal income tax in 1923 of $2,846,927 or 0.40 per cent, as compared with a total tax in 1922 of $2,892,298 or 0.34 per cent, a decrease of $45,371 under 1922, or 1.57 per cent decrease under tax paid in 1922. Paid more in 1922 and 1923 than the total tax paid by six States combined, as follows: Arizona, Idaho, North Dakota, South Dakota, New Mexico, and Nevada.

ARIZONA

Had a population of 380,960, or 0.34 per cent as of July 1, 1923 (estimated), as compared with a population of 367,589, or 0.34 per cent as of July 1, 1922 (estimated), an increase of 13,371. Paid personal income tax in 1923 of $605,006, or 0.09 per cent as compared with a total tax in 1922 of $687,026, or 0.08 per cent, a decrease of $82,020 under 1922, or 11.94 per cent decrease under tax paid in 1922. Paid more in 1922 and 1923 than the total tax paid by two States combined, as follows: New Mexico and Nevada.

ARKANSAS

Had a population of 1,816,287, or 1.64 per cent, as of July 1, 1923 (estimated), as compared with a population of 1,797,978, or 1.64 per cent, as of July 1, 1922 (estimated), an increase of 18,309. Paid personal income tax in 1923 of $2,730,647, or 0.39 per cent, as compared with a total tax in 1922 of $2,314,409, or 0.27 per cent, an increase of $416,238 over 1922, or 17.98 per cent increase over tax paid in 1922. Paid more in 1922 than the total tax paid by four States combined, as follows: Utah, North Dakota, New Mexico, Idaho. Paid more in 1923 than the total tax paid by the above four States and South Dakota.

CALIFORNIA

Had a population of 3,805,153, or 3.43 per cent, as of July 1, 1923 (estimated), as compared with a population of 3,697,070, or 3.37 per cent, as of July 1, 1922 (estimated), an increase of 108,083. Paid personal income tax in 1923 of $40,254,388, or 5.72 per cent, as compared with a total tax in 1922 of $43,778,932, or 5.09 per cent, a decrease of $3,524,544 under 1922, or 8.05 per cent decrease under total tax paid in 1922. Paid more in 1922 and 1923 than the total tax paid by 21 States and Hawaii combined, as follows: North Carolina, Florida, Colorado, Alabama, Arkansas, Nebraska, Kansas, Mississippi, South Carolina, New Hampshire, Hawaii, Delaware, Vermont, Montana, Utah, Wyoming, Arizona, Idaho, North Dakota, South Dakota, New Mexico, and Nevada.

COLORADO

Had a population of 990,320, or 0.89 per cent, as of July 1, 1923 (estimated), as compared with a population of 975,837, or 0.89 per cent, as of July 1, 1922 (estimated), an increase of 14,483. Paid personal income tax in 1923 of $3,486,472, or 0.49 per cent, as compared with a total tax in 1922 of $4,869,555, or 0.57 per cent, a decrease of $1,383,083 under 1922, or 28.40 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by seven States combined, as follows: Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, and North Dakota; paid more in 1923 than five of the above States, the exceptions being South Dakota and Idaho.

CONNECTICUT

Had a population of 1,476,483, or 1.33 per cent, as of July 1, 1923 (estimated), as compared with a population of 1,449,097, or 1.32 per cent, as of July 1, 1922 (estimated), an increase of 27,386. Paid personal income tax in 1923 of $11,202,890, or 1.59 per cent, as compared with a total tax in 1922 of $13,130,562, or 1.52 per cent, a decrease of $1,927,672 under 1922, or 14.68 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by 12 States and Hawaii combined, as follows: Mississippi, Vermont, Hawaii, South Carolina, Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, New Mexico, and Nevada; paid more in 1923 than the total tax paid by all of the above with the exception of Idaho.

DELAWARE

Had a population of 230,460, or 0.21 per cent, as of July 1, 1923 (estimated), as compared with a population of 228,330, or 0.21 per cent, as of July 1, 1922 (estimated), an increase of 2,130. Paid personal income tax in 1923 of $1,405,395, or 0.20 per cent, as compared with a total tax in 1922 of $1,833,712, or 0.21 per cent, a decrease of $428,317 under 1922, or 23.35 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by four States combined, as follows: South Dakota, Idaho, North Dakota, and Nevada; paid more in 1923 than the total tax paid by three of the above States, the exception being Nevada.

DISTRICT OF COLUMBIA

Had a population of 475,906, or 0.43 per cent, as of July 1, 1923 (estimated), as compared with a population of 437,571, or 0.40 per cent, as of July 1, 1922 (estimated), an increase of 38,395. Paid personal income tax in 1923 of $8,083,050, or 1.15 per cent, as compared with a total tax in 1922 of $8,336,587, or 0.97 per cent, a decrease of $253,537 under 1922, or 3.04 per cent decrease under tax paid in 1922. Paid more in 1922 and 1923 than the total tax paid by 10 States combined, as follows: Mississippi, Vermont, Montana, Utah, Wyoming, Arizona, Idaho, North Dakota, New Mexico, and Nevada.

FLORIDA

Had a population of 1,046,287, or 0.94 per cent, as of July 1, 1923 (estimated), as compared with a population of 1,024,054, or 0.93 per cent, as of July 1, 1922 (estimated), an increase of 22,233. Paid personal income tax in 1923 of $3,955,588, or 0.56 per cent, as compared with a total tax in 1922 of $4,059,859, or 0.47 per cent, a decrease of $104,271 under 1922, or 2.57 per cent decrease under tax paid in 1922. Paid more in 1922 and 1923 than the total tax paid by seven States combined, as follows: Utah, Wyoming, Arizona, South Dakota, Idaho, New Mexico, and Nevada.

GEORGIA

Had a population of 2,999,196, or 2.70 per cent, as of July 1, 1923 (estimated), as compared with a population of 2,969,664, or 2.71 per cent, as of July 1, 1922 (estimated), an increase of 29,532. Paid personal income tax in 1923 of $3,769,990, or 0.54 per cent, as compared with a total tax in 1922 of $4,557,769, or 0.53 per cent, a decrease of $787,779 under 1922, or 17.27 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by eight States combined, as follows: Montana, Wyoming, Arizona, South Dakota, Idaho, North Dakota, New Mexico, and Nevada; paid more in 1923 than the total tax paid by seven of the above States, the exception being North Dakota.

IDAHO

Had a population of 470,179, or 0.42 per cent, as of July 1, 1923 (estimated), as compared with a population of 459,233, or 0.42 per cent, as of July 1, 1922 (estimated), an increase of 10,946. Paid personal income tax in 1923 of $528,338, or 0.08 per cent, as compared with a total tax in 1922 of $478,706, or 0.06 per cent, an increase of $49,632 over 1922, or 10.37 per cent increase over tax paid in 1922. Paid more in 1922 and 1923 than North Dakota.

ILLINOIS

Had a population of 6,790,524, or 6.12 per cent, as of July 1, 1923 (estimated), as compared with a population of 6,703,312, or 6.12 per cent, as of July 1, 1922 (estimated), an increase of 87,212. Paid personal income tax in 1923 of $64,807,592, or 9.21 per cent, as compared with a total tax in 1922 of $77,196,407, or 8.96 per cent, a decrease of $12,388,815 under 1922, or 16.05 per cent decrease under tax paid in 1922. Paid more in 1922 and 1923 than the total tax paid by 28 States and Hawaii combined, as follows: Oklahoma, Virginia, North Carolina, Tennessee, Colorado, Kentucky, West Virginia, Georgia, Florida, Maine, Kansas, Nebraska, Alabama, Arkansas, New Hampshire, Delaware, Mississippi, Vermont, Hawaii, South Carolina, Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, New Mexico, and Nevada.

INDIANA

Had a population of 3,013,134, or 2.71 per cent, as of July 1, 1923 (estimated), as compared with a population of 2,989,493, or 2.73 per cent, as of July 1, 1922 (estimated), an increase of 23,641. Paid personal income tax in 1923 of $8,159,752, or 1.16 per cent, as compared with a total tax in 1922 of $9,578,511, or 1.11 per cent, a decrease of $1,418,759 under 1922, or 14.81 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by 10 States and Hawaii combined, as follows: Vermont, Hawaii, South Carolina, Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, and New Mexico; paid more in 1923 than all of the above with the exception of Vermont.

IOWA

Had a population of 2,468,643, or 2.22 per cent, as of July 1, 1923 (estimated), as compared with a population of 2,450,180, or 2.24 per cent, as of July 1, 1922 (estimated), an increase of 18,463. Paid personal income tax in 1923 of $4,893,543, or 0.70 per cent, as compared with a total tax in 1922 of $5,466,397, or 0.63 per cent, a decrease of $572,854 under 1922, or 10.48 per cent decrease under tax paid in 1922. Paid more in 1922 and 1923 than the total tax paid by eight States combined, as follows: Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, and New Mexico.

KANSAS

Had a population of 1,797,489, or 1.62 per cent, as of July 1, 1923 (estimated), as compared with a population of 1,789,423, or 1.63 per cent, as of July 1, 1922 (estimated), an increase of 8,066. Paid personal income tax in 1923 of $2,141,621, or 0.30 per cent, as compared with a total tax in 1922 of $3,246,097, or 0.38 per cent, a decrease of $1,104,476 under 1922, or 34.02 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by six States combined, as follows: Wyoming, Arizona, South Dakota, Idaho, North Dakota, and New Mexico; paid more in 1923 than four of the above States, the exceptions being Idaho and New Mexico.

KENTUCKY

Had a population of 2,462,317, or 2.22 per cent, as of July 1, 1923 (estimated), as compared with a population of 2,449,263, or 2.24 per cent, as of July 1, 1922 (estimated), an increase of 13,054. Paid personal income tax in 1923 of $4,065,930, or 0.58 per cent, as compared with a total tax in 1922 of $4,676,804, or 0.54 per cent, a decrease of $610,874 under 1922, or 13.06 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by eight States combined, as follows: Montana, Wyoming, Arizona, South Dakota, Idaho, North Dakota, New Mexico, and Nevada; paid more in 1923 than all of the above States, with the exception of Nevada.

LOUISIANA

Had a population of 1,849,746, or 1.67 per cent, as of July 1, 1923 (estimated), as compared with a population of 1,835,106, or 1.67 per cent, as of July 1, 1922 (estimated), an increase of 14,640. Paid personal income tax in 1923 of $4,863,403, or 0.69 per cent, as compared with a total tax in 1922 of $5,353,574, or 0.62 per cent, a decrease of $490,171 under 1922, or 9.15 per cent decrease under 1922. Paid more in 1922 and 1923 than the total tax paid by eight States combined, as follows: Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, and New Mexico.

MAINE

Had a population of 777,259, or 0.70 per cent, as of July 1, 1923 (estimated), as compared with a population of 774,617, or 0.71 per cent, as of July 1, 1922 (estimated), an increase of 2,642. Paid personal income tax in 1923 of $2,787,223, or 0.40 per cent, as compared with a total tax in 1922 of $3,896,892, or 0.45 per cent, a decrease of $1,109,669 under 1922, or 28.47 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by six States combined, as follows: Montana, Wyoming, South Dakota, Arizona, Idaho, and North Dakota; paid more in 1923 than all of the above States, with the exception of Montana.

MARYLAND

Had a population of 1,505,295, or 1.36 per cent as of July 1, 1923 (estimated), as compared with a population of 1,489,399, or 1.36 per cent as of July 1, 1922 (estimated), an increase of 15,896. Paid personal income tax in 1923 of $15,782,160, or 2.24 per cent, as compared with a total tax in 1922 of $15,363,765, or 1.79 per cent, an increase of $418,395 over 1922, or 2.72 per cent increase over tax paid in 1922. Paid more in 1922 than the total tax paid by 18 States and Hawaii combined, as follows: New Hampshire, Delaware, Mississippi, Vermont, Hawaii, South Carolina, Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, and New Mexico. Paid more in 1923 than all of the above with the addition of Nevada.

MASSACHUSETTS

Had a population of 4,027,545, or 3.63 per cent as of July 1, 1923 (estimated), as compared with a population of 3,977,490, or 3.63 per cent as of July 1, 1922 (estimated), an increase of 50,055. Paid personal income tax in 1923 of $42,538,384, or 6.04 per cent, as compared with a total tax in 1922 of $57,781,194, or 6.72 per cent, a decrease of $15,242,810 under 1922, or 26.37 per cent decrease under tax paid in 1922. Paid more in 1922 that the total tax paid by 23 States, Hawaii and District of Columbia combined, as follows: District of Columbia, North Carolina, Colorado, Georgia, Florida, Maine, Kansas, Nebraska, Alabama, Arkansas, New Hampshire, Delaware, Mississippi, Vermont, Hawaii, South Carolina, Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, New Mexico, and Nevada; paid more in 1923 than all of the above with the exception of District of Columbia and Kansas.

MICHIGAN

Had a population of 3,977,821, or 3.58 per cent, as of July 1, 1923 (estimated), as compared with a population of 3,889,418, or 3.55 per cent, as of July 1, 1922 (estimated), an increase of 88,403. Paid personal income tax in 1923 of $29,879,183, or 4.24 per cent, as compared with a total tax paid in 1922 of

$34,965,003, or 4.06 per cent, a decrease of $5,085,820 under 1922, or 14.55 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by 19 States and Hawaii combined, as follows: Florida, Maine, Kansas, Nebraska, Alabama, Arkansas, New Hampshire, Delaware, Mississippi, Vermont, Hawaii, South Carolina, Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, and New Mexico; paid more in 1923 than all of the above, with the exception of New Hampshire.

MINNESOTA

Had a population of 2,499,396, or 2.25 per cent, as of July 1, 1923 (estimated), as compared with a population of 2,467,318, or 2.25 per cent, as of July 1, 1922 (estimated), an increase of 32,078. Paid personal income tax in 1923 of $7,306,708, or 1.04 per cent, as compared with a total tax in 1922 of $9,419,301, or 1.09 per cent, a decrease of $2,112,593 under 1922, or 22.43 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by 10 States combined, as follows: Arkansas, Mississippi, Montana, Utah, Wyoming, Arizona, South Dakota, North Dakota, Idaho, and New Mexico; paid more in 1923 than nine of the above States, the exception being Arkansas.

MISSISSIPPI

Had a population of 1,790,618, or 1.61 per cent, as of July 1, 1923 (estimated), as compared with a population of 1,790,618, or 1.63 per cent, as of July 1, 1922 (estimated). Paid personal income tax in 1923 of $2,028,933, or 0.29 per cent, as compared with a total tax in 1922 of $1,803,632, or 0.21 per cent, an increase of $225,301 over 1922, or 12.49 per cent increase over tax paid in 1922. Paid more in 1922 and 1923 than the total tax paid by four States combined, as follows: Wyoming, North Dakota, New Mexico, and Nevada.

MISSOURI

Had a population of 3,443,971, or 3.10 per cent, as of July 1, 1923 (estimated), as compared with a population of 3,432,566, or 3.13 per cent, as of July 1, 1922 (estimated), an increase of 11,405. Paid personal income tax in 1923 of $13,588,695, or 1.93 per cent, as compared with a total tax in 1922 of $15,972,706, or 1.86 per cent, a decrease of $2,384,011 under 1922, or 14.93 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by 14 States and Hawaii combined, as follows: New Hampshire, Delaware, Mississippi, Vermont, Hawaii, South Carolina, Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, New Mexico, and Nevada; paid more in 1923 than all of the above, with the exception of Vermont.

MONTANA

Had a population of 611,199, or 0.55 per cent, as of July 1, 1923 (estimated), as compared with a population of 593,396, or 0.54 per cent, as of July 1, 1922 (estimated), an increase of 17,803. Paid personal income tax in 1923 of $859,065, or 0.12 per cent, as compared with a total tax in 1922 of $1,029,195, or 0.12 per cent, a decrease of $170,130 under 1922, or 16.53 per cent decrease under tax paid in 1922. Paid more in 1922 and 1923 than the total tax paid by two States combined, as follows: North Dakota and New Mexico.

NEBRASKA

Had a population of 1,333,922, or 1.20 per cent, as of July 1, 1923 (estimated), as compared with a population of 1,323,193, or 1.21 per cent, as of July 1, 1922 (estimated), an increase of 10,729. Paid personal income tax in 1923 of $2,561,459, or 0.36 per cent, as compared with a total tax paid in 1922 of $3,165,433, or 0.37 per cent, a decrease of $603,974 under 1922, or 19.08 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by six States combined, as follows: Wyoming, Arizona, South Dakota, Idaho, North Dakota, and Nevada. Paid more in 1923 than five of the above States, the exception being North Dakota.

NEVADA

Had a population of 77,407, or 0.07 per cent, as of July 1, 1923 (estimated), as compared with a population of 77,407, or 0.07 per cent, as of July 1, 1922 (estimated). Paid personal income tax in 1923 of $313,076, or 0.04 per cent, as compared with a total tax in 1922 of $258,732, or 0.03 per cent, an increase of $54,344 over 1922, or 21 per cent increase over tax paid in 1922. Nevada has a smaller population and pays less tax than any other State.

NEW HAMPSHIRE

Had a population of 447,592, or 0.40 per cent, as of July 1, 1923 (estimated), as compared with a population of 446,304, or 0.41 per cent, as of July 1, 1922 (estimated), an increase of 1,288. Paid personal income tax in 1923 of $1,650,844, or 0.23 per cent, as compared with a total tax in 1922 of $2,133,631, or 0.25 per cent, a decrease of $482,787 under 1922, or 22.63 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by five States combined, as follows: South Dakota, Idaho, North Dakota, New Mexico, and Nevada; paid more in 1923 than four of the above States, the exception being New Mexico.

NEW MEXICO

Had a population of 372,265, or 0.34 per cent, as of July 1, 1923 (estimated), as compared with a population of 368,861, or 0.34 per cent, as of July 1, 1922 (estimated), an increase of 3,404. Paid personal income tax in 1923 of $338,781, or 0.05 per cent, as compared with a total tax in 1922 of $383,750, or 0.04 per cent, a decrease of $44,969 under 1922, or 11.72 per cent decrease under 1922. Paid more in 1922 and 1923 than one other State, namely, Nevada.

NORTH CAROLINA

Had a population of 2,686,325, or 2.42 per cent, as of July 1, 1923 (estimated), as compared with a population of 2,649,982, or 2.42 per cent, as of July 1, 1922 (estimated), an increase of 36,343. Paid personal income tax in 1923 of $5,426,150, or 0.77 per cent, as compared with a total tax in 1922 of $4,908,611, or 0.57 per cent, an increase of $517,539 over 1922, or 10.54 per cent increase over total tax paid in 1922. Paid more in 1922 than the total tax paid by seven States combined, as follows: Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, and North Dakota. Paid more in 1923 than the above seven States together with New Mexico and Nevada.

NORTH DAKOTA

Had a population of 672,041, or 0.61 per cent, as of July 1, 1923 (estimated), as compared with a population of 664,850, or 0.61 per cent, as of July 1, 1922 (estimated), an increase of 7,191. Paid personal income tax in 1923 of $424,774, or 0.06 per cent, as compared with a total tax in 1922 of $453,219, or 0.05 per cent, a decrease of $28,445 under 1922, or 6.28 per cent decrease under tax paid in 1922. Paid more in 1922 and 1923 than New Mexico.

OKLAHOMA

Had a population of 2,162,079, or 1.95 per cent, as of July 1, 1923 (estimated), as compared with a population of 2,123,851, or 1.94 per cent, as of July 1, 1922 (estimated), an increase of 38,228. Paid personal income tax in 1923 of $3,854,748, or 0.55 per cent, as compared with a total tax in 1922 of $6,414,336, or 0.74 per cent, a decrease of $2,559,588 under 1922 or 39.90 per cent decrease under 1922. Paid more in 1922 than the total tax paid by nine States combined, as follows: Delaware, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, New Mexico, and Nevada; paid more in 1923 than seven of the aboye States, the exceptions being Delaware and Nevada.

OREGON

Had a population of 823,270, or 0.74 per cent, as of July 1, 1923 (estimated), as compared with a population of 811,875, or 0.74 per cent, as of July 1, 1922 (estimated), an increase of 11,395. Paid personal income tax in 1923 of $2,899,388, or 0.41 per cent, as compared with a total tax in 1922 of $4,239,789, or 0.49 per cent, a decrease of $1,340,401 under 1922, or 31.61 per cent, under tax paid in 1922. Paid more in 1922 than the total tax paid by seven States combined, as follows: Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, and New Mexico; paid more in 1923 than five of the above States, the exceptions being Idaho and North Dakota.

RHODE ISLAND

Had a population of 626,672, or 0.57 per cent, as of July 1, 1923 (estimated), as compared with a population of 620,308, or 0.57 per cent, as of July 1, 1922 (estimated), an increase of 6,364. Paid personal income tax in 1923 of $8,427,156, or 1.20 per cent, as compared with a total tax in 1922 of $9,351,580, or 1.08 per cent, a decrease of $924,424 under 1922, or 9.88 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by 11 States combined, as follows: Mississippi, Vermont, South Carolina, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, New Mexico, and Nevada; paid more in 1923 than 9 of the above States, the exceptions being Idaho and New Mexico.

SOUTH CAROLINA

Had a population of 1,744,408, or 1.57 per cent as of July 1, 1923 (estimated), as compared with a population of 1,727,070, or 1.58 per cent as of July 1, 1922 (estimated), an increase of 17,338. Paid personal income tax in 1923 of $1,756,820, or 0.25 per cent, as compared with a total tax in 1922 of $1,268,305, or 0.15 per cent, an increase of $488,515 over 1922, or 38.52 per cent increase over tax paid in 1922. Paid more in 1922 than the total tax paid by three States combined, as follows: South Dakota, New Mexico, and Nevada; paid more in 1923 than the above three States, together with Wyoming.

SOUTH DAKOTA

Had a population of 655,532, or 0.59 per cent as of July 1, 1923 (estimated), as compared with a population of 650,108, or 0.59 per cent as of July 1, 1922 (estimated), an increase of 5,424. Paid personal income tax in 1923 of $383,575, or 0.05 per cent, as compared with a total tax in 1922 of $548,688, or 0.06 per cent, a decrease of $165,113 under 1922, or 30.09 per cent decrease under tax paid in 1922. Paid more in 1923 than New Mexico.

TENNESSEE

Had a population of 2,393,077, or 2.16 per cent, as of July 1, 1923 (estimated), as compared with a population of 2,377,308, or 2.17 per cent, as of July 1, 1922 (estimated), an increase of 15,769. Paid personal income tax in 1923 of $4,396,162, or 0.62 per cent, as compared with a total tax in 1922 of $4,902,612, or 0.57 per cent, a decrease of $506,450, or 10.33 per cent decrease under tax paid in 1922. Paid more in 1922 and 1923 than the total tax paid by seven States combined, as follows: Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, and North Dakota.

TEXAS

Had a population of 4,939,630, or 4.45 per cent, as of July 1, 1923 (estimated), as compared with a population of 4,860,658, or 4.44 per cent, as of July 1, 1922 (estimated), an increase of 78,972. Paid personal income tax in 1923 of $11,087,537, or 1.58 per cent, as compared with a total tax in 1922 of $14,119,655, or 1.64 per cent, a decrease of $3,032,118 under 1922, or 21.47 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by 13 States and Hawaii combined, as follows: Delaware, Mississippi, Vermont, Hawaii, South Carolina, Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, New Mexico, and Nevada; paid more in 1923 than all of the above with the exception of Mississippi.

UTAH

Had a population of 476,812, or 0.43 per cent, as of July 1, 1923 (estimated), as compared with a population of 468,979, or 0.43 per cent, as of July 1, 1922 (estimated), an increase of 7,833. Paid personal income tax in 1923 of $841,751, or 0.12 per cent, as compared with a total tax in 1922 of $955,929, or 0.11 per cent, a decrease of $114,178 under 1922, or 11.95 per cent decrease under tax paid in 1922. Paid more in 1922 and 1923 than the total tax paid by two States combined, as follows: North Dakota and Nevada.

VERMONT

Had a population of 352,428, or 0.32 per cent, as of July 1, 1923 (estimated), as compared with a population of 352,428, or 0.32 per cent, as of July 1, 1922 (estimated). Paid personal income tax in 1923 of $1,333,438, or 0.19 per cent, as compared with a total tax in 1922 of $1,573,555, or 0.18 per cent, a decrease of $240,117 under 1922, or 15.26 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by three States combined, as follows: Wyoming, Idaho, and New Mexico. Paid more in 1923 than two of the above States, the exception being New Mexico.

VIRGINIA

Had a population of 2,398,441, or 2.16 per cent as of July 1, 1923 (estimated), as compared with a population of 2,372,940, or 2.16 per cent as of July 1, 1922 (estimated), an increase of 25,501. Paid personal income tax in 1923 of $3,722,974, or 0.53 per cent, as compared with a total tax in 1922 of $4,919,485, or 0.57 per cent, a decrease of $1,196,511 under 1922, or 24.32 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by eight States combined, as follows: Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, New Mexico, and Nevada; paid more in 1923 than seven of the above States, the exception being Idaho.

WASHINGTON (INCLUDING ALASKA)

Had a population of 1,489,034, or 1.34 per cent as of July 1, 1923 (estimated), as compared with a population of 1,466,926, or 1.34 per cent as of July 1, 1922 (estimated), an increase of 22,108. Paid personal income tax in 1923 of $4,382,752, or 0.62 per cent, as compared with a total tax in 1922 of $5,148,477, or 0.60 per cent, a decrease of $765,725 under 1922, or 14.87 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by eight States combined, as follows: Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, and Nevada; paid more in 1923 than seven of the above States, the exception being Nevada.

WEST VIRGINIA

Had a population of 1,551,156, or 1.40 per cent as of July 1, 1923 (estimated), as compared with a population of 1,526,169, or 1.39 per cent as of July 1, 1922 (estimated), an increase of 24,987. Paid personal income tax in 1923 of $3,876,254, or 0.55 per cent, as compared with a total tax in 1922 of $4,594,653, or 0.53 per cent, a decrease of $718,399 under 1922, or 15.63 per cent decrease under tax paid in 1922. Paid more in 1922 than the total tax paid by eight States combined, as follows: Montana, Wyoming, Arizona, South Dakota, Idaho, North Dakota, New Mexico, and Nevada; paid more in 1923 than seven of the above States, the exception being Nevada.

WISCONSIN

Had a population of 2,739,574, or 2.47 per cent as of July 1, 1923 (estimated), as compared with a population of 2,708,858, or 2.47 per cent as of July 1, 1922 (estimated), an increase of 30,716. Paid personal income tax in 1923 of $12,433,996, or 1.77 per cent, as compared with a total tax in 1922 of $9,126,855, or 1.06 per cent, an increase of $3,307,141 over 1922, or 36.24 per cent increase over tax paid in 1922. Paid more in 1922 than the total tax paid by 11 States combined, as follows: Arkansas, South Carolina, Montana, Utah, Wyoming, Arizona, South Dakota, Idaho, North Dakota, New Mexico, and Nevada; paid more in 1923 than all of the above States, together with Delaware and Vermont.

WYOMING

Had a population of 211,864, or 0.19 per cent, as of July 1, 1923 (estimated), as compared with a population of 206,875, or 0.19 per cent, as of July 1, 1922 (estimated), an increase of 4,989. Paid personal income tax in 1923 of $716,482, or 0.10 per cent, as compared with a total tax in 1922 of $687,062, or 0.08 per cent, an increase of $29,420 over 1922, or 4.28 per cent increase over tax paid in 1922. Paid more in 1922 and 1923 than the total tax paid by two States combined, as follows: New Mexico and Nevada.

Mr. BROWNE. Mr. Speaker, I am opposed to the conference report and will therefore vote against the tax bill.

INHERITANCE TAXES

The bill that we are asked to vote for not only reduces the inheritance taxes from 40 to 20 per cent, but it has a retroactive feature that provides that all the estates that paid an inheritance tax of over 25 per cent under the law of June 2, 1924, or which are liable to pay a tax under that law shall have a certain part of the tax refunded to them. In other words, at least $85,000,000 that has already been collected by the Government of the United States or which is in the process of collection will be handed back to these estates.

Who will receive the benefit of this retroactive law? Only those large estates that have been paying over a 25 per cent inheritance tax. No small estate need apply for a rebate from the Government under this bill. Even the heirs of a million-dollar estate will receive a very modest rebate compared with the heirs of the fifty and one hundred million dollar estates. Among the estates of over $20,000,000 net value that will be the beneficiaries of Congress's generosity are the Dodge Brothers estates of Detroit and the Vaile estate of New York and the following lesser estates, but all over $20,000,000:

Estates that will get a large share of the $85,000,000 refund

	Net estate
Begg	$40,000,000
Clark	40,000,000
Duke	75,000,000
Fleischmann	50,000,000
Woolworth	54,898,000

No wonder Judge Gary, president of the Steel Trust, eulogizes Congress in the following paragraph:

Action of the present Congress in giving nonpartisan support to tax reduction is an example of the changed viewpoint of politicians. It is much more in harmony with the wishes of the people back home than those observed by some past Congresses.

WALL STREET SECONDS JUDGE GARY

Double-leaded headlines of the New York financial papers read as follows:

Wall Street welcomes big tax reduction.
Lower levy expected to prove benefit to bond trade.

Judge Gary, it will be remembered, criticized the Sixty-eighth Congress because it made the men with incomes of a million dollars and upward a year pay taxes somewhat commensurate with their ability to pay. If Congress has the right to go back from February, 1926, to June 2, 1924, and refund over $85,000,000 worth of taxes on the same principle, Congress could go back 5 or 10 years and take money out of the Treasury that it had collected and refund it to the big taxpayers of the country.

Chairman GREEN, of the Ways and Means Committee, after his committee voted against these proposed retroactive provisions, said:

There seems to have been rather more than the usual number of wealthy men who died within the period affected by this retroactive feature. Among them I would mention Senator Clark, of Montana,

whose estate was estimated at $100,000,000; Mrs. Beggs, of Wisconsin, whose estate was estimated at between $40,000,000 and $50,000,000; Mr. J. B. Duke, of North Carolina, with an estate of $300,000,000; the Dodge Bros., of Detroit, who left enormous estates; Mr. J. D. Spreckles, of California, Mr. Valle, of New York, and others. On an estate of $100,000,000 if it is all taxable, the amount remitted would be nearly $15,000,000. * * * Owing to the number of wealthy men who have passed away during this period I would estimate the total loss to the Government annually at from $20,000,000 to $25,000,000. I think this conservative. (Washington Post, November 21, 1925.)

AUTO AND NUISANCE TAXES

I voted to remove the 3 per cent tax on automobiles, which tax is paid by over 18,000,000 people. I also favored the removal of all nuisance taxes, such as admission taxes on lectures, concerts, baseball, and circuses. We were met with the argument that we would have a deficit if we repealed these taxes. Yet, when Congress handed over to the heirs of the Dodge estate and Valle estate millions of dollars that we had already collected from them, or which were due under the existing law, the question of a deficit was not raised by Mr. Mellon.

Senator NORRIS, in his speech in the Senate, said:

Mr. President, this bill is a millionaires' tax reduction bill. This is a retroactive gift to millionaires' estates, and in effect the same as if we took the money out of the Treasury by direct appropriation. Besides this it reduces the gift tax for all persons with incomes of over $100,000 or more by $4,500,000.

A BILL FOR WALL STREET, NOT MAIN STREET

No wonder this has been characterized a bill for Wall Street, not Main Street.

The average tax reduction given by this bill to persons worth incomes of $100,000 or more is $48,000. The average reduction for persons with incomes of less than $100,000 is $49 each.

DRIVE TO REPEAL INHERITANCE AND INCOME TAX

The Senate repealed the inheritance tax. The House conferees reinstated it with a maximum rate of 20 per cent.

The drive by big business will continue, with the ultimate object of not only repealing the inheritance tax but repealing the income tax, and shifting the payment of our huge war debt of $20,000,000,000 on the backs of the toiling masses by means of a sales or consumption tax on the food we eat and the clothes we wear.

Paid lecturers and lobbyists are appearing before business clubs in every State in the Union appealing to them to influence their Congressmen. I am placing in the RECORD a letter written by myself to Thomas A. Hill, who represents the State legislatures and governors of over 20 States, in reply to a letter written to me, asking me to change my vote on the inheritance tax. This letter gives my reasons for voting to tax large estates.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE CIVIL SERVICE,
Washington, D. C., February 20, 1926.

Mr. THOMAS A. HILL,
The Raleigh, Washington, D. C.

MY DEAR MR. HILL: Your letter of February 11 was received.

You state in your letter that the committee for whom you speak represents 4,500 members of the State legislatures, and is indorsed by a majority of the governors of the States, and that you respectfully request that I recede from the position I have taken in the House of Representatives in opposing the repeal of the Federal inheritance tax.

I have given your letter careful consideration, but I am unable to agree with you. I believe that a graduated inheritance tax is one of the fairest and most equitable ways of raising money for the support of the Government that has ever been placed upon the statute books. An inheritance tax is an unearned income.

Take, for example, Vincent Astor's fortune, inherited from his father, who perished in the *Titanic* disaster, which was estimated at $160,000,000. The Astor fortune had come down from father to son, five generations, and was originally secured mainly through increases in the value of real estate. This great fortune was largely the product of the unearned increment in land. This land became valuable on account of the work of hundreds of thousands of people who contributed to make New York City the metropolis that it is. Not one cent of this colossal fortune was earned by Astor junior.

Marshall Field died in 1906. His immense fortune, estimated at $125,000,000, passed into the hands of trustees for his grandsons, then 12 and 10 years old, respectively, to be held for them until they should become 50 years old. This stupendous estate paid no inheritance tax. The press of the country commented upon this fortune and insisted that these colossal fortunes should be taxed. Soon after this Theodore Roosevelt, then President of the United States, said in his annual message to the Sixtieth Congress, 1907, as follows:

"The Government has the absolute right to decide as to the terms upon which a man shall receive a bequest or devise from another. * * * A heavy progressive tax upon a very large fortune is in no way such a tax upon thrift and industry as a like tax would be on a small fortune. No advantage comes either to the country as a whole or to the individuals inheriting the money by permitting the transmission in their entirety of the enormous fortunes that would be affected by such a tax."

All great economists, from Adam Smith and John Stuart Mill to Prof. E. R. A. Seligman, favored an inheritance tax.

Prof. E. R. A. Seligman, in his Essays on Taxation (Macmillan), page 133, says: "The inheritance tax to-day scarcely needs defense. It is found in nearly every country; and the more democratic the country, the more developed is the tax."

The majority of those persons who are in favor of repealing the Federal inheritance tax, and substituting in its place a State inheritance tax, are in reality against all inheritance taxes. Just as soon as the Federal inheritance tax is repealed, the same class that have opposed the Federal inheritance tax will shift their attack and their lines of battle will be drawn up at the front doors of every State legislature, where they will oppose the States enacting State inheritance tax laws. If they are successful in influencing the State legislatures of even one-half dozen States, then the argument will be used against the other 42 States, that if a State enacts an inheritance tax it can not compete with the States which have no inheritance taxes. Already Florida has placed in her constitution a clause prohibiting the levying of an inheritance tax. Citizens from the States where they have inheritance tax laws are constantly bringing up Florida and threatening to make Florida their residence unless their State abolishes its inheritance tax. John R. Beggs, of Milwaukee, Wis., who died a few months ago leaving an estate estimated from $30,000,000 to $50,000,000, money earned in Wisconsin, claimed in his will that he was a resident of Florida. Wisconsin is contesting the claim. Thanks to our Federal inheritance tax, no matter where his residence was, the Federal Government will collect a Federal inheritance tax. I believe that the States which have inheritance tax laws ought to be allowed to deduct a certain amount of the inheritance tax paid in the State, from the amount of the inheritance tax levied by the Federal Government, the way the present tax bill provides.

The tax levied by the Federal Government rests lightly on small estates. The first $50,000 of the estate pays no inheritance tax. An estate of $100,000 only pays $500 tax. The increased rate progresses very slowly until it reaches a million dollars.

When the governors of more than 24 States presumed to speak for the people of those States, I do not believe that they are speaking for the 90 per cent, but are speaking for the 10 per cent of the whole people.

If I am in error in voting to make the heirs of inherited wealth pay a fair inheritance tax on their unearned inherited incomes, I err with Ex-President Roosevelt, Professor Seligman, and the ablest economists, both in this country and all over the civilized world. With these men, I am content to remain in error.

Sincerely yours,

EDWARD E. BROWNE.

Mr. LOZIER. Mr. Speaker, under general leave to extend my remarks, I will say that when this revenue bill was pending in the House I called attention to some objectionable features it contained. The bill was, to a certain extent, improved by amendments before it passed the House. I voted for the measure, not because I was satisfied with all of its features, but because it was evident to every one that it was the very best bill that we could hope to obtain at the present time in view of the attitude of the administration. Now the Senate amended this bill in a number of particulars. Some of these amendments were good and much to be desired, while others were extremely vicious. The conference committee has considered these amendments, rejecting some and accepting others. The bill has now been returned to the House for final action, and we have reached the point where we must either defeat the bill entirely or accept it with its numerous objectionable features.

While I am by no means satisfied with the measure, I am convinced that its good features predominate and that we should agree to the conference report, rather than by an adverse vote destroy the bill in toto.

However, in voting to sustain the report of the Conference Committee, I want to be distinctly understood as protesting against the retroactive provision inserted in the bill by the Senate and which in effect grants a bonus or subsidy of about $85,000,000 to estates that are taxable under the revenue law of 1924. In other words, under the revenue act of 1924, estates are taxable at a certain rate; but this retroactive provision reduces the 1924 rate and applies the lower rate of the 1921 act. Now, there is no reason for this discrimination. The tax

that accrued under the 1924 act ought to be measured by the provisions of the act of 1924. These taxes have already accrued. They are definitely determined and fixed by the act of 1924. Many of these taxes have already been paid. Under this retroactive provision, the Treasury of the United States will have to refund to these estates many millions of dollars, and in cases where the taxes have not yet been definitely determined, they will be computed under the low rate of 1921 instead of under the higher rate of 1924. Now, the people who paid tariff taxes, automobile taxes, excise taxes, stamp taxes, admission taxes, and other taxes in 1924 get no rebate and are granted no subsidy. These other classes of taxes are not rebated or reduced, while estate taxes are reduced in sums aggregating about $85,000,000. The other classes of tax-paying citizens who paid their taxes under the rates established by the act of 1924 get no rebates, but estates are favored by reductions and refunds which amount approximately to $85,000,000.

This retroactive provision, this bonus or subsidy, will benefit immensely the estates of a few persons who died during the time the 1924 rates were in force. Among the large estates that will get the benefit of this subsidy or rebate are the estates of Senator Clark, of Montana, estimated at $100,000,000; the Beggs estate, of Wisconsin, valued at $50,000,000; the J. B. Duke estate, of North Carolina, with an estimated value of $300,000,000; the enormous Dodge Brothers estates, of Detroit; the J. D. Spreckles estate, of California; the Vaile estate, of New York, and many others. On an estate of $100,000,000, if it is all taxable, the amount remitted would be $15,000,000. The magnitude of this rebate can be better appreciated when we consider the great number of wealthy men who have passed away during the period that the 1924 revenue act was operative. It would not be so bad if all the taxpayers in the United States received a proportionate rebate of the taxes they paid under the 1924 act, but, as I have already stated, this rebate is not to all the taxpayers in the United States, but only to the estates of those wealthy men who died while the 1924 act was in force. There is no rebate of any part of the $500,000,000 that the American people paid in tariff taxes; no rebate in the $130,000,000 paid as taxes on automobile and accessories; no rebate or refund of taxes paid on admissions, excise, or on any other direct taxes. This provision is the essence of discrimination and favoritism, and how any Democrat or Republican can sanction this abuse of the taxing power is more than I can understand. Why should we make a donation or grant a subsidy out of the Treasury of the United States of $85,000,000 to one favored class of taxpayers and deny a proportionate refund of taxes to all other classes of taxpayers? I assert that this retroactive provision inserted in this bill by the Senate is indefensible and violates the fundamental principles of any and every just and reasonable tax system.

URGENT DEFICIENCY APPROPRIATION BILL, 1926—CONFERENCE REPORT

Mr. MADDEN. Mr. Speaker, I call up the conference report upon the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes.

The SPEAKER. The gentleman from Illinois calls up a conference report, which the Clerk will report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 23 and 43.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 12, 13, 14, 16, 18, 19, 21, 22, 24, 30, 31, 33, 34, 35, 36, 37, 40, 42, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, and 57, and agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In the matter inserted by said amendment before the sum "$125,000," insert the following: "fiscal year 1926"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "For the purchase and exchange of an automobile for the Vice President, fiscal year 1926, $5,135.75"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "For stationery for Senators, committees, and officers of the Senate, fiscal year 1926, $2,500"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$15,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert: "$1,800"; and on page 9 of the bill in lines 24 and 25 strike out "K Street" and insert in lieu thereof "Connecticut Avenue"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In line 4 of the matter inserted by said amendment strike out the following: "fiscal year 1926, and"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Chippewa Indians of Minnesota: For compensating the Chippewa Indians of Minnesota for timber and interest in connection with the settlement for the Minnesota National Forest, $422,939.01, with interest thereon at the rate of 5 per cent per annum from February 1, 1923, to the date of settlement, said total amount to be deposited to the credit of the Chippewa Indians of Minnesota as interest on the permanent fund arising under the provisions of section 7 of the act of January 14, 1889, as authorized by the act of February 28, 1925."

And the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert: "$81,640.37"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For contingent expenses, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1926, $4,000.

"Pueblo Lands Board: For equipment and supplies, including the purchase of an automobile (at a cost not exceeding $800) and for the maintenance, repair, and upkeep thereof, and the purchase of a photostat machine complete (at a cost not to exceed $1,600) and for repairs and supplies therefor, fiscal year 1926, $3,000."

And the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert the following: "$25,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"FEDERAL FARM LOAN BUREAU

"For personal services for the fiscal years that follow:

"For 1926, $41,325;

"For 1927, $119,020;

"In all, $160,345: *Provided*, That $17,841 for the fiscal year 1926 and $42,820 for the fiscal year 1927 shall be available for personal services in the District of Columbia.

"For miscellaneous expenses, including the same objects specified under this head in the Treasury Department appropriation acts for the fiscal years that follow:

"For 1926, $18,750;

"For 1927, $55,000;

"In all, Federal Farm Loan Bureau, $234,095, payable from assessments upon Federal and joint-stock land banks and Federal intermediate credit banks."

And the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 17, 27, 28, 39, 58, 59, and 60.

MARTIN B. MADDEN,
D. R. ANTHONY, Jr.,
JOSEPH W. BYRNS,
Managers on the part of the House.

F. E. WARREN,
CHARLES CURTIS,
LEE S. OVERMAN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, submit the following statement explaining the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report:

On amendments Nos. 1 to 13, inclusive, relating to the Senate: Provides for expenses of the Senate, as proposed by the Senate amendments, as follows: Appropriates $315,000 for compensation of Senators in accordance with the requirements of the act of March 4, 1925; appropriates $4,250 for compensation of the Vice President, as provided by law; appropriates $47,500 for payments to widows of deceased Senators; appropriates $125,000 for inquiries and investigations and $2,500 for stationery; appropriates $5,135.75 for an automobile for the Vice President; and inserts a paragraph designating the financial clerk as disbursing officer of the Senate in the event of the death, resignation, or disability of the Secretary of the Senate.

On amendment No. 14: Appropriates $122,350, as proposed by the Senate, to enable the Public Printer to pay for printing presses contracted for in accordance with law.

On amendment No. 15: Appropriates $15,000, instead of $25,000 as proposed by the Senate, for salaries and expenses of the Bureau of Efficiency.

On amendment No. 16: Appropriates $1,400, as proposed by the Senate, for expenses of the Commission on Fine Arts.

On amendments Nos. 18 and 19, relating to the United States Veterans' Bureau: Appropriates, as proposed by the Senate, $11,250,000 for military and naval compensation and $27,000,000 for military and naval insurance.

On amendment No. 20: Appropriates $1,800, instead of $2,725 as proposed by the Senate, for personal services for the Mount Pleasant Branch of the Public Library in the District of Columbia and makes a correction in the text of the bill in the application of the assessment of costs for widening certain streets.

On amendment No. 21: Appropriates $2,500, as proposed by the Senate, for extension of the forest-fire weather-warning service of the Weather Bureau.

On amendment No. 22: Appropriates $800,000, as proposed by the Senate, for expenses of the Forest Service in fighting forest fires.

On amendment No. 23: Strikes out the appropriation of $68.60, inserted by the Senate, for the payment of a claim recommended by the Office of the Secretary of Commerce.

On amendment No. 24: Appropriates $55,000, as proposed by the Senate, for retirement pay of employees of the Lighthouse Service.

On amendment No. 25: Appropriates $25,000, as proposed by the Senate, for repairs and improvements at the Nashua (N. H.) fish hatchery.

On amendment No. 26: Appropriates $422,939.01, as proposed by the Senate, for payment to the Chippewa Indians of Minnesota in settlement for the Minnesota National Forest, modified so as to provide that such sum shall be credited to the Indians as interest on the permanent fund of the Chippewas.

On amendment No. 29: Appropriates $81,640.37, instead of $115,767.67, as proposed by the Senate, for payments to Stevens and Ferry Counties, Wash., under the act of June 7, 1924.

On amendment No. 30: Appropriates $300,000, as proposed by the Senate, for continuing construction on the North Platte irrigation project.

On amendment No. 31: Appropriates $40,000, as proposed by the Senate, to enable the National Park Service to combat forest fires in the national parks.

On amendment No. 32: Appropriates $4,000 for contingent expenses of the Department of Justice and $3,000 for equipment and supplies for the Pueblo land board, each in a separate paragraph, instead of $7,000 for the two items in a single paragraph, as was proposed in the Senate amendment.

On amendment No. 33: Makes $500 of an existing appropriation available for the procurement of a pedestal for the bust of the late Chief Justice Edward Douglass White.

On amendment No. 34: Appropriates $46,000, as proposed by the Senate, for assistants to the Attorney General and United States district attorneys in special cases and makes a transfer of certain appropriations under the Department of Justice.

On amendment No. 35: Appropriates $37,500, as proposed by the Senate, for operating expenses of the United States Industrial Reformatory at Chillicothe, Ohio.

On amendment No. 36: Appropriates $12,000, as proposed by the Senate, for maintenance of the National Training School for Boys.

On amendments Nos. 37 and 38: Makes $25,000 of the appropriation for regulating immigration available for motor vehicles instead of $50,000 as was proposed by the Senate.

On amendment No. 40: Appropriates $50,000, as proposed by the Senate, for expenses of the commission to make preliminary studies and preparations for an international conference on the limitation of armaments.

On amendment No. 41, relating to the Federal Farm Loan Bureau: Appropriates $234,095, as proposed by the Senate, modified in form so as to set forth the fiscal years and purposes for which the amount is granted.

On amendment No. 42: Appropriates $28,522.35, as proposed by the Senate, for the restoration of Fort McHenry, Md., as provided by the act of March 3, 1925.

On amendment No. 43: Strikes out the appropriation of $17,653.30, inserted by the Senate, for the payment of a river and harbor claim in favor of the Coast and Lakes Contracting Co.

On amendments Nos. 44 to 50, inclusive: Appropriates for judgments of United States courts certified to Congress after the bill had passed the House.

On amendment No. 51: Appropriates $9,600 from the "reclamation fund" for the payment of a judgment arising out of condemnation proceedings for the acquisition of lands for the Pathfinder Reservoir.

On amendments Nos. 52 to 55, inclusive: Appropriates for the payment of judgments of the Court of Claims certified to Congress after the bill had passed the House.

On amendment No. 56: Appropriates $349.86 from the naval pension fund for the payment of claims allowed by the General Accounting Office.

On amendment No. 57: Appropriates $229,982.29 for the payment of claims allowed by the General Accounting Office and certified to Congress after the bill had passed the House.

The Committee of Conference have not agreed to the following amendments:

On amendment No. 17: Validating certain expenditures of the President's Committee on Outdoor Recreation.

On amendment No. 27: Striking out the appropriation of $6,600 for a bridge across the San Juan River near Bloomfield, N. Mex.

On amendment No. 28: Striking out the appropriation of $100,000 for a bridge over the Colorado River near Lees Ferry, Ariz.

On amendment No. 39: Appropriating $11,000 for repairs necessitated by a hurricane in American Samoa.

On amendment No. 58: Appropriating $2,186,500 for the National Sesquicentennial Exposition at Philadelphia.

On amendment No. 59: Appropriating $12,500 for the Sesquicentennial Celebration of the Evacuation of Boston by the British.

On amendment No. 60: Renumbered the sections of the bill.

MARTIN B. MADDEN,
D. R. ANTHONY, Jr.,
JOSEPH W. BYRNS,
Managers on the part of the House.

Mr. MADDEN. Mr. Speaker, as this bill passed the House it carried $381,684,019.17. As it passed the Senate it carried $426,261,335.39. The Senate added $44,577,315.53. The principal items which were added by the Senate and to which the House conferees have agreed are as follows: Salaries of Sena-

tors in accordance with the new salary law, $315,000; widows of deceased Senators, $47,500; Senate investigations, $125,000; Government Printing Office, payment for printing presses under contract, $122,350; under the Veterans' Bureau for military and naval compensation, $11,250,000, and for military and naval insurance, $27,000,000. These two items, totaling $38,250,000, are due to legislation enacted by the Congress increasing the compensation to be paid veterans of the late war and to the lump-sum insurance plan adopted under the recent act; for the forest service, for fighting forest fires, $800,000; retired pay, lighthouse service, $55,000; Chippewa Indians of Minnesota, settlement for Minnesota National Forest, $422,939, in accordance with legislation enacted by the Congress; payment to Stevens and Ferry Counties, Wash., under act of June 7, 1924, $81,640.37, instead of $115,767.67, placed in the bill by the Senate; North Platte reclamation project, transfer from 1927 Interior bill to expedite construction, $300,000, agreed to by the House conferees with the distinct understanding with the Senate conferees that this amount of $300,000 will be deducted from the annual 1927 Interior bill when it is taken up for further consideration between the House and the Senate; fighting forest fires in national parks, $40,000; special assistants to Attorney General and United States district attorneys, $46,000; United States Industrial Reformatory at Chillicothe, Ohio, for maintenance, $37,500; this is the institution which was originally established after the war for the purpose of giving rehabilitation training to soldiers of the World War, discontinued as an establishment for that purpose, and reestablished later on as a reformatory for men under the age of 21 years who are convicted of crime.

For preparatory commission on armament there is the sum of $50,000 agreed to. That is the mission that was authorized by a recent act to prepare a program for the convention which is to be held later by the United States and a number of foreign countries to endeavor to reduce armaments of the various nations of the world.

The next item agreed to by the conferees is for judgments rendered and certified for approval after the Committee on Appropriations of the House had gotten through with its work, that item amounting to $1,149,046.66. There is an item of audited claims, $299,982.29, inserted in the bill by the Senate under substantially the same circumstances, and agreed to by the House conferees. They were not reported to the House committee in time for insertion in the bill in the House.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BLANTON. Has the gentleman figured up the total sum of all amendments that have been added in the Senate?

Mr. MADDEN. Yes. It amounts to $44,577,315.63.

Mr. BLANTON. And of that, how much did the gentleman keep in the bill?

Mr. MADDEN. I have just stated the items that we agreed to in the conference report.

Mr. BLANTON. The Senate added $44,000,000 and odd to the House bill. Did the gentleman allow them to keep in all of that money?

Mr. MADDEN. Oh, no. We took out quite a large amount. Most of the money that the Senate inserted in the bill would have been inserted by the House if the items had been before us in time.

Mr. BLANTON. Approximately, how much has been taken out?

Mr. MADDEN. Nearly $500,000.

Mr. BLANTON. The House is the body in which appropriation bills are supposed to originate?

Mr. MADDEN. Yes.

Mr. BLANTON. The deficiency bill is a bill which is supposed to bring in appropriations to cover deficiencies in the various departments.

Mr. MADDEN. Well, there is very little of that in this bill.

Mr. BLANTON. The House was presumed to cover every deficit in the various departments in this deficiency bill.

Mr. MADDEN. Yes; except——

Mr. BLANTON. But another body has gotten into the habit of putting just what it wants on a deficiency bill.

Mr. MADDEN. Every dollar of these items comes through the Budget. If these items had been before the Committee on Appropriations of the House before the bill passed the House, we would have inserted these items in the bill ourselves.

Mr. BLANTON. For instance, this deficiency bill was pending before the Senate for two days, and it was held there on the President's desk, and when this sesquicentennial bill was finally passed through the House and the $2,000,000 was allotted, immediately, that very evening, that $2,186,000 was placed in the deficiency bill. That was pretty quick action, was it not?

Mr. MADDEN. The joint resolution passed both Houses, however.

Mr. BLANTON. It was pretty quick action.

Mr. MADDEN. Yes; but after all we bring it back, because it has not been signed by the President, and we did not feel——

Mr. BLANTON. It is in this bill.

Mr. MADDEN. And we are going to give a chance for a vote on it separately.

Mr. BLANTON. Of course we are going to have to vote for it, because the law has been passed.

Mr. MADDEN. It is not in the conference report, I will say to the gentleman. I move the adoption of the conference report.

The question was taken, and the conference report was agreed to.

Mr. MADDEN. I move that amendment No. 17 be called up.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 17:

"GENERAL ACCOUNTING OFFICE

"The Comptroller General is authorized and directed to credit the accounts of the disbursing officers of the Departments of the Interior and Agriculture with payments heretofore or hereafter made from the appropriations for maintenance of national parks and national forests, for transportation, subsistence, supplies, and other necessary expenses incurred by the committee of departmental employees and collaborators created upon recommendation of the President's Committee on Outdoor Recreation, to examine and report on proposed changes in the status of lands reserved for national park or national forest purposes: *Provided*, This authorization shall not extend beyond June 30, 1927."

Mr. MADDEN. Mr. Speaker, I offer the following amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment No. 17: That the House recede from its disagreement to the amendment of the Senate No. 17, and agree to the same with amendments as follows: In line 6 of the matter inserted by said amendment, after the word "forests," insert the following: "On account of obligations heretofore incurred," and in lines 12 and 13 of the matter inserted by said amendment strike out the following: "*Provided*, This authorization shall not extend beyond June 30, 1927."

Mr. BLANTON. Mr. Speaker, I desire to ask the gentleman from Illinois a question. Is there any attempt by this amendment further to clip the wings of the Comptroller General——

Mr. MADDEN. No, indeed.

Mr. BLANTON. In the exercise of authority which the Congress properly placed in his department?

Mr. MADDEN. This amendment protects the Treasury and stops some expenditures in the way we propose to modify it.

Mr. BLANTON. Does not get around some ruling he has made to stop these departments?

Mr. MADDEN. He has no better friend than I am, and I am the last man in the House to try to curtail his power.

The question was taken, and the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

On page 31 of bill, following line 10——

Mr. MADDEN. I ask unanimous consent, Mr. Speaker, that amendments Nos. 27 and 28 go together. They both involve the same principle.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

Amendments Nos. 27 and 28, page 31 of the bill. Strike out all of lines 7 to 23 inclusive.

Mr. MADDEN. Mr. Speaker, I move that the House further insist upon its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 39: On page 40 of the bill, at the top of the page, insert:

"CIVIL GOVERNMENT OF AMERICAN SAMOA

"For the repair to roads, water systems, school and other public buildings as the result of the hurricane which visited American Samoa on January 1, 1926, to be expended under the direction of the Governor of American Samoa, fiscal year 1926, $11,000."

Mr. MADDEN. Mr. Speaker, this is an emergency. It is no obligation that was created by any law, but American Samoa is under the jurisdiction of the American Government and is supervised by a naval officer.

They have had a devastating hurricane there. This $11,000, if appropriated, will be in the nature of a gratuity. The Com-

mittee on Naval Affairs of the House has reported a bill in favor of granting it. Although it is not a law, in view of the urgency of the matter, I submit a motion to recede and concur in the Senate amendment.

The SPEAKER. The gentleman from Illinois moves to recede and concur in the Senate amendment.

Mr. BYRNS. Mr. Speaker, will the gentleman yield there?

Mr. MADDEN. Certainly.

Mr. BYRNS. I would like to say a word in reference to my position regarding this item inserted by the Senate. So far as I am concerned, I am opposed to the amendment, and I am opposed to it on principle. This hurricane occurred in January, 1926. The Navy Department, as I understand, has already furnished food and supplies to the natives. Here is a proposition to furnish $11,000 for further relief purposes.

I do not see what right Congress has to appropriate out of the National Treasury $11,000 as a mere gratuity to the people of Samoa or any other country. We have furnished them with food and supplies already, as this report shows, as a matter of humanity, and it seems to me in connection with other propositions with reference to other countries that this Congress has no right to appropriate money out of the Treasury as a gratuity for the relief of the people of Samoa or any other country outside of this country. Therefore I am opposed to the adoption of the motion.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Illinois.

The motion was agreed to.

The SPEAKER. The Clerk will report the next Senate amendment.

The Clerk read as follows:

Senate amendment No. 58: Page 82, after line 18, insert:

"NATIONAL SESQUICENTENNIAL EXPOSITION

"SEC. 4. To enable the Government of the United States to make an exhibition at the sesquicentennial exposition, to be held in the city of Philadelphia, Pa., in the year 1926, from its executive departments, independent offices and establishments, including personal services, cost of transportation, rent, construction of buildings, traveling expenses, and for such other purposes as may be deemed necessary by the National Sesquicentennial Exhibition Commission, to commemorate the one hundred and fiftieth anniversary of the birth of the Nation, $2,186,500, to be immediately available and to remain available until June 30, 1927, of which not more than $250,000 shall be allocated to the War Department, and not more than $350,000 to the Navy Department, of which latter sum $250,000 shall be used for making repairs and improvements at the Philadelphia Navy Yard: *Provided*, That so much of the money herein appropriated as may be allocated for the construction of buildings shall be expended by the Sesquicentennial International Exposition, upon written approval of the National Sesquicentennial Exhibition Commission, and that the residue of the moneys herein appropriated shall be expended by the National Sesquicentennial Exhibition Commission."

The SPEAKER. The Clerk will report the motion of the gentleman from Illinois.

The Clerk read as follows:

MR. MADDEN moves that the House recede from its disagreement to the amendment of the Senate No. 58, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"NATIONAL SESQUICENTENNIAL EXPOSITION

"SEC. 4. For carrying out the public resolution of the Sixty-ninth Congress entitled 'Joint resolution providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes,' as follows: For the exhibit and participation by the executive departments and independent establishments of the Government and such other expenditures as may be deemed necessary by the National Sesquicentennial Exhibition Commission, including salaries in the District of Columbia and elsewhere, actual and necessary traveling expenses, rent, and all other expenditures authorized by section 1; compensation of the commissioner of the sesquicentennial exposition as authorized by section 3; $1,186,500, of which not more than $250,000 shall be allocated to the War Department and not more than $350,000 to the Navy Department as authorized by section 1; for the further participation by the Government for the construction of buildings as authorized by section 2, $1,000,000; in all, $2,186,500, to remain available during the fiscal year 1927."

Mr. MADDEN. Mr. Speaker, the reason why the conferees bring this amendment back for a separate vote is that although the Senate and the House have each passed a joint resolution authorizing the appropriation, the President has not yet signed it, and therefore under the rules of the House the conferees could not incorporate an agreement in their report. We were required to bring this back for a separate vote under the rules.

The motion I have offered is a substitute for the language of the Senate amendment, the effect of which is to make the terms of the appropriation conform to the provisions of the joint resolution recently passed by both Houses, and thereby make the appropriation and the resolution one in effect and prohibit the use of any part of the money for any purpose except the special purpose for which it was authorized in the resolution. I ask for a vote.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Illinois.

The motion was agreed to.

The SPEAKER. The Clerk will report the next Senate amendment.

The Clerk read as follows:

Senate amendment No. 59: Page 83, after line 16, insert:

"BOSTON SESQUICENTENNIAL CELEBRATION

"SEC. 5. To enable the Government of the United States to participate in the Sesquicentennial Celebration of the Evacuation of Boston by the British, to be held in the city of Boston, Mass., on March 17, 1926, there is hereby appointed a Federal commission to be known as the United States Evacuation Day Sesquicentennial Commission (hereinafter referred to as the commission) and to be composed of five commissioners, as follows: One person to be appointed by the President of the United States, two Senators by the President of the Senate, and two Members of the House of Representatives by the Speaker of the House of Representatives. The commission shall serve without compensation and shall select a chairman from among their number. It is further provided that the sum of $2,500 be appropriated, to be expended by the commission for actual and necessary traveling expenses and subsistence while discharging its official duties outside the District of Columbia. It is also further provided that the sum of $10,000 be appropriated, to be utilized in the discretion of the commission for the appropriate participation on the part of the United States in said celebration."

The SPEAKER. The Clerk will report the motion of the gentleman from Illinois.

The Clerk read as follows:

MR. MADDEN moves that the House recede from its disagreement to the amendment of the Senate No. 59 and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"BOSTON SESQUICENTENNIAL CELEBRATION

"SEC. 5. To enable the Government of the United States to participate in the Sesquicentennial Celebration of the Evacuation of Boston by the British, to be held in the city of Boston, Mass., March 17, 1926, there is hereby created a Federal commission to be known as the United States Evacuation Day Sesquicentennial Commission (hereinafter referred to as the commission) and to be composed of five commissioners, as follows: One person to be appointed by the President of the United States, two Senators by the President of the Senate, and two Representatives by the Speaker of the House of Representatives. The commission shall serve without compensation and shall select a chairman from among their number. For actual and necessary traveling and subsistence expenses of the commission while discharging its official duties outside the District of Columbia, $1,000; and for participation on the part of the United States in such celebration, $5,000, to be expended in the discretion of the commission; in all, fiscal year 1926, $6,000."

Mr. MADDEN. Mr. Speaker, last year there were sesquicentennial celebrations at Mecklenberg, N. C.; Lexington and Concord and Bunker Hill, Mass., and I think about $10,000 was appropriated in each one of those cases. The celebrations lasted for several days.

The proposal here is to appropriate $6,000 to celebrate the evacuation of Boston by the British 150 years ago the 17th of next March. That will be the end of the story when this $6,000 is expended. The celebration is to last for about three days. We provide here, instead of the $2,500 as proposed by the Senate for the expenses of the five commissioners at $500 each, $1,000, or $200 each; and we provide, instead of $10,000, $5,000 for the other expenses of the celebration, all of which is intended to commemorate and celebrate the sesquicentennial of the evacuation by the British of the city of Boston.

Mr. SNELL. Will the gentleman yield for a question?

Mr. MADDEN. Yes, indeed.

Mr. SNELL. Have there been any public hearings or anything of that kind as to this new sesquicentennial?

Mr. MADDEN. There has not.

Mr. SNELL. Is this an opening wedge whereby later on we will be asked to make further appropriations?

Mr. MADDEN. Not in this case. The whole story is told on the 17th of March. It begins and ends within three or four days of that period.

Mr. SNELL. Was that the day that St. Patrick——

Mr. MADDEN. That is the day St. Patrick drove the snakes out of Ireland.

Mr. SNELL. And what about Boston?

Mr. MADDEN. And as many out of Boston as he could, but he could not drive them all out.

Mr. SNELL. Is it not the general custom in holding celebrations of this kind that the city raises its own money for the purpose?

Mr. MADDEN. They have done that. The city has raised $50,000, I believe, although I am not sure about the amount. The State has raised $20,000, and they have asked the Government to participate in the celebration to the extent of $12,500, but the amendment cuts that down to the $6,000 that we propose here.

Mr. SNELL. And the gentleman is sure there will be nothing more appropriated?

Mr. MADDEN. I am sure there will not be if I have anything to say about it.

Mr. CAREW. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. CAREW. If the gentleman will permit, I would like to ask the gentleman from New York [Mr. SNELL], the chairman of the Committee on Rules, if the gentleman objects to celebrating the 17th of March?

Mr. SNELL. No; I think it is a good day, and I am for it. [Laughter.] I only want to be sure the money is used in the right direction.

Mr. MADDEN. You know the greatest Irish city in the country is Boston.

Mr. GARRETT of Tennessee. Mr. Speaker, if I may have the attention of the gentleman from Illinois for a moment——

Mr. MADDEN. Yes, indeed.

Mr. GARRETT of Tennessee. This does not provide for the payment of the expenses out of the contingent fund, as I understand.

Mr. MADDEN. No, sir; it is out of the Treasury.

Mr. GARRETT of Tennessee. Let me call the attention of the gentleman, if I may, to this sort of condition which probably will arise. Last year there were two commissions appointed to go to Massachusetts, one on the anniversary of the Battle of Lexington and one to attend the anniversary of the Battle of Bunker Hill.

Mr. MADDEN. Yes.

Mr. GARRETT of Tennessee. Under the rulings of the Comptroller, the expenses of the members of that commission were limited to $4 a day.

Mr. MADDEN. Their actual expenses now are limited to $5.

Mr. GARRETT of Tennessee. Does the bill provide for a limitation?

Mr. MADDEN. No; the limitation is in a general law.

Mr. GARRETT of Tennessee. I think it is $4 a day.

Mr. MADDEN. The general law provides for per diem not to exceed $4 or actual expenses not to exceed $5.

Mr. MACGREGOR. If the gentleman will yield, the difficulty last year was that the Comptroller General cut out some of the expenses incurred by some of the members of the commission. The gentleman from Virginia, Governor MONTAGUE, was one of them.

Mr. MADDEN. If they spent money for purposes that they ought not to, then he should not have allowed them.

Mr. MACGREGOR. He claimed this was a limitation upon their traveling or living expenses.

Mr. MADDEN. The law fixes that.

Mr. UNDERHILL. If the gentleman from Chicago or the gentleman from Tennessee or the gentleman from Virginia, Governor MONTAGUE, comes up to Boston, we do not want to put him down in some cheap hotel.

Mr. MADDEN. You do not have anything to do with this. This is a Government expenditure.

Mr. UNDERHILL. But you only allow them $4 a day.

Mr. MADDEN. This is a Government expenditure, and Boston has nothing to do with this.

Mr. CONNERY. Mr. Speaker, I rise in opposition to the amendment.

Mr. MADDEN. I do not yield.

Mr. BLANTON. The gentleman from Illinois clearly has the time in his control, but the gentleman ought to yield five minutes to the gentleman from Massachusetts.

Mr. MADDEN. I understand, but I do not yield him the floor.

Mr. CONNERY. Will the gentleman yield to me?

Mr. MADDEN. Yes; I will be glad to yield to the gentleman. How much time does the gentleman want?

Mr. CONNERY. Just three or four minutes.

Mr. MADDEN. Does the gentleman wish to oppose the amendment?

Mr. CONNERY. Yes.

Mr. MADDEN. Then it is not necessary to yield the gentleman any time. If Boston wants to oppose this, I will withdraw the motion, and will ask for a vote, Mr. Speaker.

Mr. DOUGLASS. Mr. Speaker, will the gentleman allow me three or five minutes, not for the purpose of opposing the amendment?

Mr. MADDEN. I yield the gentleman three minutes.

Mr. DOUGLASS. Mr. Speaker and gentlemen of the House, this matter first came before the House in the form of a bill introduced by my colleague the gentleman from Massachusetts [Mr. GALLIVAN]. This was referred to the Committee on the Library and was reported favorably. Through the good offices of the Senator from Massachusetts, I understand the present amendment calling for $12,500 was added to the bill in the Senate when it was under discussion.

I do not rise now, of course, to oppose the amendment offered by the chairman of the Committee on Appropriations. I was hopeful the gentleman from Massachusetts [Mr. GALLIVAN] would be here himself to defend this proposition, which, however, needs no defense. I am but taking his place here at this moment on account of this illness.

As you know, this is to celebrate the evacuation of Boston on the 17th of March, 1776. This was a great historic event, the leaving of the North by the British and the taking of the Revolutionary War into the South, where it was happily culminated.

While I would like that the original amount set out in the amendment should be approved by the House, I know it would be ridiculous on my part to oppose the wishes of the very powerful and judicious chairman of the Committee on Appropriations. I do hope the amendment of the gentleman will prevail.

I think it was President McKinley who said at a dedication in Canton, Ohio, that the memory of heroes was the nurse of patriotism, and I believe that the commemoration of great events in history, such as the memorable evacuation of the city of Boston by the British in 1776, is worthy of celebration, and that participation therein by the United States Government will be a patriotic impulse. [Applause.]

The SPEAKER. The question is on the motion of the gentleman from Illinois.

The question was taken, and the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 84, line 14, strike out the figure "3" and insert the figure "6."

Mr. MADDEN. Mr. Speaker, I move to recede and concur.

The motion was agreed to.

SOUTH PLATTE RIVER COMPACT

Mr. SMITH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2825) to grant the consent and approval of Congress to the South Platte River compact, an identical bill having been reported from the House Committee on Irrigation and now on the calendar.

The SPEAKER. The gentleman from Idaho asks unanimous consent to take from the Speaker's table—a similar bill being on the calendar—the bill S. 2825. Is there objection?

Mr. BLANTON. Reserving the right to object, this is a bill of 15 pages of printed matter, and I do not think the gentleman ought to bring it up at this late hour.

It was given out on the floor that there would be nothing taken up except the conference report on the deficiency bill.

Mr. TILSON. Oh, no, Mr. Speaker; it was understood what the gentleman has the right to do, to call this bill up under the parliamentary rules of the House.

Mr. BLANTON. Well, Mr. Speaker, I shall not object because my colleague on the committee, Mr. HUDSPETH, tells me that it is all right.

Mr. SINNOTT. Reserving the right to object, I was not in the committee when this bill was reported out, but the last recollection I have of it is that it was to be sent to the department for a report.

Mr. SMITH. It was sent to the Secretary of the Interior, who reported favorably upon it, and his letter is incorporated in the House report.

Mr. SINNOTT. Then I have no objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill in full.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. TIMBERLAKE, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DOYLE for five days, on account of important business.

To Mr. THAYER (at the request of Mr. FOSS) indefinitely, on account of illness.

AVIATION

Mr. GARRETT of Tennessee. I ask unanimous consent that the gentleman from New York [Mr. PRALL] be permitted to insert in the RECORD the very interesting radio speech made the other night on aviation.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to extend remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. PRALL. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following radio address delivered by myself through station WCAP at Washington, D. C., on February 17, 1926:

Ladies and gentlemen of the invisible audience, I will speak briefly this evening upon the subject of aviation.

This subject is uppermost in the minds of official Washington.

It has been the subject of many official investigations.

It is one that has made the bureaucratic donkey of the Army bray and has on more than one occasion gotten the goat of the bureaucratic Navy.

Supremacy in the air will be the next achievement marking the commercial and scientific progress of the nations of the earth.

It will be of vital importance for the national defense or offense of the United States, should it ever become involved in another war.

When two young mechanics from Dayton left the ground in 1903 and flew across the sand dunes of Kitty Hawk, N. C., in the first airplane to make a successful flight, the news of their flight flashed around the globe, and America led the world in its first conquest of the air.

We should no longer delay in taking steps to secure the supremacy to which we are entitled by reason of our genius in mechanical development, our industrial progress, our commercial importance, and our leading position as a world power.

In the years following the Wrights' first flight, aviation was a great adventure. It was a sport—an exhibition—a test of courage. Then came the war. And with it the demonstration long predicted, that a new element had entered into combat between nations.

The airplane was recognized as a highly efficient engine, capable of great destruction.

It found many new uses in warfare.

It flew high, directing the attack of long-range guns at an unseen enemy miles away.

It photographed war areas.

It spotted enemy batteries.

It dropped great charges of ammunition upon fortifications and supply bases.

It had found its place as a war machine.

Then peace came. And, with its coming, we had high hopes as to the part the airplane would play in civilization.

We felt that it should play a more important part in peace times than it had in war times.

That it would take its place in transportation, as had the automobile.

That our Government would in every possible way accelerate the development of aircraft along commercial lines.

That it would encourage the industry to greater effort.

In this we have been disappointed.

In England, France, Holland, Italy, and Germany subsidies were granted manufacturers and companies were formed, with the result that to-day there is an aerial network of airplane lines transporting passengers, express, and mail throughout those countries.

In America we are transporting mail only.

America, the birthplace of the airplane, is lagging behind in this development.

The question of the relative standing of the United States in air power among the nations of the world is largely a matter of opinion.

It is clear, however, that our standing is not higher than third nor lower than fifth among the nations.

It is true the industry in other countries is subsidized by those countries.

It is equally true that while the industry in this country is in an alarming and critical condition, it does not seek subsidies in cash.

It does, however, demand a chance to live.

It does demand less competition by the Government itself.

If we are to lead the nations of the world and hold the pace, this industry must be given opportunity.

At a dinner given by the New York Chamber of Commerce less than three months ago the President of the United States had this to say:

"When government enters the field of business, with its great resources, it has a tendency to extravagance and inefficiency, but having the power to crush all competitors, likewise it closes the door of opportunity and results in monopoly."

While testifying before the congressional aircraft committee on January 7, 1925, Secretary of War Weeks said: "There are manufacturers of aircraft who are literally hanging on with their eyelids."

Testifying before the same committee, General Patrick, Chief of the Army Air Service, referring to the aircraft industry, said: "It has been absolutely declining over a period of some years."

Notwithstanding these views publicly expressed and in direct competition with this industry, the Army and the Navy are running the two largest aircraft factories in the United States at McCook Field and at Philadelphia.

In these factories the United States employs more civilians than are employed in the entire industry itself, with a pay roll, paid by the taxpayers, amounting to more than $4,000,000 every year.

This is clearly in violation of the principle that "it is fundamental that the Government should not engage in any business which private enterprise can do as well or better."

About three years ago Secretary of War Weeks appointed the Lassiter Board, composed of military experts of the highest type, to make an exhaustive study and investigation of aviation.

On April 24, 1923, this board made its report.

It was a fundamental document.

It said our air services were in an alarming and critical condition.

It said that measures had not been taken in our country to keep step with the evolution of aviation.

It said, "The aircraft industry in the United States at present is entirely inadequate to meet peace or war time requirements. It is rapidly diminishing under present conditions and will soon practically disappear."

This has been verified under oath by the leading manufacturers in the industry.

The Lassiter Board recommended legislation to be prepared for introduction into Congress.

The Secretary of War and the Secretary of the Navy were familiar with the findings of this board.

They both agreed with those findings, but could not agree on the division of the appropriation recommended.

Nearly three years have elapsed since that report was filed, but the proposed legislation recommended has never been presented to Congress by either the Secretary of War or the Secretary of the Navy.

In the meantime the air services of the country were the subject of many charges, and because of the indifference of the administration concerning them Congress, by an act passed on March 24, 1924, created a select committee of nine of its own Members to investigate the air services of the Nation.

The powers conferred upon this committee were very broad. It examined more than 150 witnesses, its work extended over a period of 11 months, and its report, consisting of five volumes of printed testimony, was filed with the Speaker of the House of Representatives during the first week of December last.

As disclosures were made daily during the progress of this investigation, the press of the country was unsparing in its criticism and denunciation.

It was during this investigation and before this committee that Brig. Gen. William Mitchell made his sensational charges, which led to his demotion and transfer to Texas, subsequently resulting in court-martial, conviction, and sentence, and finally his resignation from the service. With his departure the Government lost to the service one of its most valiant and intelligent officers.

It was this committee that disclosed the fact that the Army and Navy Air Services during the past five years (in peace time) had spent over $400,000,000, of which only 10 per cent went into procurement of new airplanes, engines, and for remodeling old ones.

That the Air Services of both Army and Navy, despite the expenditures of this vast sum, had deteriorated in equipment and in morale.

That there is a lack of an established, defined policy in the maintenance of our air forces.

That the use of airplanes, designed and built in 1918 (eight years ago) and earlier, constitutes a very large proportion of the machines used in the Army and Navy.

That there is no uniformity of Army and Navy policy as to organization, equipment, control of personnel, procurement, design, or use of aircraft.

That there is a distinct conflict between the Army and Navy as to air activities in coast defense.

That there is a wide divergence of opinion between Army and Navy as to the effectiveness of aircraft operating against surface vessels and an equally wide divergence of opinion as to the value of antiaircraft artillery operating against aircraft.

That there is unecessary duplication in the expenditure of both money and effort by the Army and Navy seeking to accomplish similar results.

That the Navy system of promotion deprives flying personnel of opportunity for high command and does not recognize that the Aviation Service is any more hazardous than the nonflying branches of the Navy Service.

That there is a lack of airways, aircraft facilities, air terminals, and lines.

That no other country in the world that desires to be an air power does anything like the percentage of its own business, in its own shops, that is done by the United States Government.

That of 88 members of the General Staff of the Army only 2 members have had actual experience in flying.

That aeronautics is not properly represented in the General Board of the Navy.

That officers are embarrassed in testifying before congressional committees for fear of disciplinary measures.

Brigadier General Mitchell is an object lesson.

To-day's newspapers tell of a new attack along this line.

It was these startling revelations, uncovered and brought to light by this committee, that threw both Army and Navy officials in a panic and rocked the Republican administration into a state of frenzy.

The administration knew of these disclosures—it was afraid to read its morning newspaper.

Mitchell had been demoted and sent to Texas for his part in it.

Had been court-martialed and returned to Washington for trial, and about this time was defending his charges. Aviation had its place on the front pages of the daily press.

The Secretary of War and the Secretary of the Navy were familiar with the situation. They, above all men, knew the true conditions.

To act on the findings of the Lassiter Board and of the aircraft committee appointed by Congress was to admit a bad condition existing in their respective departments, but it, after all, would have spelled order in place of chaos.

But despite the findings of the Lassiter Board, nearly three years old, and never acted upon, despite the knowledge the administration had of the disclosures of the committee appointed by Congress, the President, on September 12, 1925, in response to the joint appeal of the Secretaries of War and Navy, addressed them as follows:

"GENTLEMEN: Your joint letter stating that 'For the purpose of making a study of the best means of developing and applying aircraft in national defense, and to supplement the studies already made by the War and Navy Departments on that subject, we respectfully suggest that you, as Commander in Chief of both Army and Navy, appoint a board to further study and advise on this subject'"—

And, the President continued—

"Your suggestion is one which already had my approval so far that last spring I had conferred with parties as to the advisability of taking such action."

It was the same last spring, referred to by the President, that the committee appointed by Congress was daily disclosing the alarming and critical state of affairs existing in both Army and Navy Air Services.

It was the same last spring that Billy Mitchell was startling the country with his testimony.

It was the same last spring that a demoralized, panic-stricken administration wondered what it could do under the circumstances without openly admitting responsibility.

It was not necessary to appoint another committee to find what the trouble was nor where it was—two committees had already pointed that out—one of them an official committee of the War Department and the other an official committee of Congress.

It depended on what kind of a report was needed at the time.

Evidently the only life buoy in sight under the circumstances was the appointment of still another investigating committee—the one the President thought of last spring.

One that could step lively and make public its report before the report of the Aircraft Committee appointed by Congress could file its report.

The report of this committee was due at the opening of Congress in December.

The report, if it was the right kind of a report, made by the President's hand-picked committee, at the suggestion of the Secretaries of War and Navy, would, if made public at the right time, distract, confuse, and confound the press and the minds of the public.

And so the President appointed his own investigating committee on September 17—it was known as the Morrow committee; it completed its investigation in four weeks—just think, four weeks to investigate the Air Service of our country. It was time enough, however, for the purpose for which it was appointed.

The Morrow committee examined the Secretary of War and the Secretary of the Navy, the two gentlemen who requested its appointment, and both members of the President's Cabinet. It also examined the Postmaster General and the Secretary of Commerce, also members of the President's Cabinet. It examined members of the National Committee for Aeronautics, also appointed by the President, and several others during the long four weeks of its investigation.

Its investigation completed, the Morrow committee reported to the President and made its report public on November 30, just a few days before the Aircraft Committee, appointed by Congress, filed its report.

This was done according to schedule.

The Aircraft Committee, appointed by Congress, had painstakingly taken testimony for nearly a year.

With the release of the report of the Aircraft Committee, appointed by Congress, the report of the committee appointed by the President, and the news of the Mitchell court-martial, all within the week, and all bearing upon the same subject, one can readily see how distracting, confusing, and confounding it was to the American public when it read its newspapers.

But, my friends, I advise you to read carefully the testimony taken by the Aircraft Committee, appointed by Congress—consider the time spent by the Morrow committee in its investigation—and you will understand the correct meaning of the word "whitewash" when applied to politics.

ADJOURNMENT

And then, on motion of Mr. TILSON (at 4 o'clock and 58 minutes p. m.), the House adjourned until to-morrow, Wednesday, February 24, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 24, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10 a. m.)

District of Columbia appropriation bill.

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

Authorizing the Federal Reserve Bank of New York to invest its funds in the purchase of a site and the building now standing thereon for its branch office at Buffalo, N. Y. (H. J. Res. 131).

COMMITTEE ON EDUCATION

(10 a. m.)

To create a department of education (H. R. 5000 and S. 291). Joint hearing with the Senate Committee on Education and Labor.

COMMITTEE ON IRRIGATION AND RECLAMATION

(10 a. m.)

To provide for the storage for diversion of the waters of the North Platte River and construction of the Casper-Alcova reclamation project (H. R. 3993).

COMMITTEE ON THE JUDICIARY

(10 a. m.)

To incorporate the Civil Legion (H. R. 8899). Joint hearing with the Senate.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(10 a. m.)

Providing for the consolidation of the functions of the Department of Commerce relating to navigation, to establish load lines for American vessels (H. R. 7245).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

Department of national defense.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

(10 a. m.)

To increase the limit of cost of public building at Decatur, Ala. (H. R. 3797).

To convey to the city of Baltimore, Md., certain Government property (H. R. 6260).

Authorizing the sale of certain abandoned tracts of land and buildings (H. R. 7178).

Authorizing the Secretary of the Treasury to exchange the present Federal building and site in the city of Rutland, Vt., for the so-called memorial building and site in the said city, to acquire such additional land as may be necessary, and to construct a suitable building thereon for the use and accommodation of the post office, United States courts, and other Government offices (H. R. 6244).

To dedicate as a public thoroughfare a narrow strip of land owned by the United States in Bardstown, Ky. (H. R. 9455).

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MADDEN: A bill (H. R. 9685) providing for expenses of the offices of recorder of deeds and register of wills of the District of Columbia; to the Committee on the District of Columbia.

By Mr. TAYLOR of Colorado: A bill (H. R. 9686) for the adjustment of water-right charges on the Uncompahgre irrigation project, Colorado, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. HARE: A bill (H. R. 9687) to amend section 269, page 1142, part 1, volume 35, United States Statutes at Large; to the Committee on the Judiciary.

By Mr. BEGG: A bill (H. R. 9688) granting the consent of Congress to the construction, maintenance, and operation of a bridge across Sandusky Bay, at or near Bay Ridge, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. BAILEY: A bill (H. R. 9689) granting the consent of Congress to Harry E. Bovay to construct, maintain, and operate bridges across the Mississippi and Ohio Rivers at Cairo, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. BUTLER: A bill (H. R. 9690) to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps and to adjust and define the status of the operating personnel in connection therewith; to the Committee on Naval Affairs.

By Mr. ANDRESEN: A bill (H. R. 9691) to amend subdivision a of section 4 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended; to the Committee on the Judiciary.

By Mr. EDWARDS: A bill (H. R. 9692) for investigation of "brown wilt" and other diseases of cotton plant in cotton-producing belt of the United States; to the Committee on Agriculture.

By Mr. McLEOD: A bill (H. R. 9693) to establish a children's court in and for the District of Columbia, to determine its functions, and for other purposes; to the Committee on the Judiciary.

By Mr. FISH: A bill (H. R. 9694) authorizing the erection of a monument in France to commemorate the valiant services of certain American Infantry regiments attached to the French Army; to the Committee on Foreign Affairs.

By Mr. JOHNSON of Illinois: A bill (H. R. 9695) to enlarge, extend, and remodel the post-office building at Freeport, Ill., and to acquire additional land therefor, if necessary; to the Committee on Public Buildings and Grounds.

By Mr. TILLMAN: Resolution (H. Res. 146) providing for the investigation of the Association Against the Prohibition Amendment and allied wet organizations, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 9696) granting an increase of pension to Anna M. Woods; to the Committee on Invalid Pensions.

By Mr. BEGG: A bill (H. R. 9697) granting an increase of pension to Lucretia Haddock; to the Committee on Invalid Pensions.

By Mr. BROWNE: A bill (H. R. 9698) granting an increase of pension to Elizabeth Purvis; to the Committee on Invalid Pensions.

By Mr. DICKINSON of Iowa: A bill (H. R. 9699) granting an increase of pension to Lizzie M. Bird; to the Committee on Invalid Pensions.

By Mr. DOUGLASS: A bill (H. R. 9700) for the relief of Charles Ghisoni; to the Committee on Claims.

By Mr. EDWARDS: A bill (H. R. 9701) granting an increase of pension to Ellen M. Willey; to the Committee on Pensions.

By Mr. ESLICK: A bill (H. R. 9702) granting a pension to Ada McGee; to the Committee on Pensions.

By Mr. FULLER: A bill (H. R. 9703) granting an increase of pension to Lucinda Banks; to the Committee on Invalid Pensions.

By Mr. GREENWOOD: A bill (H. R. 9704) granting a pension to Josephus Raley; to the Committee on Invalid Pensions.

By Mr. HOGG: A bill (H. R. 9705) granting an increase of pension to Almira Spear Tulley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9706) granting an increase of pension to Nancy J. Keel; to the Committee on Invalid Pensions.

By Mr. HUDSPETH: A bill (H. R. 9707) for the relief of L. L. Kyle; to the Committee on Claims.

By Mr. JENKINS: A bill (H. R. 9708) granting an increase of pension to Hannah King; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9709) granting an increase of pension to Catharine Doran; to the Committee on Invalid Pensions.

By Mr. MENGES: A bill (H. R. 9710) granting an increase of pension to Margaret E. Black; to the Committee on Invalid Pensions.

By Mr. O'CONNELL of New York: A bill (H. R. 9711) granting an increase of pension to Ann Lawler; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 9712) granting an increase of pension to Charley Shelton; to the Committee on Pensions.

Also, a bill (H. R. 9713) granting an increase of pension to Isabel A. Whitis; to the Committee on Invalid Pensions.

By Mr. ROWBOTTOM: A bill (H. R. 9714) granting an increase of pension to Lena Muensterman; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 9715) granting an increase of pension to Eleanor M. Chadwick; to the Committee on Invalid Pensions.

By Mr. STOBBS: A bill (H. R. 9716) granting an increase of pension to Peter Crosby; to the Committee on Pensions.

Also, a bill (H. R. 9717) granting an increase of pension to Orianna Dyer; to the Committee on Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 9718) granting an increase of pension to Nancy A. Craft; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 9719) granting a pension to Isa A. Morrow; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H. R. 9720) granting an increase of pension to Susan G. Ulrick; to the Committee on Pensions.

By Mr. WELLER: A bill (H. R. 9721) granting a pension to Katherine Cortright; to the Committee on Invalid Pensions.

By Mr. MacGREGOR: Resolution (H. Res. 144) for the payment of additional compensation to the superintendent of the House press gallery; to the Committee on Accounts.

Also, resolution (H. Res. 145) for the payment of additional compensation to the assistant superintendent of the House press gallery; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

792. By Mr. BANKHEAD: Petition of the following representatives of the Legislature of the State of Alabama: John P. Middleton, Walter S. McNeil, J. F. Ashcroft, C. P. Odom, Charles H. Fanning, James B. Pamell, and J. A. Pasey, all indorsing the action of the United States Senate in striking out the inheritance or estate tax provision of the revenue bill; to the Committee on Ways and Means.

793. By Mr. CARTER of California: Petition of Frederick Funston Camp, No. 61, Department of California, urging official action in naturalization fraud cases; to the Committee on Immigration and Naturalization.

794. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, opposing favorable action on House bill 5581 (known as the national home loan act) and Senate bill 2261 (Federal home loan bank act); to the Committee on Banking and Currency.

795. By Mr. FULLER: Petition of the postal employees of Iroquois, Kane, and Ford Counties, Ill., favoring the merit system; to the Committee on the Civil Service.

796. Also, petition of employees of the custodian service of the United States, urging support of House bill 5966; to the Committee on the Civil Service.

797. By Mr. GALLIVAN: Petition of Joseph A. Maguire, night officer, Soldiers' Home, Chelsea, Mass., recommending early and favorable consideration of legislation to increase the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

798. By Mr. KINDRED: Petition of the Associated Federal Board Students, University of Arizona; Cactus Post, Disabled American Veterans, Tucson, Ariz.; Morgan McDermott Post, American Legion, Tucson, Ariz.; Santa Catalina Post, American Legion, Tucson, Ariz.; and Tucson Chapter, American Association of Engineers, favoring the passage of House bill 4474, an amendment to the World War veterans' act of 1924, providing for the continuance of vocational rehabilitation; to the Committee on World War Veterans' Legislation.

799. By Mr. O'CONNELL of New York: Petition of the Brotherhood of Locomotive Engineers, Long Island Division, No. 269, Jamaica, Long Island, N. Y., favoring the passage of Senate bill 2306 and House bill 7180; to the Committee on Interstate and Foreign Commerce.

800. By Mr. HUDSPETH: Petition of El Paso Chapter of the American Association of Engineers, indorsing coordination of all engineering and construction work of the Government in one Federal department; to the Committee on the Civil Service.

801. By Mr. SWING: Petition of Southern District California Federation of Women's Clubs, urging continuation of Federal aid to nonward indigent Indians of California; to the Committee on Indian Affairs.

802. Also, petition of San Diego County Federation of the California Federation of Women's Clubs, urging continuation of Federal aid to nonward indigent Indians of California; to the Committee on Indian Affairs.

803. By Mr. TINKHAM: Resolution of a meeting held at Zion African Methodist Episcopal Church, Boston, under auspices of the Declaration of Independence Sesquicentennial Citizens' Committee and Boston Branch of the National Equal Rights League, that the memorial half dollars to be coined in honor of the sesquicentennial of the Declaration of Independence shall bear the inscription "All men are created equal"; to the Committee on Industrial Arts and Expositions.

804. By Mr. WELLER: Petition of the American Legion, New York County Organization, requesting Congress to appropriate money to defray the expenses of gold-star mothers to visit the graves of their sons now buried in France; to the Committee on Military Affairs.

SENATE

WEDNESDAY, *February 24, 1926*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we thank Thee for the morning, for its brightness and cheer. Grant that we may realize it in our hearts and look upon the duties of the day as freighted with pleasure to fulfill everything required of us and to meet Thine approbation.

Be pleased to look upon the great gathering in our city at this time, and as these men and women are here assembled to deal with questions of education may they be helped with the larger wisdom so that they may understand the grave responsibility of training the youth of to-day for the duties of to-morrow. The Lord give them grace. The Lord give them understanding, that beyond the culture of the mind there may be the development, enrichment, and ennoblement of character. We ask every favor in Jesus' name. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on the request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

RIVERTON PROJECT, WYOMING (S. DOC. NO. 70)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Acting Director of the Bureau of the Budget, transmitting a supplemental estimate of appropriation for the Department of the Interior, Bureau of Reclamation, Riverton project, Wyoming, fiscal year 1927, amounting to $200,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, schedules and lists of papers and documents in the files of the Treasury Department not needed in the transaction of business and having no permanent value, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The Vice President appointed Mr. SMOOT and Mr. SIMMONS members of the committee on the part of the Senate.

The VICE PRESIDENT also laid before the Senate a communication from the Acting Secretary of the Navy, transmitting, pursuant to law, lists of useless records and papers in the files of the Navy Department no longer needed in the transaction of public business and having no permanent value or historic interest, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The Vice President appointed Mr. HALE and Mr. SWANSON members of the committee on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

The message also announced that the House had receded from its disagreement to the amendments of the Senate Nos. 39 and 60 to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 17, 53, and 59, and had concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendments of the Senate Nos. 27 and 28.

The message further announced that the House had passed without amendment the bill (S. 2825) to grant the consent and approval of Congress to the South Platte River compact.

PETITIONS AND MEMORIALS

Mr. SHORTRIDGE presented a memorial signed by 320 citizens of Auburn, Placer County, Calif., remonstrating against any modification of the eighteenth amendment to the Constitution or any radical changes in the so-called Volstead Act, which was referred to the Committee on the Judiciary.

Mr. NORBECK presented resolutions adopted by the Brown County Farm Bureau, of Aberdeen, S. Dak., protesting against any change in the franking privilege for agricultural extension work, which were referred to the Committee on Post Offices and Post Roads.

He also presented a resolution of the board of directors of the Sully County Farm Bureau, of South Dakota, favoring the improvement of the Missouri River for navigation purposes as far and as rapidly as possible, which was referred to the Committee on Commerce.

He also presented resolutions of the board of directors of the South Dakota Wheat Growers' Association, favoring the passage of legislation whereby the exportable surplus of agricultural commodities may be segregated, so as not to fix the prices of commodities at world levels, which were referred to the Committee of Agriculture and Forestry.

He also presented memorials signed by 24 members of the Camp Fire Organization of America, and of 36 members of the Boy Scouts, and of 306 citizens, all of Belle Fourche, S. Dak., remonstrating against any modification of the so-called Volstead Act so as to permit the manufacture and sale of light wines and beers, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Chamber of Commerce, of Yankton, S. Dak., favoring adequate appropriations for the improvement of the upper Missouri River, which were referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Resolution passed by the Yankton Chamber of Commerce, Yankton, S. Dak.

Whereas the Congress of the United States in 1910 adopted projects for the improvement of the Mississippi River to the head of navigation with a depth of 6 feet and the Missouri River to Kansas City with a depth of 6 feet, all such improvements to be completed within 10 years; and

Whereas Congress has not carried out the projects as outlined, having failed to make appropriations in amounts sufficient to complete the improvements in the 10-year period resulting in the proposed improvement being not to succeed 50 per cent completed; and

Whereas the money heretofore appropriated by Congress and expended in the improvement of the upper Mississippi and Missouri Rivers can not be effected to aid the agricultural and commercial interests in these valleys because dependable and profitable navigation of the rivers can not be successfully established until the improvement thus started is practically completed; and

Whereas dependable navigation established on the Missouri River can be improved according to plans of the United States Engineering

Corps heretofore adopted by Congress for the improvement of the river to Kansas City and such improvement extended north to Yankton, S. Dak., and give the people of South Dakota and Nebraska, as well as other sections of the Missouri River Valley, additional as well as cheaper transportation facilities to move the surplus farm products out and to bring to this territory a large tonnage of supplies of manufactured products for domestic use: Therefore be it

Resolved by the Chamber of Commerce of Yankton, S. Dak., this 22d day of December, 1925, That we favor and urge the Congress of the United States to make provisions by law and by proper appropriation for the immediate completion of the Missouri River within three years by placing it under the continuing-contract system in accordance with plans heretofore adopted by Congress for the improvement of the Missouri River as far north as Yankton, S. Dak., and even farther, if found feasible, so that water transportation may be made available to the farmers, shippers, and consumers in Kansas, Missouri, Iowa, Nebraska, and South Dakota without delay. And be it further

Resolved, That the upper Missouri River Valley being situated a greater distance in the interior than any other section of the United States and being therefore compelled to pay high freight rates on the long haul on the surplus farm products shipped out as well as a high freight rate on raw material and manufactured products into this section creates an emergency requiring immediate relief; therefore we urge our Representatives in Congress, our United States Senators from South Dakota and from Nebraska, not only to vote but to bring all possible influence to bear in order that the improvement of the Missouri River as far as Yankton, S. Dak., may be made available to serve the agricultural, commercial, and industrial interests of the States of South Dakota and Nebraska at the very earliest possible date.

Done this 22d day of December, 1925.

On behalf of board of directors, Yankton Chamber of Commerce, Yankton, S. Dak.

J. M. LLOYD, *President.*
R. R. JACOBSON, *Secretary.*

REPORTS OF COMMITTEES

Mr. FESS, from the Committee on the Library, to which was referred to the joint resolution (S. J. Res. 30) authorizing the establishment of a commission to be known as the Sesquicentennial of American Independence and the Thomas Jefferson Centennial Commission of the United States, in commemoration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence and the one hundredth anniversary of the death of Thomas Jefferson, the author of that immortal document, reported it without amendment.

Mr. GOODING, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2465) to amend the act entitled "An act to regulate foreign commerce by prohibiting the admission into the United States of certain adulterated grain and seeds unfit for seeding purposes," approved August 24, 1912, as amended, and for other purposes, reported it without amendment.

Mr. SMITH, from the Committee on Interstate Commerce, to which was referred the bill (S. 2808) to amend section 24 of the interstate commerce act, as amended, reported it with amendments and submitted a report (No. 203) thereon.

Mr. PHIPPS, from the Committee on Banking and Currency, to which was referred the bill (S. 756) directing the Secretary of the Treasury to complete purchases of silver under the act of April 23, 1918, commonly known as the Pittman Act, reported it without amendment and submitted a report (No. 204) thereon.

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 2111) for the relief of Levin P. Kelly, reported it without amendment and submitted a report (No. 205) thereon.

Mr. BAYARD, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 99) for the relief of the owner of the lighter *Eastman No. 14* (Rept. No. 206); and

A bill (S. 3019) to reimburse certain fire-insurance companies the amounts paid by them for property destroyed by fire in suppressing bubonic plague in the Territory of Hawaii in the years 1899 and 1900 (Rept. No. 207).

Mr. CAPPER, from the Committee on Claims, to which was referred the joint resolution (S. J. Res. 2) for the relief of George Horton, reported it without amendment and submitted a report (No. 208) thereon.

Mr. BROOKHART, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 113) for the relief of the owner of the American barge *Texaco No. 153* (Rept. No. 209); and

A bill (S. 646) for the relief of F. M. Gray, jr., Co. (Rept. No. 210).

Mr. BROOKHART also, from the Committee on Claims, to which was referred the bill (S. 1803) for the relief of Walter W. Price, reported it with an amendment and submitted a report (No. 211) thereon.

Mr. STANFIELD, from the Committee on Claims, to which was referred the bill (S. 3074) for the relief of John H. Gattis, reported it without amendment and submitted a report (No. 212) thereon.

He also, from the same committee, to which was referred the bill (S. 2098) for the relief of M. Barde & Sons (Inc.), Portland, Oreg., reported it with an amendment and submitted a report (No. 213) thereon.

Mr. WILLIS, from the Committee on Territories and Insular Possessions, to which was referred the bill (S. 2529) to amend an act approved May 7, 1906, entitled "An act providing for the election of a Delegate to the House of Representatives from the Territory of Alaska, reported it with an amendment and submitted a report (No. 214) thereon.

Mr. BAYARD, from the Committee on Territories and Insular Possessions, to which was referred the bill (S. 3213) to provide for the disposition of moneys of the legally adjudged insane of Alaska who have been cared for by the Secretary of the Interior, reported it with amendments and submitted a report (No. 215) thereon.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (H. R. 2987) for the relief of Samuel T. Hubbard, jr., reported it without amendment and submitted a report (No. 216) thereon.

ENROLLED JOINT RESOLUTION PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that on the 24th instant that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 41) providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

HEARINGS BEFORE COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. KEYES. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution No. 150, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The clerk will read the resolution.

The Chief Clerk read the resolution (S. Res. 150) submitted by Mr. MCNARY on the 18th instant, as follows:

Resolved, That the Committee on Irrigation and Reclamation, or any subcommittee thereof, hereby is authorized during the Sixty-ninth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not to exceed 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

The VICE PRESIDENT. Is there objection to the consideration of the resolution?

Mr. OVERMAN. Mr. President, I ask the Senator from New Hampshire with reference to the amendment which was agreed to by the Committee on Appropriations with regard to paying money out of the contingent fund, and whether the resolution has such a provision in it?

Mr. KEYES. No; it has not, and I do not think it is necessary, for the reason that this is the usual form of a resolution granting authority to a committee to hold hearings.

Mr. OVERMAN. I know it is in the usual form, and that is the reason why I asked the question. Heretofore we have been passing all kinds of resolutions providing for the expenditure of money, amounting to hundreds of thousands of dollars. We adopted a provision in the Committee on Appropriations the other day by which a limitation is to be placed on expenses of this character. The Senator is a member of the Committee on Appropriations and is fully informed about the matter. Does the resolution now before the Senate take care of that situation?

Mr. KEYES. No; it does not.

Mr. OVERMAN. Does the resolution allow the expenditure of an unlimited sum?

Mr. KEYES. It merely allows the committee to hold hearings.

Mr. OVERMAN. It is not for the purpose of employing lawyers or anything of that nature?

Mr. KEYES. No; not at all.

Mr. OVERMAN. That has been done under similar resolutions in the past.

Mr. KEYES. The committee can employ under this resolution no one but a stenographer.

Mr. OVERMAN. The resolution provides only for the employment of a stenographer?

Mr. KEYES. It does.

Mr. WARREN. I may say to the Senator from North Carolina that I also am watching the matter to which he refers. The resolution now presented by the Senator from New Hampshire is in the usual form, to allow the committee to hold hearings and merely to employ a stenographer.

Mr. OVERMAN. If the resolution is in the usual form granting authority to the committee to hold hearings, it is all right, but we shall have to watch out for expenditures of the sort to which I have referred. If we do not put some limitation upon investigating committees, they will be employing lawyers at $1,200 to $1,500 a week or month, and we will swamp the contingent fund. The Senator from New Hampshire realizes that as well as I do, because he is a member of the Committee on Appropriations.

Mr. KEYES. Yes; I have that in mind.

The resolution was considered by unanimous consent and agreed to.

SPECIAL ASSISTANT CLERK TO INTERSTATE COMMERCE COMMITTEE

Mr. KEYES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment the resolution (S. Res. 124) authorizing the Interstate Commerce Committee to employ a special assistant clerk during the remainder of the Sixty-ninth Congress.

Mr. GOODING. Mr. President, I ask for the immediate consideration of the resolution.

The VICE PRESIDENT. The resolution will be read for information.

The Chief Clerk read the resolution (S. Res. 124) submitted by Mr. GOODING January 21, 1926, as follows:

Resolved, That the Committee on Interstate Commerce of the Senate hereby is authorized to employ a special assistant clerk during the remainder of the Sixty-ninth Congress, to be paid out of the contingent fund of the Senate, at the rate $2,500 per annum.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator asking unanimous consent for the present consideration of the resolution should explain to the Senate the occasion for it.

Mr. GOODING. The Interstate Commerce Committee has before it, or on its calendar, at the present time something like 40 different bills, some of which are important, such as the labor bill, the bill providing for the consolidation of railroads, and so forth. The Interstate Commerce Committee, in dealing with the transportation problem of America, is dealing with the greatest problem of the Government. We have in the country almost 50 per cent of all the railroads in the world, carrying 50 per cent of all the railroad tonnage of the world. I am sure that the committee has imposed upon its chairman onerous duties entirely too long. Pouring into the office of the chairman of the Interstate Commerce Committee every day are from 100 to 200 letters, and on many days from 50 to 100 telegrams. I think we all understand that the railroad companies form the greatest organization in America, and when any legislation is before the Congress in which they are interested, they seem to be able to arouse the whole country.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. GOODING. I yield.

Mr. ROBINSON of Arkansas. How many clerks has the committee now?

Mr. GOODING. It has not any. It has been without a clerk. The chairman of the committee, of course, has the usual number of clerks allotted to Senators, but the committee has not any special clerk at all.

Mr. ROBINSON of Arkansas. I did not ask how many special clerks the committee has; I asked the number of clerks.

Mr. GOODING. Of course, the Senator from Indiana [Mr. WATSON] has the same number of clerks that every Senator has.

Mr. ROBINSON of Arkansas. How does it happen that the chairman of the committee does not himself present the resolution and the request?

Mr. GOODING. I think the Senator from Indiana is a little delicate about it. I volunteered to take up the matter and present the resolution. The Committee on Interstate Commerce is one of the largest committees in the Senate—a major committee—and I am sure that what we ought to have as a matter of right is an expert rate man instead of an ordinary clerk. It would be very valuable to the committee to have such an assistant, and I hope in time we may have one.

Mr. ROBINSON of Arkansas. I think if the committee undertakes to deal with questions affecting rates it would be advisable to have a rate clerk. Of course, if the four clerks of the committee now authorized, and who have already been employed, are inadequate to perform the services required by the committee, there ought to be an additional clerk. If the committee makes that representation, I have no objection.

Mr. BRUCE. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Maryland?

Mr. GOODING. I yield.

Mr. BRUCE. I would like to ask the Senator from Indiana [Mr. WATSON], the chairman of the Interstate Commerce Committee, whether this matter was brought before the committee? It never was, I am sure, while I was present at any of its meetings.

Mr. WATSON. I will say to the Senator from Maryland that the question was brought up not by myself but by many members of the committee. I do not recall whether the Senator from Maryland was present or not. The matter was unanimously agreed to as almost an essential proposition. I did not myself bring it up, but it was brought up by many members of the committee who were present.

Mr. CUMMINS. Mr. President——

Mr. GOODING. I yield to the Senator from Iowa.

Mr. CUMMINS. I have had some experience as chairman of the Interstate Commerce Committee. I think that something more is desirable than is specified in the resolution. I do not believe that an additional clerk of the kind that ought to be employed by the committee can be secured for the compensation which the law would permit the chairman to pay. I believe that he ought to be a man skilled in transportation, not particularly in rate making but in every department of that great subject. I hope that the Senator from Idaho will amend his resolution so that the chairman will be able to secure the right kind of a man, a man competent in this particular subject. All the clerks are competent for the work they are called upon to do, but there is a certain training necessary in order to make a man especially useful to the Senator from Indiana, as I have suggested.

Mr. SMITH. Mr. President, I would suggest to the Senator that the resolution be referred to the Committee on Interstate Commerce. I am sure if the matter is brought up before the committee we will give it proper consideration and reach a proper conclusion.

Mr. GOODING. Acting on the suggestion of the Senator from South Carolina, as well as the suggestion of the Senator from Iowa, that we should have a rate expert as a secretary for the Interstate Commerce Committee, I withdraw my request for unanimous consent, and I now request that the resolution be referred to the Committee on Interstate Commerce.

Mr. JONES of Washington. Mr. President, I merely wish to indorse the suggestion of the Senator from South Carolina [Mr. SMITH]. I would have no objection to a proper expert being provided for the committee. I can see the need for such an expert, and I believe that is the provision which should be made.

The VICE PRESIDENT. Without objection, the resolution will be referred to the Committee on Interstate Commerce.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. HARRELD:

A bill (S. 3259) authorizing the enrollment of Martha E. Brace as a Kiowa Indian and directing issuance of patent in fee to certain lands;

A bill (S. 3260) to authorize the Secretary of the Interior and the Secretary of War to lease lands for game-preserve and game-propagation purposes to State game departments or other organizations under State or Federal control; and

(By request.) A bill (S. 3261) to provide for allotting in severalty agricultural lands within the Tongue River or Northern Cheyenne Indian Reservation in Montana, and for other purposes; to the Committee on Indian Affairs.

By Mr. CUMMINS:

A bill (S. 3262) to authorize the General Accounting Office to credit certain accounts; to the Committee on Claims.

By Mr. HARRISON:

A bill (S. 3264) for the relief of certain beneficiaries of the United States Veterans' Bureau; to the Committee on Finance.

A bill (S. 3265) granting a pension to Cora Dixie Willett; and

A bill (S. 3266) granting a pension to Lillian Belle Montgomery; to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 3267) for the relief of the heirs of Henry Sturm, deceased; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 3268) authorizing repayment of excess amounts paid by purchasers of certain lots in the town site of Bowdoin, Mont.; to the Committee on Public Lands and Surveys.

By Mr. TRAMMELL:

A bill (S. 3269) to grant to the city of Key West, Fla., a tract of land belonging to the United States naval hospital at that place; to the Committee on Naval Affairs.

By Mr. GERRY:

A bill (S. 3270) for the relief of Thomas J. McDonald; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 3271) for the relief of Robert H. Leys; to the Committee on Claims.

By Mr. COUZENS:

A bill (S. 3272) to extend the time for commencing and completing the construction of a bridge across Detroit River within or near the city limits of Detroit, Mich. (with an accompanying paper); to the Committee on Commerce.

By Mr. CURTIS:

A bill (S. 3273) for the relief of the Topeka Tent & Awning Co. (with accompanying papers); to the Committee on Finance.

A bill (S. 3274) for the relief of Lieut. (Junior Grade) O. C. F. Dodge, United States Navy (with accompanying papers); to the Committee on Naval Affairs.

A bill (S. 3275) for the relief of Harry Hume Ainsworth (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 3276) granting an increase of pension to Joseph Southard (with accompanying papers); and

A bill (S. 3277) granting an increase of pension to Elizabeth Wolford (with accompanying papers); to the Committee on Pensions.

By Mr. McKINLEY:

A bill (S. 3278) for the purchase of a site and the erection of a public building at White Hall, Ill.; to the Committee on Public Buildings and Grounds.

A bill (S. 3279) granting a pension to Nelle Head (with an accompanying paper); and

A bill (S. 3280) granting a pension to Willard D. Cook; to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 3283) to provide for the appointment of Army field clerks and field clerks, Quartermaster Corps, as warrant officers, United States Army; and

A bill (S. 3284) to amend a portion of section 15 of an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920; to the Committee on Military Affairs.

By Mr. McKINLEY (by request):

A bill (S. 3285) to amend section 17 of the Federal farm loan act, approved July 17, 1916 (with accompanying papers); to the Committee on Banking and Currency.

By Mr. MAYFIELD:

A bill (S. 3286) to authorize reduced freight rates in cases of emergency; to the Committee on Interstate Commerce.

EXTENSION OF TIME FOR CONVERTING TERM INSURANCE

Mr. HARRISON. Mr. President, under the law the time for the conversion of insurance of the veterans of the great World War will expire on July 2 next. By the bill which I now introduce it is proposed to extend that time for five years. I ask that the bill may be read and appropriately referred.

The bill (S. 3263) to extend the time for converting term insurance under the World War veterans' act, 1924, as amended, was read twice by its title and referred to the Committee on Finance.

FIFTH AND SIXTH DELAWARE REGIMENTS

Mr. BAYARD. I introduce a bill to authorize the Secretary of the Interior and the Commissioner of Pensions to compute service of the Fifth and Sixth Delaware Regiments from enlistment to discharge.

In connection with the bill I desire to submit a letter from the office of The Adjutant General dated March 24, 1910, to Senator Henry A. du Pont, of the State of Delaware, and also a report submitted by the Senator from Delaware made in connection with the same matter. I ask that these papers, together with the bill, may be referred to the Committee on Pensions, and ordered to be printed.

The bill (S. 3281) to authorize the Secretary of the Interior and the Commissioner of Pensions to compute service of the Fifth and Sixth Delaware Regiments from enlistment to discharge was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

SUSAN MARSH WILLIAMS

Mr. SMITH presented sundry papers to accompany the bill (S. 677) granting an increase of pension to Susan Marsh Williams, widow of George Washington Williams, late rear admiral, United States Navy, heretofore introduced by him and referred to the Committee on Pensions.

AMENDMENTS TO PUBLIC BUILDINGS BILL

Mr. OVERMAN and Mr. SHEPPARD each submitted an amendment intended to be proposed by them to the bill (H. R. 6559) for the construction of certain public buildings, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. CURTIS submitted the following amendments intended to be proposed by him to House bill 6707, the Interior Department appropriation bill, which were referred to the Committee on Appropriations and ordered to be printed:

Insert at the proper places in the bill:

For enlarging the office building for administrative purposes at Haskell Institute, Lawrence, Kans., $10,000.

For enlarging the chapel or auditorium at Haskell Institute, Lawrence, Kans., $25,000.

ALASKA FUR-SEAL SKINS (S. DOC. NO. 73)

Mr. JONES of Washington. Mr. President, some time ago the junior Senator from Montana [Mr. WHEELER] introduced a resolution calling on the Secretary of Commerce for certain information concerning Government owned fur-seal skins. The Committee on Commerce referred the resolution to the Secretary, and got the information without bringing the resolution back to the Senate, which is entirely satisfactory to the Senator from Montana. I have also secured some additional information in connection with the same matter. I ask that it may be printed as a Senate document, and referred to the Committee on Commerce.

The VICE PRESIDENT. Without objection, it will be so ordered.

ALICE B. WELCH

Mr. KEYES submitted the following concurrent resolution (S. Con. Res. 3), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved by the Senate (the House of Representatives concurring), That there shall be paid, one-half from the contingent fund of the Senate, and one-half from the contingent fund of the House of Representatives, to Alice B. Welch, widow of John Welch, late Chief Clerk, and for 25 years an employee in the office of the Architect of the Capitol, one year's salary at the rate he was receiving by law at the time of his death.

POSTAL RECEIPTS

Mr. HARRISON. Mr. President, I ask unanimous consent for the present consideration of the resolution which I send to the desk.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 156), as follows:

Resolved, That the Postmaster General is directed to furnish to the Senate, at the earliest practicable date, a statement showing the postal receipts by classes for the period from July 1, 1925, to December 31, 1925, both inclusive, as compared with such receipts for the corresponding period of the year 1924, together with a statement containing such observations as the Postmaster General may be in a position to make relative to the effect, on the volume of business and revenue received, of the postal rates now in force.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

Mr. CURTIS. I ask that it may go over under the rule.

The VICE PRESIDENT. The resolution will go over under the rule.

EXCLUSION OF COUNTESS KAROLYI

Mr. WHEELER submitted the following resolution (S. Res. 157), which was referred to the Committee on Foreign Relations:

Whereas the Department of State has officially acted to exclude the Countess Karolyi from the United States; and

Whereas it has been charged that the exclusion of the Countess Karolyi has resulted from the forging of certain documents which tended to connect Countess Karolyi with certain undesirable political organizations with whom the United States is not on friendly terms; and

Whereas information has been obtained which tends to show that the exclusion of the Countess Karolyi resulted from the efforts of certain persons acting at the behest and in the employ of the minister to the United States from Hungary; and

Whereas certain written reports exist which detail the activities of a certain private detective agency, hired and employed by said minister to the United States from Hungary, during the time such detective agency hounded and trailed the Count and Countess Karolyi while the latter were visiting in America, for the purpose of securing unfavorable and inaccurate information purporting to show a connection existing between Count and Countess Karolyi and certain foreign organizations held objectionable to the principles of the Government of the United States; and

Whereas this information of an unfavorable and fictitious character was turned over to the minister to the United States from Hungary by the certain private detective agency for the sum of approximately $20,000 by the said minister to the United States from Hungary to the detective agency actually paid; and

Whereas the said minister informed his paid agents, the detective agency mentioned, that these reports were to be in turn used to present a report to Secretary of State Kellogg, which would result in the exclusion of the Countess Karolyi: Therefore be it

Resolved, That the Committee on Foreign Relations investigate the activities of the said minister to the United States from Hungary and the detective agency employed by him in connection with the Karolyi exclusion.

CHARLES EDWIN HIGHTOWER

Mr. TRAMMELL submitted the following resolution (S. Res. 158), which was referred to the Committee on Post Offices and Post Roads:

Whereas Charles Edwin Hightower, of Jacksonville, Fla., has prepared a list of suggestions for the improvement of the United States Postal Service; and

Whereas it is claimed by the said Charles Edwin Hightower that to have said suggestions installed would bring about a greater degree of efficiency and also operate for economy in the United States Postal Service; and

Whereas it is alleged that certain of his said suggestions heretofore submitted to the United States Post Office Department have been adopted by the department and that he has not been compensated therefor by the Government: Therefore be it

Resolved, That the Committee on Post Offices and Post Roads be, and it is hereby, directed to investigate the merits of the said suggestions made by the said Charles Edwin Hightower for the improvement of the United States Postal Service, with a view to determining whether or not the same or any number thereof should be adopted and Mr. Hightower compensated therefor; be it

Further resolved, That the said committee ascertain whether or not the Post Office Department has in operation any suggestions made by the said Charles Edwin Hightower for which in justice he should be compensated by the Government; and if so, what compensation would be reasonable for Mr. Hightower for the services rendered by him to the Government.

INVESTIGATIONS BY THE PUBLIC LANDS COMMITTEE

Mr. CAMERON submitted the following resolution (S. Res. 159), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution No. 347, agreed to March 4, 1925, authorizing the Committee on Public Lands and Surveys, or any subcommittee thereof, to investigate all matters relating to national forests, forest reserves, and other lands withdrawn from entry, hereby is continued in full force and effect until the end of the Sixty-ninth Congress, the expenses to be incurred under authority of this continuing resolution to be paid from the contingent fund of the Senate, but not to exceed the sum of $5,000.

URGENT DEFICIENCY APPROPRIATIONS

Mr. WARREN. I ask that the Vice President lay before the Senate the action of the House of Representatives on certain amendments of the Senate to the urgent deficiency appropriation bill.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives receding from its disagreement to the amendments of the Senate Nos. 39 and 60 to the bill (H. R. 8722) entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes," and concurring therein; receding from its disagreement to the amendment of the Senate No. 17 and concurring therein with an amendment, in line 6, after the word "forests," to insert "on account of obligations heretofore incurred"; and in lines 12 and 13 to strike out "*Provided*, This authorization shall not extend beyond June 30, 1927"; receding from its disagreement to the amendment of the Senate No. 58 and concurring therein with an amendment, in lieu of the matter inserted, to insert the following:

NATIONAL SESQUICENTENNIAL EXPOSITION

SEC. 4. For carrying out the public resolution of the Sixty-ninth Congress entitled "Joint resolution providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes," as follows: For the exhibit and participation by the executive departments and independent establishments of the Government and such other expenditures as may be deemed necessary by the National Sesquicentennial Exhibition Commission, including salaries in the District of Columbia and elsewhere, actual and necessary traveling expenses, rent, and all other expenditures authorized by section 1; compensation of the commissioner of sesquicentennial exposition as authorized by section 3; $1,186,500, of which not more than $250,000 shall be allocated to the War Department and not more than $350,000 to the Navy Department as authorized by section 1; for the further participation by the Government for the construction of buildings as authorized by section 2, $1,000,000; in all, $2,186,500, to remain available during the fiscal year 1927.

And receding from its disagreement to the amendment of the Senate No. 59 and concurring therein with an amendment, in lieu of the matter inserted, to insert the following:

BOSTON SESQUICENTENNIAL CELEBRATION

SEC. 5. To enable the Government of the United States to participate in the Sesquicentennial Celebration of the Evacuation of Boston by the British, to be held in the city of Boston, Mass., March 17, 1926, there is hereby created a Federal commission to be known as the United States Evacuation Day Sesquicentennial Commission (hereinafter referred to as the commission) and to be composed of five commissioners, as follows: One person to be appointed by the President of the United States, two Senators by the President of the Senate, and two Representatives by the Speaker of the House of Representatives. The commission shall serve without compensation and shall select a chairman from among their number. For actual and necessary traveling and subsistence expenses of the commission while discharging its official duties outside the District of Columbia, $1,000; and for participation on the part of the United States in such celebration, $5,000, to be expended in the discretion of the commission; in all, fiscal year 1926, $6,000.

Mr. WARREN. Mr. President, certain amendments made by the Senate to the urgent deficiency bill remain in disagreement between the two Houses. The House agrees to the amendments of the Senate Nos. 17, 58, and 59 with amendments and insists on its disagreement to the amendments of the Senate, Nos. 27 and 28. The Senate conferees wish to concur in the first-mentioned amendments to the Senate amendments, and I make the motion that the Senate concur in the House amendments to Senate amendments Nos. 17, 58, and 59.

Mr. ROBINSON of Arkansas. What would be the effect of the action on the part of the Senate suggested by the Senator from Wyoming?

Mr. WARREN. I will state in reply to the inquiry of the Senator from Arkansas that amendment 17 relates merely to a small matter proposing to give legal power to the Comptroller General to settle a claim amounting to but $3,000 where the money has already been obligated.

Amendments 58 and 59 relate to two expositions, one being the exposition at Philadelphia, Pa., and the other at Boston, Mass. There is a change in language making the phraseology plainer. The appropriation in reference to the Sesquicentennial Exposition in Philadelphia is not changed in amount. As for the exposition in Boston, it is proposed to reduce the appropriation from $12,500 to $6,000. Those are the amendments proposed by the House conferees to the Senate amendments, in which I move that the Senate concur.

Mr. ROBINSON of Arkansas. The Senator from Wyoming, as I understand, moves to concur in the House amendments to the Senate amendments as to those items?

Mr. WARREN. I move to concur in the House amendments to the Senate amendments.

The VICE PRESIDENT. The question is on the motion of the Senator from Wyoming to concur in the amendments of the House to the amendments of the Senate Nos. 17, 58, and 59.

The motion was agreed to.

Mr. WARREN. Mr. President, as to amendments 27 and 28, they relate to two bridges. One of those bridges is to be near

Lee Ferry, in Arizona, and it is proposed to appropriate $100,000 for its construction, and that that amount be charged up to the funds of the Navajo Indians.

The other bridge is to be located near Bloomfield, N. Mex., and to be built across the San Juan River. The bill carries an appropriation of $6,620 for that purpose.

On the floor of the Senate those appropriations were challenged while the bill was being considered here. There was then not time to look up the statutes relating to the matter to ascertain whether the law authorized the appropriations as recommended, and there were many Senators who opposed charging the appropriations to the Indians on the ground that the Navajos had only $116,000 in the Treasury to their credit, and if this expense for the construction of these bridges were charged to them it would nearly exhaust their funds. The proposition, therefore, to charge the expenditure to the Indian funds was rejected.

I have found, however, in the meantime, that there are two laws which were passed in January, 1925, in which it is specifically provided that these bridges shall be built and that the expenditures for that purpose shall be reimbursable from the Indian funds. So the action we should take and which I now propose is that the Senate recede from amendments Nos. 27 and 28.

The VICE PRESIDENT. The Senator from Wyoming moves that the Senate recede from its amendments Nos. 27 and 28.

Mr. OVERMAN. Should the motion of the Senator from Wyoming be agreed to, I understand it will leave the provisions as they came to us from the House of Representatives?

Mr. WARREN. The Senate amended the bill by eliminating the provisions that the expenditures for the bridges should be reimbursable from the Indian funds; but if my motion be agreed to, and the Senate recede from those amendments, we shall restore the language of the bill as it originally came from the House of Representatives.

Mr. OVERMAN. When the bill was before the Senate, I made the point of order against the Senate committee amendments.

Mr. ROBINSON of Arkansas. As the language will remain, should the motion of the Senator from Wyoming be agreed to, the cost of the construction of the bridges will be reimbursable from the Indian funds?

Mr. WARREN. The cost of construction will be borne by the Indians under the law.

Mr. BRATTON. Mr. President, one of these bridges, the one involving the expenditure of $6,620, is located in New Mexico. The other, located in the State of Arizona, involves an expenditure of $100,000, making a total expenditure of $106,620 at this time. This policy of appropriating money from the Treasury and making it reimbursable from the tribal funds of the Navajo Indians is not a new thing in the Congress, and consequently it is not altogether proper to confine our consideration to the two items which we now have before us. This practice has gone on for years past, and up to date large sums of money have been appropriated and expended, with provision that the Treasury shall be reimbursed from the tribal funds of the Navajo Indians.

The Indians are opposed to this policy. At their tribal council held in July of last year they registered a unanimous protest against the construction of both of these bridges and transmitted that protest to the Commissioner of Indian Affairs. What the Indians want and what they need are teams and wagons, farming implements, dairy herds, and things of that character that can and will facilitate our bringing them into useful citizenship.

The proposed bridges are primarily for the use of the whites and are secondarily for the use of the Indians. The Bloomfield bridge is located in my State, some 16 miles away from the Indian reservation. The Lee Ferry bridge does connect at one end with the reservation, the other end being upon the opposite side of the river, reaching privately owned land. It is designed to form a part of a great arterial highway for the use of tourists; and, in my judgment, based upon a fairly intimate knowledge of conditions there, it is a misnomer and a camouflage to say that this bridge and its use will be primarily for the Indians. It is, as a matter of fact, for the whites; and the Indians are opposed to a continuation of this policy, which has already progressed to such a point that, indulging even the widest and the brightest hopes in connection with their development of oil and other mineral resources upon their reservation, it will take the Nevajo Indians a long term of years to repay what has already been appropriated upon a reimbursable basis from their funds. A continuation at this time of this policy on the part of the Government over the protest of the Indians, in my judgment, can not successfully be defended upon this floor or in any other forum.

Mr. OVERMAN. Mr. President, may I ask the Senator a question?

Mr. BRATTON. I yield.

Mr. OVERMAN. Mr. President, I have no interest in these matters except to follow the law. If the Senator desires to relieve the condition of which he complains and to change the policy which has been inaugurated, all he has got to do is to introduce and secure the passage of a bill to amend the existing law in this regard. We are, however, face to face with that law, and what are we going to do about it? As I have said, all the Senator will have to do is to secure such an amendment of the law that the money for purposes proposed shall not be reimbursable from the tribal funds. That, however, is the law—I am not talking about this appropriation bill but of the law—and that law says such expenditures shall be reimbursable out of the tribal funds. I am bound as a member of the Committee on Appropriations to see that the law is obeyed so far as I can. Therefore, I suggest to the Senator from New Mexico and to the Senator from Arizona also, that it is quite an easy matter to introduce a bill to amend the existing law.

Mr. BRATTON. Mr. President, answering the distinguished Senator from North Carolina, when that situation is reached I shall pursue that course, but I do not understand that the existing law to which he refers is a mandate to this body to make this appropriation at this time. Far better would it be that this appropriation be killed now and deferred until that can be done, rather than to continue the policy of appropriating sums of money, which in this case aggregate over $100,000, over the protest and contrary to the wish of a helpless people, who do not need and will not use this bridge. It is indefensible to say that this bridge is designed for their use and that they will be benefited by it, when the Indians need things that will lead them into a higher state of education, into a better understanding of citizenship, and to a more intimate knowledge of the duties and obligations that came to them under the act of Congress granting them citizenship. To compel them to continue a policy of paying for things that they do not need and do not want and to continue to force upon them a program of that kind can not be defended here or elsewhere.

I had rather see this appropriation lost altogether than to see it passed in its present unjust, inequitable, and iniquitous condition. I, therefore, hope that the Senate will stand by the position it assumed last week and require that the appropriation be made in proper form, because no question is solved until it is solved rightly. We can not afford to continue this policy, which is bottomed not upon justice, not upon equity, but upon an enforced program of iniquity and inequity toward the Indians.

Mr. WARREN. Mr. President, I wish to say to my friend from New Mexico that I agree with much of his contention, and I was favorable to the amendment which was offered in the Senate striking out the provision. I would also be favorable to a repeal of the law which provides that these expenditures shall be reimbursable from the tribal funds, and to provide another way by law to repay the funds appropriated from the Treasury of the United States; but the Senator must remember that the duties of the Appropriations Committee are to appropriate under the law and to obey the law. I know the Senator from New Mexico obeys the law and expects me to do so. We all have to obey the law.

Here is an appropriation bill carrying nearly a half billion dollars. Thousands and thousands of men are interested in it; employees and persons who have judgments and accounts of various kinds. It comprehends benefits to a great many people, so that we are hardly in position to attack the laws, and thereby hold up all of these things already too long overdue.

This is the so-called urgent deficiency bill, which should have been passed before the holidays. Usually it is passed at that time; but on account of the engrossing business before the House and Senate at the time we did not attempt this year to do anything with appropriation bills until this late day. Therefore, this so-called urgent deficiency bill has mounted very high, and we are now in this position. These two items were put in by the House, as they had a right to do under the law; and we, taking the view of the Senator, struck them out here. We discover now from an examination of the laws that were passed last year that they were authorized at that time. I did not know that those laws had passed. They were passed when I probably was engaged in some other activities. So I do not see any proper way to carry out the desire of the

Senator from New Mexico except to let the bill go through and then make any move that he may desire to make to reimburse these Indians if this money is taken away from them by the pending legislation.

I hope, therefore, that the motion will prevail.

Mr. BRATTON. Mr. President, if the Senator will yield, I did not mean in any way to criticize the committee.

Mr. WARREN. Oh, I understand that; but I wanted to call attention to the situation we are in, because I assumed that the Senator—who is not one of our "ancient" Members—might not know the exact conditions.

Mr. BRATTON. Mr. President, I desire to read into the RECORD part of a letter written to me by the Office of Indian Affairs, signed by Commissioner Burke, which contains an excerpt from the proceedings had at the tribal council of these Indians on July 7 of last year. Mr. Hagerman, the director of Indian affairs in New Mexico, was presiding.

Mr. HAGERMAN. All right; that is settled. Now what do they want to talk about?

J. C. MORGAN (Walker translating). They would like to recommend to the Government that the money they spend * * * that when Congress appropriates, they would like to have Congress appropriate for the benefit of the tribe. They do not want it for the benefit of some other people. They want it for the benefit of the Navajo Tribe.

Mr. HAGERMAN. Well, that goes without saying.

Mr. MORGAN (Walker interpreting). What we mean is that when Congress appropriates money, like they did down here for the bridge at Lee Ferry, they do not want that Congress appropriate this money for the bridges. * * *

CHEE DODGE—

Who is the chief among them.

CHEE DODGE (interpolating and finishing Walker's sentence for him). They object to the use of the tribal funds for such purpose as the bridge at the ferry across the Colorado.

The Commissioner of Indian Affairs undertakes to follow that by resorting to an extremely technical position, namely, saying that the matter was not formally before the council. The situation is clear; it is free from doubt; it is unmistakable; and to say that the Indians should resort to fine language or legal phraseology in drawing up a formal resolution is unthinkable. Their position is clearly recorded. They are opposed to these two bridges. They do not want to pay for them. The money is theirs. They are now citizens, and they want things that contribute to the elevation of their citizenship.

With due appreciation of the position of the committee, and without any criticism whatever, I think that we are not compelled to resort to a technical position by saying that we are required now to make the appropriation and take the money out of the Treasury simply because the act passed at the last session of Congress authorized the appropriation with the reimbursable feature. We can postpone the matter altogether. At least the money should not be appropriated in this fashion.

Mr. CAMERON. Mr. President, I am astonished that the United States Senate will permit an appropriation to go through in the deficiency bill wherein we take this sum of money from a tribe of Indians—the Navajo Indians—when they have only $116,000 in the Treasury of the United States to their credit. By this act we would take from them nearly $107,000 out of the $116,000, leaving them about $9,000 in the Treasury.

I want to ask, as one Senator of the United States, notwithstanding this law which I hold in my hand which was passed at the last session of Congress, if a law is wrong, if a law is iniquitous, why should we as United States Senators vote to dispossess a tribe of Indians who are helpless to defend themselves and take their money out of the United States Treasury and apply it to the construction of two bridges, one in Arizona and one in New Mexico?

As has been said by the able Senator from Wyoming [Mr. WARREN], the chairman of the Appropriations Committee, this is a deficiency bill, and its passage is required to meet other obligations. I admit that; but the United States Senate and the House of Representatives are not required to pass any bill in which we are going to do an injustice and take from people who are protesting against such an act—from the poor Indians out on the Navajo Reservation, who have protested to the Office of Indian Affairs—almost all the money they have in the Treasury.

I am sorry to see such a condition here. I am sorry to see the Office of Indian Affairs recommending such action as Congress is about to take. I can not understand wherein the Congress of the United States has any right whatsoever to take out of the United States Treasury money that has been deposited there for the benefit of a tribe of Indians.

I want to say to the Senate that I have lived near the Navajo Indian Reservation and on the reservation; I have traded with the Navajos, and I know their circumstances; and I know that the Government has never been very helpful to them. I want to say further that when Congress insists upon taking away from them the little money they have in the Treasury I can not think of anything that could be worse.

These Indians are justly entitled to their money in the Treasury; and these bridges, when constructed, should not be constructed from the Indian funds in any way, shape, form, or manner, because the Indians do not use the Lee Ferry Bridge and never have been in that section of the country. They do not even use the ferry. I do not know as much about the New Mexico situation; but the able Senator from New Mexico [Mr. BRATTON] has stated his case, and stated it rightly, justly, and fairly.

I say to you Senators who represent the various States of the Union in the United States Senate that this bill had better go over a week, if necessary. The Senator from Wyoming has said we can pass a law reimbursing these Indians for this amount of money. Let us let this bill go over and pass a law of that kind and amend the existing law so that the Indians will not have to pay this large amount of money.

I tell you right now that if this money is taken out of the Treasury under this bill that is now pending in Congress, the Indians will never get it back. I know how hard it is to get money out of the United States Treasury. Senators talk about a law. We have one for building the Coolidge (San Carlos) Dam. We were authorized by law two years ago to appropriate $5,500,000 for the construction of the Coolidge Dam for the Pima Indians in Arizona. The Budget recommended this year that $450,000 be put in the Interior Department appropriation bill for that purpose. When the bill came over from the House the appropriation was not in the bill.

I want to say, and I mean it, that it will be the most unjust act of Congress if we allow this bill to pass as it now stands and take this money away from the Indians. I want to say further that I hope the Senate will insist on its amendments, and send the bill back to the conference committee, and that they will hold it there until such time as we can amend this law and rectify this great injustice. That will be the just and fair way to do.

Let us not do something because we are white men, and the poor Indians on the reservation are helpless, with no one here to represent them, and the bureau that should be looking out for them and should be guarding the money they have in the Treasury recommending that this sum be taken from their tribal fund to construct a bridge which they will not use. I say it is outrageous; it is dishonest, if I may go that far. I hope the Senate of the United States will stand up to-day and vote to send back this bill to conference, where it belongs, and then let us rectify the wrong that has already been done by the passage of these acts that lie on my desk.

I ask unanimous consent to have the two acts to which I refer printed as part of my remarks.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

[Public—No. 350—68th Congress]

An act [S. 1665] to provide for the payment of one-half the cost of the construction of a bridge across the San Juan River, N. Mex.

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $6,620, or so much thereof as may be necessary, to defray one-half the cost of a bridge across the San Juan River near Bloomfield, N. Mex., under rules and regulations to be prescribed by the Secretary of the Interior, who shall also approve the plans and specifications for said bridge and to be reimbursable to the United States from any funds now or hereafter placed in the Treasury to the credit of the Navajo Indians, to remain a charge and lien upon the funds of such Indians until paid: *Provided*, That the State of New Mexico or the county of San Juan shall contribute the remainder of the cost of said bridge, the obligation of the Government hereunder to be limited to the above sum, but in no event to exceed one-half the cost of the bridge.

Approved, January 30, 1925.

[Public—No. 482—68th Congress]

An act [H. R. 4114] authorizing the construction of a bridge across the Colorado River near Lee Ferry, Ariz.

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed the sum of $100,000, to be expended under the direction of the Secretary of the Interior, for the construction of a bridge and approaches thereto across the Colorado River at a site about 6

miles below Lee Ferry, Ariz., to be available until expended, and to be reimbursable to the United States from any funds now or hereafter placed in the Treasury to the credit of the Indians of the Navajo Indian Reservation, to remain a charge and lien upon the funds of such Indians until paid: *Provided*, That no part of the appropriations herein authorized shall be expended until the Secretary of the Interior shall have obtained from the proper authorities of the State of Arizona satisfactory guaranties of the payment by said State of one-half of the cost of said bridge, and that the proper authorities of said State assume full responsibility for and will at all times maintain and repair said bridge and approaches thereto.

Approved, February 26, 1925.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Florida?

Mr. CAMERON. Certainly.

Mr. TRAMMELL. Just as a matter of information, I desire to know if this bridge is to be constructed on the Indian reservation.

Mr. CAMERON. Only one end is on the Navajo Indian Reservation.

Mr. TRAMMELL. A further matter of information: Does it contribute at all to the value of the property belonging to the Indians?

Mr. CAMERON. Not at all.

Mr. TRAMMELL. It does not?

Mr. CAMERON. No, sir. It is on the side of the reservation—the Lee Ferry bridge, for which $100,000 is appropriated. I doubt if one Indian goes across the river in a year.

Mr. TRAMMELL. But have the Indians profited where the bridge is to be constructed?

Mr. CAMERON. They have not. I will say to the Senator that this is a canyon country.

Mr. TRAMMELL. The construction of the bridge will not add to the value of the property?

Mr. CAMERON. Not at all.

Mr. HARRELD. Mr. President, this bill was pending before the Indian Affairs Committee. I have been very careful to see that the Indian funds are not spent in the building of bridges, with one or two exceptions. I do not remember the details about this bill at the time it was favorably recommended for passage, but here is what the report shows:

A letter was produced, written by Mr. Stephen T. Mather, Director of the National Park Service, to Congressman HAYDEN, in which he said:

At the present time people from that portion of Arizona north of the Colorado River, known as The Strip, and visitors to the Zion National Park, in order to reach by a safe road the greater portion of Arizona, including the major portion of the Grand Canyon National Park, must make a long detour through California and Nevada, or a still longer detour through Colorado and New Mexico. A road crossing the Colorado at Lee Ferry seems to be the only feasible route connecting the strip country and the rest of the State and would shorten the present distance between the Grand Canyon and Zion National Parks to approximately one-third the distance it is now necessary to traverse in going from one to the other. When this road is built it will be possible to go from the north rim of the Grand Canyon to the south rim in a day.

For the past two years there have been over 100,000 visitors to the Grand Canyon Park annually, the travel for 1924 exceeding that for 1923 in spite of the restricitons against the hoof-and-mouth epidemic, and this travel will continue to grow from year to year. When the two rims are joined by a good road and bridge a still further increase will undoubtedly follow. It will be hard to find any road in the United States that will offer to the traveler so many diversified scenic features, and these features should be made accessible as soon as possible.

Even more important, from the point of view of the State, is the fact that residents of that section north of the Colorado River will have direct access to other parts of the State. The development of the area north of the Colorado River should not and can not be delayed much longer, and such a road would do more to develop that section than any other one thing.

Not alone would residents of Arizona be benefited by the opportunity to reach easily any portion of the State, but the entire State would benefit from the stream of tourist travel that now, after visiting the wonderful Zion and southern Utah country and the north rim of the Grand Canyon, turns back through Utah and on to California from there. Last year 8,400 people visited Zion Park and nearly 4,000 went to the north rim, and each year the numbers increase. If easy access were afforded visitors to Zion and the north rim to cross over to the south rim, most of them, instead of retracing their way, would continue on to southern Arizona on their way to the coast.

I believe that the importance of a connecting road between the strip section of Arizona and the remainder of the State can not be too strongly emphasized. It would be a boon to the State of Arizona, as well as to the traveling public. I know that from the standpoint of the national parks it is vitally important.

Sincerely yours,

STEPHEN T. MATHER, *Director.*

Hon. CARL HAYDEN,
House of Representatives.

There was also produced before the committee a letter signed by the Secretary of the Interior, Mr. Hubert Work, which I want to read. The letter was addressed to Mr. Snyder, chairman of the House Committee on Indian Affairs, dated January 15, 1924, and reads:

Reference is had to your letter of December 24, transmitting for report, among others, H. R. 4114, authorizing the appropriation of $100,000 to be expended under the direction of the Secretary of the Interior for the construction of a bridge and approaches thereto across the Colorado River at a site 6 miles below Lee Ferry, Ariz., to be reimbursed from any funds to the credit of the Indians of the Western Navajo Reservation in that State.

The matter of the construction of this bridge has been under consideration for some time, and thorough investigations have been made of all its phases by representatives of the Indian Service and by Col. Herbert Deakyne, Corps of Engineers, United States Army. A copy of Colonel Deakyne's report, which goes into the technical aspects of the matter in some detail, is inclosed herewith.

The cost of the construction of the proposed bridge has been placed at approximately $200,000, and the local representative of the Indian Service has recommended that that service bear half of the cost, which would seem to be an equitable division thereof. The proposed bridge will connect the Western Navajo Indian Reservation with the public domain on the west of the Colorado River and will furnish an important and permanent outlet for the Indians of that reservation, facilitating their communication with the whites, and assisting them in their progress toward a more advanced civilization. The benefit which will accrue to the white persons residing in that vicinity and to the general traveling public will be great and will probably be equal to the benefit which will be derived by the Indians. This bridge will make at all times the only possible north and south route between the Salt Lake Railway on the west and the road north from Gallup, N. Mex., on the east. An immense country lies between this railway and the town of Gallup, and the proposed bridge will be an absolute necessity to the proper development of that section.

In view of the fact that the Indians of the Western Navajo Reservation will derive great benefit from the erection of the proposed bridge, estimated to be equal to the benefit which will be derived by the white settlers, it would appear reasonable that the $100,000 which it is proposed to appropriate from public funds for the payment of half of the cost of construction be made reimbursable to the United States from any funds now or hereafter placed to the credit of such Indians and to remain a charge upon the lands and funds of such Indians until paid.

It is recommended that H. R. 4114 receive the favorable consideration of your committee and of the Congress.

Very truly yours,

HUBERT WORK, *Secretary.*

That is the evidence the committee has before it.

Mr. WHEELER. Mr. President, the chairman of the Committee on Indian Affairs of the Senate is, in my judgment, one of the fairest men who has been chairman of that committee for a long period of time. I know he is always interested in attempting to protect the Indians of this country. But I want to say this, that I think the time has come when we ought to call a halt on appropriating the money of the Indians of this country for the purpose of building bridges, and for the benefit of the white men of the country.

A good many years ago, in some of the instances back as far as 1851 and 1855, the United States of America entered into treaties by which they got the Indians of this country to give up valuable rights which they possessed in consideration of the fact that the Indians would subject themselves to the guardianship of the United States.

Since that time we have established here in Washington a bureau, which has supposedly been for the protection of the Indians of the country. Yet I venture to say that an analysis of the legislation which has been passed by the Congress of the United States of America, on the recommendation of the Bureau of Indian Affairs, has done nothing but rob these Indians time and time again. The Congress of the United States has violated in many instances every provision of these Indian treaties, and has treated them just exactly as the Kaiser treated a treaty when he said it was a mere scrap of paper.

Why have we done that? It is because of the fact that the Indians are helpless, because of the fact that numerically they are not strong. We have taken their land, we have turned it over to the whites, we have appropriated their money, and we have treated them in a shameful manner. Instead of the Bureau of Indian Affairs seeing that the Indians were protected, they have been doing just the opposite.

Just recently the Indians in Montana from the various reservations have come to Washington to petition the Congress of the United States to give them an opportunity to go into court to sue the Government by reason of violations of their treaty rights. What has been the result? The position of the Bureau of Indian Affairs was that they did not want to give the Indians a chance to go into court at all. They said the law was against them; that they were not entitled to anything; as a matter of fact, setting themselves up as a court and deciding both the facts and the law. All the Indians have asked for is an opportunity to go into the white man's courts and ask that their claims be adjusted in those courts.

Next, we have the department saying that they can not permit to be passed measures giving the Indians the right to go into court, because it would interfere with the economy program of the administration. Think of it! We are to deny the Indians their right to go into court and sue for something that is justly due them, or at least what they think is justly due them, not in their own courts, but the courts of the United States, and we are to deny them on the ground that it might interfere with the economy program of the administration.

I do not know the facts in this particular case under discussion, but I am willing to take the word of the Senator from Arizona when he says that what is proposed would not be of any benefit to the Indians, and that they are protesting against it. I say that it would be a shame for Congress to appropriate money which belongs to the Indians over their protest. Would we do it with any other class of people? Would we appropriate money in the hands of this Government if it belonged to England and use it for any purpose whatsoever?

Mr. HARRELD. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Oklahoma?

Mr. WHEELER. Certainly.

Mr. HARRELD. I presume the Senator will admit that there are occasions where the Indian property can be very materially improved, and the value increased, by expenditures for the building of bridges, or for any other sort of improvements. I do not suppose the Senator means to say there never is a case of that kind?

Mr. WHEELER. Not at all. I think there are cases where the Indians would want their money appropriated, because it would be for their benefit, but I do say that when they come to Congress and say that a proposed expenditure is not for their benefit, that they do not want the money expended, that it is not going to do their property any good, and that we are expending it for the white men, we ought to be ashamed of ourselves to do it, and it should not be done. I am glad to see the Senator from Arizona trying to protect the small minority, these Indians, down in his State, and to see the Senator from New Mexico trying to protect the Indians in his State. Time and time again we have used the Indian's money for things it should not have been used for, and it is time to call a halt.

I repeat I am not familiar with the facts of this case, and I am aware that the failure to pass this law might place us temporarily in an embarrassing position. I do say, however, that it will be much better to send this bill back and have it delayed until such time as we could pass a bill through Congress to relieve the situation. There is no excuse, in my judgment, for taking the money.

Mr. HARRELD. Mr. President, the Senator from Montana states that he believes the Indian tribes ought to be allowed to go into the white men's courts for the purpose of determining the justness of their claims against the Government. He is a member of the Committee on Indian Affairs himself, and I am sure that he will agree that within the last two years the policy has been adopted by the Senate committee, and by the Senate itself, to allow these tribes to go into the Court of Claims and present their claims, and I ask him if it is not a fact that some eight or nine different tribes have been given permission to do that very thing?

Mr. WHEELER. I am very glad to say that that is so, and that it has been largely due, in my judgment, to the good will toward the Indians shown by the distinguished Senator from Oklahoma, the chairman of that committee, that those bills were reported out of the committee. But I do say that in almost every instance it has been over the protest of the Commissioner of Indian Affairs. I had occasion myself, before I came to this body, to come to Washington and interview the Commissioner of Indian Affairs. He told me at that time that he was opposed to the Indians going into court on that occasion. I know, and the Senator knows, that the commissioner has used the argument that he did not want to see bills passed by Congress unless they conformed to the particular kind of a bill he wanted to have passed, which, if it were enacted, would limit the Indians so that they would not be able to go into court, in my judgment, and recover all they ought to recover, and it would permit a Government attorney to raise technical objections against the rights of the Indians.

Mr. HARRELD. The policy does exist of giving these Indians a hearing in court in matters of that kind.

Mr. WHEELER. The policy does not exist in the Bureau of Indian Affairs.

Mr. HARRELD. It is the policy of Congress.

Mr. WHEELER. The policy does exist in the Committee on Indian Affairs, of which the distinguished senior Senator from Oklahoma is chairman, I am very glad to say.

Mr. WARREN. Mr. President, I wish to point out what the question is, and what can be done. I do not care to multiply words, but I want to help Senators out of this situation, and I want to see whether they will realize that this is an attempt to help them out, or whether there is to be a long-continued controversy.

There is the law on the statute books, as I said before, and we are called upon to appropriate under the law. As is nearly always the case, the House framed this appropriation bill. They inserted both of the provisions in controversy. The bill came to the Senate, and the chairman of the Committee on Indian Affairs and members of the committee, hearing what the parties interested felt about the matter, were inclined to help them out, desired to help them out. So we struck out those provisions altogether.

The committee did not agree to strike out one part and leave the other in. It will be remembered that there was some confusion in the Chamber at the time the matter was acted upon; the Vice President was not in the chair, and there was some question as to the motion to be voted upon. I remember that very well, because there was a great deal of confusion. But we cut those provisions out.

Then we met the conferees on the part of the House, and they said they would not agree; that they would take the matter back and see whether the House insisted upon its position; that they would take it back and let the House settle it. They went back to the House, and the House rejected the amendments to their provisions, and we now stand where we must do one of two things. We can accept the House amendment to our amendment, which will close the matter so far as this bill is concerned, and the Senators who have been so forcibly presenting this matter can initiate a movement to repeal those laws, or an injunction of some kind can be served.

But now suppose we take the other alternative, and the Senate insists on its amendments, and we ask for a further conference. The Chair would then name the conferees. We would go back and meet the gentlemen from the House, and we would be confronted immediately with the law, although thus far we have discovered the trouble ourselves, and they would immediately say, "No; we will not do it." We would work over it a few days or a few evenings until there is further disagreement, but, of course, we, representing the Senate, would finally be compelled to surrender if they stuck to it, because as old as the House itself, certainly older than any of its Members, is the line of action of conferees that if the House presents a matter to us here that is not authorized under the law and rules, we can finally force them to surrender to us, but when we add such things as this, the striking out of their language, or when we differ from them in such a way as this, in the end we must surrender as we always have done and as the RECORD will show we have done time and again.

Suppose we have the same House influence that put these sections in the bill when we go back to further conference. It will be seen that we do not make any friends by that course. We start in to delay action on the bill for days or weeks or months. We disoblige a great many people, some Senators and a great many Members of the House, and others. The very object we want to attain, to protect the Indians, is losing its friends, and we are losing our influence by making enemies instead of friends.

On the other hand, suppose that we finally get them to agree to strike out these provisions. We still have the law, and we will have to meet it at some time. Certainly Congress is not going to butt itself against the law which we ourselves have made.

On the other hand, to cover the mistake of legislation, if it be a mistake, we would then have an open field, and I am ready at any time to afford any assistance I can to Senators and to the subject. In fact, we proved that in the committee by what we did when we undertook to strike out these provisions.

That is what I consider to be the situation. If Senators want to get out of this difficulty, if they can get out of it, my judgment is that the way to do it is to introduce a new measure, which we can pass here just as quickly as possible, and which can be passed almost as quickly as this matter could take care of it, because a bill of this nature can not be held up very long. One side has to yield to the other. The very influences that put these sections in the bill are still in the House, and we have them to meet. I submit that I am proceeding in what I believe to be the best way to help Senators out of this situation. Therefore, I have moved that the Senate recede from our amendments and settle the matter and clear the decks for action. However, on the other hand, if Senators think we can accomplish anything through another conference, I am willing to ask for another conference and go back to the House with the matter, but I fear we are only getting ourselves in a worse fix than we are in now.

Mr. HARRELD. Mr. President, what would be the effect, I would like to ask the Senator from Wyoming, if we concur in the report? It would simply mean that the appropriation is made for the two bridges?

Mr. WARREN. That is correct.

Mr. HARRELD. That would not prevent any Senator from introducing a new bill to repeal what would then be a provision of the law?

Mr. WARREN. Oh, no; not at all. They can reach it in another way. All the Treasury Department usually wants is a hint that we want something not paid for a while, and the officials there will then hold up payment until some legislation is enacted or some action is taken to cover the situation.

Mr. HARRELD. Under those circumstances, I think the proper thing to do is to let the motion of the Senator from Wyoming be agreed to and then leave the matter open for action on the part of any Senator who wants to introduce a bill to repeal that section of the law.

Mr. ASHURST. Mr. President, will the Senator from Oklahoma yield?

Mr. HARRELD. Certainly.

Mr. ASHURST. The able Senator from Oklahoma is chairman of the Committee on Indian Affairs. There has been introduced and is now pending before that committee a bill proposing to repeal the reimbursable feature of the law regarding the Lee Ferry bridge. I called at the Senator's office this morning and he was kind enough to inform me that the committee's next meeting will be on Friday of this week. Am I correct?

Mr. HARRELD. The Senator is correct.

Mr. ASHURST. The Senators who have spoken, my colleague [Mr. CAMERON], the junior Senator from New Mexico [Mr. BRATTON], and the junior Senator from Montana [Mr. WHEELER], are members of the committee, and I also happen to be a member of the committee. I hope that on Friday, when the committee meets, we may be able to report out the bill proposing the repeal of the reimbursable feature of the law respecting the Lee Ferry bridge.

Mr. HARRELD. I had overlooked the fact that the bill was pending before the committee, but, since the Senator has called my attention to it, I remember that it is there. I see no reason why the motion of the Senator from Wyoming should be held up on that account, however.

Mr. WARREN. Our position is this, and I ask Senators to understand it: The House is proceeding according to law. The Senate itself was a party to the enacting of that law. If we are sent back to conference, we stand convicted of undertaking to break a law which we in part enacted, and of trying to throw the blame on the Members of the House. On the House side they are protected, because they are carrying out the law.

Mr. OVERMAN. Mr. President, I am not sure that I understand the parliamentary situation. The Senator said we ought to follow the law and ought to obey the law, but suppose the matter goes back for further conference, what would be the effect? Does not that open up every amendment that is put on the bill and the whole thing goes into conference again?

Mr. WARREN. They have that power. It is not usual, though, I will say.

Mr. OVERMAN. No; I know it is not.

Mr. WARREN. But it can be done.

Mr. OVERMAN. It can be done; and any Senator can reopen any item that has theretofore been agreed upon.

Mr. BRATTON. Mr. President, in response to the suggestion made by the able Senator from Wyoming [Mr. WARREN], I desire to say that with him and his committee I have no quarrel, but the same influences that are urging the adoption of the reimbursable feature of the two laws might well be expected to oppose the passage of a simple bill repealing the reimbursable feature, so that concurrence in the amendment and reliance upon passing a law subsequently leaves entirely out of consideration the possibility that we might not pass such a bill, and that this injustice—and I repeat with emphasis that it is an injustice to the Indians—would still be in existence and there would be no cure for it. It seems to me that the logical course to pursue would be to withhold action on the particular item covered by the motion of the Senator from Wyoming until we can pass such a bill.

Mr. WARREN. The Senator knows that can not be done. The bill now before us has to go up altogether or down altogether. It has gone too far to be held up now. We must either concur or kill the bill altogether, or send it back for further conference. Do not make any mistake about that. We are trying to get the Senator out of the place of difficulty rather than get him into further trouble.

Mr. BRATTON. I appreciate that, and I rely completely upon the sincerity of the Senator; but the difficulty that I anticipate is the passage of such a bill through the House. The question can never be solved until it is solved rightly. The Congress has pursued a wrong policy up to date. It has forced upon the Indians payment in part or in whole for things that they have not needed and do not need and do not want.

Mr. HARRELD. There are very few such instances. I recall one instance where I had a bridge-building proposition stricken out of an appropriation bill pending before the committee. But I do not think the Senator ought to make the statement that that is the policy. It is true that once in a while it happens, but I do not believe it is a general policy.

Mr. WILLIAMS. Mr. President, will the Senator from New Mexico yield to me?

Mr. BRATTON. Certainly.

Mr. WILLIAMS. My understanding is that the reimbursable amount chargeable to the Indians is over $400,000; that the Indians did not care so long as they had no money to meet the charges made against their account; but now that they have a small income derived from oil leases on these reservations, which yield to the Navajo Indians about $10,000 a month, the reimbursable features have become effective or are about to become effective. It is a sharp issue, now that money is coming into the treasury of the Indians, and they need that money for their stock and for their other uses. I submit this as the result of a very pathetic appeal made not only by the Indians themselves but by a very distinguished gentleman who is familiar with these particular Indians and has advised me fully of the facts. I trust that we will not recede from the position we have taken.

Mr. BRATTON. The distinguished Senator from Missouri, I think, has stated the situation with substantial accuracy. I think the appropriations already made must be paid now within a short time, because the Indians are beginning to realize some money. Heretofore the policy has been all theoretical. Now it becomes one of reality, and the day of payment is drawing near for the Indians and they are protesting against the policy. To be sure, they have manifested a more or less indifferent course, but simply because they had no money and did not expect the reimbursable feature ever to be carried out. I do not want to be captious about it nor to pursue a controversial policy, but I do think that we can never afford to stand by and see this appropriation made and become a reimbursable one, relying upon the passage of a bill later in the session to repeal the reimbursable feature.

Mr. WILLIAMS. Mr. President, may I ask the Senator a question?

Mr. BRATTON. Certainly.

Mr. WILLIAMS. Is it not a fact that one of the bridges is more than 16 miles from the nearest point to the reservation?

Mr. BRATTON. That is correct, and for the information of the Senator I stated that a short while ago in the course of my remarks. Supplementing that, the distinguished Senator from Arizona [Mr. ASHURST] has stated, with reference to the bridge in his State, that while one end of it touches the soil belonging to the reservation, the bridge is intended primarily for the use of the whites and that it will not accommodate the Indians at all, and that it is not intended to accommodate them. That is true of both bridge propositions.

Mr. HARRELD. If that is true, there ought to be no trouble about getting the provision repealed. It is a question now of dealing with the situation as it is before us. I do not believe

we can afford to hold up final action on the appropriation bill on account of this matter, because we have our remedy. If that is the fact, it will not be long until such a bill would pass through the Senate, because I shall make it my special business as chairman of the Committee on Indian Affairs to see that it is put through in the very shortest possible time. I think the whole committee will join in that effort. I appreciate that the Senator from New Mexico anticipates having trouble in the House, but I do not believe he will have any trouble if he is able to establish the state of facts that he has set forth here. I think there will be no trouble in getting the bill through the House under that state of facts.

But suppose we stand pat and the matter goes back and is not agreed to finally. It will only result in embarrassment, because the provision would still be in the law and it will some time have to be repealed, or else some time we will have to make an appropriation for it. I believe we ought to do as the chairman of the committee has suggested. We ought to let the motion of the Senator from Wyoming be agreed to, and then undertake to repeal the provision of the law under discussion. I will say to the Senator from New Mexico now that if the state of facts which he has set forth can be shown to the House to exist, he will have no trouble in getting his bill through the House, I am sure.

Mr. BRATTON. Mr. President, personally I am unwilling to assume the responsibility of making the concession and relying upon the passage of a bill later, because we may fail to pass the bill, and I should consider myself derelict in my duty on this floor were I to assume that responsibility and fall into that situation. I think the proposal is fundamentally wrong, is fundamentally unjust, and it should be held up until we can get relief and get it in the right way.

Mr. WARREN. The Senator from New Mexico will not have to vote for it; and so, even if it shall be carried, he will assume no responsibility.

Mr. BRATTON. I yield the floor, Mr. President.

Mr. CAMERON. Mr. President, I should like to ask the chairman of the Committee on Appropriations how much of the appropriation carried in the urgent deficiency bill is made at once available?

Mr. WARREN. Practically every dollar of it.

Mr. CAMERON. Every dollar of this tremendous deficiency appropriation?

Mr. WARREN. Yes; unless in a case where the appropriation may be purposely extended over to the early part of the fiscal year 1927; but a deficiency appropriation bill is always intended to provide for almost immediate payments.

Mr. CAMERON. Some of the appropriations I thought were available only during the new fiscal year.

Mr. WARREN. Let me say to the Senator, however, that officials not only of the Treasury Department but of other departments of the Government have during my term of service always been ready to notice what is going on in the two Houses of Congress in the way of legislation which would affect the payment of appropriations, holding the payments back at times and at other times waiting, very much against the wishes of the people who wanted the money expended. The officials are always in favor, where disputes arise, of letting the matters be settled outside before the money can be obtained from the Treasury.

Mr. CAMERON. Mr. President, I appreciate what the Senator from Wyoming has stated, but at the same time I do not feel that I can be a party to an unjust measure. I feel that this is unjust. It is very nice for the chairman of the Committee on Indian Affairs, the distinguished Senator from Oklahoma [Mr. HARREID], to tell us how easy it will be to repeal an act of Congress. It will not be easier for us to repeal the existing act than it is for us to stand here now and oppose the proposition which is now confronting us, which is wrong. Why should we not protect these citizens now? I appeal to the Senator from Wyoming. He has been very courteous in explaining the matter, and I have been glad to listen to him, but I say that if we let this go by to-day we are not going to get the law repealed at this session of Congress; neither will the Indians be reimbursed for the money which will be taken away from them. I hope that the Senate will vote to send the proposition back to conference. If we can repeal the law, let us get busy and do it, but I hope the Senate will not at this time sustain the motion of the chairman of the committee.

Mr. WARREN. Mr. President, I ask for the yeas and nays upon my motion that the Senate recede from its amendments Nos. 27 and 28.

The VICE PRESIDENT. The question is on the motion of the Senator from Wyoming that the Senate recede from its amendments Nos. 27 and 28, on which the yeas and nays are demanded.

Mr. WALSH. Mr. President, the attention of the junior Senator from Utah [Mr. KING] was called a day or so ago to an amendment incorporated in this bill. That amendment, which was made in the Senate, has apparently been agreed to by the House, and it was the purpose of the Senator from Utah to draw the attention of the Senate to it when the conference report came before it for consideration. The Senator from Utah, however, has been taken ill, as have many of the Senators, and is unable to be here to-day. I have been requested to lay the matter before the Senate in his behalf.

Mr. JONES of Washington. Might I suggest to the Senator from Montana that my understanding is that the conference report on this bill has, in fact, been agreed to by the Senate? The proposition now is with reference to the two amendments that were in disagreement coming over from the other House, and the question is not on agreeing to the conference report, which, in fact, was agreed to a day or two ago.

Mr. WALSH. So I understand. The amendment referred to, Mr. President, will be found on pages 58 and 59 of the bill and provides for the payment of judgments of the Court of Claims referred to in Senate Documents Numbered 52 and 54.

Mr. WARREN. I think I can relieve the apprehensions of the Senator from Montana regarding that matter. What is the name of the firm concerned in the judgment of the Court of Claims to which the Senator from Montana refers?

Mr. WALSH. It is the C. Kenyon Co. (Inc.).

Mr. WARREN. That is the name of the firm which I have in mind. The Senator from Utah, doing his duty as he always does, called me up late one evening in the committee room and told me he had been informed that this claim was a fraud, and so on.

I asked him to let me know about the matter in the morning. So in the morning, when the conferees were together, I sent for the Senator and he appeared before the conferees. He there made a statement, telling where he got the information. He obtained the information from the same person who has made complaints against very many matters of late, all of which have turned against his testimony. The conferees on the part of the House of Representatives said they had taken particular pains to look the matter up. Whereupon, before going any further I called up the Court of Claims and secured a statement from the clerk of the Court of Claims as to the procedure and all about it. We then consulted one of the Assistant Attorneys General of the Department of Justice, who had had his attention called to it, and it was pronounced all right. The Senator from Utah [Mr. KING] said he was satisfied about it, and withdrew.

Mr. WALSH. Mr. President, I wish to lay the situation before the Senate at this time, as a mere matter of record. I understand that in all probability the damage has been done and that it is perhaps past repair, but the situation is this——

Mr. WARREN. Mr. President, if the Senator will allow me one more word, it seems that the claim had to do with a consignment of raincoats. There were accounts back and forth between the Government and the company, and there was one matter which probably the informant of the Senator from Utah did not understand which later in the consideration of the matter came up and was taken into account. I do not give the figures because I do not recall them at this time, but the adjustment of the claim seemed to be satisfactory to all parties including those representing the Government.

Mr. WALSH. I have a brief statement of the situation here which I desire to present for the RECORD. This implies no criticism whatever of the Committee on Appropriations. That committee had before them a judgment in favor of the claimant which had been rendered by the Court of Claims, and they had every reason to suppose that the judgment was all right and ought to be paid. I desire, however, to call attention to certain facts from the record in the case which indicates that it is exceedingly doubtful, to say the least, whether the judgment was appropriately rendered, and in my opinion, the matter ought to have had more careful investigation.

The claim, Mr. President, is for raincoats furnished during the war. The claim was disallowed by the War Department after very careful consideration. It was referred to the Department of Justice; it was examined into by the Department of Justice, where it was disclosed that after the company had presented a claim for raincoats and that had been adjusted and, as my recollection is, the claim had been paid, the company submitted the additional claim. It is contended, as I understand, that the claim for this particular consignment of raincoats was embraced in the prior claim and had actually been paid for; that this particular claim was fraudulent; and

that the company had actually been overpaid upon the preceding order.

Mr. WILLIAMS. Mr. President, may I make an inquiry of the Senator?

Mr. WALSH. The facts are disclosed, if the Senator will permit me, in a letter addressed to the present Senator from West Virginia [Mr. GOFF] when he was then Assistant Attorney General and Mr. Robert H. Lovett, who was Assistant Attorney General in charge of matters before the Court of Claims, by Mr. Brewer, whose name is not unfamiliar to Members of the Senate and of the House; but it is concurred in by another Special Assistant Attorney General, James R. Sheppard, who was detailed by the War Department to look into all of these matters.

Mr. WARREN. Mr. President, will the Senator allow me to ask him a question.

Mr. WALSH. Yes.

Mr. WARREN. Is this Mr. Brewer the same man who created what might be called a disturbance in the Bureau of Engraving and Printing some years ago and caused the discharge of men whom the Senator from Montana and other Senators have voted back in their places?

Mr. WALSH. I think he is the same man, but that does not affect the situation at all. The thing does not depend upon any statement made by Mr. Brewer. The facts are matters of record.

Mr. WARREN. Of course, the Senator knows that the Committee on Appropriations and the Senate itself could hardly afford to try over again cases in which the courts have rendered judgments. The judgments come to us as due. The courts investigate the claims and decide them and they come to the Congress as having been adjudicated. The number that come before the committees of Congress from year to year is so large that it is impossible for us to attempt to retry them or anything of that kind. All we can do is to secure the best information we can and act on the judgments as submitted.

Mr. WALSH. As I have said, I am not intending to offer any criticism on the Committee on Appropriations at all. They had a right to assume that the judgment was properly entered. The facts, Mr. President, however, will be disclosed in the letter to which I have referred, dated September 24, 1921, and reading as follows:

Attached hereto is the report on the proposed recovery from the C. Kenyon Co., paid by a War Department Claims Board in settlement of the raincoat contract.

This matter was formally referred to the Department of Justice by the Comptroller of the Treasury in his letter of January 19, 1921, which stated that the Auditor for the War Department had disallowed settlements for said payments in the accounts of the disbursing officer who made payment.

The comptroller also forwarded a letter of the Secretary of War, dated January 7, 1921, in which the Secretary of War stated that the action of the board which allowed the claim had been reexamined and it had been found that the settlements were not on the favorable returns cited by the board which made the awards, and that the Secretary was far from satisfied with the correctness of the awards and suggested reference to the Department of Justice to assist in determining whether the Government will be justified in instituting either criminal or civil actions against the parties concerned.

This is the action of the War Department.

Accompanying the letter of the Secretary of War was a report of the then vice chairman of the War Department Claims Board, dated December 21, 1920, in which it was stated that of $756,714.72 claimed by the Kenyon Co. only $54,231.73 was allowable, and it was probable that the claim should be further reduced by an additional $138,058.11.

That is to say, that the War Department asserted that of a claim for $756,714.72 only $54,000 in their judgment was allowable.

They continue:

When this matter was received at the Department of Justice, request was made of the Secretary of War to detail for assistance on this claim Capt. James R. Sheppard, who had handled various other raincoat claims, and was familiar with the War Department's records necessary for an intelligent handling of the claim in question. Captain Sheppard was accordingly detailed to this work under the War Department, and since the 1st of July has continued on the work as Special Assistant to the Attorney General. Captain Sheppard's report is attached hereto. The subject is a lengthy one, and much more could be written than is submitted.

So it will be observed that the objection to this claim does not rest upon the statement of Mr. Brewer at all. It rests upon the statement as a result of an investigation made by Captain Sheppard, of the Army.

The report attached is confined practically to the War Department's records and to the statements of the claimant itself, made at various times, it having submitted several claims at different times.

An examination of Captain Sheppard's attached report will show—

(a) The material claimed by the C. Kenyon Co. was not purchased for contract 1514, as claimed by them.

(b) That the material claimed to have been left over from the contract and on hand January 1, 1919, was not on hand, as claimed.

(c) That another claim made by Kenyon Co. under another contract was settled by a different War Department claims board, and that every single item used by the C. Kenyon Co. to make up the amount in the other claim was included in the claim in question.

(d) That the claim herein was submitted after settlement of the other claim referred to in (c) was made.

(e) That the material, or at least a large part of it, was used by the C. Kenyon Co. on other contracts and was paid for by the Government in full before any claims were filed by the C. Kenyon Co.

(f) That the claims board who made the awards on the contract in question was composed of ex-Maj. Joseph C. Byron, ex-Capt. E. R. Estes, ex-Maj. L. W. Holder, Mr. H. L. Roberts, and Mr. E. L. Weber, deceased (the first two members named are now connected with the United States Harness Co.; the third is an attorney who examined the contract and secured the bond for the harness company.

(g) That when Major Byron and Mr. Holder were seen by Captain Sheppard in his dual capacity as member of the War Claims Board and representative of the Department of Justice they were evasive in their answers and conflicting in their statements, yet forthwith furnished information to the attorney for the claimant company.

After disallowance of payment by the disbursing officer it is understood that the War Department held up payment on certain contracts which it had with the C. Kenyon Co., and the amount of money which would otherwise be due is about $350,000. It is recommended that this money be retained by the Government, and if suit in the Court of Claims is entered for it that the Government can set up as a counterclaim the $350,000 paid for the claim in question under provision of section 172, Judicial Code, providing that any person who corruptly practices, or attempts to practice, any fraud against the United States in any part of a claim shall forfeit the whole of the claim to the Government.

CHAS. B. BREWER,
Attorney for the United States.
JAS. R. SHEPPARD, JR.,
Special Assistant to the Attorney General.

Now, I desire to call attention to the fact—and possibly the chairman of the Committee on Appropriations was not aware of it—that when suit was commenced in the Court of Claims, as shown by the printed record of the case——

Mr. OVERMAN. Mr. President, may I ask the Senator a question?

Mr. WALSH. Yes.

Mr. OVERMAN. Were these facts before the Court of Claims when they gave their judgment? Were they presented by the Government?

Mr. WALSH. Apparently not.

Mr. OVERMAN. That is a very strange thing.

Mr. WALSH. That is just the point to which I am calling attention.

Mr. OVERMAN. It is very strange that the Government did not present this matter to the Court of Claims. I am glad the Senator is bringing it out. Of course, now the matter has gone too far for us to do anything about it; but it ought to be in the RECORD, to show how things are going on in this country—that these matters are not presented on behalf of the Government to the Court of Claims, and they bring up a judgment of this kind after it has been paid.

Mr. WALSH. That is just what I was going to show—that as a matter of fact the Department of Justice declined to present the matter to the Court of Claims, and entered into a stipulation with the attorneys for the claimant as follows. I read now from the record of this case in the Court of Claims:

The total sum remaining unpaid under the foregoing contracts and purchase orders is $349,995.32, and claims therefor were found by the Auditor for the War Department or by the Comptroller General of the United States to be correctly stated and properly supported by vouchers and other necessary evidence, but were disallowed by the said accounting officers for the reason that the plaintiff was alleged to be indebted to the United States on account of an overpayment of $350,000 by Montgomery T. Legg, captain Quartermaster Corps, in June, 1920, on award No. 5003 of the War Department Claims Board, dated January 30, 1920.

The defendant, on June 17, 1925, filed in this court notice of its intention to file a counterclaim.

On October 9, 1925, Jerome Michael, director war transaction section, Department of Justice, addressed a letter to Frank J. Hogan, Esq., Colorado Building, Washington, D. C., as follows:

"Re: C. Kenyon Co. (Inc.) v. United States, No. E-285.

"I beg to advise you that this department has determined to file no counterclaim in the above action based upon the Dent Act award made to the above company in connection with contract No. 1514 for the manufacture of raincoats.

"You will please understand that this decision is confined entirely to that contract and to the award based thereon."

By stipulation of the parties filed November 4, 1925, in accordance with which these findings are made, the United States withdrew the aforesaid notice of its intention to file a counterclaim, and no counterclaim has been filed.

Mr. OVERMAN. Mr. President, does the Senator know who represented the Government in this matter?

Mr. WALSH. The Government was represented by Jerome Michael, director of the war transaction section of the Department of Justice.

Mr. OVERMAN. Is he an attorney?

Mr. WALSH. I assume so.

Mr. OVERMAN. Frank J. Hogan is the claimant's attorney, as I understand. He is an attorney here in Washington?

Mr. WALSH. Yes. So at the present time, Mr. President, we have no information at all as to whether there was or was not a good foundation for that counterclaim which the War Department insisted was a valid one against this company and ought to have been credited against its claim.

I simply want to say that at least we ought to have some explanation of why the claim asserted to be a valid claim by the War Department was not submitted to the court for adjudication in connection with this transaction.

Mr. ASHURST. Mr. President, at this juncture I ask unanimous consent to introduce a bill and have it read.

The VICE PRESIDENT. Without objection, the bill will be received and read.

The bill (S. 3282) to amend the act of February 26, 1925 (chapter 343 of the Statutes of the Sixty-eighth Congress), authorizing the construction of a bridge across the Colorado River near Lee Ferry, Ariz., was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed the sum of $100,000, to be expended under the direction of the Secretary of the Interior for the construction of a bridge and approaches thereto across the Colorado River at a site about 6 miles below Lee Ferry, Ariz., to be available until expended: *Provided*, That no part of the appropriation herein authorized shall be expended until the Secretary of the Interior shall have obtained from the proper authorities of the State of Arizona satisfactory guaranties of payment by said State of one-half of the cost of said bridge, and that the proper authorities of said State assume full responsibility for and will at all times maintain and repair said bridge and approaches thereto.

SEC. 2. No part of the sum authorized to be appropriated under this act, or which may have been appropriated under the said act which is hereby amended, shall in any way become a charge reimbursable to the United States from the funds of the Navajo Indians or from any other tribe of Indians.

The VICE PRESIDENT. The bill will be referred to the Committee on Indian Affairs.

Mr. WALSH. Mr. President, I venture to suggest to the chairman of the Committee on Appropriations that it would not be inappropriate to request the Department of Justice at least to send to the committee a statement of the reasons impelling them to withdraw the counterclaim asserted by the War Department to be a valid claim against this company.

Mr. WARREN. Mr. President, would the Senator mind addressing to me a note saying just what he would like to have me ask for? If he will do that, I will undertake to secure it.

Mr. President, I ask unanimous consent to withdraw my motion, and to make a motion that the Senate further insist upon its amendments and ask for a further conference with the House of Representatives upon the amendments of the Senate.

The VICE PRESIDENT. Is there objection to the withdrawal of the motion? The Chair hears none. The question is on the motion of the Senator from Wyoming that the Senate further insist upon its amendments numbered 27 and 28 and ask for a further conference with the House of Representatives on the amendments.

The motion was agreed to; and the Vice President appointed Mr. WARREN, Mr. CURTIS, and Mr. OVERMAN conferees on the part of the Senate at the further conference.

TAX REDUCTION—CONFERENCE REPORT

Mr. SMOOT. Mr. President, I ask that the conference report on H. R. 1, the revenue bill, be laid before the Senate at this time.

Mr. DILL. Mr. President, is it proposed to take up the conference report?

Mr. SMOOT. Yes.

Mr. DILL. I think there ought to be a quorum here if it is to be taken up at this time. I suggest the absence of a quorum.

Mr. SMOOT. Before the report is taken up?

Mr. DILL. I think there ought to be a quorum here before anything is done about it.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Mayfield	Shipstead
Bayard	Frazier	Means	Shortridge
Bingham	Gerry	Metcalf	Simmons
Blease	Glass	Moses	Smith
Bratton	Goff	Neely	Smoot
Brookhart	Gooding	Norbeck	Stanfield
Broussard	Hale	Nye	Stephens
Bruce	Harreld	Oddie	Swanson
Butler	Harris	Overman	Trammell
Cameron	Harrison	Pepper	Tyson
Capper	Heflin	Phipps	Wadsworth
Couzens	Howell	Pine	Walsh
Cummins	Jones, Wash.	Pittman	Warren
Curtis	Kendrick	Ransdell	Watson
Dale	Keyes	Reed, Pa.	Weller
Dill	La Follette	Robinson, Ark.	Wheeler
Ernst	McKellar	Robinson, Ind.	Williams
Ferris	McKinley	Sackett	Willis
Fess	McNary	Sheppard	

Mr. JONES of Washington. I desire to announce that the senior Senator from Connecticut [Mr. MCLEAN] is unavoidably absent, and that the junior Senator from Illinois [Mr. DENEEN], and the senior Senator from California [Mr. JOHNSON] are detained from the Senate by illness.

Mr. PHIPPS. I desire to announce that the junior Senator from New York [Mr. COPELAND] is in attendance on a hearing before the Committee on Education and Labor.

Mr. LA FOLLETTE. The senior Senator from Nebraska [Mr. NORRIS] is detained at his home on account of illness. I ask that this announcement may stand for the day.

Mr. WHEELER. I desire to announce that the junior Senator from New Jersey [Mr. EDWARDS] is detained at home by illness.

Mr. HARRISON. The junior Senator from Utah [Mr. KING] is detained from the Senate on account of illness.

The VICE PRESIDENT. Seventy-five Senators having answered to their names, there is a quorum present.

The Senator from Utah asks unanimous consent for the immediate consideration of the conference report on the tax bill. Is there objection?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

[For report, see House proceedings of Tuesday last, RECORD, page 4401.]

Mr. SMOOT. I desire to make a brief statement.

Mr. FLETCHER. I have no objection to taking the report up, but I want to submit some observations on it.

Mr. SMOOT. Certainly; the Senator will have that right.

Mr. WALSH. How much time does the Senator think will be occupied in the consideration of the report?

Mr. SMOOT. I myself will not take over 15 minutes; but I can not say who else desires to speak. One or two Senators have already told me that they have short speeches to make. I can not tell the Senator how long it will take.

Mr. WALSH. At 2 o'clock the unfinished business will automatically come before the Senate, and it is quite obvious the consideration of the conference report can not be concluded before that time. I realize that the conference report on the revenue bill, which the Senator is calling up, will have priority of consideration. I accordingly ask unanimous consent that at 2 o'clock the unfinished business be temporarily laid aside.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. Mr. President, I wish to make a brief statement on the action of the conferees on the revenue bill, H. R. 1.

There were 206 amendments to the bill as it went into conference, after action by the Senate. The House conferees agreed to 145 of those amendments; the Senate conferees receded on 19 of the amendments and the conferees of the Senate and the House agreed with amendments on 42 of the amendments so adopted by the Senate.

The bill as acted upon by the Senate carried a loss in revenue for the calendar year 1926 of $456,261,000.

As the bill is reported back to the Senate and as passed by the House, the loss in revenue for 1926 will be $387,811,000, or about $69,000,000 less than the amount under the bill as it passed the Senate, and about $60,000,000 more than under the bill as it first passed the House.

The reduction now contemplated is $35,000,000 in excess of that made by the bill as reported out of the Finance Committee, and although the reduction has been increased substantially the conferees are relying upon the expectation of continued prosperity for the country, being an assurance for the Treasury of an ample revenue to meet the Budget requirements and such necessary appropriations as the present Congress may approve.

Even though the margin of safety may have been slightly exceeded in the contemplated reduction, I am confident that the continued administration of the Government along lines of sound economy, together with the expected prosperity in business, will produce under the new law sufficient revenue to safeguard the proper conduct of the people's business.

An explanation of the action by the conferees is set forth in detail in the conference report which has been placed upon the desk of each Senator. I will not take the time to repeat what is contained therein.

The two main points of discussion in conference were the amount of the reduction in taxes and the action to be taken on the estate tax. With reference to both matters the conferees were obliged to agree in a spirit of compromise in order that this important legislation might be enacted into law within ample time to permit the public to file their returns and to fully benefit by the reduction.

In that spirit the Senate conferees were obliged to yield on the repeal of the automobile tax, the tax on admissions and dues, and the stamp tax on passage tickets, but were able to maintain many other of the Senate amendments. The conferees agreed to the repeal of the capital-stock tax and in substance approved the increase in the corporation tax, but the rate to be applied against 1925 income was fixed at 13 per cent instead of at 13½ per cent, the latter rate to be applied after 1925. The conferees also agreed on the exemption of admissions where the charge is 75 cents and under.

With reference to the estate tax, the wide difference in action by the two bodies of Congress, together with sharp insistence on the part of each group of conferees for the maintenance of the position taken by their respective bodies, made inevitable that no agreement could be reached except by way of a compromise. The final result of the continued discussion was, with reference to the future, to raise the exemption from $50,000 to $100,000, to adopt the rates stated in the House bill, to approve the 80 per cent credit for taxes paid to the States, and to make the rates of the 1921 law apply to the estates of decedents who died while the 1924 law was effective, with the application of the 25 per cent credit to such cases.

The recession by the Senate conferees is not as pronounced as, on first thought, it might appear to be. The repeal of the estate tax at this time would not have been effective, so far as a reduction in revenue is involved, for from four to five years. Though the repeal might have been immediate so that no tax would apply to the estates of decedents dying hereafter, the revenue collections would have continued for some years with reference to the estates of decedents who died prior to this time. That result is caused by the fact that the tax under the present law is not payable until one year after death, and that the law permits the spreading out of the payments over a period of about five years.

The estimates of receipts from the estate tax take those facts into account. For example, the estimates for the year 1926 are largely from estates where the decedent died in 1921 and 1922. So a repeal of that tax would not have affected the revenue to any marked extent for several years to come.

Notwithstanding that situation, the House conferees refused to agree to the repeal of the estate tax. Yet they supported the 80 per cent credit provision. It seemed to the Senate conferees that the only real difference of opinion between the two branches of Congress was the favoring of an 80 per cent credit as compared with a 100 per cent credit. In that situation the Senate conferees yielded upon obtaining the extension of the exemption to $100,000 and the continuation of the 1921 rates with a 25 per cent credit, through the period that the 1924 law was in operation.

The apparent effect of these provisions is to accomplish a full repeal as to all estates of less than $100,000, to greatly reduce the taxes on all estates of over $100,000, and with the application of the 80 per cent credit when utilized by the States, to bring the situation very close to a 100 per cent repeal of the law. So both branches of Congress achieved their point in controversy.

In 1924 there were 13,769 returns filed for estates, and of that number 6,452 represented gross estates of less than $100,000. The statistics are substantially the same for the year 1923. So it is apparent that the extension of the exemption to $100,000 will amount to a full repeal for at least half of the estates which annually come within the operation of the estate tax.

The surtax rates as adopted by the Senate were acceptable to the House conferees. I desire to place in the RECORD tables covering incomes up to $100,000 and showing the substantial reduction in taxes to be enjoyed by individuals under the new law, as compared with the taxes payable under the acts of 1918, 1921, and 1924 for like incomes. For the purposes of comparison, one table shows the taxes of a single person, the second table of a married person without dependents, and the third table a married person having two dependents. I ask that these tables be printed in the RECORD at the end of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. A peculiar situation was met in the conference. Under all prior revenue measures the determination as to legislation has been along strictly party lines. Whichever party was in power was the one to bear the full responsibility for the measure which came out of conference. In this case the situation has been quite different. In not a single instance was any matter decided in the conference on a party basis. Each set of conferees met the other as a group in a nonpartisan undertaking; each was representing the views of its own branch of Congress. All concessions were as such groups and therein lies the full explanation for all of the recessions which the Senate conferees felt obliged to make.

I hope that the prompt action in the House will be repeated in the Senate, and that the conference report will be adopted.

The tables referred to by Mr. SMOOT are as follows:

Tax on specified incomes up to $100,000

(Married man without dependents, $20,000 earned income)

Income	Tax under act of 1918	Tax under act of 1921	Tax under act of 1924	Tax under act of 1926
$3,000	$60.00	$20.00	$7.50	(1)
$4,000	120.00	60.00	22.50	$5.63
$5,000	180.00	100.00	37.50	16.88
$6,000	250.00	160.00	52.50	28.13
$7,000	390.00	250.00	75.00	39.38
$8,000	530.00	340.00	105.00	56.25
$9,000	680.00	430.00	135.00	78.75
$10,000	830.00	520.00	165.00	101.25
$11,000	990.00	620.00	225.00	131.25
$12,000	1,150.00	720.00	295.00	166.75
$13,000	1,320.00	830.00	365.00	213.75
$14,000	1,490.00	940.00	435.00	258.75
$15,000	1,670.00	1,060.00	515.00	311.25
$16,000	1,850.00	1,180.00	595.00	363.75
$18,000	2,230.00	1,440.00	775.00	483.75
$20,000	2,630.00	1,720.00	975.00	618.75
$22,000	3,060.00	2,040.00	1,195.00	818.75
$24,000	3,490.00	2,380.00	1,435.00	1,038.75
$26,000	3,950.00	2,740.00	1,695.00	1,278.75
$28,000	4,430.00	3,120.00	1,975.00	1,518.75
$30,000	4,930.00	3,520.00	2,275.00	1,778.75
$32,000	5,450.00	3,940.00	2,595.00	2,038.75
$34,000	5,990.00	4,400.00	2,915.00	2,318.75
$36,000	6,550.00	4,860.00	3,255.00	2,598.75
$38,000	7,130.00	5,340.00	3,615.00	2,898.75
$40,000	7,730.00	5,840.00	3,995.00	3,198.75
$45,000	9,320.00	7,180.00	4,985.00	4,008.75
$50,000	11,030.00	8,640.00	6,095.00	4,878.75
$55,000	12,870.00	10,230.00	7,325.00	5,808.75
$60,000	14,830.00	11,940.00	8,635.00	6,798.75
$70,000	19,130.00	15,740.00	11,535.00	8,958.75
$80,000	23,930.00	20,040.00	14,835.00	11,258.75
$90,000	29,230.00	24,840.00	18,495.00	13,658.75
$100,000	35,030.00	30,140.00	22,575.00	16,088.75

[1] No tax.

Tax on specified net incomes of a married person with two dependents, earned income up to $30,000

Net income	Calendar year 1918			1921 rates			1924 rates			1926 rates		
	Normal	Surtax	Total tax	Normal	Surtax	Total tax	Normal	Surtax	Total tax	Normal	Surtax	Total tax
$3,000	$36.00		$36.00									
$4,000	96.00		96.00	$28.00		$28.00	$10.50		$10.50			
$5,000	156.00		156.00	68.00		68.00	25.50		25.50	$7.88		$7.88
$6,000	216.00	$10.00	226.00	128.00		128.00	40.50		40.50	19.13		19.13
$7,000	312.00	30.00	342.00	176.00	$10.00	186.00	55.50		55.50	30.38		30.38
$8,000	432.00	50.00	482.00	256.00	20.00	276.00	81.00		81.00	41.63		41.63
$9,000	552.00	80.00	632.00	336.00	30.00	366.00	111.00		111.00	60.75		60.25
$10,000	672.00	110.00	782.00	416.00	40.00	456.00	141.00		141.00	83.25		83.25
$11,000	792.00	150.00	942.00	496.00	60.00	556.00	181.00	$10.00	191.00	105.75	$7.50	113.25
$12,000	912.00	190.00	1,102.00	576.00	80.00	656.00	235.00	20.00	255.00	128.25	15.00	143.25
$13,000	1,032.00	240.00	1,272.00	656.00	110.00	766.00	295.00	30.00	325.00	161.25	22.50	183.75
$14,000	1,152.00	290.00	1,442.00	736.00	140.00	876.00	358.00	40.00	395.00	198.75	30.00	228.75
$15,000	1,272.00	350.00	1,622.00	816.00	180.00	996.00	415.00	60.00	475.00	236.25	45.00	281.25
$16,000	1,392.00	410.00	1,802.00	896.00	220.00	1,116.00	475.00	80.00	555.00	273.75	60.00	333.75
$18,000	1,632.00	550.00	2,182.00	1,056.00	320.00	1,376.00	595.00	140.00	735.00	348.75	105.00	453.75
$20,000	1,872.00	710.00	2,582.00	1,216.00	440.00	1,656.00	715.00	220.00	935.00	423.75	165.00	588.75
$22,000	2,112.00	890.00	3,002.00	1,376.00	600.00	1,976.00	835.00	320.00	1,155.00	523.75	265.00	788.75
$24,000	2,352.00	1,090.00	3,442.00	1,536.00	780.00	2,316.00	955.00	440.00	1,395.00	623.75	385.00	1,008.75
$26,000	2,592.00	1,310.00	3,902.00	1,696.00	960.00	2,676.00	1,075.00	580.00	1,655.00	723.75	525.00	1,248.75
$28,000	2,832.00	1,550.00	4,382.00	1,856.00	1,200.00	3,056.00	1,195.00	740.00	1,935.00	823.75	665.00	1,488.75
$30,000	3,072.00	1,810.00	4,882.00	2,016.00	1,440.00	3,456.00	1,315.00	920.00	2,235.00	928.75	825.00	1,748.75
$32,000	3,312.00	2,090.00	5,402.00	2,176.00	1,700.00	3,876.00	1,435.00	1,120.00	2,555.00	1,023.75	985.00	2,008.75
$34,000	3,552.00	2,390.00	5,942.00	2,336.00	2,000.00	4,336.00	1,555.00	1,320.00	2,875.00	1,123.75	1,165.00	2,288.75
$36,000	3,792.00	2,710.00	6,502.00	2,496.00	2,300.00	4,796.00	1,675.00	1,540.00	3,215.00	1,223.75	1,345.00	2,568.75
$38,000	4,032.00	3,050.00	7,082.00	2,656.00	2,600.00	5,256.00	1,795.00	1,780.00	3,575.00	1,323.75	1,545.00	2,868.75
$40,000	4,272.00	3,410.00	7,682.00	2,816.00	2,960.00	5,776.00	1,915.00	2,040.00	3,955.00	1,423.75	1,745.00	3,168.75
$45,000	4,872.00	4,400.00	9,272.00	3,216.00	3,900.00	7,116.00	2,215.00	2,730.00	4,945.00	1,673.75	2,305.00	3,978.75
$50,000	5,472.00	5,510.00	10,982.00	3,616.00	4,960.00	8,576.00	2,515.00	3,540.00	6,055.00	1,923.75	2,925.00	4,848.75
$55,000	6,072.00	6,750.00	12,822.00	4,016.00	6,150.00	10,166.00	2,815.00	4,470.00	7,285.00	2,173.75	3,605.00	5,778.75
$60,000	6,672.00	8,110.00	14,782.00	4,416.00	7,460.00	11,876.00	3,115.00	5,480.00	8,595.00	2,423.75	4,345.00	6,768.75
$70,000	7,872.00	11,210.00	19,082.00	5,216.00	10,460.00	15,676.00	3,715.00	7,780.00	11,495.00	2,923.75	6,005.00	8,928.75
$80,000	9,072.00	14,810.00	23,882.00	6,016.00	13,960.00	19,976.00	4,315.00	10,480.00	14,795.00	3,423.75	7,805.00	11,228.75
$90,000	10,272.00	18,910.00	29,182.00	6,816.00	17,960.00	24,776.00	4,915.00	13,540.00	18,455.00	3,923.75	9,705.00	13,628.75
$100,000	11,472.00	23,510.00	34,982.00	7,616.00	22,460.00	30,076.00	5,515.00	17,020.00	22,535.00	4,423.75	11,605.00	16,028.75

Tax on specified net incomes; single person; earned net income up to $30,000

Net income	1918 rates			1921 rates			1924 rates			1926 rates		
	Normal	Surtax	Total	Normal	Surtax	Total	Normal	Surtax	Total	Normal	Surtax	Total
$3,000	$120.00		$120.00	$80.00		$80.00	$22.50		$22.50	$16.88		$16.88
$4,000	180.00		180.00	120.00		120.00	37.50		37.50	28.13		28.13
$5,000	240.00		240.00	160.00		160.00	52.50		52.50	39.38		39.38
$6,000	360.00	$10.00	370.00	240.00		240.00	75.00		75.00	56.25		56.25
$7,000	480.00	30.00	510.00	320.00	$10.00	330.00	105.00		105.00	78.75		78.75
$8,000	600.00	50.00	650.00	400.00	20.00	420.00	135.00		135.00	101.25		101.25
$9,000	720.00	80.00	800.00	480.00	30.00	510.00	165.00		165.00	123.75		123.75
$10,000	840.00	110.00	950.00	560.00	40.00	600.00	202.50		202.50	153.75		153.75
$11,000	960.00	150.00	1,110.00	640.00	60.00	700.00	262.50	$10.00	272.50	191.25	$7.50	198.75
$12,000	1,080.00	190.00	1,270.00	720.00	80.00	800.00	322.50	20.00	342.50	228.75	15.00	243.75
$13,000	1,200.00	240.00	1,440.00	800.00	110.00	910.00	382.50	30.00	412.50	266.25	22.50	288.75
$14,000	1,320.00	290.00	1,610.00	880.00	140.00	1,020.00	442.50	40.00	482.50	303.75	30.00	333.75
$15,000	1,440.00	350.00	1,790.00	960.00	180.00	1,140.00	502.50	60.00	562.50	341.25	45.00	386.25
$16,000	1,560.00	410.00	1,970.00	1,040.00	220.00	1,260.00	562.50	80.00	642.50	378.75	60.00	438.75
$18,000	1,800.00	550.00	2,350.00	1,200.00	320.00	1,520.00	682.50	140.00	822.50	453.75	105.00	558.75
$20,000	2,040.00	710.00	2,750.00	1,360.00	440.00	1,800.00	802.50	220.00	1,022.50	528.75	165.00	693.75
$22,000	2,280.00	890.00	3,170.00	1,520.00	600.00	2,120.00	922.50	320.00	1,242.50	628.75	265.00	893.75
$24,000	2,520.00	1,090.00	3,610.00	1,680.00	780.00	2,460.00	1,042.50	440.00	1,482.50	728.75	385.00	1,113.75
$26,000	2,760.00	1,310.00	4,070.00	1,840.00	980.00	2,820.00	1,162.50	580.00	1,742.50	828.75	525.00	1,353.75
$28,000	3,000.00	1,550.00	4,550.00	2,000.00	1,200.00	3,200.00	1,282.50	740.00	2,022.50	928.75	665.00	1,593.75
$30,000	3,240.00	1,810.00	5,050.00	2,160.00	1,440.00	3,600.00	1,402.50	920.00	2,322.50	1,028.75	825.00	1,853.75
$32,000	3,480.00	2,090.00	5,570.00	2,320.00	1,700.00	4,020.00	1,522.50	1,120.00	2,642.50	1,128.75	985.00	2,113.75
$34,000	3,720.00	2,390.00	6,110.00	2,480.00	2,000.00	4,480.00	1,642.50	1,320.00	2,962.50	1,228.75	1,165.00	2,393.75
$36,000	3,960.00	2,710.00	6,670.00	2,640.00	2,300.00	4,940.00	1,762.50	1,540.00	3,302.50	1,328.75	1,345.00	2,673.75
$38,000	4,200.00	3,050.00	7,250.00	2,800.00	2,620.00	5,420.00	1,882.50	1,780.00	3,662.50	1,428.75	1,545.00	2,973.75
$40,000	4,440.00	3,410.00	7,850.00	2,960.00	2,960.00	5,920.00	2,002.50	2,040.00	4,042.50	1,528.75	1,745.00	3,273.75
$45,000	5,040.00	4,400.00	9,440.00	3,360.00	3,900.00	7,260.00	2,302.50	2,730.00	5,032.50	1,778.75	2,305.00	4,083.75
$50,000	5,640.00	5,510.00	11,150.00	3,760.00	4,960.00	8,720.00	2,602.50	3,540.00	6,142.50	2,028.75	2,925.00	4,953.75
$55,000	6,240.00	6,750.00	12,990.00	4,160.00	6,150.00	10,310.00	2,902.50	4,470.00	7,372.50	2,278.75	3,605.00	5,883.75
$60,000	6,840.00	8,110.00	14,950.00	4,560.00	7,460.00	12,020.00	3,202.50	5,480.00	8,682.50	2,528.75	4,345.00	6,873.75
$70,000	8,040.00	11,210.00	19,250.00	5,360.00	10,460.00	15,820.00	3,802.50	7,780.00	11,582.50	3,028.75	6,005.00	9,033.75
$80,000	9,240.00	14,810.00	24,050.00	6,160.00	13,960.00	20,120.00	4,402.50	10,480.00	14,882.50	3,528.75	7,805.00	11,333.75
$90,000	10,440.00	18,910.00	29,350.00	6,960.00	17,960.00	24,920.00	5,002.50	13,540.00	18,542.50	4,028.75	9,705.00	13,733.75
$100,000	11,640.00	23,510.00	35,150.00	7,760.00	22,460.00	30,220.00	5,602.50	17,020.00	22,622.50	4,528.75	11,605.00	16,133.75

Mr. DILL. Mr. President, I want to ask the Senator how much will be lost to the Treasury during the coming year by the provision that is agreed to with reference to the retroactive part of the estate tax?

Mr. SMOOT. As to the whole estate tax as we have now agreed upon it, there would be a loss of $15,000,000 for the coming year.

Mr. DILL. For the retroactive feature——

Mr. SMOOT. That is under the law to-day, I will say to the Senator. The 1924 act has the 25 per cent retroactive feature in it, or, I should say, the 25 per cent reduction that is allowed to the States.

Mr. DILL. The present bill does not add anything to the 1924 law in that respect? It raises it to 80 per cent?

Mr. SMOOT. Not as to 1924. The 80 per cent applies hereafter.

Mr. DILL. But it is not retroactive?

Mr. SMOOT. No; it is not retroactive.

Mr. DILL. Then the provision of the Senate in that respect——

Mr. SMOOT. The provision of the Senate as to estate taxes is exactly the same as the House provision with the exception that we struck out the $50,000 exemption and increased it to $100,000. The 80 per cent provision remains just as the House had it, and the rate is just as the House had it.

Mr. DILL. So the retroactive provision of the bill as reported by the Senate Finance Committee was not agreed to by the House?

Mr. SMOOT. We had no retroactive feature in the Senate in the pending measure. The retroactive feature only applied to the act of 1924.

Mr. REED of Pennsylvania. Mr. President, may I interject a remark?

Mr. DILL. Certainly.

Mr. REED of Pennsylvania. What we did was to carry the 1921 rate down to the date of the enactment of the revenue law of 1926.

Mr. DILL. So that, in effect, it is retroactive, so far as that law is concerned.

Mr. REED of Pennsylvania. To the extent of those deaths which have occurred from the time of the enactment of the 1924 law down to the time of the enactment of the present law. There is a reduction in rates there.

Mr. DILL. Does the Senator know what loss there will be to the Treasury as a result of that provision?

Mr. REED of Pennsylvania. In the present fiscal year it will cost the Treasury something more than $10,000,000, probably, and less than $15,000,000. The exact amount is very difficult to estimate.

Mr. SMOOT. I think the whole amount will be $15,000,000.

Mr. FLETCHER. Mr. President, we can perhaps get some light on the subject by reference to the CONGRESSIONAL RECORD relating to yesterday's discussion in the House. One Member of Congress said, at page 4426 of yesterday's RECORD:

> I regret, however, that the conferees felt compelled to yield to the Senate provision, which calls for a retroactive estate-tax reduction. This provision—

This bears on the subject that the Senator from Washington [Mr. DILL] raised.

> This provision, yielding back as it does some $85,000,000 of revenue, is so unprecedented in principle and so lacking in legislative fairness as to warrant a motion to recommit, which I hope later to make and to ask for your support.

That estimate of $85,000,000 stated by Mr. NEWTON, the Member of the House just quoted, was somewhat modified in the further discussion in the House, as will be shown on page 4428 in a statement by Mr. CHINDBLOM, who said:

> I do not know just how much will be paid back. The gentleman from Minnesota said that the total loss in revenue would be $85,000,000. Mr. McCoy, the Actuary of the Treasury Department, as I recall it, said that the total loss would probably be $68,000,000.

Mr. SMOOT. That is for the entire five years.

Mr. DILL. That is why I was distinguishing as to next year only.

Mr. FLETCHER. With further reference to that feature of the bill, I regret to see that the Senate conferees yielded in respect to the estate-tax provision in the bill. It seems to me they yielded a very important and vital principle, and that they should have insisted upon the Senate action with respect to the estate tax.

Mr. SMOOT. I want to say to the Senator that the conferees on the part of the Senate did insist upon it until—I do not know that I am betraying any confidence, for I have noticed that some one reported the circumstance to the press—the House conferees left the room. This was the ultimatum to the Senate conferees: "Unless that provision goes in, there shall be no bill," in just so many words.

Mr. FLETCHER. I desire to comment a little on that. That is an extraordinary attitude, it seems to me, to be taken. It may be justified under some circumstances, but if we consider what has been stated in connection with this matter from the beginning, the debates on the subject and the newspaper reports, it would look as if there was a good deal of bluff about the proceeding, if I may use that term.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from North Carolina?

Mr. FLETCHER. I will yield in just a moment. There is some indication of a threatened "walkout" or "lockout" or "strike" of some kind, almost violent and little short of bloodshed, which has all the appearance to one on the outside of being camouflage, and, the circumstances considered, pretense very largely.

I yield now to the Senator from North Carolina.

Mr. SIMMONS. The question of the estate tax from the very beginning of our conferences assumed paramount importance, the House conferees asserting in the beginning that it was absolutely necessary that the provision be retained. All through the five days that we were engaged in conference that point would constantly bob up. I thought at one time, like the Senator from Florida now expresses himself, that possibly there was some element of bluff in it. I am not a good poker player, having played it only once in my life, but I have seen a good deal of bluff in my life and I set my ingenuity to work to find out whether this was bluff or whether it was a fixed and immutable position. I became satisfied that it was impossible for us ever to come to an agreement unless we conceded that proposition to the House. I became satisfied that they would concede almost anything to get that provision. Indeed, one of the conferees on the part of the House stated that he would rather have no tax bill at all than to have that provision stricken out.

I think it was the opinion of every one of the conferees on the part of the Senate that it was absolutely necessary that we should yield, and so we did. But I think that in yielding on that point we accomplished a wonderful thing for the taxpayers of the country. Mr. GARNER of Texas accomplished a wonderful thing for them in connection with the income tax. He increased the exemption on incomes from $1,000 to $1,500 for single persons and from $2,500 to $3,500 for every married person, and thereby he released 2,500,000 people in the country from all income taxes. So, by securing a thing which was very reluctantly yielded by the House, an amendment raising the estate exemption from $50,000 to $100,000 we released 6,000 estates out of 13,000 that usually report for estate taxation. I thought when we were compelled to make the concession that we got a very fair consideration for it.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit me to interject a word?

Mr. FLETCHER. Certainly.

Mr. REED of Pennsylvania. I think it is only fair to say that from my point of view the statements of the Senator from Utah [Mr. SMOOT] and the Senator from North Carolina [Mr. SIMMONS] are away within the facts. Even the House conferees, who themselves evidently favored the repeal of the estate tax, told us over and over again that we would wreck the bill if we stood out for what we believed and what they believed was the right thing. They told us it was perfectly hopeless to accomplish a complete repeal. Everyone of us, Democrat and Republican, believed in it, and we on the Senate side worked for a complete repeal. We would have had no tax bill, I assure the Senator, if we had stood out for that point. As opposed to our yielding on that point, we exacted surrender all along the line and have accomplished what is tantamount to a repeal of the tax on nearly half the number of estates left by those who die each year.

Mr. SIMMONS. I might add to what the Senator has said that every suggestion that perhaps the House might repent if they would take it back and ask for consideration upon the proposition, representing to the House the seriousness of the situation, was met by an assurance on the part of the House conferees that there was absolutely no possibility of bringing about any change in the attitude of the House with respect to this matter.

Mr. FLETCHER. Mr. President, with reference to what the Senate conferees accomplished, perhaps the statement made by the chairman of the committee in the House, appearing in the CONGRESSIONAL RECORD at page 4421, might have some bearing:

> Mr. GREEN of Iowa. Mr. Speaker, in taking up the Senate bill with the conferees of the Senate we found, what probably every gentleman in the House knows, that never was there so much difference between the House and the Senate revenue bills as in this particular case, and in my 15 years' experience in Congress never has the Senate conceded as much as it yielded in agreeing to this settlement which we now present to you. The principal point of controversy, and the one on which there hinged the possibility that there might be no agreement whatever upon the bill, was the estate tax. The Senate capitulated entirely upon the estate tax, and with a minor amendment, which affects it in an insignificant manner, has yielded upon that questio—

A little further on he said:

> We agreed also to the small changes which were made by the Senate in the surtax rates from $24,000 up to $70,000. In short, Mr. Speaker, the conferees of the House come back here with every principle of the bill as it was passed by the House intact. [Applause.] Every tax that was in the bill before is in the bill now, with the single exception of the capital-stock tax, which by agreement was shifted over to the profits tax on corporations in order that the corporations might make only one return, and to save the difficulty there was in assessing the capital-stock tax.

Every tax that was in the bill originally is in it now; every principle that was in the bill originally is in it now; and, in effect, the House has conceded nothing.

Mr. SIMMONS. Mr. President——

Mr. REED of Pennsylvania. Mr. President, will the Senator from Florida yield for a question?

The PRESIDING OFFICER (Mr. GOFF in the chair). Does the Senator from Florida yield to the Senator from North Carolina?

Mr. FLETCHER. I will yield to either one of the Senators.

Mr. SIMMONS. I will defer to the Senator from Pennsylvania.

Mr. REED of Pennsylvania. Mr. President, I would merely like to ask the Senator from Florida whether he prefers to trust the generalities of the chairman of the House conferees, each of which seems to have been followed by applause in the other House, or whether he prefers to trust the evidence of his own eyes in the conference report, which shows that the Senate yielded on just 19 amendments out of 209?

Mr. FLETCHER. I understand that, but the claim is that the amendments on which the House of Representatives yielded were unimportant administrative amendments and did not signify much. At any rate, the Senate, it seems, has yielded the principle involved in the estate-tax matter, and that was the repeal of the estate tax entirely. The 80 per cent repeal applies to some States, but it does not apply to a good many other States. It does not apply at all to three States. If the conferees had made it 100 per cent repeal, that would have been quite a different thing as to those States, but to make, as the Senator from Utah [Mr. SMOOT] has said, in effect, an 80 per cent repeal does not take away from it that lack of uniformity which the Constitution condemns. I think the conferees surrendered a great principle when they agreed to the provision for imposing the tax and then allowing a credit of 80 per cent of the tax where inheritance taxes are paid to the State. This provision vitiates, makes invalid the whole title. It destroys the uniformity which the Constitution requires in all excise taxes.

In addition to that, however, there is another thing somewhat involved here. We might as well be frank about it. I do not mean to criticize the Senate conferees or to criticize anybody, except in so far as the facts may bear upon their action, but the gentlemen who know what goes on here from time to time and what goes on outside this Chamber, the shrewd, intelligent, capable, far-seeing correspondents, who keep their hands on the pulse of the people generally and keep contact with the thought of public men, seem to be well advised from time to time. They give us a few points that it is worth while for us to think of. I hold in my hand an article by Mr. Mark Sullivan, which is dated January 31—mind you, January—and appeared in the Miami Herald, and I have no doubt in a great many other newspapers. Mr. Sullivan states:

> The outstanding controversy about the bill is not between Republicans and Democrats as such, but rather between the House and the Senate over the retention of the estate tax. As to that, the probability of the House winning and of the estate tax being retained grows greater. Some of those who in the beginning assented to a nonpartisan basis for this year's tax bill, and whose assent was essential, now say that the retention of the estate tax was a fundamental start of the original compromise, and that by implication at least the Senate leaders and the administration, as well as the House leaders, were parties to that early understanding. Since a disturbance of the compromise now might imperil the bill, and would certainly make future continuation of the spirit of compromise impossible, the advantage in the controversy is on the side of those House leaders who in the beginning compromised and made a nonpartisan bill possible. This consideration will have weight.
>
> As respects nonpartisan cooperation on the tax bill and otherwise, there is evidence that President Coolidge prizes it, regards himself and the country as a beneficiary of it.

In other words, away back in January, before the Senate took this bill up for consideration at all, we are informed in this newspaper article that the leaders both in the House of Representatives and in the Senate had agreed on the retention of the estate-tax provision in the bill as the House wrote it. All the circumstances since then seem to indicate that Mr. Sullivan was quite well informed on that subject; and that raises a question which it is important to consider. Are we here in the hands of leaders in the Senate and leaders in the House of Representatives? Is it possible that five men in the other body, and a majority of those five, and five men in this body, and a majority of those five, will dictate hereafter the legislation of the Congress?

Mr. SMOOT. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Utah?

Mr. FLETCHER. I do.

Mr. SMOOT. I do not know to whom Mark Sullivan was referring in the article which has been read by the Senator from Florida as leaders, but I do know that, so far as the chairman of the Committee on Finance of the Senate is concerned, there was not a single, solitary Representative who ever approached me as to any kind of an agreement whatever. Not a single, solitary Representative ever spoke to me about the estate tax or any rate or provision in the bill.

Mr. FLETCHER. Mr. President, I accept the statement of the Senator from Utah as being entirely true, but I confess to feeling that it is a subject of real importance whether we here in the Senate, who have been spending our time, week after week, debating the tax bill and offering amendments to it and securing an overwhelming majority of the votes in the Senate in favor of those amendments, have simply been engaged in a futile task that amounted to nothing. We might just as well have sent the bill back to the other House without any amendments, or we might just as well have adopted any kind of an amendment to the bill here, no attention being paid to our action by the leaders on the other side. We are engaged in a work of supererogation that amounts only to a waste of time and deliberation.

Mr. DILL. Mr. President——

Mr. FLETCHER. I yield to the Senator from Washington.

Mr. DILL. The Senator from Florida will recall that the item in the bill for which the Senate voted probably by the greatest majority of all, namely, the elimination of the automobile tax, does not seem to have caused any fight at all on the part of the Senate leaders in an effort to retain the Senate amendment. By an overwhelming vote the Senate was in favor of abolishing the automobile tax, but we have no report of any kind that any fight was made by our leaders to retain the Senate amendment.

Mr. FLETCHER. I am not so clear that it was worth while for the Senate to have adopted any amendments. The whole matter away back in January seems to have been fixed among the leaders. I am not so clear that the Members of the House have had anything to do with this bill. It looks as if the leaders over there and the leaders here have written this bill, if Mr. Sullivan is at all justified in his remarks. In this case coming events had cast their shadows before them.

Mr. NEELY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from West Virginia?

Mr. FLETCHER. I yield to the Senator.

Mr. NEELY. Mr. President, may I say to the Senator from Washington for his consolation, that I purpose to give the Senate another opportunity to vote on the question of abolishing the automobile tax? I am merely awaiting an appropriate time to offer a motion to recommit the bill to the committee on conference, with instructions to insist on the Senate amendment which relieved the owners of automobiles of the 3 per cent purchase-price tax.

Mr. DILL. The Senator ought to include in that motion the striking out of the retroactive provision that will take $85,000,000 out of the Treasury and give it back to the owners of large estates.

Mr. NEELY. I hope the Senator from Washington will make such a motion.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from North Carolina?

Mr. FLETCHER. I will yield to the Senator from North Carolina, and perhaps I will be able to go on with my speech after a while.

Mr. SIMMONS. Mr. President, I do not know to whom the Senator from Florida refers when he stated that it seemed that this bill had been made or agreed upon by the leaders before either House had acted upon it. Certainly he is not referring to the members of the Finance Committee of this body, and I presume he is not referring to the members of the Ways and Means Committee. He must be referring to somebody outside of the Chamber. If he is referring to members of the Finance Committee, either the minority members or the majority members, I think I can safely assure the Senator that there absolutely was no understanding between representatives of the Ways and Means Committee of the House and the Finance Committee of the Senate, either before the bill was passed upon by the committees or when the bill came before the two Houses. On the contrary, if the Senator will examine the RECORD, he will see that the attitude of the Senate with respect to this matter was different from that of the House upon practically every vital and major proposition in the bill.

I personally have never had any agreement with anybody in the House with respect to this bill, and I personally found myself in opposition to the members of the conference committee on the part of the House at practically every point with respect to the major features of the bill as it went to conference.

With respect to the automobile tax, Senators have no right to assume that we did not perform our duty toward the Senate, just as we did with respect to every other amendment adopted by the Senate. I know I took the position in consultation with

the Senate conferees that it was our solemn duty to make a fight and to stand firm so long as in our judgment there was any hope of accomplishing results with respect to every action taken by the Senate disagreeing with action taken by the House; and we did so. The major propositions—and the tax on automobiles was of that character—were thrashed out, and we advised ourselves with reference to the attitude of the House and found that they were unalterably opposed to the action of the Senate, and that they were going to insist upon the automobile tax for the reason, if for no other, as they maintained throughout, that without that tax it would be impossible to balance the reductions with the revenues of the Government. That was the very first question that arose upon the very threshold of the discussion.

Representative GREEN, chairman of the Ways and Means Committee, desired that the first thing we should decide was the question of how far we were going to increase the reductions, and to fix a deadline beyond which we could not go. The House conferees insisted that the Senate reductions far overstepped that deadline; that they overstepped it to the extent of $100,000,000, and they stated they would never concede any proposition that crossed the deadline determined upon. That was kept in mind by them throughout, and they would not consent to the small additional reductions that we made until they had advised with the Treasury Department and found that the revenues could stand such additional reductions.

The House conferees did, however, yield to us on new surtax rates in the middle brackets, saving the taxpayers an additional $23,000,000; they yielded to us when we increased the estate-tax exemption from $50,000 to $100,000, thus relieving of all Federal tax 6,432 small estates—nearly half of all taxable estates; they yielded to us, increasing the exemption under the admission and dues taxes from 50 cents to 75 cents—involving $9,000,000 additional reduction; they yielded on our retroactive estate-tax reduction, and the repeal of the capital-stock tax, and on many other more or less important amendments.

Mr. FLETCHER. Mr. President, I am not so clear myself as to who these leaders are. If I could point them out and put my finger on them, I would name them.

Mr. SIMMONS. Mr. President, if the Senator refers to anyone on the Finance Committee, let him name him.

Mr. FLETCHER. I should like to know who these leaders are, because hereafter when we have important measures pending I will not bother the Senate with them; I will not bother committees with them; I will go to these leaders and convince them, if I can. Let us try to locate these leaders, so we will know where to present our arguments and our proofs and our reasons for the legislation which we favor.

Mr. SMOOT. Mr. President, I suppose the only one who knows anything about who those leaders are is the author of that article, Mark Sullivan. Ask him who are the leaders.

Mr. FLETCHER. I am not fishing for alibis or anything of that kind. I am simply pointing out this situation. It is a matter of considerable importance, because I do not feel that we ought to waste our time with the consideration of matters here when we can go to the leaders and thrash them out. What is the use?

In reference to the estate tax, I will say for the Finance Committee, if I may be permitted to throw any bouquets at all, that I think they did splendid work, and I think they very greatly improved this bill. I should have been glad to have every one of their amendments adopted, and I wish they could have stood for them. They did splendid work. With reference to the estate tax, however, it seems to have been understood at least somewhere and somehow and in a powerful way that the estate tax was to continue and that the provisions of the House bill were to obtain. They did not in all respects remain precisely as the bill was originally written, but the principle is there.

The chairman of the committee has just said that the Government would not have lost any revenue if the estate tax had been repealed this year; not for four or five years would there have been any loss of revenue from that source. The argument made by those favoring a continuation of the estate tax is, "Why, these people who now oppose it originally voted for it." Grant it. We voted for a good many taxes in war times which we would not vote for to-day.

An estate tax never has been levied in this country except in war times or in great stress and emergency, and it never has been continued on the statute books for a longer period than eight years after that emergency passed.

I voted for the estate tax originally, I presume. Very likely I did. Many of us did. I doubt if there were many votes against it, because it was a war measure, never thought of in peace times and under normal conditions, never levied in this country under any other conditions except emergency conditions, and never continued when those conditions ceased to exist. That is the whole history of it. We are entirely consistent in having voted for the tax originally and voting now to strike it out. That is what we have done for 100 years in this country. We voted now to discontinue it.

The conferees have kept in not only the estate tax, but provisions in that tax which absolutely destroy it. The most vicious part of the whole thing was the 80 per cent credit. In my judgment the estate tax provision in the act of 1924 is unconstitutional because it provided for a 25 per cent credit. The question never has come before the courts, but when it does come there I am thoroughly convinced that the courts will do what Congress ought to have had the good sense and the judgment and courage to do. I never favored that 25 per cent provision in the act of 1924. I voted against it then, and it has been made a great deal worse by increasing the percentage to 80 per cent in the present bill. So that now we have the Government engaged in the business of levying a tax on estates and then crediting 80 per cent of that tax where the taxes are paid to the State in the shape of inheritance or succession taxes.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit a question?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Pennsylvania?

Mr. FLETCHER. I yield for that purpose.

Mr. REED of Pennsylvania. I think I remember that the Senator was one of those who voted in 1924 to raise this tax to 40 per cent. If that is so, how can the Senator consistently find fault with us because we have reduced it to 20 per cent?

Mr. FLETCHER. I am not finding fault with the reduction. I am finding fault with the continuance of the provision—which I never voted for in 1924 at all, which I denounced in 1924 as I am denouncing it to-day as unconstitutional—which provided for that 25 per cent credit, and that is the vicious part of the thing. I should not object to an estate tax so much if people really believe that war conditions are still obtaining and we have to raise revenue on a war basis.

I can find arguments for that, and I should not find any fault with them if they levied a straight estate tax, or, better still, an inheritance tax; but when they go to impose a tax and then in the same provision allow a credit of 80 per cent, which does not apply to some of the States at all, they destroy the uniformity required by the Constitution in excise-tax matters. In my judgment the whole title is unconstitutional, and the courts will so hold whenever the question is presented to them, and they will hold it largely because the purpose of this provision is not to raise revenue at all. Its purpose is outside of the accomplishment which must be contemplated under the taxing power of the Government. It is to promote, as they claim, uniform legislation throughout the country.

What business has Congress with dictating the legislation of the States? What right have we here to say to one State or another State or any State, "You must pass your laws according to our view in order to come within the provisions of this act"? Congress has no such authority. It is an effort to coerce the States; it is an effort to exercise a power which the Congress does not possess, and to force upon the States legislation which we think the States ought to enact. We have nothing to do with that question. Each State has the absolute power, the sole jurisdiction and authority, to impose upon its people whatever taxes it can or should within its own constitutional limitations, and the Federal Government has not a word to say on that subject. It has no authority to deal with it.

That is the effort of this law, the purpose of the provision—not to raise revenue. Although you are exercising the taxing power which Congress has to impose excise taxes, you are not after revenue at all. The fact is, you are giving up 80 per cent of what you propose to impose upon the estates, and that shows that you are not after raising revenue. It is very doubtful in my mind whether you will derive enough revenue, after all these provisions are made under this bill, to much more than cover the expenses of collection, because you keep in active operation all the divisions and departments and bureaus and branches and appeal boards and all that sort of thing dealing with these questions, and you have to pay that expense. Then, after you have assessed your tax, you propose to allow not a deduction merely but a credit on the amount of that tax to the extent of 80 per cent of it where inheritance taxes are paid in the States.

That, as I say, makes a law applicable to Georgia which is not applicable to Florida. The collector of internal revenue can stand on one foot in Georgia and collect $800 from an estate, and on the other foot in Florida he must collect $1,000 from an estate of the same assets. Alabama, Nevada, and

the District of Columbia, as well as Florida, do not impose any inheritance taxes at all, and consequently they are discriminated against by this provision.

The Constitution requires that all excise taxes shall be uniform throughout the country. Does it mean that we can impose, for instance, on products brought into this country an import duty of one rate in New York, and another rate in South Carolina? That can not be done under the Constitution. This kind of a tax rests upon the same principle as customs duties. It is an excise tax. It must be uniform throughout the country and as to every State. I say you have retained by this conference report a provision with reference to estate taxes which ought to have gone out as the Senate decided, even if the estate tax was retained, and if you retain it at all you should have stricken out of the provision paragraph (b), which provides for this credit of 80 per cent of the Federal tax when that amount is paid in the States under their inheritance tax laws.

I am sorry, but in these circumstances I can not favor the adoption of this report. I think the matter ought to go back for further consideration on this question alone. It is an important question, because it involves an important principle, a principle which we can not ignore. Any one who believes in the rights of the States, and who holds those rights sacred, it seems to me is obliged to find that there is usurpation and coercion and an unauthorized exercise of power here under the taxing power of the Federal Government.

I thing a great principle is involved; and for that reason, as I say, I must vote to reject this conference report, and let the matter go back to conference further, because it does seem as if we ought not here to confirm a preconceived notion that has been established somewhere else and that is maintained without a full and fair discussion of this subject.

I ask unanimous consent to have printed in the RECORD as a part of my remarks an article appearing in the New York Sun.

The PRESIDING OFFICER. Without objection, that order will be made.

The matter referred to is as follows:

[From the New York Sun]

REPEAL ESTATE TAX

The Senate, by a vote of 2 to 1, has made its decision to repeal the Federal estate tax. The vote was bipartisan, 18 Democrats joining 31 Republicans in favor of repeal and 16 Republicans joining 10 Democrats in opposition.

The Senate's action is logical. The feeling has grown in both parties that the right to levy death duties is one which belongs inherently to the States and which should be resorted to by the Federal Government only in the emergency of war. With the Federal Government's hands off, the various States would be in better position to arrive at their own policies in regard to inheritance taxes. These decisions would be governed by pecuniary needs and the feeling of the people.

It remains for the House of Representatives to finish the job by agreeing with the Senate. The House has already shown its lack of faith in the principle of Federal estate taxes, for its revenue bill reduces the maximum tax to 20 per cent and offers the taxpayer a credit of 80 per cent of the inheritance tax collected by the State.

The Federal tax is wrong from the standpoint of political theory. It is wrong from the standpoint of practical national finance. Let the Federal Government abandon estate duties until their imposition is made necessary by a crisis.

Mr. WILLIS. Mr. President, I can not indulge in the lugubrious prophecies and doleful fears which seem to affect the Senator from Florida. I am not so sure that this bill as it has been reported by the conferees is not a better bill than it was as it passed the Senate. I am rather inclined to think it is; and so far as I am concerned, I shall support the conference report. I think it would be a vast mistake to send the bill back to conference and to delay the enactment of this important legislation, in which the whole country is vitally interested. Therefore I shall support the conference report; but before I take that position I desire to point out what I regard as a very serious injustice that has been wrought by the conferees.

I think it is unprofitable to undertake to ascertain the attitude of various conferees. I think that is a useless performance. As other Senators may feel, I am dissatisfied with certain agreements which have been made by the conferees, but for one, I have no idea at all that somewhere in the offing, in the mists, there are some mysterious leaders who last January, or at some other time, shaped this bill. I can not understand any such fanciful notion as that.

To me it is perfectly apparent that this decision has been arrived at as conference reports must always be arrived at. The legislative body at the other end of the Capitol passed a bill by a very large majority, to the provisions of which the Members of the House were very much devoted. This body took up that bill and amended it in important particulars, upon lines which did not appeal to the Members of the House. Here, then, was a situation where there had to be compromise. I do not undertake to analyze and to appraise to see whether the Senate conferees or the House conferees have yielded the most. Indeed, I think it would be unprofitable to go into that. What I rose to say was that I do believe the bill is a good bill and worthy of support, and I shall therefore vote for the report, but not until I have called attention to what I regard as an injustice that has been wrought by the action of the conferees.

The Senate adopted amendment No. 29, at pages 70 and 71 of the bill. At the time the amendment was before the Senate, I spoke somewhat at length and do not care to occupy very much time now. What I said before is applicable to the question now pending.

I invite attention to the conference report, page 35. A certain statement is made with reference to amendment No. 29, which related to the subject of living revocable trusts. The conference report states:

> The early practice of the Treasury Department permitted a grantor of a revocable trust to include the income and losses of the trust in his tax return.

That statement is absolutely accurate. I hold here a copy of the regulations issued by the Treasury Department, and I read a sentence or two from those regulations. Article 341, Regulations 45 Revised, promulgated by the Commissioner of Internal Revenue, is as follows:

> The income of a revocable trust must be included in the gross income of the grantor.

It is not permissive, but it must be included.

Likewise, Treasury Decision 621, at page 202, provides:

> The income of a revocable trust must be included in the gross income of the grantor.

In other words, this was the situation: In 1919 the department issued a regulation requiring that living revocable trusts be not considered in computing the amount of income tax: that is to say, whatever came from such a trust was to be counted in with the rest of the income of the individual, and, of course, under that decision capital losses could be deducted from the profits.

In 1923 the department changed its mind and issued a regulation providing that thereafter capital losses could be assessed only to the trustee. Of course the trustee had nothing at all, because in the case of a living revocable trust the profit went back to the donor or the grantor.

The injustice of the whole matter resides in this, that particularly in my State, in and about the great city of Cleveland, some four or five thousand people of moderate means, relying upon the Treasury regulation, had kept their property tied up in these living revocable trusts. If they had not so relied, they could have revoked the trusts, and therefore would have had the right under the law to deduct capital losses from their incomes. But they supposed that Uncle Sam was fair, and they relied therefore upon the regulations.

In 1923 the order was changed. When we passed the act of 1924 the Congress immediately saw the injustice that would be wrought and made provision therefor in the act, as we in effect do in this very bill which will soon be enacted into law. Yet simply because the Commissioner of Internal Revenue changed his mind between 1919 and 1923 it is proposed to go back to that period and penalize the people for doing exactly what the regulation told them to do and what the law said they might do.

Mr. President, it is unfair, it is unreasonable, it is unconscionable, and it is such actions as these that make the people dissatisfied with their Government.

I think this amendment should have been kept in the bill. I do not seek to pry into the affairs of the committee to find out who voted for it or who voted against it. I content myself by entering this protest, and saying that since I believe there is vastly more of good than of evil in the measure, I shall support the conference report, notwithstanding the unfairness involved in striking out this amendment.

Mr. SMOOT. Mr. President, I assure the Senator from Ohio that the House took the position in the case of all these retroactive provisions in the bill that wherever they took any money whatever from the Treasury of the United States they would not agree to them. There are two other amendments in exactly the same position. All three of those amendments went out. It was not because of the fact that the Senator's amendment as adopted by the Senate was thought unjust by

the committee. There was nothing of that kind. But the House conferees took the position which I have stated, and the amendment went out of the bill.

Mr. WILLIS. Will the Senator yield at this point?

Mr. SMOOT. Certainly.

Mr. WILLIS. I accept the Senator's statement, as I accept any statement from him, at its full value, because I have absolute confidence in his integrity as well as in his ability. If the House conferees refused to accept this because it was retroactive, upon what theory did the House conferees justify their action in accepting the provision for the reduction in the inheritance tax?

Mr. SMOOT. That would not take any money out of the Treasury.

Mr. WILLIS. It would do what is tantamount to that.

Mr. SMOOT. That is, money which had been paid in. That is the position they took. That is exactly what happened in regard to these retroactive features.

Mr. WILLIS. I do not question the Senator's statement at all.

Mr. DILL. I want to remind the Senator from Utah that the retroactive provision regarding the estate tax means refunds out of the Treasury.

Mr. SMOOT. It means that the money shall not go into the Treasury. I shall not argue that it would not mean a loss. I am simply stating the attitude taken by the conferees of the House.

Mr. DILL. The conferees did yield as far as the retroactive provision of the estate tax was concerned, so they did not stand like a stone wall on that provision.

I have been rather interested in the speeches made in the House yesterday by the House conferees, compared with the speeches made by the conferees of the Senate. The conferees of the respective Houses claimed that each House got the bill it wanted. The House conferees say that they got almost everything in the bill which they wanted, and the Senator from Utah says that the Senate got practically everything the Senate wanted. So far as I am concerned, I want somebody else to claim credit for this bill. I would not want to take credit for its final enactment.

The truth of the matter is that the House succeeded in keeping this bill in essentially the form in which it left the House, with the added provisions which the coalition in the Finance Committee of the Senate wanted. In other words, the House yielded on the increase in the surtaxes on incomes below $100,000. That was agreed to by the coalition of the members of the Finance Committee in the Senate.

Mr. REED of Pennsylvania. There was no change made by the Senate in the surtaxes on incomes of over $100,000.

Mr. DILL. I refer to incomes under $100,000.

Mr. REED of Pennsylvania. I did not catch the Senator's statement.

Mr. DILL. I said incomes under $100,000, which the Senator from North Carolina had fought for. The House yielded on that. I notice also that the Finance Committee's provision on the admission tax is carried out in the agreement. The coalition never agreed to the abolition of the automobile tax and the admission tax, but the Finance Committee did have some change in the admission tax, and I notice that the Finance Committee's provision on the admission tax is carried out in the conference report. So that, on the whole, the things which the coalition in the Senate agreed to they secured, with the exception of the abolition of the estate tax, which they tried so hard to get; and the things which the Senate really stood for were yielded by the Senate conferees.

Mr. SIMMONS. Mr. President, I think the Senator is getting a little mixed up. There never was any agreement between the majority and the minority of the Finance Committee that had any reference to admissions and dues.

Mr. DILL. I said that. The Senator misunderstood me. At least, I meant to say that. I said those things upon which the coalition of the Finance Committee agreed are retained in the conference report to a large extent, but the things which the Senate struck out of the bill, such as the admission tax and the automobile tax, were yielded by the Senate conferees, so that the coalition bill is practically what we have in the conference report, with the exception of the estate tax, and the Senator from Utah assures us we got most of that.

I want to call attention to the statement yesterday in the House about this retroactive provision of the estate tax. The truth of the matter is that most of the Members of the House and of the Senate really do not understand it, and they can not discuss it intelligently. I am sure I can not, and I think a majority can not. But yesterday Congressman NEWTON of Minnesota, in speaking about this, made an explanation which I think is worth reading.

Mr. REED of Pennsylvania. On what page is it?

Mr. DILL. On page 4427. He said:

> It is this provision which hands out refunds of cash or cancels obligations to the beneficiaries of these few great estates.

He has quoted some 15 or 20 estates.

> Gentlemen, who requested this? If you search the printed hearings of the Committee on Ways and Means you will find no answer. They are silent. You will find that many appeared there and advocated the reduction or repeal of this or that tax, but no one apparently had the temerity to appear at these public hearings and ask that the beneficiaries of these great estates be granted cash refunds aggregating $85,000,000. If you search the hearings of the Committee on Finance in the Senate you will find the pages equally silent. Yet the proposal was first put into the bill over at the other end of the Capitol.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from North Carolina?

Mr. DILL. I yield.

Mr. SIMMONS. Those statements are about on a par with some other statements which have been made in regard to this retroactive provision, and when the Senator has finished, if I can get the floor, I will undertake to explain that in full.

I do not know who made the statement just read by the Senator——

Mr. DILL. Congressman NEWTON of Minnesota.

Mr. SIMMONS. Evidently Congressman NEWTON knew nothing about the facts, if he said this retroactive provision had not been considered by the committee.

Mr. DILL. He did not say that. He said no witnesses appeared in public hearings who advocated it.

Mr. SIMMONS. Right there, if the Senator will permit me, I want to put in the RECORD the facts with reference to that matter. I do not know, of course, the number of witnesses who appeared before the Ways and Means Committee upon this question, but I do know the fact that the Ways and Means Committee considered the matter very thoroughly.

Mr. DILL. Does the Senator say that witnesses appeared asking for the retroactive feature?

Mr. SIMMONS. I do not know as to what witnesses appeared, but I say that the Ways and Means Committee considered this retroactive provision very thoroughly, and acted upon it.

Mr. DILL. In the House?

Mr. SIMMONS. In the House. The Ways and Means Committee acted upon it favorably, and wrote it into the bill as a complete proposition.

Then subsequently and before they reported it out they rescinded their action, but when they rescinded their action the chairman of the Ways and Means Committee [Mr. GREEN] saw fit to make a statement, which I understand was a written statement and which statement I would like very much to read to the Senate. That was after they had incorporated the retroactive provision in the bill. I do not suppose they incorporated it without due consideration, and I suppose they must have had made to them some representations of a character satisfactory to them.

Mr. DILL. But the Senator does not dispute the statement that no witnesses appeared, either before the House committee or the Senate committee, arguing for the change making the provision retroactive?

Mr. SIMMONS. I do not dispute the statement with reference to the Ways and Means Committee. I am merely stating the fact that they acted upon it, and I do not suppose they acted upon it without due deliberation. I do not know what the facts are.

Mr. DILL. The Senator has no quarrel with the statement of Mr. NEWTON, when he said nobody appeared in the public hearings to ask for the changes which were made first on the House side and then over here.

Mr. SIMMONS. My statement is simply that the Ways and Means Committee took final action with reference to the matter and agreed to incorporate the provision in the bill.

Mr. DILL. And then they rescinded their action.

Mr. SIMMONS. I am going to read from a statement by Chairman GREEN. It is an apology for striking it out. I do not know to whom he is apologizing, but that is what it appears to me to be. This is the statement:

> Prior to the introduction of the bill into the House the committee rescinded its action and its chairman issued a statement giving its reasons as follows:
>
> The committee, when it decided to apply the 1921 rates to the estates of those who had died between June 2, 1924, and the date when the new act takes effect, understood that the loss occasioned

by such provision would amount to $20,000,000. It now appears from an estimate based on estates of $450,000,000 returned under the 1924 revenue act, that the loss will aggregate approximately $70,000,000, assuming the bill becomes law March 1, 1926. The bulk of this loss will fall in the next two years. Moreover, the most recent estimate submitted by the Treasury actuary indicates that other proposed changes in the estate tax will occasion in the fiscal year 1927–1928 a loss of revenue of not less than $10,000,000 and a much larger amount the following year. This $10,000,000 added to the other reductions recommended by the committee will bring the total amount of reduction to within $2,000,000 of the surplus estimated by General Lord, and $28,000,000 in excess of the tax reduction recommended by the Secretary of the Treasury.

These figures make it very clear that the proposed relief to the estates falling under the provisions of the 1924 act would cause so great a loss of revenue as to exceed the limits of safety, unless the committee were prepared to revise the proposed bill in other respects. This the committee does not feel would be justified, and the retroactive tax proposition having been adopted under a misapprehension, the committee has decided to eliminate it.

I read that simply to show the grounds upon which they struck it out of the bill after having put it in. In other words, they found that the loss would be too great for the requirements of the Treasury.

Mr. DILL. The Senator said he did not know to whom Mr. GREEN was apologizing. Evidently he must have been apologizing to those who would have to pay the money and who, if the retroactive provision had remained, would not have had to pay it.

Mr. SIMMONS. I do not know how that would be.

Mr. DILL. I make that as a suggestion in reply to the Senator's comment. I think I shall continue reading the statement of Representative NEWTON of Minnesota, because the Senator from North Carolina has not disputed the statements here made:

Yet the proposal was first put into the bill over at the other end of the Capitol. Has the matter ever come up in the House for a determination on the merits? No. This is the first time it has ever been presented or proposed to this House, and it comes before us tied up with the conference report and at a time when practically everyone wants to see tax reduction accomplished, and that speedily.

Was it ever considered in the Senate? Only in a limited extent. The Senate amendment (No. 100) repealed the estate tax entirely. As a part of that amendment the Senate inserted this retroactive provision. The retroactive provision itself was never separately voted upon in that body. So that it can be said without fear of successful contradiction that this proposition has never been considered on the merits separately in either House of Congress. Yet it provides for turning back to the beneficiaries of these 25 or more large estates $85,000,000 in cash or obligations due the Treasury. If the Treasury does not need this money, I would rather see the reduction given in the form of a repeal of what is left of the admission and automobile taxes.

I read that because it expresses a thought I want to repeat. The automobile tax, the abolition of which the Senate voted by an overwhelming majority of 3 or 4 to 1, would take $69,000,000 out of the Treasury; yet rather than take off the sales taxes, the nuisance taxes, the conferees agreed to refund in effect to 25 big estates $85,000,000.

I saw this morning in a newspaper a statement that Mr. Coolidge has announced that he was proud of the record being made by Congress on the tax bill. I wonder how many representatives of the people will really be proud to go back home and say, "We left the automobile tax on you to the amount of $69,000,000 in order that we could relieve 25 big estates, running into millions of dollars, of $85,000,000 they would have had to pay." I wonder how many will be proud of that record? I am not so much concerned about the taxes on admissions and dues, although I think they ought to be abolished, but the automobile taxes bear directly upon the daily life of the people of the country. Not only did the conferees fail to secure the abolition of the automobile taxes, which was voted by a bigger majority than any other important change voted in the bill, but they did not even get a reduction of the 3 per cent when they might have secured at least a part of that reduction.

Mr. FLETCHER. Mr. President, may I ask the Senator a question?

Mr. DILL. Certainly.

Mr. FLETCHER. Does not the fact that in the same title and under the same provisions they not only gave up $85,000,000 or $68,000,000 or $70,000,000 but provided for a credit of 80 per cent, show that the whole title is not aimed at the purpose of raising revenue or supplying the needs of the Treasury?

Mr. DILL. I think that is true. Of course, the Senator from Florida and I disagree with reference to the desirability of the estate taxes, but we do agree upon the undesirability, and I think the unconstitutionality of refunding to the States a certain percentage of taxes levied by the Federal Government because of the different State laws.

Mr. FLETCHER. That is the main point.

Mr. DILL. I disagree with the Senator from Florida about the estate tax to this extent: He said it was a war tax. I think the Democrats voted solidly when the last two revenue bills were before the Senate, for the estate tax as an emergency measure for raising revenue to pay debts resulting from the war. I am in favor of a continuation of the provision because of the war debt that still hangs over us, because of the fact that we are spending $800,000,000 a year in paying interest on the war debt, and to create a sinking fund to eventually get rid of the war debt. I maintain it is an emergency expense that is upon us and that the great estates should continue to help bear it. But I agree with the Senator in his proposal that we shall not assume to say to a State, "You shall pass certain legislation or we will take more from the people of your State than we do from the people of another State." I think the courts will eventually decide that we have no such authority and no such power.

Mr. BRUCE. Mr. President, may I ask the Senator a question?

Mr. DILL. Certainly.

Mr. BRUCE. Does not the Senator think that some allowance ought to be made as a matter of justice to estates which have been acquired after the 1924 act and before the revenue act of 1926 shall go into effect? He knows, of course, the rate of taxation on estates under the act of 1921 was lower than under the act of 1924 and higher than it will be under the act of 1926. Does he think under those circumstances that the amount of estate tax should turn on the mere accident of some wealthy man having died between 1924 and 1926?

Mr. DILL. I must say in reply to that suggestion of the Senator from Maryland that if the death is to be called a mere accident the statute existing at the time of his death should control the taxes on his estate. That theory should apply, and an estate tax should not be laid merely because a certain man happened to die last year and did not die this year.

Mr. BRUCE. Not necessarily, when the disparity is so great, where the difference between the rate of taxation under the act of 1924 and under the proposed act of 1926 is so enormous. It looks a little more like punishing a man for dying at a particular time than taxing him.

Mr. DILL. I will say to the Senator that I recognize some justice in his position, but my position is that that is not as unjust and is not as unbearable to those who have millions of dollars in estates that are acquired as these estates are, as it is to continue the nuisance and sales taxes on the business of the country which so badly needs to be relieved of them at this time. If we had no war burdens I would say to the Senator then we at least ought to put the estate tax to a very low figure, or make the exemption very high, or abolish it altogether, but when the war burdens are still on us and emergency taxes must be levied, I know of no source from which it is so easy to collect and which is really such a light burden as the estate tax or, as I would prefer, the inheritance tax.

Mr. BRUCE. It is always easy to swat and choke the rich, but it is not so easy to vote a tax of $15,000,000 on automobiles; that is to say, to any man who has any regard for his political future.

Mr. DILL. I will say to the Senator that there are two sides to that sort of argument. Regardless of the popularity of the vote in either case, the other side is, who can best afford to pay the taxes, the automobiles which have taken the place of the buggy and wagon of a few years ago or the estates that have been left by those who are done with them and which have passed by operation of law to others?

Mr. BRUCE. There are thousands of automobiles in the country that are owned by the very richest individuals of the land.

Mr. DILL. And by the very poorest.

Mr. BRUCE. There was a time when we had a tax on vehicles of every description. The Senator perhaps will recollect that. Again, the automobile tax is to a tremendous extent, of course, imposed on vehicles of transportation which are engaged in business and which presumably are earning some profits for their owners. So it seems to me, if the question is to be gone into, some line of discrimination ought to be drawn between automobiles used for business purposes and automobiles used by these business magnates on whom the Senator from Washington is so anxious to bring the impact of taxation, and the remaining class of automobiles.

Mr. DILL. I want to take the tax off all automobiles. I do not want to classify them; I want to take the tax off all of them. I maintain that the estates that have been left, running up in the millions, can better afford to continue to bear this burden than can the automobiles, which are not now classified and which this tax bill does not classify. The tax on automobiles bears down on the business of the country.

Mr. BRUCE. Mr. President, may I ask the Senator from Washington one more question?

Mr. DILL. Yes.

Mr. BRUCE. Of course, the Senator is aware that certainly one or two of the individuals whose estates will get the benefit of this reduced tax gave enormous sums of money which are needed for the benefit of popular education and other public purposes?

Mr. DILL. Yes.

Mr. BRUCE. One of them—I believe, Mr. James B. Duke—gave out of his estate during his lifetime and after his death—if one may use such an expression—no less than $94,000,000.

Mr. DILL. I am familiar with that, and I am also familiar with the fact that a man by the name of Carnegie has built monuments all over the United States, which are called libraries, with his name on them, but he collected those millions by a system of monopoly in this country that almost threatened the life of many industries. I have no criticism of Mr. Duke for giving $94,000,000—I am glad when a man gets that much money to have him provide that after he has gone it will do great service to the community—but I am sure, having left that much money, those who received it without effort on their part can better afford to pay an estate tax than can the common masses of the people afford to pay taxes on the automobiles which they are using to carry on their business affairs.

The Senator from West Virginia [Mr. NEELY] stated that he was going to offer a proposal to recommit this bill with instructions to strike out the automobile tax. I hope that he will do that. I think, however, that, together with the proposition to recommit the bill, there should be coupled a further provision that the retroactive feature applying to the reduction of the estate tax shall be stricken out, so that the estates of those who may have died prior to the enactment of this bill shall pay the tax that was levied upon them by Congress in the last revenue act, and that whatever reduction may be made in the estate tax will go into effect only upon the enactment of the bill. Then we will not be guilty of going back and taking off the burdens of taxation that have already been levied upon great estates.

Mr. NEELY. Mr. President——

Mr. SIMMONS. Mr. President, before the Senator from West Virginia makes his motion to recommit I should like to make some observations. I suppose when the Senator makes his motion to recommit on account of the retroactive feature of the estate-tax reduction, he will also include a motion instructing the conferees not to recede from the amendment with reference to the estate tax. The two ought to go along together if the bill shall be recommitted.

Mr. President, I have listened with a great deal of pleasure to the Senator from Florida [Mr. FLETCHER]. His argument made to-day is very nearly a repetition of the argument which he made when the tax-reduction measure was before the Senate. Of course, we all know that both the Senators from Florida, indeed, the entire Florida delegation, are opposed to this or any other Federal estate tax. Their local situation makes it impossible for their State to secure any advantage from the 80 per cent reduction provided in the measure and will make it necessary for the citizens of Florida, whether the State imposes any inheritance tax at all—and it can not do so under its constitution—to pay the full 100 per cent tax levied by the Federal Government. It is perfectly right for the Senator from Florida to feel the way he does about it. So far as his argument against the estate tax imposed in the bill as it came from the other House, which the Senate conferees have in part agreed to, is concerned, and so far as his general attitude of opposition to the estate tax is concerned, I heartily concur with him. I think that the estate tax to which the Senate conferees have been compelled to agree in conference is an unscientific, illogical, and un-American proposition. I think, more than that, that it is an outrageous invasion of the rights of the States. I expect it will be speedily repealed, because it is so badly and unscientifically written that it will be found very difficult of administration.

I have never been opposed to estate taxation—it is a proper and fertile source of revenue, but I think the States undoubtedly have the right to keep that source of taxation exclusively for State revenues, and that except in emergency the Federal Government should keep out of it.

I am sure that the American people have been sold to the idea that if the House provision shall be adopted every State will get 80 per cent of all the taxes that the Federal Government levies against estates. As a matter of fact, Mr. President, that is not so. No taxpayer will get any benefit whatsoever from the 80 per cent credit provided unless he has paid a tax in his own State and also pays a tax to the Federal Government. Many of the estate taxes which are levied in the States where small exemptions are allowed press upon estates that will not be reached by the Federal inheritance tax at all, and those taxpayers will get no benefit from its provisions. It is only the large taxpayers of the States who are going to get this 80 per cent credit, and an estate will have to be of pretty large proportions to get any part of the credit allowed in the House bill.

However, it is not that that caused my opposition to this proposal; it is not that that caused me in conference to fight to the last ditch against it; I fought it because I think it is contrary to the genius and spirit of our institutions; because I believe if this kind of legislation shall prevail in this country, if this shall become a settled policy, if this precedent shall be again acted upon and carried down the line so as to include income taxes and gasoline taxes and other taxes of similar character, we shall soon reach the point where the rights of the States will be so materially interfered with and the coercion upon them will be of such a nature that the very foundation of our system of government will be undermined if not overthrown.

We have two separate sovereignties here in America, cooperating and coordinating, and so long as they continue to cooperate as provided in the Constitution there is no danger to the sovereignty of either, but when one of these sovereignties, by reason of its immense power, by reason of its supreme power under the Constitution within the limitations of its authority, grows sufficiently strong to establish a system that undermines the sovereignty of the other, then our Federal representative system will go to pieces.

It is for that reason—and that is my hope, my only hope in connection with this provision—it is for that reason, together with the inability practically to administer this plan so as to meet the requirements of credits for sums paid to the States and enable the people to get what they think they are going to get out of this act, that I believe there will be a revulsion against this measure in a very short time, and that it will not be long before Congress shall take action looking to its final repeal.

Mr. President, I did not rise for the purpose of discussing the inheritance tax. The Senate conferees had to agree to its retention; but I assure every Member of the Senate that we did so with the greatest reluctance. We did not do it except as a last resort. We knew the people of the United States were demanding the enactment of this bill; we knew that if we did not come to an agreement the people would lose the benefit of this legislation, at least upon the incomes of 1925, and rather than make a deadlock and say to the country, "We will not permit the passage of this measure to which the people are looking with such hope and expectation," we agreed to the retention of the estate-tax provision. We coupled it, however, with a provision that it should be retroactive, not to its fullest extent but partially, during the short life of the act of 1924, a little over a year. We said, "If you will give the widow and the orphans of the man who is dead, who died during the 1924 period, when the taxes on his estate reached 40 per cent, practically the same benefit in reduction that you propose to give to the estates of men who die hereafter, we will agree." It was the 1924 act with which we were dealing; the proposition to cut that high rate almost in half was what we were dealing with. On one side were ranged the estates of the people who died during the year 1924; on the other side of the line were the estates of the people who will hereafter die. We said, "If you are going to give the benefit of the 20 per cent reduction to the estates of the people who die hereafter, why should you not also give it to the estates of the people who died in 1924, when these very high rates that you are now cutting down for the benefit of people who will hereafter die were in operation?"

Mr. DILL. Mr. President, will the Senator from North Carolina yield to me?

Mr. SIMMONS. Yes.

Mr. DILL. On the same principle why should you not give the men who had to pay an income tax last year the same reduction that you are going to give them for the coming year?

Mr. SIMMONS. That is absolutely the thing that we did. I shall come to that in a few moments. We did absolutely the same thing upon income taxes that I am urging here should

have been done and was done, but not quite to the full extent on estate taxes.

It has been said that the tax for 1924 had already accrued. True, it has not yet been paid, but it has accrued to the Government, and is as much a part of the funds of the Treasury as if it had been paid. As the Senator from Nebraska [Mr. NORRIS] said the other day—

> You are running your hands into the Treasury and taking out $84,000,000 that have already accrued to the United States Government, and you are turning that over to the estates of the people who have died during the year 1924.

Mr. President, the very identical thing that is proposed here with reference to estate taxes is the thing that is proposed in this bill with reference to the income taxes of individual taxpayers in this country, to which nobody has objected—that and nothing more—except that we give the income-tax payer greater reduction than we do the estate-tax payer, and except that the income-tax payers of the United States have already had their taxes reduced three or four times since the war, and we are giving them 50 per cent maximum additional reduction, while in the case of the estate tax we started in the war with those rates at a maximum of 10 per cent, going then up to 20 per cent, then up to 25 per cent, and in 1924 up to 40 per cent.

Mr. DILL. Mr. President, the Senator does not mean that the taxes paid on the incomes of the year 1924 are going to be cut down at all, does he?

Mr. SIMMONS. What taxes is the Senator talking about?

Mr. DILL. You are not going to cut down the rate of income tax for the year 1924 as levied?

Mr. SIMMONS. I said 1925.

Mr. DILL. The Senator did not say "1924," but that was the implication from his remarks. He did not say "1924."

Mr. SIMMONS. I said the taxes of 1925.

Mr. DILL. This year's taxes, of course, are going to be cut down.

Mr. SIMMONS. Last year's, paid this year. That is the same thing that it is proposed to do with reference to the estate tax. You are going to reduce the estate tax 50 per cent from its present level, and you are going to give the benefit of that reduction to everybody who hereafter dies, but you would deny the benefit of that reduction to those estates whose owners died during the years 1924 and 1925——

Mr. DILL. We deny the cut in income taxes to the men who paid them in 1924, too.

Mr. SIMMONS. No, Mr. President; nobody has paid yet an income tax for 1925, and practically nobody has yet paid estate taxes for 1925; but the estate taxes for 1925 have accrued, and the income taxes for 1925 have accrued. They both stand upon the accrual basis. If you put your hands in the Treasury and drag out $85,000,000 because that estate tax has accrued and turn it over to the taxpayer in the case of estate taxation—that is what it amounts to when you grant this reduction—then I say to you that you do a much more extreme thing with reference to the income tax.

What are the facts about the income tax? We have reduced that tax from 65 per cent down to 40 per cent maximum in the present law. Now we propose to reduce it to 20 per cent maximum tax in this bill that has passed the Senate. Under the present law there has accrued to the Government a maximum tax of 40 per cent upon the incomes of the citizenship of this country made during the year 1925. The tax is due; it has accrued; it accrued under the present law, the law that we are amending here to-day. Not a cent of it has been paid yet. The only thing necessary is, when the returns for 1925 are made, to fix the amount that is due. Now, what do you propose to do with reference to incomes? You cut their tax in two, and you provide that that reduction shall be retroactive so as to include the income of every individual taxpayer in this country for 1925. And how much revenue do you lose by that retroactive provision with regard to the income tax? Eighty-five million dollars? No; you lose $213,000,000, and all in one year; and not a man who is now opposing this retroactive estate-tax provision made a protest against sticking our hands in the Treasury of the United States and drawing out $213,000,000 and making a present of it to the income-tax payers of 1925. You made no objection to that.

I will say to the Senator from Washington that if he can differentiate these two cases, the one from the other, he is a very smart man. They stand absolutely upon all fours in fact and in argument, except that the income-tax payer gets the advantage by reason of the fact that his tax has been reduced one-half, and the estate tax is reduced only 15 per cent.

Oh, but they say: "That is for the benefit of the big taxpayers"—these 25 great hoary-headed monsters of finance that the Senator from Washington has so beautifully and so picturesquely described here. Twenty-five great millionaires? No; let me say to the Senator that that estate tax at present reaches 13,000 taxpayers for the year 1925, and 6,000 of those 13,000 returned incomes of less than $50,000, and we relieve them, every one of them.

Mr. DILL. Mr. President, if the Senator will yield, I am not criticizing that.

Mr. SIMMONS. And then nearly 3,000 more returned incomes of between $100,000 and $150,000. They are not in this class. That bill, if the Senator pleases, is so drawn that it catches the millionaire, as it did not catch him in the Senate provision, and it left out the little man; and yet the Senator who is the champion of the little man stands up here and opposes it!

Mr. DILL. Mr. President, will the Senator yield now?

Mr. SIMMONS. Yes.

Mr. DILL. The Senator did me the credit to say that I talked about these great estates, but I did not.

Mr. SIMMONS. No; I did not say "the Senator from Washington"; I said "the Senator from Nebraska."

Mr. DILL. The Senator said "the Senator from Washington" when referring to these 25 great estates.

Mr. SIMMONS. Yes.

Mr. DILL. I did not do it; but since the Senator attributed it to me, I hope he will give me a moment while I do it.

The estate of Mr. Anderson, which is to go to his widow and orphans, is nearly $5,000,000.

The estate of Mr. Ayer is $9,500,000.

The estate of Mr. Begg is $40,000,000.

The state of Mr. Benjamin is $14,000,000.

The estate of Mr. Clark is $40,000,000.

And so they run, as high as $75,000,000 in the case of Mr. Duke, and $54,000,000 in the case of Mr. Palmer. Those are the estates as to which the Senator is so concerned about the widows and orphans.

Mr. SIMMONS. No; those are the estates that are still taxed.

Mr. DILL. You catch them by a retroactive provision that gives away $85,000,000.

Mr. SIMMONS. No; I was not talking about the retroactive provision then. I was talking about the estate tax which the Senator championed. These big millionaires are both in the estate-tax schedules, and they are also in the income-tax schedules. They are a little bit more heavily in the income-tax schedules than they are in the estate-tax schedules. They pay twice the amount of tax upon their annual incomes that they pay in lump sum upon their estates. What this retroactive provision does is to relieve their estates, together with the estates of the lower taxpayers, of 15 per cent of that 40 per cent of taxation. That is all it does for them; it relieves them of 15 per cent; but the Senator does not take exception to the fact that when he voted for the income-tax provisions of this bill he relieves them not of 15 per cent but of 50 per cent of their taxes.

Mr. DILL. But I did not vote for the reduction of 50 per cent in the income taxes on incomes of over $100,000. The Senator's coalition forced that over.

Mr. SIMMONS. I do not know what the Senator voted for. Sometimes, it seems to me, he votes rather erratically, and I do not know what he did in this case.

Mr. DILL. The Senator meant democratically, not erratically.

Mr. SIMMONS. I will say that I was speaking of the whole Senate, then, if the Senator objects. The whole Senate, when it comes to these rich men, has by retroactive provision covering the whole year of 1925 relieved them of 50 per cent of the income tax that has accrued under the law of 1924 and is due the Government to-day; and they swallowed that without any sugar coating, Mr. President. They swallowed it without grouning or grunting and without complaining; yet when we ask them to apply the same system to the widows and orphans of those who are dead, and give them not a flat reduction of 50 per cent but a reduction of 15 per cent, they gag and say, "We can not do it."

Then, Mr. President, there has been a propaganda started here in the Senate by certain gentlemen who are so much averse to a man's accumulating much money in this world that to speak about a millionaire in this presence is to them like flaunting a red flag in the face of an angry bull.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. SIMMONS. Yes.

Mr. NEELY. Does not the Senator think that the millionaires have been fairly well treated in the bill that is before the Senate?

Mr. SIMMONS. They have been treated like everybody else. They have been treated just the same as they were in the act of 1924. I explained that fully the other day and showed the facts.

It has been charged that this retroactive provision was in the interest of the Duke Foundation, of the King estate, or some other big estate; and the impression has been created throughout the country that these great estates are the ones to be benefited by this reduction, and that they are the only beneficiaries of this liberal action on the part of the Senate. No, Mr. President; the same benefits to the Duke Foundation that are in this bill will be accorded to every estate-tax payer in the United States. It gets the same benefits that the humblest taxpayer under the law gets, that and nothing more. Although that money must come out of a charity, it will come. They are not asking to be relieved of the tax on the Duke estate because it has to be paid out of the charity fund. They are ready to pay that. They want a reduction, but no greater reduction is asked for and no greater reduction is accorded them in this bill than is accorded the humblest taxpayer in the list of estate-tax payers.

Before I take my seat, I want to say that under the circumstances I assume the Senate will not recommit this bill. But if the motion to recommit shall be carried, as one of the conferees I will take the action seriously. I will understand that the Senate means to cut the inheritance tax off, or to have no bill. I say that so that the country and the Senate will know the attitude in which we would be placed.

Mr. NEELY. Mr. President, I send to the desk a motion, which I wish to submit.

Mr. REED of Pennsylvania. May we have it read?

The VICE PRESIDENT. The clerk will read it.

The CHIEF CLERK. The Senator from West Virginia [Mr. NEELY] moves to recommit the bill (H. R. 1) to the committee of conference with instructions:

First. To insist upon Senate amendment No. 103 repealing existing taxes and dues on tickets of admission to theaters and other places of amusement; and

Second. To insist upon Senate amendment No. 109 repealing the tax of 3 per cent on the selling price of automobiles.

Mr. NEELY. Mr. President, in spite of the eloquent and able defense of the oppressed and unhappy millionaires just made by the illustrious Senator from North Carolina——

Mr. SIMMONS. Mr. President, I repudiate the statement that I have made any defense of the millionaires of the country. The Senator is making the statement without any justification in fact.

Mr. NEELY. If that statement is offensive to the Senator from North Carolina, I amend it and say that in spite of his encomium upon the provisions of the bill which he has discussed, every Member of the Senate and everyone else knows that the pending measure is more favorable to the very wealthy than it is to the meek and the lowly.

We have given most to those who need it least and least to those who need it most. Let us restore the Senate amendment, sacrificed in conference, to the end that the masses of the people, the "hewers of wood and the drawers of water," may be enabled to go to the theaters, to the ball games, and to all other innocent amusements without paying a Federal tax on their tickets of admission.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. NEELY. Certainly.

Mr. REED of Pennsylvania. I should like to ask the Senator whether in his State the sons of the "hewers of wood and the drawers of water" pay more than 75 cents for admission to the movies?

Mr. NEELY. Under the present administration not many of them can. In the good old Democratic days everybody in West Virginia could go to the best shows and the most expensive places of amusement, but since the end of the Wilson administration there are unhappily very few of the class to which the Senator refers who are able to pay more than 75 cents for anything. But this administration will not always last. In the hope and belief that Democratic prosperity will soon return I wish to provide a tax-free admission to all places of amusement for the benefit of those who may survive this time of trouble and again become able to purchase tickets to shows and concerts costing more than 75 cents.

The second part of my motion is designed to relieve the millions of purchasers of cheap automobiles of the existing burden of 3 per cent Federal tax, which they are obliged to pay on every car they buy. As the able Senator from Washington has so clearly pointed out, we are in effect giving $85,000,000 to the owners of 25 big estates. Let us give $69,000,000 relief to the 10,000,000 people of the United States who ride in "tin lizzies"—the cars that are not luxuries but absolute necessities of every-day life—instead of giving $85,000,000 to the beneficiaries of 25 persons who have passed away.

Under the law of my State automobile owners are now paying a license tax for the privilege of operating their machines; they are paying a tax on every gallon of gasoline they consume; they are paying a tax or fee for a certificate of title; and they are paying a personal-property tax based on the value of their cars. They are paying enough taxes on automobiles, and the Federal Government should not add to their burdens. I hope my motion may prevail.

Mr. REED of Pennsylvania. Mr. President, if the motion of the Senator from West Virginia should carry, this bill would go back to conference with instructions to stand on the repeal of the admissions tax, which means $25,000,000 to $24,000,000 a year off the revenue of the United States, and it would mean the striking out also of $69,000,000 now received from the tax on the purchase price of automobiles, 3 per cent on the manufacturer's price of the automobile, a tax of about $7.50 on the average Ford touring car. It would mean a deficit in the Budget of the Nation of from $92,000,000 to $93,000,000 a year.

Understand, Mr. President, the adoption of this motion would make tax reduction this year impossible. It would deny the relief which this bill would bring to over 2,000,000 income-tax payers by striking down their taxes 100 per cent, because that is what this bill does. It exempts from income taxation entirely more than 2,000,000 persons who are paying income taxes to-day.

The Senator would do that, if you please, so that admissions to prize fights might be tax free, so that admissions to the great football games held here in the East in the fall might be tax free. He talks about the "hewers of wood and the drawers of water." How many "hewers of wood and drawers of water" go to the Yale-Harvard game or the Dempsey-what-is-its-name prize fight? How many "hewers of wood and drawers of water" go to the Ziegfeld Follies in New York and pay $6 for a ticket? Those are the people for whom the Senator from West Virginia appeals.

Mr. NEELY. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from West Virginia?

Mr. REED of Pennsylvania. I yield.

Mr. NEELY. Will the Senator tell us what proportion of the beneficiaries of my proposal go to see Jack Dempsey and other great prize fighters, and what proportion of them go to the Yale-Harvard football game? Does not the Senator know that, at a rough guess, 99 per cent of the beneficiaries are those who go to theaters in their own home towns?

Mr. REED of Pennsylvania. On the contrary, I know nothing of the sort. This bill totally exempts from taxation admissions of 75 cents and under. The tax is paid by those who attend these great entertainments, thronged by the most prosperous people of this Nation, who can best afford to pay the tax. Eighty thousand or ninety thousand people will go to these great football games, and will cheerfully pay up to $5 or $6 a seat.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. WALSH. I have been going to a few of the operas down at the Washington Auditorium. The gallery gods occupy the vantage points, most of them consisting of clerks and other employees in this town, who do not get salaries of more than $1,500 to $2,500 a year, and who are lovers of music. Will not the Senator include those also, as well as those who go to the prize fights and the Follies?

Mr. REED of Pennsylvania. Surely, I will include those, and those are the people to whom this bill carries the greatest boon. It exempts them wholly from the income tax. Yet the Senator will jeopardize their interests in that respect to give them this miserable pittance of 10 per cent on the tickets they buy to go to these places of amusement.

Mr. WALSH. I am simply indicating that the Senator has not completed his list of the beneficiaries when he mentions the people who go to prize fights and to the Follies. There are people who go to hear McCormack sing who are obliged to pay more than 75 cents. They would all pay the tax if we did not repeal this law.

Mr. REED of Pennsylvania. If they pay a dollar to go to hear him, they will pay a tax of 10 cents. And why should they not? Why should we not pay on our luxuries? The very wages earned by these people for whom the Senator's heart bleeds are exempted from taxation in this conference bill. Yet the Senator would jeopardize that—nay, he would do worse

than jeopardize it; he would wreck it—if his motion carries, all to save them that miserable 10 per cent on their entertainments. Which do they want, I ask? What would the people of this country say when they realized the price they were asked to pay for having this point scored on the conferees?

Mr. HOWELL. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Nebraska?

Mr. REED of Pennsylvania. I yield.

Mr. HOWELL. The Senator said that there would be a deficiency of about $93,000,000 if this were agreed to.

Mr. REED of Pennsylvania. I am trying to suggest it. I am almost asserting it.

Mr. HOWELL. Suppose we did not make retroactive the reduction on estate taxes heretofore charged on the books of the Treasury. Would not that take care of this deficiency for the first year?

Mr. REED of Pennsylvania. On the contrary, it would not take care of one-sixth of it. That reduction, as was explained while the Senator was out of the Chamber, makes a difference of less than $15,000,000 in this fiscal year.

Mr. HOWELL. I beg the Senator's pardon——

Mr. REED of Pennsylvania. The Senator may, if he wishes, but the figures are established.

Mr. HOWELL. About $415,000,000 is yet to be paid on account of assessed estate taxes under the 1924 and previous acts. You will reduce this $90,000,000 when you put into effect this retroactive clause.

Mr. REED of Pennsylvania. We will reduce it $85,000,000, and it will be spread out over seven years.

Mr. HOWELL. It will be spread out over seven years; but you are going to relieve those who have been already taxed and take out of the Treasury, take off of the books, $85,000,000. It is $90,000,000, as a matter of fact. But you say now that if this resolution should prevail the first year there would be a reduction of $93,000,000 in our income.

Mr. REED of Pennsylvania. Precisely.

Mr. HOWELL. But if we do not make retroactive a tax reduction on these estates that have been assessed under the 1924 law there will remain a credit on the books almost equal to this reduction for one year.

Mr. REED of Pennsylvania. Of course, spread out over seven years it would amount to something less than $85,000,000. Probably with the 25 per cent credit it would be nearer the $68,000,000 the actuary has figured.

Mr. HOWELL. Just a moment.

Mr. REED of Pennsylvania. The deficit that year, under the proposal in the pending motion, will be $93,000,000.

Mr. HOWELL. But there will be a charge on the books to cover it.

Mr. REED of Pennsylvania. You can not pay for the baby's shoes with credits on the books. The Government has to get the money, and it has to get it this year.

Mr. HOWELL. But the Government is not so closely run that it can not extend over a period of four or five years the payment of this $90,000,000.

Mr. REED of Pennsylvania. If the Senator can spread $85,000,000 over seven years and make it cover an annual deficit of $93,000,000, he ought to be in the Treasury Department.

Mr. HOWELL. Furthermore, you are in this tax bill providing a reduction of about $100,000,000 per annum in estate taxes on the great estates of this country which could be otherwise collected the coming year. The total that might be charged—not collected, but charged—on the books of the Treasury would amount to about $150,000,000 under the present law, and I have just been informed by the chairman of the Ways and Means Committee of the House that the 20 per cent reduction in the estate taxes provided in this pending bill will reduce that possible charge in the neighborhood of $105,000,000 a year.

Mr. REED of Pennsylvania. The total result of all the changes that have been made in the estate tax will operate to reduce the revenues in the fiscal year 1927 by less than $15,000,000.

Mr. HOWELL. But just a moment——

Mr. REED of Pennsylvania. It is my time in which we are talking, and I ought to be allowed to finish each sentence. I do not mind being interrupted at the periods, but I dislike it at the commas. [Laughter.]

Mr. SIMMONS. Mr. President, if the Senator from Pennsylvania will pardon me——

Mr. REED of Pennsylvania. Certainly.

Mr. SIMMONS. I was going to suggest that if the Senator from Nebraska is looking for revenue and will strike out the retroactive provisions of the income tax section, he will get $213,000,000.

Mr. REED of Pennsylvania. Of course, the greatest piece of retroactive reduction that we have made has been the retroactive reduction on incomes earned during the year 1925, and there seems to be a certain amount of enthusiasm for it among about 100,000,000 people of the country, all of which is jeopardized by the present motion which is offered for the sake of the purchasers of automobiles who are going to get a 40 per cent reduction in the bill as it stands, their tax being reduced from 5 per cent to 3 per cent, and for the people who go to prize fights, to the expensive plays, to football games, and other entertainments, and which the Senator seems to think should be favored in preference to the wages of the people of the country.

Mr. SIMMONS. If the Senator will allow me again, the conferees on the part of the House, who held hearings on the automobile tax provision, told us that the automobile people who came before them said to them, "If you will take off 2 per cent of the tax, we will be satisfied and we will agree not to ask for any more reduction either in the House or in the Senate."

Mr. REED of Pennsylvania. I am glad the Senator reminds us of that. That was their agreement in the House hearings.

Mr. SMOOT. And that was the agreement also with the representatives of the automobile industry who came to my office.

Mr. DILL. Mr. President, I want to ask the Senator from Pennsylvania a question bearing back upon the retroactive provision of the estate tax which he was discussing with the Senator from Nebraska. As I understand it, there were no hearings had, either before the House committee or the Senate committee, urging that the retroactive provision should apply to estate taxes?

Mr. REED of Pennsylvania. On the contrary, there were representatives from practically every State in the Union who appeared before the Ways and Means Committee and urged the absolute repeal of the tax in the future, and emphasized the utter unfairness of the postwar increase in the tax which was made by the act of 1924.

Mr. DILL. But the witnesses, or those appearing, did not argue for the retroactive provision as to those particular rates, did they?

Mr. REED of Pennsylvania. They pointed out the unfairness of them. I do not remember the evidence literally. I do not remember that anybody suggested that particular provision.

Mr. DILL. May I ask the Senator whether there were any executive meetings or hearings held regarding the retroactive clause that was put in the bill by the Senate Finance Committee?

Mr. REED of Pennsylvania. All of the hearings of the Senate Finance Committee were in executive session to that extent.

Mr. DILL. The reason why I asked was that I know there were at one time a number of attorneys here representing the big estates who were very anxious to have the retroactive provision incorporated. I find nothing in the Finance Committee hearings showing that they appeared before the committee.

Mr. REED of Pennsylvania. Not a single one of them appeared. The Senator wants to know where the suggestion originated.

Mr. DILL. That is what I am getting at.

Mr. REED of Pennsylvania. I say there were hundreds of witnesses who came before the Ways and Means Committee and testified to their opinion as to the utter unfairness of the raise to 40 per cent under the act of 1924. Either some of them suggested the idea or else it occurred spontaneously to some member of the Ways and Means Committee, because when that committee acted they put in the retroactive repeal which the Finance Committee of the Senate also put in. Somebody suggested it, but I do not know who. Probably a great many people thought of it, because a great many people realized the unfairness of it.

Mr. DILL. It really was a provision written in by the committee?

Mr. REED of Pennsylvania. First by the Ways and Means Committee and then by the Finance Committee.

Mr. SMOOT. Mr. President, on the estate tax I have asked the Actuary of the Treasury to give me exact figures for the revenue that would come from the 1924 act, from the bill as it passed the House, from the bill as it came from the conference, and the reductions under the present law. It shows that there would be a reduction of $15,000,000, just as we have stated on the floor several times to-day.

Mr. TRAMMELL. Mr. President, it is not my purpose to detain the Senate very long in a discussion of the action of the conferees. I feel that in many respects the pending bill contains very wholesome and desirable tax reductions, reductions which I have advocated and supported. I also approve most heartily of the provisions for a larger exemption than we have had under the present law. For a number of years I have held that those with small incomes should not have an income tax levied upon them until sufficient of their earnings had been made exempt to enable them to earn a livelihood and provide a comfortable support for their families. This bill has gone further in that direction than any measure we have heretofore considered, making an exemption of $3,500 for the heads of families and $1,500 for single persons, with further exemptions on account of minors, and also a certain percentage of reduction on account of earned income. This feature of the bill and its very substantial reduction of income taxes on all ordinary incomes meet with my most hearty approval.

The question of an inheritance tax is a problem upon which I realize there may be an honest difference of opinion. While I voted for a repeal of the inheritance tax, I do not hold to the contention that there is anything particularly sacred about inheritances which in time of need for revenue should entitle them to exemption from taxation, especially when the Federal Government is reaching out its hand and going in all directions to gather revenue for its maintenance. I have no quarrel with those who may honestly believe that the Federal Government should impose an inheritance tax. But in connection with the subject of an inheritance tax there have been written into the bill provisions which were in it when it came from the House, provisions which, in my opinion, transgress the cherished principle of State rights, which attempts to dictate to the States and to coerce the States into formulating their taxing system in accordance with the wishes of at least a majority of the Members of the Federal Congress. This action on the part of the Congress will, in my opinion, in the future come back to plague those who support it now.

The bill contains a provision which provides that 80 per cent of the inheritance tax paid to the Federal Government shall be refunded to the taxpayer if he pays a State inheritance tax or estate tax equal to 80 per cent of the Federal tax. Even were it not for the discussion which has taken place in the other House and upon the floor of the Senate, any person could well read between the lines and understand the object and the purpose of any such provision in the pending measure. The average 15, 18, or 20 year old boy in school would know that it was for the purpose of controlling and dominating the States upon the question of inheritance tax. When Congress invades the State's right to adopt its own system of taxation, then we are getting without the pale of authority or the proper function of the Federal Government. Congress is guilty of trespassing upon the functions and the rights of the States. Had this policy arisen on account of a general condition existing in the country that the public mind seemed to think required remedy or relief, or if it were for the purpose of trying to adjust conditions in all the States of the Union, not merely one, it would be a little more pardonable and less reprehensible.

But we all know well why the 80 per cent clause was written into the law. Last year and the year before and for several years past there has been a great tide of immigration from other States to the State of Florida. There has been a marvelous growth and development in that State. Men and women have gone there from throughout our entire country. They have gone there on account of the advantages and opportunities which they thought they would enjoy by changing their domicile to the Sunshine State. They have gone there as pleasure seekers and as home seekers by the hundreds of thousands. That State has enjoyed a prosperity and growth unequaled throughout all the history of the country, and this fact seems to have impressed some Congressmen and some Senators with the idea that Congress must belittle itself and attempt to check the tide of immigration to Florida and if possible retard the growth and development of the Peninsula State.

It seems that it appeared to them that the only convenient method of trying to check Florida at the present time was to write a clause into the tax bill, which by indirection was intended for no other purpose than a step toward the control of State taxation by the Federal Government. These foes of State rights said:

> We will write a clause into the bill and try to make every State in the Union impose an inheritance tax. To encourage and coerce them we will reimburse for State inheritance taxes to the extent of 80 per cent of the amount of the Federal tax.

The target is Florida. Not merely because my State has no State inheritance tax but primarily because of its wonderful growth. Why such concern about Florida, the land of sunshine, of enchantment, of untold resources, of opportunity, of happiness and prosperity.

As a matter of fact, as I have stated before in the Senate, the remarkable growth and development of Florida began long prior to the adoption of the State constitutional amendment exempting inheritances from tax. This growth and this prosperity of Florida reaches back for a quarter of a century and has only been accentuated within the past few years. Men of forethought and business acumen have appreciated the opportunities of Florida for more than a third of a century. That was demonstrated when a man of great business acumen and foresight and forethought like Flagler went into Florida to build his road on the east coast, and when Plant went into Florida to build his road on the west coast. At that time the State was comparatively a wilderness. They realized the possibilities and the opportunities there, and that some day their enterprises would prove possible and perhaps profitable, and that the State would grow and develop, and that it was a great field for their capital and their investment.

Their visions, their dreams came true.

In the sections of the State where railroads have penetrated through the wilderness we have to-day prosperous, modern, attractive, and wonderful cities and towns. Throughout the agricultural districts of the State there has been a marvelous development until to-day Florida—portions of which 25 years ago were a wilderness—is shipping into the markets of this country about $180,000,000 worth of products which have been grown upon her soil. To-day we are sending into the markets of the country approximately $175,000,000 worth of manufactured products. We are marketing $20,000,000 worth of phosphate, $20,000,000 worth of fish, $45,000,000 worth of naval stores, and large amounts of other products.

Florida rivals if it does not excel any State in the Union, in its colleges, its public schools, and its system of State and county highways. It leads in its fine and modern hotels. To-day it is building more hard-surfaced public roads than is any other State in the Union having anything like the same population or wealth. There is decidedly more new railroad construction in Florida than in any other State in the Union. The State is building upon a substantial and permanent basis.

While the adoption of the constitutional provision exempting inheritances from taxation in our State may have induced, and I hope that it has induced, some capital to come into the State, that has not been the moving or the actuating cause in bringing about Florida's extraordinary growth and development. We have there great natural resources; we have there splendid opportunities; we have there the beautiful, attractive scenery of rivers, of lakes, of hillsides, of magnificent groves, of beautiful farms, a land of palms and pines, and among the most beautiful and attractive cities that may be found throughout the country.

There is no State in the Union where there is a greater opportunity for a poor man to go and earn a livelihood and accumulate a competency. While the average yield per farm acre throughout the United States is only $15 per acre, the yield in my State is $225 per acre. So, there are some other reasons outside the question of exemption of inheritance taxes why Florida is growing and will continue to grow despite the fact that Congress may seek to check that prosperity by trying to interfere with our State taxation system.

God gave us the sunshine and the mild, congenial winter climate. He gave us untold resources. Man can not rob us of what God gave us.

If it be right to provide that a certain part of the inheritance taxes shall be refunded, then, with equal justice, we may provide that a certain percentage of the income tax shall be refunded to the States. We may take the automobile-tax schedule as imposed by the measure; and if some States think they may get some advantage, we may provide for a refund of that tax back to the States. We may say, forsooth, "Detroit, Mich., is the great automobile manufacturing center of the country; we are a little bit jealous; we do not like that; they have had a wonderful growth in Detroit. Let us see if we can not in some way try to break up the automobile manufacturing industry in Detroit. We are sending money there from all over the country, and can we not have it disseminated and scattered throughout the country?" So Congress might become so little as to go to work and try to manipulate and control things in regard to the automobile industry which has centralized in Detroit.

So far as I am concerned, I have no objection to the prosperity of Detroit. I rejoice in the prosperity which the people

have enjoyed in that city. It is in the case of Florida that Congress has assumed to dominate, influence, and coerce the State in its taxation system and to interfere with it because people are migrating into the State from throughout the Union. This they have a right to do, and by doing so display wisdom. They are free-born Americans; they may go and visit and enjoy the winters and the pleasures of Florida, with her attractions, and it is their own business. They may go to Florida and spend their money in building homes, for making desirable investments, or however they may wish, and it is none of the business of Congress; yet Congress will attempt by measures such as this to control and dominate the policy of a State's taxation system.

Now, just contrast the picture. Within the past two decades, I will say, Congress has very generously run its hand into the Federal Treasury and provided millions and hundreds of millions of dollars for the purpose of reclamation in the West; for the purpose of trying to develop a condition there which would attract and cause people to migrate there from other sections of the country.

In that instance Congress has even spent money for the purpose of trying to develop vast areas and trying to move people from other sections. So far as I am concerned, I have not opposed such a policy. I have no jealousy and no envy of those States which may have gotten those appropriations or of the development and settlement which may have followed as a result. I have been delighted to see the progress that the people have been making in those arid-land reclamation projects; but in that instance Congress has used its power to provide money to try to induce people to move away from certain other States in the Union and to take up residence there, to transplant them, start them off, and induce them to be settlers in that locality, while, on the other hand, Congress in the present case is going out of its way, doing something that has never yet been done by a Congress, in that it is about to enact a measure for the purpose of controlling the States in their taxation policies, and the negro in the woodpile is to try to retard Florida's growth. This will not be accomplished.

I know the stage is all set; I know what is going to happen—the conference report is going to be adopted, but I very much regret that a majority of the Senate and a majority of the House should see proper to take any such action. I can not feel that a majority of the Senate, if the question were to be considered anew on its merits, would agree to any such policy. I know the die has been cast; it is too late to accomplish anything, but I wish to enter my protest against this piece of legislation, which is an attempt to dictate the taxation policies of the different States, aimed particularly, of course, at the State of Florida, Florida being the target in this instance.

If Florida had not been so prosperous, if her bank deposits had not increased from $250,000,000 to over $1,000,000,000 last year, if her post-office receipts had not increased more than 80 per cent last year, if Florida had not led in the number of automobiles purchased, and had not led in the United States in the percentage of increase of income tax paid during the last year, if in her building program she were not excelling all other parts of the Nation, the program being over $330,000,000 last year, we would never have heard of any such provision as this. The State's advance continues, however. In January the building permits were $25,000,000. I can not help but feel that it is a most reprehensible piece of legislation, and I deplore that anything of the kind should be attempted.

Some day we will have some other measure here that will touch upon the taxation system of some other State. Other States can adopt policies which they believe will attract and induce people to come within their borders to help them develop and to grow and to utilize the resources and the opportunities which have been given to them. Some may say, "We exempt a certain amount of real estate from taxation"; others may say, "We support our Government entirely by license taxes"; and they pride themselves on the fact that they have no ad valorem tax imposed on real estate; but what if they do? That is none of the business of Congress. It is a State question pure and simple; and it is not for Congress to interfere with or attempt to outline the taxing policy of any of the States. It is this effort on the part of Congress as written into this provision that I protest against, Mr. President, most vigorously. I am strongly for most of the tax-reduction provisions of the pending bill, and wish the reductions could be even larger, but I am emphatically against the 80 per cent inheritance tax refund provision.

Mr. BRUCE obtained the floor.

Mr. HOWELL. Mr. President——

Mr. BRUCE. Mr. President, I will yield to the Senator from Nebraska. I understand he desires to address himself to the pending question.

Mr. HOWELL. Mr. President, I am opposed to sales taxes. I believe that it is a form of tax that does not take into account ability to pay. For that reason I am in favor of the motion of the senior Senator from West Virginia [Mr. NEELY]. I trust that this measure will be recommitted to the conferees, not only in the hope that the sales tax referred to in his motion may be repealed but that other taxes may be replaced upon those who have ability to pay.

If it were not for the situation of the United States to-day I would not necessarily oppose this tax bill, but we are confronted with a situation that has so long been before us that we seem to ignore it. I made the statement in some remarks several days ago that the great war is not over. It is over for the contending armies on the battle fields of France, but the World War is not over so far as paying for it is concerned. There are two great factors in war. The first is man power, and the second is wealth. It is the duty of those composing the first factor to lay down, if necessary, their lives on the battle field. The duty of the second factor, wealth, is to pay the bills. A soldier may go home after peace is declared. He has made his sacrifice. Wealth, however, has then just begun its part. Then it is that wealth—if it ever gets in the breach as a result of war—performs a laggard duty, paying the debts of war.

Mr. President, we are in the midst of the great World War to-day, so far as paying debts and other war liabilities are concerned. Last year, on account of interest on our great war debt, on account of the sinking fund for that debt, on account of veteran relief, and on account of adjusted compensation, we were called upon to pay $1,678,000,000. That you may understand that we are still in the midst of paying for this war, let me say that the average of these liabilities paid for the last four years was $1,682,000,000, or only $4,000,000 more than the amount we were called upon to pay last year.

In other words, this $1,678,000,000 is a measure of the war liability that this people must carry for years to come. It is twice what it cost to operate this Government in 1914, excluding post-office receipts. It is about $15 for every man, woman, and child in the United States to-day; and yet, Mr. President, under this bill we are letting out great wealth from under this great burden. Under this bill wealth is allowed to scuttle.

There were about 4,090,000 taxpayers last year. Five thousand of those taxpayers are relieved for the coming year, under the provisions of this bill as it has come back from the House, to the extent of about $259,000,000 on account of personal income taxes, estates taxes, and gift taxes alone. Now, mark you, I say that under this bill a class of 5,000 taxpayers are relieved of $259,000,000 in taxes on account of the three kinds of taxes I have indicated, and the remaining class of taxpayers, 4,085,000 of them, are relieved of but $162,500,000. Five thousand over here are relieved of $259,000,000; 4,085,000 over there are relieved of $162,500,000.

I made the statement the other day before the Senate that this was a millionaire's tax bill. It is not; it is a multimillionaire's tax bill. The 5,000 class that are being relieved from these taxes have incomes of $100,000 a year or more.

Mr. SIMMONS. Mr. President, I think the Senator has his figures a little bit mixed up. I think there were 7,000,000 taxpayers in this country.

Mr. HOWELL. Mr. President, I was corrected the other day when I stated that there were over 7,000,000. There were seven million and some hundred thousand income-tax returns made, but I was informed from the floor that the number of taxpayers was 4,090,000.

Mr. SMOOT. That takes into consideration the fact that this bill relieves 2,350,000 taxpayers from the payment of any tax whatever.

Mr. HOWELL. No; as I understood, the statement was made here that last year, not considering this bill, there were some 7,000,000 income-tax returns and there were some 4,090,000 taxpayers.

Mr. SMOOT. Yes.

Mr. SIMMONS. That is not the way I understand it.

Mr. SMOOT. They have to make returns if they have over $1,000 income, but they do not all pay taxes because of the exemptions.

Mr. SIMMONS. Of the 7,000,000 who make returns, as I understand, under the personal exemptions allowed in the House bill two and a half millions will not pay taxes this year. Of course, they are the small taxpayers. When the Senator comes to the estate tax of the 13,000 who now pay the

tax, there will be 6,400 who will hereafter pay no tax by reason of raising the exemption from $50,000 to $100,000.

Mr. HOWELL. Mr. President, in order that I may make myself clear——

Mr. SIMMONS. But will not the Senator permit me to interrupt him further?

Mr. HOWELL. Certainly.

Mr. SIMMONS. The Senator has said that this is a bill to relieve wealth. I have contended all along that this bill apportioned taxes between the different classes just exactly at the same ratio that the bill of 1924 did, but I want to call the Senator's attention to this matter in connection with his statement:

Under the present bill, a man with an income of $50,000 will pay a tax—that is, normal and surtax together—of $14,089. A man with an income of $1,000,000, which is twenty times that—he has twenty times the income of a man of $50,000—will pay a tax of $118,497. He has twenty times as much income, but he pays 65 times as much tax. When you go up to an income of $100,000, a man with that income will pay a tax of a little over $7,000, while a man with an income of $1,000,000—which is only ten times as much—will pay a tax of $118,497. He has ten times as much income, but he pays twenty times as much tax.

Mr. HOWELL. But, Mr. President, I would call the attention of the Senator from North Carolina to the fact that under this bill the tax paid by the taxpayer with an income of $5,000,000 is reduced about $1,087,000. That is a provision of this bill. The only way in which great wealth can contribute toward the Great War is with goods and chattels and funds; and, as I have stated, that war is not over, and they ought still to contribute. We are, however, letting them out from under, with what result?

Mr. President, this bill clearly indicates a policy to transfer this tremendous war liability to the shoulders of the masses of the people, to be paid ultimately by indirect and sales taxes. That is what it means. That is the policy underlying this bill, and that is what I protest against. I believe the United States should rapidly amortize its war liabilities. We do not know what the future has in store. In justice to the Nation we should not relieve great wealth from its present contribution toward the cost of the war, saddling such burden upon generations to come. We ought to pay now, not merely as a matter of justice but that we may be prepared for another emergency that may confront us long before we have any notion at this time.

Mr. SIMMONS. Mr. President, did the Senator vote for the inheritance-tax provision of the House bill?

Mr. HOWELL. Mr. President, the Senator from North Carolina made a gallant fight against the lowering of surtaxes in 1924, and I joined him in that fight.

Mr. SIMMONS. I was asking the Senator, however, if he voted for the inheritance-tax provision of the House bill.

Mr. HOWELL. No, sir.

Mr. SIMMONS. Did the Senator vote against the estate tax? I am speaking now of this bill.

Mr. HOWELL. I voted for an amendment increasing the estate tax, and I voted against the bill when it came up in the Senate for final passage.

Mr. SIMMONS. But the Senator did vote with the senior Senator from Nebraska [Mr. Norris] for the House estate tax?

Mr. HOWELL. I can not recall the particular votes, but I may have voted with the senior Senator from Nebraska [Mr. Norris] for a lower rate in connection with the estate taxes, hoping we might save something from the wreck in the Senate inasmuch as the Senate seemed intent upon repealing the estate tax entirely.

Mr. SIMMONS. The Senator voted against repealing the estate tax and turning it over to the States and voted for the House reduction of estate taxes?

Mr. HOWELL. I can not answer that question without referring to the RECORD.

Mr. SIMMONS. I think the Senator did.

Mr. HOWELL. But I was opposed to any reduction in the inheritance tax, and that was my attitude during the entire period the bill was under consideration.

Mr. SIMMONS. But the Senator did vote for the House provision on inheritance tax?

Mr. HOWELL. No.

Mr. SIMMONS. I think the Senator did.

Mr. HOWELL. Possibly so, but I can not answer that question without reference to the RECORD.

Mr. SIMMONS. Now the Senator is making the point that we ought to keep up these taxes, because we need the money to pay the war expenses that have not yet been liquidated. Did the Senator ever take into consideration the fact that the House bill upon its face levies only a very small inheritance tax for the benefit of the United States? It provides for a 20 per cent rate, but it provides that 16 per cent of that shall go to the States. It reserves to the Federal Government only 4 per cent; and it is a fact, not disputed, that it takes 2 per cent of that to collect the tax. So that the inheritance tax which the Senator is favoring for the purpose of getting money to pay the expenses of the war levies a net tax of only 2 per cent for the benefit of the United States Government.

Mr. HOWELL. Mr. President, I was opposed to the House bill provision respecting the inheritance tax as it came here. I submitted an amendment, which was printed, to maintain the inheritance tax at the point where it now is in the 1924 law. I finally voted against the tax bill, and I am now here protesting against the House provision. I believe that we ought to pay our debts. I believe we may be confronted with a serious situation in the world long before we now realize; and then, Mr. President, as I called to the attention of the Senate the other day, we are confronted with the cancellation of every foreign debt that thus far has been settled by the United States Foreign Debt Commission.

These cancellations amount to $7,715,000,000, and, moreover, we are not to receive, all told, from the 11 foreign countries enough to even pay 4¼ per cent interest upon these 11 debts, to say nothing of principal. The people of these United States are required to add about $106,000,000 every year to what these nations have promised to pay in order to equal the interest payable by us upon the 4¼ per cent Liberty bonds and other bonds outstanding that were issued to make these loans.

Confronted with these cancellations, confronted with this continuing interest deficit, confronted with an annual payment of about $1,678,000,000 on account of the direct war liabilities, with all this before us, we ought not reduce taxes at this time upon great estates and huge incomes. We should not in this bill provide that a man with an income of $500,000 shall be relieved of $1,087,000 income taxes, and that is what this bill does.

Something has been said about receipts from estate taxes being only $15,000,000 less because of the proposed reduction in the estate tax. This statement should not be confounded in the minds of Senators with charges on the books of the Treasury, and I can not believe it is. Every year estate taxes are charged on the books of the Treasury. They may not be collected for several years thereafter, but every year they are charged, and this year, under the 1924 law, there would be so charged about $150,000,000 on account of estate taxes alone. Under this tax bill as it went to the House the provision for every dollar of this tax was repealed. From this time forward, had the Senate bill become the law, no such charges would have been made thereafter upon the books of the Treasury. Under the bill as it returns from conference $105,000,000 of that $150,000,000 will be wiped out and no longer charged annually upon the books of the Treasury. We are repealing to that extent this estate tax.

Who pays these estate taxes? Sixty per cent of this $150,000,000 of the estate taxes are paid by those who in life enjoyed incomes of $100,000 a year or more, belonging in that class of 5,000 to whom I have referred.

Nor is that all. We have already charged upon the books of the Treasury on account of estate taxes already assessed an amount equal to about $90,000,000, and under this bill it is provided that the interested estates shall be reassessed under the provision of the 1921 law. This means the cancellation or refunding of this $90,000,000, and nearly $60,000,000 thereof inures to the 5,000 class; that is, those who in life enjoyed incomes of $100,000 or more.

So these 5,000 people, taxpayers, are the real beneficiaries of this tax bill. It is, indeed, a multimillionaire's tax bill. Do Senators think the people of the United States will not understand that ultimately? They will know, they will understand, exactly what has been done. It can not be hidden under a bushel.

Under the circumstances, therefore, I sincerely trust that this bill will be recommitted, that it be sent back to the conferees, and an opportunity given once more to wipe out these sales taxes and to restore the estate and surtaxes, in order that we may pay our war debts and the war debts of those European nations whose obligations we have agreed to cancel.

I believe the safety of the Nation depends upon it. France began in 1815 with a debt of 1,200,000,000 francs, and from that time she adopted the policy of deferring the payment of her debts. The Great War came, and what is the situation of France to-day?

Mr. President, so much depends upon this great Nation and its influence in the world that we should ever have not only an Army and a Navy but we ought to have our finances in such condition that no one could question our ability to meet any emergency. Our surplus last year amounted to only about 10 per cent of our gross income. As a business proposition, should we run closer than that, in view of our tremendous obligations? We have been told by one of the members of the Finance Committee that if we cut $93,000,000 from this bill, as proposed in the pending resolution, we will be confronted with a deficit.

With the cancellation of these European debts, not only 11 of them, but ultimately every one of them—it will be found that we will cancel all of them—with these cancellations, and, in addition thereto, with this great debt for our own part in the war, do Senators think we ought to run as closely to the shore as that? I do not believe it is good business. It is not the way the great corporations succeed. It makes no difference whether it is a private or a public enterprise, whether it is an individual or a corporation, respect is measured largely by financial resources, and that applies to a nation in the political world as well as to a commercial concern in the business world.

Therefore, Mr. President, as there is this last opportunity to send this tax bill back for amendment, I trust the pending resolution will prevail.

Mr. BRUCE. Mr. President, it is my intention to invoke the indulgence of the Senate for only a few minutes, but, entertaining the view I do about one feature of the pending bill in relation to which this conference report has been rendered, it is impossible for me not to consume at least that much time.

It is a source of the sincerest disappointment to me that our conferees have not been able to obtain the assent of the House to the repeal of the estate tax, and I am bound to confess that I have not yet heard any sort of satisfactory explanation of the precise motives by which the House has been actuated in taking the position it has taken in regard to that repeal. Its motives certainly can not be revenue motives, because the Federal estate tax, as modified by the suggestions of the House, is likely, of course, to prove highly sterile in point of revenue. In other words, if the House had imposed a Federal tax on an estate without any drawbacks of any kind for the purpose of raising a sufficient amount of revenue, I could understand that; it would all be intelligible enough. Why it should take revenue with one hand and return it with the other, as the proposition of the House in relation to the Federal estate tax does, is something that exceeds my comprehension.

I am not in the least mollified, so far as my objection to the House proposition with regard to the estate tax is concerned, by the fact that the exemption of estates from taxation has been increased from $50,000 to $100,000. That means nothing to me. That has no sort of connection with the motives by which I was influenced when I did my best to promote the views which the Senate Finance Committee entertained in relation to the estate tax.

My idea was to have the estate tax shifted as a tax resource from the Federal Government to the State governments, and that was my only motive. Federal taxation is abating; State and municipal taxation is swelling. It seemed to me that the time had come when the Federal Government, with its enormous tax resources of one kind or another, such as import duties and income taxation, might be generous enough to turn over the estate tax to the States for the purpose of enabling them to meet the tax necessities of the States.

It appears to me that the House proposition would work out hopelessly unequal and illogical results. It draws an invidious line of discrimination between States in which there is no estate tax at all, and States in which there is an estate tax. It draws a most invidious line of discrimination between estates which do not amount to $50,000 and estates which amount to more than that. It also draws an invidious line of discrimination between States like my State, the State of Maryland, in which there is no inheritance tax except a collateral inheritance tax, and the States in which there is a general inheritance tax imposed upon husbands and wives and lineal descendants as well as upon collateral inheritances. As I view the House proposition there is an indelible impress of inequality, of lack of uniformity, of injustice on it. I never saw a thing in my life framed with so much elaborate artifice and ingenuity. So far as taxation is concerned the Federal estate tax would be nothing but a water haul. So far as creating a rankling sense of injustice and wrong, it would be a potent instrument for evil, indeed.

It strikes me that this estate tax proposition is an obnoxious and, to my mind, a monstrous—I use the term advisedly—invasion of the fundamental rights of the States. Will not somebody please tell me what right does the Federal Government propose to leave to the States? I have gotten to the point now that I feel that it is really unnecessary, idle, futile to raise my voice in remonstrance against any further spoliations of State sovereignty. When Dean Swift in his dotage had his attention called to a building near Dublin for the storage of powder and munitions, he composed these lines:

Behold a proof of Irish sense;
Here Irish wit is seen.
When nothing's left that's worth defense
We build a magazine.

And just as hopeless, it seems to me, at this late day is any protest against the further encroachment of the Federal power upon the rights of the States. That Government has, as I said the other day, by judicial decision, by acts of Congress, by constitutional amendments, thrust its aggressive hand into the very bosom of the States.

It has taken away from the States even jurisdiction in relation to such subjects as popular education, labor, infancy, and maternity, and most detestable of all it has resorted to a scheme of systematic bribery by its principle of 50-50 legislation for the purpose of inducing the States to surrender the comparatively limited measure of sovereignty that is still left to them.

Through the insidious operation of that system, the covetous jurisdiction of the Federal Government has even obtained control over such subjects as infant and maternal welfare and hygiene, disease, physical rehabilitation, national roads and trails, fire protection to the forested reserves of navigable streams, and so on. All of that was done by stealth, by covert indirection worthy of a better cause. And now in this detestable proposition of the House and Federal Government proposes to abandon artifices of that nature, and by force, by brutal, crushing coercion, to compel every State in the land to adopt a uniform system of estate taxation.

Here is the State of Florida that chose, in the exercise of its views of public policy, to adopt a constitutional provision doing away with any estate tax at all. Here is another State like my own in which there is nothing but a collateral inheritance tax. And now it is the purpose of the Federal Government to apply to every State in the Union, the State of Florida, my State, and every other State, its Procrustean theory of tyrannical uniformity. I resent it as an American citizen, and I would have been untrue to myself and to my profoundest convictions if I had not, to this extent at any rate, voiced my resentment.

Mr. LA FOLLETTE. Mr. President, at this late hour I do not desire to detain the Senate by a discussion of the provisions of the bill. I made my position clear in the debate when the measure was pending before the Senate. I do desire, however, to ask unanimous consent to have inserted in the RECORD at this point an analysis of the bill which has been made at my request by the People's Legislative Service and issued by them in the form of a bulletin.

The VICE PRESIDENT. Without objection, leave is granted. The matter referred to is as follows:

THE COALITION REVENUE BILL OF 1926

"A BILL TO UNTAX WEALTH"

Secretary MELLON (a la King George the Fourth). There is a great deal to be said in favor of a tax that the subjects are accustomed to. (Testimony before Senate Committee on Finance, Sept. 8, 1921, p. 162.)

Secretary MELLON. I think this, that the ideal system of taxation, if it could be inaugurated, if you could do away with all the other taxes and make an equitable tax on all turnovers—all sales of real estate, goods, wares, and merchandise, everything—it would spread the burden of taxation as much as it can be spread, with the exception of some taxes like the excise taxes on tobacco and places peculiarly adapted for taxation, and then you would have the ideal system. (Testimony before Senate Committee on Finance, Sept. 8, 1921, p. 163.)

There are two irreconcilable theories of taxation which are at war in the United States.

The progressive theory of taxation holds that the largest possible share of the Federal revenues shall be raised by direct taxes, levied in proportion to ability to pay on individuals and corporations in such manner that they can not be shifted.

It advocates as its principal fiscal measures the graduated income tax, the graduated estate tax, and the graduated tax upon the excess

profits of profiteering corporations. It seeks to avoid the placing of burdens upon commerce and legitimate enterprise.

It is modern, scientific, flexible, and efficient. It is advocated by the progressives of all parties and by the greatest authorities on public finance in every country.

This was the theory upon which the Great War was financed. Without these measures—the income tax, the estate tax, and the excess-profits tax—the enormous sums required for war expenditures could not have been raised.

The reactionary theory of taxation—the "Mellon plan"— holds that the greatest possible share of Federal revenue should be raised by indirect taxes, imposed at flat rates upon the rich and poor alike, in such manner that they can be easily shifted to the backs of the consumers.

It advocates as its principal fiscal measures a high tariff, the sales tax, heavy excise taxes on tobacco and other commodities, and a flat rate on corporations. It has no scruples about placing annoying and vexatious taxes upon commerce and legitimate industry if these taxes can be shifted to the great mass of American consumers.

It is out of date, unscientific, unjust, and cumbersome. It has been discarded by every modern highly civilized nation and is advocated only by those who seek to relieve wealth of its just burdens.

This reactionary system of taxation is that which is now advocated by the "unholy alliance" of conservative Republicans and conservative Democrats. It is upon the foundation of this unsound theory of taxation that the coalition has built the revenue bill of 1926.

THE GREAT DRIVE TO UNTAX WEALTH

The revenue bill of 1926—the coalition tax bill—represents the latest stage of a great campaign inaugurated in 1921 for the purpose of destroying the graduated system of taxation and relieving great wealth from paying its fair share of the burdens of government.

This great drive, headed by Andrew W. Mellon, one of its chief beneficiaries, has already saved multimillionaires and profiteering corporations thousands of millions of dollars.

With just one more tax reduction like the present the graduated tax system will be wiped out entirely and a system will be in force where the burden of taxation will rest with equal weight upon John Jones, the common laborer, and upon John D. Rockefeller, the richest man in the world.

That is the goal for which Mellon and his reactionary supporters in the Republican and Democratic Parties are striving. That is the ideal which Secretary Mellon personally proclaimed soon after he took office. Testifying before the Senate Finance Committee on September 8, 1921, he declared:

"I think this, that the ideal system of taxation, if it could be inaugurated, if you could do away with all the other taxes and make an equitable tax on all turnovers—all sales of real estate, goods, wares, and merchandise, everything, it would spread the burden of taxation as much as it can be spread, with the exception of some taxes, like the excise taxes on tobacco and places peculiarly adapted for taxation, and then you would have the ideal system."

In furtherance of this "ideal" Mellon and his supporters have already succeeded in abolishing the graduated corporation tax—the excess-profits tax on profiteering corporations. They accomplished this in 1921. In the same year they abolished the graduated income tax on "unearned increment"—the so-called net gain on capital assets held more than two years. For this they substituted a flat tax of 12½ per cent. This "unearned increment" constituted 40 per cent of the total income of the class with incomes over $1,000,000 in 1923, the latest year for which complete statistics are available. By this device they were relieved of three-fourths of the tax on this class of unearned income.

This year they have succeeded in "ungraduating" the graduated tax on incomes and estates to such an extent that the principle of "taxation according to ability to pay" is seriously undermined. Another drive like the present will complete the destruction of the graduated principle and result in the attainment of Secretary Mellon's ideal of a universal sales tax on "all sales of real estate, goods, wares, and merchandise—everything!"

$3,000,000,000 SAVED FOR MULTIMILLIONAIRES AND PROFITEERING CORPORATIONS

Let us now take a bird's-eye view of the results of this drive to untax wealth and profiteering.

We must consider the effects of five separate transactions, each having this end in view.

1. The repeal of the excess-profits tax.
2. The reductions of the supertaxes.
3. The substitution of a flat rate of 12½ per cent on "unearned increment" (capital net gain).
4. The virtual repeal of the estate tax.
5. The huge Treasury refunds to individuals and corporations of great wealth.

Ignoring for the moment the detailed methods of calculation, we find that since the Harding-Coolidge administration came into power and without counting the effects of the revenue bill of 1926, it has reduced the burden of taxation upon great wealth and profiteering corporations by the enormous sum of $2,885,357,155. This is nearly $3,000,000,000. It is one-seventh of the public debt of the United States.

This sum is made up of the following items, covering the three years 1922, 1923, and 1924:

Repeal of excess-profits tax	$2,141,203,652
Reduction of surtaxes and substitution of flat tax of 12½ per cent on "unearned increment" for incomes over $50,000	714,153,503
Total tax savings to great wealth and profiteering corporations	2,855,357,155

To this must be added the reductions in taxes on great wealth provided by the revenue bill of 1926. This bill reduces the surtaxes on incomes over $50,000 by $108,000,000 (estimate of Treasury actuary). It reduces the estate tax by almost half and allows a credit of 80 per cent of State inheritance taxes. When the full effect of this action is felt, it will reduce the proceeds from the Federal estate tax to about $25,000,000, or a total saving to great fortunes of $75,000,000 a year. The revenue bill of 1926 also provides for making a retroactive repeal of the high estate-tax rates of 1924 and for refunding all taxes paid under them. This will save the great fortunes at least $25,000,000 more.

To this should finally be added the huge refunds allowed to individuals and corporations by the Mellon administration. From July 1, 1921, to April 30, 1925, these amounted to $459,000,000. Of these refunds the Cousens committee has reported that its investigations indicate that $308,000,000 represented improper allowances.

We have, therefore, as the aggregate amount saved to great wealth and profiteering corporations by the Harding-Coolidge administration under the leadership of Secretary Mellon the colossal sum of more than $3,000,000,000. This is made up of the following items:

Repeal of excess-profits tax (aggregate for 1922, 1923, and 1924)	$2,141,203,652
Reduction of surtaxes and substitution of flat rate on "unearned increment" for incomes over $50,000 (aggregate for 1922, 1923, and 1924)	714,153,503
Additional reduction of surtaxes on incomes over $50,000, revenue bill of 1926	108,000,000
Reduction of estate tax and allowance of 80 per cent credit on State taxes	75,000,000
Retroactive repeal of 1924 estate-tax rates	25,000,000
Improper refunds to individuals and corporations (July 1, 1921, to Apr. 30, 1925)	308,000,000
Total	3,371,357,155

The detailed tables upon which these statements are based are attached hereto as Exhibit A.

"UNTO HIM THAT HATH SHALL BE GIVEN"

The results of the great drive to "untax wealth" which Secretary Mellon inaugurated as soon as he took office can also be seen by examining the statistics of personal tax reductions during the period from 1922 to 1924.

The following summary has been compiled from the official statistics published by the Commissioner of Internal Revenue. They summarize the effects of the revenue acts of 1921 and 1924. They show that the 18,000 millionaires with incomes over $50,000 have received more than six times as great reductions as the 6,600,000 of Mr. Mellon's "subjects" who earned less than $5,000 a year.

Reduction of tax on personal incomes, 1922 to 1924

	Number of persons in each class	Aggregate amount of reductions
Under $5,000	6,624,501	$117,337,893
$5,000 to $10,000	407,635	86,525,890
$10,000 to $50,000	211,204	329,052,237
$50,000 and over	17,997	714,153,503

These figures would have been even more startling if the Mellon tax plan of 1924 had been carried through. That plan was blocked, however, by the combined efforts of the progressive Republicans and Democrats.

How much fairer the revenue act of 1924 was than the act of 1921 is shown by the following figures.

Reduction of tax on personal incomes, 1922 to 1924

Year	Under $5,000	$5,000 to $10,000	$10,000 to $50,000	$50,000 and over
1922	$1,369,404	$6,227,324	$36,221,268	$123,603,429
1923	40,502,085	23,341,676	114,048,828	262,899,700
1924	75,466,404	56,956,890	178,782,143	327,650,374
	117,337,893	86,525,890	329,052,237	714,153,503

To this should be added the effects of the revenue bill of 1926. These have been effectively summarized by Senator HOWELL in a statement which he placed in the RECORD on February 12, 1926. This related to the bill as it passed the Senate, and has been modified for this memorandum as regards the estate tax, which was repealed by the Senate but restored by conference with largely reduced rates and with a credit of 80 per cent of State inheritance taxes. Instead of the $150,000,000 which Senator HOWELL stated would be lost by the repeal of the estate tax it has been estimated that $75,000,000 would be lost by the estate-tax provision recommended by the conferees. The table has been modified accordingly.

Items	The 5,694 class with incomes over $100,000	All other taxpayers of United States
Personal income-tax reductions	$120,500,000	$98,500,000
Estate tax reductions	45,000,000	30,000,000
Rebates of estates taxes levied under 1924 law	60,000,000	40,000,000
Reductions on account of gifts tax repeal	4,500,000	3,000,000
	230,000,000	171,500,000

It should be noted in connection with this table that it differs from the "official" estimates of reduction as far as the estate tax is concerned. These estimates show a reduction of only $15,000,000. This ridiculously small estimate of reduction arises from the fact that it relates only to the year 1926. Since under the law estate taxes do not have to be settled for from two to five years, there will, of course, be millions of dollars coming in from this source for five years even if the law was absolutely repealed. The estimate used in the table shows the probable result when the full effect of the reductions is felt, which will amount to at least a $75,000,000 loss of revenue.

REVENUE BILL OF 1926 UNFAIR TO SOUTHERN AND WESTERN STATES

The revenue bill of 1926 is grossly unfair to Southern and Western States in at least two particulars:

1. The virtual repeal of the estate tax.
2. The preferential reductions granted to surtaxes on large incomes.

The estate tax and the graduated income tax are the only revenue measures by which there is any readjustment of the great wealth which is drained away from the Western and Southern States and concentrated in the hands of the multimillionaires who live in a few of the Eastern States or in Europe. The wealth flows from the farms, the mines, and the factories in the form of dividends, interest, and royalties to these great centers of wealth. It can not be taxed by the States in which it is created. They can secure benefit from it only as it is taxed by the Federal Government and used for such truly national purposes as road building, waterways, and other internal improvements.

It was to these great incomes that the revenue bill of 1926 gave the maximum reduction of 50 per cent. They are concentrated in a few States.

The smaller incomes of from $10,000 to $25,000, which received almost no reduction except through the increased credit on earned income, are, however, scattered all over the country. They are grossly discriminated against by this bill. Consider these facts. The 50 per cent reduction in surtaxes was received by only 215 persons with incomes over $500,000. Eighty-three of these live in New York and 31 in Pennsylvania. In other words, more than half of the ultrarich men and women live in two States.

On the other hand, 171,801 persons with incomes ranging from $10,000 to $25,000 received no reduction whatever in their surtaxes. It is true that some of them received the benefit of an allowance of 25 per cent on earned income up to $20,000, but so also did the million-dollar class.

These and other facts are summarized in the following table:

Number of persons receiving the various rates of reduction in surtax under the committee bill

Income range	Rate of reduction to be received	Persons receiving reduction	
		Number[1]	Per cent
	Per cent		
Over $500,000	50	215	0.1
$100,000–$500,000	46–49	3,967	1.7
$50,000–$100,000	24–47	12,452	5.5
$30,000–$50,000	10–25	24,913	10.9
$25,000–$30,000	0–12½	14,919	6.5
$10,000–$25,000	[2] 0	171,801	75.3
Total (over $10,000)		228,267	100.0

[1] Based on number in 1923. "Statistics of income," 1923, p. 59.

[2] Of the 171,801 persons in the $10,000–$25,000 class, 147,454 are between $10,000 and $20,000 who under the "earned net income" provision of the committee's bill will receive a 25 per cent reduction as compared with the 1924 law, if their entire income is "earned." This still leaves 24,347 in the $20,000–$25,000 class with no reduction. If the percentages were based on the 80,813 returns of over $20,000, the 24,347 persons receiving no reduction on this basis would be 30.2 per cent. On this same basis, the percentages of persons receiving reductions in the brackets from $25,000 up would be, in each bracket, about three times the percentage shown in the table on the basis of 228,267 returns.

The most interesting and significant facts do not emerge, however, until we classify these reductions by the States in which the beneficiaries reside. Then we find that 25 States did not have a single taxpayer that received the benefit of the 50 per cent surtax reduction on incomes over $500,000. These States were Arizona, Arkansas, Delaware, Georgia, Hawaii, Idaho, Kansas, Kentucky, Louisiana, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, and Wyoming.

Seven other States had only one person who received the 50 per cent reduction. These were Colorado, Indiana, Iowa, Maryland, Minnesota, Vermont, and Wisconsin.

The following table shows just how the surtax reductions were distributed among the different States. It discloses how unevenly the wealth of the United States is distributed. It demonstrates how the movement to "untax wealth" discriminates again in favor of those States where the "ultrarich" have chosen to reside.

A still more detailed analysis showing the results in various representative States is attached as Exhibit B:

Revenue bill of 1926

(Calculations based on 1923 statistics of income)

State	Number of persons receiving the various rates of surtax reduction						
	50 per cent	46–49	24–47	10–25	0–12½	0	Total (over $10,000)
	Per cent	*Per cent*	*Per cent*	*Per cent*	*Per cent*	*Per cent*	
Alabama	2	6	57	128	92	1,105	1,390
Arizona	0	2	6	22	9	182	221
Arkansas	0	11	38	70	50	709	878
California	5	196	763	1,758	1,091	13,235	17,038
Colorado	1	24	55	128	72	1,030	1,310
Connecticut	3	73	283	575	305	3,399	4,642
Delaware	0	11	39	64	35	376	525
District of Columbia	1	45	118	226	149	3,290	3,829
Florida	2	16	73	133	108	1,259	1,586
Georgia	0	18	71	201	129	1,486	1,905
Hawaii	0	15	34	52	32	277	410
Idaho	0	1	3	7	4	91	106
Illinois	24	380	1,127	2,393	1,477	16,183	21,584
Indiana	1	26	154	314	200	2,766	3,461
Iowa	1	13	51	158	113	1,553	1,889
Kansas	0	9	24	58	55	832	978
Kentucky	0	13	81	203	118	1,681	2,096
Louisiana	0	18	71	190	98	1,452	1,829
Maine	2	15	51	110	80	925	1,183
Maryland	1	53	224	502	311	3,305	4,396
Massachusetts	8	296	894	1,810	984	10,342	14,334
Michigan	9	141	446	863	518	5,639	7,616
Minnesota	1	49	152	305	195	2,245	2,947
Mississippi	0	9	19	70	38	552	688
Missouri	3	66	287	622	395	4,399	5,772
Montana	0	1	6	13	17	238	275
Nebraska	0	8	27	84	67	926	1,112
Nevada	0	1	2	1	3	48	55
New Hampshire	0	7	37	68	44	603	759
New Jersey	12	179	547	1,108	703	8,535	11,082
New Mexico	0	0	7	15	4	72	98
New York	83	1,362	3,566	6,368	3,593	37,308	52,280
North Carolina	3	33	77	166	112	1,316	1,707
North Dakota	0	0	0	3	7	119	129
Ohio	12	158	627	1,350	792	9,332	12,271
Oklahoma	0	19	43	119	104	1,755	2,040
Oregon	0	13	40	115	66	969	1,203
Pennsylvania	31	496	1,540	2,691	1,642	17,311	23,713
Rhode Island	3	45	133	256	132	1,458	2,027
South Carolina	3	7	20	68	43	570	711
South Dakota	0	0	2	9	6	154	171
Tennessee	0	15	65	238	148	1,615	2,081
Texas	0	38	184	388	231	3,306	4,147
Utah	0	1	10	34	23	371	439
Vermont	1	8	24	43	25	384	485
Virginia	0	11	66	165	90	1,596	1,930
Washington	0	10	49	151	80	1,168	1,458
West Virginia	2	21	82	159	110	1,357	1,731
Wisconsin	1	33	173	325	210	2,803	3,545
Wyoming	0	1	2	16	14	172	205
Total	215	3,967	12,452	24,913	14,919	171,801	228,267

ELEVEN MILLION DOLLARS FOR 20 MILLIONAIRES

The greatest beneficiaries of the revenue bill of 1926 are the multimillionaires with incomes of $1,000,000 a year.

The following statement, showing the amounts saved for 20 of these very wealthy men and women, has been compiled from the returns of 1924 as published in the New York Times:

Amount of tax reduction received by 20 millionaires through coalition tax bill

Name	State or city	Tax paid, 1925	Amount saved by 1926 tax bill	Amount contributed to Republican campaign fund, 1924
John D. Rockefeller, jr	New York	$6,277,669	$2,762,174	$10,000
Henry Ford	Detroit	2,608,908	1,147,875	(?)
Edsel Ford	do	2,158,055	949,544	3,000

Amount of tax reduction received by 20 millionaires through coalition tax bill—Continued

Name	State or city	Tax paid, 1925	Amount saved by 1926 tax bill	Amount contributed to Republican campaign fund, 1924
Andrew W. Mellon	Washington	$1,882,609	$828,348	$10,000
Payne Whitney	New York	1,676,628	737,715	15,000
Edward S. Harkness	do	1,351,708	594,751	(?)
Marshall Field estate and 3 heirs	Chicago	1,197,605	526,946	5,000
Clinton H. Crane	New York	1,066,716	469,355	(?)
Anna M. Harkness	do	1,061,537	467,076	(?)
F. W. Vanderbilt	do	792,986	348,909	(?)
Subtotal for first 10		20,074,319	8,832,693	
George F. Baker, sr	do	792,076	348,513	7,500
Thomas F. Ryan	do	791,851	348,414	(1)
George F. Baker, jr	do	783,406	344,698	5,000
Vincent Astor	do	642,600	282,744	10,000
J. B. Duke (deceased)	New Jersey	641,250	282,150	12,500
Julius Fleischmann (deceased)	New York	625,996	275,438	10,000
Cyrus H. K. Curtis	Philadelphia	583,872	256,903	3,000
J. Pierpont Morgan	New York	574,379	252,726	(?)
Joseph E. Widener	Philadelphia	488,106	214,766	25,000
Thomas W. Lamont	New York	480,741	211,526	(?)
Grand total for 20		26,478,596	11,650,571	

[1] Contributed $50,000 to Democratic campaign fund.
[2] Contributed $2,500 to Democratic campaign fund.

This table raises the question whether the Republican and Democratic campaign treasurers are not absurdly inefficient and unscientific in their assessments.

A 1 per cent levy on the amounts saved for these gentlemen by the coalition tax bill would have yielded far greater returns. This should serve as a guide for future campaign treasurers.

EXHIBIT A

DETAILS OF CALCULATIONS OF TAX REDUCTIONS ON INDIVIDUAL AND CORPORATE INCOMES FOR THE YEARS 1922, 1923, AND 1924

1922 tax reduction on corporate income

[Source: "Statistics of income," 1922, pp. 16–17; 1920, p. 10]

Net income of corporations reporting net income 1922	$6,963,811,143
Average rate of corporation tax plus excess-profits tax paid in 1920—per cent	20.57
Tax on above 1922 income, at 1920 rate	1,432,455,952
Tax actually paid in 1922	783,776,268
Reduction in 1922, due to repeal of excess-profits tax	648,679,684

1923 tax reduction on corporate income

Net income of corporations reporting net income 1923 (statistics of income, 1923, p. 11)	8,321,529,184
Average rate of corporation tax plus excess-profits tax paid in 1920 (statistics of income, 1920, p. 10)—per cent	20.57
Tax on above 1923 income, at 1920 rate	1,711,738,543
Tax actually paid in 1923 (statistics of income, 1923, p. 11)	937,106,798
Reduction in 1923 due to repeal of excess-profits tax	774,631,745

1924 tax reduction on corporate incomes

Income tax paid by corporations in 1924 [1]	1,111,976,801
Rate of tax on corporate net income in 1924, one-eighth or—per cent	12½
Estimated net income of corporations in 1924 (estimated at eight times the tax paid)	8,895,814,408
Average rate of corporation income tax plus excess-profits tax paid in 1920—per cent	20.57
Tax on above estimated 1924 net income at 1920 rate	1,829,869,024
Tax actually paid in 1924	1,111,976,801
Reduction in 1924 due to repeal of excess-profits tax	717,892,223

[1] Corporate tax in 1924 arrived at as follows:

Total corporate and personal-income tax:	
First quarter 1924 (internal-revenue collections, fiscal year 1925, p. 2)	$586,780,190
Second quarter 1924 (internal-revenue collections, fiscal year 1925, p. 2)	433,719,574
Third quarter, 1924 (internal-revenue collections, fiscal year 1925, p. 2)	400,602,858
Fourth quarter 1924 (internal-revenue collections, fiscal year 1925, p. 2)	380,008,364
Year 1924	1,801,110,986
Deduct personal-income tax (statistics of income, 1924, individuals, preliminary report, p. 15)	689,134,185
Balance, corporate income tax	1,111,976,801

1922 tax reductions on personal incomes—Net incomes of individuals in 1922 calculated at 1921 rates

[Includes effect of reductions of normal taxes, surtaxes, and flat rate on capital gains]

	Net income 1922 [1]	1921 rate [2]	Yield at 1921 rates	Actual 1922 tax [3]
Under $1,000	$247,564,333	$0.08	$198,051	$246,636
$1,000–$2,000	3,630,570,922	.81	29,407,624	27,081,089
$2,000–$3,000	5,153,497,468	.39	20,098,640	20,729,737
$3,000–$5,000	4,500,557,809	1.05	47,255,857	47,533,306
$5,000–$10,000	2,641,904,702	2.90	76,615,236	70,387,912
$10,000–$25,000	2,255,871,780	6.48	146,180,491	123,575,960
$25,000–$50,000	1,208,273,932	11.53	139,313,984	125,697,249
$50,000–$100,000	805,223,854	19.87	159,997,979	144,092,555
$100,000–$150,000	260,203,553	32.00	83,265,137	71,337,246
$150,000–$300,000	266,814,381	42.14	112,435,580	98,810,408
$300,000–$500,000	116,672,075	51.94	60,599,476	43,488,227
$500,000–$1,000,000	107,670,678	58.70	63,202,687	28,559,344
$1,000,000 and over	141,386,993	63.59	89,907,989	49,517,639
Total	336,212,530		1,028,478,731	861,057,308

Summary of reductions	Yield at 1921 rates	Actual tax, 1922	Reduction
Under $5,000	$96,960,172	$95,590,768	$1,369,404
$5,000–$10,000	76,615,236	70,387,912	6,227,324
$10,000–$50,000	285,494,475	249,273,209	36,221,266
Over $50,000	569,408,848	415,805,419	123,603,429
Total	1,028,478,731	861,057,308	167,421,423

Relative benefits from reductions

	Reductions	Rate of reduction	Number of persons benefited [4]	Benefit per person
		Per cent		
Under $5,000	$1,369,404	1.4	6,193,270	$0.22
$5,000–$10,000	6,227,324	8.1	391,373	15.94
$10,000–$50,000	36,221,266	12.7	186,807	193.99
Over $50,000	123,603,429	21.7	16,031	7,710.27

[1] Statistics of income, 1922, p. 5.
[2] Statistics of income, 1922, p. 35.
[3] Statistics of income, 1922, p. 6.

1923 tax reductions on personal incomes—Net incomes of individuals in 1923 calculated at 1921 rates

[Includes effect of reductions of surtaxes and flat rate on capital gains]

Income class	Net income, 1923 [1]	1921 rate [2]	Yield at 1921 rates	Actual 1923 tax [3]
Under $1,000	$252,513,019	$0.08	$202,010	$316,602
$1,000–$2,000	3,683,428,617	.81	29,835,772	18,190,033
$2,000–$3,000	6,069,132,445	.39	23,669,617	16,570,881
$3,000–$5,000	6,461,142,951	1.05	67,842,001	45,969,794
$5,000–$10,000	2,717,991,529	2.90	78,821,754	55,480,078
$10,000–$25,000	2,558,361,589	6.48	165,781,831	103,865,711
$25,000–$50,000	1,350,680,468	11.53	155,733,458	103,600,750
$50,000–$100,000	833,898,237	19.87	165,695,580	108,878,597
$100,000–$150,000	290,656,213	32.00	89,809,968	55,719,390
$150,000–$300,000	260,584,012	42.14	109,810,103	62,104,203
$300,000–$500,000	124,569,194	51.94	64,701,239	31,668,552
$500,000–$1,000,000	95,107,209	58.70	55,827,932	25,498,434
$1,000,000 and over	152,071,881	63.59	96,702,509	35,788,475
Total	24,840,137,364		1,104,433,794	663,651,505

Summary of reductions	Yield at 1921 rates	Actual tax, 1923	Reduction
Under $5,000	$121,549,400	$81,047,315	$40,502,085
$5,000–$10,000	78,821,754	55,480,078	23,341,676
$10,000–$50,000	321,515,289	207,466,461	114,048,828
Over $50,000	582,547,351	319,657,651	262,889,700
Total	1,104,433,794	663,651,505	440,782,289

Relative benefits from reductions

Income class	Reductions	Rate of reduction	Number of persons benefited [4]	Benefit per person
		Per cent		
Under $5,000	$40,502,085	33	7,072,424	$5.73
$5,000–$10,000	23,341,676	30	397,630	58.70
$10,000–$50,000	114,048,828	35	211,633	538.89
Over $50,000	262,889,700	45	16,634	15,804.35

[1] Statistics of income, 1923, p. 4.
[2] Statistics of income, 1922, p. 35.
[3] Statistics of income, 1923, p. 5.

1924 tax reduction on personal incomes—Net income of individuals in 1924 calculated at 1921 rates

Income class	Net income 1924 [1]	1921 rate [2]	Yield at 1921 rates	Actual 1924 tax [3]
Under $1,000	$236,051,857	0.08	$188,841	$143,033
$1,000–$2,000	3,441,614,242	.81	27,877,075	8,800,693
$2,000–$3,000	5,671,134,658	.39	22,117,425	7,688,983
$3,000–$5,000	6,035,045,426	1.05	63,367,977	21,362,205
$5,000–$10,000	2,965,766,075	2.90	86,007,216	29,050,326
$10,000–$25,000	2,816,129,782	6.48	182,485,210	77,093,803
$25,000–$50,000	1,580,506,393	11.53	182,232,387	108,901,651
$50,000–$100,000	1,053,650,186	19.87	209,369,292	135,896,979
$100,000–$150,000	367,049,390	32.00	117,455,805	73,515,435
$150,000–$300,000	372,576,119	42.14	157,003,577	91,836,793
$300,000–$500,000	171,482,809	51.94	89,068,171	45,689,311
$500,000–$1,000,000	157,351,247	58.70	92,365,182	42,497,825
$1,000,000 and over	154,852,709	63.59	98,470,838	46,657,148
Total	25,023,210,893		1,327,999,996	689,134,185

[1] Statistics of income, 1924, preliminary report, p. 14.
[2] Statistics of income, 1922, p. 35.
[3] Statistics of income, 1924, preliminary report, p. 15.

Summary of reductions

	Yield at 1921 rates	Actual tax, 1924	Reduction
Under $5,000	$113,551,318	$38,084,914	$75,466,404
$5,000–$10,000	86,007,216	29,050,326	56,956,890
$10,000–$50,000	364,717,597	185,935,454	178,782,143
Over $50,000	763,723,865	436,063,491	327,660,374
	1,327,999,996	689,134,185	638,865,811

Relative benefits from reductions

	Reductions	Rate of reduction	Number of persons benefited [1]	Benefit per person
		Per cent		
Under $5,000	$75,466,404	66.5	6,608,079	$11.42
$5,000–$10,000	56,956,890	66.2	433,902	131.27
$10,000–$50,000	178,782,143	49.0	235,172	760.22
Over $50,000	327,660,374	42.9	21,328	15,362.92

EXHIBIT B

"Earned Income" Reduction Not an Offset to Failure to Reduce Surtax Rates in $10,000–$20,000 Brackets

The attached tables showing the amounts and percentages of surtax reduction for the various income classes record the fact that on net incomes from $10,000 to $25,000 there is no surtax reduction under the bill.

As a matter of subsidiary information, it is shown in footnote that the $10,000–$20,000 group, with no surtax reduction, is given a 25 per cent reduction if the net income is entirely "earned."

It can not be urged that a 25 per cent reduction on account of "earned" income offsets the failure to reduce the surtax on this group. It is a correct theory that an earned income should pay less tax than one unearned. It is therefore a denial of justice to grant an earned-income reduction in one section of the bill and then to take away that relative advantage in another section of the bill.

In other words, earned incomes are justly entitled to an advantage as compared with unearned. And if surtaxes are to be reduced they are also justly entitled, as an entirely separate matter, to their proper share in the advantage of surtax reduction. Instead, while other incomes from $26,000 up are to be given reductions of from 10 to 50 per cent in surtaxes, this group of $10,000–$20,000 receives no surtax reduction whatever.

This relative injustice can not be covered or excused by the fact that the bill gives this group a belated justice in the separate matter of tax on earned income.

Number of persons benefited and amount of surtax reduction—Under surtax cuts in committee's bill in specified States

(Based on returns for calendar year ended December 31, 1923)
(Source: "Statistics of Incomes," 1923, p. 136 ff.)

[Note.—Where two or more income classes are grouped and a single figure of surtax shown for the group it is because the official statistics so grouped items in order to avoid identifying individual taxpayers]

[Footnotes at end of table]

Income class	Number of persons	Amount of surtax in 1923	Committee surtax reduction		
			Per cent [1]		Amount [1]
			Range	Average	
ARIZONA					
$150,000–$5,000,000	0	0	50	50	0
$100,000–$150,000	2	$43,057	24–47	41	$17,653
$90,000–$100,000	1				
$69,000–$70,000	1				
ARIZONA—continued					
$70,000–$90,000	4	$41,942	31–41	36	$15,634
$30,000–$50,000	22	33,496	10–25	20	6,559
$25,000–$30,000	9	6,754	0–12½	9	603
$10,000–$25,000	182	24,646	0	0	0
Total (over $10,000)	221	149,895		27	39,854
Detail for $10,000–$25,000:					
$10,000–$20,000 [2]	158	14,680	0	0	[2]0
$20,000–$25,000	24	9,966	0	0	0
Total	182	24,646	0	0	0
IDAHO					
$500,000–$5,000,000	0	0	50	50	0
$400,000–$500,000	1	0	49	49	0
$50,000–$70,000	3	13,503	24–32	27	3,662
$30,000–$50,000	7	14,831	10–25	19	2,831
$25,000–$30,000	4	3,976	0–12½	9	358
$10,000–$25,000	91	12,647	0	0	0
Total (over $10,000)	106	45,017		15	6,851
Detail for $10,000–$25,000:					
$10,000–$20,000 [2]	82	8,967		0	[2]0
$20,000–$25,000	9	3,680		0	0
Total	91	12,647		0	0
NEVADA					
$150,000–$5,000,000	0	0	50	50	0
$40,000–$150,000	4	21,372	15–46	30	6,412
$25,000–$30,000	3	2,278	0–12½	9	205
$10,000–$25,000	48	6,501	0	0	0
Total (over $10,000)	55	30,151		22	6,617
Detail for $10,000–$25,000:					
$10,000–$20,000 [2]	44	4,874	0	0	0
$20,000–$25,000	4	1,627	0	0	0
Total	48	6,501	0	0	0
ARKANSAS					
$500,000 and over	0	0	50	50	0
$200,000–$250,000	1	266,921	46–47	46	122,783
$100,000–$150,000	10				
$50,000–$100,000	38	199,242	25–47	33.6	66,905
$30,000–$50,000	70	125,504	10–25	19	24,226
$25,000–$30,000	50	41,972	0–12½	9	3,777
$10,000–$25,000	709	113,737	0	0	0
Total (over $10,000)	878	747,376		29	217,691
Detail for $10,000–$25,000:					
$10,000–$20,000 [2]	611	67,173	0	0	[2]0
$20,000–$25,000	98	46,564	0	0	0
Total	709	113,737	0	0	0
NEW JERSEY					
$1,500,000–$4,000,000	3	580,240	50	50	294,329
$1,000,000–$1,500,000	3	361,886	50	50	186,943
$750,000–$1,000,000	3	579,984	50	50	286,992
$500,000–$750,000	3	327,447	50	50	165,724
Subtotal (over $500,000)	12	1,858,557	50	50	923,279
$100,000–$500,000	179	5,843,720	46–49	47	2,726,535
$50,000–$100,000	547	3,719,023	24–47	33	1,234,382
$30,000–$50,000	1,106	2,082,565	10–25	14	405,345
$25,000–$30,000	703	894,921	0–12½	9	53,543
$10,000–$25,000	8,535	1,355,792	0	0	0
Total (over $10,000)	11,082	15,454,578		3	5,347,184
Detail $10,000–$25,000:					
$10,000–$20,000 [2]	7,391	817,449	0	0	[2]0
$20,000–$25,000	1,144	538,343	0	0	0
Total	8,535	1,355,792	0	0	0
PENNSYLVANIA					
$2,000,000–$3,000,000	1	1,477,954	50	50	738,977
$1,500,000–$2,000,000	2				
$1,000,000–$1,500,000	7	1,075,419	50	50	537,710
$750,000–$1,000,000	6	1,347,843	50	50	673,921
$500,000–$750,000	15	2,018,153	50	50	1,009,077
Subtotal (over $500,000)	31	5,919,369	50	50	2,959,685

Number of persons benefited and amount of surtax reduction—Under surtax cuts in committee's bill in specified States—Continued

Income class	Number of persons	Amount of surtax in 1923	Committee surtax reduction		
			Per cent[1]		Amount[1]
			Range	Average	
PENNSYLVANIA—con.					
$100,000–$500,000	408	$16,566,698	46–49	47	$7,786,228
$50,000–$100,000	1,540	9,993,801	24–47	33	3,303,602
$30,000–$50,000	2,691	5,099,816	10–25	19	990,341
$25,000–$30,000	1,642	1,375,737	0–12½	9	123,816
$10,000–$25,000[2]	17,311	2,815,701	0	0	[2]0
Total (over $10,000)	23,713	41,771,122		36	15,164,682
Detail $10,000–$25,000:					
$10,000–$20,000[2]	14,853	1,162,839		0	[2]0
$20,000–$25,000	2,458	1,152,862		0	0
Total	17,311	2,815,701		0	0
NEW YORK					
$5,000,000 and over	1				
$4,000,000–$5,000,000	1	8,731,579	50	50	4,365,790
$3,000,000–$4,000,000	3				
$2,000,000–$3,000,000	6	2,067,731	50	50	1,033,865
$1,500,000–$2,000,000	5	1,002,065	50	50	501,033
$1,000,000–$1,500,000	18	4,145,103	50	50	2,072,551
$750,000–$1,000,000	9	1,992,252	50	50	996,126
$500,000–$750,000	40	6,579,396	50	50	3,289,698
Subtotal (over $500,000)	83	24,518,126	50	50	12,259,063
$100,000–$500,000	1,362	47,505,244	46–49	47	22,311,992
$50,000–$100,000	3,566	24,523,619	24–47	33	8,201,380
$30,000–$50,000	6,368	12,529,821	10–25	20	2,443,784
$25,000–$30,000	2,593	3,025,794	0–12½	9	272,321
$10,000–$25,000	37,308	6,325,081	0	0	0
Total (over $10,000)	52,280	118,427,685		38	45,488,540
Detail for $10,000–$25,000:					
$10,000–$20,000[2]	31,633	3,654,751	0	0	[2]0
$20,000–$25,000	5,675	2,670,330	0	0	0
Total	37,308	6,325,081	0	0	0

[1] When percentage of reduction is shown as a range (e. g., 24–47 per cent), the amount of reduction has been estimated on the basis of the average of the various percentages included in the range. In case of grouped figures the average is weighted according to the number of persons in each class of the group.

[2] $10,000–$20,000 class shown separately, because under "Earned income" provision of committee bill these persons have a 25 per cent reduction if income is all "earned."

Mr. ROBINSON of Arkansas. Mr. President, the discussion of the motion submitted by the Senator from West Virginia [Mr. NEELY] has been interesting, and his appeal for the elimination of the automobile tax has impressed me very sincerely. At this stage of the proceedings, however, it is not possible to have a vote on the motion in the form presented. I would not suggest a point of order against any motion that the Senator from West Virginia made if the situation were different from that which now exists.

The state of the record as I understand it is—and if I am in error some one who knows better will please correct me—that the conference report was submitted to the body at the other end of the Capitol yesterday and agreed to last night. The conference report having been acted upon in one branch of the Congress, it is not possible for the other branch to recommit the conference report to the committee of conference for the simple reason that when one branch of Congress acts upon a conference report, that action automatically discharges the conferees on the part of that House. While I would like very much to see a vote on the motion submitted by the Senator from West Virginia, that vote can not be taken for the reason that if it prevails it would be a moral and intellectual impossibility to determine how we could ever get the bill back before the Senate unless the Senate should take the viewpoint that its action in committing the bill back to conference was a nullity.

For this reason, at this stage of the proceedings the only vote that can be taken is a vote on agreeing to the conference report. I am compelled, therefore, to suggest the point of order. As I stated before, I would not do it if it were a mere matter of procedure in the Senate, but the point goes to the very question of passing the bill at all, and therefore I am compelled to make it.

The VICE PRESIDENT. The Chair holds that the point of order is well taken.

Mr. BLEASE. Mr. President, before the Chair rules I would like to ask the Senator from Arkansas a question.

Mr. ROBINSON of Arkansas. I yield to the Senator from South Carolina.

Mr. BLEASE. If the Senate should refuse to concur, what, then, would be the situation?

Mr. ROBINSON of Arkansas. It would then be necessary to appoint new conferees and send the bill back to conference, if the bill is to pass. But the House having agreed to the conference report and thereby discharged its conferees, it is not possible now to recommit it to conference.

It is a disputed question as to whether a conference report can be recommitted to a conference with instructions, but I do not raise that point. There are cases which hold both ways, that it is competent for the Senate to instruct its conferees and recommit bills to conference, under certain conditions, with instructions. But this is an entirely different case. This is a case where the conferees have reported to the House of Representatives, and that body has agreed to the conference report and discharged its conferees. As held by Mr. Speaker Crisp, which ruling has never been controverted, a motion to recommit is to recommit to the full conference, not to the conferees on the part of the Senate, but to the conferees as a whole. Since the conferees on the part of the House have been discharged, it is not possible at this time to entertain the motion which has been made.

Mr. BLEASE. Mr. President, I have no doubt the Senator from Arkansas is entirely correct, and I think if the Senator would move to recommit the motion would carry with it the discharge of the present conferees. I think the Senator is correct in that proposition of parliamentary law.

Mr. NEELY. Mr. President, under the rules of the Senate, as everyone knows, a question of order is not debatable. I have been insisting in vain on the enforcement of that rule for the last three years. But inasmuch as the Senator from Arkansas [Mr. ROBINSON], for whose opinion I have great respect, has been permitted to discuss the point of order he has made against my motion to recommit, I hope the Chair will indulge me long enough to invite attention to two decisions that are applicable to the case.

In 1873 in a case involving the point of order that the Senator from Arkansas now makes the following occurred:

The Presiding Officer (George F. Edmunds) overruled the point of order, quoting from Barclay's Digest: "A committee of conference may be instructed like any other committee, but the instructions can not be moved when the papers are not before the House."

Of course, the papers in this case are before the Senate.

An appeal was taken and was debated at length and learnedly, the nature, history, and objects of conference committees being set out by Mr. Sherman, Mr. Bayard, Mr. Conkling, and Mr. Hamlin. The decision of the chair was overruled by a vote of 11 ayes to 47 nays. (See Cong. Globe, 42d Cong., 3d sess., pp. 2178–2184; J. pp. 554 557.)

In the Fifty-ninth Congress, on June 6, 1906, the same question arose, when it appears, from page 229 of Gilfry's Precedents, that the following action was taken:

On motion by Mr. Tillman—

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12987) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission.

During the debate Mr. Lodge said: "Mr. President, the amendment of the Senator from North Dakota [Mr. Hansbrough], for which I voted and which I think was an excellent amendment, provided that in the case of a shipper soliciting or receiving a rebate or discrimination he should be liable in a civil action for three times the amount. The words 'knowingly and willfully' are stricken out of that clause. * * * I do not desire to press this to a vote of instruction if the conferees will consent to the removal of these lines without bringing it back again to the Senate."

In the case just mentioned the motion to recommit with instructions prevailed, and it ought to prevail now.

Mr. ROBINSON of Arkansas. Mr. President, will my friend from West Virginia yield to me for just a moment?

Mr. NEELY. Certainly.

Mr. ROBINSON of Arkansas. Every case to which the Senator has referred—and I think every case to which he can refer—relates to the proposal to recommit a measure with instructions to the conferees before either House has acted upon the conference report. I did not raise that point, as I explained to the Senate, because I realized that the authorities are divided on it; there are a great many of them both ways; but this situation is entirely different. It is a physical im-

possibility to recommit the bill to a body that no longer exists. That is the point about it.

Mr. NEELY. Mr. President——

Mr. MOSES. Has the Senator from Arkansas quoted the precedents on that?

Mr. ROBINSON of Arkansas. I have not quoted the precedents, but I can do so. I have them before me.

Mr. MOSES. May I call the Senator's attention to a very sweeping precedent in volume 2, page 209, on a ruling by Vice President Marshall?

Mr. ROBINSON of Arkansas. Yes: I have also the precedent to which the Senator from West Virginia [Mr. NEELY] has referred, but when one thinks about it a moment, precedents are not required. If it be conceded that the effect of the House acting upon a conference report is to discharge its conferees, which is the rule universally accepted, then the conference no longer exists; and it is not possible to recommit a bill to a body that has been disbanded. When the representatives of the House on a conference committee perform their function, submit the conference report to the House, and the House acts upon it, they no longer exist as conferees; they are merged back into the House of Representatives as Members of the body.

Mr. MOSES. They are automatically discharged.

Mr. ROBINSON of Arkansas. They are automatically discharged, as I previously stated.

Mr. MOSES. That is true; but the fact is also that the Senate by a sweeping vote of 47 to 11 maintained the same position.

Mr. ROBINSON of Arkansas. Oh, yes. However, so far as the vote of the Senate is concerned, it might have voted 47 to 11 the other way if it had taken a different view of the question; but I am resting this not alone upon the precedents—and there are none to the contrary—but on the consideration that when we come to realize the situation there can be no recommittal of this bill to the conferees.

Mr. SMOOT. Mr. President, I may say to the Senator from West Virginia [Mr. NEELY] that, if he will remember, the Senate insisted upon its amendments and asked for a conference. If we had simply passed the bill, it had gone to the other House, and the House had asked for the conference and had insisted upon its bill, then when the bill went to conference we would have had to report it first. Then the Senate could have given any instructions it desired because of the fact that the House conferees would not have been discharged, but in this case we asked for the conference and insisted upon our amendments.

The VICE PRESIDENT. The Chair rules that the point of order is well taken. Is there an appeal from the decision of the Chair?

Mr. NEELY. I respectfully appeal from the decision of the Chair.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. NEELY. On that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SMOOT. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. SMOOT. I wish the Chair would again state the question, because there seems to be a misunderstanding as to just what it is.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

The Chief Clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Connecticut [Mr. MCLEAN], who is unavoidably absent; but having reason to think that he would vote as I intend to vote, I feel at liberty to vote, and I vote "yea."

Mr. PHIPPS (when his name was called). On this question I have a pair with the Senator from Georgia [Mr. GEORGE]; but having reason to believe that he would vote as I intend to vote were he present, I am at liberty to vote, and I vote "yea."

Mr. PINE (when his name was called). I have a general pair with the junior Senator from New Jersey [Mr. EDWARDS]. Not knowing how he would vote, I withhold my vote.

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from California [Mr. JOHNSON], which I transfer to the Senator from New Mexico [Mr. JONES] and vote "yea."

While on my feet I wish to say that I have been requested to announce that the junior Senator from Arkansas [Mr. CARAWAY] is absent, and that he is paired with the Senator from Iowa [Mr. BROOKHART].

The roll call was concluded.

Mr. JONES of Washington. I desire to announce that the senior Senator from Illinois [Mr. MCKINLEY] is necessarily absent. If present, he would vote "yea."

Mr. FLETCHER. I have a general pair with the Senator from Delaware [Mr. DU PONT]. If he were present, he would vote "yea." I withhold my vote.

Mr. LA FOLLETTE. I desire to announce that the senior Senator from Nebraska [Mr. NORRIS] is detained at home on account of illness.

Mr. WHEELER. I desire to announce that the junior Senator from New Jersey [Mr. EDWARDS] is unavoidably detained on account of illness.

Mr. JONES of Washington. I desire to announce the following general pairs:

The Senator from Illinois [Mr. DENEEN] with the Senator from Missouri [Mr. REED];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Utah [Mr. KING];

The Senator from New Jersey [Mr. EDGE] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Massachusetts [Mr. GILLETT] with the Senator from Alabama [Mr. UNDERWOOD].

Mr. WALSH. I desire to announce that the junior Senator from Utah [Mr. KING] is detained from the Senate by illness.

The result was announced—yeas 62, nays 8, as follows:

YEAS—62

Ashurst	Fess	Means	Simmons
Bayard	Gerry	Metcalf	Smith
Bingham	Glass	Moses	Smoot
Blease	Goff	Norbeck	Stanfield
Broussard	Gooding	Oddie	Stephens
Bruce	Hale	Overman	Swanson
Butler	Harreld	Pepper	Trammell
Cameron	Harris	Phipps	Tyson
Capper	Heflin	Pittman	Wadsworth
Copeland	Jones, Wash.	Ransdell	Warren
Couzens	Kendrick	Reed, Pa.	Watson
Cummins	Keyes	Robinson, Ark.	Weller
Curtis	La Follette	Robinson, Ind.	Williams
Dale	McKellar	Sackett	Willis
Ernst	McNary	Sheppard	
Ferris	Mayfield	Shortridge	

NAYS—8

Dill	Howell	Nye	Walsh
Frazier	Neely	Shipstead	Wheeler

NOT VOTING—26

Borah	Edwards	Johnson	Norris
Bratton	Fernald	Jones, N. Mex.	Pine
Brookhart	Fletcher	King	Reed, Mo.
Caraway	George	Lenroot	Schall
Deneen	Gillett	McKinley	Underwood
du Pont	Greene	McLean	
Edge	Harrison	McMaster	

So the Senate refused to overrule the decision of the Chair.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. BLEASE. Mr. President, I move that the Senate do not concur in the conference report, and that the conferees on the part of the Senate be discharged from further consideration of the bill.

Mr. HEFLIN. I move to lay that motion upon the table.

Mr. FESS. I rise to a point of order.

The VICE PRESIDENT. The Senator from Ohio will state his point of order.

Mr. FESS. A negative vote on the motion before the Senate will reach the same question in the way the Senator from South Carolina wishes to reach it.

The VICE PRESIDENT. The Chair will rule the motion of the Senator from South Carolina out of order.

Mr. BLEASE. Just a moment, please, sir.

The VICE PRESIDENT. The Senator from South Carolina is recognized.

Mr. BLEASE. My friend from Ohio is very much mistaken if he knows anything about parliamentary law. The motion now before the Senate if rejected will not discharge the committee. If there is any one thing I do know about, it is, I think, parliamentary law, and I insist on my motion. If the Chair rules it out of order, I shall, with the greatest respect for him, appeal from his decision, because I know I am right. Take a vote on it and vote it down if you want to do so, but do not try to side step it.

Mr. HEFLIN. Mr. President, I have moved to lay the motion on the table.

Mr. BLEASE. That is all right; I do not object to that.

The VICE PRESIDENT. The Chair has held the motion out of order. The question is, Shall the decision of the Chair in that ruling stand as the judgment of the Senate? [Putting the question.]

The decision of the Chair was sustained.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. ASHURST, Mr. SMOOT, and Mr. SIMMONS called for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas (when Mr. CARAWAY'S name was called). The junior Senator from Arkansas [Mr. CARAWAY] is necessarily absent. He is paired with the Senator from Iowa [Mr. BROOKHART].

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. If he were present, he would vote "yea." Not being able to obtain a transfer, I withhold my vote.

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Connecticut [Mr. MCLEAN]. Having reason to think that he would vote as I shall vote, I vote "yea."

Mr. JONES of Washington (when Mr. MCKINLEY'S name was called). The senior Senator from Illinois [Mr. MCKINLEY] is necessarily absent. If present, he would vote "yea."

Mr. LA FOLLETTE (when Mr. NORRIS'S name was called). I desire to announce that the Senator from Nebraska [Mr. NORRIS] has a pair with the Senator from New Mexico [Mr. BRATTON]. If the Senator from Nebraska were present, he would vote "nay," and if the Senator from New Mexico were present, he would vote "yea."

Mr. PHIPPS (when his name was called). Making the same announcement as on the previous roll call, I vote "yea."

Mr. PINE (when his name was called). I have a general pair with the junior Senator from New Jersey [Mr. EDWARDS]. I understand that if that Senator were present, he would vote "yea." Therefore I feel at liberty to vote. I vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from California [Mr. JOHNSON], which I transfer to the Senator from New Mexico [Mr. JONES], and will vote. I vote "yea."

Mr. HEFLIN (when Mr. UNDERWOOD'S name was called). My colleague [Mr. UNDERWOOD] is absent on account of illness. If he were present, he would vote "yea."

The roll call was concluded.

Mr. BINGHAM. I desire to announce that my colleague [Mr. MCLEAN] is unavoidably detained by illness. If present, he would vote "yea."

Mr. NORBECK. I desire to announce that my colleague [Mr. MCMASTER] is absent on account of death in his family.

Mr. WALSH. I rise to announce that the Senator from Utah [Mr. KING] is absent on account of illness.

Mr. DALE. I desire to announce that my colleague [Mr. GREENE] is unavoidably absent. If he were present, he would vote "yea."

Mr. GERRY. I desire to announce that the Senator from Georgia [Mr. GEORGE], the Senator from Mississippi [Mr. HARRISON], and the Senator from New Mexico [Mr. JONES] are unavoidably absent; but if present, they would vote "yea."

Mr. HALE. I desire to announce that my colleague [Mr. FERNALD is absent on account of illness. If present, he would vote "yea."

Mr. JONES of Washington. I desire to announce the following general pairs:

The Senator from Illinois [Mr. DENEEN] with the Senator from Missouri [Mr. REED];

The Senator from New Jersey [Mr. EDGE] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Massachusetts [Mr. GILLETT] with the Senator from Alabama [Mr. UNDERWOOD]; and

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Utah [Mr. KING].

I also desire to announce that the junior Senator from Illinois [Mr. DENEEN], the senior Senator from New Jersey [Mr. EDGE], the junior Senator from Massachusetts [Mr. GILLETT], the senior Senator from Illinois [Mr. MCKINLEY], the junior Senator from Minnesota [Mr. SCHALL], and the junior Senator from Delaware [Mr. DU PONT] would, if present, vote "yea." They are all necessarily absent.

The result was announced—yeas 61, nays 10, as follows:

YEAS—61

Ashurst	Dale	Heflin	Overman
Bayard	Dill	Jones, Wash.	Pepper
Bingham	Ernst	Kendrick	Phipps
Broussard	Ferris	Keyes	Pine
Bruce	Fess	McKellar	Pittman
Butler	Gerry	McNary	Ransdell
Cameron	Glass	Mayfield	Reed, Pa.
Capper	Goff	Means	Robinson, Ark.
Copeland	Gooding	Metcalf	Robinson, Ind.
Couzens	Hale	Moses	Sackett
Cummins	Harreld	Neely	Sheppard
Curtis	Harris	Oddie	Shortridge
Simmons	Stephens	Warren	Willis
Smith	Swanson	Watson	
Smoot	Tyson	Weller	
Stanfield	Wadsworth	Williams	

NAYS—10

Blease	La Follette	Shipstead	Wheeler
Frazier	Norbeck	Trammell	
Howell	Nye	Walsh	

NOT VOTING—25

Borah	Edwards	Johnson	Norris
Bratton	Fernald	Jones, N. Mex.	Reed, Mo.
Brookhart	Fletcher	King	Schall
Caraway	George	Lenroot	Underwood
Deneen	Gillett	McKinley	
du Pont	Greene	McLean	
Edge	Harrison	McMaster	

So the report was agreed to.

ALUMINUM CO. OF AMERICA

Mr. WALSH. I ask that the unfinished business be laid before the Senate.

The VICE PRESIDENT. The Chair lays it before the Senate.

The Senate resumed the consideration of the report (No. 177) of the Committee on the Judiciary, submitted by Mr. WALSH on February 15, 1926, in the matter of the Aluminum Co. of America.

RECESS

Mr. JONES of Washington. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 38 minutes p. m.) the Senate took a recess until to-morrow, Thursday, February 25, 1926, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, *February 24, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We hallow Thy name our blessed Lord, for it is the name above all other names in heaven and in earth; we therefore pause in Thy holy presence. Bear with us, O God; create in us clean hearts and renew a right spirit within, that we may move forward wisely to larger attainments. May we fully realize that the world has no lasting honors for those who seek only fame, while those who forget themselves to remember the needs of others often awake to find themselves remembered. Guide us by Thy law, rule us by Thy love, and lead us in the pathway of service. May the angel of Thy mercy, bounty, and goodness encamp round about us, and make all events conspire to serve our country and our fellow men. In the name of Jesus we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

SENATE BILLS REFERRED

Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. 451. An act for the relief of the city of Baltimore; to the Committee on War Claims.

S. 453. An act for the relief of Belle H. Walker, widow of Frank H. Walker, deceased, and Frank E. Smith; to the Committee on Claims.

S. 492. For the relief of Swend A. Swendson; to the Committee on Claims.

S. 585. An act for the relief of F. E. Romberg; to the Committee on Indian Affairs.

S. 850. An act for the relief of Robert A. Pickett; to the Committee on the Public Lands.

S. 867. An act authorizing the Secretary of the Treasury to pay the Columbus Hospital, Great Falls, Mont., for the treatment of disabled Government employees; to the Committee on Claims.

S. 989. An act to amend section 129 of the Judicial Code relating to appeals in admiralty cases; to the Committee on the Judiciary.

S. 1047. An act to reimburse the State of Montana for expenses incurred by it in suppressing forest fires on Government land during the year 1919; to the Committee on Claims.

S. 1463. An act to provide relief for the victims of the airplane accident at Langin Field; to the Committee on Claims.

S. 1473. An act granting permission to certain officers and men of the military forces of the United States to accept various decorations bestowed in recognition of services to the allied cause; to the Committee on Foreign Affairs.

S. 1550. An act to appropriate certain tribal funds for the benefit of the Indians of the Fort Peck and Blackfeet Reservations; to the Committee on Indian Affairs.

S. 1834. An act providing for remodeling, repairing, and improving the Pawnee Indian school plant, Pawnee, Okla., and providing an appropriation therefor; to the Committee on Indian Affairs.

S. 2086. An act for the relief of A. T. Marix; to the Committee on Claims.

S. 2334. An act authorizing the sale and conveyance of certain lands of the Kaw Reservation in Oklahoma; to the Committee on Indian Affairs.

S. 2461. An act to grant extensions of time under oil and gas permits; to the Committee on the Public Lands.

THE LEGISLATIVE COUNSEL

Mr. GREEN of Iowa. Mr. Speaker, yesterday I omitted one matter in the way of doing justice to some of those who have been of importance in the preparation of the revenue bill. I refer to the drafting bureau, or, as it is now called, the legislative counsel. Without their valuable assistance it would have been utterly impossible for either the House or the Senate to have brought this bill in at the time we did. It would not only have taken weeks or even months more, but even then we never would have had the assurance of accuracy and correctness in the bill that we have at this time. This drafting bureau saves the Government not merely thousands, but millions of dollars every year in getting these provisions in the bill correct, so that there is no chance for evading them under the wording that is finally put into the bill.

At the head of the House force and prominent in the drafting of the bill is Mr. Beaman, the chief counsel for the House, whose ability and efficiency is known to all of us. Mr. Lee, the chief counsel for the Senate, and, in addition, Mr. Alvord, have both rendered very valuable services. I ought also to mention Mr. Walker, the expert for the Treasury, who, although not of the congressional force, aided in the work and whose services were of a high rank.

These gentlemen have been working nights, days, and Sundays, with very slight intervals for rest, ever since the House committee started its work on the technical features of the bill. The conflict over matters of policy absorbed all the time of the members of the committee and the services of these men were absolutely indispensable. [Applause.]

REV. JAMES SHERA MONTGOMERY

Mr. O'CONNELL of Rhode Island. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection.

There was no objection.

Mr. O'CONNELL of Rhode Island. Mr. Speaker, yesterday I received a letter from J. Frank Sullivan, a Democratic member of the Rhode Island Legislature, concerning a matter in which he was interested, and he closed the letter with the following paragraph which I think the Members will be glad to hear:

> Before I close I can not but express another thought, and that is that you surely are most fortunate in having a man like Reverend Mr. Montgomery as Chaplain of the House at Washington. I believe he is the most wonderful public speaker that I have ever heard, and when you next see him I wish you would tell him that the Legislature of Rhode Island has not yet finished raving over the eloquent and scholarly address which he delivered before that body on Lincoln's birthday. It surely was a great treat.

[Applause.]

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. Evidently there is not.

Mr. TILSON. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 42]

Berger	Crumpacker	Golder	Lee, Ga.
Bowles	Curry	Graham	Lehlbach
Brand, Ohio	Doyle	Hastings	Luce
Britten	Eaton	Hawley	McClintic
Carew	Ellis	Hull, William E.	McFadden
Carter, Calif.	Esterly	Kahn	Magee, Pa.
Carter, Okla.	Fletcher	Kelly	Magrady
Chapman	Foss	Kendall	Martin, La.
Cleary	Fredericks	Kerr	Menges
Connolly, Pa.	Fulmer	Kindred	Michaelson
Cox	Gallivan	Lampert	Morehead
Morin	Sears, Nebr.	Taylor, Tenn.	Walters
Oldfield	Shallenberger	Thayer	Warren
Parks	Sullivan	Thomas	Weaver
Phillips	Sumners, Tex.	Tincher	Woodruff
Pou	Swartz	Tydings	Wright
Quayle	Sweet	Vare	Yates
Ransley	Swoope	Wainwright	

The SPEAKER. Three hundred and fifty-three Members have answered to their names; a quorum.

Mr. TILSON. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

The SPEAKER. The Clerk will call the committees.

The Clerk called the Committee on Interstate and Foreign Commerce.

RAILWAY LABOR DISPUTES

Mr. PARKER. Mr. Speaker, I call up the bill H. R. 9463, to provide for the prompt disposition of disputes between carriers and their employees, and for other purposes.

The SPEAKER. The gentleman from New York calls up a bill which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, and the gentleman from Illinois [Mr. MADDEN] will take the Chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9463, with Mr. MADDEN in the chair.

The Clerk reported the title of the bill.

Mr. PARKER. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

Mr. BLANTON. Mr. Chairman, for the benefit of Members hereafter, does not the gentleman think that there ought to be a record made of this bill? Let it be read into the RECORD so that we will have it for future reference.

Mr. PARKER. Oh, no.

Mr. BLANTON. It is hard to get these old bills and reports after they have been passed. I think it ought to go into the RECORD.

Mr. PARKER. The gentleman has a right to object to my request.

Mr. BLANTON. Mr. Chairman, in connection with the gentleman's request, I ask unanimous consent that the bill, instead of being read, may be printed in the RECORD, for the benefit of the public.

Mr. PARKER. Mr. Chairman, I renew my request, that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

Mr. BLANTON. Mr. Chairman, in connection with that I ask unanimous consent that the bill be printed in the RECORD, without reading.

The CHAIRMAN. Is there objection to the request?

Mr. BEGG. What is the request?

The CHAIRMAN. The request is that in lieu of the request of the gentleman from New York that the first reading of the bill be dispensed with that it be printed in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The bill is as follows:

Be it enacted, etc.—

DEFINITIONS

SECTION 1. When used in this act and for the purposes of this act:

First. The term "carrier" includes any express company, sleeping-car company, and any carrier by railroad, subject to the interstate commerce act, including all floating equipment such as boats, barges, tugs, bridges and ferries; and other transportation facilities used by or operated in connection with any such carrier by railroad, and any receiver or any other individual or body, judicial or otherwise, when in the possession of the business of employers or carriers covered by this act: *Provided, however,* That the term "carrier" shall not include any street, interurban, or suburban electric railway unless such a railway is operating as a part of a general steam railroad system of transportation, but shall not exclude any part of the general steam railroad system of transportation now or hereafter operated by any other motive power;

Second. The term "adjustment board" means one of the boards of adjustment provided for in this act;

Third. The term "board of mediation" means the board of mediation created by this act;

Fourth. The term "commerce" means commerce among the several States or between any State, Territory, or the District of Columbia and any foreign nation, or between any Territory or the District of

Columbia and any State, or between any Territory and any other Territory, or between any Territory and the District of Columbia, or within any Territory or the District of Columbia, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign nation.

Fifth. The term "employee" as used herein includes every person in the service of a carrier (subject to its continuing authority to supervise and direct the manner of rendition of his service) who performs any work defined as that of an employee or subordinate official in the orders of the Interstate Commerce Commission now in effect, and as the same may be amended or interpreted by orders hereafter entered by the commission pursuant to the authority which is hereby conferred upon it to enter orders amending or interpreting such existing orders: *Provided, however,* That no occupational classification made by order of the Interstate Commerce Commission shall be construed to define the crafts according to which railway employees may be organized by their voluntary action, nor shall the jurisdiction or powers of such employee organizations be regarded as in any way limited or defined by the provisions of this act or by the orders of the commission.

Sixth. The term "district court" includes the Supreme Court of the District of Columbia; and the term "circuit court of appeals" includes the Court of Appeals of the District of Columbia.

This act may be cited as the railway labor act.

GENERAL DUTIES

SEC. 2. First. It shall be the duty of all carriers, their officers, agents, and employees to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes, whether arising out of the application of such agreements or otherwise, in order to avoid any interruption to commerce or to the operation of any carrier growing out of any dispute between the carrier and the employees thereof.

Second. All disputes between a carrier and its employees shall be considered, and, if possible, decided, with all expedition, in conference between representatives designated and authorized so to confer, respectively, by the carriers and by the employees thereof interested in the dispute.

Third. Representatives, for the purposes of this act, shall be designated by the respective parties in such manner as may be provided in their corporate organization or unincorporated association, or by other means of collective action, without interference, influence, or coercion exercised by either party over the self-organization or designation of representatives by the other.

Fourth. In case of a dispute between a carrier and its employees, arising out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, it shall be the duty of the designated representative or representatives of such carrier and of such employees, within 10 days after the receipt of notice of a desire on the part of either party to confer in respect to such dispute, to specify a time and place at which such conference shall be held: *Provided,* (1) That the place so specified shall be situated upon the railroad line of the carrier involved unless otherwise mutually agreed upon; and (2) that the time so specified shall allow the designated conferees reasonable opportunity to reach such place of conference, but shall not exceed 20 days from the receipt of such notice: *And provided further,* That nothing in this paragraph shall be construed to supersede the provisions of any agreement (as to conferences) then in effect between the parties.

Fifth. Disputes concerning changes in rates of pay, rules, or working conditions shall be dealt with as provided in section 6 and in other provisions of this act relating thereto.

BOARDS OF ADJUSTMENT—GRIEVANCES—INTERPRETATION OF AGREEMENTS

SEC. 3. First. Boards of adjustment shall be created by agreement between any carrier or group of carriers, or the carriers as a whole, and its or their employees.

The agreement—

(a) Shall be in writing;

(b) Shall state the group or groups of employees covered by such adjustment board;

(c) Shall provide that disputes between an employee or group of employees and a carrier, growing out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, shall be handled in the usual manner up to and including the chief operating officer of the carrier designated to handle such disputes; but, failing to reach an adjustment in this manner, that the dispute shall be referred to the designated adjustment board by the parties, or by either party, with a full statement of the facts and all supporting data bearing upon the dispute;

(d) Shall provide that the parties may be heard either in person, by counsel, or by other representative, as they may respectively elect, and that adjustment boards shall hear and, if possible, decide promptly all disputes referred to them as provided in paragraph (c). Adjustment boards shall give due notice of all hearings to the employee or employees and the carrier or carriers involved in the dispute;

(e) Shall stipulate that decisions of adjustment boards shall be final and binding on both parties to the dispute; and it shall be the duty of both to abide by such decisions;

(f) Shall state the number of representatives of the employees and the number of representatives of the carrier or carriers on the adjustment board, which number of representatives, respectively, shall be equal;

(g) Shall provide for the method of selecting members and filling vacancies;

(h) Shall provide for the portion of expenses to be assumed by the respective parties;

(i) Shall stipulate that a majority of the adjustment board members shall be competent to make an award, unless otherwise mutually agreed;

(j) Shall stipulate that adjustment boards shall meet regularly at such times and places as designated; and

(k) Shall provide for the method of advising the employees and carrier or carriers of the decisions of the board.

Second. Nothing in this act shall be construed to prohibit an individual carrier and its employees from agreeing upon the settlement of disputes through such machinery of contract and adjustment as they may mutually establish.

BOARD OF MEDIATION

SEC. 4. First. There is hereby established, as an independent agency in the executive branch of the Government, a board to be known as the board of mediation and to be composed of five members appointed by the President, by and with the advice and consent of the Senate. The terms of office of the members first taking office shall expire, as designated by the President at the time of nomination, one at the end of the first year, one at the end of the second year, one at the end of the third year, one at the end of the fourth year, and one at the end of the fifth year, after January 1, 1926. The terms of office of all successors shall expire five years after the expiration of the terms for which their predecessors were appointed; but any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired term of his predecessor. Vacancies in the board shall not impair the powers nor affect the duties of the board nor of the remaining members of the board. A majority of the members in office shall constitute a quorum for the transaction of the business of the board. Each member of the board shall receive a salary at the rate of $12,000 per annum, together with necessary traveling expenses and subsistence expenses, or per diem allowance in lieu thereof, subject to the provisions of law applicable thereto, while away from the principal office of the board on business required by this act. No person in the employment of or who is pecuniarily or otherwise interested in any organization of employees or any carrier shall enter upon the duties of or continue to be a member of the board.

A member of the board may be removed by the President for inefficiency, neglect of duty, malfeasance in office, or ineligibility, but for no other cause.

Second. The board shall annually designate a member to act as chairman. The board shall maintain its principal office in the District of Columbia, but it may meet at any other place whenever it deems it necessary. The board may designate one or more of its members to exercise the functions of the board in mediation proceedings. Each member of the board shall have power to administer oaths and affirmations. The board shall have a seal which shall be judicially noticed. The board shall make an annual report to Congress.

Third. The board may (1) appoint such experts and assistants to act in a confidential capacity and, subject to the provisions of the civil service laws, such other officers and employees, and (2) in accordance with the classification act of 1923 fix the salary of such experts, assistants, officers, and employees, and (3) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding, and including expenditures for salaries and compensation, necessary traveling expenses and expenses actually incurred for subsistence, and other necessary expenses of boards of arbitration, in accordance with the provisions of section 7) as may be necessary for the execution of the functions vested in the board, or in the boards of arbitration, and as may be provided for by the Congress from time to time. All expenditures of the board shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman.

FUNCTIONS OF BOARD OF MEDIATION

SEC. 5. First. The parties, or either party, to a dispute between an employee or group of employees and a carrier may invoke the services of the board of mediation created by this act, or the board of mediation may proffer its services, in any of the following cases:

(a) A dispute arising out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions not adjusted by the parties in conference and not decided by the appropriate adjustment board;

(b) A dispute which is not settled in conference between the parties, in respect to changes in rates of pay, rules, or working conditions;

(c) Any other dispute not decided in conference betwen the parties.

In either event the said board shall promptly put itself in communication with the parties to such controversy, and shall use its best efforts, by mediation, to bring them to agreement. If such efforts to bring about an amicable adjustment through mediation shall be unsuccessful, the said board shall at once endeavor as its final required action (except as provided in paragraph 3 of this section and in section 10 of this act), to induce the parties to submit their controversy to arbitration in accordance with the provisions of this act.

Second. In any case in which a controversy arises over the meaning or the application of any agreement reached through mediation under the provisions of this act, either party to the said agreement, or both, may apply to the board of mediation for an interpretation as to the meaning or application of such agreement. The said board shall upon receipt of such request notify the parties to the controversy, and after a hearing of both sides give its interpretation within 30 days.

Third. The board of mediation shall have the following duties with respect to the arbitration of disputes under section 7 of this act:

(a) On failure of the arbitrators named by the parties to agree on the remaining arbitrator or arbitrators within the time set by section 7 of this act, it shall be the duty of the board of mediation to name such remaining arbitrator or arbitrators. It shall be the duty of the board in naming such arbitrator or arbitrators to appoint only those whom the board shall deem wholly disinterested in the controversy to be arbitrated and impartial and without bias as between the parties to such arbitration. Should, however, the board name an arbitrator or arbitrators not so disinterested and impartial, then, upon proper investigation and presentation of the facts, the board shall promptly remove such arbitrator.

If an arbitrator named by the board of mediation, in accordance with the provisions of this act, shall be removed by such board as provided by this act, or if such an arbitrator refuses or is unable to serve, it shall be the duty of the board of mediation promptly to select another arbitrator, in the same manner as provided in this act for an original appointment by the board of mediation.

(b) Any member of the board of mediation is authorized to take the acknowledgment of an agreement of arbitration under this act. When so acknowledged, or when acknowledged by the parties before a notary public or the clerk of a district court or a circuit court of appeals of the United States, such agreement to arbitrate shall be delivered to a member of said board, or transmitted to said board, to be filed in its office.

(c) When an agreement to arbitrate has been filed with the board of mediation, or with one of its members, as provided by this section, and when the said board, or a member thereof, has been furnished the names of the arbitrators chosen by the parties to the controversy, it shall be the duty of the board of mediation to cause a notice in writing to be served upon said arbitrators, notifying them of their appointment, requesting them to meet promptly to name the remaining arbitrator or arbitrators necessary to complete the board of arbitration, and advising them of the period within which, as provided by the agreement to arbitrate, they are empowered to name such arbitrator or arbitrators.

(d) Either party to an arbitration desiring the reconvening of a board of arbitration to pass upon any controversy arising over the meaning or application of an award may so notify the board of mediation in writing, stating in such notice the question or questions to be submitted to such reconvened board. The board of mediation shall thereupon promptly communicate with the members of the board of arbitration, or a subcommittee of such board appointed for such purpose pursuant to a provision in the agreement to arbitrate, and arrange for the reconvening of said board or subcommittee, and shall notify the respective parties to the controversy of the time and place at which the board or the subcommittee will meet for hearings upon the matters in controversy to be submitted to it. No evidence other than that contained in the record filed with the original award shall be received or considered by such reconvened board or subcommittee, except such evidence as may be necessary to illustrate the interpretations suggested by the parties. If any member of the original board is unable or unwilling to serve on such reconvened board or subcommittee thereof, another arbitrator shall be named in the same manner and with the same powers and duties as such original arbitrator.

(e) The Interstate Commerce Commission, the Bureau of Labor Statistics, and the custodian of the records, respectively, of the Railroad Labor Board, of the mediators designated in the act approved June 1, 1898, providing for mediation and arbitration, known as the Erdman Act, and of the Board of Mediation and Conciliation created by the act approved July 15, 1913, providing for mediation, conciliation, and arbitration, known as the Newlands Act, are hereby authorized and directed to transfer and deliver to the board of mediation created by this act any and all papers and documents heretofore filed with or transferred to them, respectively, bearing upon the settlement, adjustment, or determination of disputes between carriers and their employees or upon mediation or arbitration proceedings held under or pursuant to the provisions of any act of Congress in respect to such disputes; and the President is authorized to require the transfer and delivery to the board of mediation, created by this act, of any and all such papers and documents filed with or in the possession of any agency of the Government. The President is authorized to designate a custodian of the records and property of the Railroad Labor Board, until the transfer and delivery of such records to the board of mediation and the disposition of such property in such manner as the President may direct.

PROCEDURE IN CHANGING RATES OF PAY, RULES, AND WORKING CONDITIONS

SEC. 6. Carriers and the representatives of the employees shall give at least 30 days' written notice of an intended change affecting rates of pay, rules, or working conditions, and the time and place for conference between the representatives of the parties interested in such intended changes shall be agreed upon within 10 days after the receipt of said notice, and said time shall be within the 30 days provided in the notice. Should changes be requested from more than one class or associated classes at approximately the same time, this date for the conference shall be understood to apply only to the first conference for each class; it being the intent that subsequent conferences in respect to each request shall be held in the order of its receipt and shall follow each other with reasonable promptness. In every case where such notice of intended change has been given, or conferences are being held with reference thereto, or the services of the board of mediation have been requested by either party, or said board has proffered its services, rates of pay, rules, or working conditions shall not be altered by the carrier until the controversy has been finally acted upon, as required by section 5 of this act, by the board of mediation, unless a period of 10 days has elapsed after termination of conferences without request for or proffer of the services of the board of mediation.

ARBITRATION

SEC. 7. First. Whenever a controversy shall arise between a carrier or carriers and its or their employees which is not settled either in conference between representatives of the parties or by the appropriate adjustment board or through mediation, in the manner provided in the preceding sections, such controversy may, by agreement of the parties to such controversy, be submitted to the arbitration of a board of three (or, if the parties to the controversy so stipulate, of six) persons: *Provided, however,* That the failure or refusal of either party to submit a controversy to arbitration shall not be construed as a violation of any legal obligation imposed upon such party by the terms of this act or otherwise.

Second. Such board of arbitration shall be chosen in the following manner:

(a) In the case of a board of three the carrier or carriers and the representatives of the employees, parties respectively to the agreement to arbitrate, shall each name one arbitrator; the two arbitrators thus chosen shall select a third arbitrator. If the arbitrators chosen by the parties shall fail to name the third arbitrator within five days after their first meeting, such third arbitrator shall be named by the board of mediation.

(b) In the case of a board of six the carrier or carriers and the representatives of the employees, parties respectively to the agreement to arbitrate, shall each name two arbitrators; the four arbitrators thus chosen shall, by a majority vote, select the remaining two arbitrators. If the arbitrators chosen by the parties shall fail to name the two arbitrators within 15 days after their first meeting, the said two arbitrators, or as many of them as have not been named, shall be named by the board of mediation.

Third. (a) When the arbitrators selected by the respective parties have agreed upon the remaining arbitrator or arbitrators they shall notify the board of mediation; and in the event of their failure to agree upon any or upon all of the necessary arbitrators within the period fixed by this act, they shall, at the expiration of such period, notify the board of mediation of the arbitrators selected, if any, or of their failure to make or to complete such selection.

(b) The board of arbitration shall organize and select its own chairman and make all necessary rules for conducting its hearings: *Provided, however,* That the board of arbitration shall be bound to give the parties to the controversy a full and fair hearing, which shall include an opportunity to present evidence in support of their claims and an opportunity to present their case in person, by counsel, or by other representative as they may respectively elect.

(c) Upon notice from the board of mediation that the parties, or either party, to an arbitration desire the reconvening of the board of arbitration (or a subcommittee of such board of arbitration appointed for such purpose pursuant to the agreement to arbitrate) to pass upon any controversy over the meaning or application of their award, the board, or its subcommittee, shall at once reconvene. No question other than or in addition to the questions relating to the meaning or application of the award, submitted by the party or parties in writing, shall be considered by the reconvened board of arbitration or its subcommittee.

Such rulings shall be acknowledged by such board or subcommittee thereof in the same manner and filed in the same district court clerk's office as the original award and become a part thereof.

(d) No arbitrator except those chosen by the board of mediation shall be incompetent to act as an arbitrator because of his interest in the controversy to be arbitrated or because of his connection with or partiality to either of the parties to the arbitration.

(e) Each member of any board of arbitration created under the provisions of this act named by either party to the arbitration shall be compensated by the party naming him. Each arbitrator selected by the arbitrators or named by the board of mediation shall receive from the board of mediation such compensation as the board of mediation may fix, together with his necessary traveling expenses and expenses actually incurred for subsistence, while serving as an arbitrator.

(f) The board of arbitration shall furnish a certified copy of its award to the respective parties to the controversy, and shall transmit the original, together with the papers and proceedings and a transcript of the evidence taken at the hearings, certified under the hands of at least a majority of the arbitrators, to the clerk of the district court of the United States for the district wherein the controversy arose or the arbitration is entered into, to be filed in said clerk's office as hereinafter provided. The said board shall also furnish a certified copy of its award, and the papers and proceedings, including testimony relating thereto, to the board of mediation, to be filed in its office; and, in addition, a certified copy of its award shall be filed in the office of the Interstate Commerce Commission.

(g) A board of arbitration may, subject to the approval of the board of mediation, employ and fix the compensation of such assistants as it deems necessary in carrying on the arbitration proceedings. The compensation of such employees, together with their necessary traveling expenses and expenses actually incurred for subsistence while so employed, and the necessary expenses of boards of arbitration, shall be paid by the board of mediation.

Whenever practicable, the board shall be supplied with suitable quarters in any Federal building located at its place of meeting or at any place where the board may conduct its proceedings or deliberations.

(h) All testimony before said board shall be given under oath or affirmation, and any member of the board shall have the power to administer oaths or affirmations. The board of arbitration, or any member thereof, shall have the power to require the attendance of witnesses and the production of such books, papers, contracts, agreements, and documents as may be deemed by the board of arbitration material to a just determination of the matters submitted to its arbitration, and may for that purpose request the clerk of the district court of the United States for the district wherein said arbitration is being conducted to issue the necessary subpœnas, and upon such request the said clerk or his duly authorized deputy shall be, and he hereby is, authorized, and it shall be his duty, to issue such subpœnas. In the event of the failure of any person to comply with any such subpœna, or in the event of the contumacy of any witness appearing before the board of arbitration, the board may invoke the aid of the United States courts to compel witnesses to attend and testify and to produce such books, papers, contracts, agreements, and documents to the same extent and under the same conditions and penalties as provided for in the act to regulate commerce approved February 4, 1887, and the amendments thereto.

Any witness appearing before a board of arbitration shall receive the same fees and mileage as witnesses in courts of the United States, to be paid by the party securing the subpœna.

SEC. 8. The agreement to arbitrate—

(a) Shall be in writing;

(b) Shall stipulate that the arbitration is had under the provisions of this act;

(c) Shall state whether the board of arbitration is to consist of three or of six members;

(d) Shall be signed by the duly accredited representatives of the carrier or carriers and the employees, parties respectively to the agreement to arbitrate, and shall be acknowledged by said parties before a notary public, the clerk of a district court or circuit court of appeals of the United States, or before a member of the board of mediation, and, when so acknowledged, shall be filed in the office of the board of mediation.

(e) Shall state specifically the questions to be submitted to the said board for decision; and that, in its award or awards, the said board shall confine itself strictly to decisions as to the questions so specifically submitted to it;

(f) Shall provide that the questions, or any one or more of them, submitted by the parties to the board of arbitration may be withdrawn from arbitration on notice to that effect signed by the duly accredited representatives of all the parties and served on the board of arbitration;

(g) Shall stipulate that the signatures of a majority of said board of arbitration affixed to their award shall be competent to constitute a valid and binding award;

(h) Shall fix a period from the date of the appointment of the arbitrator or arbitrators necessary to complete the board (as provided for in the agreement) within which the said board shall commence its hearings;

(i) Shall fix a period from the beginning of the hearings within which the said board shall make and file its award: *Provided*, That the parties may agree at any time upon an extension of this period;

(j) Shall provide for the date from which the award shall become effective and shall fix the period during which the award shall continue in force;

(k) Shall provide that the award of the board of arbitration and the evidence of the proceedings before the board relating thereto, when certified under the hands of at least a majority of the arbitrators, shall be filed in the clerk's office of the district court of the United States for the district wherein the controversy arose or the arbitration was entered into, which district shall be designated in the agreement; and, when so filed, such award and proceedings shall constitute the full and complete record of the arbitration;

(l) Shall provide that the award, when so filed, shall be final and conclusive upon the parties as to the facts determined by said award and as to the merits of the controversy decided;

(m) Shall provide that any difference arising as to the meaning, or the application of the provisions, of an award made by a board of arbitration shall be referred back for a ruling to the same board, or, by agreement, to a subcommittee of such board; and that such ruling, when acknowledged in the same manner, and filed in the same district court clerk's office, as the original award, shall be a part of and shall have the same force and effect as such original award; and

(n) Shall provide that the respective parties to the award will each faithfully execute the same.

The said agreement to arbitrate, when properly signed and acknowledged as herein provided, shall not be revoked by a party to such agreement: *Provided, however*, That such agreement to arbitrate may at any time be revoked and canceled by the written agreement of both parties, signed by their duly accredited representatives, and (if no board of arbitration has yet been constituted under the agreement) delivered to the board of mediation or any member thereof; or, if the board of arbitration has been constituted as provided by this act, delivered to such board of arbitration.

SEC. 9. First. The award of a board of arbitration, having been acknowledged as herein provided, shall be filed in the clerk's office of the district court designated in the agreement to arbitrate.

Second. An award acknowledged and filed as herein provided shall be conclusive on the parties as to the merits and facts of the controversy submitted to arbitration, and unless, within 10 days after the filing of the award, a petition to impeach the award, on the grounds hereinafter set forth, shall be filed in the clerk's office of the court in which the award has been filed, the court shall enter judgment on the award, which judgment shall be final and conclusive on the parties.

Third. Such petition for the impeachment or contesting of any award so filed shall be entertained by the court only on one or more of the following grounds:

(a) That the award plainly does not conform to the substantive requirements laid down by this act for such awards, or that the proceedings were not substantially in conformity with this act;

(b) That the award does not conform, nor confine itself, to the stipulations of the agreement to arbitrate; or

(c) That a member of the board of arbitration rendering the award was guilty of fraud or corruption; or that a party to the arbitration practiced fraud or corruption, which fraud or corruption affected the result of the arbitration: *Provided however*, That no court shall entertain any such petition on the ground that an award is invalid for uncertainty; in such case the proper remedy shall be a submission of such award to a reconvened board, or subcommittee thereof, for interpretation, as provided by this act: *Provided further*, That an award contested as herein provided shall be construed liberally by the court, with a view to favoring its validity, and that no award shall be set aside for trivial irregularity or clerical error, going only to form and not to substance.

Fourth. If the court shall determine that a part of the award is invalid on some ground or grounds designated in this section as a ground of invalidity, but shall determine that a part of the award is valid, the court shall set aside the entire award: *Provided, however*, That, if the parties shall agree thereto, and if such valid and invalid parts are separable, the court shall set aside the invalid part, and order judgment to stand as to the valid part.

Fifth. At the expiration of 10 days from the decision of the district court upon the petition filed as aforesaid, final judgment shall be entered in accordance with said decision, unless during said 10 days either party shall appeal therefrom to the circuit court of appeals. In such case only such portion of the record shall be transmitted to the appellate court as is necessary to the proper understanding and consideration of the questions of law presented by said petition and to be decided.

Sixth. The determination of said circuit court of appeals upon said questions shall be final, and, being certified by the clerk thereof to said district court, judgment pursuant thereto shall thereupon be entered by said district court.

Seventh. If the petitioner's contentions are finally sustained, judgment shall be entered setting aside the award in whole or, if the parties so agree, in part; but in such case the parties may agree upon a judgment to be entered disposing of the subject matter of the controversy, which judgment when entered shall have the same force and effect as judgment entered upon an award.

Eighth. Nothing in this act shall be construed to require an individual employee to render labor or service without his consent, nor shall anything in this act be construed to make the quitting of his labor or service by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service without his consent.

EMERGENCY BOARD

SEC. 10. If a dispute between a carrier and its employees be not adjusted under the foregoing provisions of this act and should, in the judgment of the Board of Mediation, threaten substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service, the board of mediation shall notify the President, who may thereupon, in his discretion, create a board to investigate and report respecting such dispute. Such board shall be composed of such number of persons as to the President may seem desirable: *Provided, however,* That no member appointed shall be pecuniarily or otherwise interested in any organization of employees or any carrier. The compensation of the members of any such board shall be fixed by the President. Such board shall be created separately in each instance, and it shall investigate promptly the facts as to the dispute and make a report thereon to the President within 30 days from the date of its creation.

There is hereby authorized to be appropriated such sums as may be necessary for the expenses of such board, including the compensation and the necessary traveling expenses and expenses actually incurred for subsistence of the members of the board. All expenditures of the board shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman.

After the creation of such board and for 30 days after such board has made its report to the President, no change, except by agreement, shall be made by the parties to the controversy in the conditions out of which the dispute arose.

GENERAL PROVISIONS

SEC. 11. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 12. There is hereby authorized to be appropriated the sum of $300,000, or so much thereof as may be necessary, for expenditure by the board of mediation, prior to July 1, 1927, in carrying out the provisions of this act.

SEC. 13. (a) Paragraph "Second" of subdivision (b) of section 128 of the Judicial Code, as amended, is amended to read as follows:

"Second. To review decisions of the district courts, under section 9 of the railway labor act."

(b) Section 2 of the act entitled "An act to amend the Judicial Code, and to further define the jurisdiction of the circuit court of appeals and of the Supreme Court, and for other purposes," approved February 13, 1925, is amended to read as follows:

"SEC. 2. That cases in a circuit court of appeals under section 9 of the railway labor act; under section 5 of 'An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes,' approved September 26, 1914; and under section 11 of 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, are included among the cases to which sections 239 and 240 of the Judicial Code shall apply."

SEC. 14. Title III of the transportation act, 1920, and the act approved July 15, 1918, providing for mediation, conciliation, and arbitration, and all acts and parts of acts in conflict with the provisions of this act are hereby repealed, except that the members, secretary, officers, employees, and agents of the Railroad Labor Board, in office upon the date of the passage of this act, shall receive their salaries for a period of 30 days from such date, in the same manner as though this act had not been passed.

The CHAIRMAN. Under the agreement made in the House between the gentleman from New York [Mr. PARKER] and the gentleman from Kentucky [Mr. BARKLEY] there are two days of general debate. The gentleman from New York is recognized.

Mr. PARKER. Mr. Chairman, I recognize the gentleman from Ohio [Mr. COOPER] for 45 minutes. [Applause.]

Mr. COOPER of Ohio. Mr. Chairman and Members of the House, we are beginning the consideration to-day of H. R. 9463, a bill for the prevention and settlement of disputes between the railroad carriers and their employees.

There is no subject which in my humble opinion is more worthy of the earnest and careful attention of Congress. I believe that it was the late President Wilson who once said that "the railroads are the arteries through which flow the lifeblood of our Nation." It is vital to the country that the operation of its railroads be uninterrupted, that the owners of the same receive a fair return on capital invested, and that the pay and working conditions of the employees be adequate and just in order that the operation of our transportation systems shall be efficient and that the people and their goods may be carried safely and promptly from place to place.

To my mind this bill is one of the most favorable signs that has appeared in the troubled field of industrial relations for many years. I believe it marks the end of some very distressing and troublesome differences between the railroad managers and their employees as to the best method of facing and solving the problems of employment, conditions of service, and wage adjustments.

A MODEL FOR OTHER INDUSTRIES

More than that, I believe that this measure establishes a model for the solution of these great questions which if followed in other lines of industry will open the way for lasting industrial peace and prosperity and the settlement of differences between employers and employees through the exercise of reason, mutual consideration, and cooperation rather than by the methods of strife and force. Congress by making this bill law, will have placed its stamp of approval on the great principle that the interests of employers and employees are mutual and not conflicting and that the only sensible and effective way for them to settle their differences is to meet together at the conference table in a spirit of fellowship and forbearance rather than for either side to attempt to compel the other by resorting to methods of industrial warfare. [Applause.]

Congress and the country have spent several years arguing over world courts and leagues of nations and the best method of advancing the cause of world peace, but here to-day we have the opportunity of furthering the equally great cause of industrial peace. We must not let this wonderful opportunity pass by. If we can help capital and labor to settle their age-old differences and misunderstandings, then we will have promoted such an era of good feeling among men that international peace and cooperation will follow naturally and of its own accord.

MEANS MUCH TO RAILROAD WORKERS

Mr. Chairman, it is with a feeling of peculiar personal pleasure that I urge the enactment of this bill into law. For many years my lot was cast among the railroad workers who with their quick intelligence and cool judgment safely guide the train loads of precious human and commercial freight through rain and shine, over the mountains, and across the rivers of this broad land of ours, or who feed with the brawn of their muscle and the sweat of their brow the boilers which furnish the power by which the railroads operate. I know their trials and their troubles, and I understand, to some extent at least, their point of view. This bill means much to those men. It means assurance that they can receive fair pay and fair treatment without being compelled to live under the constant shadow that some day they may be called upon to enforce their rights by quitting their jobs, losing their means of livelihood, and their rights of service and chance of advancement. If I can be of material service in securing the enactment of this bill into law I shall feel that my service in Congress has been justified better, perhaps, than by any other single accomplishment since I first came to Washington, because I know that I will have helped do something which will be of the greatest benefit to my old fellow workers, as well as the railroad management and the public. [Applause.]

Mr. Chairman, the bill which is now before us, like most good things, is simple and easy to understand. It is a return to fundamental principles and does not offer any quack remedy for curing all conceivable labor troubles. But an analysis of it will show that it is a decided forward step toward peaceful settlement of labor disputes. Representatives of both the railroad managers and employees have assured the Committee on Interstate and Foreign Commerce that it establishes machinery which will remove practically all danger of strikes and tie-ups of transportation, and I may say in this connection that it is the spirit of cooperation which evidently inspired the representatives of the railroad companies and their employees in getting together behind this bill, which, to my mind, is the best possible assurance that the measure will be effective as law.

The railroad labor bill proposes to prevent and settle serious railroad labor disputes by a method of conference, mediation,

and arbitration. I have myself introduced several bills similar in principle to this bill, and therefore I am especially glad that the railroads and their employees have united in advocating the plan outlined in this measure.

HISTORY OF RAILROAD LABOR LEGISLATION

Before we commence to discuss in detail the provisions of the bill it is necessary, in order to understand it and the railroad labor situation better, to refer briefly to the history of railroad labor legislation and the movement resulting in this bill.

Before the Government took over the operation of the railroads during the World War provision was made under the Newlands law so that the Board of Mediation and Conciliation established by this act could intervene when a stoppage of traffic was threatened on any railroad operating in interstate commerce by labor difficulties. During the war railroad labor questions were handled by a series of national adjustment boards located in Washington.

When the time came for the return of the railroads by the Government to their owners there was a wide range of opinion in and out of Congress as to what labor provisions should be inserted in the transportation act of 1920. Finally, Title III of the transportation act creating the present Railroad Labor Board was adopted as a compromise by the conferees. Congress had to take the Railroad Labor Board or nothing.

I had serious doubts from the beginning about the practicability of the board, and so did most others who had studied the question. These doubts were soon confirmed, and on several occasions since 1920 I introduced bills to abolish the board, proposing to reestablish the machinery of mediation, conciliation, and arbitration provided in the Newlands law.

The Railroad Labor Board has not been satisfactory to either the railroad managers, the employees, or the public, but has only been a source of trouble since it was established. Some railway managers and employees have refused to recognize the board and then again at times both railway managers and employees would refuse to assume the responsibility of making labor settlements, but would "pass the buck" to the board, which has become simply an agency for airing petty grievances of all kinds.

It has become generally recognized that Title III of the transportation act, which created the Railroad Labor Board, should be changed.

REPUBLICAN PARTY PLATFORM FAVORS BILL

The national Republican Party platform of 1924 contained the following provision:

The labor provisions of the present law should be amended whenever it appears necessary to meet changed conditions. Collective bargaining, mediation, and voluntary arbitration are the most important steps in maintaining peaceful labor relations and should be encouraged. We do not believe in compulsory action at any time in the settlement of disputes. Public opinion must be the final arbiter in any crisis which so vitally affects public welfare as the suspension of transportation. Therefore the interests of the public require the maintenance of an impartial tribunal which can in an emergency make an investigation of the facts and publish its conclusions. This is essential as the basis for popular judgment.

This plank in the Republican Party platform of 1924 is identical in principle with the provisions of the bill which we are now considering.

The Democratic platform of 1924 contains the following:

The labor provisions of the transportation act of 1920 have proven unsatisfactory in settling differences between employer and employees * * *.

* * * It must therefore be rewritten that the high purposes which the public welfare demands may be accomplished.

President Coolidge, in his message to Congress December 6, 1923, said:

The settlement of railroad-labor disputes is a matter of grave public concern. The Labor Board * * * is not altogether satisfactory to the public, the employees, or the companies. If a substantial agreement can be reached among the groups interested there should be no hesitation in enacting such agreement into law.

The President in his message to Congress December 3, 1924, again touched on this question as follows:

Another matter before the Congress is legislation affecting the labor sections of the transportation act. Much criticism has been directed at the workings of this section. * * * It would be helpful if a plan could be adopted, which, while retaining the practice of systematic collective bargaining with conciliation and voluntary arbitration of labor differences, could also provide simplicity in relations and more direct local responsibility of employees and managers. But such legislation will not meet the requirements of the situation unless it recognizes the principle that the public has a right to the uninterrupted service of transportation, and therefore the right to be heard when there is danger that the Nation may suffer a great injury through the interruption of operations because of labor disputes.

PRESIDENT COOLIDGE BRINGS PARTIES TOGETHER

I believe at this point I can say without any feeling of partisanship that the position of President Coolidge had a great influence in bringing the railroad managers and the representatives of the employees together on the subject of railroad labor legislation. [Applause.] He urged that they come to an understanding and that they should cooperate, and it is his excellent advice that has been followed and has borne fruit in the provision of the bill now before us.

It was not the easiest task in the world to bring the railroad executives and the labor officials together and agree upon the draft of a bill. But they did get together, however, and it took months of hard work by the biggest, broadest, and wisest leaders on both sides to accomplish the result.

During the year 1925 the railroad executives and the officials of the railroad labor organizations held conferences to consider plans for changing the present labor section of the transportation act. A subcommittee was created which was instructed to draft a bill and report back to the full committees as soon as possible. Too much credit can not be given to the subcommittee for the important work it accomplished in the drafting of the bill.

In due time the subcommittee reported to the full committees of railroad executives and labor officials, and the draft of the bill was approved and indorsed by the executives representing 80 per cent of the railroad mileage of the country and the officials of 20 railroad labor organizations.

I desire to say a word about the four men who, I understand, constituted the subcommittee. I believe they should be congratulated and that they deserve recognition for the splendid service they have performed.

THE MEN WHO WORKED OUT THE PLAN

It has been my good fortune to have been personally acquainted with three of them for years. The subcommittee consisted of Mr. David Robertson, president of the Brotherhood of Locomotive Firemen and Enginemen, and Mr. William N. Doak, vice president of the Brotherhood of Railroad Trainmen, representing the employees; Mr. Elisha Lee, vice president of the Pennsylvania Railroad system, and Mr. J. G. Walber, vice president of the New York Central Railroad system representing the railway executives. I have known Mr. Robertson for many years. We were boys together out in Youngstown, Ohio, and worked together on the railroad. We have not always agreed on economic questions, but I have always held him in high regard and recognized his ability, sterling honesty, and deep convictions, knowing he was working for what he believed to be for the best interests of the members of the great labor organizations of which he is the president.

When I first came to Congress 11 years ago I met William N. Doak, who was the other labor representative on the subcommittee, and I want to say I have never met a fairer, wiser, or broader representative of labor in my legislative or other experience. [Applause.] The representatives of the executives on the subcommittee, Mr. Lee and Mr. Walber, are well known by the American people for their honesty, integrity, and ability in all questions relating to our great transportation systems.

The report of the subcommittee and the draft of the bill was approved by the full committee of railroad executives and the railroad labor organizations. Whereupon representatives of the carriers and their employees reported to the President that they had agreed upon the draft of legislation embodying a substitute for Title III of the transportation act of 1920. At this point I want to call your attention to the message of the President to Congress on December 8, 1925, in which he said:

BILL MARKS NEW EPOCH

I am informed that the railroad managers and their employees have reached a substantial agreement as to what legislation is necessary to regulate and improve their relationship. Whenever they bring forward such proposals, which seem sufficient also to protect the interests of the public, they should be enacted into law.

It is gratifying to report that both the railroad managers and railroad employees are providing boards for the mutual adjustment of differences in harmony with the principles of conference, conciliation, and arbitration. The solution of these problems ought to be an example to all other industries. Those who ask the protections of civilization should be ready to use the methods of civilization. * * *

The manifest inclination of the managers and employees of the railroads to adopt a policy of action in harmony with these principles marks a new epoch in our industrial life.

On January 8, 1926, identical bills expressing this agreement of the parties were introduced in the House and Senate, respectively, by the chairman of the Committee on Interstate

and Foreign Commerce of the House and the chairman of the Committee on Interstate Commerce of the Senate.

The House committee has held extended hearings giving ample opportunity to the proponents and opponents of the bill to present their views. In addition to the representatives of the carriers and their employees the chairman of the executive council of the National Civic Federation presented testimony in support of the bill. The American Short Line Railroad Association offered a statement to the effect that the short-line railroads did not oppose the enactment of the proposed law. Representatives of various associations of manufacturers presented suggestions for a few amendments, which were given careful consideration.

PRACTICAL MEANS FOR GOVERNMENT TO HELP

The principal point impressed upon the committee during the hearings was the desirability of giving the managers and employees of this most important national industry the aid and cooperation of the legislative, executive, and judicial power of the Government in the settlement of industrial controversies by the means which practical men, who have devoted their lives to this industry, believe are best adapted to maintain satisfactory relations between employers and employees.

Both Senate and House committees have been holding hearings on the bill for several weeks. The House committee has reported the bill out substantially as introduced with the recommendation that it be passed. That brings us to a consideration of the provisions of the bill. The bill provides it shall be the duty of all carriers, their officers, agents, and employees to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes, whether arising out of application of such agreements or otherwise, in order to avoid any interruption to commerce.

The provisions of the bill require, in the first place, that all disputes between carriers and their employees shall be adjusted by agreement if possible; that the relations of the parties shall be controlled by agreements; that there shall be created boards of adjustment, composed of equal representatives of managers and employees.

ADJUSTMENT BOARDS NOT NEW PROCEDURE

This is not a new procedure. For years it has been the custom of many railroads and of their employees to adjust disputes that might arise from time to time by boards of adjustment, members of which understand the problems by reason of their technical knowledge of the industry. These boards may be established by an individual carrier and its employees of any class, or they can be regional or national in scope, as may be agreed upon. These adjustment boards are established not for the purpose of having jurisdiction over the question of changes in wages and working conditions, but of grievances or disputes growing out of a misunderstanding of the interpretation or application of agreements concerning rates of pay, rules, or working conditions.

The adjustment boards must be chosen by each party in such a way as they may determine. They are not Government boards, but boards chosen by the parties and paid by them.

BOARD OF MEDIATION

The bill also provides that all questions relating to change in wages and working conditions shall be first considered by the parties in conference. If no agreement is reached in conference, the matter shall then be taken up by the Board of Mediation, which is created by the bill and is composed of five members appointed by the President, by and with the advice and consent of the Senate. This is a Government board and paid by the Government, and no person in the employment of or who is pecuniarily or otherwise interested in any organization of employees or any carrier is eligible to be a member of the board, or in other words the membership of the board is composed entirely of representatives of the public.

The parties, or either party, to a dispute between employees and a carrier, if unable to agree or settle the dispute in conference, may invoke the services of the board of mediation, or the board of mediation may proffer its services in any dispute arising out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions not adjusted by the parties in conference; or a dispute which is not settled in conference between the parties in respect to changes in the rates of pay, rules, or working conditions. If a dispute should arise between a carrier and its employees of a serious character, it is the duty of the mediation board to promptly put itself in touch with the parties to the controversy, and to use its best efforts by mediation to bring them to agreement. If such efforts to bring about an amicable adjustment of the dispute or controversy through mediation are unsuccessful, it is the duty of the board of mediation to try and induce the parties to submit to arbitration. I have great faith in mediation for the settlement of labor disputes. The Newlands Act of 1913 provided for mediation, which plan was in effect until Title III of the transportation act became law in 1920.

More than 90 per cent of the cases that came before the board of mediation under the Newlands Act were adjusted and approved by both sides to the dispute.

In the four-year period ending June 30, 1917, the board of mediation created under the Newlands Act had before it 71 controversies. Fifty of these were settled wholly by mediation, 6 by mediation and arbitration, 3 by contestants without the aid of mediation, and 1 by an act of Congress.

BOARD OF ARBITRATION

If the parties to dispute fail to agree and if the board of mediation is unable to bring them together and arbitration is agreed upon, then the board of arbitration is created by each party selecting one or two representatives, as they may prefer, as the board may consist of three or six. The parties themselves select the one or two neutral arbitrators, if they can do so. If the parties can not agree, then the board of mediation must select the neutral arbiter. If the parties agree to arbitrate, then the award of the board of arbitration shall be conclusive on the parties as to the merits and facts of the controversy submitted to arbitration, and unless within 10 days after the filing of the award a petition is filed to impeach the award on the grounds set forth in the bill, the court shall enter judgment on the award, which judgment shall be final and conclusive on the parties.

EMERGENCY BOARD

If a dispute between a carrier and its employees be not adjusted through the process of conference, adjustment, mediation, or arbitration, the President is empowered to create a board of outstanding representatives of the public who can investigate, with the aid of the permanent Board of Mediation, the Interstate Commerce Commission, the Department of Labor, and all other agencies of Government, and bring to bear upon the parties the pressure of the highest governmental authority either to adjust their differences by voluntary agreement or to consent to submit them to arbitration. If this pressure shall fail in itself to bring about a settlement, this emergency board will then be able in its report to give to the public adequate and intelligible information regarding the merits of the contentions of the parties, and to crystallize public opinion in support of that party or that program which should be supported in the public interest. This temporary emergency board will be able to express and to mobilize public opinion to an extent impossible to any permanent board or any agency of Government which has been heretofore created for that purpose. It is also highly important to point out that during the period of investigation and for 30 days thereafter the parties to the controversy are bound under the proposed law to maintain unchanged the conditions out of which the dispute arose, thereby assuring the parties and the public that the emergency board will have the full and unembarrassed opportunity to exert its authority and fulfill its important function.

WILL PROMOTE INDUSTRIAL PEACE AND HARMONY

Mr. Chairman, in conclusion I desire to say that the one thing that impressed me more than anything else during the hearings held by the committee on this bill was the spirit of the railway managers and employees, and their earnest desire to cooperate, in promoting industrial peace and harmony, by securing the enactment into law of provisions which will enable them to settle their differences in conference. I am confident that nearly every industrial dispute can be settled if both sides will sit down in a spirit of fairness and justice to discuss matters at issue around the council table.

The Committee on Interstate and Foreign Commerce presents this bill to the House for your consideration, recommends its passage as both the most practical and advanced legislation for the settlement of labor controversies that has ever been presented to Congress. [Applause.]

Mr. BLANTON. Now, will the gentleman yield?

Mr. COOPER of Ohio. Yes.

Mr. BLANTON. May I say that if all of the 600,000 railroad employees most vitally affected by this bill were as fair and reasonable and honest and capable and efficient and as splendid gentlemen as are the gentleman from Ohio [Mr. COOPER] and our colleague from Minnesota [Mr. CARSS], we would not need any law and would not have any strikes, but I want to say this to the gentleman. The Erdman Act in 1898 provided the machinery which required the status quo to be maintained during arbitration and required the parties in arbitration to agree to faithfully accept the award and

abide by it. It provided a court of equity to enforce it, as far as equity provisions would allow, and it gave to the public other rights, for it prevented the men from changing the status quo for at least three months without giving 30 days' notice, and also provided that the award should last for one year, and all the men and all the railroads agreed to that legislation, and yet it did not bring about the desired results, did it?

Mr. COOPER of Ohio. Can the gentleman name me any one serious strike, except one, since the Erdman Act was passed?

Mr. BLANTON. I will name the gentleman one. President Cleveland stopped the Debs strike in 1894 with troops. But peaceful conditions lasted until 1913, and then there was a condition similar to the one that exists to-day, only it was more intense. The employees said to Congress that if you do not pass the Newlands Act just like we have agreed to it with the railroads, there will be a strike.

Mr. COOPER of Ohio. Mr. Chairman, I yielded to the gentleman to ask a question, but I did not yield for a speech, and he is going to have time of his own and he can give all this information to the House.

Mr. BLANTON. I want to ask if in 1913 they did not come in with the Newlands Act and say that if Congress did not pass the law as it was written—if they changed the dotting of an "i" or the crossing of a "t" there is going to be a strike—and was not the Newlands Act pushed thus through?

Mr. COOPER of Ohio. No; I did not know that.

Mr. BLANTON. The RECORD shows that——

Mr. BARKLEY. I will answer it; they did not.

Mr. BLANTON. The RECORD shows that, and if the gentleman will look at the excerpts of the debate which I have copied from the statements of Members in the Senate and House, and published in Monday's RECORD, they will show that condition prevailed.

Mr. COOPER of Ohio. I will be glad to listen to the gentleman when he takes the floor.

Mr. KEARNS. Will the gentleman yield?

Mr. COOPER of Ohio. I will.

Mr. KEARNS. There have been a great many protests, the gentleman knows, that have come from various parts of the country, claiming that this bill does not properly take care of the public interest. Will the gentleman for a moment direct his attention to that proposition and tell the House whether this bill does protect the public interest, and wherein?

Mr. COOPER of Ohio. The bill creates a board of mediators composed entirely of public members appointed by the President, by and with the advice and consent of the Senate, and, in addition, it creates an emergency board appointed by the President.

Mr. KEARNS. That board is composed of five members.

Mr. COOPER of Ohio. The Board of Mediation; yes.

Furthermore, let me say that the bill surely is as good as what we have at the present time. There is no change I can see when it comes to protecting the public.

Mr. KEARNS. Let me ask the gentleman this question: Under this bill the employer and employee can get together and rearrange their wage schedule in any way that would be agreeable to both parties?

Mr. COOPER of Ohio. Certainly.

Mr. KEARNS. That would necessitate, or it might necessitate, a raise in the freight rates?

Mr. COOPER of Ohio. Possibly it might.

Mr. KEARNS. Under this bill would the railroads have the right in that event to raise the freight rates and passenger rates to meet that increase?

Mr. COOPER of Ohio. That would be a question that would have to be passed upon by the Interstate Commerce Commission.

Mr. KEARNS. That is what I wanted to know.

Mr. COOPER of Ohio. It is their duty to protect the public. The question of fixing an agreement on wages is primarily private, and the Interstate Commerce Commission and no other public body can interfere with that private contract.

The Supreme Court of the United States has already ruled on that; but when it comes to the question of rates, that is a public question, and the Interstate Commerce Commission will fix that.

Mr. BLACK of Texas. If the gentleman holds that position, why does he object to the Hoch amendment, which makes the situation perfectly clear?

Mr. COOPER of Ohio. Did you hear me say I was opposed to the Hoch amendment?

Mr. BLACK of Texas. No.

Mr. COOPER of Ohio. I am not for it. Now let me read to the gentleman from Texas what the Supreme Court has said on the question of wage agreements. There was placed on all of our desks this morning a paper sent out by one of the farm organizations, and I want to read to you what it says. I read:

> Under the present law the Railroad Labor Board can not make a wage award without the approval of one of the representatives of the public on the board. If the railroad managers and their employees make an agreement about wages, the board can suspend the agreement until it finds out what effect it will have upon railroad rates. That is a clear-cut, definite protection which Congress gave six years ago to prevent new and excessive burdens being put upon railroad service. Now, in the bill you are about to consider it is proposed to abolish the Railroad Labor Board and permit the parties signatory thereto to make wage agreements, without any public body having control over such agreements.

There is not a man in this House but knows that the Railroad Board can not suspend any wage agreement made between the railroad managers and the employees.

Mr. BLACK of Texas. This would leave us without such protection.

Mr. COOPER of Ohio. I say they have no power to suspend an agreement.

Mr. BLACK of Texas. They have the power under the present law.

Mr. COOPER of Ohio. Where do they have the power under the present law to suspend agreements?

Mr. BLACK of Texas. Section 307 so states. That is the section, as I now remember it.

Mr. COOPER of Ohio. The Supreme Court says in its ruling that they have not that power.

Mr. BLACK of Texas. It would be within the province of Congress to amend the railway labor act.

Mr. COOPER of Ohio. The Supreme Court of the United States said this in its ruling:

> It is also equally true that, as the right to fix by agreement between the carrier and its employees a standard of wages to control their relations is primarily private, the establishment and giving effect of an agreed-on standard is not subject to be controlled or to be prevented by public authority.

Mr. HOCH. Mr. Chairman, will the gentleman yield there?

Mr. COOPER of Ohio. Yes.

Mr. HOCH. Of course, the gentleman realizes that the Supreme Court was passing upon the question of the right to set aside a private contract. The amendment which I propose does not in any way infringe upon that proposition.

Mr. COOPER of Ohio. I did not say it did.

Mr. HOCH. I do not propose to lodge any power in the Interstate Commerce Commission to set aside a contract, but I propose to retain now in the Interstate Commerce Commission the power they now have to say if you make a contract, the contract with the railroad shall control.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Ohio. Yes.

Mr. NEWTON of Minnesota. There is nothing in the bill as it is drawn that in any way impairs or modifies the present powers of the Interstate Commerce Commission to do that very thing.

Mr. COOPER of Ohio. I think that is right.

Mr. HOCH. If that be true, what objection can there be to making it clear that we reserve the right to the Interstate Commerce Commission to say that it comes within reasonable expenditures in passing that burden on to the public?

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Ohio. Yes.

Mr. HUDDLESTON. The amendment of the gentleman from Kansas [Mr. HOCH] does not make it clear. It adds confusion. The explanation of the gentleman's amendment is that hereafter the Interstate Commerce Commission shall have the power which it does not have at the present time, and therefore instead of the gentleman's amendment clarifying the matter, it makes it less clear than it was before.

Mr. COOPER of Ohio. Mr. Chairman, I surrender the floor and yield back the balance of my time. [Applause.]

Mr. PARKER. Mr. Chairman, under an agreement with the gentleman from Kentucky [Mr. BARKLEY], I recognize the gentleman from Maine [Mr. NELSON] for 20 minutes in opposition to the bill.

The CHAIRMAN. The gentleman from Maine is recognized for 20 minutes.

Mr. NELSON of Maine. Mr. Chairman and gentlemen of the committee, I find myself in the unpleasant situation of differing very materially in thought from my esteemed asso-

ciates on the Interstate Commerce Committee. I realize that this reflects on my good judgment, and that it must be I, rather than the rest of the regiment, that is out of step. However, I have attended the hearings on this bill, listened to the witnesses, studied the testimony, given the matter my careful and prayerful attention; and there are considerations here that appeal to me so strongly, the interests of my State are so involved, that I desire briefly to express my views on this legislation, relying somewhat on that spirit of charity and forbearance that characterizes and enriches our associations in this body.

I come from a State situated in the extreme northeastern section of this great country, where the transportation problem is to-day a very vital issue. It is a long haul from the source of raw materials to our mills; it is a long haul back to market. Transportation charges to-day are such that the growth of my State is retarded, its industries threatened with extinction, and the welfare of our great agricultural and industrial classes imperiled. At the present time there is pending before the Interstate Commerce Commission a request for increased freight charges in eastern Maine, the result of which, if granted, I can only contemplate with dismay.

The railroads of my State, at peace with their employees, have just begun to turn the corner, just begun to recover from the effects of war-time operation, and we in Maine had begun to believe that, in a time not too far removed for joyful hope, the increased prosperity of those roads might be reflected in a much-needed and beneficial reduction of freight charges.

Now, I am in sympathy with organized labor, its needs, and aspirations. I believe that we should safeguard their every essential right. I would go with them as far as any legislator can honestly go, and that is to a point where I believe that the interests of the minority conflict with the interests of the whole. To go further than that would be to justify the suspicion, somewhat prevalent, that organized minorities and selfish interests play a disproportionate part in the shaping of legislation here, and that the great mass of our people are not truly represented.

The situation that challenges our attention to-day is this: A railway labor bill is presented here for enactment that, in my opinion, wipes out every existing public safeguard [applause], and coincident with its presentation comes a demand from railroad labor for wage increases variously estimated at from $250,000,000 to $500,000,000. My friends, I do not know what sort of farm relief legislation we are going to pass at this Congress; but, in my opinion, if this bill is enacted agriculture is going to need relief more than ever before.

I believe a study of the situation will convince the investigator that the carriers in favor of this measure, with possibly a few exceptions, represent principally the larger and the more prosperous eastern roads, roads subject to the recapture clause, roads that are able and willing to purchase industrial peace by distributing to their employees the money that would otherwise be returned to the Government.

With the roads of my State, with most of the roads in the West and South, the situation is far different. The proposed wage demands, if granted, would indefinitely postpone freight reductions, if they did not necessitate freight increases.

As has been stated, there are three parties interested in these railroad labor disputes—the carriers, their employees, and the public. Some months ago representatives of the first two parties held a disarmament conference and unanimously voted to disarm the third party [laughter], retaining at the same time all their own weapons of offense and defense. You may study the provisions of the bill as you will and you will find that statement to be true.

Mr. BLANTON. Will the gentleman permit an interruption right there?

Mr. NELSON of Maine. I will, but I hope to be able to finish in the time allotted to me.

Mr. BLANTON. This will be the only interruption I will make. They not only retained all their own arms but they took over all the arms of the public.

Mr. NELSON of Maine. I so understand it.

The carriers and their employees entered upon a composition of their difficulties and upon the drafting of this bill under the mistaken assumption that the matter was one of personal contract between themselves. The public was not represented in that conference and had no voice. It is said that each group made substantial concessions to the other, all predicated, however, on the proposition that Congress in return should wipe from the statute books all the public safeguards now existing for the benefit of that great unorganized majority which, in the final analysis, must pay all the bills.

In the course of the discussion of this measure such a variety of opinion was manifest as to what were the rights of the public in interstate commerce, what was the authority of Congress, and what was the efficacy of existing laws, that I want to say just a word on that subject, although I do not claim to speak with authority.

The founders of this Republic, those worthy men who formulated and penned the Constitution of the United States, recognized the rights of the public in interstate commerce and gave expression to that right in the clause which confers upon Congress the power to regulate and control interstate commerce. The courts have sustained that constitutional authority even to the point of holding that we may, by appropriate legislation, provide for compulsory arbitration of these labor difficulties. Subsequent acts of Congress have recognized and given expression to that right. By a process of evolution the accepted conception of the public interest has broadened with the years.

The first national act passed for the settlement of railroad labor disputes constituted a recognition of the right of the public to continuous and uninterrupted service, and the right, in case of critical labor disputes, to know the true facts of the controversy. The Erdman Act, passed in 1898, marked a distinct step in advance in the recognition and protection of the public interest; in that, beside providing for conciliation, mediation, and voluntary arbitration, it contained the drastic antistrike and antilockout clause that has already been referred to.

You are told by the proponents of this measure that never before has labor made such concessions as in the present bill. The Erdman Act was indorsed by the railroad labor organizations and contained this antistrike clause, compared to which the ambiguous status quo clause of the present bill is but a pale preliminary. [Applause.]

Some of you who have had no opportunity of reading the hearings on this measure may be laboring under the impression that here, in the case of this bill, for the first time have the carriers and their employees met, compromised, agreed, and asked Congress to enact that agreement into law, promising to abide by it if enacted without change. As has already been suggested, such is not the fact, nor is this law dignified by any such distinction. The Newlands Act was presented to Congress in 1913 exactly as this bill is now presented by the same parties, with the same representations, the same demands, the same rosy promises. On page 237 of the committee hearings appears a part of the then discussion in the Senate, in the course of which Senator Pomerene, of Ohio, made these statements:

> Mr. President, I am in favor of this bill as it is written, and though in some respects I would prefer to see a change, I will not vote to change a single word in it, and for the reasons I shall state: It appears that before the committee the railway companies, through their presidents and representatives, and the railway men's organizations, through their chiefs, said that this bill represented months of work; that while there were slight differences of opinion, they all agreed to accept it as a solution of the problem. A number of the witnesses, when interrogated before the committee, said, in substance, that if the bill was passed as it was written they did not believe there would be a single railroad or a single organization that would refuse to accept the plan of settlement here adopted.
>
> It stands to reason that when they come before the Congress asking that this plan be incorporated into a statute no one of these parties would be in a position where he could honorably say, "I will not accept the plan of mediation or of arbitration which is therein contained."

Here is an absolute echo of the words spoken in the committee room during the consideration of this bill. The Newlands Act was not a solution of the problem. No problem is solved until it is rightly solved, and you can not solve a problem involving three equations by absolutely ignoring one of them.

Reverting for a moment to the three laws passed between 1888 and 1913, it will be noted that public thought had not during that time progressed beyond the conception that the only interest the public had in interstate commerce was the right of continuous and uninterrupted service. With the passage of the transportation act of 1920 we find for the first time statutory expression of the concept that the public has an interest, not only in uninterrupted service, but in the amount of wages paid as reflected in freight rates. [Applause.]

Section 307, Title III, of the transportation act authorizes the Railroad Labor Board to suspend an agreement between parties with respect to wages until it can determine whether or not the proposed increase would require a readjustment of transportation rates.

Mr. PARKER. Will the gentleman yield?

Mr. NELSON of Maine. I will.

Mr. PARKER. Has any such suspension ever been asked or granted?

Mr. NELSON of Maine. The very fact that such a law exists, whether legal or illegal, is a deterrent upon the attempted making of uncontrolled wage agreements. I believe the law is constitutional and effective. The bill was reported out of two great committees of the House and Senate containing excellent constitutional lawyers, with able chairmen. It is the law and has been the law for six years. It has never been successfully questioned, and I believe it is the law of the land to-day, and a very excellent law.

Title III provides something more than that—it provides that one member of the public group must join in any wage award made by the board. If you pass this bill without amendment, you repeal Title III of the transportation act; you destroy the only existing preventive remedy against uncontrolled wage agreements; you remove the representative of the public from wage negotiations; and at a time like the present, when there is a universal demand and need for reduced freight rates, and a pending demand for increased wages, you deprive the public of any voice or control in matters that are to them of supreme importance. [Applause.]

If you pass this bill, as I assume you will, and repeal Title III, the only surviving hope the public has is in the power of the Interstate Commerce Commission to refuse to recognize an unreasonable wage agreement as a proper element of cost of service in fixing freight and passenger rates. As suggested by the Hoch amendment, even this provision is endangered by the pending bill. Section 9 of this act, paragraph 2, provides that in the case of an arbitration the award shall be filed in the office of the appropriate district court and judgment entered thereon. Thus the decision becomes a decree of a Federal court. It was suggested during the hearings that under the full faith and credit provision of the Constitution a quasi Federal court like the Interstate Commerce Commission could not refuse to give full faith and credit to a decree of a Federal district court; that such refusal to consider in rate making a wage charge thus fixed on the carrier by law would constitute confiscatory legislation and be null and void. The proponents of this measure stated that they had no desire to curtail this power of the Interstate Commerce Commission. Their attention was called to this danger by the gentleman from Kansas [Mr. HOCH]. They refused to allow an amendment to the effect that nothing in the act should preclude the Interstate Commerce Commission from considering the merits of any such arbitration award when determining freight or passenger rates, and they refused a clause allowing the commission to intervene in the public interest before the award became a court judgment.

In my opinion, if you pass this bill without amendment, you destroy every existing public safeguard that time and experience have given us.

Mr. BLANTON. Will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. BLANTON. Is it not a fact that this board of mediation has nothing in the world to do with fixing wage schedules, and is it not a further fact that it has no power of compulsory investigation?

Mr. NELSON of Maine. I am coming to that. I think all that is true, and even more than that.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. PARKER. I will yield the gentleman 10 minutes more.

Mr. NELSON of Maine. I say if you pass this act in its present form, without amendment, you destroy at one blow all those public safeguards that time and experience have given us. You deny public rights never before questioned. You declare public interest a myth, and public control a failure. You reverse the enlightened thought and policy of preceding Congresses, and turn back the hands on the clock of recorded progress in public interest 40 years.

Mr. MURPHY. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. MURPHY. I am not going to ask a frivolous question. I am very serious about this. The gentleman has made the statement several times in the course of his remarks that the public is losing what it now has. Will the gentleman please be specific and tell us one thing that the public loses by the adoption of this bill?

Mr. NELSON of Maine. I thought that I had already done that.

Mr. MURPHY. I wish the gentleman would pin his remarks to one thing that the public will lose.

Mr. NELSON of Maine. I believe that Title III of the transportation act is sound law and of great public benefit and protection. That law as drafted has existed for six years and has never been upset by any court. It provides that the Railroad Labor Board may suspend an unreasonable agreement as to wages. It also provides that one member of the public group must join in any wage award made by the board. As the law stands to-day the Interstate Commerce Commission can refuse to consider in the making of rates an unreasonable wage agreement, and I maintain that even this last provision is endangered by the present bill.

I believe in self-government in industry. I would encourage these parties to set up their own machinery of adjustment and to use it. I would assist them in any legitimate agreement, subject only to the paramount rights of the public. In any dispute I would allow them to exhaust their every last remedy before governmental interference. But when those remedies are exhausted, when their machinery has broken down, when disaster threatens the whole social structure, then I believe this Government should exercise the power inherent in it and take every proper and reasonable step to avert a great national catastrophe.

Mr. MERRITT. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. MERRITT. By averting a national catastrophe, does the gentleman mean that he thinks that by law 100,000 men can be compelled to work if they do not want to?

Mr. NELSON of Maine. I never have believed in such procedure. I never have suggested it, and I do not believe that any true American would countenance the attempt. I believe that compulsory arbitration even is repugnant to our concepts of government; but I believe that compulsory investigation is in entire harmony with the genius of American institutions, and that on an occasion of that sort, in the case of a great national emergency, it should be resorted to for these purposes: To focus public attention, to create an intelligent and informed public opinion, to bring to bear upon the offending party the compelling influence of public disapprobation.

Mr. PARKER. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. PARKER. What does section 10 of this bill do?

Mr. NELSON of Maine. Nothing. I shall come to that in a moment.

This idea of compulsory investigation is no new one. President Roosevelt in 1905, and again in 1906, urged upon Congress the necessity of creating machinery for compulsory investigation of critical labor controversies. President Wilson, in 1916, facing a threatened paralysis of transportation, made practically the same request to Congress. The Howell-Barkley bill of last year, as amended in the Senate, provided for compulsory investigation. The Railroad Labor Board, which it is proposed to abolish, to-day possesses this power. President Coolidge, in his December message, in dealing with the coal situation, emphasized the need of machinery for compulsory investigation in labor difficulties.

In these messages of three great Presidents of the United States we see expressed the universally admitted thought, that when industrial disputes threaten the national welfare, then the people are entitled to know the full facts of the controversy, and it is the duty of Congress to provide the machinery for obtaining those facts.

Section 10 of this act provides for the appointment by the President of an emergency board. Its sole purpose is to discover and report the facts, a purpose of extreme importance, as upon those facts the President may act, or Congress legislate. This bill gives the emergency board no power whatever to compel the attendance of witnesses or the production of evidence. Its proponents refuse to allow such an amendment. In time of national emergency, tremendous responsibility is placed upon the President. He may appoint this board for the purpose of investigation, but they go forth, not clothed in any sovereign power of the United States, but go forth as suppliants taking what they can get.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. BLANTON. It would not be authorized to force the production of a document or the presence of a witness.

Mr. NELSON of Maine. Not one. I say that this board is appointed simply for the purpose of discovering and reporting evidence, and then its hands are tied.

I believe we could have a pretty fair bill here if we would simply add to it the provisions of existing statutes for the protection of the public rights. Transfer to the Interstate Commerce Commission the power of review and suspension of wage agreements now possessed by the Railroad Labor Board; amend section 9 so that it shall not preclude the Interstate Commerce Commission from considering the merits of any award in making rates; give to the emergency board the power of compulsory investigation; and we would have a bill here that I believe any man could vote for without misgivings or misapprehension.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for a question?

Mr. NELSON of Maine. Yes.

Mr. BLANTON. Why should we not give the President's emergency board the same power that the Board of Arbitration has?

Mr. NELSON of Maine. I have not been able to ascertain.

Mr. BLANTON. Has the committee ever been able to explain why it is not able to do that?

Mr. BEEDY. If the gentleman will permit, the answer is that the two parties in this three-sided matter have gotten together and said that they do not want it.

Mr. BLANTON. They do not want the public to have any rights in it?

Mr. BEEDY. Yes; that is their agreement. This is not the legislation of this Congress or of any member of this committee. This is an agreement that they allow us to make a gesture of in the way of having it printed and having us go through the form of voting for it.

Mr. BLANTON. And have the taxpayer pay the expense?

Mr. NELSON of Maine. Where do I come in on this discussion? [Laughter.]

My friends, I just want to say this in closing. I had hoped, as a member of a great congressional committee, to have shared in some small way in the joys of intellectual conception, in the pains of mental travail, that would have brought forth for your consideration here a bill embodying, in some slight measure, the statesmanship, the Americanism, the courage, and the intellectuality of the members of that committee. Instead, we bring you an adopted child, of uncertain parentage. We bring it to you, in all essentials, exactly as it was brought to us. No profane hand has sought to remodel its features, or stiffen its backbone. We had to take it just as it was or not at all. It is a tender child, and temperamental. To my mind it is too sweet to be wholesome. [Laughter and applause.]

However, it comes to us highly, if not widely, recommended. Possibly our people may love it and feel that it justifies all and any sacrifices that may have been made in its behalf. [Applause.]

MESSAGE FROM THE SENATE

The committee informally rose; and Mr. ACKERMAN, having taken the chair as Speaker pro tempore, a message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had agreed to the amendments of the House of Representatives to the amendments of the Senate Nos. 17, 58, and 59 to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes;

That the Senate further insists upon its amendments Nos. 27 and 28 to the said bill and asks a further conference with the House of Representatives thereon:

Ordered, That Mr. WARREN, Mr. CURTIS, and Mr. OVERMAN be the conferees on the part of the Senate.

RAILWAY LABOR DISPUTES

The committee resumed its session.

Mr. BARKLEY. Mr. Chairman [applause] and gentlemen of the committee, I shall not limit myself as to time because I want to be free to discuss this bill in as much detail as possible; but I hope not to consume more time than the House is willing patiently to listen. We have before us today a measure which involves probably as vitally and as intimately the welfare of the people of the United States as any measure which Congress can possibly consider. This bill affects not only the fundamental rights of the American people; it affects the fundamental rights of the transportation systems of the United States as well as the men who operate those transporation systems.

I desire to make some comparisons between the bill now before us and the measures which have heretofore been enacted, and especially some comparisons between it and the present law. I wish also to discuss the question which has been injected here, and which seems to be in the minds of many of the Members, the rights of the public, not only from a legalistic standpoint, not only from the standpoint of the power that may be conferred upon the Congress by the commerce clause of the Constitution, but I desire to discuss that right from its fundamental standpoint independent of any power to deal with it that may be conferred upon Congress by the Constitution.

Before I undertake to discuss the details of this bill I desire briefly to outline the history of labor legislation which led up to the passage of the present transportation act and its labor provisions, beginning in 1888. For many years prior to the enactment of the first law which undertook, in a feeble and timid way, to provide for the adjustment of railroad labor disputes there had been much agitation throughout the country upon this subject and many bills had been introduced in the House and in the Senate. I think, probably, beginning back in 1873 Congress began to give its attention to the problem of providing some way by which labor disputes arising upon our railroads might be amicably adjusted so as to prevent interference with interstate commerce and at the same time provide a just method of settling disputes so as to grant to the carriers and their employees the rights to which they were entitled.

The first bill, however, which ever became a law was enacted by Congress in 1888. That law provided that both sides to any controversy, if they agreed to arbitrate the question, were to appoint one representative, and that these two representing each side should appoint a third, all of whom were to be impartial and disinterested.

The third appointee was to be the president of the board of arbitration, and any two members of that board might render a decision. They were supposed to meet and organize as soon as possible after their appointment, to hear and determine the controversy, sign their decision, and file it in the office of the Commissioner of Labor, who at that time occupied the position which was subsequently enlarged into the present Department of Labor. Each member of this board was to receive $10 a day for his services during the time actually consumed in the settlement of any dispute. The President was authorized in the same law of 1888 to appoint two commissioners, one of whom was to be a resident of the State where the dispute existed, and who, with the Commissioner of Labor, were to investigate the causes of any dispute and suggest a settlement or remedy, the result to be reported to the President and Congress, whereupon the commission ceased to exist. The President was authorized to tender the services of this commission to settle any dispute either on his own motion or on the application of either side or upon the application of the executive of the State in which the dispute existed. The President could direct the commission to visit the scene of the controversy, and it had all the powers given to a board of arbitration. It was to hear and consider the disputes, make its report, and file that with the Commissioner of Labor, as the board of arbitration, which I have already mentioned, was to do.

That law was in existence from 1888 to 1898, but during its entire 10 years on the statutes not one controversy was ever settled by the arbitration provisions of that early law, and only one dispute was ever considered by the investigating commission referred to in the latter provisions of the law, and that was the famous Pullman strike which occurred in Chicago in 1894 while Grover Cleveland was President, in which Eugene V. Debs and others were enjoined from interfering with interstate commerce or with the transportation of the mails. President Cleveland sent troops out to Chicago to preserve order and to prevent interference with the transportation of the mails.

It was recognized during the existence of this law that it was inadequate, and there began a movement for its amendment; various bills were introduced in the House and in the Senate.

In 1898 the sentiment which had crystallized for some amendments to this law took form in the House and in the Senate by the enactment of the law now known as the Erdman Act. The Erdman Act was limited in its application to employees who were engaged in actual train service and had no application to the settlement of disputes arising among any other class of railroad employees. It did not provide for any investigation, as authorized in the act of 1888, but provided for mediation and conciliation, for which the former law did not provide in terms, although the committee of investigation authorized to be appointed by the President might be said to correspond in some degree to the Board of Mediation and Conciliation provided in the Erdman Act.

Under the Erdman Act in case of any controversy over wages, hours of labor, or conditions of employment the chairman of the Interstate Commerce Commission and the Commissioner of Labor were to communicate with both sides and try to settle it by mediation and conciliation. In the event they failed to bring about a settlement by mediation and conciliation they were to endeavor to bring about arbitration through a board of three, one of whom was to be named by the road or roads involved in the controversy, another by the employees involved in the dispute, and these two were to name a third, and a majority of this commission of three or board of arbitration might render a decision.

Under the terms of the Erdman Act any agreement to arbitrate was to be submitted in writing, under certain stipulations which the law provided, which I need not detail. After the

award was made it was to be filed in the office of the clerk of the United States circuit court in the district where the dispute arose or where the arbitration was entered into, and was to go into effect within 10 days from its filing. Exceptions might be filed by either side within 10 days to the award, and it was to be tried out in the circuit court of the United States.

If the report of the award was sustained by the court it was to become binding and, under the terms of the Erdman Act, no employer could discharge an employee pending the settlement or for three months after the settlement without 30 days' notice, and the employees could not terminate their employment by any concerted action upon their part except under the same conditions. There was no penalty attached in this statute which would punish either side for a violation of that provision.

The law also provided that all members of any corporation should cease to be members in case they used force to bring about the settlement of any railroad dispute, but a corporation was not liable for the acts of its members, nor the members for the acts of the corporation. The corporations referred to evidently were not only the railroads but the labor organizations, which were incorporated in certain cases.

Contracts prohibiting any employee from joining an organization were declared to be void. This provision was afterwards declared unconstitutional by the Supreme Court.

Under the terms of the Erdman Act all the provisions of the act of 1888 were repealed.

For eight years and a half after the passage of the Erdman Act only one attempt was made to use it, and this attempt failed; but during the remainder of its existence, which was until the Newlands Act was enacted in 1913, 61 disputes arising upon the railroads of this country between the carriers and their employees were settled and adjusted under its provisions. No award ever made under this act was ever repudiated by either side, and only one appeal was ever taken to the courts of the United States as a result of awards made under the operation of the Erdman law.

One of the greatest improvements of this act over that of 1888 was a provision for a permanent Board of Mediation and Conciliation instead of a temporary board appointed for each particular emergency, but during all the existence of this law agitation became widespread throughout the country and in both Houses of Congress for its further amendment, and many bills were introduced by Members of the Senate and by Members of the House.

The result of this, in 1913, was the law which has since been known as the Newlands Act, which was in fact a mere amendment and extension of the Erdman Act, but which was afterwards known as the Newlands law and which repealed the provisions of the Erdman Act.

This law, like the Erdman law, applied only to employees engaged in actual train service. In the event there was a dispute between the roads and their employees over wages, hours of labor, or conditions of employment, either side might request, as in the Erdman Act, this permanent Board of Mediation, which was provided for in the law, to make an effort to bring about a settlement. If the Board of Mediation was unable to bring about a settlement, the law provided for an arbitration by another board of three, one to be appointed by each side and one by the two, or if they failed to make the appointment, the third member was to be appointed by the Board of Mediation and Conciliation; or they might have, if they desired and preferred, a board of six, in which event two were to be appointed by each side and the other two by the four, or if they failed to appoint within 15 days, then the other two might be appointed by the Board of Mediation and Conciliation.

There was also provided in the law that there should be, in case of failure to settle the dispute by the Board of Mediation, an agreement to arbitrate, and this agreement had to be signed by both sides and had to contain certain stipulations as to what the award was to provide for. I believe there were 12 different things that the agreement had to stipulate. The award was likewise to be filed in the United States circuit court, and exception might be filed within 10 days to its provisions, to be tried out by the circuit court, and after they were tried out by the circuit court, if the award was sustained, it likewise became binding upon both parties. If there were no exceptions filed, the award became binding after 10 days.

In the agreement to arbitrate both sides had to agree that they would abide by the result of the arbitration, which, of course, was subject to be nullified on grounds of fraud or that it did not comply with the law or the terms of arbitration.

In addition to this, the President was to appoint a commissioner of mediation and conciliation, who was made a permanent officer of the United States, and in addition to this commissioner he was to designate two other officers already in the Government service, who were to compose the board of three to be known as the Board of Mediation and Conciliation, with the commissioner of mediation as the chairman, who was to receive, I believe, a salary of $7,500 per annum. It provided also for an assistant commissioner of mediation and conciliation, and the old law of 1898 was likewise repealed.

That was in 1913, and the Newlands Act was in force from that time until the Government took over the railroads in the latter part of 1917. During that four and a half years up to June 30, 1917, many controversies were adjusted and settled. In all I believe 71 separate and distinct controversies between the railroads and the employees arising out of dispute over wages, hours of service, and conditions of labor were settled and adjusted under the Newlands Act, and in all a total of 148 cases were brought to consideration, some of which were withdrawn or otherwise disposed of.

Then, in 1916 the Adamson law was enacted, which provided for an eight-hour day, which I need not take the time to discuss and which many Members will remember, and which did not apply to any settlement of dispute by mediation and conciliation because the dispute was settled by act of Congress.

During the operation of the railroads by the Government a different method was set up for adjusting railroad disputes. In fact, when the Government took over the roads there was a dispute pending between the railroad employees and the carriers which had been pending for several weeks or months, but was settled some time after they were taken over, and the director general gave out a statement in which he said this dispute which existed at the time the Government took the roads over and inherited it would be settled, and that the men should go on with the work and depend on the Government to bring about a method of settlement which would be just and fair to both sides.

Acting under that statement, the director general appointed a commission composed of four members; that commission held hearings for many months and considered the disputes and finally brought in a report which recommended a certain increase in wages. That report, with very slight changes, was put into effect by the director general, and on account of the delay in bringing about that adjustment it was made retroactive, to take effect January 1, 1918.

After that dispute was settled, recognizing the fact that, as history had already demonstrated, other disputes were likely to arise in the operation of the roads between the carriers and the men, a board of railroad wages and working conditions was created, whose report had to be submitted to the director general before going into effect.

There are two sorts of disputes that arise on railroads. One kind is a dispute growing out of the interpretation of agreement as to wage scales or working conditions that already exist. These disputes might be termed grievances; they might affect a large number of men in some way and they might affect only a small number of men, or they might affect a single individual. Recognizing the difference between the character of these disputes, the director general instituted boards of adjustment which were not to deal with the questions involved in changes of wages, their increase or decrease or change in the working conditions or hours of service, but these boards were to deal with adjustments and were to be composed of the representatives of the men themselves and of the carriers, to be selected by the respective sides of the dispute, or if there was no dispute the boards were created and made permanent during the Government operation and they were to settle all grievances of every kind and character growing out of disputes that arose over the interpretation of existing agreements as to scales of wages and conditions of service.

The board on wages and working conditions was a board which after the first settlement was to settle all disputes arising with reference to increase or decrease in wages or changes in working conditions. The boards of adjustment were numbered adjustment board No. 1, dealing with one class of employees, and board No. 2, dealing with a different class of employees, and board No. 3, dealing with still other classes.

Not only the first director general but Walker D. Hines, who was subsequently appointed, the railroads themselves, the Department of Labor, and every organization and every agency that had any opportunity to observe the operation of this system of settlement have testified to its efficiency, to its fairness, and the wise methods which were adopted in the settlement of disputes.

When the railroads were turned back to the owners under the Esch-Cummins Act, which passed in February, 1920, a new method was set up for settling disputes arising between the railroads and employees. It seemed to be recognized by Congress, and by a large number of people, that the railroads ought

not to be turned back to the private owners without providing some method of adjusting disputes that might arise. During the latter days of the operation of the Newlands Act there had grown up a widespread belief among many people, and particularly among the employees of the railroads, that the Newlands Act itself in many respects ought to be amended and changed. In November, 1919, Mr. Esch, of Wisconsin, chairman of the Committee on Interstate and Foreign Commerce, introduced the original Esch bill restoring the railroads to private operation, and in that bill he provided a method by which disputes might be settled between the roads and their employees, and that method was that conferences were enjoined by the act itself upon the employees and the carriers in an effort to bring about an adjustment of their difficulties without interference from the outside.

That bill passed in November, 1919. During its consideration the Anderson amendment introduced by the gentleman from Minnesota, Mr. Anderson, was substituted for the Esch provisions as introduced by the committee in the House in November. Even that amendment provided for conferences and the appointment of adjustment boards and for provision for mediation and conciliation somewhat similar to the provisions of the Erdman and Newlands Acts.

That bill went to the Senate with the Anderson amendment included within it, as passed by the House. In the meantime, Senator CUMMINS, of Iowa, had introduced a bill which was radically different from either the Anderson amendment or the original text provision, and which provided for compulsory arbitration, providing a drastic and stringent law that made it unlawful for any two or more men to agree to quit their work prior to the submission of a dispute to arbitration, pending the arbitration and after it had been arbitrated. So that under the terms of that bill any two men, father and son, brother and brother, at the breakfast table in the morning, who were participants in a dispute with the railroad company, if they agreed, talking things over at their breakfast, that they would quit, would violate the law, and they might be punished by heavy fine and imprisonment. When the House bill went to the Senate, after its consideration here, the Cummins amendment was inserted and was passed by the Senate practically as introduced by Senator CUMMINS. When that bill came back here from the Senate it provided for compulsory arbitration and for drastic antistrike provisions which punished by fines and imprisonment any two or more railroad employees on any road engaged in interstate commerce and subject to the act to regulate commerce, who got together and agreed to quit. The bill was sent to conference. The conferees were engaged every day for six weeks in undertaking to adjust the differences between the House and the Senate, and after many laborious days of consultation and conference, debate and dispute, the conferees brought back into the House and into the Senate the Esch-Cummins law as it now exists. Two of the members of the conference, of whom I was one, refused to sign that report, and refused to vote for it upon its passage. Title III of the Esch-Cummins law provides that there shall be a conference between the railroads and their employees in an effort to bring about an adjustment of all disputes, not only involving grievances or the interpretation of existing contracts, but in order that all disputes arising out of controversies over increases or decreases of wages, or any change in the working conditions might be settled by a conference among the railroads and their employees.

The history of railroading in this country has demonstrated that the most satisfactory method of adjustment of all railroad disputes involving labor and working conditions has been when the men on both sides were permitted to sit down at a table and settle their own disputes without interference from the outside. [Applause.] But in the event that they could not settle their disputes by a conference, the present Esch-Cummins law provides that there shall be set up voluntary adjustment boards, to be composed of men on both sides. There is no compulsion, however, in the law relative to the setting up of these adjustment boards. They were supposed to take the place of the adjustment boards provided in the operation of the roads by the Federal Government, so that where conferences had not been able on the ground to settle these disputes they might be referred to these various boards of adjustment set up either in regions or in any locality by common consent of the roads and their employees. After the adoption of this law the railroad employees, from one end of this Nation to the other, offered to enter into agreements setting up these adjustment boards. They made these propositions not only nation-wide, but they made them to their individual employers upon the individual roads of the United States. Some of the railroads agreed to these adjustment boards, but many of them did not agree, and until this time many of the railroads have refused to enter into agreements with their employees establishing these adjustment boards either in the regions or upon individual roads, so that this particular part of the present law has been ineffective, for the sole reason that many railroad companies have refused to carry out the spirit even of the Esch-Cummins law in the formation of these adjustment boards.

The present law provides for the present Railroad Labor Board, composed of nine members, three of whom are to be appointed by the President from a list submitted by the railroad employees, three of whom are to be appointed by the President from lists submitted by railroads, and the other three to be appointed by the President from the public.

These nine men now form the Railroad Labor Board. So far as the labor provision in the Esch-Cummins law is concerned, I do not know yet where that particular title came from. It was brought into the conference committee somewhere from the outside. No employee was ever consulted with reference to its provisions. They were not permitted to come before the conference committee to express their desire with reference to labor legislation, but they have entered into the operation of this objectionable provision in a spirit of patriotism. They submitted their names to the President. It was contemplated that no dispute arising from disagreement as to the interpretation of existing wage scales and agreements should have to go to this Railroad Labor Board, except in cases where these adjustment boards referred to have been unable to reach an agreement. The Railroad Labor Board as now formed was intended to deal with larger questions—questions of wage increases or decreases, or the questions of changes in the fundamental conditions of labor that might apply upon the transportation systems of the country; but because many of the railroads and the employees have been unable to agree on the formation of these adjustment boards, the Labor Board, composed of nine men, sitting in Chicago, have been compelled not only to adjust differences involving the larger questions of railroad employment, but they have been compelled to consume their time in petty disputes arising on individual roads from the interpretation of a grievance, and even to take up their time adjusting individual disputes between individual men and the employers. As a result the Railroad Labor Board has been unable in many cases and unwilling in others so to function as to give satisfaction to either side in disputes arising.

The first three laws passed by Congress—that of 1888, the Erdman Act of 1898, and the Newlands Act of 1913—applied only to men actually engaged in the operation of trains. Recognizing that the people's primary interest in the problem concerned the service of continuous and uninterrupted transportation, Congress made no effort to include any except men in actual train service until the transportation act of 1920, and, although the latter applies to all employees of railroads, it made no effort to restrict or interfere with the fundamental right of private agreement as to wages or working conditions. And for that reason the laws which Congress enacted were limited to disputes and disagreements which might arise between the railroad companies and those who were engaged in the actual transportation of commodities in interstate commerce. During the life of the Newlands Act 148 disagreements between railroads and their employees were settled, and there was not a serious interruption of traffic nor a serious threat of interruption of traffic except in 1916, which resulted in the passage of the Adamson law.

I wish to call attention to the reason which made it impossible for that dispute to be adjusted under the terms of the Newlands Act. The heart of that contest, the thing around which the men and the roads disagreed, was the question of the 8-hour day. On about 15 per cent of the railroads of the United States the 8-hour day was in force, but upon about 85 per cent of the roads the 10-hour day as a standard of labor for the men engaged in the transportation of commerce was in effect. A dispute arose about the 8-hour day and about the allowance of overtime for work that was protracted beyond the 8-hour period, which was regarded as a fundamental right, as the 8-hour day had been established by the United States in the laws that applied to the public service and as the 8-hour day had been established in practically every other industry in the United States in response to the enlightened and progressive opinion of the people of our country.

It was generally agreed that in a hard and hazardous industry eight hours was as long as any man ought to be required to work as the standard of a day's labor. So the question arose over the arbitration of the 8-hour day. The employees contended that the 8-hour day ought not to be a subject of arbitration; that the 8-hour day had been accepted by civilized society as the standard of a man's work, and that

they ought not to be required to go into arbitration over the question whether they should extend the hours of service beyond the period of time which society and our Government had recognized as wise and proper in the conservation of human energy. And so an impasse was reached between the railroads and their employees, and a serious strike which, if it had occurred, would not only have meant serious damage to labor and industry itself, but which might have resulted in the breaking down of our transportation system and might have resulted in hunger and want and starvation to the people of the United States, hung like a great cloud over the entire Nation. It was at that juncture that President Wilson called the two sides to Washington and asked them to confer with him over an amicable adjustment of this dispute. They came here, not of their own volition, but in response to his invitation. They conferred with him. Propositions were made back and forth, using him as an intermediary between the employees and the roads, and finally the employees said once and for all that they could not agree to arbitrate the 8-hour day, and President Wilson issued a public statement agreeing that they were right about that, and taking the position himself that the 8-hour day was a fundamental human right, and it was not subject to arbitration. [Applause.]

As a result of that situation he asked Congress to pass a law which recognized the 8-hour day as a standard for man's work in the United States on the transportation systems, and hence the Adamson law was enacted by Congress, and the strike, called by reason of the disagreement, was called off, and the Adamson law went into effect and has been in force from that time until now, and has been interpreted by the Supreme Court of the United States and held constitutional.

I shall not undertake to call attention in detail to the decision holding the Adamson law constitutional, but in view of the contention made by the opposition, which seems to have focused around one certain idea in connection with this legislation, I do desire to call attention to the question which was at the bar in that decision, and, if I have time, to read the language of the court in passing upon the thing which certain Members seem to hold as important in regard to this bill. You will recall that there was a disagreement on the part of the men and the roads; there was a failure of their minds to meet, and what is known as the Adamson law was intended to fill the gap between the two sides and make an agreement which they themselves were unable to arrive at; and in passing on the question of the constitutionality of the Adamson law the Supreme Court held that where there was a failure to agree, admitting that the parties had a primary and fundamental right to contract privately for fixed wages upon the railroads of the United States, where there was no agreement, where there was a gap between the minds on the two sides, Congress had the right to deal with the condition by passing a law that would bridge this gap and create an agreement by operation of the law in order that the people may have uninterrupted transportation.

But in that decision Chief Justice White over and over again reiterated and emphasized the principle that the right of private agreement was one over which Congress had no power of control or restriction. In that decision, which is cited as Wilson *v.* New (243 U. S. p. 333), the court said:

> It is also equally true that as the right to fix by agreement between the carrier and its employees a standard of wages to control their relations is primarily private, the establishment and giving effect to such an agreed-on standard is not subject to be controlled or to be prevented by public authority.

Then the court continues:

> Conceding * * * the power between the parties employers and employees to agree as to a standard of wages free from legislative interference, that right in no way affects the lawmaking power to protect the public right and create a standard of wages resulting from a dispute as to wages and a failure thereby to establish by consent a standard.

This principle is reiterated time and again all through the decision.

I need not take the time of this committee to read that decision. It is a very lengthy decision, but if you have the time, especially those who are now contending for an amendment to this bill that shall give the public a right not only to representation when there is a dispute but which goes even further and says that the public has the right to sit in on any private agreement between the railroads and their men, because the public in the long run pays the bill, especially the Members who have that slant on this situation, it might be illuminative and instructive and valuable if you would study the lengthy decision of Chief Justice White in interpreting the Adamson Act in 1916.

So, my friends, every law that has been enacted in the United States, as well as the decisions which have been rendered in their interpretation, has started out upon the fundamental theory that a man who goes out in the night or in the day working upon the railroad or a man who works in a railroad shop or in any other capacity in interstate commerce has a fundamental, elemental, American right to have a voice in the price of his wage, and that he has the right to reach an agreement with his employer in respect of the amount of that wage and the working conditions under which it may be earned, and the law that is in existence now does not seek to take away that right.

In the very midst of the operation of the Newlands Act the war came on, and as a war measure the Government took over the railroads of the United States; but, of course, the taking over of the railroads did not operate to repeal the Newlands Act; and as a matter of fact, the passage of the transportation act itself did not in terms repeal the Newlands Act. So that some features of that law which have not been specifically repealed by the Constitution of the United States may even yet be in existence.

During the war, of course, the Government had the railroads, and we need not enter into any discussion about the merits of Government operation of railroads, but the experience of the Government during the operation of the railroads has been very valuable not only to the railroads but to the men themselves and to the Congress and all public authorities in undertaking to arrive at the psychology of labor situations and the psychology of labor rights and the rights of the public.

When the railroads were taken over by the Government in 1918—I believe, on January 1, 1918—there was a dispute then pending between the roads and their employees with reference to wages, and the United States Government inherited that dispute. The director general and the commissions which were operating with him—and, of course, he was advised not only by public authorities but by executives of railroads and by executives of railway labor organizations—created certain boards, some of them local, some of them regional, some of them national, for the purpose of adjusting these disputes that then existed between the railroads and their employees. For instance, a wage commission was appointed, which was nonpartisan, to settle the controversy then pending. I think Secretary Lane was on it; William Willcox, chairman of the Republican National Committee, was a member of it. I do not recall any of the other members. They heard the dispute, they heard all the testimony, and finally made a recommendation to the director general recommending certain increases in wages, and that recommendation was put into effect.

I want to say here, because I think probably it ought to be said, the man who was then director general of the railroads has received in one place and another very severe criticism for having increased the wages of the railroad employees after the railroads were taken over by the Government, but those increases were not made by him on his own initiative but were made in pursuance of a recommendation of a nonpartisan commission made up of Democrats and Republicans, who recommended these increases to the director general and they were put into effect as a result of that recommendation.

The war ended and we, of course, were confronted with a situation where we had to determine what was to be done with the railroads; whether there should be a continuation of Government operation for a year or two years or five years or whether there should be an immediate return of the roads to their owners. Congress decided the roads ought to be returned immediately. So they passed in 1920 what is now known as the transportation act, Title III of which deals with labor disputes.

I wish to give a little of the history of that legislation so that we may get a sufficient background and perspective and have an understanding about why it has been so ineffective in its settlement of disputes and in its enjoyment of confidence or lack of confidence among both sides to railroad disputes in the United States.

I must correct my good friend, the gentleman from Maine [Mr. NELSON], who suggested that Mr. Winslow, a great constitutional lawyer, was chairman of the Committee on Interstate and Foreign Commerce when the transportation act was passed. Mr. Winslow, of Massachusetts, as we all know, was a very delightful companion and very earnest in the advocacy of all his views, but I doubt if his warmest friend would contend he is a great constitutional lawyer. He is a business man and not a lawyer. But whether he is or not, he was not at that time chairman of the Committee on Interstate and

Foreign Commerce. Mr. Esch, of Wisconsin, now a member of the Interstate Commerce Commission, was chairman of the committee at that time, and I think our old friend from Tennessee, Judge Sims, was the ranking Democratic member on the committee.

As the bill passed the House it did little more than return the roads to the owners with certain technical amendments to the act to regulate commerce, except that it did try to set up some kind of machinery by which labor disputes might be adjusted. On the floor of the House, this provision which had been worked out laboriously and carefully in the committee, as the committee thought, was kicked out overwhelmingly and unceremoniously, and what was known as the Anderson amendment was substituted on the floor of the House and went to the Senate as a part of the Esch bill. This was in the fall of 1919.

In the Senate, the bill was considered by the Committee on Interstate Commerce, and all the language of the House bill was stricken out and the Senate rewrote the measure. Among other things it sought to deal with labor disputes. It set up a national board or transportation board. It undertook to set up adjustment boards; and in addition to the machinery by which they expected to settle disputes, they put in a rigid, automatic, and autocratic antistrike provision which provided if there was a dispute on the railroads, the men could not quit their employment before the dispute was submitted to arbitration, they could not quit while it was under submission, and they could not quit after it was decided. So an effective administration of it would have meant compulsory, lifetime employment on the part of the employees of the railroads, because they could not quit before, they could not quit during, and they could not quit after a dispute had arisen and had been settled.

Mr. NEWTON of Minnesota. Will the gentleman yield for a question there?

Mr. BARKLEY. Yes.

Mr. NEWTON of Minnesota. There was, of course, a provision permitting individual employees to quit at any time.

Mr. BARKLEY. Yes; but it provided that no two men could agree to quit, and this meant that a father and son could not sit down at the breakfast table in the morning and agree they would not go back to work without subjecting themselves to a fine or imprisonment.

Mr. ALMON. Did the Senate amendment pass the Senate in that form?

Mr. BARKLEY. Practically in that form. So when the bill went to conference the conferees had to adjust the differences between the House and the Senate. The Senate bill had a compulsory antistrike provision which made it a crime for two or more men to agree not to work, and that was the bone of contention so far as the labor provision was concerned. I think I am the only Member of the House who was then on the conference committee. The House conferees were Mr. Esch, Mr. Winslow, Mr. Hamilton of Michigan, Republicans, and Judge Sims and I were the Democratic conferees. We were in session in that conference for more than six weeks. On the Senate side, Senator CUMMINS, the author of the Cummins amendment, was chairman of the conferees, and the other conferees were the present minister to Peru, Senator Poindexter, the present Secretary of State, Mr. Kellogg, Senator Pomerene, of Ohio, and, I think, Senator ROBINSON, now the Democratic leader of the Senate.

In the labor title of that bill the present law was set up, and one of the first provisions of the title was that both sides should undertake to arrive at an agreement over wages. That law as it exists to-day does not take away from the parties the right to contract. That right was recognized; the only thing in that law that even squinted at the contrary is the provision to which I desire to refer a little later, but even that does not interfere with the right of the employees and the employers to make an agreement; even that does not give the Railroad Labor Board the power to suspend an agreement that has been reached by the men and the roads. All that does is to give the Labor Board the power to suspend its own decision if they believe that its own decision would result in a substantial increase of railroad rates in the United States. Of course, if they have the constitutional power to render a decision, they have the same power to suspend a decision, and perhaps set it aside. We are not dealing with that question now.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. BARKLEY. I will.

Mr. GARRETT of Tennessee. I did not understand the gentleman's last statement—do I understand the gentleman to say that the only power given to the Labor Board is to suspend one of its own decisions?

Mr. BARKLEY. The only power of suspension.

Mr. GARRETT of Tennessee. The gentleman does not think the language of the act empowers the Labor Board to suspend an agreement reached voluntarily between the parties?

Mr. BARKLEY. I do not think it does, and if it did, I do not think any such power would be constitutional. The language of the statute, giving the Labor Board the power of suspension, is as follows:

> The Labor Board, (1) upon the application of the chief executive of any carrier or organization of employees or subordinate officials whose members are directly interested in the dispute; (2) upon a written petition signed by not less than 100 unorganized employees or subordinate officials directly interested in the dispute; or (3) upon the Labor Board's own motion if it is of the opinion that the dispute is likely substantially to interrupt commerce, shall receive for hearing, and as soon as practicable and with due diligence decide, all disputes with respect to the wages or salaries or employees or subordinate officials of carriers, not decided as provided in section 301. The Labor Board may upon its own motion within 10 days after the decision, in accordance with the provisions of section 301, of any dispute with respect to wages or salaries of employees or subordinate officials of carriers, suspend the operation of such decision if the Labor Board is of the opinion that the decision involves such an increase in wages or salaries as will be likely to necessitate a substantial readjustment of the rates of any carrier. The Labor Board shall hear any decision so suspended and as soon as practicable and with due diligence decide to affirm or modify such suspended decision.

Title III of the present transportation act was not, as my friend from Maine [Mr. NELSON] says, deliberated on here in the House of Representatives. It never came from any committee of this House. It was not put in the bill by any action of this House. All those who are now on the floor, who were Members then, will remember that the conference report came in here on the 21st of February—I believe that was the date—a little more than a week before the automatic adjournment of Congress on the 4th of March, and that there were many Members of this House who were fearful that if they voted against the conference report it would result in no legislation whatever, and that the Government would still maintain the operation of the roads for an indefinite period; and there were many who did not approve of it, who were afraid that if they voted against it that the vote might be interpreted as being in favor of Government ownership of railroads in the United States. So by reason of lack of time the conference report was rushed through the House, without any deliberation worthy of the importance of that great question, which had not been passed upon by the House or any committee that had jurisdiction of the legislation.

Mr. BLANTON. Will the gentleman yield on that point?

Mr. MARKLEY. Yes.

Mr. BLANTON. Is not it a fact that there was another alternative to the conferees' report, and that was what was known as the Plumb plan?

Mr. BARKLEY. I do not think the Plumb plan bothered anybody but the gentleman from Texas. [Laughter.]

Mr. BLANTON. Well, it did bother me considerably. May I call the gentleman's attention to this, that when Senator CUMMINS's amendment was put on the bill, and a motion was made on the floor of the Senate to strike that out, the motion only had 24 votes against 39, and after it was kept in when the Senate passed the entire bill it was passed by a vote of 46 for the bill and 30 against it?

Mr. BARKLEY. I have not looked into the RECORD as to the votes in the Senate.

Mr. BLANTON. That is the record. I looked it up.

Mr. BARKLEY. I assume that is true. That is not a matter of any importance, however.

Mr. BEEDY. Mr. Chairman, will the gentleman yield for a question for information?

Mr. BARKLEY. Yes. Even the Members of the other body may sometimes act unwisely in voting for or against any particular proposition.

Mr. BLANTON. But they are less afraid sometimes than some of us poor fellows who have to go back to our people every two years.

Mr. BARKLEY. I doubt it.

Mr. BEEDY. Mr. Chairman, referring to the question recently put by the minority leader, the gentleman from Tennessee [Mr. GARRETT], and the reply of the gentleman from Kentucky that he does not think the present law gives the Labor Board any power to suspend decisions voluntarily arrived at by the employees and the railroad executives, if the gentleman from Kentucky has a copy of the transportation act of 1920 before him, may I ask him to turn to that section and tell me what this provision in that law means, which immediately follows the statement of the power of the board to suspend decisions:

The Labor Board shall hear any decision so suspended, and as soon as practicable and with due diligence decide to affirm or modify such suspended decision.

Mr. BARKLEY. Of course, if after it has rendered a decision, facts are brought to it that would bring the matter within this provision, or if they think a wage increase, if there has been a wage increase, would materially increase rates upon railroads, and are convinced of that, then, of course, they would have the power to suspend their own decision.

That would not mean that the suspension should operate indefinitely. Both sides would have the right to be heard; first, on the question of whether the increased wages materially increased rates, and second, whether it would be a justifiable increase and whether the wage itself is justified. Let me read again the whole section. Subsection (b) of section 307 of the transportation act reads as follows:

(b) The Labor Board, (1) upon the application of the chief executive of any carrier or organization of employees or subordinate officials whose members are directly interested in the dispute, (2) upon a written petition signed by not less than 100 unorganized employees or subordinate officials directly interested in the dispute, or (3) upon the Labor Board's own motion if it is of the opinion that the dispute is likely substantially to interrupt commerce, shall receive for hearing, and as soon as practicable and with due diligence decide, all disputes with respect to the wages or salaries of employees or subordinate officials of carriers not decided as provided in section 301. The Labor Board may upon its own motion within 10 days after the decision, in accordance with the provisions of section 301, of any dispute with respect to wages or salaries of employees or subordinate officials of carriers, suspend the operation of such decision if the Labor Board is of the opinion that the decision involves such an increase in wages or salaries as will be likely to necessitate a substantial readjustment of the rates of any carrier.

It will be seen that the emphasis there is laid upon the fact that the dispute is liable to interrupt interstate commerce. That gives them the jurisdiction to take charge even on their own motion, without application from either side.

What decision is it they may suspend? Its own decision arrived at in one of the manners provided for in the previous language.

The Labor Board shall hear any decision so suspended and as soon as practicable and with due diligence decide to affirm or modify such suspended decision.

After it has made a decision upon a dispute between the carrier and its employees as to wages, and that decision is presumed to be upon the merits of the controversy, if they believe it involves such an increase in wages as would require a substantial increase in rates, they have the power to suspend their own decision; and after they have suspended it, of course, the provision is made that they hear both sides again as to whether the suspension shall be limited for a period of time or shall be made permanent, or allowed to stand indefinitely. Certainly it would have been an unfair thing to give them the right to suspend their own decision but to give them no right to reconsider their own decision of suspension.

Mr. BEEDY. Before we leave this question, might it not be helpful to the House, inasmuch as specific reference is made to section 301, to say that that section refers to such decisions as may be rendered through failure of a conference between the representatives of the parties in dispute.

Mr. BARKLEY. That section 301 is a general provision under the title which gives authority for adjustment.

Mr. BEEDY. It refers to these decisions, does it not?

Mr. BARKLEY. If the gentleman is prepared to contend——

Mr. BEEDY. Oh, I am trying to bring out the facts for general information.

Mr. BARKLEY. Let us admit for the sake of argument that this section could be read back into the whole of section 301, and undertook to give the Railroad Labor Board power to suspend a private agreement between the railroads and their men. That attempt to confer that authority upon the Labor Board would be an interference with the right of private contract which the Supreme Court of the United States, in the case of Wilson *v.* New, which was a decision growing out of the Adamson law, said could not be done. Because in that decision they held, not only that Congress could not control the matter of a private agreement as to wages, but could not even restrict the right of the employer and the employee to enter into an agreement over wages and conditions of employment. But the transportation act confers no power on the Labor Board to suspend private agreements as to wages.

Mr. LOZIER. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. LOZIER. In the last analysis, does not this section refer to cases where there is an existing acute dispute, and not the cases where there has been an adjustment between the employees and the railroads?

Mr. BARKLEY. Yes. Of course, the whole machinery set up not only by the present law, but all the machinery set up by every law that has been passed heretofore has been predicated upon the fact that they could not agree upon wages, and that in the absence of an agreement there ought to be some public functionary which could step into the gap and make an agreement or adjustment that would not interrupt interstate commerce.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. WINGO. I think possibly the gentleman may have overlooked one point in section 301. Section 301 is so short, that, if the gentleman will permit, I shall read it before I ask the question I have in mind. Section 301 reads as follows:

SEC. 301. It shall be the duty of all carriers and their officers, employees, and agents to exert every reasonable effort and adopt every available means to avoid any interruption to the operation of any carrier growing out of any dispute between the carrier and the employees or subordinate officials thereof. All such disputes shall be considered and, if possible, decided in conference between representatives designated and authorized so to confer by the carriers, or the employees or subordinate officials thereof, directly interested in the dispute. If any dispute is not decided in such conference, it shall be referred by the parties thereto to the board which under the provisions of this title is authorized to hear and decide such dispute.

The question is this: In the section which the gentleman read, which is subsection B, paragraph (3) of section 307, is this language:

Upon the Labor Board's own motion if it is of the opinion that the dispute is likely substantially to interrupt commerce shall receive for hearing, and as soon as practical and with due diligence decide, all disputes with respect to the wages and salaries of employees or subordinate officials or of carriers, not decided as provided in section 301.

In other words, if there may not be any agreement as to wages between employees and the railroads that the Labor Board would be then authorized to suspend because they only come in with power when called into operation where the parties have failed to agree and where the board has made a decision and in itself wanted to suspend its own decision.

Mr. BARKLEY. The gentleman is correct, but in emphasis of that I will say that reference in subsection (b) of section 307 to the previous section 301 is only made necessary because section 301 in its last sentence uses this language. It provides for the settlement of disputes by this Labor Board where there is a disagreement which has not been settled by conference. If it were not for that last sentence, there would be no necessity for subsection (b) of section 307 even to refer to section 301 in providing for suspensions of the decisions of the Railway Labor Board.

Mr. BEEDY. I think that is absolutely correct. I was a little hazy on that.

Mr. BARKLEY. I am very much obliged to the gentleman for his interruption, because his interruptions are always helpful.

Mr. BEEDY. I thank the gentleman.

Mr. STEVENSON. If the gentleman will permit, that is the principle that has been established by this decision of the Supreme Court and various others that the Congress and its instrumentalities can prescribe the hours of labor, what constitutes a day's labor, the limitations of employment of laborers so as to conserve the safety of the public, but it can not undertake to say through any of its instrumentalities as to how much a laborer shall have for eight hours' labor. That is left entirely as a matter of contract, and neither can we do it here under the decision of the Supreme Court.

Mr. BARKLEY. The gentleman is correct. But Congress has power under the commerce clause of the Constitution to make such regulations as necessary to conserve the health, safety, and welfare of the employees, and the manner in which interstate commerce may proceed, and under the commerce clause of the Constitution if there had never been a decision of the Supreme Court controlling the subject, we would know intuitively that we can not interfere with the private right of a man who labors in private industry to control the price of his own labor, and the fact that he works on a railroad, which is a public utility, does not deprive him of that right, and I dare say those who are contending here that this right ought to be abridged by Congress would not be willing to have such a restriction applied to their own private affairs.

Mr. BLANTON. Will the gentleman yield?

Mr. BARKLEY. I will.

Mr. BLANTON. Before the gentleman leaves the subject of the right of the board to suspend——

Mr. BARKLEY. Just for a moment.

Mr. BLANTON. Is it not also the fact that in making a private agreement in respect to wage schedules both the railroads and employees always recognize the fact that if they should make an unreasonable agreement the public still is safeguarded because it knows that the Interstate Commerce Commission would then refuse to pass that on to any increased freight rates, and is not that a deterrent upon the railroads to enter into anything that would be unreasonable and unfair?

Mr. BARKLEY. I think the gentleman is correct. Now, in reference to all laws upon the subject of the regulation of the relationship of employer and employees, after they have exercised what is their fundamental and constitutional right the people have the Interstate Commerce Commission which is entitled, and it is made its duty even in the present law, to make inquiry into the economical management of every railroad to determine whether an increase of rates should be allowed, and of course that would be an element to be taken into consideration.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. BARKLEY. I will.

Mr. NEWTON of Minnesota. And under the proposed law it applies not only to an agreement between the parties but as to awards made by way of arbitration or in any other way?

Mr. BARKLEY. Oh, yes. The Interstate Commerce Commission has absolutely free power to determine the elements which go into the economical management of railroads with the view of determining whether it shall have any weight in the application for increased rates.

Mr. BURTNESS. Will the gentleman yield?

Mr. BARKLEY. I will.

Mr. BURTNESS. Before leaving the question of the power of the present Labor Board to suspend wage agreements, I want to get that clear. Do I understand the gentleman to claim that the present Labor Board has no power to suspend an agreement; that that would be lodged not in the Labor Board itself but in the labor adjustment board, provided for under the present transportation act?

Mr. BARKLEY. The present transportation act does not provide for adjustment boards in settling wages, and the adjustment boards provided for in this bill are not to deal with the wage question, but technical disputes that only a technician could understand and which would require somebody to examine and know in reference to it, so the Labor Board would have no power to suspend agreements originating under any adjustment board, because such agreements do not deal with wages but with grievances.

Mr. BURTNESS. The language that the gentleman from Arkansas [Mr. WINGO] did not read out of subdivision (b) of section 306—just one sentence—is as follows:

> The Labor Board may on its own motion, within 10 days after a decision, examine into the provisions of section 301 in relation to any dispute, suspend the operation of such decision if the Labor Board is of the opinion that the decision involves such an increase of wages or salaries as will likely necessitate a substantial readjustment of the rates of a common carrier.

And, then, the last sentence in section 301 reads as follows, after stating that it is the duty of the carrier and employees, and so on, to come together—

> If any dispute is not decided in such conference it shall be referred by the parties thereto to the board which under the provisions of this title is authorized to hear and decide such dispute.

Now, is it the contention of the gentleman that the only decisions with reference to wages that can be suspended by the Railroad Labor Board are the decisions which the Labor Board itself makes?

Mr. BARKLEY. That is my contention, because in this language here it refers to decisions all the way through, and to its own decision; and an agreement where there was no dispute would not be a decision. It would be a contract.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. NEWTON of Minnesota. The gentleman referred to the jurisdiction of the adjustment board under Title III of the transportation act, and I think unduly restricted their jurisdiction in his remarks. My recollection is that the Railroad Labor Board is given appellate jurisdiction under Title III over the decisions of the adjustment board regarding grievances?

Mr. BARKLEY. Yes. Either side has the right, even where adjustment boards are created, to appeal from the decisions of that board; but that appeal would not involve the question of wages, and therefore suspension of it would not be applicable.

Mr. WINGO. In the same section 307, subdivision (d), it says:

> All the decisions of the Labor Board in respect to wages or salaries and of the Labor Board or an adjustment board in respect to working conditions of employees or subordinate officials of carriers shall establish rates of wages and salaries and standards of working conditions which in the opinion of the board are just and reasonable—

And so forth. Am I correct in my interpretation of that, that the decisions of the Labor Board are the only ones that cover wages that might be adjudicated and considered, and that the adjustment boards are restricted to working conditions of employees?

Mr. BARKLEY. The adjustment boards were not even given the power to consider changes in working conditions. You see there are two kinds of disputes recognized on railroads. One is the interpretation of agreements already in existence, applying to discipline and small grievances that may not only come up with reference to groups of men but may arise with reference to a single man. These are all technical. They have nothing to do with the wages received, but they have to do with the technical interpretation of agreements that exist and the exercise of discipline between the management and employees.

Mr. WINGO. I am not clear on this. We will cut out what it says about the Labor Board with respect to wages and salaries. "All the decisions of the Labor Board and adjustment board are with respect to working conditions of employees." What does that mean? I understood the gentleman from Kentucky to say that could not cover the question of working conditions.

Mr. BARKLEY. You can imagine that any dispute over the interpretation of an agreement would involve some working condition. It might involve how long a man would work in a certain place or what work he should do. But a change in general working conditions and wages is a matter over which the adjustment board has no jurisdiction. The same idea is carried in this bill also.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Certainly.

Mr. GARRETT of Tennessee. The gentleman stated a moment ago that it is the duty of the Interstate Commerce Commission, in considering the question of rates, to take various matters into due consideration, among other things economical administration and operation. Arguing from that, it could take wages into consideration, could it not? Am I correct in that?

Mr. BARKLEY. They have the power to do that, and it is their duty, and they do it all the time.

Mr. GARRETT of Tennessee. Well, if they take that into consideration, what can they do about it so far as rates are concerned?

Mr. BARKLEY. For instance, if they should conclude that there had been an unreasonable increase of railroad wages by the railroads to their employees and the roads should ask that their rates be increased by reason of the increase of wages, the Interstate Commerce Commission would have the power to say, "You have increased the wages unreasonably, and therefore you must bear the burden yourself, and not pass it on to the public." They could do that; that is, in determining upon the question of economical management, and they have in the past done that very thing.

Mr. GARRETT of Tennessee. Does not the gentleman think that might bring us in conflict with the confiscation provision of the Constitution? It is admitted by all of us that the right exists to enter into a private agreement.

Mr. BARKLEY. I do not think the question of confiscation needs deter us. Of course, the railroads have the right to reasonable rates, and the Interstate Commerce Commission the power to go into that and determine what a reasonable rate should be.

Now, Mr. Chairman, I shall have to take more time than I intended if I yield further at this point.

Mr. HOCH. Just one word on the question of confiscation. In the case mentioned by the gentleman from Tennessee [Mr. GARRETT], if it were an unreasonable wage adjustment, it would not be a question of Government confiscation, but a question of the carrier itself confiscating, and therefore I think they would have the power to refuse.

Mr. BLANTON. Will the gentleman yield for one other question?

Mr. BARKLEY. Well, this is the last one.

Mr. BLANTON. The gentleman spoke of the efficacy of the Erdman Act and mentioned that for 15 years, or during its life, there were 61 adjustments.

Mr. BARKLEY. I do not want to go back to that again. I have passed by that long ago.

Mr. BLANTON. What I want to ask the gentleman is this: Could we write a better bill on behalf of the public than the Erdman Act?

Mr. BARKLEY. Yes; and I think we have done it in this bill.

Mr. BLANTON. I think the Erdman Act is the best act the public has ever had in respect to railroad legislation, and if we could get back to it, I think the country would be better off.

Mr. BARKLEY. I think the gentleman from Texas is gradually yielding and will come over entirely to our side before we get through with the consideration of this bill.

We were talking when I was diverted about the Railroad Labor Board as set up by the present law. This board has been in existence now for the last six years, and this brings me to a discussion of the necessity and advisability of some legislation to take its place.

I have been asked by a number of the Members of the House, as well as by others, what is the ground for the dissatisfaction with the Railroad Labor Board which now exists. I do not think any man can truthfully deny that not only among the railway employees, but among the railway managers and the public generally, to say the least of it, the Railroad Labor Board has been a distinct disappointment. In the first place, an effort was made here to set up a piece of machinery that partook of two different principles.

Congress tried to convince a certain element of our people that they were putting compulsion in the law, and it tried to convince another element of our people that they were not putting in compulsion but were just putting in persuasion.

We passed this law in a hurry, and nobody who represented or understood the problem of railway labor had anything to do with the writing of Title III of the transportation act. I have already shown it was not considered by a committee of this House. It was not considered by the House itself. It was not recommended by anybody from any source who could remotely claim that he spoke for the employees or the employers on the transportation systems of our country. I am frank to say I do not know where Title III came from. It was injected into the conference between the House and the Senate during the six weeks in which they sat, but I have never yet learned what fertile mind produced the thought which resulted in the enactment of Title III.

Therefore it can not be said to represent what the railroad laborers wanted, and so far as we know it does not represent what the managers wanted. It was an effort on the part of inexperienced men in Congress, who did not understand the psychology of labor, to superimpose their will upon a great body of men who were loyally and faithfully, as they have always done, ministering to the wants of the American people in the transportation of commerce and passenger traffic.

This is one of the reasons it has been a failure. It assumed to have compulsion without any power of compulsion. It made of men who set themselves up as judges to decide a given difficulty also mediators, and whenever a judge settles a controversy between two disputants, he no longer can be a mediator between them, because his decision is bound to give dissatisfaction to one side or the other. After that he can not operate as a mediator between the same parties in disputes that may arise in the future. This is a matter, of course, of human nature, and I think it was Artemus Ward who said:

> One man has about as much human nature in him as another, if not more.

[Laughter.]

So we have had this Railroad Labor Board for the last six years, and in the exercise of their jurisdiction I need not undertake to impugn their motives, I need not undertake to criticize them severely, though I might be justified in doing that with respect to some members of it if I desired to inject their personality into this debate. But by the very nature of their creation, by the very nature of their functions and their duties, it was bound to fail because it was a hybrid organization, one part going that way and another part this way, and it was never able to enjoy the confidence of either side.

I said that this Labor Board had lost the confidence of both sides to railroad disputes. In the hearings before our committee—and I want to say on the floor of this House what I said in the committee—in my 14 years of membership on the Committee on Interstate and Foreign Commerce, I have never witnessed a more able or more courteous or more profound discussion of the great problems that confronted us than was engaged in by the men who participated in that discussion before our committee. If you examine the hearings, you will find those who spoke for the railroad labor employees announced that their confidence in this Labor Board, if it ever existed, had been completely destroyed. You will find that the representatives of the railroad managers and the presidents themselves said it would not be resorted to again by either side in controversies that may arise in the years to come. Why? Well, on the part of the employees because, if the Labor Board rendered a decision that was unfavorable to the railroads, the board had no power to compel their obedience, and in many cases railroads that did not like the decisions of the Labor Board ignored them, refused to abide by them, and the employees and the courts and the Government itself had no power to compel the railroads to obey the decisions of the Labor Board, and as a result nobody could do anything.

On the other hand, if the employees did not like the decision of the Labor Board, they had no recourse except voluntarily relinquish their employment, either as individuals or as groups, which would bring about a strike, or accept the will of their employer because the board had no power to compel the employee or employer to obey its decisions. Therefore it is not strange that the employees soon lost confidence in it, and they expressed in one way or another their dissent from its decisions, and then to make matters worse, unfortunately, the chairman of the board, who has flooded us in the last few days with a long letter protesting against this bill, went over the country making speeches in which he denounced members of the employee group because they were unwilling to abide by his decisions, whereas at the same time men on the other side were equally violating them, and the board had no power to compel obedience in either case. So that Mr. Alfred P. Thom—for whom I have a very high regard as a lawyer and as a man, representing the carriers—in the hearings said that in the future neither side will resort to the Railroad Labor Board in the settlement of railroad labor disputes, and we know the same attitude is taken by the men who work upon these great transportation systems. If both sides state that they will not resort to the present machinery for settling their disputes, what are we to do? Shall we face this situation like men and try to solve it, or shall we refuse to act for the public interest or attempt to set up machinery that all parties believe will be successful?

We are confronted as Members of Congress with the situation where the present machinery has broken down, where it has been unsatisfactory to all who have dealt with it, and we must ask ourselves seriously whether, with the situation confronting us, we are willing to do something that will insure peace and harmony and insure uninterrupted transportation and bring a new era in the relations of railroad capital and railroad labor by the enactment of the law before us.

Now I want to outline the details of the law, without undertaking to read it. In the first place, hearings showed that not only did this condition of unsatisfactory adjudication exist in the Railroad Labor Board, but evidence of that dissatisfaction was manifest in every part of the country and in Congress during the last three or four years. When asked by members of the committee why the road executives had gone into conference and reached an agreement with the employees on the principles of this bill, the representative of the railroads stated that in the last Congress a bill had been introduced in the Senate and the House which became known as the Howell-Barkley bill. I do not propose to discuss that measure except in its bearing on the present situation.

This Howell-Barkley bill, among other things, proposed to abolish the Railroad Labor Board. It was reported out in the Senate by the Committee on Interstate Commerce and showed at least, without regard to the merits of other provisions of the bill, that the Senate committee had agreed that the Railroad Labor Board as it now exists had outlived its usefulness, if it had ever had any. In the House the bill was taken from the Committee on Interstate and Foreign Commerce by a vote of the majority, indicating, without regard to any difference of opinion on other principles of the bill, that everybody was practically agreed that the Railroad Labor Board as it now exists ought to be abolished. Therefore, if the Senate committee took such action and believed that the Railroad Labor Board ought to be abolished, and if the House, in taking such action as it took, endeavored to express the view that the Railroad Labor Board ought to be abolished, we are

bound to confront the situation wherein this Congress was likely to pass a bill that would abolish the Railroad Labor Board and adopt something which will take its place.

The bill we have before us does what the Howell-Barkley bill did and what the present law requires; it makes it the duty of both sides to make every effort to agree upon the wages and working conditions. It puts upon the railroads and the employees the legal obligation to exert themselves in every reasonable way to arrive at an agreement over wages and working conditions. So the bill does what the present law does, what the Erdman Act, what the Newlands Act, and what the first law ever passed by Congress did—recognized the right of private agreement between the railroads of this country and their employees with respect to wages and conditions of labor. It provides that it shall be the duty of the railroads and their employees to settle their own disputes. Who does not want them to do that? Who desires to superimpose the right of the Government to interfere with the right of both sides to consult themselves in composing their differences? Who is there who would advocate seriously that it is a wise public policy for Congress to undertake to interject itself into the situation where it may make it more difficult for men to agree, rather than to make it more easy for men to agree? So we provide that it shall be their first duty to get together and settle their own disputes. We provide that it shall be their duty to set up adjustment boards, not to consider questions of wages but disagreements over grievances, interpretations, discipline, and other technicalities that arise from time to time in the workshop and out on the tracks in the operation of the roads. One of the difficulties of the present law has been that while it provided that the men and the roads should form these adjustment boards, for one reason and another they were never able to get together. One said it was the fault of the other and the other said it was the fault of the one. They could not reach an understanding about the creation of these adjustment boards, and therefore they were not created.

The two sides now come forward in an agreement and say that they are ready to acknowledge the mistakes of the past, are ready to wipe the slate clean, are ready to agree that upon the passage of this bill all the railroads in the United States, practically speaking, and all the men who work on the railroads will be able to get together and create these adjustment boards which are provided for as the second step in the adjustment of the relationship of employer and employee.

We set up in addition to that the first public board for which the bill provides, and that is the board of mediation, which is composed entirely of men drawn from the public. Interest on the part of men on either side of a controversy disqualifies them from membership on the Board of Mediation, which is taken wholly from the public. Now, let us say that a dispute has arisen between the railroads and their employees over the question of wages. They have tried their conferences, which they have the right to engage in; they have tried to get together by such representation as they chose themselves by agreement, and have been unable to arrive at an agreement. There is danger of a dispute resulting in a nation-wide tie-up of traffic in this country; then this Board of Mediation may be applied to by either side or may offer its services to bring the two sides together. Complaint is made here that the Board of Mediation is a board of persuaders, with no power of compulsion. My friends, you might as well make up your minds now that you have to take one side of two propositions. You have either got to go along on the theory of freedom of contract, of voluntary arbitration, of mediation and persuasion, or you must go to the other extreme of compulsory arbitration, compulsory decision, and antistrike legislation, which has never succeeded in any country in the world where it has ever been tried. If I had the time, I could show you that in France they tried antistrike legislation, and the only way they could ever enforce it was to draw all of the railroad employees into the army of France and then make them operate the trains as soldiers and not as workers.

I could show you that they tried the same thing in Canada, and that to-day the law is a dead letter, and they have publicly acknowledged their inability to enforce it, because you can not put 2,000,000 men in jail in the United States or elsewhere for violating a law that compels them to work against their will, and you need not think that that method will ever bring about satisfactory results in the adjustment of labor controversies. So that we have either to take the voluntary or the compulsory side of this proposition, and the only practical side, as demonstrated by all of the laws heretofore passed and by every nation which has ever dealt with it, is the voluntary side, where the agencies of government are at the disposal of the disputants in an effort to bring them together, in an effort to arrive at an agreement which both sides will respect, because both sides have had a hand in its creation; and that is the fundamental proposition with which we are confronted to-day and with which this bill undertakes to deal.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. The gentleman must excuse me. If I yield to one, I have to keep it up, and I do not want to take up too much time. Let us suppose that these voluntary conferences and these adjustment boards with respect to grievances and the Board of Mediation have all been unable to bring the two sides together. Then the law provides for arbitration, and bear in mind that is also voluntary. There is no power of compulsion upon either side to make them arbitrate, but, my friends, there is a higher power than the strong arm of government, and that is the power of compulsion of public opinion and public duty, and at the same time the private interests of both sides. I venture to say that neither a railroad company nor a railroad employee ever brings about a strike unless it is the last resort, the last step in an effort to secure what they may think are their rights. Those who think that men go out of work and make their women and children suffer for the necessities of life because of any vicious desire to interrupt traffic do not understand the principles of human nature.

A strike is always the last resort to which men go in an effort to secure their rights. We will suppose that they have been unable to agree, that the Board of Mediation can not get them together. Then this Board of Arbitration is set up, each side naming one man, or, if they want six arbitrators, each side naming two, and then these two or four, as the case may be, agree on the others. If they can not agree on the neutral arbitrator or arbitrators, then the Board of Mediation, which is a board appointed not from the two sides but from the public, select the third arbitrator, and before they go into the arbitration both sides agree what is the cause of the dispute, both sides agree what is to be decided, and both sides agree in advance that they will abide by the result. When that result is arrived at the award is filed in the United States court and becomes binding upon both sides, with the same force and effect as if it were a judgment of a court of the United States.

I have been asked whether that binding judgment can be enforced. Of course, it can not be enforced to prevent an individual employee from stopping work if he desires to, but no law can ever be passed that will prevent a man from doing that; but where the controversy is between groups, as it will be, the binding effect of this judgment in the United States courts, which both sides have in advance agreed to abide by, becomes as enforcible against each group as if it were a judgment of a court without regard to arbitration. And so, gentlemen, there is the third step toward the settlement of these disputes. Let us suppose that all these methods have been adhered to and that even yet they can not get together. Of course, gentlemen will understand that if they ever arbitrate, that settles it, because one side is represented by one man and the other side by another, and the third man is taken from the public, and in all arbitrations the neutral arbitrator becomes the judge, because he settles it as an umpire, and even in a board of arbitration the public has the power to bring about a decision as between the parties on either side. If there is arbitration, that settles the dispute, but if they do not begin to arbitrate, and there is danger of a nation-wide strike or any serious interruption of public commerce, the Board of Mediation, appointed by the President, confirmed by the Senate, representing neither side, but representing the public interests, reports to the President the fact that they have been unable to bring about a settlement, and that there is serious danger of an interruption of traffic, and then the law provides that the President shall have the power to appoint an emergency board for the purpose of investigating the merits of the controversy and reporting to him upon it.

Complaint has been made here and will be made, perhaps, that this emergency board is not given any power to enforce its decisions. You will bear in mind that the duty of the emergency board is to get the parties together and to report to the President. That board is a presidential board which is to be selected not from either interest but by the President from the body of our public citizens. They will exercise whatever mediatory or persuasive powers they might possess. If they can not bring the parties together, then it is made their duty to make a report upon the merits of the controversy, and by means of that report the power of public opinion is brought to bear and focused upon the side which is recreant or blamable for what might be a public calamity. The public are to be given the facts, upon which they will form their own judgment. Complaint is made that this board has not even the power to serve a subpœna, to go out and drag witnesses before it, and bring documents for the purpose of investigation. My

friends, let us imagine this situation: Whenever a dispute has become so acute as to require the services of this superboard, as it has been called, this emergency board, which is the last resort, we may well imagine that both sides to the controversy, having in view their desire to impress upon the public their sides of the dispute, the merits of their controversy, and the justice of their demands, will be anxious and impatient to lay before this board and the public every pertinent fact or circumstance without the intervention of a United States marshal. Either side that refused to do so would be pilloried before the bar of public opinion. We know that here in our committees in Congress we never have to send a sheriff to bring in witnesses whenever there is a controversy over the passage of a bill. Both sides are always glad to come and give Congress the facts. But if Congress should see fit to give this board power to summon witnesses and drag men in by the scruff of the neck and make them testify or produce some petty document, the result is that not only would there be no disposition to compose their respective differences and try to get together but it would drive them further apart, and the value of their report might be prejudiced in advance because of some petty exercise of authority.

You need not have any fear. Both sides will not only be glad but anxious to give to the public their side of the controversy in order that the public may judge of its merits. Now, that is the machinery which this bill sets up. Can you improve upon it?

I want to talk for just a moment about the right of the public. I have already said that in all the laws which have been passed heretofore Congress has never undertaken to exercise any right or restraint over a private contract. There is some opposition to this bill which is engendered from a so-called belief or fear—and I take it that it is sincere—that the railroads and the employees may get together and make some sort of collusive agreement so as to boost wages with the expectation that the Interstate Commerce Commission would be required to pass that increase on to the shoulders of the public. Well, while the railroads and employees have a common interest, there is nothing more competitive than their interest. Every railroad that agrees to an increase in wages knows first that they must either pay that increase out of their own treasury or they have to persuade the Interstate Commerce Commission, which represents the public, that that charge ought to be passed on to the public, and in either case there is no inducement for the railroad company entering into a collusive agreement with its employees in order to boost wages upon its system. Then they say that the Interstate Commerce Commission ought to be given the power to supervise or suspend any decision or agreement fixing wages, and I understand that an amendment is going to be offered here providing that the Interstate Commerce Commission shall have the power to suspend or regulate or nullify agreements that may be entered into between the railroads and the employees with respect to wages.

Now, my friends, in addition to the fact that we have no constitutional power to do that, no power to interfere with private agreements, there would be nothing more disastrous that could happen to the Interstate Commerce Commission, which enjoys public confidence, than to drag it into these labor disputes which may arise in the United States from time to time.

In 1919, when the House Committee on Interstate and Foreign Commerce was considering the question of the return of the railroads to their owners and the passage of some law to bring that about, Commissioner Clark, who was then, I believe, chairman of the Interstate Commerce Commission, who spoke before our committee on behalf of the entire commission when this matter was discussed, in referring to such a suggestion made at that time, used the following language:

> We think it would be an unsound public policy to place in one body the duty of regulating the activities of the carriers and their rates and charges from which their revenues are derived, and also the fixing of the largest item in the operating expenses of the railroads, to wit, the wages of the employees. Personally, I believe it would develop in a few years that it would be destructive of the influence and standing and opportunity for good of the entire plan, and of the body that administers it.

That was the chairman of the Interstate Commerce Commission, and in that document he recommended to Congress that we place no such burden upon that great commission which stands between the railroads and the public, and which is supposed to be impartial, and which is charged with the duty of investigating the matter of economical management and operation of the railroads in passing on questions of rates and charges; but we have placed upon it no power to supervise or interfere with or in any way to control or be involved in the settlement of railroad disputes between railroads and their employees.

Mr. KINCHELOE. Mr. Chairman, will my colleague yield?

Mr. BARKLEY. I do.

Mr. KINCHELOE. The gentleman has stated what would happen when an award is made. Does the gentleman think under this bill, if it is not amended, if these operators of railroads would come before the Interstate Commerce Commission and ask for an increase of rates, would the commission be legally bound to take into consideration this award?

Mr. BARKLEY. Of course they would not be justified in ignoring it as an elment of operating cost. But they are not only not legally bound to raise the rates on account of it, but they are under no moral obligation to increase rates unless they are convinced that the award or agreement fixing wages enters into the economical management of the roads. In other words, if they find that an increase of wages should justly be taken out of the profits of the railroads they would not be expected nor justified in raising freight rates by reason of such increase in wages. The commission has the power and duty of giving this element of cost such weight as it may merit in determining rates.

Mr. KINCHELOE. Then the gentleman thinks the amendment would not be necessary in the administration of this law?

Mr. BARKLEY. No. If it were adopted, I will say to you frankly that it would be simply an invitation to everybody who desired to attack it to come before the Interstate Commerce Commission and undertake to convince them that even an award of the board of arbitrators was an unmeritorious increase.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. MOORE of Virginia. I believe the gentleman stated to his colleague that the Interstate Commerce Commission was not only not bound to increase rates because of an increase of wages, but is restrained from allowing or maintaining any unreasonable and discriminatory rates?

Mr. BARKLEY. Yes.

Mr. MOORE of Virginia. Does not the gentleman think this is a dangerous amendment from this point of view?—assuming that the Interstate Commerce Commission would not be compelled to raise rates because of an increase of wages, would not this amendment, if adopted, by implication say that the Interstate Commerce Commission, if it looked into the matter of an increase of wages and found that it was meritorious, then as a matter of course it would increase rates? Is not that the implication of this amendment? And does it not seem to the gentleman that that would operate injuriously?

Mr. BARKLEY. I think it would.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield there?

Mr. BARKLEY. Yes.

Mr. NEWTON of Minnesota. I agree with the gentleman that the Hoch amendment would be injurious. I think it ought to be brought out that there is a clear distinction between the Hoch amendment and the proposed amendment that has been circulated around here, which goes very much further than the Hoch amendment.

Mr. BARKLEY. That is true. That is the amendment that substitutes the Interstate Commerce Commission for the Railroad Labor Board, to suspend decisions, and proposes to give the Interstate Commerce Commission the power to suspend all arrangements and agreements and arbitrations between the railroads and their employees. And not only would that be an invitation to the commission to inject itself into every question of wages, but it would bring about such a degree of uncertainty between the railroads and their employees that they would never know when they had entered into an agreement or adjusted their difficulties by an award; they would never know whether it was settled or unsettled until the Interstate Commerce Commission had passed judgment upon it and declared it either unreasonable or reasonable, and hence they would never agree to settle a dispute by arbitration.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. CRISP. Would any rights now enjoyed by the public under the present laws be impaired by the enactment of this bill?

Mr. BARKLEY. No. No rights that the public now enjoys would be infringed upon or lessened or interfered with by the enactment of this bill.

Now, that brings me to the discussion of what are the public rights. Fear has been expressed here about passing wage

increases on to the public. We might as well admit and start out by assuming that the public has to pay the operating expenses of the railroads. There is no way to avoid that. And in addition to that we must also bear such expense as will result in a reasonable profit to the people who have invested their money in railroads. We are bound to assume that the railroad man has just as much right to a just wage as any other man engaged in industry. The public has the right to uninterrupted commerce; it also has the right to bring about the powers of government to prevent strikes and interruption of traffic. The public in itself and per se, however, has no more right to say what a railroad man shall receive as his wage than to say what the shoemaker or the blacksmith or any other worker anywhere in the United States shall receive. [Applause.]

The right of the public enters when the public is about to be denied something that is necessary for its existence. The right of the public is to have an interest in the continuous and uninterrupted transportation of the necessaries of life and of industry, and therefore the public has a right to an interest in the prompt settlement of any dispute on the railroads of the country which threatens this continuous and uninterrupted transportation. And this is the extent to which either Congress or the courts have gone thus far in undertaking to interpret or safeguard the rights of the public in railroad wage disputes.

For example, if the freight from Boston to Washington on a pair of shoes that cost $10 is 5 cents, and two-thirds of that 5 cents is represented by labor, has the public any more right to say what the man shall receive who brings those shoes from Boston to Washington than it has to say what the man shall receive who made the shoes in Boston in the beginning? As an economic proposition and as a matter of moral justice, I assert that as such the public has no more right to a voice in the agreements between railroad men and their employers than it has in the agreements between shoemakers or steel workers and their employers, or between the employers and employees of any other great industry in the fixing of the compensation paid in the employment of labor. [Applause.]

Mr. FRENCH. Will the gentleman yield on that point?

Mr. BARKLEY. I yield.

Mr. FRENCH. I think I must take issue with the gentleman.

Mr. BARKLEY. Well, all right.

Mr. FRENCH. I take issue for the reason the railroads are public-service institutions. Competition in rates on the one hand and in the matter of wages paid on the other is largely removed because of the public interest. Because of this wiping out of competition in a way that does not exist in such institutions as the manufacturing concerns to which the gentleman refers, the welfare of both the employers and the employees must be protected.

Mr. BARKLEY. I am speaking now, of course, from an economic and moral standpoint. I realize that the commerce clause of the Constitution gives the Congress the power to regulate commerce and to regulate the instrumentalities of commerce; but I say the mere fact that the public pays the bill for hauling freight does not give it any more right to fix the wages of the laborers who carry the freight than to fix the wages of the men who create the freight in the beginning.

Mr. FRENCH. May I just continue? When the Government——

Mr. BARKLEY. The gentleman can obtain time to express his views. I respect the gentleman's views, but I can not always adopt them, nor the reasoning by which he reaches them. I should be glad to yield further, but I have not the time.

Mr. FRENCH. The gentleman's time is limited, and I shall not intrude further.

Mr. BARKLEY. I have occupied so much time already, I dislike to trespass very much longer.

Let me be a little more specific. In 1922 a report was made by the Joint Congressional Commission of Agricultural Inquiry, which had been appointed to inquire into the conditions surrounding agriculture. Hon. Sidney Anderson, of Minnesota, until lately a Member of this House, was the chairman of that commission. The report consists of four volumes, and goes into great detail with reference to all phases of agricultural conditions. Among other things, it reported on the proportion of the ultimate cost charged the consumer on a number of commodities that is represented by transportation charges. In illustration of the thought I have endeavored to express, I call attention to some of them set forth in the report.

Taking eight groups of trade-marked food products, it is shown that out of each $1 paid therefor by the public the transportation charges amount to 8.76 cents—less than 9 cents. In the sale of canned milk, 6 cents out of each dollar represented transportation charges. Of the 10 cents paid for a loaf of bread, one-third of a cent represents the cost of transporting the wheat to the mills and one-sixth of a cent the cost of bringing the flour to the baker. About 11 or 12 cents represents the transportation charge out of each dollar paid for rolled oats and corn flakes. On salt, transportation gets 18 cents out of each dollar paid by the consumer. For wheat cereals, 8 cents out of each dollar paid represents transportation. For soap it is seven and a half cents; for manufactured package food, 12 cents; for dressed beef it is less than 6 cents. For men's suits and shoes it is even less, the freight on an ordinary suit of clothes being about 6 cents for 300 miles and about 5 cents for a pair of shoes for the same distance, provided they are carried in bulk. The freight charge on 100 pounds of ham from Iowa to New York is about 75 cents. If dealers' purchases are made from supplies that are reasonably convenient, the freight charges do not exceed 1 cent per pound on sugar, coffee, oatmeal, potatoes, eggs, fresh meat, butter, or more than 25 other important articles of food. Of course, there are many heavier commodities, such as hardware, coal, iron, and steel, on which the freight charge is higher.

I am not seeking to create the impression that even the transportation charges to which I have referred are as low as they ought to be. I am convinced that on many articles of necessity in this country, and especially on some varieties of farm products, the rates are too high. But what I am seeking to emphasize is the fact that if the public has a right to fix the compensation of men who labor on railroads merely because the public ultimately pays the bill in freight rates, which are only a small portion of ultimate prices, then, if we follow that logic to its conclusion, the public would have the same right to fix the compensation of men who labor in the industries which produce the freight to be carried in commerce; and this, in turn, would put the public, through the agencies of government, into the fixing of all costs and of all prices, because in the end the public must pay all this in the price of what it buys. This would ultimately mean Government operation of everything, which is unthinkable. [Applause.]

Therefore, as an economic proposition I maintain that the interest of the public is not in the fixing of wages but in continuous transportation, in bringing about agreements and settlements of disputes so that their rights will not be invaded by long-drawn-out controversies over wages and disputes.

Mr. BLACK of Texas. If the gentleman will yield, will not the gentleman add to that the public have the right also to have this transportation at reasonable rates?

Mr. BARKLEY. Yes; and it has the Interstate Commerce Commission to see that this right is exercised. [Applause.]

My friends, I do not know that I can add much more to what I have already said with reference to the merits of this measure. After the fight which engaged our attention in the last Congress, and in response to Executive suggestions in three separate messages, the railroad executives and their employees have come to an agreement under legislation involving their rights and interests. They come here and appeal to us to enact it into law. They say it will work. Their moral obligation is to see that it will work. If we accept the results of their deliberation and their sacrifices—and both sides have yielded on important questions—and then it fails to work successfully, the Congress will be here to make another effort to find a remedy for this great problem. I trust that if it ever seeks out of its own counsel to find a remedy of its own it may find one that will be more successful and beneficial than that which has been in effect for the last six years as a result of the enactment of Title III of the transportation act. [Applause.]

Complaint has been made that in this bill the public is deprived of something which it now enjoys under the present law. Those who make this contention misunderstand either the bill itself or the present law, and possibly both. Under the present law all that the public has in the way of representation is one-third of the membership of the present Railroad Labor Board. The public is given in the present law no representation on any adjustment boards that might be set up by agreement, and under the present law the public is not given any supervision over private agreements as to wages, and Congress is powerless to bring about supervision or control over private agreements.

Under the present bill, which we are about to pass, there are three separate boards set up in the various stages for the settlement of railroad disputes. First, the Board of Mediation, composed of five men appointed by the President and con-

firmed by the Senate; all of them are taken from the public. Not one of them can be interested on either side of any dispute.

After this, arbitration boards are provided for, if the Board of Mediation is unable to settle the dispute. The public has one-third of the membership of these boards of arbitration, and experience has shown that the neutral representatives on boards of arbitration usually decide the terms of any award of settlement, so that on these boards the public has the same representation it now has on the Railroad Labor Board.

In addition to these, the bill provides for an emergency board to be appointed by the President. This board is also taken entirely from the public, so that under this bill, of the three different kinds of boards set up, the public has the entire membership on two of them, and one-third of the membership on the other. I challenge, therefore, any man to point to any law that now exists, or that has heretofore existed, where the interests of the public are more completely safeguarded than in the provisions of this bill.

It gives me pleasure to support this measure. If my efforts in the past have contributed anything toward this happly consummation, I am grateful for the opportunity which was mine. I hope this measure will be enacted without serious amendments. Therefore, I hope that the amendments which have been suggested, which may interfere with the harmonious operation of this law, will all be defeated, and I trust that after the enactment of this legislation we shall have a new era of peace, harmony, and sincere cooperation between the railroads and their employees throughout the Nation, and that the interests of all the people will be protected in the enjoyment of the right to the best as well as the cheapest transportation that it is possible to afford them. [Applause.]

Mr. PARKER. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. BLACK].

Mr. BLACK of Texas. Mr. Chairman, I have listened to the able speech of the gentleman from Kentucky [Mr. BARKLEY] with a great deal of interest and pleasure, and I hope the pending bill will accomplish all that he has predicted that it will accomplish. I do not think that it sets up any very different machinery from that contained in the Newlands Act of 1913. The Newlands Act provided for a board of mediation and conciliation and also provided for an arbitration board in the event that the mediators were unable to bring about a settlement. The Newlands Act was adopted in the face of a national disagreement impending between the carriers and their employees. After several months of negotiation they agreed upon a bill, which when enacted became the Newlands Act, and brought it to Congress under circumstances very similar to those which now exist. It was predicted by the proponents of the Newlands Act that if Congress would pass it a new era would dawn in the transportation industry so far as the labor relations between the carriers and their employees were concerned.

As illustrative of that let me quote from a speech made by Senator Pomerene, of Ohio, in the Senate at the time the bill was pending. The employees and the railway management said, "You must not amend this bill; we have agreed upon it in this particular form. This represents the meeting of our minds, and you must not alter it." Senator Pomerene referred to that fact in his speech in the Senate. He said:

> Mr. President, I am in favor of this bill as it is written, and though in some respects I would prefer to see a change I will not vote to change a single word in it, and for the reasons I shall state: It appears that before the committee the railway companies, through their presidents and representatives, and the railway men's organizations, through their chiefs, said that this bill represented months of work; that while there were slight differences of opinion they all agreed to accept it as a solution of the problem. A number of the witnesses, when interrogated before the committee, said, in substance, that if the bill was passed as it was written they did not believe there would be a single railroad or a single organization that would refuse to accept the plan of settlement here adopted.
>
> It stands to reason that when they come before the Congress asking that this plan be incorporated into a statute no one of these parties would be in a position where he could honorably say, "I will not accept the plan of mediation or of arbitration which is therein contained."

And yet, despite these optimistic predictions of Senator Pomerene, in 1916 when that dispute arose which threatened to tie up every line of transportation in the United States, and when mediation had failed to mediate and conciliation had failed to conciliate, the carriers and their employees came to Washington and invoked the aid of the President of the United States. After considerable negotiation and conferences the President undertook to convince the carriers that they should agree that 10 hours' pay should be given for 8 hours' work. In other words, that 8 hours should be considered a standard for a day's pay in railroad work. The President insisted that the carriers accept that and arbitrate all the other matters in controversy. The carriers said "No; we insist that all matters in controversy, including the 8-hour day, be arbitrated."

The employees said:

> We are willing to arbitrate everything but the eight-hour day. That we will not arbitrate.

I know of no clearer statement of the real situation which existed than that which President Wilson made in the opening words of his statement to Congress August 29, 1916.

He said:

> Gentlemen of the Congress, I have come to you to seek your assistance in dealing with a very grave situation which has arisen out of the demand of the employees of the railroads engaged in freight-train service that they be granted an eight-hour working day, safeguarded by payment for an hour and a half of service for every hour of work beyond the eight.
>
> The matter has been agitated for more than a year. The public has been made familiar with the demands of the men and the arguments urged in favor of them, and even more familiar with the objections of the railroads and their counter demand that certain privileges now enjoyed by their men and certain bases of payment worked out through many years of contest be reconsidered, especially in their relation to the adoption of an eight-hour day. The matter came some three weeks ago to a final issue and resulted in a complete deadlock between the parties. The means provided by law for the mediation of the controversy failed, and the means of arbitration for which the law provides were rejected. The representatives of the railway executives proposed that the demands of the men be submitted in their entirety to arbitration, along with certain questions of readjustment as to pay and conditions of employment which seemed to them to be either closely associated with the demands or to call for reconsideration on their own merits; the men absolutely declined arbitration, especially if any of their established privileges were by that means to be drawn again in question. The law in the matter put no compulsion upon them. The 400,000 men from whom the demands proceeded had voted to strike if their demands were refused; the strike was imminent; it has since been set for the 4th of September next. It affects the men who man the freight trains on practically every railway in the country. The freight service throughout the United States must stand still until their places are filled, if, indeed, it should prove possible to fill them at all. Cities will be cut off from their food supplies, the whole commerce of the Nation will be paralyzed, men of every sort and occupation will be thrown out of employment, countless thousands will in all likelihood be brought, it may be, to the very point of starvation, and a tragical national calamity brought on, to be added to the other distresses of the time, because no basis of accommodation or settlement has been found.

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Will my friend from Kentucky deny that that was the case?

Mr. BARKLEY. My mind was diverted for the moment. Will the gentleman state his question again?

Mr. BLACK of Texas. I say that the carriers were facing a nation-wide strike, and said, "We will arbitrate all of the matters in controversy."

Mr. BARKLEY. The employees agreed to arbitrate all the matters of dispute except the eight-hour day.

Mr. BLACK of Texas. I am simply rehearsing these facts which we are all agreed upon to emphasize the point that we might as well understand that this bill sets up no new plan of settlement. I hope it will be successful, but gentlemen who are predicting that the millenium has come in industrial relations will probably have cause to revise their remarks. These same optimistic predictions were made when the Newlands Act was passed in 1913.

Mr. BARKLEY. Will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. BARKLEY. I want to call the gentleman's attention to the fact that except for the difficulty that resulted from the Adamson law, all the predictions were fulfilled.

Mr. BLACK of Texas. Yes. But that was the "big heap" trouble of them all; that threatened a nation-wide paralysis of transportation.

Mr. BARKLEY. Would the gentleman from Texas, if he was a laborer and believed in the principle of the eight-hour day, agree to submit it to arbitration?

Mr. BLACK of Texas. Yes. If I believed my rights were so clearly understood by the country as the railroad brotherhood leaders asserted, I would be willing to risk my chances under the law that I had advocated when Congress passed it and promised by my leadership that we would obey and abide by it.

Mr. BARKLEY. The gentleman might be willing to submit it to the general public, but not be willing to submit it to two or three individuals.

Mr. BLACK of Texas. Well, I will not enter into a controversy with my good friend from Kentucky on this point, because my only purpose in referring to it was to emphasize the fact that there do come times in industrial disputes when mediation will not mediate and when conciliation will not conciliate and when one or both sides of the disputants will reject voluntary arbitration. Just when that situation will come again in the transportation world, as it did in 1916, I do not know nor do I pretend to say. Whenever it does come, however, Congress will have to do more than the gesture provided in section 10 of this pending bill. Now, Mr. Chairman, I have read the hearings on this bill, and I observe that the chief witnesses who appeared before the committee in its behalf were Donald R. Richberg, attorney for the organized railway employees, and Alfred P. Thom, attorney for the railway executives. Between the two of them they have drawn up a bill which we are asked to pass without an amendment, not even to dot an "i" or cross a "t," and I, for one, do not propose to do it. I propose to exercise the right of amendment which belongs to me as a Member of Congress.

Mr. DENISON. Will the gentleman yield?

Mr. BLACK of Texas. In a moment.

Mr. DENISON. I think the gentleman has not stated it correctly. They made no such request as that.

Mr. BLACK of Texas. I said that we are asked to do so.

Mr. DENISON. Oh, no; we are not.

Mr. BLACK of Texas. Perhaps the gentleman thinks he is not being asked to do that?

Mr. DENISON. The committee amended the bill in a dozen or more places.

Mr. BLACK of Texas. Of course, if the gentleman is laboring under the impression that he is not being asked to do that, I would be the last one to disturb him in his happy state of mind. [Laughter.]

I am perfectly willing to concede that the carriers and their employees may enter into any lawful agreement by mutual understanding concerning wages and working conditions without it being any of Congress' business, and we would neither have the right nor the disposition to interfere. But when it comes to entering into an agreement as to legislation which they hand to Congress to enact, that raises a very different question. Are we to have our hands tied and must needs refrain from offering amendments which we think are in the public interest merely because the railroad brotherhoods and the carriers have agreed and say there must be no changes? Is Congress so dominated by groups and factions as to make that possible? I do not believe it. I believe the bill should be amended. I believe it will be amended.

One school of thought goes so far as to say that all wage agreements entered into by the carrier and its employees should be subject to the approval of the Interstate Commerce Commission and that the commission should have the power to veto wage-increase agreements when it does not approve. Mr. James A. Emery, general counsel of the National Association of Manufacturers of the United States, evidently holds to that view, and suggested that the bill be amended so as to provide:

> Copies of all agreements or awards of arbitrators made under the provisions of this act between any carrier and its employees affecting rates of pay, rules, and working conditions shall be by the carrier filed within 10 days with the Interstate Commerce Commission. The Interstate Commerce Commission may, upon its own motion, within 10 days after the filing of such agreements or awards affecting rates of pay, rules, and working conditions, suspend the operation of such agreement or award if the Interstate Commerce Commission is of the opinion that the effect thereof involves such increases in wages or salaries as will be likely to necessitate a substantial readjustment of the rate of any carrier. The Interstate Commerce Commission shall hear any such agreements or awards so suspended and as soon as practicable and within due diligence decide to affirm or modify such suspended agreement or award.

I do not believe it would be wise to give the commission that power. I shall oppose such an amendment if it is offered. On the other hand, there is another school of thought, who believe that any agreement entered into by the carriers with their employees, either voluntary or by arbitration, should be as unchangeable as the law of the Medes and Persians and regardless of how high freight rates already are, these additional charges should be passed on to the public in the form of increased freight rates, if the Interstate Commerce Commission finds it is necessary to do so, in order to enable the carriers to meet the additional cost. Of course those who advocate the enactment of this bill without amendment deny they hold any such views, but I submit that it is a perfectly fair inference to assume they do hold such views, when we observe their strenuous opposition to any amendment which would clarify the situation. Mr. HOCH, of Kansas, in a statement of additional views filed with the House, says he will offer an amendment on page 24 at the end of line 20, which will read:

> *Provided*, That nothing herein shall be construed to preclude the Interstate Commerce Commission from considering the merits of any such arbitration award when determining freight or passenger rates or other charges.

Some such amendment should be adopted. There is such a thing as laying on the last straw which will break the camel's back. At this very time, demands for wage increases by railway employees are in the offing which will increase the operating expenses of the carriers many millions of dollars. I have seen estimates of the probable cost ranging from $100,000,000 to $500,000,000.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BLACK of Texas. Yes. I yield to the gentleman.

Mr. NEWTON of Minnesota. In the evidence submitted to the committee statements were made that the figures in the press were wholly excessive and without foundation.

Mr. BLACK of Texas. I shall quote from the hearings and show that some witness stated before the committee that the estimates had been made that these wage demands if allowed would aggregate all the way from $100,000,000 to $500,000,000.

Mr. NEWTON of Minnesota. That was the testimony I think of Mr. Emery, but the representatives of the men absolutely denied it.

Mr. BLACK of Texas. Perhaps. I shall put in the testimony, whoever testified to it. I do not now remember which witness it was.

I have now looked it up and I find that on page 286 of the hearings, Mr. Emery makes the following statement:

> As this discussion proceeds, demands are being made, the effect of which upon the operating costs of the railroads is uncertain. But it is estimated at all sorts of sums from $100,000,000 to $500,000,000 from these demands, if such burdens are imposed upon the whole structure. Now, in such a case, surely if an agreement was made that was very great in its nature, there ought to be somebody to inquire into its effect on the rate structure. It will have to do so eventually; why not when it is made?

It is not for me to undertake to prejudge these wage demands, nor to pass upon their merit or demerit, but what I do say is that the freight-rate structure of the United States is already high enough and under no circumstances should it be increased. As a matter of fact, I do not hesitate to say that some of the present prosperity of the carriers should be immediately passed on to agriculture in the form of lower freight rates, and as between equities the farmers have a greater right to have this done than the employees have to demand another wage increase or the stockholders of railroads have to demand increased dividends. And I for one am not going to vote for any bill which later on may be held to be a sort of a cost-plus plan, which will compel the Interstate Commerce Commission to pass these increased operating expenses on to the public in the form of increased freight rates, or at least to withhold freight reductions, to which the people are justly entitled.

I do not object to the machinery which is set up in this bill for adjustment of differences between the carriers and their employees. I do not think they are going to bring about any millennium in industrial relations, but if the bill is amended so as to safeguard the public interest, I am perfectly willing that the machinery be tried out, and I hope it will be a great success.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. BLACK of Texas. Yes. I yield to my good friend from Nebraska.

Mr. HOWARD. Would the gentleman be kind enough to point to one single instance where the interests of the American people as a whole have ever been safeguarded by the present Interstate Commerce Commission?

Mr. BLACK of Texas. Of course, the gentleman has his own opinion about the commission, and I do not defend all it has done, but it is the only commission that I know of that we can appeal to in a matter of this kind, and I do not want to tie its hands. It is putting entirely too much power into the hands of a few to allow the organizations of the railroad brotherhoods and the organizations of railway executives to dictate to Congress just what kind of a bill we shall pass and to say to us, "You must not amend it."

The strength of America does not lie in its great organizations of capital or its great organizations of labor. The

strength of America lies in the morale of its people. And that morale can only be preserved by maintaining faith in the people's representative government, faith that they will be strong enough and courageous enough to always keep the public's interest as the paramount consideration in any act of legislation, and that its rights, within the limits of the Constitution, will always be superior to the rights of any faction, group, or organization. [Applause.]

Mr. PARKER. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Chairman, as often happens here after a general debate has continued for some time, it is very difficult to express any new thoughts on the bill under consideration. In this debate, after the very able and thorough discussion of the bill which has been had this afternoon, I can not hope to add anything particularly new. The most I can hope to do is to approach the subject perhaps from a little different viewpoint than has already been done.

Just a reference to the statements made by the gentleman from Texas [Mr. BLACK], who has just preceded me. I understand the position of the proponents of this bill, as far as amendment is concerned, to be this: In their judgment as practical railroad operators and workers, they think that the agreement which they have arrived at, which is incorporated in the provisions of this bill, will work out better if it is not materially amended by the Congress, although they recognize, of course, the duty of Congress to protect the public interest and to safeguard the public in the passage of this as well as other legislation. But having agreed upon a bill such as they have brought before us here, they feel that they would be under a greater moral obligation to see that it works out properly in practical operation than they would be if it is amended in any substantial particular. To amend it in substance they say would destroy the agreement and would relieve one side or the other from a part at least of the moral obligation which he would otherwise be under to make it work, and therefore they say to the Congress of the United States, "We believe earnestly that it will be better, and we hope it will appeal to your judgment to pass the bill without substantial amendment."

Mr. Chairman, miracles have not ceased to happen. Capital and labor, employer and employee, railroad management and organized railroad labor are in agreement and have joined forces in coming to Congress to urge the passage of the same piece of legislation for the purpose of promoting their own best interest and the best interest of the country.

I am for the bill which they propose and which is now before us. I believe it is good legislation. It lays down a method of procedure for the settlement of railroad labor disputes which it seems to me comes more nearly embodying correct principles for settling differences between employer and employee than anything that has heretofore been suggested in a legislative way that I have knowledge of. It is the result of negotiations between the parties directly involved, the railroad executives and the employees of the railroads, covering a period of something over a year. It is their joint proposal. It is their agreement. They present it to Congress for approval. They say emphatically that if it is so approved that it will work.

While the bill rests primarily and fundamentally upon the agreement of the parties directly involved, it at the same time creates certain obligations which are capable of being enforced by court process, besides placing the parties under the highest moral obligation to attempt in good faith to settle in the manner provided for in the bill all differences which may hereafter arise between them.

It is easy to be overoptimistic about the beneficial effects anticipated from the passage of proposed legislation. For one I have long since given up the notion that the enactment of a law will bring on the millennium, and it is no doubt too much to expect that the passage of this bill will accomplish that result even in the settlement of railroad labor disputes. Perhaps the most that can be said for law is, as some one has expressed it, that it makes it a little more easy to do good and a little harder to do wrong.

It seems to me that anyone who studies this bill without prejudice or bias will come to the conclusion that the passage of it will at least accomplish that if nothing more. With its provisions enacted into law it ought to be a little more easy for railroad labor and railroad management to settle their differences amicably and likewise a little harder for them not to do so. If it does that and nothing more its enactment will not have been in vain. But there is ample justification for anyone who is so inclined to become enthusiastic over the prospective passage of it.

Mr. Donald R. Richberg, counsel for the 20 different railroad labor organizations who are supporting this legislation, made the opening statement in behalf of the bill before the Committee on Interstate and Foreign Commerce. He stated one of the purposes sought to be accomplished through its enactment in language which I would like to call attention to especially. I believe it will help to a better understanding of the bill and of its spirit:

> Most of the laws that this Congress passes—

He said—

> are laws in some measure of compulsion. The power of Government is exercised in most instances to compel the doing of that which is regarded as necessary for the public interest.
>
> There is, however, another great function of Government which it is unfortunate it is not permitted to exercise oftener, and that is the cooperative power of Government, the power of the organization of the State to cooperate with various groups, various interests in the community to aid them in the advancement of the common interest. Now, that is peculiarly the sort of action which is sought at the present time from Congress. We are seeking the cooperation, we are seeking the aid of the Government. We are not seeking, either one or both together, to ask the Government to swing a club to compel some one to be good; to swing the force of Government to stop somebody from being bad. We are asking that Congress help us, as only the Government can help us, in establishing a cooperative machinery to improve industrial relations on the railroads for the common good of all the people.

So let me ask—

Mr. Richberg continued—

> that when you read this bill and when you consider it you do carry in mind the idea that it is the agreement of the parties.

As pointed out in the report of the committee on the bill it follows almost to the letter the principles announced in the labor plank of the National Republican platform of 1924.

President Coolidge, in his message to Congress as long ago as December, 1923, referring to railroad labor disputes, said that—

> If a substantial agreement can be reached among the groups interested there should be no hesitation in enacting such agreements into law.

Again in his message to this Congress December 5, 1925, the President said:

> I am informed that the railroad managers and their employees have reached a substantial agreement as to what legislation is necessary to regulate and improve their relationship. Whenever they bring forward such proposals, which seem sufficient also to protect the interests of the public, they should be enacted into law.

The pending bill represents the agreement of the parties referred to by the President.

What does the bill provide?

After the definition of terms in the first section it starts off in the second section with the solemn declaration that it shall be the duty of the carriers and their employees to exert every reasonable effort to settle all differences and disputes in conference of the parties, or their representatives, and it is specifically provided that the representatives of the respective parties shall be chosen in such manner as they see fit without any interference or coercion by either party over the other.

In other words, the bill recognizes and declares the legal as well as the moral obligation of the parties to use every effort to settle all their disputes themselves in conference, amicably and without calling in any outside help. That is the spirit in which the entire bill is written. That thought can not be overemphasized.

Broadly speaking, the bill divides disputes into two classes:

(1) Those arising out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions;

(2) Those in respect to changes in rates of pay, rules, or working conditions.

Different methods are provided for the settlement of these two different classes of disputes if the parties fail to settle them in conference. If they are not settled in conference provision is made for the settlement of grievances and minor disputes by adjustment boards and for the settlement of major disputes, those relating to changes in rules, working conditions, and rates of pay, by arbitration.

Section 3 provides in case disputes over grievances are not settled in conference, that boards of adjustment shall be created by agreement of the carriers and their employees for the purpose of settling such grievances and it sets forth what such agreement shall contain.

The successful operation of this section relating to boards of adjustment depends upon the action and voluntary agreement

of the parties. Mr. Robertson, president of the Brotherhood of Locomotive Firemen and Enginemen, put it very aptly before the Senate committee when he said:

The provision that boards of adjustment shall be established by agreement might have little force were it not for the fact that the agreement has been made that the boards shall be established.

Mr. Richberg expressed the same thought before the House committee in these words:

The value of this provision in the law—

He said—

lies in the fact that when it was written into the law the representatives of the carriers and employees, after weeks of discussion back and forth, had come to an agreement that these boards of adjustment should be created.

Sections 6, 7, and 8 relate to the method of procedure in changing rates of pay, rules, and working conditions. The adjustment boards have no jurisdiction over questions arising out of changes in rates of pay, rules, and working conditions. If disputes relating to these matters are not settled in conference or through the services of the board of mediation, then a plan of arbitration is suggested for their settlement. The same plan of arbitration applies also to the settlement of disputes arising out of grievances which are not settled either in conference or by the adjustment boards, or in some other way if the parties agree to settle them in some other way.

The sections relating to arbitration, like the section providing for the boards of adjustment, depend for their operation and effect upon the agreement of the parties to arbitrate, but if they do so agree the sections set forth what their agreement shall contain, and provide that the arbitration award shall be filed in the district court of the United States where the controversy arose or the arbitration is entered into; that that court shall enter judgment on the award; that said judgment shall be final and conclusive on the parties, and bind the respective parties to the award to faithfully execute the same.

The carriers and the employees have succeeded in working out and agreeing upon a method of procedure for the settlement of disputes by arbitration, the outline of which we are asked to place into statutory law, which it is believed will prove to be a distinct step in advance. If they follow up the enactment of this legislation by such agreements for boards of adjustment and arbitration as the bill contemplates, they will have taken a step forward in the settlement of industrial disputes which can not help but augur well for the country and for permanent peace in the railroad industry.

While the provisions relating to adjustment boards and the boards of arbitration depend for their successful operation upon the voluntary action or agreement of the parties, in fact those provisions become effective only if the parties agree to settle their disputes in the manner therein indicated, there are three outstanding provisions of the bill of great importance which are in no way dependent upon the agreement of the parties.

These are—

First. The repeal of Title III of the transportation act of 1920, the Railroad Labor Board title.

Second. The creation of a permanent board of mediation.

Third. The provision for the appointment by the President of an emergency board to investigate a dispute and report thereon in case all other efforts fail to bring about a settlement of it.

Section 4 establishes a permanent board of mediation, to consist of five members appointed by the President.

To assure the appointment to this board of persons of the highest character and ability and of known impartiality and independence the bill provides that no person can become a member of it who is pecuniarily or otherwise interested in any organization of employees or in any carrier, and fixes the salary of the members at $12,000 per year. It is admitted on all sides that a great deal depends for the success of the legislation upon this board of mediation.

It is made the duty of the board of mediation to use its best efforts to persuade the parties to a controversy to agree to settle their differences, and failing in that, to induce them to submit their differences to arbitration in accordance with the provisions of the bill. The board of mediation may act upon its own initiative or upon the initiative of any one of the parties to the dispute.

It has other duties to perform, such as selecting the neutral arbitrator or arbitrators in case the parties agree to arbitrate and the arbitrators selected by the parties can not agree upon the neutral arbitrator or arbitrators.

Another outstanding provision of the bill, which is in no way dependent upon the action or agreement of the parties, is section 10, which provides for the creation of an emergency board, to be appointed in the discretion of the President, in case all other efforts fail to bring about a settlement. If a dispute between a carrier and its employees is not otherwise adjusted and in the judgment of the board of mediation such dispute threatens to deprive any section of the country of essential transportation service, it is the duty of the board of mediation to notify the President thereof, and thereupon he may, in his discretion, create an emergency board to investigate and report respecting the dispute.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. SNELL. Do I understand that there are three separate boards?

Mr. MAPES. The first board is dependent upon the agreement of the parties and is made up of partisans, as the gentleman from Kentucky [Mr. BARKLEY] pointed out. It is a board composed of technicians to settle disputes which arise over differences in interpretation of rules and regulations, and so forth—minor grievances they are called. In addition to these boards of adjustment there are two entirely independent public boards, the board of mediation and the so-called emergency board.

Mr. SNELL. Is there any real authority located in any one of these boards, even the final board appointed by the President?

Mr. MAPES. The authority is to make an investigation and report the findings to the public, if necessary.

Mr. SNELL. It does not go any further than the old labor provision?

Mr. MAPES. There is no compulsion if that is what the gentleman has in mind.

Mr. SNELL. Why is not that a good deal the same as the labor provision and the board in the old bill? They could investigate all these propositions, but they could not do anything.

Mr. MAPES. If the gentleman has the opportunity to study the hearings before the committee on this bill, I think he will become convinced of this fact, that in order to operate successfully and to have the good feeling of the parties to a contest every board which is called upon to make decisions must act independently, or separately, on each individual dispute as it arises, or lose its effectiveness on account of the accumulated prejudice and grievance which naturally arise because of decisions against one party or the other. I am going into that later, however.

Mr. SNELL. Will the gentleman yield again?

Mr. MAPES. Yes.

Mr. SNELL. I appreciate the situation, but my original opposition to the provisions of the old transportation act was that it set up a great deal of machinery but did not accomplish anything when it got through, and I wondered of we were doing exactly the same thing in this bill?

Mr. MAPES. The emergency board is only appointed in the discretion of the President, as a last resort; and if he does not think it is necessary or desirable to appoint it, he will not appoint it.

Mr. LEAVITT. Will the gentleman yield?

Mr. MAPES. I will.

Mr. LEAVITT. Is it not true there is in this bill a board of arbitration provided for under some circumstances that will have power to issue what is practically a court decree?

Mr. MAPES. Oh, yes; but, as I have said, the successful operation of the arbitration provisions depends upon an agreement of the parties to arbitrate. It is hoped that the parties will agree to do so, and they are under moral obligation to enter into agreement for such arbitration if this legislation passes.

Mr. LEAVITT. After they have agreed the board of arbitration has considerably more power than under the old board in the present law. It has an added power under this law?

Mr. MAPES. Yes.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. MAPES. I will.

Mr. NEWTON of Minnesota. Is not this true: Any decision made by any of these different boards is final and binding upon both parties?

Mr. MAPES. Oh, yes; if the parties agree to the adjustment boards and the boards of arbitration as the bill provides.

Mr. SNELL. In just what way is it binding? Is it absolutely final?

Mr. MAPES. If the parties agree to settle grievances through adjustment boards, and the testimony before the committee is that they have already agreed to do so, then the decisions of these boards are final and binding and become enforceable under this law. And the same is true of the boards of arbitration.

Mr. SNELL. Let me ask a concrete question, and the gentleman can explain it to me, anyway. If there is a certain strike on a railroad on the question of wages and they go to these boards and the boards finally decide against the employees, does that mean there will not be any strike and they are bound to accept the decision, or do they go on in just the same way and argue it?

Mr. MAPES. The adjustment boards have no jurisdiction over disputes with respect to changes in pay or wages.

But if the parties enter into the arbitration agreement outlined in the bill and arbitrate their disputes over wages, then the award of the arbitration board becomes final. It is made a judgment of the court and is binding upon the parties and enforceable by court process.

Mr. SNELL. And if they do not agree to start with that it is another proposition?

Mr. MAPES. If they do not agree to arbitration, then the arbitration provisions of the bill are of no effect.

Mr. COOPER of Ohio. If the gentleman will permit, if the conference, mediation, or arbitration fails to settle the dispute, then the President's emergency board comes in with all the power and prestige of the President, another Government official.

Mr. MAPES. I am coming to that, I will say to my colleague on the committee. The emergency board shall be composed of such number of persons as to the President may seem desirable, but, like the board of mediation, no member of it shall be pecuniarily or otherwise interested in any organization of employees or in any carrier. The emergency board shall be created separately in each instance, and it shall investigate promptly the facts as to the dispute and make a report thereon to the President within 30 days from the date of its creation. It is created "separately in each instance," so that there will be no bias or prejudice against it by either party on account of any former action or decision.

After the creation of such board and for 30 days after such board has made its report to the President—

This is the exact language of the bill—

no change, except by agreement, shall be made by the parties to the controversy in the conditions out of which the dispute arose.

That is, when a dispute arises which threatens substantially to interrupt interstate commerce and all efforts have failed to bring the parties to an agreement, the board of mediation reports that fact to the President and he, in his discretion, appoints this emergency board. Then for 60 days thereafter no change except by agreement shall be made by the parties to the controversy in the conditions out of which the dispute arose. We are told that that is further than organized labor has ever before been willing to go, that it has never before been willing to give its consent to the enactment of such a provision into law.

The parties to this agreement, it seems to me, are inclined to shy at the expression, but I think it tends to clearness to speak out bluntly just what this language means to the ordinary layman. For all practical purposes I think it means that there can be no strike or lockout within 60 days after the appointment of the emergency board by the President. As I understand it, the parties differ in their interpretation of the law as to the right to strike under existing law, and the reason why one of the parties, at least, hesitates to say that there can be no strike within 60 days is because of the implication which it thinks it is afraid goes with that expression that there may be one after the 60 days, which it does not admit, but denies.

Mr. Robertson, in a statement on page 290 of the House hearings, states very clearly what the parties who negotiated this agreement meant by the language employed. I will not take the time to read his statement now, but will include it in my remarks:

* * * In order that the committee might know what motivated or prompted the parties in negotiating this article 10, to employ the language that is employed there—and I will say it has not been changed by the attorneys—I will say that we looked at it from a practical point of view. We felt that the public were more interested in preserving continuity of service than in knowing how lawyers believe certain language would probably be interpreted by the courts.

We felt that the word "conditions" very clearly described the situation which would be confronting us when a threatened interruption of interstate commerce occurred. The railroads agreed with us that that word "conditions" meant if they threatened, or, rather, served notice on us of a desire to reduce wages, they would not be permitted to reduce wages during this 60 days mentioned in article 10; if we had sought an increase in wages or a change in conditions—that is, a change in working rules—we agreed as practical men that we could not, nor would we have any reason, for authorizing a strike unless it were to change those conditions; therefore we would not authorize a strike, because no strike was ever authorized, except to change conditions. The only exception that there could be would be that if the railroad disobeyed the law, or, rather, disrespected that particular provision and forced arbitrarily a reduction of wages upon the employees, we felt we would then be justified, perhaps, in authorizing a strike if it was necessary to preserve the conditions, but we would not be changing the conditions.

What do the railroad managers and the railroad employees think of the bill?

The chairman of the committee of railroad executives who negotiated the agreement with the representatives of the labor organizations was Mr. W. W. Atterbury, president of the Pennsylvania system, an executive thought by some to be the arch enemy of labor, or at least of organized railroad labor. He spoke of his appearance before the Senate committee in advocacy of the legislation as "an epoch-making occasion," and then continued (Senate hearings, p. 39):

Never before have I been before a committee of the Senate or of the House that I have not been in opposition on any labor question with those of our employees with whom I have had to live. To-day we come to you with an agreed-upon program. I do not hesitate to say, gentlemen, and I have said it right straight through our negotiations, if we come to you with nothing but a line to show that we have come to tell you in good faith, "We are going to try to work together to the good of the public," and could have put that into a piece of legislation, it would have been satisfactory to me, and it would have been a good accomplishment. To have brought so finished a piece of legislation as we have been able to bring to you, wherein the public is so thoroughly protected, was far beyond any thought that I had in my mind that I could accomplish or could help to accomplish. But at every stage in the game I have been met with the hearty cooperation of the labor leaders, and I would hardly be fair to them if I did not at this time say that they have been perfectly splendid in their position and in their stand and in the cooperation they have given in the preparation of this bill.

The chairman of the committee of the employees in the negotiations with the executives was Mr. D. B. Robertson, president of the Brotherhood of Locomotive Firemen and Enginemen. He told the Senate committee:

The basic value of this proposed legislation lies in its reliance upon the force of contract and not of external compulsion. It is a machinery to promote peace, not a manual of war. Prohibitive commands, fearsome penalties, and threatening gestures would be entirely out of place and inconsistent with the spirit of the proposed act. It is a measure to promote industrial harmony based on collective bargaining and is itself a product of agreement. Neither party is seeking a law to hamper enemies or to favor friends. Both are seeking public ratification of and cooperation in our joint efforts to solve the problems of our industry so as to do justice to all private interests involved and to protect public interests.

Another member of the committee of employees was Mr. William N. Doak, vice president and national legislative representative of the Brotherhood of Railroad Trainmen. He told the Senate committee (p. 43):

These conferences and the results obtained therefrom mark undoubtedly the beginning of an era in industrial understandings, that even one who has so earnestly advocated the policy of frank conferences as the proper step in the solution of labor problems, as has been my case, is amazed at what has been accomplished. I am frank in saying this agreement has so far exceeded what I thought could be accomplished in less than 10 years, that it seems unbelievable that we have been able to agree in less time than 2 years, which has been due wholly to the spirit in which all parties entered the conferences.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. MAPES. I will.

Mr. MORTON D. HULL. What does the gentleman from Michigan say in reference to the omission of the power to subpœna witnesses and bring them before the emergency board?

Mr. MAPES. The power to subpœna witnesses, as explained in the hearings, would give this board a power which it could not exercise effectively in the 30-day period in which it is required to make its investigation and report. Such power would only be necessary for a board required to make a detailed investigation and report, which it is not the purpose of this emergency board to do. This board is to pass upon the general merits of the proposition only or act as a supermeditation board. In fact it is hoped that this board, when it is appointed, acting as it will as the personal board of the President, will, with the prestige and power which it will have

by reason of that fact, be able to get the parties together and persuade them to settle their dispute.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. MAPES. I hope the gentleman will let me proceed. I do not wish to take up too much time.

Mr. COOPER of Ohio. Just a short question. The emergency board will have power to get all the information it wants from the board of mediation?

Mr. MAPES. Of course, each party will bring forward all the proof that it has. It would at once lose standing with the public if it refused to furnish this emergency board with all the information it had.

Mr. BURTNESS. Will the gentleman yield?

Mr. MAPES. I will.

Mr. BURTNESS. The gentleman from Ohio suggested the board could get the facts from the board of mediation. Is it the gentleman's contention the board of mediation will be at any time a fact-finding board?

Mr. MAPES. No; I think Congress understands that; that is not the purpose of the board of mediation, but the mediation board certainly will give the emergency board the benefit of what information it has.

It is almost impossible, gentlemen of the House, to get the spirit of the men advocating this legislation without reading the hearings in full. Of course, we can not read them here at length, but I do wish to read one or two more extracts from the testimony of Mr. Doak. Listen to this. Here is a practical railroad man, who has been settling these disputes for years under the Erdman Act and under the Newlands Act, and in various ways. He says:

> I am honestly of the belief that there is not a dispute of any character which may arise but what can be settled under the provisions of this bill, if enacted into law; and, besides, when such cases are adjusted harmony and good will between the employers and employees will be preserved.
>
> The rancor, the disappointments and dissatisfactions which usually follow in the wake of forced action or compulsion in any form will be removed by the provisions of this bill and officers and employees will be able to go about their daily tasks in a satisfied fashion if adjustments are made under the provisions of this proposed act. If for no other reason that it will preserve harmonious relations and tend to restore confidence, good will, and respect for each other this bill should be enacted into law.

And then he said:

> It assures industrial peace by right and not by force or might.

A specious argument has been made by some against the bill on the alleged ground that it does not sufficiently protect the public. Assuming that it is satisfactory to railroad management and railroad labor, the question is asked, What protection does it give the public? A personal correspondent in a letter to me reiterates the expression that the public interest is entirely sacrificed in the provisions of the bill; and yet I know of few persons who are as much interested in uninterrupted transportation service as this very correspondent and the interests which he represents. Of course, it is the duty of Congress to protect the public. That may be taken as fundamental. There is no justification for the passage of any law that is not in the public interest. Opinions may differ as to whether or not any given piece of proposed legislation is really in the public interest, but I assume that no Member of Congress would attempt to justify his vote upon it upon any other basis.

In those cases where the argument against the bill on the ground of public interest is not wholly specious, it is to my mind largely academic or without reasonable justification. It is based upon a fear that something may happen which there is no reasonable possibility of happening. It is based upon the assumption that railroad managements will enter into an agreement with railroad labor to pay greater wages than ought to be paid or that an arbitration award, through fraud or otherwise, may grant the same and thereby cause an unjust burden on the shipping and traveling public.

One might naturally ask, When did such a thing ever happen? What reason is there to believe that it is any more likely to happen in the future than in the past? Will not the personal and competitive interests of the railroad managements, in the future as in the past, require that they resist with all the force at their command any and all undue advance in wages?

And if, perchance, there should be an unwarranted increase in wages, either by agreement of the parties or by reason of an arbitration award, what would those who oppose this bill on the possibility of that happening do about it other than can now be done under the transportation act? In the fixing of rates the Interstate Commerce Commission is directed to take into consideration the honesty, efficiency, and economy of the management of the roads, and in considering economy of management it is required to consider the reasonableness of the wages paid.

The language of the Supreme Court in the case of Wilson against Nye (the Adamson law case) clearly says that Congress has not the power, even under the interstate-commerce clause of the Constitution, to set aside an agreement of the parties as to wages; that Congress can only fix wages in order to prevent an interruption of interstate commerce when the parties themselves fail to agree. Those who argue that Congress has the power to set aside a wage agreement admit that the language of the Supreme Court in this case is clearly to the contrary, but they say that that part of the opinion was not necessary for a decision of the issues in the case, and if the facts were fully put before the court in a case directly involving that point the court would, in their opinion, hold differently.

However that may be, does anyone believe that railroad management will willingly consent to an unwarranted increase of wages, thereby reducing the net return of the carriers in view of the difficulties which exist under normal conditions in getting an order for increased rates from the Interstate Commerce Commission? Granting, for the sake of the argument, the power of Congress to set aside a wage scale fixed by agreement of the parties or after an arbitration award as outlined in this bill, is there anyone who seriously believes as a practical matter that any governmental authority could do it, or would attempt it, if it could?

As Colonel Thom, general counsel of the Association of Railway Executives, before the Committee on Interstate and Foreign Commerce, well said in House hearings, p. 386:

> * * * Suppose for an instant that you had a public body with power to visa and to suspend or annul wage agreements. Suppose that that was unsatisfactory to the men who were furnishing you with the transportation absolutely essential to yourself and your constituents. Then they are to strike against such a decision, as they could strike against the refusal of the management. What would you do about it?
>
> How would you enforce it? Immediately you have got to go down that road to compulsion and use the whole power of the Government.
>
> If you say that this present plan as to the effect which you apprehend is unduly burdening the public that you represent, then your course is clear. You have got the governmental power to deal with that situation, but you have got to deal with it by compulsion. You can not deal with it by half compulsion.

Mr. BLANTON. Mr. Chairman, will the gentleman yield there?

Mr. MAPES. I prefer not to yield. I have already taken more time than I intended to take.

Others may think otherwise, but I for one do not believe that any big industrial undertaking, such as the railroads are, can be successfully operated under force of compulsion.

Waiving the fact that no inconsiderable part of the public, that part represented by the railroads and their nearly 2,000,000 employees with their dependents, amounting in all to approximately 10,000,000 persons, is directly interested in the advocacy of this bill, it is in the interest of the rest of the public to have legislation passed which will best furnish the country with uninterrupted transportation at reasonable cost. In the opinion of your committee this will help to do that. Your committee recognizes the paramount interest of the public, and in full recognition of that interest it advocates the passage of this bill substantially as agreed upon by the parties. [Applause.]

Mr. KETCHAM. Mr. Chairman, will my colleague yield there?

Mr. MAPES. Yes.

Mr. KETCHAM. The question of the public interest seems to go directly to the point, first, of securing uninterrupted service, and, in the second place, satisfactory wage agreements. I would like to have the gentleman answer definitely and specifically as to these points: Does he think that the public interest is served better by the provisions of this bill in both these particulars than by any other piece of legislation that we have now or have had heretofore?

Mr. MAPES. By long odds. I think that the hearings had before this committee furnish one of the best discussions of the question of the proper way to settle industrial disputes of anything that I know of, from the practical standpoint, and I am inclined to be enthusiastic over the agreement which has been reached by the parties directly involved in railroad disputes. I think, as the proponents of this legislation have said, that the Congress of the United States will take upon itself a great responsibility if it should seek to dissipate the enthusiasm which the parties to this agreement have of its successful oper-

ation by any substantial amendment. It is a greater responsibility than I want to take to disturb the arrangement that has been made.

Mr. KETCHAM. One further question, if the gentleman will permit. The gentleman has made an interesting reference to the fine spirit that has been shown by the men appearing here representing the various groups. May I ask the gentleman how long a period is covered by these hearings in which these people testified?

Mr. MAPES. About four weeks; and the negotiations between the parties covered over a year.

Mr. KETCHAM. And the gentleman believes that this bill forms the very best hope for the settlement of future disputes that can be held out?

Mr. MAPES. I answer that unreservedly, yes.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. SNELL. Does the gentleman believe that this bill takes away from the Interstate Commerce Commission any power that it now possesses?

Mr. MAPES. Not a particle.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. MAPES. I hope the gentleman will let me close.

Mr. BLANTON. The members of the committee are the ones that we expect to get information from. If they deny us the right to ask questions, the balance of us are in a terrible fix.

Mr. MAPES. On that basis I will yield to the gentleman. [Laughter.]

Mr. BLANTON. I am not going to ask the gentleman any question that he can not answer. Does the gentleman deny that the Congress of the United States has the right to provide for compulsory arbitration? Do you deny that, as a matter of law?

Mr. MAPES. Well, my individual opinion on that point may not be very controlling. It is a disputed question. We had before our committee two of the ablest lawyers in the United States. I think it would be only fair to say that one of them thinks Congress has not the power, and the other thinks Congress has.

Mr. BLANTON. The Supreme Court is the last word on law, is it not?

Mr. MAPES. Is that the only question the gentleman wants to ask me?

Mr. BLANTON. And the Supreme Court in the case of Wilson against New, in the last paragraph of its decision reversing that case and remanding it to the lower court, held the Congress has the power, in such an interstate commerce emergency as was presented in the case under the Adamson law, not only to force compulsory arbitration but it held that the Congress has the power to fix wage matters.

Mr. MAPES. Of course, that is the gentleman's statement and we will let it stand at that.

Mr. BLANTON. I am going to read from that decision in my own time.

Mr. NEWTON of Minnesota. The opinion was rendered by a divided court.

Mr. MAPES. Yes.

Mr. CARTER of Oklahoma. Was that the question before the court?

Mr. BLANTON. Yes; that was the question before the court.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BLANTON. Mr. Chairman, I make the point of no quorum. We have worked hard to-day. We ought to have a chance to sign our mail and visit with our constituents who are attending the teachers' convention here.

Mr. PARKER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MADDEN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 9463) to provide for the prompt disposition of disputes between carriers and their employees, and for other purposes, had come to no resolution thereon.

THE DEFICIENCY BILL

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, and further insist upon the disagreement of the House to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 8722, the deficiency bill, further insist upon its disagreement to the Senate amendments, and agree to the conference asked by the Senate. Is there objection?

There was no objection.

The SPEAKER. The Chair appoints the following conferees: Messrs. MADDEN, ANTHONY, and BYRNS.

MILITARY RESERVATIONS

Mr. HILL of Maryland. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Maryland rise?

Mr. HILL of Maryland. Mr. Speaker, I ask unanimous consent that I may have until midnight to-night to file a report from the Committee on Military Affairs on the bill S. 1129.

Mr. O'CONNOR of Louisiana. Mr. Speaker, reserving the right to object, is this for the purpose of taking up under suspension of the rules a military bill that is before that committee in regard to the sale of military reservations, and so forth?

Mr. HILL of Maryland. I will say to the gentleman I want to put the bill on the Consent Calendar.

Mr. O'CONNOR of Louisiana. That is rather equivocal as an answer. Does the gentleman intend to take it up under suspension?

Mr. HILL of Maryland. I do not know.

Mr. BLANTON. There is no corollary of any face-the-facts business in this?

Mr. HILL of Maryland. I will say to the gentleman there is not any.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 97. An act authorizing an expenditure of $50,000 from the tribal funds of the Indians of the Quinaielt Reservation, Wash., for the improvement and completion of the road from Taholah to Moclips on said reservation;

H. R. 5913. An act extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway;

H. R. 5850. An act authorizing an appropriation for the payment of certain claims due certain members of the Sioux Nation of Indians for damages occasioned by the destruction of their horses;

H. R. 6376. An act to amend the act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes, approved August 25, 1919, as amended by act of March 6, 1920; and

H. R. 6727. An act to authorize the Secretary of the Interior to issue certificates of competency removing the restrictions against alienation on the inherited lands of the Kansas or Kaw Indians in Oklahoma.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. WOODRUFF (at the request of Mr. MICHENER) for Tuesday and Wednesday, on account of sickness.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 48 minutes p. m.) the House adjourned until to-morrow, Thursday, February 25, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 25, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10 a. m.)

District of Columbia appropriation bill.

COMMITTEE ON THE CENSUS

(10.30 a. m.)

For the apportionment of Representatives in Congress amongst the several States under the Fourteenth Census (H. R. 111, 413).

To carry out the provisions of Article I of the Constitution (H. R. 398).

For the apportionment of Representatives in Congress among the several States under the Fourteenth Census, reducing the number from 435 to 304 (H. R. 3808).

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.15 a. m.)

To repeal and annul certain acts of the Public Utilities Commission of the District of Columbia (H. R. 3805), known as the five cent fare bill.

COMMITTEE ON EDUCATION

(10 a. m.)

To create a Department of Education (H. R. 5000 and S. 291) joint hearing with the Senate Committee on Education and Labor.

COMMITTEE ON FOREIGN AFFAIRS

(10.15 a. m.)

To provide for the expenditure of certain funds received from the Persian Government for the education in the United States of Persian students (H. J. Res. 111).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

To amend the Immigration Act of 1924 (H. R. 7089 and similar bills).

COMMITTEE ON IRRIGATION AND RECLAMATION

(10 a. m.)

To provide for the storage for diversion of the waters of the North Platte River and construction of the Casper-Alcova reclamation project (H. R. 3993).

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(10 a. m.)

Providing for the consolidation of the functions of the Department of Commerce relating to navigation, to establish load lines for American vessels (H. R. 7245).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

Department of national defense.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To provide for the equalization of promotion of officers of the staff corps of the Navy with officers of the line (H. R. 7181).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

371. A letter from the Secretary of the Treasury, transmitting herewith schedules and lists of papers, documents, etc., in the files of this department which are not needed in the transaction of public business and have no permanent value; to the Committee on Disposition of Useless Executive Papers.

372. A letter from the Secretary of the Navy, transmitting copies of two letters of the Major General Commandant United States Marine Corps, No. 2245-75-10, dated November 13, 1925, and December 19, 1925, respectively, and a copy of letter of the board of inspection and survey, Navy Department, EC/AVB, dated December 3, 1925, together with copies of the accompanying lists, in which authority is requested for the disposition of obsolete and useless records and papers; to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WASON: Committee on Disposition of Useless Executive Papers. A report concerning the disposition of useless papers in the Department of the Interior (Rept. No. 358). Ordered to be printed.

Mr. GIFFORD: Committee on Elections No. 3. A report in the contested-election case of H. O. Brown *v.* Robert A. Green (Rept. No. 359). Referred to the House Calendar.

Mr. HILL of Washington: Committee on the Public Lands. H. R. 8646. A bill providing for a grant of land to the county of San Juan, in the State of Washington, for recreational and public-park purposes; with amendments (Rept. No. 360). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on the Public Lands. H. R. 9037. A bill validating certain applications for and entries of public lands, and for other purposes; without amendment (Rept. No. 361). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE of Kansas: Committee on Election of President, Vice President, and Representatives in Congress. S. J. Res. 9. A joint resolution proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress, and fixing the time of the assembling of Congress; with an amendment (Rept. No. 362). Referred to the House Calendar.

Mr. MAPES: Committee on Interstate and Foreign Commerce. H. R. 8771. A bill to extend the time for commencing and completing the construction of a bridge across Detroit River within or near the city limits of Detroit, Mich.; with amendments (Rept. No. 363). Referred to the House Calendar.

Mr. HAWES: Committee on Interstate and Foreign Commerce. H. R. 8909. A bill granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River; with an amendment (Rept. No. 364). Referred to the House Calendar.

Mr. HAWES: Committee on Interstate and Foreign Commerce. H. R. 8910. A bill granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River; without amendment (Rept. No. 365). Referred to the House Calendar.

Mr. NEWTON of Minnesota: Committee on Interstate and Foreign Commerce. H. R. 8950. A bill granting the consent of Congress to the State of Minnesota to construct a bridge across the Minnesota River at or near Shakopee, Minn.; with an amendment (Rept. No. 366). Referred to the House Calendar.

Mr. PARKS: Committee on Interstate and Foreign Commerce. H. R. 9095. A bill to extend the time for commencing and completing the construction of a bridge across the St. Francis River near Cody, Ark.; with amendments (Rept. No. 367). Referred to the House Calendar.

Mr. PARKS: Committee on Interstate and Foreign Commerce. H. R. 9109. A bill to extend the time for the construction of a bridge across the White River; without amendment (Rept. No. 368). Referred to the House Calendar.

Mr. McFADDEN: Committee on Banking and Currency. H. J. Res. 131. A joint resolution authorizing the Federal Reserve Bank of New York to invest its funds in the purchase of a site and the building now standing thereon for its branch office at Buffalo, N. Y.; without amendment (Rept. No. 369). Referred to the House Calendar.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 54. A bill authorizing the removal of the gates and piers in West Executive Avenue between the grounds of the White House and the State, War, and Navy Building; without amendment (Rept. No. 370). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 6260. A bill to convey to the city of Baltimore, Md., certain Government property; without amendment (Rept. No. 371). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 7178. A bill authorizing the sale of certain abandoned tracts of land and buildings; without amendment (Rept. No. 372). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 9455. A bill to dedicate as a public thoroughfare a narrow strip of land owned by the United States in Bardstown, Ky.; without amendment (Rept. No. 373). Referred to the Committee on the Whole House on the state of the Union.

Mr. HILL of Maryland: Committee on Military Affairs. S. 1129. An act authorizing the use for permanent construction at military posts of the proceeds from the sale of surplus War Department real property, and authorizing the sale of certain military reservations, and for other purposes; with amendment (Rept. No. 374). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 4642) for the relief of the persons or companies who advanced money or materials for the construction and

maintenance of an air-mail hangar at Salt Lake City, Utah, for the Post Office Department; Committee on Claims discharged, and referred to the Committee on the Post Office and Post Roads.

A bill (H. R. 4326) to provide for the payment of amounts expended in the construction and maintenance of a hangar and flying field for the use of the Air Mail Service; Committee on Claims discharged, and referred to the Committee on the Post Office and Post Roads.

A bill (H. R. 6488) granting a pension to Mary K. Cook; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRAND of Georgia: A bill (H. R. 9722) to amend sections 5549 and 5550 of the Revised Statutes of the United States; to the Committee on the Judiciary.

Also, a bill (H. R. 9723) repealing all laws now in force and effect which will deprive the several States of the United States of the right to fix intrastate freight and passenger rates; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLIER: A bill (H. R. 9724) declaring Eagle Lake, which lies partly within the limits of the State of Mississippi, in Warren County, and partly within the limits of the State of Louisiana, in Madison Parish, to be a nonnavigable stream; to the Committee on Interstate and Foreign Commerce.

By Mr. LAZARO: A bill (H. R. 9725) to promote the production of sulphur upon the public domain; to the Committee on the Public Lands.

By Mr. MAJOR: A bill (H. R. 9726) to equalize and adjust the compensation paid to certain candidates at officers' training camps during the World War; to the Committee on Military Affairs.

By Mr. NEWTON of Minnesota: A bill (H. R. 9727) to amend section 26 of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 9728) to amend section 204 of the transportation act, 1920; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 9729) to amend paragraph (1) of section 20a of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

By Mr. ARENTZ: A bill (H. R. 9730) to provide for an adequate water-supply system at the Dresslerville Indian colony; to the Committee on Indian Affairs.

By Mr. HUDSON: A bill (H. R. 9731) to establish a border patrol for the more efficient enforcement of laws applicable to the international and maritime borders of the United States; to the Committee on the Judiciary.

By Mr. HOOPER: Joint resolution (H. J. Res. 179) authorizing the Federal Reserve Bank of Chicago to enter into contracts for the erection of a building for its branch established in the city of Detroit, Mich.; to the Committee on Banking and Currency.

By Mr. HUDSON: Resolution (H. Res. 147) providing a clerk for the Alcoholic Liquor Traffic Committee; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREW: A bill (H. R. 9732) granting an increase of pension to Martha A. Smith; to the Committee on Invalid Pensions.

By Mr. CARTER of California: A bill (H. R. 9733) for the relief of Estella Howard; to the Committee on Claims.

By Mr. CARTER of Oklahoma: A bill (H. R. 9734) to make a preliminary survey of Boggy River in Oklahoma with the view to the control of its floods; to the Committee on Flood Control.

By Mr. EDWARDS: A bill (H. R. 9735) for the relief of W. H. Ryan; to the Committee on Military Affairs.

Also, a bill (H. R. 9736) granting a pension to Florence Brunner; to the Committee on Pensions.

By Mr. FLAHERTY: A bill (H. R. 9737) for the relief of Thomas J. Kane; to the Committee on Military Affairs.

By Mr. HOGG: A bill (H. R. 9738) to correct the military record of Richard Brannan; to the Committee on Military Affairs.

By Mr. JOHNSON of Illinois: A bill (H. R. 9739) granting an increase of pension to Cynthia J. Case; to the Committee on Invalid Pensions.

By Mr. KELLY: A bill (H. R. 9740) granting an increase of pension to Harry Penberthy; to the Committee on Invalid Pensions.

By Mr. LEAVITT: A bill (H. R. 9741) granting a pension to Nathaniel M. Gregg; to the Committee on Pensions.

By Mr. McMILLAN: A bill (H. R. 9742) granting an increase of pension to Susan Marsh Williams; to the Committee on Pensions.

By Mr. MENGES: A bill (H. R. 9743) granting an increase of pension to Adeline R. Elcock; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 9744) granting a pension to Mary Evans; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9745) granting an increase of pension to Lucy A. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9746) granting an increase of pension to Anna Dunkley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9747) granting an increase of pension to Addie L. Hurd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9748) granting an increase of pension to Hannah J. Leffingwell; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 9749) granting a pension to Alex Goins; to the Committee on Pensions.

By Mr. SPROUL of Kansas: A bill (H. R. 9750) granting a pension to Francis M. Davison; to the Committee on Pensions.

By Mr. SUMNERS of Texas: A bill (H. R. 9751) for the relief of Clarence Cleghorn; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 9752) granting an increase of pension to Mary E. Hutson; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H. R. 9753) granting a pension to Julia Etta Martin; to the Committee on Invalid Pensions.

By Mr. TILSON: A bill (H. R. 9754) granting a pension to Flora Williams Senator; to the Committee on Pensions.

By Mr. WATRES: A bill (H. R. 9755) for the relief of Frank Flaherty; to the Committee on Naval Affairs.

By Mr. WATSON: A bill (H. R. 9756) granting an increase of pension to Mary M. Norton; to the Committee on Invalid Pensions.

By Mr. BRAND of Georgia: A bill (H. R. 9757) for the relief of the estate of Henry E. Lawrence; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

805. By Mr. ABERNETHY: Petition of George Henderson, of Newbern, N. C., asking relief for the surviving members of the United States Military Telegraph Corps of the Civil War; to the Committee on Invalid Pensions.

806. By Mr. CARTER of California: Petition of the Playground Commission of Berkeley, Calif., opposing the proposals of the grazing interests to establish grazing rights in national parks; to the Committee on the Public Lands.

807. By Mr. CULLEN: Resolution by the Metal Trades Council of Brooklyn, by Mr. John McMurray, secretary, opposing the repeal of section 466 of the tariff act; to the Committee on Ways and Means.

808. Also, resolution by the Brooklyn Woman's Club, indorsing the construction of a national gallery of art in the city of Washington; to the Committee on the District of Columbia.

809. By Mr. CURRY: Petition of members of Admiral McCalla Camp, No. 17, United Spanish War Veterans, of Veterans' Home, Napa County, Calif., favoring the enactment of House bill 8132; to the Committee on Pensions.

810. Also, petition of residents of the third congressional district of California, favoring reflooding of lower Klamath Lake, Calif.; to the Committee on Irrigation and Reclamation.

811. By Mr. GALLIVAN: Petition of Mary E. Dolan, governor Massachusetts Chapter, International Federation Catholic Alumnæ, Dorchester, Mass., protesting against Curtis-Reed educational bill; to the Committee on Education.

812. By Mr. MOONEY: Petition of City Council of Cleveland, Ohio, indorsing the Perlman immigration bill; to the Committee on Immigration and Naturalization.

813. By Mr. MORROW: Petition of Spanish War Veterans of Roswell, N. Mex., indorsing House bill 98; to the Committee on Pensions.

814. By Mr. O'CONNELL of New York: Petition of the Metal Trades Council of Brooklyn, N. Y., opposing the repeal of section 466 of the tariff act; to the Committee on Ways and Means.

815. Also, petition of the Post Office Department Post, No. 930, of Ozone Park, Long Island, N. Y., favoring the passage of

House bill 8375; to the Committee on the Post Office and Post Roads.

816. By Mr. O'CONNELL of Rhode Island: Communication from the National Association of Stationary Engineers, Rhode Island branch, protesting against classification of its members as enginemen, as made by the United States Civil Service Commission; to the Committee on the Civil Service.

SENATE

THURSDAY, *February 25, 1926*

(Legislative day of Wednesday, February 24, 1926)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	McNary	Robinson, Ind.
Bayard	Fess	Mayfield	Sheppard
Bingham	Fletcher	Means	Simmons
Blease	Frazier	Metcalf	Smith
Bratton	George	Moses	Smoot
Brookhart	Glass	Neely	Stanfield
Bruce	Goff	Norbeck	Stephens
Butler	Greene	Nye	Swanson
Cameron	Hale	Oddie	Trammell
Capper	Harris	Overman	Tyson
Copeland	Heflin	Pepper	Walsh
Couzens	Howell	Phipps	Warren
Cummins	Jones, Wash.	Pine	Watson
Curtis	Keyes	Ransdell	Weller
Dale	La Follette	Reed, Mo.	Wheeler
Dill	Lenroot	Reed, Pa.	Williams
Ernst	McKellar	Robinson, Ark.	Willis

Mr. JONES of Washington. I desire to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from Illinois [Mr. DENEEN], the Senator from Maine [Mr. FERNALD], the Senator from Minnesota [Mr. SCHALL], and the Senator from California [Mr. JOHNSON] are detained from the Senate on account of illness.

Mr. WALSH. I wish to announce that the Senator from Utah [Mr. KING] is absent from the Senate owing to illness.

The VICE PRESIDENT. Sixty-eight Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House further insisted upon its disagreement to the amendments of the Senate Nos. 27 and 28 to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes; agreed to the further conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MADDEN, Mr. ANTHONY, and Mr. BYRNS were appointed managers on the part of the House at the further conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 97. An act authorizing an expenditure of $50,000 from the tribal funds of the Indians of the Quinaielt Reservation, Wash., for the improvement and completion of the road from Taholah to Moclips on said reservation;

H. R. 5013. An act extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway;

H. R. 5850. An act authorizing an appropriation for the payment of certain claims due certain members of the Sioux Nation of Indians for damages occasioned by the destruction of their horses;

H. R. 6376. An act to amend the act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes, approved August 25, 1919, as amended by act of March 6, 1920; and

H. R. 6727. An act to authorize the Secretary of the Interior to issue certificates of competency removing the restrictions against alienation on the inherited lands of the Kansas or Kaw Indians in Oklahoma.

PETITIONS

Mr. HOWELL presented a petition of sundry citizens of Springview and vicinity, in the State of Nebraska, praying for the passage of Senate bill 98, providing increased pensions to Spanish-American War veterans and their widows, which was referred to the Committee on Pensions.

He also presented the petition of Lee Forby Camp No. 1, Department of Nebraska, United Spanish War Veterans, also numerously signed by sundry citizens in the State of Nebraska, praying for the passage of Senate bill 98, providing increased pensions to Spanish-American War veterans and their widows, which was referred to the Committee on Pensions.

REPORTS OF COMMITTEES

Mr. TYSON, from the Committee on Claims, to which was referred the bill (S. 2215) for the relief of James E. Simpson, reported it without amendment and submitted a report (No. 217) thereon.

Mr. JONES of Washington, from the Committee on Commerce, to which was referred the bill (S. 1897) to reinstate John P. Gray as a lieutenant commander in the United States Coast Guard, reported it without amendment and submitted a report (No. 218) thereon.

Mr. HOWELL, from the Committee on Claims, to which was referred the bill (S. 1747) for the relief of the estate of Henry T. Wilcox, reported it with an amendment and submitted a report (No. 219) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 3287) relating to the purchase of quarantine stations from the State of Texas; to the Committee on Appropriations.

By Mr. WALSH:

A bill (S. 3288) for the relief of the Malta National Bank, Malta, Mont. (with accompanying papers); to the Committee on Public Lands and Surveys.

A bill (S. 3289) to authorize the taxation of certain interests in lands within reclamation projects; to the Committee on Irrigation and Reclamation.

By Mr. CAPPER:

A bill (S. 3290) to amend an act entitled "An act for the prevention and removal of obstructions and burdens upon interstate commerce in grain, by regulating transactions on grain-future exchanges, and for other purposes," approved September 21, 1922; to the Committee on Agriculture and Forestry.

By Mr. LENROOT:

A bill (S. 3291) for the relief of Ernest Alton; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 3292) granting an increase of pension to Mary E. Clark; to the Committee on Pensions.

By Mr. NORBECK:

A bill (S. 3293) granting an increase of pension to Amalia B. Woodland; to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 3294) granting an increase of pension to Laura E. Evans; to the Committee on Pensions.

By Mr. DILL:

A bill (S. 3295) authorizing the construction of a road in Rainier National Park; to the Committee on Public Lands and Surveys.

By Mr. BRATTON:

A bill (S. 3296) to amend an act approved January 30, 1925 (ch. 117 of the statutes of the Sixty-eighth Congress), authorizing the payment of one-half the cost of the construction of a bridge across the San Juan River near Bloomfield, N. Mex.; to the Committee on Indian Affairs.

By Mr. WHEELER:

A bill (S. 3297) to provide for per capita payments to the Assiniboine and Sioux Indians of the Fort Peck Indian Reservation, Mont.; and

A joint resolution (S. J. Res. 60) authorizing expenditures from the Fort Peck 4 per cent fund for visits of tribal delegates to Washington; to the Committee on Indian Affairs.

PUBLIC UTILITIES COMPANIES (S. DOC. NO. 74)

On motion of Mr. CAPPER, it was—

Ordered, That the annual reports of the following public utility companies in the District of Columbia for the year ending December 31, 1925, heretofore transmitted to the Senate, be printed as a Senate document: Capital Traction Co., Chesapeake & Potomac Telephone Co.,

Georgetown Barge, Dock, Elevator & Railway Co., Potomac Electric Power Co., Washington Gas Light Co., Georgetown Gas Light Co., Washington Railway & Electric Co., City & Suburban Railway of Washington, Georgetown & Tennallytown Railway Co., and Washington Interurban Railroad Co.

DENVER POST REFERENDUM ON PROHIBITION

Mr. BRUCE. Mr. President, if there is no objection, I would like to have read into the RECORD a clipping from the Baltimore Evening Sun of yesterday, headed, "Dry Denver votes about 4 to 1 against prohibition."

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

[From the Baltimore Evening Sun, February 24, 1926]

DRY DENVER VOTES ABOUT 4 TO 1 AGAINST PROHIBITION—NEWSPAPER REFERENDUM, AT FIRST OPPOSED BY WETS, RESULTS SURPRISINGLY IN THEIR FAVOR

DENVER, February 24.—The results of a referendum conducted by the Denver Post on the prohibition question is interesting in its portrayal of sentiment in the Rocky Mountain region, supposedly the Nation's most arid section.

In a direct vote for and against prohibition there were 20,756 votes for the present law and 79,700 votes against.

Denver, said to be the country's dryest city, cast 49,200 of the votes. Of this number, 8,752 were for the present laws, while 39,431 were against prohibition.

The poll was indorsed by the dry forces, while it had been opposed by the wets.

ALUMINUM CO. OF AMERICA

The Senate resumed the consideration of the report (No. 177) of the Committee on the Judiciary, submitted by Mr. WALSH on February 15, 1926, in the matter of the Aluminum Co. of America.

Mr. REED of Pennsylvania. Mr. President, in the opening address of the Senator from Montana [Mr. WALSH] on the pending report he made it very clear that this is a charge against the Secretary of the Treasury. In his concluding words he spoke of it as—

this charge in effect against a man of great wealth, a member of the President's Cabinet.

The ground has not been laid for an attack on Secretary Mellon. It has not been shown that he controls the company, and, as I expect to show in a few minutes, the fact is exactly to the contrary. It has not been shown that Mr. Mellon has any acquaintance with the acts of the company that are complained of, and yet throughout the Senator's speech and in his questions to the Senator from Iowa [Mr. CUMMINS] the other day he made it very plain that the whole proposed investigation is an attack on the Secretary of the Treasury. I am going to take him at his word, and I ask Senators to consider for a moment the fair play of the situation.

I am not here to praise Mr. Mellon. I do not think it is necessary. I know that he would not wish me to do it. But if this were Secretary GLASS of the Treasury or if this were Secretary Houston of the Treasury it seems to me that the same restraints of fair play would bear upon us that do bear upon us in the case in hand. Those Secretaries labored patriotically under terrific difficulties of the war and conditions following the armistice, and so has Secretary Mellon. It is not asking too much to say that a man who has served his country as well as did Secretary GLASS or Secretary Houston or Secretary Mellon is entitled to fair play and to a reasoned consideration of the proposed investigation. As the Romans used to say, "This man merits well of the Republic," and if he does, surely we owe it to him to consider the facts before acting on the report as a party measure.

After all it is a judicial inquiry we are undertaking when the charge is made that this man controls a company and that that company has been violating a criminal statute. That is a judicial inquiry. Assuming that we have the power to do it, although the Senator from Iowa [Mr. CUMMINS] most ably showed the other day, I think, that the Senate lacks the power, then surely we sit as judges just as if we were sitting as a court of impeachment, and we owe it to the defendant, whoever he may be, to give him a fair and impartial consideration of the facts.

The fact is—and I make this statement after recent investigation, and I make it with full confidence of its accuracy—that Mr. Mellon owns less than 16½ per cent of the stock of the Aluminum Co. of America. He owns less than 16½ per cent of the voting stock and less than 16½ per cent of the preferred stock, which is nonvoting, so I am not quibbling about the distinction between voting and nonvoting stock. His brother, Mr. Richard Mellon, owns a similar amount, and the two of them together own less than 33 per cent of the stock in the company. The fact as to the real control of the company appears on page 79 of the report of the Department of Justice, which is upon the desk of each Senator. If Senators will refer to that page, they will find it there stated, on page 79, that—

The control of the company appears to rest in the Hall estate, of which Davis is one of the trustees and votes the stock; the Hall family; Mrs. Alfred E. Hunt, the widow of Alfred E. Hunt, one of the founders; her son, Roy A. Hunt; George H. Clapp, a former partner of Alfred E. Hunt; Arthur V. Davis; A. K. Laurie, the original sales manager of the company; and a few other of Mr. Hunt's original associates.

That is where the real control is. That group has been together since the foundation of the company. It is idle to say that that is a scattered stock ownership which is dominated by the Mellons, who own less than 33 per cent.

I want to tell the Senate, as briefly as I may, something about the history of this industry. Back in the year 1888 the metal that is called aluminum was a curiosity of the laboratory. It had been produced by chemists, but in all of the eight years, beginning with 1883 and ending with 1890, the total production of aluminum in the United States was only 75 tons. The cost of producing it in 1888 was $8 a pound. It was nothing more than a curiosity. There was not in existence a single cooking utensil made of it. There were not any internal-combustion engines, and so, of course, there were not any crank cases made of it. It was, as I have said, a curiosity of the laboratory.

In the year 1888 Mr. Charles Hall invented a process for the extraction of aluminum from its ore. That was improved by one Charles Bradley, who took out a process patent in 1892. The patent expired obviously in 1909, and up until 1909 this company, which owned both of those patents, had a monopoly in the United States of the manufacture of aluminum. It had that monopoly by virtue of the patent laws of the United States. Since 1909 the field has been absolutely open. There are no new patents which in any way impede the entry into the business of new groups who may want to undertake it.

Let me say just a word about what Hall and Bradley invented. When we talk about the production of the metal called aluminum most of us, I think, are inclined to suppose a smelting process such as we know about in the iron industry or such as we see in the production of blister copper, where a furnace smelts down the ore and a converter or an open-hearth furnace refines the pig-iron, or the matte if it is copper, and produces steel or produces the blister copper that goes to the refinery. We are all prone to think of some such process as that, a comparatively simple metallurgical operation, but I want to assure Senators it is quite different in the production of this metal.

The ores in which aluminum occurs are found in the United States chiefly in the State of Arkansas. The Arkansas deposits are the most important and practically the only commercial aluminum ores in the United States. The ore is also found in great abundance and richness in British and Dutch Guiana, on the northern cost of South America. It is also found in spots, but not in the same abundance, in various portions of Europe. The ore is called bauxite, named for a little town in France which is called Baux, I think, where it was first mined.

The ore from Arkansas and from British or Dutch Guiana is taken by this company up the Mississippi River to East St. Louis. There it is ground as fine as flour, and it is put into vats in a strong alkaline solution made from soda ash, most of which is brought down from the neighborhood of Lake Erie. It is put under steam pressure, and a liquor is produced which contains alumina, or oxide of aluminum, in suspension. Through a process of repeated filtration and settling that liquor is treated so that finally there is deposited from it a powdery substance which is called alumina, the oxide of metallic aluminum. That is calcined and then sent to the refining works or the final smelting works, where it is converted into aluminum.

Nobody could ever do that commercially until Hall and Bradley invented their patent process. In order to turn that alumina into the aluminum, the article which is familiar to us, it has to be put in great flat pots which are lined with carbon. In those pots is a mineral which is called cryolite, which, I believe, the chemists say is a compound of fluorine and aluminum, sodium, I think, being the third element. Anyway, that mineral, cryolite, which is a necessary ingredient in the process, is found nowhere on earth except in Greenland. All the cryolite that is used has to come from Greenland. It is put into this flat carbon-lined pot Then, from above are

lowered into it carbon electrodes, and a tremendous current of electricity pours through those electrodes and through the contents of the pot to the carbon lining of the pot. The result of that is that the cryolite is melted. When they then put the alumina into that molten bath, by the same electricity that has caused the melting process an electrolytic process causes the deposit of globules of aluminum in the bottom of the pot. It is a most complicated process, as Senators may see. It required a distinct invention to make that possible for the world. Nowhere in America or in Europe was aluminum made until these men developed that process.

The trouble with it, however, is that the ingredients that enter into the manufacture of aluminum come from such remote, out-of-the-way corners of the world that their assembly presents a difficult problem. What I am saying is not academic; it all enters into the question of some of the violations that are discussed by the Trade Commission. Imagine the task of the officials who have to assemble the bauxite ore from South America or from the field in Arkansas; who have to bring the coal in to produce the steam that is so necessary in the first process; who have to go to Greenland to get the cryolite; who have to go up to the Great Lakes to get the soda ash that is necessary; and so I could go on through a half a dozen other ingredients. The very task of the assembly of these different materials is more difficult than is the task of the assembly of materials of any other metal production.

Now comes another difficulty. Such tremendous currents of electric power are required for this process that aluminum can not be produced economically by the use of steam-generated electricity. It is essential to its production that water power, and cheap water power, be available. That can only be found at a distance from the great cities. Water power near the centers of population is too valuable to enable even it to be used in this process. So this company, in its search for water power, has gone to strange places. For one thing, they are now building a great plant up near Chicoutimi on the Saguenay River, far up in the northern wilderness of Canada. They have a plant at Massena on the St. Lawrence River, on what is called the Long Sault of the St. Lawrence. They have another plant at Badin, N. C., where abundant water power is available. They have one in the Big Smoky Mountains of Tennessee, where they were fortunate in securing a water power; and, with the consent of the Department of Justice, I might say in passing, they have acquired a half interest in a Norwegian water power concern which manufactures aluminum.

All that sounds comparatively simple, but it should be remembered that the water power on the St. Lawrence River frequently shrinks to a very tiny percentage of its normal volume because of the clogging of their canals and of the channels of the river with ice, so that the production of the company falls away in the wintertime necessarily. It should also be considered that in North Carolina and in Tennessee droughts are not uncommon. There was a drought last summer in Tennessee that cost the company 14,000,000 pounds in production; set back their production that much. That drought and the consequent falling of the river could not possibly have been foreseen; but their production went off that much and they were put to it to find 14,000,000 pounds of metal somewhere, somehow, to take care of their orders on hand.

Mr. FLETCHER. Mr. President, may I make an inquiry of the Senator at that point?

Mr. REED of Pennsylvania. I yield.

Mr. FLETCHER. The power in Tennessee is on the Little Tennessee River, I think.

Mr. REED of Pennsylvania. I believe so.

Mr. FLETCHER. And do they get bauxite there in the same vicinity?

Mr. REED of Pennsylvania. No; there is no bauxite there. The bauxite comes from Arkansas or from British Guiana or Dutch Guiana and it is taken first to St. Louis and there goes through a process to make what is called alumina, and that alumina is taken to the Tennessee plant.

Mr. HARRIS. Mr. President, if the Senator will yield, I should like to say that a great deal of bauxite is found in northern Georgia, the eastern part of North Carolina, and in Alabama, which is used by the company.

Mr. REED of Pennsylvania. I believe that is true, but their principal source in recent years has been the Arkansas bauxite, I am told. Bauxite is also used in the production of alum and some other chemicals. It is not solely used for the production of aluminum. As a matter of fact, I am told that about 10 per cent of the entire crust of the earth is aluminum, so that clays containing aluminum are very abundant. Germany was put to it during the war to use such clays. She had no bauxite ore at all available, and so she evolved a process of using common clay for the production of aluminum, but it is a very expensive and very difficult process.

That brings me to some mention of the charge of monopoly. This company had an absolute monopoly until 1909, and if there is anybody to be blamed for that it is the Congress of the United States, which enacted the patent laws. If it had not been for the patent laws, doubtless Hall and Bradley would not have made the efforts they did to develop their invention; but it was the monopoly given by the patent law that the company enjoyed until the year 1909.

In 1912 the Department of Justice filed a bill in equity against this company, charging certain unfair practices; but in that bill the department expressly disclaimed any contention that the company's ownership of bauxite was improper, although it might own practically all the bauxite in the United States. They expressly disclaimed any contention to that effect, for the reason, as they gave it, that the company was entitled to the monopoly that it had, and it was entirely proper that it should own all the bauxite that it wanted.

As a matter of fact, its holdings are not extravagant. If Senators will refer to page 42 of the Department of Justice's report, they will see that in the whole of the United States this company has only 623 acres of bauxite ores—only 623 acres in all the districts of the United States.

The Federal Trade Commission does not, I understand, criticize the company's ownership of bauxite. Nobody has yet claimed, so far as I know, except in the course of current argument here, that there is any monopoly of bauxite by this company. As a matter of fact, I am told that the discoveries of bauxite in the past 12 months amount to approximately five times as much as has been used in the whole history of the world down to the present time; that there are available in Dutch Guiana crown lands containing the most excellent reserves of bauxite, which can be taken up by anybody who wants to go and ask for them; that there are available to entry in British Guiana public lands containing the most abundant supplies of bauxite; that the very vessels that go down there to take on their cargoes cast their anchors into bauxite when they come to anchor in the rivers; and that the supply is beyond any doubt available for a dozen companies the size of the Aluminum Co. of America.

The best proof of the soundness of that contention is shown by the action of a group of French capitalists who shortly before the war undertook to develop an aluminum manufacturing concern in North Carolina, using the power of the Yadkin River. They went ahead and spent over $5,000,000 in preparation for their power plant there, and then the war came on and interrupted their work; but in all that they did they never paused once to buy up any bauxite, because they were so confident of the adequacy and availability of the supply for anybody. That concern spent $5,000,000 on their plant before they began to think of buying any bauxite.

Mr. OVERMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. REED of Pennsylvania. I do.

Mr. OVERMAN. When the war was declared those Frenchmen, hundreds of them, dropped their tools and left on the first train, and volunteered for service in the army. I never saw anything like the loyalty of those Frenchmen. I merely remark that as a matter of interest—that they all quit work and went off to the war.

Mr. REED of Pennsylvania. They went back to their homeland to go into the army?

Mr. OVERMAN. To France; yes.

Mr. REED of Pennsylvania. The company, of course, could not get money in France during the war to carry on that development. They tried to raise money in England to do it, and they tried to raise money here in America to do it, and they were not able to do it; and it looked as though all the five millions they had put in was going to be a dead loss. Finally they came to the Aluminum Co. of America, and asked it to take over the plant. After consultation with the Department of Justice, and with a full understanding on the department's part of all that was being done and why it was being done, the plant was purchased by the Aluminum Co. for approximately the same amount that these French investors had put in it, and was carried on to completion, and is operating to-day. It was in 1915, as I recall, that the plant was taken over by the Aluminum Co. of America.

The same thing is true, I want to impress in passing, of the acquisition of these properties in Norway. This decree had been entered in 1912, and when the suggestion was made that the Aluminum Co. take an interest in the Norwegian plants the Aluminum Co. declined to do it, although it was

not a literal violation of the decree, until it was certain that the Attorney General considered it a proper thing to be done under the decree. The Attorney General did consider it so, and wrote the company a letter, which appears in the report of the Department of Justice, saying that he saw no reason under the decree or otherwise why they should not buy that interest in those two Norwegian companies.

Now, Mr. President, I want to come to the matters of the violations of the decree which have been charged by the Federal Trade Commission.

Mr. WILLIAMS. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Missouri?

Mr. REED of Pennsylvania. I do.

Mr. WILLIAMS. I should like to ask the Senator whether he proposes to go into the question of the occasion for the decree?

Mr. REED of Pennsylvania. I did not propose to do that, Mr. President. This antitrust suit was filed. There was no finding that the company had in any way violated the antitrust law. There was no decree that the company had done any of these things that it was enjoined from doing in the future. As a matter of fact, the company had abrogated all of the contracts that the decree ordered it to abrogate. It did that a long time before the decree. As a matter of fact, it was not doing, and nobody proved that it was doing, and no court found that it was doing, the things that it was enjoined from doing by that decree.

Mr. REED of Missouri. Mr. President——

Mr. REED of Pennsylvania. I yield to the Senator.

Mr. REED of Missouri. When did it quit? When did it abrogate these contracts—before or after the suit was filed?

Mr. REED of Pennsylvania. Most of them before the suit was filed, though a few of them after the suit was filed.

Mr. REED of Missouri. Before any litigation was threatened, or were they abrogated when the litigation was known to be impending?

Mr. REED of Pennsylvania. I do not know. As a matter of fact, if the Senator would look into those contracts, he would conclude, I think, that they were rather harmless things anyway.

Mr. ROBINSON of Arkansas. Why were they abrogated?

Mr. REED of Missouri. One moment. Was this case tried, or was it a consent decree?

Mr. REED of Pennsylvania. It was a consent decree, without a trial.

Mr. REED of Missouri. Then, of course, there could not be any findings on a consent decree, except what the gentlemen who drew the decree saw fit to put into it.

Mr. REED of Pennsylvania. Of course there could not; but you could put in a finding in a consent decree that there had been these violations.

Mr. REED of Missouri. Oh, yes; you could put it in. Who was Attorney General when this was done?

Mr. REED of Pennsylvania. The suit was begun under Attorney General Wickersham. I think he was still Attorney General when the consent decree was entered.

The only explanation for the consent decree that I can figure out is that it was less trouble to let it be entered than it was to fight a suit.

Mr. WALSH. Mr. President——

Mr. REED of Pennsylvania. I yield to the Senator.

Mr. WALSH. By reference to my address of Thursday last, the Senator will find the charge made in the complaint of the unlawful practices against the continuance of which the company was enjoined. It denied in its answer that it was guilty of those practices, and the decree followed the allegations of the complaint.

Mr. REED of Pennsylvania. I can not see that that contradicts, modifies, impairs, impugns, or impeaches anything that I have said.

Mr. WALSH. The complaint asserted that the Aluminum Co. had been carrying on these practices. The company denied it. It consented that it should be enjoined from doing so.

Mr. REED of Pennsylvania. I thought that was what I had said.

As a matter of fact, the practices complained of were substantially the same sort of practices that were forbidden by the Clayton law, and the important thing to notice is that the bill was filed and the decree was entered before the Clayton law was enacted. The suit anticipated the code of business morality which was put into effect by the Clayton Act. The decree forbade substantially the same kind of thing that the Clayton Act subsequently forbade.

[Mr. WALSH here read from his speech of Thursday last certain averments of the complaint above referred to, which appear at the end of the speech of Mr. REED of Pennsylvania.]

Mr. REED of Pennsylvania. Mr. President, the charges that were made in that complaint are substantially the same sort of charges that have been made by the Federal Trade Commission, substantially the same sort of charges that have been repeated here. I have taken the time of the Senate to explain in a superficial way how this company gets its raw materials and the elaborateness of the process of manufacture, so that the Senate might judge more fairly of the soundness of these complaints about irregularity in delivery.

Let me call attention to the fact that only two charges in the majority report are supported with any evidence. That will be found on page 3 of the report. On July 28, 1920, the company's own sales representative in Chicago wrote to one of its operating officials complaining of the grade of sheet the company was shipping and the fact that it had fallen below pre-war standards. That is put in, if you please, as proof that Secretary Mellon and the Aluminum Co. of America were purposely violating this decree in order to interfere with the prosperity of these consumers, who were making cooking utensils in competition with the Aluminum Co.

I ask Senators for a moment to go back to that time, in July, 1920. Senators will remember that there were railway embargoes all over the country. Senators will remember that we were then in the last thrill of our postwar exaltation, that it was hard to keep workmen, that every manufacturing company was having its troubles in keeping up the quality of its products. In that year, 1920, the Aluminum Co. had a labor turnover of 250 per cent. Of course its quality fell below pre-war standards, and so did that of the steel companies and the textile companies and every other kind of manufacturing company in the United States, and we all know it.

The contention that the protest of a salesman of this company to his operating officials that they ought to try to get their quality better is evidence of an intentional deterioration on their part to the injury of their customers is nothing more or less than absurd. If they were trying to perpetrate some unfair practice against the people to whom they sold, who would know it, the sales department or the operating department? Yet this is a complaint from the sales department to the operating department that their sheets were not running true to gauge. The idea that that single fact proves an intention to violate the decree is utterly absurd. There is not a syllable of evidence of any such intention, and the Department of Justice has very appropriately found that there is not.

Mr. REED of Missouri. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Missouri?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. REED of Missouri. The writing of a letter may not be evidence of intent to violate. It may be that the man who wrote the letter wrote it in the best faith, complaining because materials were not right. But does the Senator not think that the letter is evidence of the fact that such materials were being furnished?

Mr. REED of Pennsylvania. We do not need evidence of the fact. Everybody admits it. The company admits it; everybody admits it. I admit it now. As far as I can learn, it is an undoubted fact that the quality was not just what they would have liked to have it.

Mr. REED of Missouri. The admission of the fact does not at all remove the deadly effect of the fact. Sometimes a lawyer admits that his client did kill the other man. He does that because he knows they are going to prove it any way. Of course, the question of intent is another question.

Mr. REED of Pennsylvania. Yes; and as the Senator will well remember, the mere fact that certain sheet was not true to gauge, the mere fact that the shearing was not accurate in July and October, 1920, the mere fact that one department of the company complained of that to another department does not in the least raise any presumption of intent and is not any evidence of intent.

Mr. REED of Missouri. I do not agree with the Senator in that. The mere fact that materials are bad, or improperly delivered, does not in itself make out a case, but the fact, if it exists, establishes prima facie, I think, enough to require explanation. A long-continued failure to furnish proper material may be of such a character as to raise a justifiable inference that it was intentional. So I do not think it is immaterial; I think it is very material. But it may not be conclusive.

Mr. REED of Pennsylvania. Then the Senator differs from me. Furthermore, there is no evidence that it was long con-

tinued. There is no evidence that it continued more than three months, and there is every evidence that they were doing their best all the time to get their quality up to standard.

Then there is another charge. In May, 1921, comes a complaint from a Cleveland customer asking how their inspectors could pass up certain material at the mills. They have gone through thousands and thousands of letters in this company's files, and they find, as a result of that examination, one letter from a dissatisfied customer and two letters from a sales agent asking the mill to try to get out a better quality and material more true to gauge.

That is what they combed out after literally years of investigation, without one syllable of proof that there was any intent in that to injure any person; without one syllable of proof—and there could not be any proof—that the same quality was not being shipped to the company's own mills. They do now even try to pretend that the company's own utensil factories were not suffering from exactly the same conditions; were not getting sheet that was irregularly sheared and was not true to gauge.

How can one presume from that an intention to violate the decree? The customers suffered just as the company's own finishing plant suffered from this lowered quality that prevailed during this time of excessive labor turnover.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I yield.

Mr. FLETCHER. Perhaps the Senator will reach it in the course of his discussion, but it appears to me quite important to inquire how the prices of this product ranged, say, from 1912 down to date?

Mr. REED of Pennsylvania. That is fully covered by the investigation of the Department of Justice, and is reported in detail in the reports which Senators have before them.

The next item of the charges is that this company delayed shipments to its customers. I admit that. They did delay shipments to their customers, and they delayed shipments to their own finishing mills, and they did it because there were railroad embargoes all over this wide land, and all manufacturers delayed shipments to their customers. The idea that those delays, at times of railroad embargo, should be picked on as an evidence of an intention to violate this decree, is nothing more or less than silly.

Then, too, their raw material failed, particularly in 1923, when they had long periods of drouth, and their electric power failed. Is the fact that God did not send rain to the rivers from which their electricity came any evidence of an intention to violate the decree? Yet that is pointed to as evidence of a deliberate intention to violate this decree.

Down in Arkansas, in the bauxite mines, there are 600 men employed. In addition to all the labor the company could hire locally during the year 1920, it had to import 2,200 men in order to keep up a working force of 600 men through that year. Is it any wonder that shipments were slow, and that the quality fell below the standard they wanted to maintain? How can we, in justice, say that such an occurrence as that is an evidence of intention to violate this decree?

Then we come to the next charge, that they have been discriminating in price. Investigation shows—and the report which is now available gives it in detail—that they have made a discount for large purchases, and investigation further shows that some of the companies in which the defendant had no interest whatever got larger discounts than the companies in which they did have an interest. For example, the Illinois Pure Aluminum Co., one of the largest consumers in the country, got better terms than the Aluminum Co. of America's own subsidiary. The proofs do not begin to bear out that charge.

The next one, which is rather involved, is that the company, endeavoring to monopolize the market in aluminum, has paid more for scrap than it cost the company to make virgin aluminum ingots. The answer to that is that they have been short right along in their aluminum supply, and have had to go into the market to buy scrap.

A further answer is that in 1922 they went into the business of making sand castings of aluminum. That is the type of thing you see at the bottom of an automobile engine. The lower part of the crankcase, and the upper part, for that matter, are made of aluminum castings, cast in sand. The company went into that business in 1922.

Everybody in the business knows that virgin aluminum alone is not suitable as a material for making those castings. For a chemical reason, on which I need not dilate, there is an increased brittleness in aluminum that has been worked, and for that reason scrap aluminum is more valuable, because it is harder, less ductile, more brittle, and better for castings than is the virgin aluminum. Everybody in the sand casting business has to buy scrap.

This company's purchases of all of the scrap sold in the United States since it originally went into that sand-casting business have never been more than 12 per cent of all the aluminum scrap that is reported as being for sale; and, of course, there are thousands of junk dealers who do not make any report to the Department of Commerce.

In 1923 there was a particular shortage of the metal, and their purchases got as high, I believe, as 25 per cent; but at no time has there been any effort, or evidence of effort, to exhaust the market on scrap. At no time have there been purchases in excess of the needs of the company's own casting plant. Furthermore, the Department of Justice, as well as the Federal Trade Commission, have been looking into that matter.

On this matter of scrap purchases, it is well to know that at the present time the Federal Trade Commission is conducting a hearing in Pittsburgh, taking testimony on that very phase of the industry. That is all being completely investigated there now, and it would seem that an additional investigation here in the Senate would be entirely unnecessary.

If Senators will turn to the report of the Department of Justice, and will go to the conclusions of the report, which commence on page 83, they will find each of these subjects emphatically disposed of.

First, then, the charge of delaying shipments of material. With reference to the first charge of delaying shipments of material the Department of Justice said:

> In order to successfully sustain this charge, it must be affirmatively shown that such delays were intentional on the part of the Aluminum Co. of America and were designed to injure the purchaser.
>
> There is an entire lack of evidence to support such contention. The evidence on this point fully discloses that such delays as occurred were not intentional, but were caused by conditions beyond the control of the company.
>
> Although it appears that manufacturers were put to considerable inconvnience and some extra expense by reason of those delays, there is no specific complaint alleging injury.
>
> Hence the inevitable conclusion arising from all the evidence must be that this charge is not well founded.

Then, taking up the charge of "furnishing known defective material," they said:

> With respect to this charge, it is true that many deliveries of defective metal were made during the period in question. Here again it is required the proof must be conclusive that such shipments were knowingly and designedly made for the purpose of hindering competitors in their business operations.

Mr. REED of Missouri. Mr. President, the Senator is reading. Does he think that is a correct statement of the law?

Mr. REED of Pennsylvania. I do not think it is necessary that the proof must be conclusive. I think the proof must be beyond a reasonable doubt.

Mr. REED of Missouri. I do not think that.

Mr. REED of Pennsylvania. The Senator and I differ again.

Mr. REED of Missouri. Where is the rule in the practice of civil law that proof must be beyond a reasonable doubt?

Mr. REED of Pennsylvania. In the first place, this is not the practice of civil law. This is a criminal proceeding in contempt.

Mr. REED of Missouri. Followed by a decree in its nature a civil action?

Mr. REED of Pennsylvania. It was not followed by a decree. The proceeding I am talking about is not the civil proceeding that led to the decree, but the criminal proceeding that is contemplated here to be taken for violation of the decree.

Mr. REED of Missouri. Does the Senator think that a proceeding in contempt for violating a judgment of the court is governed by the same rules that govern the trial of a criminal case?

Mr. REED of Pennsylvania. As to the necessity of proving the guilt beyond a reasonable doubt—yes; I do.

Mr. REED of Missouri. I do not.

Mr. REED of Pennsylvania. To continue with the report of the Department of Justice:

> The evidence at hand clearly shows that the company made earnest endeavors to maintain the quality of its product, and when it was unable to do so it accepted return of defective metal and made proper adjustment.
>
> The evidence further shows that the conditions existing in 1920 and 1921, which were responsible for delayed deliveries, were likewise responsible for the difficulties encountered with respect to defective material.

The conclusion with respect to this charge must be that it is not supported by the evidence.

Next is the charge of discriminating in prices of crude or semifinished aluminum. I shall not take the time of the Senate to read all that the Department of Justice said about these charges. It is sufficient to dispose of them to read the conclusion of the department, as follows:

There are firm grounds for the conclusion that instances of price variation were amply justified by conditions applicable to each. The conclusion is that this charge is not warranted by the evidence.

The final charge, that competitors were hindered from enlarging their business, the department disposes of by saying that "all evidence on this point warrants the conclusion that this charge could not be sustained."

Mr. President, this company has been investigated by the Federal Trade Commission ad nauseam. For 33 months after the Senate resolution was adopted, the investigation went on, and whether by a coincidence or by design the report was made public just before the election of 1924. Then the Department of Justice has investigated the company, and the thoroughness with which that investigation has been carried on appears by the report to which I have called attention. No impartial observer can read the report and the exhibits, which will follow as rapidly as the Printing Office can get them out—there are hundreds of pages of them—without coming to the conclusion that the Department of Justice made an honest effort to run down every trail that was offered, whether by the Federal Trade Commission or from any other source. Finally, the Federal Trade Commission has resumed its inquiry, and at the present time, during this very week, is carrying on its hearings in Pittsburgh to determine whether there is any evidence to sustain this latest charge that is made against the company.

How much investigation, how many judicial trials must a defendant undergo at the same time, even if 16 per cent of its stock is owned by a Republican official in the Cabinet? Three different trials, if you please; the Judiciary Committee of the Senate, the Federal Trade Commission, and the Department of Justice, all going on at once, and that is the proposal that we are solemnly asked to indorse here in the Senate. Surely common fairness requires, especially where every completed investigation indicates no violation of the decree, that the company should not be tried in more than two places at once, and so I ask the Senate in all good conscience and fair play to refuse the investigation that is proposed to be held by the Department of Justice.

During the delivery of the speech of Mr. REED of Pennsylvania,

Mr. WALSH. Mr. President, will the Senator suffer another interruption?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. WALSH. I quote the averments of the complaint, as follows:

From 1889 until the present, whenever any independent aluminum industry of any kind gave promise either of being valuable to defendant if acquired, or of becoming a possible competitor of defendant or of any company in which it had an interest, defendant undertook, by unfair discriminations and other means, either to force such concern to sell its properties and business to or combine them with defendant itself or with a company in which it was interested, or entirely to abandon the aluminum business, and in but very few instances did defendant fail of its purpose. Not all the methods used by defendant are known to petitioner, but those known are as follows:

Defendant would suggest to the competing company a sale to defendant of its plants, and at the same time would threaten the establishment of a large competing plant of its own in such line of manufacture, and if the suggestion was not heeded, the independent would be harassed as to material and prices to impress fully upon the said independent how completely it was at the mercy of defendant for its supply of raw material. Among other methods of harassing such independents, defendant used the following:

It would delay forwarding bills of lading, and would refuse to supply independents further with metal, sometimes abruptly ceasing entirely to ship metal without warning or statement of excuse of any kind, or causing its controlled companies to do so, so that the concern affected was unable to fill its orders.

It discriminated against independents as to price for the crude aluminum needed, so that they were unable successfully to bid against or compete with the favored industries and obtain a living margin of profit.

It frequently refused to sell aluminum metal to those desiring to enter the business of manufacturing aluminum goods, thereby preventing an expansion of the industry and restraining trade therein.

It refused to sell others desiring to enter said field any aluminum metal unless they would agree not to engage in any line in any manner competing with the lines of the defendant and its allied companies.

It refused to guarantee quality, and at times delivered to competing plants metal which was known to be worthless and which had been rejected by plants allied to defendant.

That was the charge against the company.

Mr. REED of Pennsylvania. May I ask from what the Senator is reading?

Mr. WALSH. I am reading from my address of last Thursday, at which time I read from a copy of the complaint in the action brought by the Government of the United States against the Aluminum Co. of America.

Mr. REED of Pennsylvania. Would the Senator be willing that what he has just read should appear at the conclusion of my remarks?

Mr. WALSH. That is quite acceptable.

After the conclusion of the speech of Mr. REED of Pennsylvania,

Mr. GOFF obtained the floor.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	McKellar	Reed, Pa.
Bayard	Fletcher	McNary	Robinson, Ark.
Bingham	Frazier	Mayfield	Robinson, Ind.
Bratton	George	Means	Sheppard
Brookhart	Glass	Metcalf	Simmons
Broussard	Goff	Moses	Smith
Bruce	Hale	Neely	Smoot
Butler	Harreld	Norbeck	Stephens
Cameron	Harris	Nye	Swanson
Capper	Heflin	Oddie	Trammell
Copeland	Howell	Overman	Tyson
Couzens	Jones, Wash.	Pepper	Walsh
Cummins	Kendrick	Phipps	Warren
Dale	Keyes	Pine	Watson
Dill	La Follette	Ransdell	Williams
Ernst	Lenroot	Reed, Mo.	Willis

Mr. JONES of Washington. I desire to announce that the Senator from Illinois [Mr. DENEEN], the Senator from Maine [Mr. FERNALD], the Senator from California [Mr. JOHNSON], and the Senator from Minnesota [Mr. SCHALL] are detained from the Senate on account of illness.

Mr. LA FOLLETTE. I wish to announce that the senior Senator from Nebraska [Mr. NORRIS] is detained at his home because of illness.

Mr. HEFLIN. My colleague [Mr. UNDERWOOD] is absent on account of illness. I wish also to announce that the junior Senator from New Jersey [Mr. EDWARDS] is absent because of illness.

The VICE PRESIDENT. Sixty-four Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were thereupon signed by the Vice President:

S. 2825. An act to grant the consent and approval of Congress to the South Platte River compact; and

H. R. 1. An act to reduce and equalize taxation, to provide revenue, and for other purposes.

THOMAS JEFFERSON CENTENNIAL COMMISSION

Mr. COPELAND. Mr. President, we are anxious to have action on Senate Joint Resolution No. 30, which has been acted on favorably by the Committee on the Library. It does not carry any appropriation, and if I can gain permission to have it acted upon now I should be glad. I ask that the Senate proceed to the consideration of the joint resolution (S. J. Res. 30) authorizing the establishment of a commission to be known as the Sesquicentennial of American Independence and the Thomas Jefferson Centennial Commission of the United States, in commemoration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence and the one hundredth anniversary of the death of Thomas Jefferson, the author of that immortal document.

There being no objection, the joint resolution was considered as in Committee of the Whole and it was read, as follows:

Resolved, etc., That there is hereby established a commission to be known as the Sesquicentennial of American Independence and the Thomas Jefferson Centennial Commission of the United States, in commemoration of the one hundred and fiftieth anniversary of the

signing of the Declaration of Independence and the one hundredth anniversary of the death of Thomas Jefferson, the author of that immortal document (hereinafter referred to as the commission), and to be composed of 19 commissioners, as follows:

The President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, ex officio; eight persons to be appointed by the President of the United States; four Senators by the Vice President; and four Representatives by the Speaker of the House of Representatives.

SEC. 2. The commissioners shall serve without compensation, and shall select a chairman from among their number, and no appropriation shall be made by Congress to carry out the purposes of this act.

SEC. 3. It shall be the duty of the commissioners to promulgate to the American people an address relating to the reason of the creation of the commission and of its purposes and to prepare a plan or plans for a program in cooperation with the officers and board of governors of the Thomas Jefferson Memorial Foundation, and the other national, State, city, civic, and patriotic committees, and other Jefferson centennial committees appointed throughout the country for the purpose of properly commemorating those signal events which have brought this commission into being; and to give due and proper consideration to any plan or plans which may be submitted to them; and to take such steps as may be necessary in the coordination and correlation of the various plans which may be submitted to the commission; and if the participation of other nations be deemed advisable, to communicate with the governments of such nations.

SEC. 4. When the commission shall have approved of a plan of celebration, then it shall submit for their consideration and approval such plan or plans, in so far as it or they may relate to the fine arts, to the Commission of Fine Arts in Washington for their approval, and in accordance with statutory requirements.

SEC. 5. That the commission hereby created shall expire within two years after the expiration of the celebration, December 31, 1926.

SEC. 6. This joint resolution shall take effect immediately.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). The question is on agreeing to the preamble.

Mr. COPELAND. There is one mistake in the preamble, at the bottom of page 2. The word "certificates" appears, and it should read "committees."

The PRESIDING OFFICER. Without objection, the mistake will be corrected and the preamble will be agreed to.

There being no objection, the preamble as modified was agreed to, as follows:

Whereas the 4th day of July, 1926, will mark the one hundred and fiftieth anniversary of the signing of the Declaration of Independence, that heroic act which marked the birth of American independence and of these United States of America; and

Whereas by a most noteworthy coincidence that same day, July 4, 1926, will likewise mark the one hundredth anniversary of the death of Thomas Jefferson, who was the author of that immortal document; and

Whereas for upward of 60 years Thomas Jefferson zealously and devotedly served our country in countless ways and held many positions of honor, trust, and confidence, including, among others, that of member of the Continental Congress, first minister to France, first Secretary of State of the United States, Vice President of the United States, and President of the United States for two consecutive terms; and

Whereas for almost a century the people of the United States have been endeavoring in various ways to establish a monument which would be a suitable memorial to the memory of Thomas Jefferson; and

Whereas these efforts have finally culminated in the organization of an association of patriots known as the Thomas Jefferson Memorial Foundation, which, through public contributions, has been enabled to acquire title to Monticello, the home which Thomas Jefferson designed and built on the mountain top overlooking Charlottesville, Va., and in which he lived for over 50 years, and where he died and where his immortal remains now lie buried; and

Whereas the Thomas Jefferson Memorial Foundation has been organized and dedicated for the sole purpose of acquiring and preserving Monticello as a memorial to Thomas Jefferson and as a patriotic shrine which will be an inspiration for all the generations to come to keep alive the fundamental ideals of our Republic; and

Whereas at the invitation of the Thomas Jefferson Memorial Foundation various governors, mayors, and officers of civic and patriotic organizations throughout the country have appointed and are now appointing Jefferson centennial committees for the following, among other, purposes:

To cooperate in making the necessary preparations for the national celebration on July 4, 1926, when the entire Nation will fittingly commemorate the one hundredth anniversary of the death of Thomas Jefferson and the one hundred and fiftieth anniversary of the signing of the Declaration of Independence.

ALUMINUM CO. OF AMERICA

The Senate resumed the consideration of the report (No. 177) of the Committee on the Judiciary, submitted by Mr. WALSH on February 15, 1926, in the matter of the Aluminum Co. of America.

Mr. GOFF. Mr. President, I wish, before beginning the discussion of the question now before the Senate, briefly to outline the matters which I intend to discuss: First, that the theory on which the investigation called for by Senate Resolution No. 109 was initiated was erroneous; second, that the Department of Justice conducted a reasonably prompt and competent investigation, considering the volume of work then pending in the antitrust division of that department; third, that the criticism of the Attorney General and his assistants in the report of the majority is unwarranted, unjust, and unfair; fourth, that the United States Senate, as has been so ably argued by the learned Senator from Iowa [Mr. CUMMINS], has no authority under the Constitution of the United States, either express or implied, to make investigation of the character of the one called for in Senate Resolution No. 109 or as proposed by the majority report.

This discussion, Mr. President, has during the past week taken a very wide range. It has touched upon the general charges made against the Department of Justice. It has also involved the jurisdictional power of the United States Senate. The discussion, as evidenced by the learned speech of the Senator from Pennsylvania [Mr. REED] this morning, has gone out into the economic and the chemical field, which is so closely related and connected with the aluminum industry. I shall not concern myself with going into either the monopolistic or the chemical field that is so vital to the existence and the production of aluminum, but I shall confine my remarks strictly to the legal questions involved in the discussion by the learned Senator from Montana [Mr. WALSH] as well as in the report, not only of the Federal Trade Commission but the reports that have from time to time been submitted by those representing the Department of Justice, not alone in the field work of that department but in the department itself, where the result of that field work was submitted, codified, modified, and finally put in the form in which it reached the Senate on day before yesterday.

The main and ultimate question will go to the efficiency of the men who made this investigation. This entire matter has its rise in the resolution introduced in the Senate in 1922 requiring an investigation of the aluminum industry in the United States. That investigation, as the Senate well knows, continued for a period of nearly two years, and then, on the 17th day of October, 1924, the result was submitted to the Department of Justice.

I shall preface my remarks with this general statement: The Federal Trade Commission took a period of nearly two years in which to make this investigation; it submitted the result of its investigation in October, 1924, to the United States Senate. It also submitted a copy of volume 3 of its report to the Department of Justice, although it was not required to do so by the resolution of the Senate. This volume covered the kitchen furnishings and domestic appliances phase of the house furnishings industry.

I desire also to call to the attention of the Senate, and to impress upon it, the fact that the entire investigation carried on by the Federal Trade Commission was conducted, supervised, and finally reported, not by the legal department of the Federal Trade Commission but by the economic department of the Federal Trade Commission, and when the report of the Federal Trade Commission was ultimately submitted to the Senate of the United States in October, 1924, and to the Department of Justice at about the same time there was nothing to show then or now that the legal department of the Federal Trade Commission had either conducted initiated, advised, modified, or approved any of the investigations which had been made by the Federal Trade Commission.

When volume 3 of the report of the Federal Trade Commission came to the Department of Justice in 1924 it came without bearing the approval of the legal department of the Federal Trade Commission. It came to the Department of Justice for such use properly as the Department of Justice could make of it, and it undoubtedly was most valuable in many of its suggestions and in all of its ramifications; but I wish to impress, Mr. President, upon the Senate that it did not come there as a legal document prepared by the legal department of one of the branches of the Government; it came there embodying the result and setting forth the views of the

economic department of the Federal Trade Commission. We are met, therefore, at the very threshold with this suggestion: Are the conclusions, are the views, of an economic department of the Government, no matter how efficient that department may be in the field of economics, of the greatest importance or of any importance to a legal department of the Government in indicating that there has or that there has not been a violation of a Federal court decree entered in that case on or about the 7th day of June, in the year 1912?

The question has been raised from time to time as to why it became necessary for the Department of Justice to proceed with an independent investigation of the field work already covered by the investigators of the Federal Trade Commission. My answer to that is, as I have suggested I would answer that among the first questions to be discussed, that these facts and figures were submitted by an economic arm of the Federal Government, and not by anyone educated or schooled in the legal profession.

The question that came before the Committee on the Judiciary by Senate Resolution No. 109 was, in effect, whether due expedition had been observed by the Department of Justice in the prosecution of the inquiry against the Aluminum Co. of America initiated by the former Attorney General, Harlan F. Stone, under date of January 30, 1925.

Mr. President, permit me to digress for the moment.

When volume 3 of this report came in October, 1924, to the Department of Justice the report found the then Attorney General to be the Hon. Harlan F. Stone. The report went in due course to the Hon. A. T. Seymour, the then Assistant to the Attorney General of the United States. Mr. Seymour immediately took steps to have volume 3 of the report of the Federal Trade Commission thoroughly studied. Mr. Seymour found that there was no one immediately at hand in the Department of Justice, as the record shows, who in his opinion was qualified to take up this matter and give it immediate and efficient consideration. He therefore obtained permission to bring back into the Department of Justice Mr. John L. Lott, of Tiffin, Ohio. Inasmuch as attacks have been centered upon the way in which the report was initially received in the department, I feel the Senate's attention should be called somewhat in detail to the facts which the record discloses.

Mr. Lott had been employed in the Department of Justice many years prior to 1924 as a special assistant in the office of the Solicitor General. Mr. Lott entered the department in the year 1898, and there remained until the year 1905. After that time he was made chairman of the Commission on the Revision of the Laws of the United States here in the District of Columbia. He remained in that position until the commission completed its work, and he was later employed by the Joint Committee of Congress on the Revision of the Laws to assist the committee having such matters in charge in revising the criminal and judicial codes of the United States. He was later employed by the Department of Justice in antitrust work until the year 1916. At the end of that time, as the record shows, Mr. Lott returned to his practice at Tiffin, Ohio, where he was engaged in practice when he reported for duty on the 10th day of November, 1924, to take charge of the Aluminum Co. investigation.

It will be recalled that the report had gone to the Department of Justice on the 17th day of October, 1924, and that on the 10th day of November, 1924, Mr. Lott came and reported for duty. Mr. Lott was then assigned to the study of this report. He made a complete and thorough examination of the report, and later he prepared the letter signed by Attorney General Stone and addressed to the chairman of the Federal Trade Commission.

Just summarizing in a word the testimony of Mr. Lott, he says that he carefully studied the report of the Federal Trade Commission; that he went through it several times, especially the portions relating to aluminum and refrigerators; that he did this while he was engaged in directing three other investigations then pending in the antitrust division. Among those was the National Cash Register investigation, which was pending at that time in Cincinnati, Ohio. He then says that he prepared an analysis of the report of the Federal Trade Commission and submitted this analysis of the entire report to Mr. Seymour; that Mr. Seymour advised him later that he desired that a letter, addressed to the Attorney General, accurately setting forth the result of his investigations of the report, should be prepared and submitted. Mr. Lott prepared this letter, and it was he who drafted the letter of January 30, 1925.

Mr. ROBINSON of Arkansas. That is the letter signed by Attorney General Stone?

Mr. GOFF. Yes; that is the letter signed by Attorney General Stone. Mr. Lott then says that this letter which was signed by Attorney General Stone was based entirely upon what was contained in the report of the Federal Trade Commission. He said nothing else whatsoever was considered or that nothing else was made public.

The first thing therefore to be considered under the charge that due haste was not resorted to in making this investigation is the question, How much time did the Department of Justice have to make the inquiry before the statute of limitations would bar any prosecution for these alleged violations?

Senate Resolution No. 109 recites that—

> under the law no proceeding in contempt can be maintained unless begun within one year from the date of the act complained of.

Contempts of the character of those charged in the report of the Federal Trade Commission may be punished three years after they have been committed, as they fall within the exception contained in section 24 of the act, and therefore a three-year limitation clearly and without any question applies.

I shall not take the time, Mr. President, to read section 24 of the Clayton Act, but ask unanimous consent to have it inserted in this connection with my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

> That nothing herein contained shall be construed to relate to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of or on behalf of the United States, but the same and all other cases of contempt not specifically embraced within section 21 of this act may be punished in conformity to the usages at law and in equity now prevailing.

Mr. GOFF. It was evidently assumed in Senate Resolution No. 109 that section 25 of the Clayton Act applied. This section reads as follows:

> That no proceeding for contempt shall be instituted against any person unless begun within one year from the date of the act complained of; nor shall any proceeding be a bar to any criminal prosecution for the same act or acts, but nothing herein contained shall affect any proceedings in contempt pending at the time of the passage of this act.

The learned Senator from Montana [Mr. WALSH] has said that at the time he drew this resolution—and this appears on page 9 of the majority report—

> The resolution under which the committee acts was introduced without opportunity for careful study in the belief that prompt action was imperative and on the theory that the one-year statute of limitations against proceedings for contempt, section 25 of the Clayton Act, is applicable.

Mr. President, candor prompts me to say that it is most regrettable that we should have had this resolution introduced, challenging the vigor and the good faith of any department of this Government, and calling for an investigation of the action taken and being taken by any department in such a case, and then have the statement later made upon the floor of the Senate that the resolution was introduced "without opportunity for careful study in the belief that prompt action was imperative." I believe that if the opportunity for careful study had been given, if it had been known that it was the three-year and not the one-year statute of limitations that applied, possibly this resolution never would have been introduced, because the report of the Department of Justice is now filed with the Senate, the investigation of the Department of Justice has been completed, and there would have been no reason to have instituted this proceeding and brought it before the Senate of the United States upon an erroneous charge and upon an erroneous conception of what the statutes and the law applicable to this situation in fact really were.

Was the necessity for prompt action so great that there was not enough time to read these two sections of the Clayton Act which I have just read to the Senate, or was it that these sections were not understood as applicable in the sense in which they clearly apply, and to which I have invited the attention of the Senate? Evidently one of the sections must have been read, but possibly not as carefully as it was later read, because I am sure that the author of Senate Resolution 109 did not indulge in a presumption when he placed the following words in that resolution—

> no proceeding for contempt can be maintained unless begun within one year from the date of the act complained of.

The Senate, Mr. President, if it adopts the majority report, even with the modifications which the learned Senator from Montana has made since that report was submitted, will

thereby admit that it is not the deliberative body which its admirers throughout the United States believe it to be, and that it passed a resolution directing the Committee on the Judiciary of the Senate to institute an inquiry as to whether due expedition has been observed by the Department of Justice in this matter "without opportunity for careful study." Is it possible, Mr. President, that the United States Senate would pass a resolution "without opportunity for careful study" which has taken up so much valuable time of not only the 16 Senators on the Judiciary Committee, but also the valuable time of the Attorney General of the United States and his assistants, and the commissioners of the Federal Trade Commission and their assistants?

Senate Resolution 109 was introduced, as shown by the statement in the majority report which I have just quoted, upon the theory that the statute of limitations had barred any proceedings for contempt against the Aluminum Co. of America, and to see whether the Department of Justice had proceeded expeditiously during the one year which it was erroneously believed was the time and the only time allowed under the law to bring this action. When the theory upon which this inquiry was made was found not to be supported by the law, and it was found that the department had three years in which to proceed with this investigation before prosecutions would be barred, did the Senate admit its error and discontinue the inquiry? No, Mr. President, it did not. It continued making the inquiry in a futile endeavor to find something worth while that it could criticize in the action taken by one of the most efficient departments of this Government, when, as a matter of fact, the very theory under which it instituted this investigation was erroneous.

It seems to me, Mr. President, that the facts here disclosed show that it is not necessary to institute continuous inquiries into the activities of the various departments of this Government in order to find a lack of due deliberation or an absence of haste—we can find it right here in this Chamber.

The investigation which the Committee on the Judiciary conducted brought forth evidence from the Attorney General himself and members of his staff showing that not only this case but 168 others were under investigation and pending, and that the antitrust division of the department, with its 22 investigators, was doing everything possible in its investigation of all of these cases. (See record, p. 415.)

It is not disclosed how many matters were pending before the Federal Trade Commission, but I emphasize this fact that in October, 1924, 168 cases were pending before the antitrust division of the Department of Justice, and there were 22 investigators, skilled, as I contend, and as I will show they were, but 22 investigators only, to carry on these investigations. And yet Senator WALSH stated to the Senate last Thursday that there was not a scintilla of evidence to sustain the statement of Senator HEBBELD that the volume of work was such that greater promptness could not reasonably have been expected. Senator WALSH on page 8 of his report tries to show the Senate the lapses of time which seem to have taken place in the action of the antitrust division in this particular case. He does not call the attention of the Senate to the number of men available and the number of cases on hand for investigation. He does not call the attention of the Senate to the fact that each of the three men who have so far taken the most active part in this investigation, Messrs. Lott, Dunn, and Benham, were of necessity called upon by the department to perform duties in connection with other investigations of equal importance.

With 169 cases in the antitrust division under investigation and pending, and 22 men to take care of them, can any Member of the Senate reasonably contend that this particular case deserved more prompt action and more attention than the other 168, when it was a three-year statute of limitations and not a one-year statute of limitations that would bar any infringement or violation of the decree of 1912, I submit in passing that it will appear as these facts are developed that the Department of Justice proceeded with all reasonable speed and haste in the investigation which it made.

The facts as brought out in the testimony show that during the time the department has been investigating the complaints against the Aluminum Co. of America, it has had an investigator examine the files of the Federal Trade Commission, except those which were deemed confidential, the investigator made notes during the time he was going over these files and went into the field and interviewed about 40 individuals (Record, p. 125) and 24 companies, including the complainants mentioned in the Federal Trade Commission's report on the aluminum industry; that he made reports of his investigations which are printed in the record of the hearings before the Judiciary Committee; that he secured while in the field the originals of a large number of the letters which the Federal Trade Commission had had during its investigations. (Record, p. 266.)

At this stage I call attention to a portion of the testimony of Mr. Dunn, appearing on page 254 of the hearings before the Judiciary Committee, to show that the only records which were submitted to Mr. Dunn at the time he made his investigation were records of a photostatic character.

Mr. Dunn states that he and other members of the staff of the antitrust division of the Department of Justice later made an examination in the field of the books of the Aluminum Co. in order to check up the following facts:

Charge of cancellation of orders.
Charge of refusal to promise shipments at a definite date.
Charge of delays in shipments as between seasons.
Charge of dumping large quantities of metal.
Charge of dumping after customers had bought foreign metal.
Charge of discrimination in the price of sheet aluminum.
Charge of furnishing known defective metal.

In order that the Senate may have a detailed analysis of the action taken by the department and the dates on which it was taken, I wish to read to the Senate the following facts brought out in the testimony:

The report was received from the Federal Trade Commission on October 17, 1924. The attention of the Senate is invited to the fact that this report covered not only aluminum cooking utensils but eight other kinds of kitchen utensils and appliances (shown on p. 1 of the majority report).

No attorney was available to assign to the report of the Federal Trade Commission so Mr. Lott was made a special assistant to the Attorney General and reported for duty on November 10, 1924.

Mr. Lott made a study of the report of the Federal Trade Commission (that is, volume 3), especially those portions dealing with the refrigerator and aluminum industry. He then prepared a letter to the Federal Trade Commission for the signature of Attorney General Stone, under date of January 30, 1925, showing the results of his investigation of volume 3 of the report.

February 9 to February 20 devoted to waiting for Federal Trade Commission's permission to examine records. After some correspondence with the Federal Trade Commission, Dunn, an investigator of the department, was given access to such files of the commission as were not deemed confidential and spent from February 20 to March 12, 1925, in going over these files.

Investigation in the field was begun by Dunn on March 12, 1925, and he remained in the field until April 6. He then spent about six days preparing his report. The remainder of April was spent in Washington and New York on an investigation in the Oil Cracking case.

Dunn spent most of May in Washington, his time being about equally divided between the oil and the aluminum investigations and in assorting and classifying letters he had obtained in the field.

June 2 to June 19 Dunn made his second trip into the field on the aluminum investigation. June 20 to 27 he was in Washington writing his reports on aluminum, oil, milling machinery, and cut flowers from information he had obtained on his June trip.

June 28 Dunn was in Boston on the aluminum investigation (then took 10 days annual leave).

From July 9 to 18 Dunn made a further field investigation relative to aluminum. From July 18 to August 6 he was in Philadelphia preparing his report, which is known as his August 10 report. From August 10 to September 1 he was absent on sick leave.

I am bringing these matters out in detail to show how Mr. Dunn spent his time and how also the work of the department was then proceeding in its demands not only upon the time of Mr. Dunn but upon the time of others.

During September and until about October 20 most of Dunn's time was spent in New York upon the hearing of the Oil Cracking case before a master in chancery.

On October 20 he had a conference with Colonel Donovan in Washington and began the preparation of his memorandum found on pages 239 to 242 of the record.

On November 6, 1925, Dunn and Mr. Benham went to Pittsburgh and began an examination of the records of the Aluminum Co. of America.

December 10 to 16 Dunn was in New York and Massachusetts interviewing manufacturers and British, French, and Swiss aluminum interests.

Since that time, when not needed for the hearing before the Senate committee, Dunn has been at Pittsburgh examining the records of the Aluminum Co.

Mr. WALSH. Has the Senator verified the figures I gave, that Mr. Dunn spent 53 days in the field and 75 days in the city of Washington and 22 days in writing his report?

Mr. GOFF. I have not attempted to verify the computation. If the Senator says he made it, I would, of course, accept it as a proper computation. I have not verified the figures to which the Senator refers.

From December 10 to December 16 Mr. Dunn was in New York and Massachusetts interviewing manufacturers and British, French, and Swiss aluminum interests; and since that time, when not needed, as was evidenced in the hearing before the Judiciary Committee of the Senate, he was in Pittsburgh, where he was engaged in examining the records of the Aluminum Co. of America.

All of this action was taken by the department on this case then under investigation, and it was one case out of 169 cases that were then pending before the antitrust division.

Mr. WALSH. Mr. President——

Mr. GOFF. I yield to the Senator from Montana.

Mr. WALSH. When I was addressing the Senate upon this matter about a week ago I addressed several specific questions to the Senator, which he said he would answer at this time.

Mr. GOFF. I am going to answer them, too.

Mr. WALSH. In one of those question I asked the Senator if he thought it constituted diligence to delay from the 10th day of August, when Dunn made his report, until the 5th day of November, when the investigation was resumed. Will the Senator take up that matter?

Mr. GOFF. Yes. I intend to answer all of the questions which the Senator from Montana asked and I thank the Senator for reminding me of that one in this connection.

All of this action was taken by the department on this one case when there were 169 cases then pending in the Department of Justice. As I have said, the Federal Trade Commission took over two years to get up a report upon which the Department of Justice had been working for more than a year, and this in and of itself can not show any lack of diligence upon the part of the Department of Justice in working out legally, not economically, the questions upon which the Federal Trade Commission had taken nearly two years to render its decision.

Mr. WALSH. Mr. President, will the Senator yield again?

Mr. GOFF. I yield.

Mr. WALSH. The Senator will probably recall that two years were spent in the entire investigation of all manner of household appliances; that the commission made three separate reports, one on furniture and one on stoves that had absolutely nothing at all to do with this question; but they made a third report, including this particular subject and nine other subjects, all within the period of two years.

Mr. GOFF. Mr. President, I shall digress to answer one of the questions of the Senator from Montana. We all agree that there was nothing in the Senate resolution of January, 1922, directing the Federal Trade Commission to submit the report which it did submit to the Department of Justice. We are all agreed that it was the duty of the Federal Trade Commission to submit that report and that it was the duty of the Department of Justice to take judicial and actual notice of the contents of the report and to proceed to take such action as the report warranted. When that report came to the Department of Justice in the fall of 1924 it came there at a season of the year when, as the Senator knows, the Department of Justice had no reason to expect it would be received; but it proceeded, as I have indicated, to appoint Mr. Lott within less than a month after the report was received.

Mr. Lott was as efficient a man as the Department of Justice could obtain to place in charge of the investigation. Mr. Lott proceeded with all due speed to investigate the matter. It is undisputed that there were 168 other cases in the antitrust division of the Department of Justice, and that there were 22 men skilled in the investigation work in that division. It may be that it will be said in argument, it may be that it will be thought in meditation, if it does not find its way to verbal expression, that the Department of Justice should have increased its staff from 22 to as many men as might have been necessary to go on uninterruptedly with the work.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. GOFF. Certainly.

Mr. WALSH. The Senator will bear in mind that the Department of Justice did not assign a man from its investigatory staff to the task. It made absolutely no investigation whatever. It did not even examine the records in the office of the Federal Trade Commission. It contented itself with the single report which was submitted to it, including just 57 pages, 14 pages of which dealt with infractions of the decree. That was the work before the commission.

Mr. GOFF. To what period does the Senator refer? Not to the report that is now before the Senate.

Mr. WALSH. I am referring to just exactly what the Senator has referred to, the action of the Department of Justice on the receipt of the report of the Federal Trade Commission, and to Mr. Lott's activities respecting the matter. All three reports, two of them having absolutely nothing whatever to do with this matter at all, were sent to Mr. Lott at Tiffin, Ohio, on October 22, 1924.

The Attorney General suggested that he would have the assistant in charge examine the files of the Federal Trade Commission, but he did not do it. All that Mr. Lott did, all that Attorney General Stone did, all that anybody did, was to examine that report of 57 pages, 14 of which dealt with infractions of the decree. That is the situation of affairs concerning which I interrogated the Senator.

Mr. HARRELD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Oklahoma?

Mr. GOFF. I yield.

Mr. HARRELD. I want to ask the Senator from Montana if it is not true that 15 days were spent by the Federal Trade Commission itself investigating its files and records?

Mr. WALSH. I am speaking about the delay between the time when the report was received by the Department of Justice on the 17th day of October and the time when they took up the investigation on the 8th day of February.

Mr. GOFF. I will answer that.

Mr. WALSH. Mr. Dunn, after the 9th day of February, had a conference with Mr. Lott. On the 18th day of February, four months after the report came to the Department of Justice, Mr. Dunn first began his investigation.

Mr. HARRELD. But he was ordered to do so by Attorney General Stone's letter of January 30.

Mr. WALSH. Not at all.

Mr. HARRELD. He was specially appointed for that purpose.

Mr. WALSH. Not at all. On January 30 Attorney General Stone wrote a letter saying that the investigation would be carried on for the purpose of bringing it down to the present time, and Mr. Dunn was not mentioned at all. But in the plan of campaign, bearing date the 28th day of February, Mr. Dunn was mentioned as the man who would make the investigation.

Mr. HARRELD. And all the time before then Mr. Lott was in charge of it.

Mr. WALSH. Mr. Lott got the papers sent to him on the 22d day of October, 1924, and all he did and all he pretended to do was to look over that report, consisting of 57 pages.

Mr. GOFF. Mr. President, I will answer the Senator from Montana.

Mr. WALSH. If the Senator will pardon me further on this feature of the matter, the fact that they had only 22 investigators is utterly irrelevant to the question, because no investigator did anything in the matter at all.

Mr. GOFF. Mr. President, the question of the Senator from Montana is not as difficult to answer upon the record as the colloquy would seem to indicate. On the 17th day of October, 1924, the volume which I hold in my hand, consisting of over 300 pages, and containing a report of the Federal Trade Commission as it related to the house-furnishing industry, was submitted to the Department of Justice. I say that with all convenient speed, in fact within as reasonable a time and as quickly as it could have been done, the then Assistant to the Attorney General, Mr. Seymour, engaged the services of Mr. Lott, residing in Tiffin, Ohio.

Mr. Lott agreed to undertake the work and, as the Senator from Montana so well stated a moment ago, within a week or 10 days thereafter the records and papers were sent from the Department of Justice to Tiffin, Ohio, and placed in the possession of Mr. Lott. Mr. Lott did the only thing that any lawyer could have done or would have done under the circumstances. He commenced to read and study the report. He was in the city of Washington on the 10th day of November, 1924. He read and studied the report that he was to investigate. Was he to go out into the field, either he or others, and make an investigation without knowing what the report indicated or what it suggested? Not at all. He awaited merely the digest of the report. The evidence shows that when he reached Washington he had acquainted himself presumably with the contents of the report.

He was instructed by Mr. Seymour to make an analysis of the investigation. He made the analysis of the investigation, and then what happened? Mr. Seymour told him to prepare a letter for the Attorney General and he went back over the record and prepared a letter, which is the letter of January 30, 1925, for the Attorney General to sign. Of course they had sent no investigators into the field. No lawyer having

the best interests of his client at heart would have sent investigators into the field until he had thoroughly digested and understood the contents of the document which was to be the suggestion or basis of his investigation.

Mr. WALSH. Mr. President——

Mr. GOFF. I yield to the Senator from Montana.

Mr. WALSH. Does the Senator assume that I have suggested anything of the kind? I am not complaining about that. I am complaining that, not having done anything of the kind at all, not having sent a man down to examine the records and files of the Federal Trade Commission, having nothing to do and doing nothing but to study the 57 pages of that report, he took four months to do it.

Mr. GOFF. Mr. President, Mr. Lott, being a man well trained in the law, must have noted when he studied this report that he was studying the report of skilled economists and not men who were trained in the law, and before he took any other or additional steps in the premises he necessarily desired to consult with his associates and his superiors. I can not help but think that my distinguished friend from Montana feels that the Department of Justice was remiss because it did not close the doors to every other thing then and there pending and open them only to matters relating to the aluminum case. I do not see how the Department of Justice could have done other than it did. I do not see how the Department of Justice, with due consideration to the other matters then pending before it, could have been expected to have given any greater degree of attention to this case at that time than it did.

There has not been, it seems to me, clearly brought out the fact that there was a misunderstanding apparently, as indicated in the correspondence of the Attorney General, that he did not appreciate that the letters which had been prepared for him to sign were based entirely upon the report of the Federal Trade Commission and not upon outside investigation.

I can see that it would have been within the possibilities but not within the probabilities of any department of our Government that when a matter of this kind came in everything else should have been dropped, and that the case should have been given the undivided attention of the department.

It has been stated that Mr. Lott and Mr. Benham and Mr. Dunn, the men who had this matter in charge and under investigation, did not give it the attention that it deserved. It has been insinuated that the matter was placed in the hands of Mr. Benham as the director of the entire investigation. The fact of the matter is, as I shall show later in my argument, the entire matter was in the hands of Mr. Lott, where it was originally placed, and not in the hands of Mr. Benham, who had charge of other matters at the time this investigation started.

My friend the distinguished Senator from Montana has said that Mr. Dunn was neither a lawyer, economist, accountant, or stenographer. It is true that this man is not a lawyer, economist, accountant, or stenographer, but he was always working under the direction of lawyers; Mr. Lott, a lawyer, having been assigned the duty of directing the investigation and not Mr. Benham, as Senator WALSH would have the Senate believe on page 2 of the majority report. The evidence shows that the matter was in charge of Lott; and in view of the emphasis placed by the Senator from Montana on the fact that Mr. Benham was in charge of this investigation, and that he was 1,000 miles away in the city of Chicago, I feel it my duty to bring the true facts in the case to the attention of the Senate.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Montana?

Mr. GOFF. I yield.

Mr. WALSH. I remind the Senator from West Virginia that the plan of the investigation outlined by Attorney General Stone on the date of February 28, 1925, expressly declared that this was to be put in charge of Mr. Benham.

Mr. GOFF. It does not say the investigation was to be put in charge of Mr. Benham. It simply says in effect that after the field investigation has been completed Dunn, with a special assistant to the Attorney General—probably Mr. Benham—will visit the offices of the Aluminum Co.

I will now continue, and I invite the attention of the Senate to the following testimony:

Senator WALSH. What instructions did you give Mr. Dunn with respect to the material before the Federal Trade Commission?

Mr. BENHAM. That I did not consult with him about.

Senator WALSH. Why not?

Mr. BENHAM. Well, he and Mr. Lott were together on that. You see, I was not to come into the case until a later time, and the matter was in charge of Mr. Lott. I was not in charge of it.

The Senator from Montana brought that matter out on page 279 of the record. Could any reasonable member of this body construe that statement to mean that Mr. Benham was charged with this investigation? He was not. He was at that time a thousand miles away, engaged in the investigation of the furniture and refrigerator matters, which also had been the subject of investigation by the Federal Trade Commission. I presume the Senator from Montana did not have sufficient time to go over all the testimony. But he did go over page 284 of the record, because he refers to it as follows on page 2 of the majority report:

Lott returning to service with the department, soon after, by arrangement, he assigned the direction of the investigation contemplated by the letter of the Attorney General to which reference was last made to a subordinate, one Benham (Rec. p. 284), long with the department.

On page 284, the same page of the record to which I have just referred, I find the following testimony by Mr. Lott, and in view of this discussion, I intend to read it:

When it came to the question of selecting special agents, I knew Mr. Benham was engaged on the furniture case in Chicago and could not be spared. Mr. Dunn had in the meantime been doing some work for me in the Cash Register case. He is regarded very highly in the department, a very careful man, and reliable. Just before Mr. Stone left the department he wanted to know the character of the investigation that was proposed to be made. I prepared a memorandum and told him what was in my mind; that first Mr. Dunn would go to the Federal Trade Commission and get everything he could there, and then go out into the field and go to the different competitors and get all the information that he could there, and then when that was done that he and Mr. Benham should together go to Pittsburgh and investigate the books of the company. I wanted Mr. Benham to do that for the reason that the records of the department showed that Mr. Benham had made two investigations previously of the records of the Aluminum Co. In 1921 there was a complaint there from a man by the name of Bond, from Detroit, Mich., I think, charging that the Aluminum Co. was about to acquire some company in Cleveland, or Toledo, and Mr. Benham made an investigation of the matter at that time.

And then, in 1922, the question came up whether the Aluminum Co. of America should be allowed to purchase the Norse Aluminum Co. of Norway. He made a report on that matter. I read both of those reports, in which he gave some of the history of the company. And he, having for years been in the business of investigation and being regarded as one of our very best investigators——

Senator WALSH (interposing). Are you speaking of Mr. Benham?

Mr. LOTT. Speaking of Mr. Benham. I desired that he should go with Mr. Dunn to Pittsburgh; that Mr. Dunn, having been in the field, could give to Mr. Benham all that he had, and they could go together over the books of the Aluminum Co., and in that way get at the real facts better than to send some one who was not familiar with them.

Mr. President, I have read this testimony over on several occasions since it was taken; I have had plenty of opportunity to give it the most careful study; but I have looked in vain for any statement by Mr. Lott, on page 284, in justification of the statement in the majority report that Mr. Lott assigned the direction of the investigation to Mr. Benham. Mr. Lott here shows what his plan of procedure—not Benham's plan—was, first, to send Dunn to the Federal Trade Commission, which he did; second, to have Dunn conduct an investigation in the field, which he did; and then to have Dunn and Benham go to the Aluminum Co., which was also done in accordance with the plan of Mr. Lott.

So you see, Mr. President, the fact that Mr. Benham was not to be in Washington was known to Mr. Lott, who conducted this investigation. The fact that Mr. Benham was absent from Washington may cause a doubt as to the vigor and the good faith of the Department of Justice in the mind of the Senator from Montana; but I have read, as I have stated, the testimony of Mr. Benham and the testimony of others in the same connection, and I can not see any reason for Mr. Benham to have been here in the city of Washington at that time.

I want in this connection to call the attention of the Senate to the following testimony of Mr. Benham on page 279 of the record.

Mr. BENHAM. At the time when Mr. Lott and Mr. Dunn were going into these details I was engaged in a very long and very difficult task; I was arranging a brief of the evidence for presentation of these furniture cases at Chicago, and that was a whale of a job, and my whole time and attention, largely, was focused on that, because it was the department's desire to get these cases to indictment as soon as possible, and I was devoting day and night to that situation, and I really did not have the opportunity for the reason as I stated. And then, another thing, the case was not mine at that time; it was Mr. Lott's

case. And, you see, I was not to come in until a very much later date. That is the situation, Senator.

Again, Mr. President, Mr. Lott's testimony, on page 294 of the record, shows also that Dunn reported to him. It is as follows:

Senator WALSH. Now, Mr. Lott, what conferences, if any, did you have with Mr. Dunn while he was prosecuting this inquiry in the field?

Mr. LOTT. When he would come in from time to time he would make his reports to me. And he would go over his reports with me and tell me where he had been and what he had done in the inquiry. And then he prepared a couple of partial reports—not reports, but a summary and outline of the result of his interviews with these different people.

The distinguished Senator from Montana has endeavored to show the Senate, as I read the majority report and as I understood his address, that the Dunn report of August 10, 1925, was not worthy of credence by anyone who had access to the other sources of information concerning this subject. In order to show that the Dunn report was not worthy of credence he read to the Senate last Thursday a number of interviews by Mr. Digges, of the Federal Trade Commission, and after reading each interview he concluded by stating that Mr. Dunn "did not interview this man" who had furnished the substance of the Digges interview. My distinguished friend from Montana admits, however, that Mr. Dunn did interview some of these companies.

On page 4216 of the CONGRESSIONAL RECORD of February 18 and following, the Senator from Montana shows that Mr. Digges had a very long and interesting interview with the Budd Manufacturing Co. He did not, however, read Mr. Dunn's interview with that same company. I shall read it for the information of the Senate, and I shall ask the Senate to consider whether it is or is not worthy of great credence and of great belief.

[Edward G. Budd Manufacturing Co., Philadelphia, Pa.]

This company is one of the largest units in the United States engaged in the manufacture of automobile bodies. From information developed by the Federal Trade Commission, it appeared that a contract which this company had with the Aluminum Co. of America contained some restrictive provisions which were thought to be in violation of the decree of 1912 issued against that corporation.

Inquiry at the offices of the Edward G. Budd Manufacturing Co. discloses that at the present time it uses only a negligible amount of aluminum in its operations, not over 50,000 pounds per year, whereas it formerly used from ten to twelve million pounds per year. The use of aluminum sheet in the production of auto bodies was discontinued about a year and a half ago.

Mr. Otto Mueller, purchasing agent for the Budd Co., advised that there were several reasons for the discontinuance of the use of aluminum in the company's operations, the principle one being that the steel industry had furnished more satisfactory research and engineering cooperation in meeting the problems of the body-building industry and had been successful in developing a product that was superior in all respects, save weight, for use in body construction.

According to Mr. Mueller, the Budd Co. felt that the Aluminum Co. of America was arbitrary and dictatorial in its policies, and felt that since that company had a complete monopoly on the domestic production of aluminum it was not desirable to rely upon such a source for its supply of raw materials.

It appears from the statement made by Mr. Mueller that the Aluminum Co. of America felt that it was entitled to technical information developed by the Budd Co. in its use of aluminum sheet, while the Budd Co. officials took the position that such information was in the nature of a trade secret.

During the period when the Budd Co. was using aluminum on a large scale, 1922 and 1923, it purchased all of its metal requirements from the Aluminum Co. of America on contract. In the earliest contracts, there were no restrictive clauses as to the disposition of scrap by the Budd Co.; subsequently, in July, 1923, the Aluminum Co. of America changed its policy and made its performance of its metal contracts contingent upon the return to it at a price by the Budd Co. of all scrap resulting from the use of sheet aluminum in its operations.

In some of the contracts made with the Aluminum Co. of America the provision was made that the metal was to be used in the manufacture of certain specific orders by the Budd Co. and that the scrap metal incidental to these operations was to revert to the Aluminum Co. of America. It appears that it was from this type of contract that the friction between the Budd Co. and the Aluminum Co. of America developed. There was, apparently, a difference of opinion as to what constituted scrap under this particular form of contract. It seems to have been the contention of the Budd Co. that only that metal which was no longer usable in any of its operations should be designated as scrap, while the Aluminum Co. held that all metal not actually used in the construction of auto bodies under a specific order should be considered as scrap under the terms of the contract, notwithstanding that it was capable of being used in some other operations. The Aluminum Co. in its correspondence with the Budd Co. regarding this matter argues that its price for sheet metal furnished to the Budd Co. was determined only after careful consideration of the probable amount of off-fall or scrap, and the price at which it should be returned; i. e., that the base price which the Budd Co. should pay for its sheet metal was predicated upon and intimately related to the provision in the contract that the resultant scrap should revert to the Aluminum Co.

The purpose of the Aluminum Co. in making such a form of contract is not known. Mr. Mueller is of the opinion that it was done to keep the metal out of the hands of utensil manufacturers. While there is a possibility that this may have been true in some degrees, it does not seem to me that it could have been the controlling reason, because of the fact that only one independent manufacturer has a rolling-mill equipment which would enable him to make use of scrap metal. Of course, if the scrap in question was of sufficient size to be used without reselling, it might have entered into competition with the virgin sheet sold by the Aluminum Co. to utensil manufacturers. Under normal conditions the natural market for scrap sheet or clippings is the same as for all other scrap metals; that is, the smelter or rolling mill, where it is remelted and produced in its original form or in various alloys. In fact, the Budd Co. at one time sold most of its scrap to the Charles B. Bohn Foundry Co., of Detroit, Mich., which company uses large quantities of scrap metal in the production of sand castings.

The files of the Budd Co. contain various contracts made with the Aluminum Co. and correspondence relating to this matter. Mr. Mueller declined to allow agent to have these contracts and letters, saying that he preferred to retain them until such time as the Government should call for them on subpœna. However, sufficient data was obtained to make possible identification in the Aluminum Co. files at such time as an inquiry is made of that company or to make request for explanation in the event that this latter course is adopted.

Among the contracts in which the provision relating to scrap appears are the following:

O–429, dated February 1, 1923; O–431, dated February 9, 1923; O–1876, dated May 15, 1923; O–1886, dated June 5, 1923; O–1898, dated December 10, 1923; O–1952, dated December 26, 1923.

Among the correspondence from the Aluminum Co. to the Budd Co. in which the matter of scrap is discussed are the following: January 16, 1923, Philadelphia office to Budd; September 27, 1923, Philadelphia office to Budd; October 17, 1923, Philadelphia office to Budd.

The provision relating to scrap is not a part of the metal contract, but is made the subject of a separate contract and refers to the disposition of scrap resulting from the use of metal furnished under a given contract.

Under some of the contracts above referred to the Aluminum Co. paid to the Budd Co. 22½ cents per pound for so-called scrap sheets. At the same time virgin ingot was selling for 18 cents per pound. Some criticism has resulted because of this fact. Whether this was justified or not does not readily appear. Certainly scrap sheet and virgin ingot are not comparable items except in the degree of purity, it being my understanding that sheet aluminum, such as that in question, is practically pure aluminum. It would seem that clean sheet scrap of high grade might easily be worth more for rerolling into sheet than ingot, which is, of course, produced through the various stages from the ore. In any event, there must be various factors involved concerning which the Aluminum Co. should be interrogated.

No claim is made by the Budd Co. that it could have disposed of its scrap at a better price than was obtained from the Aluminum Co.

In November, 1922, Col. E. J. Ragsdale made a trip to Europe for the purpose of studying the aluminum situation for the Budd Co. From correspondence in the files of the Budd Co. it appears that copies of Colonel Ragsdale's reports to his company were submitted to Mr. Millard F. Hudson, chief examiner for the Federal Trade Commission. Copies of this report were not available, though some excerpts from it were contained in a memorandum in the files, from I. W. Digges, of the Trade Commission. These were, however, so limited as to be of no value.

As above stated, the Budd Co. at the present time uses very little aluminum. Their dealings with the Aluminum Co. for the past year and a half have been so limited as to preclude their having any real knowledge of the current practices of the Aluminum Co. Such metal as is used is bought on the open market. The Budd Co. make no sand castings, and Mr. Mueller was unable to furnish any information relative to that phase. In fact, he had no information with respect to the Aluminum Co. of America other than that already set forth and in giving that information did not strongly urge that his company had suffered at the hands of the Aluminum Co. of America. He did not indicate whether or not there is any issue now pending with the Aluminum Co., though that possibility is suggested by the

fact that he declined to submit to me the contracts and correspondence above referred to. He also advised that he did not think that the officials of his company had any further information or complaint to give relative to dealings with the Aluminum Co.

Mr. President, the distinguished Senator from Montana and myself will not ask the Senate to determine this important question merely upon the personality of some of the men who made this investigation; but since it has been brought out so cogently, so strikingly, and at times so pungently by the distinguished Senator from Montana that Mr. Dunn was not a lawyer, that he was not a stenographer, that he was not an accountant, and that he was not an economist; and then it has been stated that Mr. Digges was a shrewd and skilled lawyer, I want to bring to the attention of the Senate—and I do it with full respect to Mr. Digges—the fact that Mr. Digges, while he may be an economist, while he may be a stenographer, while he may be an accountant, was also supposed to be a lawyer.

On page 417 of the testimony as we took it before the Judiciary Committee, the Senator from Montana had introduced as a witness Mr. Digges, and he had brought out the statement from Mr. Digges that he was a lawyer and that he was a member of the bar. I saw fit, on page 417 of the record, to ask these questions of Mr. Digges:

Senator GOFF. Mr. Digges, where are you practicing law now?

Mr. DIGGES. I am in New York. I am not actually practicing; I am doing legal work for a company.

Senator GOFF. How long were you connected with the Federal Trade Commission?

Mr. DIGGES. A little less than three years.

Senator GOFF. Were you assigned to the legal staff of the Federal Trade Commission during all of that time?

Mr. DIGGES. Yes, sir.

Senator GOFF. Had you practiced law before you went to the Federal Trade Commission?

Mr. DIGGES. No, sir.

Senator GOFF. You were admitted to the bar when?

Mr. DIGGES. 1922.

Senator GOFF. Here in the District of Columbia?

Mr. DIGGES. No, sir; in Virginia.

Senator GOFF. Where did you study law?

Mr. DIGGES. At George Washington University.

Mr. Digges may know all the law of a Daniel Webster, but he never practiced it. Mr. Digges may have had the legal training of a Webster, but he never put it into force and effect. So, when we are saying that Mr. Dunn must be weighed in the balance and found wanting because he is not an economist, a stenographer, or an accountant, let us understand that those same scale pans of justice would have trembled if we had weighed the legal experience and the legal ability of Mr. Digges in them under the same weights and the same measure.

I do not want to detract from the character of the work these men did, because they had not either experience as expert accountants or experience in the practice of the law. I want to take the report of Mr. Dunn—a report that was submitted to his legal superior, a report that was modified and constructed by the thought atmosphere in which it grew up—and weigh it for what it is worth in the light of the facts; and I do not want to detract from that report by the fact that Mr. Dunn may not have been the most theoretically qualified man to go in and make these investigations.

Mr. President, I shall not take the time of the Senate in reading these interviews which Mr. Dunn had with the different factories, but I will ask that they may be considered and printed in connection with my remarks.

I now turn to page 4218 of the CONGRESSIONAL RECORD of February 18, where the distinguished Senator from Montana says that Mr. Dockendorff, representing the Swiss aluminum interests in New York, stated in an interview on the 13th of February, 1924, which he had then with Mr. Digges:

The situation for casting manufacturers has been intolerable in the United States because of the difficulty of obtaining deliveries from the Aluminum Co. It is always hard on a manufacturer when he has to depend exclusively on one source of supply.

The Senator from Montana states, in his very voluminous address covering this subject a week ago, that Mr. Dunn did not interview Mr. Dockendorff. This may be true, and as far as I can find in the record he did not interview him; but he did interview Mr. W. S. Hammet, the American representative of the Swiss producers of aluminum, who market their product in the United States, and who market it through Mr. Dockendorff's company. In that connection I desire to submit as part of my remarks, and ask unanimous consent to have printed, the interview which Mr. Hammet gave. I will not take the time of the Senate to read it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Memorandum of interview with W. S. Hammet, American representative of the Swiss producers of aluminum, who markets their product in the United States through the firm of J. E. Dockendorff & Co. (Inc.), 20 Broad Street, New York City

Mr. Hammet, when interviewed on December 14, 1925, advised that so far as he was informed as to the competitive methods and practices of the Aluminum Co. of America, he has no knowledge of any unlawful methods of competition practiced by that company. He states that in his opinion, without reference to figures of imports reported, that the importations of foreign metal amount to approximately 10 to 15 per cent of the total aluminum consumed in the United States. The Swiss interests, whom he represents, sell its product to various customers in the United States, who are also customers of the Aluminum Co. of America. Questioned specifically as to whether he had ever known of any instance where the Aluminum Co. of America had sought to bind a purchaser to secure all of his metal requirements from the Aluminum Co., he stated that he had never known of any instance. He said that his experience had been that in cases where he had been unable to get business in competition with the Aluminum Co. of America, it had been due to a matter of price, or more often to the great advantage which the Aluminum Co. of America has in regard to deliveries. Speaking generally on the aluminum industry, Mr. Hammet gave it as his opinion that the supply of aluminum, or the industrial capacity to produce it, is far less than the potential demand. In other words, that the new uses to which aluminum may be applied will for many years operate to absorb the available supply of metal at a more rapid rate than it may be produced by present methods of production. He believes that only revolutionary developments in the method of production would permit of the creation or maintenance of a supply of metal large enough and cheap enough to permit of its general use for the existing purposes to which it is adapted and the rapid expansion of its uses.

The three factors essential to the manufacture of aluminum are bauxite supply, chemical plant, and water power, the latter being by far the most important factor. In speaking of the Aluminum Co. of America, Mr. Hammet stated that it is his belief that while the Aluminum Co. of America is the largest unit in the industry, he does not concede that it is the dominant factor in the world situation. He cited the fact that at the time of the interview with him the price of aluminum in Europe was higher than in the United States. This latter situation he thinks is due to the fact that since the World War Europe has been endeavoring to replenish its stocks of aluminum, which were practically depleted, and that as a result there has been and still is a strong demand for aluminum. To this situation, rather than to the present tariff rates, is also attributed by Hammet the fact that in recent years exports from Europe have declined.

In conclusion Hammet advised that without holding any brief in the Aluminum Co. of America, he was bound to say, as the American representative of the Swiss interests, that he is wholly without any information or belief that the Aluminum Co. of America is guilty of any law violations; that so far as he is aware its competitive methods are not unlawful.

Mr. GOFF. Mr. Digges did not interview Mr. Hammet. I wish to say in this connection that I see nothing that would justify a statement that what Mr. Digges had done was not worthy of belief because of his failure to interview these people, and I do not think there is anything in the record that shows that the interviews that were conducted and had by Mr. Dunn are unworthy of belief because he did not interview the same men who were interviewed by Mr. Digges.

On page 4219 of the RECORD of February 18, 1926, my distinguished friend from Montana cites to the Senate two short paragraphs from Digges's report of his interview with D. M. Shepherd, purchasing agent for Landers, Frary & Clark. The date of Digges's interview was February 15, 1924. The Senator from Montana here states that—

These are cooking-utensil manufacturers. Dunn interviewed this company and found they had no complaint to make.

In order that the thoroughness of Mr. Dunn's interview with this company may be brought to the attention of the Senate, I am going to read it. It is found on page 149 of the record of the hearings, and is as follows:

[Landers, Frary & Clark, New Britain, Conn.]

Mr. E. F. Hall and Mr. A. Weigand, secretary and assistant purchasing agent, respectively, of this company, were interviewed.

This company is one of the important units in the aluminum cooking-utensil industry. It has for many years in addition to its cutlery and electrical-appliance business produced a high-grade line of utensils. In recent years it has acquired the aluminum-utensil business of the Cleveland Metal Products Co., the so-called Aladdin line, and

under the combined brand of Universal-Aladdin, manufactures a full line of high-grade aluminum ware.

Mr. Hall, the secretary of the company in response to my inquiries, stated that the dealings which his company have had with the Aluminum Co. of America have been wholly satisfactory. He stated that the metal requirements of his company are supplied by the Aluminum Co. of America, and that that company is in fact the sole source of supply, as it is not considered practicable to obtain metal from European sources. Mr. Hall stated that he is not advised of any complaint which may be made of the Aluminum Co. of America, with reference to metal supply. Ample quantities of metal are obtained under satisfactory conditions as to quality and delivery and presumably at the price which is uniformly charged by the Aluminum Co. of America.

He advised that his company in common with other manufacturers had in times past experienced great difficulty in obtaining its metal requirements, particularly during the period 1920–1922, but that so far as he was aware, that situation was the result of postwar economic conditions rather than the result of any arbitrary or discriminatory practices on the part of the Aluminum Co.

Mr. Hall admitted that many persons in the industry had sometimes thought that the Aluminum Co. of America may have given preferential service to its subsidiary companies in the matter of supplies of metal during periods of shortage, but stated that his company possessed no information which would justify such a charge, in any degree.

As above stated, this company buys all of its metal from the Aluminum Co. of America. Some metal is bought on contract and some is bought on the open market. In supplying metal the Aluminum Co. imposes no restriction as to other disposal of scrap metal.

The Landers-Clark Co. uses much of its scrap metal in the production of sand castings and die castings, though it does on occasion have a surplus which is disposed of to local purchasers, generally to the United Smelting & Aluminum Co., of New Haven, Conn.

Mr. Weigand, the assistant purchasing agent, is to supply information as to the metal purchases for the years 1922, 1923, and 1924. He is also to supply figures as to the value of utensils produced during the same period.

Mr. Kimball, president of the Landers, Frary & Clark Co., advised, through Mr. Hall, that he had no information or complaint to furnish relative to the present or past activities of the Aluminum Co. of America.

I believe the Senate will agree that this report is worthy of credence and can be relied upon.

On page 4219 of the CONGRESSIONAL RECORD of February 18 will be found such portions of Digges's report on the interview with Mr. Otis F. Russell, of Richardson & Co., as were quoted by the distinguished Senator from Montana. Digges's interview was on February 20, 1924. Dunn interviewed Mr. Nichols on July 14, 1925; and in view of the statement by Senator WALSH that "Dunn finds no complaint whatever from this source," I am going to read Dunn's interview, with a view to showing that his findings, based on an interview 15 months after the Digges's interview, do not in any way reflect upon his competency or the credence to be given to his report.

Mr. J. Donaldson Nichols, vice president of this corporation, was interviewed. This company is one of the oldest and largest metal dealers in Boston. The company deals in all nonferrous metals, bronze, brass, copper, and aluminum. It is said to be the largest dealer of aluminum in this territory. Its annual consumption of aluminum is stated to be about 150 tons. A smelting plant is operated by the company which produces various aluminum alloys in ingot form. In its production of such alloys both pure ingot and aluminum scrap is used. It buys clean scrap, sheet clippings, and aluminum borings. No scrap castings are used.

According to Mr. Nichols, no difficulty has ever been experienced in obtaining ample supplies of scrap metal at normal market prices. Mr. Nichols has no knowledge that the Aluminum Co. of America has ever tried to dominate the local scrap market. That company has on occasions been a bidder for scrap in the Boston market, but not to any great extent.

Such pure ingots as the Richards Co. uses is purchased from the Aluminum Co. of America. During recent years dealings with the Aluminum Co. of America have been entirely satisfactory. Ample supply of metal is furnished without contract at prevailing prices. A few years ago it was quite difficult to obtain metal, and at that time Richards & Co. were afraid that a condition which existed many years ago was to be repeated. At that time, 15 years ago, contracts for metal were not fulfilled and subsequently the price of metal was sharply advanced. Fearing the same situation on the occasion of the more recent metal shortage, many letters of protest were sent and personal efforts made to obtain some action from the Boston office of the Aluminum Co. of America. Nothing was accomplished at the time, but as there was no increase in metal price when shipments were resumed, the issue was finally dropped.

With the exception of the incident above referred to, the Richards & Co. dealings with the Aluminum Co. of America have been entirely satisfactory. Mr. Nichols stated frankly that he knew of no unfair or discriminating methods or practices on the part of the Aluminum Co. of America. He expressed a doubt as to the necessity of a tariff on aluminum, in view of the magnitude and dominance of the Aluminum Co. of America. In this connection he advised that the acquisition of the Norsk Co. in Norway by the Aluminum Co. of America had the effect of eliminating considerable competition.

In the CONGRESSIONAL RECORD of February 18, page 4219, Senator WALSH refers to the interviews which Digges had with Mr. Holt and Mr. Markey, of the Bohn Co., in 1924. On June 17, 1925, Dunn interviewed this company, now known as the Bohn Aluminum & Brass Corporation, and in order to show the Senate the thorough manner in which he interviewed this company I am going to read it as it appeared in the record on pages 152 to 154, inclusive. The interview is as follows—and I wish to invite the Senate's attention to the fact that it is more than a year after the Digges's interview:

Mr. Charles B. Bohn, president, and Mr. Peter Markey, secretary of this company, were interviewed. This company produces large amounts of aluminum castings for the automobile industry, it is perhaps second only to the Aluminum Co. of America in such productions. It is stated that the consumption of aluminum by this company will, for the current year, amount to about 20,000,000 pounds; of this amount approximately 30 per cent will be new metal, the balance being made up of scrap aluminum. Metal is purchased on contract from the Aluminum Co. of America, though Mr. Bohn stated that if the demands of his business made it necessary to have more metal than had been contracted for during a given period, the Aluminum Co. readily supplied the excess to the quota scheduled for such period.

Speaking generally of the relations of his company with the Aluminum Co. of America, Mr. Bohn stated that he had no complaint or criticism to make; that the policies and practices of that company were entirely reasonable and in accord with fair business dealing. He further stated that since October, 1924, there had been in his observation a marked change in the attitude of the Aluminum Co. toward its customers and competitors.

Mr. Bohn advised that he had in recent years been a severe critic of the Aluminum Co. of America; that he had, in fact, during the period 1919 to 1924 submitted much data relative to practices of that company to the Federal Trade Commission and to the Department of Justice. He stated that he then believed and now believes that the practices which he then complained of were indicative of unfair and illegal activities on the part of the Aluminum Co. of America. In this connection it may be stated that correspondence noted in the files of Mr. Bohn's company indicates that the complaint which Mr. Bohn made to this department was considered and not found to justify any action against the Aluminum Co. of America. It is further noted that the data to which Mr. Bohn alluded have not been considered in connection with the present investigation, due to the fact that the files of this department containing the data in question were in the possession of the Federal Trade Commission.

Mr. Bohn advises that it is probable that more data were furnished to the Federal Trade Commission than to the Department of Justice, since many of the matters of which he complained developed at a time subsequent to the date upon which he received advice from the Department of Justice that no cause of action existed.

In response to request that he submit at this time information relative to the prior complaints made to the Federal Trade Commission, Mr. Bohn advised that the only available copies of such data were in the hands of his attorneys, that he had been to great expense in preparing same, and that he was not disposed to furnish them, since the complaints were already available in a Government department, and more particularly because of the fact that the conditions now existing were such as to make him reluctant to press his earlier complaints.

Since the Bohn Co. use large quantities of scrap aluminum, Mr. Bohn was carefully interrogated as to conditions now existing with respect to the supply and price of scrap aluminum. He advised that there is no semblance of any attempt on the part of the Aluminum Co. of America to control the market on scrap aluminum or to unduly enhance the price of same; that the market is entirely open and free to any bidder; that no trouble is experienced in obtaining ample supplies of scrap metal at prices which he considers are wholly in accord with the normal working of the law of supply and demand. He states that his company is frequently a bidder against the Aluminum Co. of America for scrap metal—that is, for specific lots—and that the best price is offered by one or the other, as the case may be, depending on current conditions of their supply and requirements; in other words, he has not noted any attempt on the part of the Aluminum Co. of America to prevent acquirement of scrap metal by other users through arbitrarily forcing the price to a point where the use of scrap would be unprofitable. Formerly Bohn purchased much scrap aluminum from the Alumi-

num Goods Manufacturing Co., of Manitowoc, Wis., a subsidiary of the Aluminum Co. of America; subsequently that company declined to sell him. He does not know the reason for such action, whether it was a policy inspired by the Aluminum Co. of America or whether it was due to the fact that the Goods Manufacturing Co. made use of its scrap in its own rolling mill. It is perhaps significant that the time of such action on the part of the Goods Co. coincided with the time that its new rolling mill was placed in operation.

According to Bohn, the Aluminum Co. of America is the largest producer of sand castings of aluminum in the country. Its castings are produced by a subsidiary, the United States Aluminum Co., with plants at Detroit, Cleveland, and Buffalo. This subsidiary is a successor to the Aluminum Manufacturers (Inc.), which in turn grew out of the Aluminum Castings Co., of Detroit, with which latter company Bohn was at one time connected.

Bohn says that since the advent of the Aluminum Co. of America into the castings field prices and profits have constantly declined to such an extent that there is great depression in that industry; that in his opinion his company is perhaps the only independent which is able to operate at a profit. He states that many small plants have been unable to remain in business.

With respect to the operations of his own company, Bohn says that he firmly believes that its plants are as efficient as any can be and that his margin of costs are at the lowest possible point, but that notwithstanding these facts the margin of profit is not at all in proportion to capital invested and labor performed.

Questioned as to the cause of this situation, Mr. Bohn stated that while he could not make the charge that the Aluminum Co. of America conducts its castings operations at a loss, he could not possibly understand how they could show a profit on the present scale of prices. He suggested the possibility that the Aluminum Co. of America, because of the magnitude of its operations, might conceivably conduct its castings operations at a loss, or, at least, without profit and yet show ample earnings on its entire operations. He further pointed out that the castings operations of the Aluminum Co. of America are carried out in conjunction with its manufacture of pistons, which are made by the permanent mould method in a plant formerly a part of the Aluminum Manufacturers (Inc.), and that were the costs of making sand castings segregated from the general costs in this plant they could not show a profit at present price ranges.

According to Bohn the manufacture of pistons is a very profitable part of the Aluminum Co. operations and could easily carry part of the costs of the sand castings phase.

Bohn also raised the question as to whether the Aluminum Co. of America charged its subsidiary units the same price for metal that it charged competitors. In making these suggestions, Bohn indicated that they were no more than conjectures based upon his own experience as to costs and profits. These matters will be, of course, a subject for consideration in the inquiry at the Aluminum Co. of America.

In commenting on the tariff situation, Bohn expressed doubt as to the necessity of so high a tariff as now exists. He stated his belief that, considering the elements that enter into the cost of production, the present price of aluminum was unnecessarily high. He further stated that, contrary to general belief, there is readily available in this country ample supplies of bauxite, the ore from which aluminum is produced, other than that which is controlled by the Aluminum Co. of America.

The further development of the aluminum industry is, in the opinion of Mr. Bohn, probably due to the reluctance of capital to engage in a business that is monopolized by one corporation of such financial strength as the Aluminum Co. of America.

Mr. President, the Senator from Montana went outside of the record of the hearings before the committee and invited the Senate's attention to many companies which were interviewed by Mr. Digges and were not interviewed by Mr. Dunn, evidently trying to show the Senate that Mr. Dunn's investigation was not complete and not worthy of credence because of that fact. The following are the companies he mentioned that were not interviewed by Dunn:

Doehler Die Casting Co.
Mr. Waltz, an independent importer and broker.
Iron & Ore Corporation of New York.
Michigan Smelting & Refining Co.
Northway Motors Co.
Buick Motor Car Co.
Clark Metal Last Co.
Michigan Copper & Brass Co.
National Bronze & Aluminum Co.
Aluminum Castings Co.

Mr. Digges did not confine himself, as Mr. Dunn was confining himself under the Federal Trade Commission's report, to those companies which were engaged solely and exclusively in the cooking-utensil industry.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Montana?

Mr. GOFF. Certainly.

Mr. WALSH. Are we to understand that the Senator contends that Mr. Dunn was necessarily confined to the inquiry into the cooking-utensil industry?

Mr. GOFF. I do not say that. No; I am not speaking about that, and the report of the Department of Justice does not confine itself to that, but I am only covering this period which the Senator had covered, between the 10th day of November, 1924, and the 10th of August, 1925.

Mr. WALSH. We are not speaking about the period; we are speaking about another phase of it. The Senator has called attention to the fact that Mr. Dunn did not make any inquiry of a large number of people because they were not engaged in the cooking-utensil industry.

Mr. GOFF. Because that was the specific line of inquiry which Mr. Dunn was making at the time when he started out under the report which had been sent to the Department of Justice by the Federal Trade Commission.

Mr. WALSH. But when he went out to make an independent investigation, why should he confine himself to that?

Mr. GOFF. Simply because that was all he was investigating, as the Senator has charged him and as the record shows he was doing. He was not investigating in any of these other fields. The Senator brought that fact out very clearly and very distinctly in his examination.

Mr. WALSH. Then are we to understand that Mr. Dunn is not able to tell us whether there has been a violation of the decree outside of the cooking-utensil industry?

Mr. GOFF. We are not to infer that, because we are not justified from any facts in our possession to make such an inference, and I do not intend to draw any such inference. I am only referring to the reason why Mr. Dunn presumably did not go to motor-car companies in the investigation of the Aluminum Co., when he was investigating merely at the time he did go out a specific form of the aluminum industry, the cooking-utensil industry.

Mr. WALSH. If we can have it clearly understood, then, that Mr. Dunn confined himself exclusively to the cooking-utensil industry, that is so much gained.

Mr. GOFF. The Senator can not get that from me, because I have no authority to make such a statement. I am only taking this record as the record speaks, both to the Senator and to me, and as the Senator largely made the record himself.

Mr. WALSH. I should like to understand what the point of the Senator is. He is calling attention now to the fact that Mr. Dunn did not examine quite a large number of these people who were engaged in lines of activity other than the utensil industry.

Mr. GOFF. For the simple reason that the Senator called attention to the fact that Mr. Dunn's investigation was not worthy of credence and belief because he had investigated only a certain limited number of companies, and the Senator mentioned companies in the automobile business and casting companies.

Mr. WALSH. Yes.

Mr. GOFF. I say that he was not at that time investigating the aluminum industry as its products appeared in automobiles or as they appeared in castings.

Mr. WALSH. That is all right. We understand each other.

Mr. GOFF. I am merely replying to the argument which the Senator made a week ago.

Mr. WALSH. Mr. Dunn did not go into that phase of it at all.

Mr. GOFF. As to that, I would not say. I am only stating what the record shows. I do not know what Mr. Dunn did outside of the record. I have no way of knowing.

Mr. WALSH. Of course, I do not know, either.

Mr. GOFF. Mr. President, if I followed the distinguished Senator from Montana in his argument, I do not comprehend why it should be charged now that the Department of Justice did not proceed with all convenient speed and haste to investigate this question, and then have the matter raised that possibly the scope of the investigation was not as broad as it might have been.

I can see no reason for making such an attack now as is suggested by the questions which have just been propounded by the Senator from Montana.

I now call the attention of the Senate to the following list of companies interviewed by Dunn in connection with the department's investigation of the aluminum cooking-utensil industry. They appear on page 126 of the record, and are as follows:

Aluminum Cookware Manufacturing Co., Brooklyn, N. Y.; Aluminum Goods Manufacturing Co., Manitowoc, Wis.; Aluminum Products Co., LaGrange, Ill.; Aluminum Specialty Co., Manitowoc, Wis.; Buckeye Aluminum Co., Wooster, Ohio; Enterprise Aluminum Co., Massillon, Ohio; Fargo Aluminum Co., Taunton, Mass.; Illinois Pure Aluminum Co., Lemont, Ill.; Landers, Frary & Clark, New Britain, Conn.; Massillon Aluminum Co., Massillon, Ohio; West Bend Aluminum Co., West Bend, Wis.; Star Aluminum Co., Ashland, Ohio; Fisher Body Co., Detroit, Mich.; Briggs Manufacturing Co., Detroit, Mich.; Chas. B. Bohn Foundry Co., Detroit, Mich.; Allied Metal Products Corporation, Detroit, Mich.; United Smelting & Aluminum Co., New Haven, Conn.; Somerville Machine & Foundry Co., Somerville, Mass.; Richards & Co. (Inc.), Boston, Mass.; William Duncan Co., East Boston, Mass.; Evarts & Zuver, New York City, N. Y.; Marshall Field & Co., Chicago, Ill.; Butler Bros. Co., Chicago, Ill.; S. L. Donaldson Co., Minneapolis, Minn.; Edw. G. Budd Manufacturing Co., Philadelphia, Pa.

Of course, the Senate will appreciate that this is only a list of the companies interviewed up to the time Dunn made his report of August 10, 1925. Since that time he has interviewed still other companies, whose names will appear in the final report of the Department of Justice. This list, however, is sufficient for the purposes of this argument. There are 24 companies on this list. Mr. President, did Mr. Digges interview all of them? The Senator from Montana has not so indicated.

If I followed Senator WALSH's line of reasoning, I would say that Mr. Digges's interviews were not worthy of credence, because he had not interviewed all of the companies interviewed by Mr. Dunn. If I followed the Senator from Montana, I might ask the Senate Committee on the Judiciary to substitute itself for the Federal Trade Commission and conduct the investigation of the aluminum castings industry. But I know that Mr. Digges is not to be criticized because he did not interview all the companies interviewed by Mr. Dunn, and that Mr. Dunn can not be justly criticized because he did not interview all of the companies interviewed by Mr. Digges. The reason these men did not interview the same companies can easily be seen when we consider the scope of the investigation upon which each was engaged. The scope of the investigation conducted by the Department of Justice covered primarily the aluminum cooking-utensil industry, and directed its attention to the charges of the Federal Trade Commission in its report that while it was conducting its investigation of the aluminum cooking-utensil industry for the Senate its attention was drawn to certain acts of the aluminum company which appeared to be a violation of the decree of 1912. The major charges of the commission as set forth in its report on the aluminum cooking-utensil industry were as follows:

1. Delaying shipments of material.
2. Furnishing known defective metal.
3. Discriminating in prices of crude or semifinished aluminum.
4. Hindering competitors from enlarging their business operations.

When the Department of Justice begins an investigation it first determines whether the charges set forth in the report are such as would justify the conclusion that there had been a violation of any law of the United States or, in this instance, of any decree.

The Department of Justice was perfectly justified in confining itself to the aluminum cooking-utensil industry, knowing, as it did, in 1924, that the Federal Trade Commission was then conducting an investigation into the scrap aluminum and the aluminum casting industry and that the Federal Trade Commission had reserved as confidential the evidence collected by it in connection with the scrap aluminum and the aluminum casting industries for the purposes of that inquiry.

In this connection, therefore, the attention of the Senate, as well as the particular attention of my distinguished friend from Montana, is invited to the following testimony by Mr. Digges, on page 415 of the record:

Senator WALSH. What do you know, Mr. Digges, about any examination of the evidence thus accumulated by you by any agent or representative of the Department of Justice?

Mr. DIGGES. I think there was no examination made of that. My own recommendation to the commission was that that examination not be permitted.

The examinations which related to subjects other than the household-furnishing industry was kept from Mr. Dunn, and kept from Mr. Dunn at the express instance and request of Mr. Digges, who made the examination.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. GOFF. I yield.

Mr. WALSH. How does the Senator reach that conclusion? The letter of the Attorney General to the Federal Trade Commission asked for permission to see all the testimony accumulated under the resolution of the Senate of January 5, 1922, and any other evidence before the commission; and the commission answered that they would let them see everything they had except that which came from the Aluminum Co.

Mr. GOFF. The answer to that is just as well known to the distinguished Senator from Montana as it is to me—that when Mr. Dunn went there he did not get the evidence, and it was shown by both the chairman, Judge Van Fleet, and by Senator Nugent, when they were being examined by my distinguished friend from Montana, that it was against their policy, it was against their then rule to have disclosed certain testimony which had come from the Aluminum Co. of America. It was further stated and insisted that there were certain actions which the Federal Trade Commission intended to bring, which it had the right and the sole right to bring, which they were keeping under lock and key for their own action at a subsequent time.

Mr. WALSH. On the contrary, they all said that nothing was withheld from the Department of Justice except what came from the Aluminum Co. of America.

Mr. GOFF. We will develop that as we proceed. I now invite the attention of the Senate to the testimony of Mr. Kelley, the assistant chief counsel of the Federal Trade Commission. It appears on page 373 of the record:

Senator WALSH. Mr. Kelley, maybe you can correct me, but I get the idea and I do not know just how that this complaint was based upon a charge relating to scrap aluminum and aluminum castings.

Mr. KELLEY. That is one of the principal charges in it. The complaint charges that the Aluminum Co. of America attempted to maintain its monopoly and dominance of prices generally, particularly by buying scrap aluminum.

On page 4218 of the RECORD the Senator from Montana [Mr. WALSH] made the following statement:

I am endeavoring to show that the Attorney General should not have relied upon Mr. Dunn's report because of Mr. Digges's report upon the matter.

Now, Mr. President, I have quoted to you to-day Mr. Dunn's interviews with a number of companies that Mr. Digges also interviewed. I could have read the reports of many other interviews made by Dunn in connection with the investigation of the aluminum cooking-utensil industry, covering companies that Digges did not interview. I do not believe in such tactics, however, and I am not in the least interested in whether Digges's report is worthy of credence or not. What I am interested in is, do the Dunn reports warrant the criticism that has been so lavishly bestowed upon them by the Senator from Montana? I have heard them read and I have read them, and I wish to say, Mr. President, as emphatically as I can say it in this Chamber, that the criticism of Mr. Dunn is unwarranted, unjust, and unfair. Had his findings been a little more adverse to the Aluminum Co. of America, everything would have been lovely. He presented to the department an unbiased, competent, and thorough report of his interviews which accurately reflected the conditions as they were stated to him. His interviews have been said to be unreliable. Why? Because they do not agree in some respects with similar interviews made by an agent of the Federal Trade Commission.

Now, Mr. President, is it not reasonable to suppose what a man might say in 1924 to an investigator of the Federal Trade Commission might not agree with what the same man would say in 1925 to an investigator of the Department of Justice? The first thought that very naturally comes into the mind of any man when he is confronted by an investigator of the Department of Justice is that he may become involved in criminal proceedings and he therefore carefully weighs everything he says. He will say things to an investigator of the Federal Trade Commission that he would not say to an investigator of the Department of Justice. In this connection, I wish to quote part of the testimony of Commissioner Van Fleet of the Federal Trade Commission, which is found on pages 335 and 336 of the record.

Our examiner goes into a man's office and says, "I want to look at your files." The man says, "Well, who are you?" The reply is, "I am a Federal Trade Commission examiner." "Who is the Federal Trade Commission, and what does it do and what can it do?" Thereupon the examiner explains who they are, and what the Federal Trade Commission wants, and that it is possible the commission may issue an order to cease and desist something they are accused of. Then generally the man gives the examiner access to his files.

Now, it seems to me that in fairness to the public, with whom we deal, that if we are later on to turn those files, the private correspondence, over to another department of the Government, if we are to be fair with the parties who are being investigated, our examiner should be instructed to say: "Now, you understand that upon request we may turn these files and letters over to the Department of Justice

or some other department of the Government." But I fear that if we do that the man will become alarmed and call for his lawyer, and that his lawyer will advise him that we can not get the information we seek.

The Senator from Montana may deem it fair to compare the information secured by these two men under these circumstances; he may reason that, because a man does not give an investigator from the Department of Justice the same information he gives to an investigator from the Federal Trade Commission, the investigator from the Department of Justice must therefore be unreliable, but I know that, with all of his persuasive powers, he could never convince me that this comparison has any probative force as to the reliability of one or the other of these men under the circumstances.

Mr. President, criticism of the Attorney General's personal connection with the aluminum inquiry should be predicated upon his necessary relationship to the Department of Justice and upon his own testimony, which has not been questioned. It must be apparent to anyone who has tried to comprehend the drafts upon the time of the Attorney General that in order to administer his office and to fulfill the duties which the law requires of him personally he must rely very largely upon others for the conduct of litigation. Many duties the Attorney General can not delegate to others.

The last annual report of the Attorney General shows that in 1925 the United States was a party in 1,442 of the cases submitted in the United States Supreme Court. This constitutes more than one-third of the business of that court. In the district courts the high-water mark was reached by the completion of 106,679 cases in which the United States was a party, nearly 93,000 of which were criminal cases. In addition to the general supervision which the Attorney General has given this mass of litigation, he was called upon to recommend to the President for appointment nearly 100 persons as judges, attorneys, and marshals; 47 formal opinions were furnished other departments; and 6,763 applications for parole and pardon were confirmed.

A great many of these cases and matters have to receive preferential attention. Cases against the Government are set for trial in appellate and local courts for certain days, and it is incumbent upon the Government to be ready for trial. All that can reasonably be expected of an Attorney General is that he exercise a general supervision over the assignment and conduct of the cases, and that he hold himself in readiness to consult with and advise his assistants, to whom the cases have been assigned, when called upon by them. There is nothing in the record and nothing has been said to indicate that this usual method has not been followed in the aluminum inquiry. There has not been a hint that the Attorney General, directly or indirectly, is personally responsible for any delay.

It appears in the record that the Attorney General has daily and continuously through long hours devoted himself to the duties of his office; that almost immediately upon taking office he gave directions with respect to this case, and that he assigned it to the assistant that the law requires should deal with it. It is the height of absurdity that he should be expected to know after a case has been assigned all details of the investigation. Does anyone seriously suggest that it was his personal duty to keep advised as to the number of days an agent spent at the seat of Government or in the field; that the Attorney General is supposed to keep informed as to the daily comings and goings of all the officials and employees of the Department of Justice? The Department of Justice maintains a system which checks and rechecks the time and travel of its officials and employees. It is necessarily an organization of divisions and subdivisions, and all the Attorney General can humanly do is to select proper persons for the heads of these divisions and activities and to exercise the general executive supervision that is expected from the head of an executive branch of the Government or a president of a great business organization.

I personally know many persons in the department who have served through many administrations—men of both political parties. I have taken occasion to inquire, and the sum total of their testimony is that, everything considered, no Attorney General in recent years has been able to perfect greater efficiency in the Department of Justice than the present Attorney General. He is fearless, without being combative, and because he is not dictatorial he is highly persuasive and always judicial.

The Attorney General of the United States came into office in the month of March, 1925. Shortly thereafter his attention was brought to this case by a memoranda which appears in the discussion and which will appear in the RECORD. He addressed this memoranda to the then Assistant to the Attorney General, Colonel Donovan, and the case was sent directly from the Attorney General to the Assistant to the Attorney General, Colonel Donovan.

I have heard many witnesses testify, but I wish to say that no witness ever so distinguished himself within my knowledge or my experience as did Colonel Donovan, the Assistant to the Attorney General, in the testimony which he gave before the Committee on the Judiciary in the hearings now under discussion—for efficiency, for knowledge not only of the broad comprehensive scheme of the investigation but for the details involved, for the different acts of Congress relating thereto, for the bearing which the Federal Trade Commission act and the Clayton Act and all the other antitrust acts had in and upon this question. He showed a familiarity and breadth of learning and judgment that indicated clearly to those who heard him that the case and its investigation was in safe hands.

The Attorney General stated upon several occasions during the course of his testimony that the matter was left entirely in the hands of Col. William J. Donovan and that he had the utmost confidence in Colonel Donovan and in the way in which he was conducting the investigation. Colonel Donovan stated during his examination that the report to be filed was a report soon to be made public and that it would show what it does show, that there had been no violation of the decree of 1912.

The Senator from Montana, on page 9 of his printed report, seems to be puzzled as to why the department should want to bring the evidence down to date, and to make a new investigation, to be broader in scope, and to cover every phase of the matter. Why there should be any question in his mind which would cause him to make the insinuation made on page 9 that this was done for the purpose of condoning infractions dating from earlier than 1923 is beyond my comprehension. He heard all the evidence submitted before the committee and, after hearing some of this evidence, I feel you will agree that the department acted as it should have acted in view of the circumstances. The evidence shows that the Trade Commission did not rely upon its attorneys in the preparation of its plan of inquiry or in the formulation of the report.

Mr. Patterson, the investigator who made the field investigation for the commission, is neither a lawyer nor a recognized accountant (p. 358). In fact, he may properly be classed as a special agent of the commission, performing the same work for that body as that performed by Dunn for the Department of Justice. He was not called as a witness before the committee. The report in its final form was not submitted to the legal board of review in the Trade Commission. The conclusions reached in this report that the Aluminum Co. had violated the decree were, therefore, not the conclusions of lawyers. The evidence shows that Commissioner Gaskill, in a letter dated October 15 to the Attorney General, disclaimed any responsibility for the report of the commission. (Rec. p. 402.) The Aluminum Co. had vigorously charged that the report was not accurate, but prejudiced and unfair. The commission had declined to give the department access to matter obtained from the Aluminum Co., and the aluminum cooking-utensil company (Nugent, p. 335); Attorney Kelley, of the Federal Trade Commission, testified that the commission had a file separate from the file accumulated in connection with the investigation made under Senate Resolution 127 (p. 375); and Digges testified (p. 415) that no examination was made by Dunn of the evidence he had gathered, as he had recommended to the commission that an examination be not permitted. In addition to this, in that part of the report of the Federal Trade Commission shown on page 54 of the record of the hearings before the committee, the conclusion reached by the economists (not lawyers) who compiled this report is not that the methods of competition employed by the Aluminum Co. disclose a violation of the decree, but that they appear to disclose a violation of the decree.

After hearing all of this in the testimony before the committee, Mr. President, the Senator from Montana asks: "Why bring the investigation down to date?" He knows from the evidence that there is considerable doubt of the soundness of the legal conclusions reached by economists in the report. He knows that one of the commissioners disclaimed responsibility for the report. He knows that the Aluminum Co. objected to it as being inaccurate, prejudiced, and unfair. And most important of all, he knows that the investigator of the department did not see the evidence having the greatest value that was in the hands of the commission.

In further response to Senator WALSH's query: "Why bring the investigation down to date?" There is another answer, as a majority of the specific acts complained of in the commission's report, assuming them to have been violative of the decree, were barred by the three-year statute of limitations when the report was transmitted to the Department of Justice on October 17, 1924.

In this connection, I invite attention to the analysis of trade commission evidence supporting its conclusions as to violation

of the decree of 1912, compared with the Department of Justice interpretation of the evidence bearing on same points.

CANCELLATION

At page 98 of the Trade Commission report under this heading the Trade Commission cites excerpt from the Buckeye Aluminum Co. letter of July, 1920, as evidence of a violation of section 7 (b) of the decree, which reads as follows:

(b) Delaying shipments of material to any competitor without reasonable notice and cause, or refusing to ship or ceasing to continue shipments of crude or semifinished aluminum to a competitor on contracts or orders placed, and particularly on partially filled orders, without any reasonable cause and without giving notice of same, or purposely delaying bills of lading on material shipped to any competitor, or in any other manner making it impossible or difficult for such competitor promptly to obtain the material upon its arrival or from furnishing known defective material.

Although cancellation is not specifically referred to in the section just quoted, it would seem that, if a violation, it would fall within the inhibitions of this section. The inference sought to be made by the Trade Commission's use of this excerpt is that the Aluminum Co. arbitrarily canceled quotas and contracts to the disadvantage of its customers. In the field examination this matter was taken up with the officials of the Buckeye Co., who frankly stated that there was ample reason for the cancellation provision in the Aluminum Co.'s metal contracts, and that they were not prepared to make any specific allegation that the action of the company in canceling was injurious to them. No complaints of this character were made by any of the concerns visited. The department's view of this situation is that there appears to be ample justification for the Aluminum Co.'s contract provision that the requirements of its customers be specified in advance, as such information is necessary for the successful operation of its mills. The business is a custom business, and little or no stocks are carried on hand. These metal contracts are in no sense unilateral in their nature, as the customer in all instances has the privilege of canceling such quotas as he can not use.

REFUSAL TO PROMISE SHIPMENT

Refusal to promise shipment, if a violation of the decree, would come within the provision of section 7 (b) just above referred to. The commission's report at page 99 quotes from a letter, dated November 3, 1922, from George S. Walker, of the Illinois Pure Aluminum Co., to the Chicago office of the Aluminum Co. of America. The inference sought to be drawn from this incident is that the Aluminum Co. of America refuses to promise shipment dates irrespective of how far in advance the material in question may be ordered.

The field investigation with reference to this particular matter disclosed that Walker flatly declined to make to the department's investigator any allegation against the Aluminum Co. for failure to promise shipment. A like course of inquiry was pursued with all other manufacturers interviewed, and in no case was it possible to obtain an affirmative statement that this practice obtained.

Subsequent investigation by the department has failed to disclose any evidence that the Aluminum Co. has at any time adopted the arbitrary practice of refusing to promise delivery dates. The great weight of the evidence on this point conclusively shows that at the time complained of industrial conditions were such as to make it impossible to promise shipments, and that in normal times the practice of the Aluminum Co. with respect to this matter is on a par with all other industrial organizations.

DELAYS IN DELIVERIES

The inferences sought to be drawn by the Trade Commission are that the Aluminum Co. deliberately and arbitrarily delayed deliveries for the purpose of embarrassing its competitors. In support of this, reference is made to statements of two unidentified persons, both of which statements were very general or vague, and one of which was qualified by the commission's informant. The department's investigator took up this question with each utensil manufacturer interviewed in the early stages of the department's inquiry, but in no instance would a manufacturer subscribe to the belief, much less would he make specific allegation that the Aluminum Co. had deliberately delayed shipments. They further stated to him that they fully well realized the difficulties which the Aluminum Co. was laboring under at the time in question and admitted that the delays were occasioned by conditions over which that company had no control.

DELAYS OF NEEDED SIZES WHILE LESS NEEDED METAL IS SHIPPED

This matter, although under an individual heading, is intimately connected with the whole question of delays in deliveries. The Trade Commission cite the statement of an unidentified manufacturer, which is rather vague and not at all specific, and also quote from a letter of George S. Walker, of the Illinois Pure Aluminum Co., written under date of February 3, 1920, to the Aluminum Co. of America, in which he complained as to this matter.

As above stated, Walker when interviewed positively refused to make any allegation against the Aluminum Co. with respect to delayed deliveries, and as will be noted in the investigator's report of his first interviews, Walker repudiated many statements and allegations which were pointed out to him as contained in his correspondence files.

Subsequent investigation by the department has been convincing that such admitted delays of this nature, as have occurred, were incidental to the conditions then in existence in the industry, and not the result of any deliberate or arbitrary practice on the part of the company.

On this same page of the Federal Trade Commission report quotation is made from a letter, dated February 8, 1921, from an official of the Wheeling Enameling & Stamping Co. to the Aluminum Co. of America, in which he protested that he was seriously embarrassed because of the delay of certain much-needed material. The companies visited in the field investigation did not include the Wheeling Enameling & Stamping Co. Subsequent investigation, however, has disclosed that this manufacturer's situation was no different than that of many other manufacturers, including the companies in which the Aluminum Co. itself was interested, and there is no convincing evidence in support of the inferred allegation that the Aluminum Co. of America deliberately and arbitrarily delayed shipment of needed sizes of material.

DUMPING OF LARGE QUANTITIES OF METAL

In this connection the inference is sought to be drawn that the Aluminum Co. resorted to the practice of shipping large quantities of metal to customers within a short period of time for the purpose of embarrassing them.

In support of this inference a further quotation is made from the February 8, 1921, letter of the Wheeling Enameling & Stamping Co. above referred to, which quotation sets forth the complaint of that company that they received 70,000 pounds of metal within an interval of four days, the shipment comprising material which they did not know the company was fabricating, and part of which it was in no particular need of.

The investigation concerning this particular reference has disclosed that there are absolutely no grounds for believing that this instance was due to deliberate intention of the Aluminum Co. of America. The fact is that just slightly more than a month previous to February 8, 1921, the Wheeling Enameling & Stamping Co. wrote to the Aluminum Co. of America and strenuously pleaded that material be shipped to them in carload lots. Further, with respect to this charge, reference is made to the statement of a former official of the Aluminum Wares Manufacturing Co. to the effect that the failure of that concern was due to "dumping" by the Aluminum Co. of America. The investigator for the department early in his field investigation interviewed a former official of the Aluminum Wares Manufacturing Co. (probably, but not certain, the same informant that the Trade Commission relied upon). This informant denied flatly that the failure of the Aluminum Wares Manufacturing Co. was due to "dumping" of metal by the Aluminum Co. of America. Subsequent investigation has disclosed that the Aluminum Co. of America made every possible effort to assist the Aluminum Wares Manufacturing Co. through its period of embarrassment, and lent its utmost cooperation in an effort to enable them to stay in business, and suffered substantial losses when the company finally failed. The evidence on this particular incident clearly reflects beyond any reasonable doubt that the Aluminum Co. of America was not responsible for the failure of this company.

At the bottom of page 104, quotation is made from a letter, dated April 25, 1921, from George W. Blake, of the Buckeye Aluminum Co., which is inferred to contain a complaint against dumping of metal by the Aluminum Co.

In the first field investigation of this matter the officials of the Buckeye Aluminum Co. did not make any complaint with reference to this matter, and the agent's examination of the entire contents of the letter from which the cited quotation is made disclosed that that letter, instead of being a complaint to the Aluminum Co. of America against their alleged practice of "dumping," was in fact an appeal for an extension of credit, as, indeed, the quoted section itself discloses.

At the top of page 105 reference is made to the statement of some unidentified concern and informant, which is so lacking in specification as to fail even of stating a charge. It is in fact, when examined, excluding the implied complaint, a simple statement of a recognized economic law.

DISCRIMINATIONS IN THE PRICE OF SHEET ALUMINUM

The matter of discriminations was considered with respect to section 7 (c) of the decree, which forbids charging higher prices from any competitor—

than are charged at the same time under like or similar conditions from any of the companies in which the defendant is financially interested.

In the early stages of the department's investigation it became apparent that competent evidence regarding this alleged violation could only be obtained from the records of the Aluminum Co. itself, and such an investigation was planned and subsequently made, and such subsequent investigation amply disclosed that the price policy of the Aluminum Co. of America is not subject to the charge of discrimination, and it disclosed further that such price concessions as have been made from time to time were amply justified by particular conditions prevailing and were granted impartially; that is, companies in which they have no financial interest got equal or better price concessions than did companies in which they have a substantial financial interest.

The Blickman incident referred to at the middle of page 105 was a case where the price was reduced to meet foreign competition, and the Illinois Pure Aluminum Co. case, referred to at the top of page 106, was a case where that company placed a large order at a time when business conditions were slack, and the order was accepted with a view to keeping the mills of the company in operation. In neither of these companies, it should be noted, does the Aluminum Co. of America have a financial interest.

DISCOURAGING POTENTIAL COMPETITION

[Page 106 of the Federal Trade Commission report]

Charges under this heading, if violative of the decree, would fall under section 7 (f):

Requiring or compelling the making of agreements by competitors not to engage in any line of business nor to supply any special order in competition with defendant or with any company in which it is financially interested as a condition precedent to the procurement of aluminum metal.

At pages 106, 107, and 108 numerous excerpts are made from letters passing between (a) Walker, of the Illinois Pure Aluminum Co., and the Aluminum Co. of America, and (b) between various officials of the Aluminum Co. of America.

In addition to excerpts from communications, there are statements attributed to Walker and officials of the Aluminum Co. of America. These are set forth as evidence that the Aluminum Co. of America sought to prevent, and did prevent, Walker from erecting a rolling mill. Without considering the various items cited, the facts with regard to this allegation can be fairly stated as follows:

The department's investigator, in interviewing Walker, went into this matter very carefully, and not only failed to get the statement from Walker that his failure to erect a rolling mill was due to threats or unfair arguments made by the Aluminum Co. of America, but got the admission from Walker that he had never definitely and seriously contemplated erecting a rolling mill.

Subsequent inquiry and examination of all references to this subject contained in correspondence files firmly justify the following conclusion, that there is a failure of evidence to show any unlawful action on the part of the Aluminum Co. of America to prevent the erection of rolling mills. All the information at hand clearly indicates that the lack of development of rolling-mill facilities in the aluminum industry is wholly due to economic conditions.

DEFECTIVE METAL SHIPMENTS

[Page 108, Federal Trade Commission report]

The charges under this heading, if violative of the decree, would fall under section 7 (b), the last of which reads:

* * * or from furnishing known defective metal.

At pages 108, 109, 110, and 111 the Trade Commission report quotes at considerable length from a number of letters passing between officials of the Aluminum Co. of America, relative to the question of defective metal. Without considering these citations specifically, except to call attention to the fact that in no single instance is there submitted a complaint specifically emanating from a manufacturer, the following statement is offered:

In the first field investigation conducted by the department, its investigator called specific attention of each manufacturer interviewed to the question of defective shipment and interrogated them carefully in that regard. As his reports amply set forth, not one of the many manufacturers interviewed made complaint that the Aluminum Co. of America had knowingly and intentionally shipped defective material. It was generally stated that defective metal had on occasions been received and that some extra expense was occasioned by reason of such shipments, but it was unanimously agreed that such shipments were undoubtedly due to conditions over which the Aluminum Co. of America had no control.

Subsequent investigation fully discloses that 100 per cent owned subsidiaries of the Aluminum Co. of America and a company in which they had a substantial financial interest were likewise the recipients at times of considerable amounts of defective metal. The entire investigation of the phase does not permit for a moment the belief that the Aluminum Co. of America willfully or knowingly made or makes shipments of defective metals.

The citations made in the Federal trade report, pages 108 to 111, inclusive, when considered in their entirety and in relation to this whole subject, constitute a clear proof that the company at the time in question was making sincere efforts to improve the quality of its product.

All of the above is offered in support of the arguments that it was absolutely essential and necessary that the department make further investigation after the receipt of the Trade Commission's report, and that had it had the temerity to file a citation based on the Trade Commission's report and evidence contained therein such citation could not have been sustained.

I now wish to invite the attention of the Senate to the fact that the Department of Justice is now engaged in an investigation of the competitive methods of the Aluminum Goods Manufacturing Co., in which the Aluminum Co. of America has a financial interest. The investigation based upon complaints against the Aluminum Co. of America, contained in the report of the Federal Trade Commission, has been completed and a final report submitted. This report has been carefully considered by the ablest attorneys of the department. They in turn have made their recommendations to the Attorney General. His decision has demonstrated that the investigation made by his department has been carefully and thoroughly made and that there has been no undue delay in the matter, and I feel sure that his ultimate decision was a just and proper one.

In view of the above facts, I must say that there are no doubts in my mind "as to the vigor and good faith of the Department of Justice" in this matter. Therefore, inasmuch as the Department of Justice has in progress an investigation of the Aluminum Goods Manufacturing Co., and inasmuch as the Federal Trade Commission is now conducting hearings on a complaint against the Aluminum Co. of America, I am very much opposed to the action recommended on the last page of the majority report, namely, that the Senate instruct the Committee on the Judiciary to inquire into the alleged violations of the decree against the Aluminum Co. of America entered in the District Court for the Western District of Pennsylvania on June 7, 1912. I feel that such action by the Senate is not warranted and that it is bound to interfere with the proceedings of the two governmental agencies above mentioned. Nothing can possibly be gained by such action, and this unwarranted interference may result in causing the Federal Trade Commission and the Department of Justice to lose the use of data so essential in the completion of the investigations which they are conducting with the utmost good faith.

In this immediate connection, as has been suggested by those who have preceded me, and as I stated in the beginning of my argument I would do, I now wish to touch briefly upon the question so learnedly discussed by the Senator from Iowa [Mr. CUMMINS] that the Senate of the United States has no power to investigate the executive department of the Government.

I desire first to make special reference to a book well known to our forefathers, a book studied by the men who were engaged in momentous deliberations in the city of Philadelphia in the year 1789, when they wrote and established the Constitution under which we now live and conduct our form of government. I refer to Montesquieu's Spirit of Laws, in book 11, subdivision 6, where this great and fundamental truth was enunciated:

The political liberty of the subject is a tranquillity of mind arising from the opinion each person has of his safety. In order to have this liberty, it is requisite the government be so constituted as one man need not be afraid of another.

When the legislative and executive powers are united in the same person, or in the same body of magistrates, there can be no liberty, because apprehensions may arise lest the same monarch or senate should enact tyrannical laws to execute them in a tyrannical manner.

Again, there is no liberty if the judiciary power be not separated from the legislative and executive. Were it joined with the legislative, the life and liberty of the subject would be exposed to arbitrary con-

trol, for the judge would be then the legislator. Were it joined to the executive power, the judge might behave with violence and oppression.

When the Constitutional Convention was engaged in its momentous deliberations in Philadelphia, Montesquieu's celebrated maxim in reference to the separation of the legislative, executive, and judicial branches of government was the great Democratic slogan. It was exemplified in principle in the constitutions of all the States, and was quote in some as one of the eternal verities. It is not remarkable, therefore, that the maxim figured so prominently in the debates and that so much time was occupied in giving it practical effect. The only wonder is that there could have been any wide difference of opinion as to the meaning and scope of this clearly expressed doctrine.

Strange as it may seem, this very maxim was invoked against the proposed Constitution reported by the convention. Of course, the maxim, taken literally, could not have been so employed. But men are never at a loss to devise reasons for opposing measures which conflict with their interests. And so the men who opposed a Federal Union attributed to the maxim a meaning at variance with its terms and which the author could not have intended. Instead of a mere separation of the three great branches of government, they argued that the maxim required the complete independence of those branches. According to them, the idea of the Gascon sage was not a government of three separate parts, but three distinct governments with different powers and functions. Hence the checks against usurpations of power which had been provided as a safeguard against tyranny were assailed as dangerous to the liberty of the people. Shallow as were these contentions, the proponents of the Constitution were compelled vigorously to defend it against the charge that it violated this fundamental law.

The word "independent" when used in respect of the several branches of the Federal Government has a somewhat restricted meaning. These branches are separate and distinct and the powers of Government have been appropriately distributed among them. To the extent that each draws its authority directly from the Constitution it is in a very real sense independent. But in a broader sense there can be no such absolute independence between them as was imagined by opponents of the Constitution. They together form one complete Government and are as indispensable to each other as the three angles of a triangle. In this view they are interdependent rather than independent. But this interdependence is inherent and is not to any considerable degree enhanced by the barriers against encroachment and abuse of power provided in the Constitution. The framers recognized that it was one thing to make an appropriate distribution of power among the several branches and quite a different thing to maintain the balance between them. It was then an accepted maxim, since vindicated by experience, that power gravitates to the legislature in time of peace and to the Executive in time of war. But these necessary checks did not destroy the proper independence of the several branches as integral parts of the same government or belittle the dignity of any of them.

With Congress making the laws and appropriating the funds for their execution, it is not unnatural that Congress should display a lively interest in the manner in which the laws are enforced and the moneys expended. In the discharge of its constitutional function the Congress is entitled to have, and must receive, information as to the state of affairs in the executive departments. Article II, section 3, provides that the President shall from time to time give to the Congress information of the state of the Union. In the nature of the case the power must reside in the Congress, or either House thereof, to compel the Executive to furnish the necessary information on which to legislate. Moreover, the Congress is vested with the power to impeach all civil officers; and while no executive officer is accountable to either House in the way that a subordinate would be accountable to his superior, nevertheless the conduct of every executive officer is subject to the scrutiny of the House of Representatives in so far as the power to impeach necessarily implies the right to scrutinize official conduct. To the credit of the Executive let it be said that there have been very few instances of reluctance on its part to furnish the Congress with information which it was legitimately entitled to receive. The conflicts have resulted, for the most part, from departures from the constitutional scheme by Congress. Of course the temptation to overstep the mark is much greater in the legislative than in the executive branch; the eagerness of the opposition to embarrass the Executive, the desire for personal notoriety, the feeling entertained by some legislators that the Executive is a dependent agency of the legislature—all are contributing causes.

(1) The earliest assertions of inquisitorial power took the form of resolutions calling on the Executive for the production of papers or for information. In 1796 the House of Representatives requested President Washington to lay before it certain papers relating to the negotiation of the treaty with the King of Great Britain. The President refused the request, pointing out that the assent of the House is not necessary to the validity of a treaty, and that the treaty exhibited in itself all the objects requiring legislative provision.

As it is essential to the due administration of the Government—

He wrote—

that the boundaries fixed by the Constitution between the different departments should be preserved, a just regard to the Constitution and to the duty of my office * * * forbids a compliance with your request.

In 1825 the House of Representatives requested that President Monroe transmit certain documents relating to the conduct of certain officers of the Navy. The documents were refused on the ground that it was due the individuals under criticism, and to the character of the Government, that they be not censored without just cause, which could not be ascertained until after a thorough and impartial investigation. The President's grounds would have been less clear had the accused individuals been civil officers subject to impeachment.

This, I state, is founded upon the principles of our Constitution, as clearly appears from a reading of that document.

Mr. President, this identical question has been before the Senate upon many occasions. It has been raised here upon each occasion. It has been raised in the British Parliament; yes, it has been discussed here in the Senate of the United States; it has been discussed and studied in the several divisions of our Government; it has been discussed in all the executive departments. It appeared away back in the very beginning, when George Washington for the first time, as nearly as I can ascertain, raised the question of the right of the executive department not to have its duties, its powers, and its privileges encroached upon by the legislative branch of the Government. This question arose in 1796, when the House of Representatives requested President Washington to lay before it certain papers relating to the negotiation of a treaty with the King of England. President Washington refused the request, pointing out that the assent of the House was not necessary to the validity of a treaty, and that the treaty exhibited in itself all the objects requiring legislative provision. Then, after reviewing the matter quite clearly, he stated:

As it is essential to the due administration of the Government that the boundaries fixed by our Constitution between the different departments should be preserved, a just regard to the Constitution and to the duty of my office, under all the circumstances of this case, forbids a compliance with your request.

This message appears in volume 1 of the Messages of the Presidents, page 196.

Then, Mr. President, in 1825 the House of Representatives, requested President Monroe to transmit certain documents relating to the conduct of certain officers of the United States Navy. The documents were refused on the ground that it was due the individuals under criticism and the character of the Government that they should not be censured without just cause, which could not be ascertained until after a thorough and impartial investigation.

In 1833 the Senate requested President Jackson to communicate to that body a copy of a paper alleged to have been read by him to the heads of the executive departments relating to the removal of deposits of the public funds from the Bank of the United States. Here was a clear case of intermeddling, as the Senate did not possess the power to initiate impeachments.

President Jackson, however, replied as follows:

The Executive is a coordinate and independent branch of the Government equally with the Senate, and I have yet to learn under what constitutional authority that branch of the Legislature has a right to require of me an account of any communication, either verbally or in writing, made to the heads of departments acting as a Cabinet council. As well might I be required to detail to the Senate the free and private conversations I have held with those officers on any subject relating to their duties and my own. *

Feeling my responsibility to the American people, I am willing upon all occasions to explain to them the grounds of my conduct, and I am willing upon all proper occasions to give to either branch of the Legislature any information in my possession that can be useful in the appropriate duties confided to them.

Knowing the constitutional rights of the Senate, I shall be the last man under any circumstances to interfere with them. Knowing those of the Executive, I shall at all times endeavor to maintain them agreeably to the provisions of the Constitution and to the solemn oath I have taken to support and defend it.

I am constrained, therefore, by a proper sense of my own self-respect and of the rights secured by the Constitution to the executive branch of the Government, to decline a compliance with your request.

Nothing daunted, the Senate in 1834 and again in 1835 called on President Jackson for certain documents relating to persons in nomination before that body. To both of these requests Jackson replied that, while he did not concede the right of the Senate to make them, he preferred to submit the documents rather than expose the persons concerned to improper and injurious imputations.

Flushed by these successes, the Senate finally adopted a resolution calling on Mr. Jackson to communicate copies of the charges, if any, which might have been made to him against a former surveyor general who had been removed from office. Here the President was again on firm ground, and said:

It is now my solemn conviction—

He answered—

that I ought no longer, from any motive nor in any degree, to yield to these unconstitutional demands. Their continued repetition imposes on me, as the representative and trustee of the American people, the painful but imperious duty of resisting to the utmost any further encroachment on the rights of the Executive.

In support of his position he pointed out that the President, in such cases, possesses the exclusive power of removal from office, and under the sanction of his oath and his liability to impeachment, he is bound to exercise it whenever the public welfare shall require. Abuse of the power from corrupt motives, or otherwise, exposes the President to the same responsibilities. But, thundered the answer—

on no principle known to our institutions can he be required to account for the manner in which he discharges this portion of his public duties, save only in the mode and under the forms prescribed by the Constitution.

President Tyler had the same experience with the House that Jackson had had with the Senate. While a more temperate man than Jackson, he was no less rigid in his insistence on the Executive prerogative. In 1842 the House passed a resolution requesting the President and the heads of the several departments to communicate to that body the names of such Members, if any, of the Twenty-sixth and Twenty-seventh Congresses as have been applicants for office, with the details relating to such applications.

The request was refused on the ground that as the appointing power is solely vested in the Executive, the House could have no legitimate concern therein. During the next year the House called on President Tyler to communicate the several reports made to the War Department by Lieutenant Colonel Hitchcock relative to the affairs of the Cherokee Indians. After a lengthy discussion of the matter the President, from a desire to avoid even the appearance of a desire to suppress the facts and to prevent an exaggerated estimate of the importance of the information from the mere fact of its being withheld, transmitted the same. He pointed out, however, that his action was purely gratuitous, and he based his right to refuse compliance on the ground of unconstitutional interference with Executive discretion rather than upon the ground of exclusive jurisdiction, which in this instance did not obtain. He said:

Nor can it be a sound position that all papers, documents, and information of every description which may happen by any means to come into the possession of the President or of the heads of the departments must necessarily be subject to the call of the House of Representatives merely because they relate to a subject of the deliberations of the House, although that subject may be within the sphere of its legitimate powers. * * * The executive departments and the citizens of this country have their rights and duties as well as the House of Representatives, and the maxim that the rights of one person or body are to be so exercised as not to impair those of others is applicable in its fullest extent to this question.

A request of the House, preferred in 1843, for information as to the instructions issued Captain Jones, of the Navy, who was charged with having made a warlike invasion of the territories of the Mexican Republic, met with a similar response from President Tyler.

A request by the Senate for information from President Polk as to what steps had been taken by his predecessor in execution of the resolution of Congress looking to the annexation of Texas, was resisted on the ground that to divulge the information would interfere with proceedings pursuant to the resolution and hence would be incompatible with the public interest. In 1846, the House requested of President Polk that he cause to be furnished to that body an account of all payments made on President's certificates from the fund appropriated for the contingent expenses of foreign intercourse during the incumbency of Daniel Webster as Secretary of State. The right of the House to this information was denied in an elaborate reply in which the confidential nature of the expenditures was emphasized and the position taken that the House had not the right to demand the information except in a formal proceeding for impeachment, when its power would be plenary.

If the House of Representatives, as the grand inquest of the Nation, should at any time have reason to believe that there has been malversation in office by an improper use or application of the public money by a public officer, and should think proper to institute an inquiry into the matter, all the archives and papers of the executive departments, public or private, would be subject to the inspection and control of a committee of their body and every facility in the power of the Executive be afforded to enable them to prosecute the investigation.

Mr. President, in Article I, section 2, of the Constitution of the United States, it is clearly provided that the Congress of the United States has no judicial power save in the cases specifically enumerated in the Constitution. The Senate has the sole power to try all impeachment cases; each House is the judge of the election, returns, and qualifications of its Members; each house may punish its Members for disorderly behavior and, with the consent of two-thirds, as provided in Article I, section 5, of the Constitution, expel a Member. Subject to the judicial powers just enumerated, the Constitution of the United States provides in Article III, section 1:

The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish.

And Congress, or either House thereof, has no power to make use of judicial processes unless that authority is expressly conferred upon it by the Constitution of the United States.

Mr. President, why do we have such rules of procedure? Why do we find them so clearly and so distinctly recognized in the Constitution of the United States? Permit me to go back and refer to Lord Camden in 1765, in the case of Entinck against Carrington, which appears in 19 Howells' State trials, 1029. Lord Camden there established the citizen's right to immunity, and that his papers and property should be free from general warrants of either restraint or investigation. It was the arbitrary exercise of such power that constituted one of the chief grievances of the Colonies in the pre-Revolutionary days.

I desire to read what the Supreme Court said in this very connection in the case of Boyd *v.* United States (116 U. S. 616, 625):

The practice had obtained in the Colonies of issuing writs of assistance to the revenue officers, empowering them, in their discretion, to search suspected places for smuggled goods, which James Otis pronounced "the worst instrument of arbitrary power, the most destructive of English liberty and the fundamental principles of law that ever was found in an English law book"; since they placed "the liberty of every man in the hands of every petty officer." This was in February, 1761, and the famous debate in which it occurred at this time in Boston was the most prominent event which inaugurated the resistance of the Colonies to the oppressions of the mother country. "Then and there," said John Adams, "was the first scene of the first act of opposition to the arbitrary claims of Great Britain. Then and there the child independence was born."

Then, coming down to a later date, we find several more recent decisions of the Supreme Court of the United States cited in the remarks of the Senator from Iowa, to which I shall soon make reference in detail. However, Mr. President, one of the most illuminating, one of the clearest, and at the same time one of the strongest enunciations of the right of the Executive to be free from encroachment, of the judicial power of the Government to be free from encroachment, and of the legislative power to be free from encroachment is found in the remarks in this very Chamber by Senator Sumner, of Massachusetts, who in speaking to the very question of the exercise of judicial power by the Senate of the United States stated at page 88 of his complete works, Volume VI, as follows:

Besides these three cases, expressly named in the Constitution, there are two others where it (the Senate) has already undertaken to exercise judicial powers, not by virtue of express words but in self-defense:

1. With regard to the conduct of its servants, as of its printer.

2. When its privileges have been violated, as in the case of William Duane, by a libel. * * *

It will be observed that these two classes of cases are not sustained by the text of the Constitution. If sustained at all, it must be by that principle of universal jurisprudence, and also of natural law, which gives to every body, whether natural or artificial, the right to protect its own existence; in other words, the great right of self-defense. * * *

I know it is said that this power—

Meaning the right of the Senate to exercise the judicial function—

is necessary in aid of legislation. I deny the necessity—

Senator Sumner said:

Convenient, at times, it may be; but necessary, never. We do not drag members of the Cabinet or the President to testify before a committee, in aid of legislation; but I say, without hesitation, they can claim no immunity which does not belong equally to the humblest citizen. Mr. Hyatt and Mr. Sanborn have rights as ample as if they were officeholders. Such a power as this, which, without the sanction of law, and merely at the will of a partisan majority, may be employed to ransack the most distant States, and to drag citizens before the Senate all the way from Wisconsin or from South Carolina may be convenient, and to certain persons may seem to be necessary. Throughout all times alleged necessity has been the apology for wrong.

"So spake the fiend, and with necessity
The tyrant's plea, excused his devilish deeds."

Mr. President, a remarkable assertion of legislative control of the executive departments occurred in the first Cleveland administration. The Democratic Party having been so long out of power, there were many anxious to make a place in the Government service for their friends. This irritated, seemingly, the Senate, the complexion of which remained unchanged, and the heads of departments were bombarded with demands for the reasons for the removal of various officeholders. In 1886 the Senate adopted a resolution directing the Attorney General to transmit to it all papers in the Department of Justice—

in relation to the management and conduct of the office of district attorney of the United States for the southern district of Alabama.

In his reply, the Attorney General stated—

the President of the United States directs me to say * * * it is not considered that the public interests will be promoted by a compliance with said resolution.

Objection was taken in the Senate to the statement in the Attorney General's reply that it was made by direction of the President. This, it was thought, implied that the Attorney General is the servant of the President and is to give or withhold documents in his office according to the will of the Executive. The majority report of the committee appointed to consider the matter took this narrow view of the question:

The important question then is whether it is within the constitutional competence of either House of Congress to have access to the official papers and documents in the various public offices of the United States created by laws enacted by themselves.

And on the recommendation of the majority of the committee the Senate passed a resolution which, among other things, expressed its condemnation of the refusal of the Attorney General, under any circumstances, to send to the Senate copies of the papers called for by its resolution, as in violation of his official duty and subversive of the fundamental principles of the Government and of the good administration thereof.

The President replied in a communication to the Senate, dated March 1, 1886, in which, after lengthy discussion, he justified the withholding of the papers on the ground that they were really the private papers of the President, which he could at any time have withdrawn from the files of the Department of Justice. But Grover Cleveland was too good a lawyer to allow to go unchallenged the assertion that because the executive departments were created by Congress the latter has any supervisory power over them. The whole question is treated with great ability, and his views are summarized in the following choice example of political repartee:

I do not suppose that "the public offices of the United States" are regulated or controlled in their relations to either House of Congress by the fact that they were "created by laws enacted by themselves." It must be that these instrumentalities were created for the benefit of the people and to answer the general purposes of Government under the Constitution and the laws, and that they are unencumbered by any lien in favor of either branch of Congress growing out of their construction, and unembarrassed by any obligation to the Senate as the price of their creation.

The foregoing instances are valuable as showing the completeness and accuracy with which the Presidents have defined the respective powers and prerogatives of the legislature and the Executive in resisting the unwarranted encroachments of the former. But these resolutions are not "self-executing," as the phrase goes; they have no sanction beyond the great consideration due the dignity of the body adopting them, and no matter how mandatory their terms are addressed to the discretion of the Executive. What are the powers of Congress, or either House thereof, to compel the attendance of witnesses or the production of documents and to inflict punishment for contumacy?

This question was first considered by the Supreme Court of the United States in the very famous case cited by the Senator from Iowa of Anderson against Dunn. Dunn was sued for false imprisonment. He justified under a warrant of the House of Representatives directing him, as Sergeant at Arms of that body, to arrest the plaintiff.

The warrant recited that Anderson had been found by the House—

guilty of a breach of the privileges of the House, and of a high contempt of the dignity and authority of the same.

Anderson's "high contempt" consisted in attempting to bribe a Congressman, although that fact did not appear in the warrant or in the pleadings. The warrant directed the Sergeant at Arms to bring him before the House, when, by its order, he was reprimanded by the Speaker. The defense of the Sergeant at Arms rested on the broad ground that the House having found the plaintiff guilty of a contempt, and the Speaker under the order of the House having issued a warrant for his arrest, that alone was sufficient authority for the defendant to take him into custody.

The court considered the issue simply to be—

whether the House of Representatives can take cognizance of contempts committed against themselves under any circumstances.

No such power is given by the Constitution, except when the contempts are committed by Members; but the question was resolved in the affirmative upon the doctrine of implied power. How, otherwise, could the House protect itself from molestation in the discharge of its duties? As regards the power to punish for such contempts, it was held that the House necessarily possessed—

the least possible power adequate to the end proposed, which is the power of imprisonment.

As regards the duration of such imprisonment, it was said that the existence of the power that imprisons is indispensable to its continuance; and although the legislative power is perpetual, the legislative body ceases to exist on the moment of its adjournment or periodical dissolution. It was held, therefore, that imprisonment must terminate with adjournment. But the significant and dangerous thing decided was that the House has a general power of punishing for contempt and that a judgment of contempt once pronounced is binding on the courts and precludes any inquiry as to whether the House exceeded its power.

This ruling stood as the law of this Nation for almost 60 years, including the most critical times in our history. It is remarkable that during the dark days when passions ran high there was no instance of serious abuse by either House of the unlimited power conceded to it. But in 1880 a case came to the Supreme Court which indicated the dangerous possibilities of such unrestrained power, and the court wisely modified its former ruling. I refer to the famous case of Kilbourn *v.* Thompson (103 U. S. 168).

The House of Representatives had appointed a special committee to investigate a real-estate pool in the District of Columbia. This pool, it was charged, was indebted to Jay Cooke & Co., debtors of the United States, who were insolvent and undergoing bankruptcy. The committee was directed to ascertain and report all the facts and was authorized to send for persons and papers. Kilbourn was summoned as a witness, but refused to testify, and under authority of a resolution was placed under arrest by Thompson, the Sergeant at Arms. He thereafter brought his action against Thompson, the Speaker of the House, and the members of the special committee for false imprisonment.

The Supreme Court, rejecting and overruling the reasoning in the opinion in Anderson against Dunn, held that Congress had no power to examine into the private affairs of the real-estate pool, and that the refusal of the witness to testify before the committee did not constitute a contempt of the House, and that there was no ground for the infliction of punishment upon him at its insistence, and that the Sergeant at Arms was not

protected from liability by the order of the House directing him to place Kilbourn under arrest. The lengthy and learned opinion of Mr. Justice Miller holds that neither House of Congress had any general power to punish for contempt. The powers exercised by the House of Commons present no analogy, since those powers rest upon principles peculiar to that body and not upon any general rule applicable to all legislative bodies. The powers of Congress must be sought in some express grant in the Constitution or be found necessary to carry into effect such powers as are there expressed. The power to punish for contempt can not therefore exist in a case where the House attempting to exercise it invokes its aid in a matter to which its authority does not extend.

The learned justice admonished the Congress that the Constitution divides the powers of Government into three departments, and that it is essential to the successful working out of the system that the lines separating those departments shall be clearly defined and closely followed. The subject matter of the investigation, he declared, was judicial, not legislative. It was then pending in the proper court. There was, therefore, no power in Congress, or in either House thereof, on the allegation that an insolvent debtor of the United States was interested in a private business partnership, to investigate the affairs of that partnership, and consequently no authority to compel a witness to testify on the subject.

In 1857 Congress enacted a law making it a misdemeanor for any person to fail or refuse to give testimony or produce papers before either House, or any committee of either House, when duly summoned (Rev. Stat. secs. 102–104). The act provided that in the event of contumacy on the part of any such witness, the President of the Senate, or the Speaker of the House, as the case may be, shall certify the fact under the seal of the Senate or House to the United States attorney for the District of Columbia, whose duty it shall be to bring the matter before the grand jury for their action.

I shall now discuss the Chapman case, reported in One hundred and sixty-sixth United States, 661.

While the tariff act of 1894 was under consideration in the Senate certain amendments were offered to the sugar schedule, the adoption or rejection of which would materially affect the value of the stock of the American Sugar Refining Co. Certain newspapers charged that Members of the Senate were yielding to corrupt influences in the consideration of the legislation. The Senate thereupon adopted a resolution reciting in its preamble that the integrity of the Senate had been questioned in a manner calculated to destroy public confidence in the body, and in such respects as might subject the Members to censure or expulsion, and providing in its body for the appointment of a committee to investigate the stated charges. The committee called one Chapman, a broker, and questioned him with reference to his dealings with Senators. He declined to answer the questions, and was indicted under the act of 1857, and was taken in custody by the marshal of the District of Columbia.

Chapman then filed an original petition for a writ of habeas corpus in the Supreme Court of the United States, setting up the alleged unconstitutionality of the act. His principal contention was that the reference therein to "any" matter under inquiry rendered the act fatally defective because too broad and unlimited in its extent. But the court held that the statute must be given a sensible construction to avoid absurdity, and that the word "any" must be held to refer to—

> matters within the jurisdiction of the two Houses of Congress, before them for consideration and proper for their action, to questions pertinent thereto, and to facts or papers bearing thereon.

In that case there was no serious question as to the power of the Senate to prosecute the inquiry for the reason that, by the Constitution, the Senate is authorized to—

> determine the rules of its proceedings, punish its Members for disorderly behavior, and, with the concurrence of two-thirds, expel a Member.

The court also held that the enactment of the statute did not constitute an unlawful delegation of constitutional powers, and did not impair the power of the House in a proper case to punish for contempt. Moreover, it was indicated that under certain circumstances proceedings for contempt and for contumacy under the statute might both be pursued, since in that case the same act would be an offense against both jurisdictions, the two being diverso intuitu and capable of standing together.

One of the most famous as well as recent cases to come before the Supreme Court of the United States was that of Marshall against Gordon, decided in 1917, and reported in Two hundred and forty-third United States, 521. Mr. Marshall was the United States attorney of the southern district of New York, and had conducted a grand jury proceeding resulting in the indictment of a Member of Congress. The Member charged on the floor of the House that Marshall was guilty of many acts of misfeasance and nonfeasance. At his behest a resolution was adopted directing the Judiciary Committee to inquire and report concerning the charges in so far as they constituted impeachable offenses. A subcommittee proceeded to New York to take testimony. The grand jury was considering certain charges against the Member not included in the indictment already returned. In a daily newspaper an article appeared charging that the writer was informed that the subcommittee was endeavoring rather to frustrate the action of the grand jury than to investigate the conduct of the district attorney. An effort was made to extort from the writer the name of his informant. The district attorney thereupon addressed to the chairman of the subcommittee a letter avowing that he was the informant referred to in the article, averring that the charges were true, and repeating them with amplifications and embellishments. The letter was what might be termed a "scorcher."

The Judiciary Committee reported to the House, and a select committee was appointed to consider the subject. The district attorney was called before this committee, but was wholly unrepentant. He reasserted the charges made in the letter, averred that they were justified by the circumstances, and stated that under the same circumstances they would be made again. Thereupon the select committee reported a resolution reciting that the letter in question tended to bring the House into public contempt and ridicule and that by reason thereof Marshall was guilty of a contempt of the House. Upon the adoption of the resolution, a warrant was issued to Gordon, the Sergeant at Arms, and its execution in New York was followed by an application for discharge on habeas corpus.

Chief Justice White, in one of the masterly opinions for which his memory will ever be revered, held that the power of Congress to punish for contempt does not extend to cases of this kind. He pointed out that the constitutions of Maryland and Massachusetts, in force at the time of the adoption of the Federal Constitution, expressly conferred on the respective legislatures power to punish for contempts only in so far as such power was essential to their self-preservation. The silence of the Federal Constitution on the subject indicates that a like power only is to be implied; that the limitations on the power expressly conferred on the State legislatures apply also to the powers impliedly conferred by the Constitution on the Federal Congress. This power of self-preservation clearly does not extend to the infliction of punishment as such. It is a power to prevent acts which in and of themselves interfere with or obstruct the discharge of the legislative duty and to compel the doing of those things which are essential to the performance of the legislative function. This does not mean, however, that the authority ceases when the act complained of has been committed. It includes the right to determine how far, from the nature and character of the act, there is necessity for repression to prevent immediate recurrence.

The act complained of in the particular case clearly did not fall within the power of the House to punish. The record discloses that the contempt was deemed to result, not from any obstruction to the performance of the legislative duty, but from the mere writing of the letter. Marshall was accordingly discharged from custody.

The high purpose of the Chief Justice to bring into harmonious relation the apparently conflicting powers of the legislature and the judiciary, his exalted patriotism and divine sense of justice all appear in the following eloquent passage:

> The conclusions which we have stated bring about a concordant operation of all the powers of the legislative and judicial departments of the Government, express or implied, as contemplated by the Constitution. And as this is considered, the reverent thought may not be repressed that the result is due to the wise foresight of the fathers manifested in State constitutions even before the adoption of the Constitution of the United States, by which they substituted for the intermingling of the legislative and judicial power to deal with contempt as it existed in the House of Commons, a system permitting the dealing with that subject in such a way as to prevent the obstruction of the legislative powers granted and secure their free exertion and yet at the same time not substantially interfere with the great guarantees and limitations concerning the exertion of the power to criminally punish—a beneficient result which additionally arises from the golden

silence by which the framers of the Constitution left the subject to be controlled by the implication of authority resulting from the powers granted.

He then discusses quite at length the reason for keeping the executive, the judicial, and the legislative functions of our Government separate and distinct.

The conclusions to be drawn from the foregoing precedents and authorities may be thus summarized:

Neither Congress as a whole nor either House thereof is vested with any general supervisory power over the President. In the consideration of this matter the head of an executive department may be regarded as an alter ego of the Chief Executive. The inquisitorial powers of Congress are strictly limited to subjects in regard to which it has a constitutional function to perform. Naturally, the enactment of legislation is the principal business of Congress. In the discharge of that duty Congress is entitled to receive any information in the possession of the Executive bearing upon a particular measure. But Congress may not push its demands to a point which would interfere with the performance by the Executive of its constitutional duties. The Executive is justified, therefore, in resisting any demand when it is believed that compliance therewith would be incompatible with the public interest. The decision of the Executive in such a case must necessarily be final. The question would not be justiciable, and the infliction of punishment by one coordinate branch upon the other would be wholly repugnant to the constitutional scheme. The Executive, no less than Congress, is accountable directly to the people, and ultimate decision in such matters must rest with the electorate.

The case of a subordinate officer of the executive whose contumacy did not have the support of the President would be different. The failure or refusal of such an officer to testify in regard to any subject within the constitutional competence of Congress would call for punishment. Such punishment might be inflicted by the outraged body as for violation of its privilege, or the matter might be referred to the district attorney for presentation to a grand jury. If treated as a contempt, imprisonment may not continue after recalcitrancy has ceased and can never extend beyond adjournment. Review of such conviction may be had on habeas corpus and release effected if it appears that the House in question has exceeded its constitutional authority. Notwithstanding the broad wording of the statute, a witness may not be prosecuted for contumacy unless committed in the course of an inquiry which the particular body is authorized to conduct.

In the exercise of the power of impeachment the inquisitorial powers of Congress are not limited in the same degree. And in this connection a distinction is to be noted between the powers of the House and Senate. The House is vested with the sole power of impeachment, which is comparable with the presentment of a grand jury. The Senate is the trial body. The House, as the grand inquest of the Nation, must have access to all information which will enable it to discharge its high function. The President or any civil or judicial officer of the United States being charged with an impeachable offense, it is the right and duty of the House fully to investigate. Such investigation may be, and generally is, conducted by a duly authorized committee.

The right of an accused officer to refuse information on the ground of incompatibility with the public interest is necessarily narrow. Only in a very clear case could such a claim be allowed; and here, it would seem, the House would be the judge. But such an investigation clearly must be in aid of the impeachment power; at least, the charges under investigation must be of an impeachable nature. Mere disapproval of the policies or acts of the Executive will not support the investigation. For acts and policies not impeachable the Executive is accountable otherwise than to Congress Whether a resolution authorizing an investigation must expressly state that the proceeding is one looking to impeachment is an open question.

The Senate not being vested with the power of impeachment clearly is not authorized to investigate the conduct of executive officers. However violently the Senate may disagree with the acts and policies of the executive branch; however urgently the Senate may feel called upon to expose alleged delinquencies and malversations; the fact remains that its province does not extend to those subjects. Though founded upon the plainest principles, the proposition may seem startling, since the prosecution of such inquiries has long been a popular pastime of the upper House. It sometimes happens that the issue is obscured and color of authority is lent to such proceedings by the claim that the ultimate object is the enactment of remedial legislation; but the real purpose, to exert an unwarranted control over affairs in the executive branch, more often appears. While such inquiries often lead to beneficent results, and the advocates thereof may contend that the end justifies the means, they nevertheless constitute a departure from the constitutional system and must be deprecated by all who are devoted to the orderly processes of Government.

Mr. President, if the resolution reported by the majority of the Judiciary Committee should be adopted by the Senate, then we will have established clearly and unequivocally the precedent that there resides somewhere, somehow, here in the Senate of the United States an arbitrary power to exercise a function not found in the judicial branch of our Government, not found in the executive branch of our Government, nor found in the legislative branch of our Government; but that there is that mysterious power somewhere, because of some shortcomings, as it were, upon the part of our forefathers in not having recognized and put that power, which the Senate now seeks to exercise, in the Constitution of the United States.

Are we—we the Senate—to enter the wedge to destroy the executive when the executive is not responsively obedient to the judiciary.

Mr. WALSH. Mr. President, my attention was diverted for a moment. Did the Senator in his review of the cases in which this matter was considered refer to the Mal Daugherty case?

Mr. GOFF. No; I did not. I do not think that case has been decided.

Mr. WALSH. It has been argued.

Mr. GOFF. Has it been decided?

Mr. WALSH. No.

Mr. GOFF. I did not mention that case.

Mr. WALSH. Was not the Senator in the Department of Justice at the time that case was argued?

Mr. GOFF. No; I had been out of the department more than two years.

Mr. WALSH. When did the Senator leave?

Mr. GOFF. The 1st of July, 1922.

Mr. WALSH. I was going to ask the Senator simply if he was in the department at that time, or what attitude he took with respect to that case.

Mr. GOFF. I was out of the department before that case arose.

As I was saying, are we in the Senate to enter the wedge to destroy the executive branch of this Government solely because the executive might reply to the judicial, "You can not encroach further in and upon the executive field"? Are we to enter the wedge to destroy the judicial branch of the Government if that branch should decide a case in such a way that the legislative power might not see fit to bow to its will? Are we to enter these wedges by inviting the disgruntled and discontented always to come bringing their ills to our legislative halls? We can destroy our Government; we can destroy these lines of demarcation; we can go back to the condition referred to in the very beginning of this branch of my argument, when I read from Montesquieu's Spirit of the Laws, in which he said back in the year 1748:

> Again, there is no liberty if the judiciary power be not separated from the legislative and executive. Were it joined with the legislative, the life and liberty of the subject would be exposed to arbitrary control, for the judge would be then the legislator. Were it joined to the executive power, the judge might behave with violence and oppression.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from West Virginia yield to the Senator from Montana?

Mr. GOFF. Certainly.

Mr. WALSH. I find it difficult to understand how this branch of the Senator's argument bears any relation to the question before us. I want to remind him that in two historic instances the Congress of the United States did just exactly that thing. It became dissatisfied with the decisions that were rendered by the Court of Commerce and abolished the court. So, in 1801, the Congress of the United States being quite dissatisfied with some decisions being rendered by the Federal courts of the United States, and repealed the "midnight judges act."

Mr. GOFF. I think that was perfectly within the power of Congress. Congress, however, did not undertake, as the distinguished Senator has admitted impliedly in his statement, to review the judgments of the court of commerce. No attempt was made before either the House or the Senate to override the decisions of the court of commerce.

Mr. WALSH. That is what I said——

Mr. GOFF. That was an inferior court under the Constitution, and it could be abolished any time Congress saw fit to pass an act vacating the court.

Mr. WALSH. I was not questioning that. That is why I said I did not see quite the application of the argument of the Senator. I do not see how it can be argued that the Congress is endeavoring to override the decision of any court in this instance.

Mr. GOFF. The distinguished Senator from Montana must not stick too closely to the bark. I do not remain on the bark of anything I am stating or doing. I was merely reading to the Senate the decisions of the Supreme Court which showed that the legislative branch of the Government had no jurisdiction whatever in the field of the judiciary. I was only bringing out these references because they were the cases cited, without comment, in the argument of the Senator from Iowa, in that portion of his argument directed against the request of the majority report of the committee that the Senate enter into an investigation of the investigation of the Department of Justice in the aluminum case.

Mr. WALSH. I did not interrupt the Senator when he was following that line of argument. I recognize it as a perfectly legitimate argument to make, that the Senate of the United States has no power to conduct the investigation. That was just exactly the argument made in opposition to the Teapot Dome investigation, and to the Daugherty investigation, so called. I find no fault with that. What I am troubled about is the argument now being made, as a deduction, apparently, from those cases, that the Senate of the United States has no power to overturn the decisions of the courts.

Mr. GOFF. I am sorry the Senator has difficulty in following that line of the argument, for the reason that all I was doing was to suggest that if the Senate should adopt such a resolution, the Senate would be entering a wedge to destroy the distinction between the executive and the judicial, if not the legislative, branches of our Government. I would reply to the learned Senator from Montana, though this is beside the argument, that I do not think the fact that the Senate went on with what are known as the Daugherty and the Tea Pot Dome investigations is any reason why, in either a legal or in a constitutional sense, these cases were legal or proper. The fact that the Senate went on with the investigations is merely a fact.

Mr. WALSH. Let me advise the Senator that the Hon. Martin W. Littleton appeared before the Committee on Public Lands on behalf of Mr. Sinclair, and made exactly the argument which the Senator is making now, and referred to exactly the same authorities.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Iowa?

Mr. GOFF. I yield.

Mr. CUMMINS. As I remember it, there were three resolutions adopted by the Senate with respect to the oil investigation. Two of them, and the two which finally controlled the action of the Senate, expressly recited that the investigation that was proposed was an investigation in aid of legislation.

The Senator from Montana will remember that in the minority views presented by me for the purpose of this case I admitted, what the Supreme Court never yet has admitted, that there can be a legal inquiry by the Senate, accompanied with all the consequences of an inquiry, namely, the power to compel the attendance of witnesses, and the power to punish if witnesses fail to respond, or fail to answer a proper question.

I admitted that under those circumstances the power claimed by the Senator from Montana existed, but I tried to make it clear that in this case there is not a suggestion of legislation. The inquiry here proposed, on the record as it now stands, is simply an inquiry into the commission of a crime; that is all. The Senator from Montana, it seems to me, can not cite the oil cases with very much assurance that they are parallel at all to the matter we are now discussing.

Mr. WALSH. If the Senator from West Virginia will permit me, I understand now the point made by the Senator from Iowa to be that while in the oil investigation it was recited that the investigation was being conducted with a view to legislation, it is not so recited here.

Mr. CUMMINS. That is true. That is the fact.

Mr. WALSH. I have before me the argument of the Attorney General of the United States, Harlan F. Stone, now an Associate Justice of the Supreme Court of the United States, arguing upon indubitable authority that that is entirely unnecessary; that the court will necessarily presume that the Senate was acting within its jurisdiction, and anybody who contends to the contrary must establish that fact.

Mr. CUMMINS. The record shows here that it is not acting within its jurisdiction.

Mr. WALSH. That is another thing.

Mr. CUMMINS. The report that is now before the Senate for adoption shows that it is not proposed to act within its jurisdiction in making an inquiry into the alleged violation of the decree of the district court.

Mr. WALSH. Why not? The Senator the other day said that the necessary consequence was to lead up to a joint resolution authorizing the appointment of special counsel.

Mr. CUMMINS. I pointed out what I believed to be the ultimate end of a practice of this character, but I submitted my views at least upon the question as to whether a joint resolution proposing to displace the Attorney General and employ other counsel constituted legislation within the proper meaning of that term.

Mr. GOFF. Mr. President, in view of the decisions of the Supreme Court of the United States, in view of the Constitution of the United States, in view of the general parliamentary and constitutional restrictions that hedge about such bodies as the Senate and the Congress of the United States, I submit that the Senate of the United States is without power to become either an inquisitorial body, an executive body, a judicial body, or an appellate tribunal in the performance of any duty delegated it or permitted it under the Constitution and the laws of the United States. We can readily usurp the functions of the Executive and destroy it quo ad the proceeding involved if it should be held by us that it is within our power so to act. We can proceed to destroy equally and to the same extent the judicial branch of the Government. If it be conceded that the Senate of the United States can assume to exercise such powers or functions, then under all the circumstances, whenever it becomes desirable or whenever it is thought popular so to do, any act of the executive or the judicial branch of the Government can be set at naught, not by the exercise of any legislative function, but by the exercise on the part of the Senate of the United States of some mysterious hocus-pocus power not found in the Constitution of the United States. It is a mere truism to say, as we have often read, that that which would destroy the Government of the United States will come from within and not from without. It is just such borings from within—and I regret to say borings from the top of the Government and not from the bottom of the Government—that tend to weaken, if not undermine, the very superstructure upon which the Government stands.

Mr. President, for the many reasons suggested, I must and I do submit that the Senate is without jurisdiction or power either to create or accept the prerogative and right which it seeks to confer upon itself by the adoption of the majority report.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1926, and for other purposes; and that the House had receded from its disagreement to the amendments of the Senate Nos. 4 and 13 to the said bill and concurred therein.

URGENT DEFICIENCY APPROPRIATIONS

Mr. WARREN. Mr. President, I send to the desk a conference report and move its adoption.

The VICE PRESIDENT. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: Restore

the matter stricken out by said amendment, amended to read as follows:

"Bridge near Bloomfield, N. Mex.: To defray one-half the cost of the construction of a bridge across the San Juan River near Bloomfield, N. Mex., as authorized by the act of January 30, 1925, $6,620, to remain available until June 30, 1927, and to be reimbursed from funds hereafter placed in the Treasury to the credit of the Navajo Indians."

And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Bridge near Lee Ferry, Ariz.: To defray one-half the cost of the construction of a bridge and approaches thereto across the Colorado River at a site about 6 miles below Lee Ferry, Ariz., as authorized by the act of February 26, 1925, $100,000, to remain available until June 30, 1927, and to be reimbursed from funds hereafter placed in the Treasury to the credit of the Navajo Indians."

And the Senate agree to the same.

F. E. WARREN,
CHARLES CURTIS,
LEE S. OVERMAN,
Managers on the part of the Senate.

MARTIN B. MADDEN,
D. R. ANTHONY, Jr.,
JOSEPH W. BYRNS,
Managers on the part of the House.

Mr. WALSH. What is the request of the Senator?

Mr. WARREN. I have moved the adoption of the conference report.

Mr. WALSH. That would displace the business of the Senate, would it not? I suggest that the Senator from Iowa ask unanimous consent to temporarily lay aside the unfinished business.

Mr. CUMMINS. I ask unanimous consent that the unfinished business be temporarily laid aside.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BRATTON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McKellar	Sheppard
Bayard	Frazier	McNary	Simmons
Bingham	George	Means	Smith
Blease	Glass	Moses	Smoot
Bratton	Goff	Norbeck	Stanfield
Broussard	Hale	Nye	Swanson
Bruce	Harreld	Oddie	Trammell
Butler	Harris	Overman	Tyson
Cameron	Heflin	Pepper	Wadsworth
Capper	Howell	Phipps	Walsh
Couzens	Jones, Wash.	Pittman	Warren
Cummins	Kendrick	Reed, Mo.	Watson
Dale	Keyes	Reed, Pa.	Wheeler
Ernst	La Follette	Robinson, Ark.	Willis
Ferris	Lenroot	Robinson, Ind.	

Mr. ROBINSON of Arkansas. I desire to announce that the junior Senator from Arkansas [Mr. CARAWAY] is necessarily absent.

Mr. LA FOLLETTE. I wish to announce that the senior Senator from Nebraska [Mr. NORRIS] is detained on account of illness.

The VICE PRESIDENT. Fifty-nine Senators having answered to their names, a quorum is present.

Mr. BRATTON. Mr. President, this is the same matter that was before the Senate yesterday and was also before the Senate last week. It involves two items in the urgent deficiency appropriation bill. One is for the construction of a bridge at Lee Ferry, in Arizona, at a cost of $100,000, which is appropriated from the Treasury, followed by a provision that the Treasury shall be reimbursed from the tribal funds of the Navajo Indians. The other is for the construction of a bridge in New Mexico at a cost of $6,620, with a similar provision. So the two items combined aggregate $106,620.

As was disclosed yesterday, appropriations of this character have already been made against the Navajo Indians aggregating more than $400,000. That sum added, makes a total appropriation of more than a half million dollars against the Navajo Indians, and burdens their funds to that extent, which means that the Navajo Indians will be compelled to pay a debt of more than half a million dollars before they have any equity whatever in their funds. It is an action that is contrary to the desire of those Indians. They have vigorously protested against it. I read into the RECORD yesterday an excerpt from the proceedings of the tribal council held in July of last year, in which they specifically pointed out the Lee Ferry item and protested in no uncertain language. They set forth there that what they wanted was a voice in the expenditure of their funds, and that they desired Congress to confine its expenditure to such objects as would have some relative bearing upon their improvement.

The two bridges in question, I repeat, are not primarily for the use or benefit of those Indians. They are intended for primary use by the whites. In one case, involving the smaller expenditure, the bridge is located some 16 miles away from the Navajo Reservation. In the other case, one end of the bridge does touch the Indian lands, while the other end, reaching the opposite side of the river, connects with privately owned lands. That bridge is intended to form a part of a great arterial highway of an interstate character for the primary use of tourists and commercial activities. It has no direct bearing upon the welfare of the Indians and will not be used by them to any extent. So there is no justification for the expenditure of this money after this fashion, contrary to the desire of these Indians and over their protest.

I say the time has come when those Indians should have a greater voice in their own affairs. Recently Congress granted to them citizenship in this country of ours; it brought them into the relation of citizens of the great Commonwealth. I am making no criticism whatever of that action, but I say if they were entitled to the right of citizenship in this Commonwealth of ours a position of that kind can never be reconciled with the position Congress is now proposing to take. Is this body prepared to say that one element of its citizenship, to wit, the Congress of the United States, is willing to override another element of the citizenship, and to say that they shall have no voice in the expenditure of their own funds; that their mouths shall be closed and their voices shall be silent, and under the compulsion of law they shall be forced to accept and to pay for that which they do not want, which they do not desire, and which they do not need?

As illustrating the position of the Indians with reference to these two items, I desire to say that I received a communication yesterday which purports to be signed by five Indians, who state that they are acting as the duly elected councilmen of the San Juan Navajos. I desire to read it into the RECORD at this time, because it bears with peculiar emphasis upon the position of those Indians who under this bill must, after all, bear the burden of paying for these two bridges. The communication is addressed to me and is dated:

NAVAJO RESERVATION,
Shiprock, N. Mex., February 11, 1926.

DEAR SIR: We, the undersigned, the councilmen of the San Juan Navajo Reservation, do hereby in behalf of the our Navajo people and their representatives and with their consent enter this protest against the recent passing of a bill which provides the appropriation of $100,000 of our tribal funds for constructing a bridge across the upper Grand Canyon at Lee Ferry, Ariz.

Our reasons are as follows:

First. We want right and justice done concerning our tribal money. We protest against construction of the proposed bridge at Lee Ferry, Ariz., with our oil money, because the bridge will be absolutely of no benefit to our Indians and again because they do no trading to the north of their reservation. The Navajos who live on the western reservation with agency at Tuba City go south to trade their wool, sheep, and cattle. This has been their custom for many years.

Second. We believe the use of our tribal oil money derived from the royalties should be for much-needed improvement on our reservation. We are thirsty for water, and, in fact, right now our cattle and sheep are dying for lack of water and feed. Would you rather feel obliged to look after the comfort and benefit of the people who have money to throw at the birds than to look out for the comfort of the desert people who are suffering for lack of many things? Please remember that water is precious in this country, and therefore we would like to see our oil money used for developing water on the reservation, so that our people may have water for themselves and their stock. This is no more than right and justice.

I digress and discontinue reading further from the letter for a moment to say that if this letter speaks the truth, if it depicts the real conditions existing on the reservation, if these Indians are suffering from lack of water, if their herdsmen are suffering from lack of it, if their sheep are dying from lack of it, if their cattle are suffering and dying, if they speak the truth when they say this bridge is of no use to the Indians and will not be used by them, but will be used by the whites, I want to know what the Congress of the United States has to say in justification of its proposed action in compelling these

Indians to use $100,000 of their money to pay for bridges for the whites, bridges which the Indians do not want, which they do not need, and which they will not use. Why should the Congress compel their herdsmen and their herds to continue to suffer from lack of water for their livestock and at the same time force them to pay for bridges to be used by the whites?

Mr. President, this great Commonwealth has survived long, it has prospered greatly, it has stood high in the sisterhood of nations, and it has gained its prestige by following the lines of equity, justice, and fair dealing. It is a sad day when the richest country in the world shall compel a helpless and defenseless people to pay for something for the use of other citizens of this great country which they themselves do not want and will not use.

The letter continues:

Third. The Indian Department at Washington wants our Indians to make improvements on their homes so as to battle against all sorts of sickness among them; but how can this be done without the necessary things? The mountains in our country are covered with some timber, but we can not get lumber from them if we can not use our oil money for it. Lumber is very necessary in building better homes, and, of course, better homes mean better health for our people, old and young. We must get out of the old hogan life for health's sake. The Indian Department has been urging our Navajos to do this, but how can it be possible if our money is used for bridges for the benefit of the tourists?

I digress again, Mr. President, to commend the attitude taken in this letter toward the Indian Bureau. I know that the Bureau of Indian Affairs has urged these Indians to improve their condition by providing themselves with better homes. Large sums of money are being spent annually for the treatment of Indians and to minimize disease among them. This money is needed for such purposes. It is needed to get the raw timber out of the mountains and convert it into lumber and into homes in order that their scale of living may be heightened and disease may be minimized in their midst; but that can not be done so long as the Congress of the United States compels them to pay half a million dollars for things they do not need, which they do not want, and which will not be conducive to a higher plane of living among them.

The letter continues:

Fourth. We need our tribal oil money for the improvement of our stock. As it is at present time we have some very inferior grades of sheep, cattle, and horses on our ranges, of which the white stockmen make a big howl about from time to time. We do not blame them for that, because it is true; but how can we help it unless we can use our oil money to improve our stock? We have been self-supporting by these industries for a number of years, and we hope and expect to continue to do so.

Fifth. We need many other improvements besides all those mentioned among our people—better-pair medical doctors who will do some good to our suffering people. There are thousands of our poor Navajos who are ailing with all kinds of sickness that are not being cared for at this time. Our tribal funds will come in mighty handy for this purpose.

We have tried to the best of our knowledge and belief to write to you our protest against the use of our oil money for bridges that will be of no benefit to our Indians. But we have stated to you only some of the things that are so necessary in order to meet the needs and demands of our people. Hope you will consider the matter in behalf of the Navajo Indians.

Very respectfully yours,

The communication is signed by five men as the "duly elected councilmen for the San Juan Navajo."

Mr. President, this letter paints a picture of these helpless people, already under a debt of four hundred and odd thousand dollars. It is now proposed to place upon them an additional sum of $106,000. They cry out here and say that their people are sick and suffering. They say they need doctors, they need medical facilities; they say they need homes in which to live. They complain about their physical wants and physical desires. To be sure, disease will continue to be rampant and on the increase among them so long as the Congress of the United States fails to furnish them adequate facilities to minimize disease and diverts their funds at the rate of half a million dollars for facilities for the use of tourists and for the use of the whites.

I know it is said that perhaps they will come into large sums of money at an early date as the result of development of oil on their reservation; but until that is done, until that is a known quantity, and until the amount and the extent of their heritage is susceptible of calculation can the United States afford to continue plunging these people into debt against their wish and over their protest?

Not only that but they say that the white people are complaining about the inferior character of their sheep, cattle, and horses, and they admit that the criticism is well founded; but what can these people do when they can not handle their money, when they can not manage their affairs, and when the guardian here seems to turn a deaf ear toward the desires of the ward?

I know, Mr. President, that the distinguished chairman of the committee has suggested that this appropriation be permitted to become a law, and that bills then be introduced amending the original acts authorizing these two appropriations by striking out the reimbursable feature; but I want to say to the Senate that, based upon some inquiry into the subject, in my candid judgment if this appropriation ever becomes a law there is no possible chance to amend the original acts so as to remove the reimbursable feature; but, on the contrary, if this appropriation ever becomes a law and ever reaches the statutes of the United States these Indians will pay $106,620 for bridges that they do not need and that they do not want.

With all due deference to the chairman of the committee, the distinguished Senator from Wyoming, and conceding all sincerity to him, I anticipate, based upon some inquiries, difficulty in passing those two measures; and I say to the Senate now that in my judgment if this appropriation becomes a law it will be impossible to right the wrong that confessedly now exists. Can we afford, as the Senate of the United States, to sacrifice a principle for a matter of expediency? It would be far better that this entire appropriation bill be held up temporarily or that these two items go out of the bill and have this matter adjusted, and adjusted rightly, than to yield to expediency and say that we can not afford to hold up the bill by striking out these two provisions.

I shall not take more of your time, because I went over this ground yesterday. I appeal to the Senate. Although new in your midst, I do know something of the West. I have lived there throughout my life.

Mr. WARREN. Mr. President, will the Senator allow me to interrupt him?

Mr. BRATTON. Certainly.

Mr. WARREN. To defeat this bill, of course, means to defeat the appropriations for all the other Indians throughout the United States who are receiving various amounts of money for lands, and so forth, from the United States; and I presume the Senator does not want to go far enough, if it comes to that, to defeat this appropriation bill, which carries certain amounts, I think, for every department of the Government. It is the omnium gatherum, and, of course, a defeat of this bill would be very disastrous. I am assuming, instead of that, that the Senator wants every possible trial made to accomplish what he desires—to strike out this one proviso of an appropriation.

We have done the very best along that line that we could do. We have obtained the best terms we could obtain. This morning the committee took the matter to the House, and the House challenged it, as the Senator has here. They voted, by 235 against 30, to sustain the House conferees. That is what we have to meet on the other side of the Capitol.

I do not want to interrupt the Senator, but I wanted to say that much.

Mr. BRATTON. I welcome the interruption. In response to the distinguished Senator from Wyoming I will say that I do not desire to defeat the entire bill; and I should like to inquire of the Senator from Wyoming, based upon his ripe experience, if he thinks that failure on the part of the Senate to concur in these two measures would result in the defeat of the entire bill?

Mr. WARREN. I will ask the Senator, in turn, what would be his next move? What would he do if the Senate should vote against this last conference report?

Mr. BRATTON. In my judgment, any Member of either branch of Congress would readily concede, rather than to defeat the whole bill, that these two provisions go out and await later action. While I may be entirely wrong about it, I have no apprehension that the Congress will defeat the entire bill over these two small items.

Mr. WARREN. It has not been usual for appropriations of this size to be finally defeated or pared down to meet the views of two or three or perhaps a dozen Members of either House. It seems, on the House side, that there is a contingent there of two hundred and thirty-odd against 30 on this very question.

Mr. BRATTON. In reply to the Senator, it was upon the basis of that very statement of facts that I made the prediction a while ago that if these two appropriations become a law, the same forces to which the Senator now refers will

exercise extreme caution to see that the original reimbursable features of the law never shall be repealed; and the result will be that these Indians will pay $106,000 for something which I do not believe any man in this or the other body of the Congress will undertake to defend upon grounds of equity or upon grounds of fair dealing or upon grounds of good conscience.

Mr. WARREN. If the Senator will allow me in that connection to say a word, I think that a proposition to let the House see the other side of the matter in a regular way might be successful, and I believe it would be. To reach it in this proposed way, however, is not only highly improper as to the rules and practices of the Senate, but also as to the rules and practices of the House.

As I have stated, I have tried to do exactly what the Senator wanted done in this matter, both here and in the conference with the House. We did our best in the conference. The Senator from Kansas [Mr. CURTIS] was one of our conferees. We sent the matter back yesterday and fought over it this morning for a long time. We got what was the last and the only thing the conferees on the part of the House would do. They took the matter before the House, and, as I said, by a vote of 235 against 30 the House voted to sustain its previous action.

I do not believe that forecloses either the House or the Senate, as far as reaching the matter in any other reasonable way is concerned; but when we get down to a matter of one or two items in conference, as I said yesterday, we are responsible, of course, for an amendment to an item that came over in the regular way and came over to fulfill laws already passed. The Senate and the House passed laws, and the very language of those laws was taken up by the House and an appropriation put into the bill to fulfill the duty of the House to appropriate under the law. We undertook to amend it by cutting off the last two or three lines; but there was some confusion the other day which resulted in cutting them both out altogether. The Senate is the body that has asked for an amendment that is not justified by the law but is against the law, while on the other side the House conferees stand on the legal ground of being entirely within their rights and within the law.

Mr. LENROOT. Mr. President, will the Senator from New Mexico yield?

Mr. BRATTON. I yield.

Mr. LENROOT. I should like to ask the Senator from Wyoming if it is his view, if Congress passes a law and it later becomes apparent that a very great injustice has been done and that the law is absolutely unjust, that there is any duty upon Congress then to make an appropriation which the law simply authorizes in order to carry out that law?

Mr. WARREN. On the other hand, it is probably the duty of those who think it is unjust to propose to correct it in a legal way.

Mr. LENROOT. Yes; but no correction is possible after it gets in here, however unjust it may be; this is the final act of injustice.

Mr. WARREN. The Senator begs the question that there are certain rules and certain lines of procedure that have to be followed in order to obtain the passage of legislative bills from time to time. It comes down oftentimes to a point where it is a matter of days and nights of consideration and contest, perhaps, time and again, and finally one House or the other has to yield.

Mr. LENROOT. Oh, that is another question; but I want to ask the Senator this question. He is the chairman of the Committee on Appropriations. We have a great many laws that authorize appropriations that have not been recommended by the Budget. I have some in mind myself at this moment. Does the Senator, as a member of the Committee on Appropriations, favor putting into the proper appropriation bills all appropriations that have been authorized by Congress?

Mr. WARREN. My reply to that is that the Senator knows what my record has been upon that subject.

Mr. LENROOT. Certainly.

Mr. WARREN. Of course, I have not done it; but these two items are the laws, unchallenged. The House follows those laws. The House does its duty as it sees it, and we can not say that the House did otherwise. The matter came to us, and we did what we thought was our duty. We have tried to strike out those appropriations, and we are unsuccessful. Now, what are we going to do?

Mr. LENROOT. The only question is whether we can be successful by further effort; that is all.

Mr. WARREN. Further effort? If the Senator means to send it back to conference, I should love to put him in my place if he wants it to go.

Mr. LENROOT. I think if it goes back to conference for two or three weeks there are enough Congressmen interested in other items so that we would have a very good chance with respect to this matter.

Mr. WARREN. We are holding up a bill here in which a great many of the employees of the Government, and, as I said before, all the Indians in other localities are interested, and it is pretty hard to say that we are going to hold it up in order, perhaps, to get even with the House.

Mr. LENROOT. No.

Mr. WARREN. If Senators want to hold it up on trial, to see what we can do with the House, I suppose I shall have to submit to it, but I think much harm can be done in that way, and I do not believe that there is one chance out of two hundred that redress can be obtained in that way.

Let me say further that I do not want to go into this question of Indians or non-Indians. I have lived among them probably longer than any other man in this Chamber, and I believe I have always gotten along without a quarrel with any of them. I have paid out my own money and I have been one of the parties to appropriating the public money for their benefit. They suffer from one side and benefit from another. Look at the wealth that they get out in Oklahoma and down in the Southwestern States, one of which is so ably represented in part by the Senator who has the floor. It may take some time, but the amount of money those Indians possess to-day is probably greater than that of any like number of pioneers who went into the western country in the early days. They are richer, individually and collectively, than are the white men who pioneered the country.

Mr. BRATTON. Mr. President, with reference to proceeding along lines of getting even with the House, I desire now to expressly disclaim any purpose or intention along that line, and so long as I am a Member of this body I do not expect ever to resort to a course of that sort. I will yield upon matters of policy or upon matters of expediency, but when it comes to a matter which I conceive to be one of principle or of justice or of right, about which there may be an honest difference between men, I shall never yield for expediency's sake.

The able Senator from Wyoming has just said that he does not think there is one chance out of a hundred and ninety-nine to get relief from this situation.

Mr. WARREN. At this time, in this way.

Mr. BRATTON. At this time and in this way. I thank him for that suggestion, because the very forces now opposing and unwilling to give relief will stand shoulder to shoulder against any other method that is suggested, and for that reason it is begging the question to say that this appropriation should now be permitted to become a law, and that we should take the chance of curing the wrong later along another line.

The question recurs upon these facts: Is the Senate of the United States ready, is it prepared, as a matter of conscience and as a matter of policy, to say that these people, who stand in a helpless condition, who stand in the pitiable condition that is portrayed in this letter, although they already have a debt of $400,000 on their shoulders for nonessentials, shall have that debt increased beyond the half million dollar mark? To be sure, it is a question now as to whether we shall right the wrong at this time or go further along paths that are not right and risk resorting to other means of expediency later.

Mr. President, I have no quarrel to make with the Appropriations Committee of the Senate. I have no cavil to make with its distinguished chairman. I concede to him the utmost good faith and activity in endeavoring to right the wrong. But I predict that if the Senate ever writes this provision into a law, the day will come when we will remember that this debt was paid by the Indians and that that wrong will continue with time. I appeal to the Senate not to yield a matter of right and a matter of justice, not to abandon that and to follow matters of expediency.

This provision is wrong in principle, it is iniquitous in its result. It imposes a burden upon a helpless people, and I say that this Government is too big, it is too strong, it is too powerful, it enjoys too great a respect in the sisterhood of nations to permit a thing of this kind, small though it may be, which is filled to its four corners with injustice, with wrong, and with things that should not be tolerated.

I hope the Senate will see to it that we do not wander afield after expediency and abandon justice.

Mr. CAMERON. Mr. President, before the vote is taken, I desire to make a few remarks on the question now before the Senate. In the first place, I want to state that I am for a bridge at Lee Ferry. I am in favor of the construction of roads and bridges wherever they are needed, provided the money to construct them comes from the proper department.

When this law was passed last year it was supposed that the State of Arizona would appropriate an amount equal to that appropriated by the Federal Government, $100,000, at the next session of its legislature. The matter came up in the last session of the Legislature of Arizona. The measure providing the money passed the lower house, but was defeated in the senate. There is now available no appropriation by the State of Arizona to match the $100,000 appropriated by the Government to pay for the construction of the Lee Ferry bridge. Consequently the Senate of the United States is acting very much as it did when it attempted to force down the throats of the people of Coconino County, in the State of Arizona, $100,000 for the appropriation to purchase the Bright Angel Trail, which belonged to the county of Coconino.

I do not know why the Senate of the United States picks out Arizona and her sister State, New Mexico, to force upon them things they do not want. In the first place, let me tell the Senate why the House Members are so anxious for the construction of this bridge. Yesterday the senior Senator from Oklahoma [Mr. HARRELD], the chairman of the Committee on Indian Affairs, read into the RECORD a letter from Stephen T. Mather, Director of the National Park Service of the United States. I take the liberty of again reading that letter, in which Mr. Mather said:

At the present time people from that portion of Arizona north of the Colorado River, known as the Strip, and visitors to the Zion National Park, in order to reach by a safe road the greater portion of Arizona, including the major portion of the Grand Canyon National Park, must make a long detour through California and Nevada or a still longer detour through Colorado and New Mexico. A road crossing the Colorado at Lee Ferry seems to be the only feasible route connecting the Strip country and the rest of the State and would shorten the present distance between the Grand Canyon and Zion National Parks to approximately one-third the distance it is now necessary to traverse in going from one to the other. When this road is built it will be possible to go from the north rim of the Grand Canyon to the south rim in a day.

For the past two years there have been over 100,000 visitors to the Grand Canyon Park annually, the travel for 1924 exceeding that for 1923 in spite of the restrictions against the hoof-and-mouth epidemic, and this travel will continue to grow from year to year. When the two rims are joined by a good road and bridge a still further increase will undoubtedly follow. It will be hard to find any road in the United States that will offer to the traveler so many diversified scenic features, and these features should be made accessible as soon as possible.

Even more important, from the point of view of the State, is the fact that residents of that section north of the Colorado River will have direct access to other parts of the State. The development of the area north of the Colorado River should not and can not be delayed much longer, and such a road would do more to develop that section than any other one thing.

Not alone would residents of Arizona be benefited by the opportunity to reach easily any portion of the State but the entire State would benefit from the stream of tourist travel that now, after visiting the wonderful Zion and southern Utah country and the north rim of the Grand Canyon, turns back through Utah and on to California from there. Last year 8,400 people visited Zion Park, and nearly 4,000 went to the north rim, and each year the numbers increase. If easy access were afforded visitors to Zion and the north rim to cross over to the south rim, most of them, instead of retracing their way, would continue on to southern Arizona on their way to the coast.

I believe that the importance of a connecting road between the Strip section of Arizona and the remainder of the State can not be too strongly emphasized. It would be a boon to the State of Arizona as well as to the traveling public. I know that from the standpoint of the national parks it is vitally important.

I want to say to the Senate that I believe that while that bridge would be of benefit to the State of Arizona, while it would be of benefit to the United States, it would be of special benefit to the people who have the contract to take tourists around the rim, and from the rim of the Grand Canyon National Park to Zion National Park on the north. It would be a benefit to a corporation. One corporation alone will have exclusive access and a complete monopoly.

Why do I say that? Because in 1924 the Congress of the United States passed a law, which I now read into the RECORD, as follows:

Be it enacted, etc., That the Secretary of the Interior, in his administration of the National Park Service, is hereby authorized to construct, reconstruct, and improve roads and trails, inclusive of necessary bridges, in the national parks and monuments under the jurisdiction of the Department of the Interior.

SEC. 2. That for such purposes, including the making of necessary surveys and plans, there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the following sums, to be available until expended: The sum of $2,500,000 for the fiscal years ending June 30, 1924, and June 30, 1925; the sum of $2,500,000 for the fiscal year ending June 30, 1926; and the sum of $2,500,000 for the fiscal year ending June 30, 1927.

It has been plainly proven here that the Navajo Indian Tribe has never, does not now, and never will derive any benefit from the Lee Ferry bridge. Only one end of the bridge would be on the Navajo Reservation. The north end would be on the public domain of the Government of the United States. If the National Park Service, under the direction of Stephen T. Mather, is so anxious to exploit the tourist travel from the Grand Canyon National Park to the Zion National Park, why does it not take some of the money that has been appropriated and authorized by the Congress and put it into the building of a bridge of this kind? Why does the Bureau of Indian Affairs get behind a proposition to rob these poor Indians—yes; I call it highway robbery—and to take money out of the Treasury of the United States that has been deposited there by this poor Indian tribe?

The Navajo Indians have only $116,000 to their credit in the United States Treasury. Why should they have taken away from them almost $107,000 of that $116,000? I say to the Senate and I say to the world that it is preposterous to think of such a thing. I say further that it is a shame and it is a disgrace. I do not care whether the deficiency bill ever goes through or not if it is to contain such an unfair provision as this. I am standing here against this wrong. Let us rectify it now. Let us not put it off until to-morrow. Let us not take any chance of committing such a grievous wrong. It is all very well to say that we can pass a law to amend this provision, but Senators know that no such law can be passed. When the House of Representatives approves of such a matter, when only two or three Members of the House know anything about it, and the majority know nothing about it, I can not see why the Senate should let them prevail.

As long as I stand on the floor of the Senate and am associated with the United States Senate I am going to do my best to protect the people I am sent here to represent. I do not care who they are or what class they represent or about their color, race, or creed. I shall do my best to protect their interests. It is not a matter of getting even with the House. I served once in the House. I have no quarrel to pick with House Members, but I do not believe they understand the situation. I believe they have not given the matter the proper amount of consideration. I have no quarrel with the chairman of the Committee on Appropriations. I have known him a great many years and am very fond of him. I think he is one of the ablest Senators now in the Senate or that has ever been in the Senate. But I say that is no reason why I should not stand here and plead for what I think is right, just, and fair to the people of my own State. If these were the people of some other State and a Senator from that State should take the stand that I am taking, he would only be performing his duty. When a Senator goes home to his constituents and they ask, "Why did you let the Senate pass such a law when you knew it was wrong and when everybody knows it is wrong." how can he answer that question?

If a Senator wants to accomplish the right, he must stand for his rights and for the rights of those whom he represents. If he is right in the beginning, he must stick to it all the way through. We may not win this fight, I will say to my good friend the junior Senator from New Mexico [Mr. BRATTON] but we have fought the fight in an honest and earnest way and for a good cause and for a worthy people, and that is all we can do.

Mr. LA FOLLETTE. Mr. President, I do not intend to detain the Senate long in a discussion of the pending provision. It has been very ably discussed by Senators not only at this time but when the bill was before the Senate prior to the time it went to conference. I only want to register my protest against this injustice to the Navajos. This is one of the most indefensible propositions that has come to my attention in the years during which I have been familiar with legislation in the Senate; I make that statement realizing that it is a sweeping one. It is true that compared with the size of appropriation bills which in these days are passed by the Congress, this is a small item, but the issues involved are none the less great.

Mr. President, these 26,000 Navajos are admitted to be among the most backward of the wards of the Government. I desire to call the attention of the Senate to the testimony given by Commissioner Sells before the Snyder committee of

the House in discussing the condition and the situation of the Navajo Indians. Regarding their literacy he had this to say:

> We [the bureau] do not get 1 letter from the Navajo where we get 50 from the Five Civilized Tribes or 20 from the Sioux, so that the logic is when we ultimately accomplish that distribution by education and industrial progress among the Navajos as among the Sioux and the Five Civilized Tribes, the activities in connection with the Navajos will be correspondingly increased.

Mr. Meritt, Assistant Commissioner of Indian Affairs, said in the same hearing:

> We have a treaty to educate the Navajo Indians and we are very far behind in that obligation. There are practically 7,000 children now without school facilities.

Again he said:

> There are more Indians in the Navajo country without school facilities than on any other reservation in the United States.

With these conditions prevailing upon the Navajo Indian Reservation, with the Government admitting that it has failed to discharge its treaty obligations for the education of these wards of the Government, we are now, if we accede to the motion of the Senator from Wyoming [Mr. WARREN], to approve the conference report, about to take $100,000 out of their total of $116,000 and appropriate that money——

Mr. WARREN. Mr. President, I do not think the Senator wants to state that which is not correct.

Mr. LA FOLLETTE. I certainly do not. I shall be glad if the Senator will correct me.

Mr. WARREN. The last amendment made in conference leaves the $116,000 inviolate. The Government is to proceed to spend its own money in the building of the bridges, and such money as may hereafter come into the Treasury to the credit of these Indians can then be applied to one-half of the cost of the bridges.

Mr. LA FOLLETTE. I appreciate the correction of the Senator in that respect. I do not desire to make any statement not supported by the facts.

Mr. WARREN. I knew that, and that is the reason why I did not want the Senator's statement to remain in the RECORD when I knew it was inaccurate.

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. BRATTON. In response to the suggestion made by the Senator from Wyoming, when it is considered that these Indians have slightly more than $100,000 and that there is already an appropriation aggregating more than $400,000 against the tribal funds, the suggestion that the present amendment provides that money hereafter to be acquired by them is to be used in the payment for these bridges is a mere play upon words, because any money that hereafter comes in to their credit will be immediately subject to the payment of this item. The appropriations already made will wipe out the present pittance and leave them with $300,000 of indebtedness already upon their shoulders before this additional $100,000 is reached. The sum total of the situation is that the change in language is absolutely meaningless so far as giving them any relief is concerned.

Mr. LA FOLLETTE. I thank the Senator from New Mexico for the suggestion. I think his statement is correct and the conclusion he deduces from the statement of fact absolutely sound.

Mr. Meritt said further in the hearing to which I have referred:

> I think within three generations the Navajo Indians will compare favorably with the condition of the Indians in the other parts of the country if Congress appropriates sufficient money to supply additional facilities for these Indians.

In 1919 Commissioner Sells had this to say:

> It is going to take some time to put them [the Navajos] on a par with the Indian in the Northwest, who has had educational facilities and education that they have not had. * * * For that class of Indians it [full citizenship privileges] is more or less remote, and for these helpless wards of the Government the Indian Bureau makes no defense.

Mr. President, to take the money which may accrue to this tribe of Indians, backward as they are and neglected as they have been by the Government, to appropriate money which may accrue to them and under this reimbursable provision use that money to pay for a bridge which, it is admitted, will not be used by the Indians and which can not benefit them, it seems to me, is an absolutely indefensible proposition. It is significant that no Senator has risen in his place to defend this proposition. We are asked to accept it as a matter of expediency.

I realize that weight will be attached by Senators to the statement made by the senior Senator from Wyoming [Mr. WARREN] that the rejection by the Senate of the conference report would jeopardize the bill. But it seems to me that the Senate has just as much right to stand on principle and for justice with regard to this item and to refuse to accede to the demands of the House as the House has to stand upon its position in the matter. The Senate is contending for principle and justice. As has been suggested, if the Senate stands on its rights and rejects the conference report, the House will find itself in an absolutely untenable position. The other items in this bill are as important to the House as they are to the Senate. A delay of a few days will bring justice to these Indians. I therefore hope that the motion submitted by the Senator from Wyoming that the conference report be agreed to will not prevail.

Mr. LENROOT. Mr. President, I hope the report will not be agreed to. During the debate when the bill was first before the Senate not one word was uttered by any Senator in defense of this charge against the Indians. No one has uttered one word in defense of the proposition to-day. The situation, therefore, before the Senate is whether we shall perpetrate what is admitted to be a gross injustice upon a tribe of Indians in order that some other people may get their money on just claims a little earlier than they otherwise might. It does not seem to me there is anything else involved here than just that single proposition. It is true that here are only 26,000 ignorant Indians; but suppose there were 26,000 average American white people who were involved in this matter, I can see Senators standing on the floor conducting a filibuster if necessary to prevent such a wrong as that.

Mr. WARREN. Does the Senator propose that now?

Mr. LENROOT. No; I do not; but I do propose that the Senate ought to exhaust every effort in order to correct this injustice. I say to the Senator that if the bill goes back to the conference and the House conferees are given to understand that the Senate conferees will hold the matter up for a month if necessary, until the country learns something about it and expresses its views regarding the matter to the House Members, the Senate will be successful. That is what I mean.

Mr. WARREN. Of course Senators are interested in other parts of the bill and are anxious that the bill shall pass.

Mr. LENROOT. Yes; and Members of the House are just as much interested in other parts of the bill as are Senators.

Mr. WARREN. Certainly.

Mr. LENROOT. And they will be just as unwilling to delay the other parts of the bill as Senators are unwilling to delay them, but the difference is that the Senate is standing for a principle here and the House can recede without violating any principle. That is the difference between the two positions. I do not reflect at all upon the conferees, especially the distinguished chairman of the committee; I have not any question but that the Senate conferees did what they could with the House conferees and failed; but the Senator, very properly, perhaps, without a vote of the Senate, felt that it was necessary to come to an agreement at this time. I do not think it is necessary to come to an agreement to-day or to-morrow or next week, for that matter, upon this bill. I am satisfied, unless the House has facts different from those which the Senate possesses, that a sufficient number of Members of the House will be unwilling longer to perpetrate this injustice upon the Indians.

Oh, but, it is said, there is a law authorizing this appropriation. Yes; there is, but if Congress inadvertently enacts a law which merely authorizes an appropriation but does not direct one and Senators afterwards become satisfied that that law, if carried into effect, will perpetrate an injustice, what obligation, legally or morally, is there upon Senators to act under that law so that the injustice shall actually be accomplished, when up to this time it has only been authorized? That is exactly the situation here. We have a law which authorizes a wrong thing to be done, but it can not be carried into effect until we shall make an appropriation.

Mr. CAMERON. Mr. President, may I interrupt the Senator from Wisconsin?

Mr. LENROOT. Yes.

Mr. CAMERON. Half of this money is to be paid by the State of Arizona. At the last session of the legislature it refused to appropriate the money. Now, should Congress appropriate half of the money when the legislature of the State in which it is proposed that the bridge shall be built has not appropriated its share of the money?

Mr. LENROOT. There is no reason why Congress should act at all at this time, except those who favor this proposition may possibly fear that a little later on neither House of Congress would be willing to make the appropriation.

Mr. President, it is merely a matter of $100,000 to be charged to 26,000 poor ignorant Indians. That is all that is involved. All I ask the Senate is to regard this matter exactly in the same way as if these were white people. If instead of taking $100,000 of the money of 26,000 Indians, suppose we had 260,000 white people and were proposing to take $1,000,000 of their money, what would Congress do about it? Would we stand here and say that as a matter of expediency we must submit to such an injustice? Would we say that we must rob—because that is the effect of it so far as the Indian is concerned—one part of our people in order that another part may receive their just dues? Why, of course not. There would be no question of party. Every Senator, it seems to me, when he fully understood the matter, would rise and protest. All I ask is that Senators shall realize what the exact situation is here. When they do I am confident they will treat it just exactly as if these Indians were white people. If anything, we ought to be a little more careful of the interest of the Indians, for whom we act as guardians, than we are of the interest of those who are able to administer and take care of their own affairs.

Mr. President, all that I ask is that this report may be rejected, and that we may ask for another conference with the House of Representatives. If the House shall be unwilling to yield, if I were a Senate conferee, I would go about my business for the next two or three weeks. In that event nobody would suffer very much.

Mr. REED of Missouri. Mr. President, I wish to make an inquiry of the Senator from Wisconsin. Has the other House voted on the conference report?

Mr. LENROOT. Yes; and their conferees have been discharged.

Mr. REED of Missouri. Then, we have exactly the same situation as we had here on yesterday.

Mr. WARREN. No. Let me say to the Senator from Missouri, if the Senator from Wisconsin [Mr. LENROOT] will excuse me, that the Senate sent this bill back and asked for another conference. The conferees were the same as before. One of the Senate conferees, is, perhaps, the best friend the Indians have in Congress. I refer to the Senator from Kansas [Mr. CURTIS], who, as the Senator knows, was chairman of the Committee on Indian Affairs many years. Another conferee is the Senator from North Carolina [Mr. OVERMAN], who has always been the soul of honor and liberality toward the Indians. We met the House conferees and did the best we could. The Senator from Missouri perhaps was not here on yesterday when the statement in relation to this matter was made.

Two laws have been enacted by Congress providing for the construction of these bridges. Those laws provided the amount of money to be expended, and that half of it should be paid by the Indians. The House inserted those provisions in the bill. We tried to remedy the matter in the Senate by amendment and amendments were adopted, but we were not successful in our efforts in behalf of the Senate contention in the first conference, and we have not been successful in the second conference. We did, however, obtain a concession. The funds of the Indians now amount from $116,000, and the conferees agreed to an amendment to the effect that the money proposed to be appropriated be reimbursed from the Indian funds hereafter obtained.

The matter went back to the House of Representatives first, because when the Senate asks for a conference naturally the House conferees have to report first. The conferees reported there, and the conference report was called up on the floor. I am informed that the votes thereon was 235 to 30 in favor of sustaining the conference report as the conferees finally agreed to it and as it is now before the Senate.

Mr. LENROOT. Let me ask the Senator from Wyoming a question——

Mr. REED of Missouri. In what way is the parliamentary situation different from the situation which arose yesterday?

Mr. LENROOT. The chairman of the committee says there is a difference in the parliamentary situation. I want to ask the Senator if the parliamentary situation is not exactly the same as it was yesterday?

Mr. REED of Missouri. That is what I am inquiring. I am asking for information.

Mr. WARREN. No; I do not think it is.

Mr. LENROOT. Well, what is the difference?

Mr. WARREN. There are two laws which authorized this appropriation.

Mr. LENROOT. I am not discussing the merits of the appropriation now, but the parliamentary situation. The House had to appoint new conferees this morning before there could be a further conference, and that is what will happen if this conference report shall be rejected. In that event we will have to go through the same procedure as we had to go through yesterday.

Mr. REED of Missouri. And yesterday did the Senate not decide that after the House had voted on a conference report and agreed to it that action automatically discharged the conferees; that the proposition to send the bill back was contrary to parliamentary law, it could not be done, and was out of order? Was not that what we decided yesterday?

Mr. WATSON. Yes.

Mr. LENROOT. The parliamentary situation is exactly the same now as it was then.

Mr. WATSON. The point was that there was no conference committee to which the measure could be recommitted.

Mr. REED of Missouri. That is the situation now.

Mr. WATSON. That is the situation now, but nobody has raised the point of order.

Mr. REED of Missouri. Mr. President, I am not going to make the point of order, because there may be injustice here to be rectified.

The VICE PRESIDENT. The point of order yesterday was made on the motion to recommit. The motion now pending is a motion to adopt the conference report.

Mr. WARREN. The motion now pending is to adopt the conference report. On that we should have a yea-and-nay vote. Those who favor adopting the report can vote for it and those who are against it can vote in the negative.

Mr. LENROOT. Mr. President, I was not here yesterday, but I have examined the RECORD, and, as I understand, there was an effort made to recommit the bill to the conferees with instructions, upon which the point of order was made that the House had acted on the conference report, which automatically discharged the conferees.

Mr. REED of Missouri. Yes.

Mr. LENROOT. That point of order was sustained, and, therefore, the parliamentary situation now is exactly as it was yesterday. If the pending measure goes back to conference, the same procedure will have to be gone through with to-day that was gone through with yesterday.

Mr. OVERMAN. Mr. President, I agree with the Senator in that respect, but the parliamentary condition has changed in that the sentiment of the House was had on this question, and the conferees went back to see if they could not adjust the matter, and a compromise was brought about.

Mr. LENROOT. I want to say something about that compromise when I get to it.

Mr. REED of Missouri. Mr. President, that is going to the merits of the question. What I am trying to get at is just the one question, whether the same parliamentary situation is not now presented to us that was presented yesterday?

Mr. LENROOT. It is exactly the same.

Mr. REED of Missouri. The Senator from Wyoming does not seem to agree to that.

The VICE PRESIDENT. If a motion to recommit were made, the parliamentary situation would be exactly the same as that which obtained yesterday. The motion before the Senate now, however, is a motion to adopt the conference report.

Mr. LENROOT. Mr. President, may I say that the parliamentary situation is the same in another respect? If the conference report shall be rejected, then a motion would be in order further to insist and ask for a new conference?

The VICE PRESIDENT. Yes.

Mr. REED of Missouri. That would be the procedure. In other words, by two motions we would arrive at exactly what was attempted yesterday by one motion to disagree and recommit. This is a motion to agree; and if it is not sustained, then the only thing that can be done is to make another motion to insist on the amendments of the Senate and to ask for a further conference.

If the Senator from Wisconsin will pardon me, I should like to make a further observation.

Mr. LENROOT. I yield.

Mr. REED of Missouri. Notwithstanding the fact that there are some precedents to the contrary, I think the action taken by the Senate yesterday was unjustifiable. I think it was another method of applying gag rule to the Senate. I think the situation now presented exemplifies that fact. The tax reduction bill was crowded through here yesterday by the employment of a point of order, which I admit has precedents back of it, but very foolish precedents. However, so far as

I am concerned, I again protest against this method of procedure in the Senate. I am informed that the Senator from South Carolina [Mr. BLEASE] offered a motion that was declared out of order; he demanded the yeas and nays, but the motion was literally gaveled out of the Senate while he was demanding the yeas and nays, and the Chair was insisting upon putting the question.

Mr. LENROOT. Mr. President——

Mr. REED of Missouri. I think the RECORD bears that out. I do not want this matter to grow cold without a protest, and I am making it now. I want to say that the gavel will not be used in the Senate to shut off the rights of the Members. That is all I care to say at this time.

Mr. WATSON. Mr. President, if the Senator will yield——

Mr. LENROOT. Mr. President, I have the floor.

Mr. WATSON. I beg the Senator's pardon.

Mr. LENROOT. I merely wish to say a word, Mr. President, with reference to that point, although it is not before the Senate. I am fully satisfied that the ruling of the Chair yesterday was correct. It could not have been otherwise. If the ruling had been otherwise, there would have been this situation: A motion to recommit a bill to a body which was no longer in existence.

Mr. REED of Missouri. That is exactly what the Senator said would happen here if the opposition to the motion now pending should prevail.

Mr. LENROOT. No.

Mr. WATSON. Not at all.

Mr. LENROOT. The motion yesterday assumed the conference committee as still existing.

Mr. BLEASE. No, Mr. President.

Mr. LENROOT. I know what the Senator claims, but that must have been the result.

Mr. BLEASE. I want to read the motion to the Senator to show how far he is mistaken.

Mr. LENROOT. Very well. We might just as well talk this out now.

Mr. BLEASE. Yes; we might just as well do that now. I read from the RECORD of yesterday as follows:

> Mr. President, I move that the Senate do not concur in the conference report, and that the conferees on the part of the Senate be discharged—

Because the Chair had already ruled, and had been sustained, that when the House agreed to the bill that discharged the House conferees.

Mr. LENROOT. That is all right.

Mr. BLEASE. Therefore there were no conferees left, as the Senator now holds.

> and that the conferees on the part of the Senate be discharged from further consideration of the bill.

With all due deference to the Chair, I still hold that I was right. If that motion had prevailed, we would have had to appoint new conferees and request that the House do the same thing.

The situation now is exactly the same. The Senator from Wyoming says, if I understand him, that this matter has been passed on by the House. Is that right?

Mr. WARREN. Yes; it has been passed on by the House.

Mr. BLEASE. Therefore the House conferees have been discharged, just exactly as was the case yesterday. Then the Senator from Arkansas made that point, and I agreed with him and said he was correct; and I say now that if we do not adopt this report, the conferees of the House having been discharged, the Senate will have to appoint a new set of conferees.

Mr. LENROOT. What page is the Senator reading from?

The VICE PRESIDENT. Page 4497.

Mr. WARREN. Mr. President, I desire to say that this was the case yesterday: There were disagreements. The House took back some matters. They came back, and there were still disagreements; and what we undertook to do in the reconciliation was to send back to conference the two things that were rejected here. This time, however, the conferees did agree, and the report went back to both bodies. It went back to the House first because under the rules it goes there first, and now it comes here.

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator from Wyoming is talking about one thing, and the Senator from South Carolina about an entirely different thing. I ask the Senator from Wyoming whether the conference report on the pending bill has been agreed to by the body at the other end of the Capitol?

Mr. WARREN. Yes.

Mr. ROBINSON of Arkansas. Then of course this bill can not be recommitted to the conference, because the conferees on the part of the House have been discharged.

Mr. WARREN. That is right.

Mr. ROBINSON of Arkansas. The same rule applies to-day that applied on the tax bill yesterday. There is not a shadow of a question but that the ruling yesterday was correct. It must be borne in mind, however, that a motion to agree to a conference report by the rules of both the House and the Senate takes precedence over a contrary motion not to agree, because it has the effect of bringing the two bodies together. The rules of both Houses have been for many years that any motion with respect to a conference which tends to bring the minds of the two bodies together takes precedence over a contrary motion.

There is not any question but that the ruling of the Chair yesterday was correct. He could not have made any other ruling, in my judgment, under parliamentary law; and there is not any question, on the statement of the Senator from Wyoming, but that the same rule must apply to this bill. If you desire to reach the end sought by Senators who oppose this provision and who oppose agreeing to the conference report, you can vote down the conference report, and then the proceedings described by the Senator from South Carolina are the correct proceedings; but you must first vote upon the motion, if required to do so, as to whether you will agree to the conference report.

Mr. WARREN. The rule is absolute that on a motion of that kind the vote is simply "aye" or "no."

Mr. ROBINSON of Arkansas. There is not the slightest occasion for denouncing the Chair for an abuse of the gavel in the ruling he made yesterday.

Mr. LENROOT. Mr. President, the only point I wished to make in that connection was that I understood from the Senator from Missouri that he entertained the opinion that a motion to recommit a bill where the House had already acted upon the report was in order; and I contend that that could not be, because there was no body to which the bill could be recommitted, and that in order to get another conference it was necessary to start all over again and ask for one and have the other House agree to it. That is the procedure that will be taken here, with reference to this bill, if the Senate does not agree to the motion to adopt the conference report.

Mr. President, just one word with reference to the amendment that has been made in conference, that this is to be a charge against moneys hereafter received. Of course, that means absolutely nothing so far as the Indians are concerned. There is already some $300,000 charged against them. They have $116,000. Any moneys due the Government undoubtedly would be applied in the order in which the obligations were incurred; so if this language were not in the law the charge would not be made against the Indians except as to moneys that they may hereafter receive. So that it means absolutely nothing to the Indians.

Mr. President, I only ask this thing: Here is a deficiency bill. No one is going to suffer greatly if there is a delay of two weeks or a month, if you please, with reference to the final passage of the bill. The only thing that will happen is that some men will have to delay a little while getting their just dues in an effort to prevent a great wrong and injustice being perpetrated upon the Indians.

Mr. President, is it not worth the trial? Do we not owe that much to these Indians, when not one Senator stands upon this floor and defends the proposition that they ask us to vote for?

Mr. President, I urge that this conference report be not agreed to; and if it is not agreed to, I am sure the chairman of the committee will ask that the Senate further insist upon its amendments and ask for a new conference.

Mr. BLEASE. Mr. President, I think it is due both to the Chair and to the Senator from Missouri that I make just a short statement. On yesterday the Chair ruled that the motion which I made was out of order. I stated that, with all due respect to the Chair, if he so held I would appeal from his decision. The Chair did not state my motion, but immediately put the question on sustaining the Chair and declared that the "ayes" had it. I might say he put two questions into one. The Senator from Missouri possibly was misinformed as to the exact status. The Chair did not give me the chance to appeal. I simply stated that I would, and the Chair assumed that that was an appeal, I think, and put the question.

I think that statement is fair both to the Chair and to the Senate.

Mr. WARREN. Mr. President, I do not wish to enter into any controversy. I ask that the conference report may be agreed to.

Mr. LENROOT. On that I ask for the yeas and nays.

The VICE PRESIDENT. The question is upon agreeing to the conference report. Upon that question the yeas and nays have been demanded.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. ASHURST (when his name was called). I am paired with the senior Senator from South Carolina [Mr. SMITH]. Not knowing how he would vote, I withhold my vote.

Mr. WILLIS (when Mr. FESS's name was called). I desire to announce that my colleague [Mr. FESS] is unavoidably absent. He is paired with the junior Senator from Mississippi [Mr. STEPHENS]. I am advised that if my colleague were present, he would vote "yea" on this motion.

Mr. LA FOLLETTE (when Mr. NORRIS's name was called). I desire to announce the absence of the senior Senator from Nebraska [Mr. NORRIS] on account of illness.

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from California [Mr. JOHNSON], which I transfer to the Senator from Rhode Island [Mr. GERRY], and will vote. I vote "yea."

Mr. SWANSON (when his name was called). I have a pair with the senior Senator from Illinois [Mr. MCKINLEY]. Not knowing how he would vote on this question, I withhold my vote. If at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. BROOKHART. I transfer my pair with the Senator from Arkansas [Mr. CARAWAY] to the Senator from South Dakota [Mr. MCMASTER] and will vote. I vote "nay."

Mr. PINE. I have a general pair with the junior Senator from New Jersey [Mr. EDWARDS]. I transfer that pair to the Senator from Nebraska [Mr. NORRIS] and will vote. I vote "nay."

Mr. BAYARD. I transfer my pair with the Senator from Pennsylvania [Mr. REED] to the Senator from New York [Mr. COPELAND] and will vote. I vote "nay."

Mr. ROBINSON of Arkansas. I desire to announce the absence of the junior Senator from Utah [Mr. KING] on account of illness.

Mr. MOSES (after having voted in the affirmative). I transfer my pair with the Senator from Louisiana [Mr. BROUSSARD] to the Senator from Vermont [Mr. GREENE] and will let my vote stand.

Mr. JONES of Washington. I desire to announce the following general pairs:

The Senator from Illinois [Mr. DENEEN] with the Senator from Utah [Mr. KING];

The Senator from Delaware [Mr. DU PONT] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. EDGE] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Massachusetts [Mr. GILLETT] with the Senator from Alabama [Mr. UNDERWOOD];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES]; and

The Senator from Connecticut [Mr. MCLEAN] with the Senator from Virginia [Mr. GLASS].

The roll call resulted—yeas 17, nays 28, as follows:

YEAS—17

Bingham	Keyes	Phipps	Weller
Butler	Means	Pittman	Willis
Ernst	Moses	Robinson, Ark.	
Goff	Overman	Wadsworth	
Hale	Pepper	Warren	

NAYS—28

Bayard	Couzens	La Follette	Pine
Blease	Dale	Lenroot	Reed, Mo.
Bratton	Ferris	McKellar	Sheppard
Brookhart	Frazier	McNary	Stanfield
Bruce	Gooding	Norbeck	Tyson
Cameron	Jones, Wash.	Nye	Wheeler
Capper	Kendrick	Oddie	Williams

NOT VOTING—51

Ashurst	Fess	Jones, N. Mex.	Schall
Borah	Fletcher	King	Shipstead
Broussard	George	McKinley	Shortridge
Caraway	Gerry	McLean	Simmons
Copeland	Gillett	McMaster	Smith
Cummins	Glass	Mayfield	Smoot
Curtis	Greene	Metcalf	Stephens
Deneen	Harreld	Neely	Swanson
Dill	Harris	Norris	Trammell
du Pont	Harrison	Ransdell	Underwood
Edge	Heflin	Reed, Pa.	Walsh
Edwards	Howell	Robinson, Ind.	Watson
Fernald	Johnson	Sackett	

The VICE PRESIDENT. On this question, the yeas are 17, the nays are 28. A quorum has not voted. The Secretary will call the roll.

Mr. ASHURST. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. ASHURST. I ask that the Secretary advise the Chair as to whether or not some Senators were present and not voting. I think the Chair has a right, under the rule and the practice, to count such Senators in making up a quorum.

The VICE PRESIDENT. There was not a sufficient number of Senators present to make a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Ernst	McNary	Robinson, Ark.
Bayard	Ferris	Means	Sheppard
Bingham	Frazier	Moses	Stanfield
Blease	Goff	Norbeck	Swanson
Bratton	Gooding	Nye	Tyson
Brookhart	Hale	Oddie	Wadsworth
Bruce	Jones, Wash.	Overman	Warren
Butler	Kendrick	Pepper	Watson
Cameron	Keyes	Phipps	Weller
Capper	La Follette	Pine	Wheeler
Couzens	Lenroot	Pittman	Williams
Dale	McKellar	Reed, Mo.	Willis

Mr. LA FOLLETTE. I desire to announce that the senior Senator from Minnesota [Mr. SHIPSTEAD] is unavoidably absent from the Senate.

The VICE PRESIDENT. Forty-eight Senators having answered to their names, a quorum is not present. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absentees.

The VICE PRESIDENT. Forty-eight Senators having answered to their names, a quorum is not present.

ADJOURNMENT

Mr. WARREN. In the absence of a quorum, I move that the Senate adjourn.

The motion was agreed to; and the Senate (at 5 o'clock and 53 minutes p. m.) adjourned until to-morrow, Friday, February 26, 1926, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, *February 25, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, the Father of our Lord Jesus Christ, the Maker of heaven and earth, enter more abundantly into our hearts, that we may have deeper love and broader sympathy for our fellow man. Plainly all character building begins with the recognition of the truth, "man made in the image of God," and as possessed of divine worth. Also, may we love Thee with all our hearts, the One who hates nothing that He has made. Blessed Father in heaven, let Thy truth flood all hearts and nourish there the roots of every good thing, that our purposes may be good and open, our vows sacred and wisely kept, and all our desires reaching out toward Thee. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN OF A MEMBER

Mr. ROBSION of Kentucky. Mr. Speaker, I desire to present Judge A. J. KIRK, recently elected a Representative from the tenth district of Kentucky at a special election held February 13, 1926.

Mr. KIRK appeared at the bar of the House and took the oath of office prescribed by law.

RIGHTS OF COMMITTEES

Mr. CELLER. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. CELLER. May a committee of the House consider any bill on a subject matter which has not been referred to it? I have a specific instance and would like to get the opinion of the Chair on the matter. The Committee on Alcoholic Liquor Traffic, through the press, announced that it was to consider a general survey of the alcoholic traffic. I am informed that no bill or petition has been referred to that committee. In other words, the subject matter has not been referred to the committee in any respect whatever. Has that committee a right to consider a subject matter, a survey of the prohibition question, that has not been referred to it?

Mr. BLANTON. Mr. Speaker, I ask for the regular order. We have important business to transact. If the Alcoholic Liquor Traffic Committee has waked up after slumbering for 16 years, the gentleman from New York ought not to complain.

The SPEAKER. The gentleman from New York is in order, and the gentleman from Texas is not.

Mr. LAGUARDIA. Mr. Speaker, in the absence of the chairman of the Committee on Alcoholic Liquor Traffic I wish

to announce that that committee has not taken up any specific bill. The committee is merely proceeding on an inquiry as to what action the committee will take, if any.

Mr. CELLER. I read a statement in the press, wherein somebody with authority to speak for the committee says that they are going to consider a general survey of the alcoholic liquor traffic. In addition I might say that this morning before the Committee on Accounts an application was made for the appointment of an additional clerk for the purpose, among other things, of helping out in that survey.

The SPEAKER. The Chair would think, without having given the matter any thought, that a committee may consider any subject matter that comes within its jurisdiction, whether a resolution has been referred to it or not. As to how far the committee might go is another question.

Mr. CELLER. May I refer the Chair to sections 4355 to 4360 in volume 4 in Hinds' Precedents. There seems to be a discord between the opinion of the Chair and the precedents announced in those sections.

The SPEAKER. The Chair would think without question that the Ways and Means Committee would have the right to consider a question of taxation and revenue, notwithstanding the fact that there had been no resolution or petition referred to it. The Chair has no doubt about that. As to how far they may proceed in the investigation and the appointment of clerks for that purpose is another question.

Mr. CELLER. An additional parliamentary inquiry, Mr. Speaker.

Mr. BLANTON. Mr. Speaker, if we are going into that question, we ought to have a quorum, and I make the point that there is no quorum present.

Mr. TILSON. Oh, I hope the gentleman will not do that; we will waste an hour and Members are coming in.

Mr. BLANTON. If we are going to discuss this question, we ought to have a quorum.

The SPEAKER. Will the gentleman withhold that point, to receive a message from the Senate?

Mr. BLANTON. I will withhold it, and it may be possible that we can go on with business.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

The message also announced that the Vice President had appointed Mr. SMOOT and Mr. SIMMONS members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments" for the disposition of useless papers in the Treasury Department.

The message also announced that the Vice President had also appointed Mr. HALE and Mr. SWANSON members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments" for the disposition of useless papers in the Navy Department.

RIGHTS OF COMMITTEES

Mr. BLANTON. Mr. Speaker, I withdraw the point of no quorum.

Mr. CELLER. I take it from the opinion of the Chair that it would be a question how far the committee was going in the consideration of the subject matter not referred to it; therefore I ask this question: At some subsequent time, the committee functioning and considering the subject matter not referred to it, would a Member have the right to question the continued activities of the committee, depending how far the committee had proceeded? I take it they may go on, but at the risk of reaching a point where further activity would be improper.

The SPEAKER. The Chair does not think that is a parliamentary inquiry.

WITHDRAWAL OF PAPERS

Mr. TEMPLE, by unanimous consent, was given leave to withdraw from the files of the House, without leaving copies, papers in the case of Orndoff, 10104, Sixty-seventh Congress, no adverse report having been made thereon.

DEFICIENCY APPROPRIATION BILL—CONFERENCE REPORT

Mr. MADDEN. Mr. Speaker, I present a conference report upon the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and I ask unanimous consent that it may be considered at this time. There is but one item in it.

The SPEAKER. The gentleman from Illinois presents a conference report upon the urgent deficiency appropriation bill, and asks unanimous consent that it may be considered at this time. Is there objection to the present consideration of the conference report?

Mr. BARKLEY. Mr. Speaker, reserving the right to object, how long will it take?

Mr. MADDEN. I think it will not take more than a minute or two.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the conference report.

The Clerk read the conference report and statement, as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Bridge near Bloomfield, N. Mex.: To defray one half the cost of the construction of a bridge across the San Juan River near Bloomfield, N. Mex., as authorized by the act of January 30, 1925, $6,620, to remain available until June 30, 1927, and to be reimbursed from funds hereafter placed in the Treasury to the credit of the Navajo Indians."

And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Bridge near Lee Ferry, Ariz.: To defray one-half the cost of the construction of a bridge and approaches thereto across the Colorado River at a site about 6 miles below Lee Ferry, Ariz., as authorized by the act of February 26, 1925, $100,000, to remain available until June 30, 1927, and to be reimbursed from funds hereafter placed in the Treasury to the credit of the Navajo Indians."

And the Senate agree to the same.

MARTIN B. MADDEN,
D. R. ANTHONY, JR.,
JOSEPH W. BYRNS,
Managers on the part of the House.

F. E. WARREN,
CHARLES CURTIS,
LEE S. OVERMAN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on amendments Nos. 27 and 28 to the bill (H. R. 8722) "Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes," submit the following written statement explaining the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report:

On No. 27: Restores the appropriation of $6,620 for one-half cost of a bridge across the San Juan River near Bloomfield, N. Mex., stricken out by the Senate, modified so that the expenditures shall be reimbursed from funds hereafter placed to the credit of the Navajo Indians.

On No. 28: Restores the appropriation of $100,000 for one-half cost of a bridge across the Colorado River near Lee Ferry, Ariz., stricken out by the Senate, modified so that the expenditures shall be reimbursed from funds hereafter placed to the credit of the Navajo Indians.

MARTIN B. MADDEN,
D. R. ANTHONY, Jr.,
JOSEPH W. BYRNS,
Managers on the part of the House.

Mr. MADDEN. Mr. Speaker, I move the adoption of the conference report.

Mr. HAYDEN. Mr. Speaker, before that is done will the gentleman yield to me for a few minutes?

Mr. MADDEN. Mr. Speaker, I yield four minutes to the gentleman from Arizona [Mr. HAYDEN].

Mr. HAYDEN. Mr. Speaker, there has been a violent misrepresentation of the facts with respect to this reimbursable appropriation for the construction of a bridge across the Colorado River near Lee Ferry, Ariz. It has been repeatedly stated in another body and in some newspapers that we who are responsible for this appropriation are attempting to seize practically all of the funds now in the Federal Treasury to the credit of the Navajo Indians in order to build this bridge. I shall demonstrate that nothing could be further from the truth.

From some motive, which has not been entirely disclosed, those opposing this appropriation have seen fit to denounce the Assistant Commissioner of Indian Affairs, Mr. Edgar B. Meritt, because he appeared before the Committee on Appropriations of the House to answer questions regarding an appropriation which is authorized by law. In doing so these objectors have been careful to withhold some very material facts. They do not say that the act authorizing this appropriation of $100,000 out of the Treasury of the United States, reimbursable from Navajo tribal funds, was passed by both Houses of Congress and became a law by the approval of President Coolidge on February 26, 1925. There is not even a hint that the estimate to carry out the provisions of that act was approved by the Commissioner of Indian Affairs, the Secretary of the Interior, the Director of the Budget, and finally by the President before it was transmitted to Congress. Why condemn Mr. Meritt just because he happened to be the one who appeared at a hearing as a part of the routine duties of his office?

If anybody is responsible for this situation, I am the man. I am not passing the buck to anybody and stand ready to receive all the criticism that has been directed at others. Those who are engaged in a general attack on the Indian Office are seeking to use this item as means of furthering their campaign to discredit that bureau. They do not say that I introduced the bill to authorize this appropriation; that I reported it to the House and urged its passage on this floor. They deal gently with me but roundly abuse Mr. Meritt and the other officials of the Interior Department. I protest against such manifest unfairness. When a Congressman stands sponsor for a bill he should be held strictly accountable and the blame, if any, should not be transferred to the shoulders of those whose only duty is to execute the laws passed by Congress.

I introduced the bill to authorize the construction of this bridge in good faith. I believed then and insist now that to build a bridge across the Colorado River about 6 miles below Lees Ferry will be of sufficient benefit to the Navajo Indians to justify this appropriation in the form in which it is made. One-half of the bridge will be within the Navajo Reservation, and that is why one-half of its cost is made a charge and lien against their tribal funds. The road leading to the bridge from the south will extend for 60 miles through the heart of the Western Navajo Reservation, where over 6,000 members of that tribe reside. That part of the Navajo country, now inaccessible, will be opened by a main highway of travel, which will not only bring purchasers for all the products of the reservation but which the Indians themselves can and will use whenever they have occasion. That highway, the construction of which will require the expenditure of over a million dollars, will not cost the Navajo Indians 1 cent. The only contribution that they will ever be called upon to make is for one-half the cost of this bridge.

Mr. BLACK of Texas. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BLACK of Texas. I notice that this provision contemplates that this appropriation is to be repaid out of funds that may hereafter come into the Treasury to the credit of the Navajo Indians.

Mr. MADDEN. It does not make any charge upon the $116,000 that the Navajo Indians now have in the Treasury.

Mr. BLACK of Texas. I know; but it makes a charge on the Treasury of the United States. What assurance have we that there will be this amount coming to the credit of the Navajo Indians?

Mr. HAYDEN. That is the very point that I was going to bring out in my next statement.

Mr. BLACK of Texas. Oh, I thought the gentleman was through.

Mr. MADDEN. I yield more time to the gentleman from Arizona to answer the question.

Mr. HAYDEN. I am sure that no one who is at all informed will dispute the fact that the Navajo country offers more inducements for the expenditure of money in prospecting for oil than in any other section of the great Southwest. The lack of a law to permit the drilling of oil wells on Executive-order Indian reservations is the only thing that stands in the way of great activity in many parts of a vast area now closed even tighter than though it were behind the great wall of China.

The former Secretary of the Interior, Mr. Fall, ruled that Executive-order Indian reservations were open to entry under the general oil leasing law of February 25, 1920. Prospecting for oil took place and discoveries were made. Then, by reason of an opinion of the Attorney General of the United States, reversing Secretary Fall's decision, all operations ceased. Later the Federal Court in Utah decided that Secretary Fall was right, but the case has been appealed to the Supreme Court, so no one can tell what the final result will be.

In the meantime I have introduced an oil leasing bill that is now under consideration by the Committee on Indian Affairs which, if enacted, will, in my opinion, make the Navajo Indians even richer than the Osages. I say that advisedly, having seen the limited area of the Osage oil lands and the great territory which is now occupied by the Navajos.

Mr. BLACK of Texas. But suppose no funds come in. It means that the United States is building a bridge out in Arizona out of funds from the United States Treasury.

Mr. HAYDEN. That question was thoroughly considered at the time the authorizing act was passed. The Committee on Appropriations has reported an appropriation authorized by law, and it is now too late to discuss the question raised by the gentleman from Texas.

Mr. MADDEN. It is not too late, but we are perfectly satisfied that there is a development pending.

Mr. BLACK of Texas. The reason I ask the question is that there are two bills now on the calendar that contemplate expenditures of this kind out in the State of Washington, to be made out of the Treasury of the United States. We have rivers in Texas that we would like to have dredged at the expense of the Federal Government.

Mr. MADDEN. The Navajo Indians have millions of acres of land in their reservation.

Mr. FREAR. Is it not a fact that in the Senate yesterday a bill was introduced to repeal the reimbursable feature of this proposition?

Mr. MADDEN. Yes.

Mr. FREAR. And that they were going to hold up this whole appropriation until that bill had opportunity to pass?

Mr. MADDEN. We have safeguarded that.

Mr. FREAR. How?

Mr. MADDEN. By making this appropriation a charge against the revenues of the Indians as they come into their possession.

Mr. FREAR. Mr. Speaker, who has the floor?

The SPEAKER. The gentleman from Arizona has the floor. His time is not exhausted.

Mr. FREAR. Mr. Speaker, will the gentleman yield?

Mr. HAYDEN. Yes.

Mr. FREAR. That particular charge yesterday at the other end of the Capitol was to the effect that not one Indian would cross this bridge in the course of a year, and the other day the same Senator stated that not 10 would. There were three gentlemen in the Senate who are familiar with the facts who stated that it is an iniquitous and unjust tax to take $100,000 from the Navajo Indians to help build this bridge. Yesterday there was introduced in the body at the other end of the Capitol a bill to repeal the $100,000 reimbursable feature of this bridge matter, and this item was to be held up in the Senate awaiting action upon that bill.

Mr. HAYDEN. Mr. Speaker, the Senate has been grossly misinformed as to the facts. But one side of the case has been presented. If a bill has been introduced, I hope that a hearing will be held where all the facts may be brought out.

What I resent most of all is the unfairness of those who oppose this appropriation. Every line that has been written, every word that has been said, would lead to no other conclusion than that it was proposed to take $100,000 out of $116,000 now on deposit in the Treasury to the credit of the Navajo Indians and use that money to build the Lee Ferry bridge. If such were the intention, Congress would do so directly, as is frequently done with appropriations from tribal funds, instead of making an appropriation and then providing for reimbursement.

The truth is that no such proceeding was ever contemplated. When the bill authorizing this appropriation was before the Committee on Indian Affairs and under consideration by the House no such representation was ever made. Upon the contrary, it was made plain to everyone that the actual date of reimbursement could not be foretold, but that there was every reason to believe that before many years there would be a large development of the oil resources of the Navajo country and then, without inconvenience to the Indians, their proper share of the cost of this bridge could be repaid.

Let me repeat that this proposal does not and never has contemplated touching one dollar that is now in the Treasury to the credit of the Navajo Indians. If Congress intended immediate reimbursement, everyone who knows the facts is well aware that no part of the present $116,000 could be taken, because there now exist prior claims to much more than that sum of money. I told the House a few days ago that there now exists a total charge of $68,500 for bridges heretofore built in Arizona the cost of which is reimbursable from Navajo tribal funds. I did not go beyond my own State at that time, but I have since checked up the expenditures that have been made in New Mexico, which I have tabulated as follows:

Appropriations expended in New Mexico reimbursable from Navajo tribal funds

Bridge across San Juan River at Shiprock (38 Stat. L. p. 91)	$16,000.00
Mesa Verde-Gallup Highway (39 Stat. L. p. 144)	15,000.00
Mesa Verde-Gallup Highway (39 Stat. L. p. 981)	15,000.00
Bridge across San Juan River near Farmington (39 Stat. L. p. 926)	25,000.00
Completion of Farmington Bridge (40 Stat. L. p. 576)	4,000.00
Mesa Verde-Gallup Highway (40 Stat. L. p. 575)	25,000.00
Mesa Verde-Gallup Highway (41 Stat. L. p. 18)	25,000.00
Completion of Shiprock Bridge (41 Stat. L. p. 18)	4,226.14
Mesa Verde-Gallup Highway (41 Stat. L. p. 422)	11,000.00
Total	140,226.14

Annual appropriation of $20,000, authorized for maintenance of Gallup-Durango Highway, reimbursable from Navajo tribal funds. (43 Stat. L. p. 606.)

Every cent of that money was spent under authority of law which in each instance provided that the various sums should be reimbursable out of any funds to the credit of the Navajo Indians in the Treasury of the United States. These New Mexico appropriations will more than cover the entire amount of the present Navajo funds and, being ahead in the order of expenditure, will, of course, have priority in the time payment over the $100,000 carried in this deficiency bill.

I have supported every one of these New Mexico appropriations which are reimbursable from Navajo tribal funds. The construction of bridges across the San Juan River and the improvement of the road from Gallup to Mesa Verde has been fully justified from every point of view. The Navajo Indians have been benefited just as the tribe will benefit by the construction of another important tourist highway through their country to the Lee Ferry bridge and on into Utah.

I am glad to see the New Mexico Navajos enjoy these advantages, but most of the tribe lives in my State, and the Indians there are entitled to equal consideration. For the information of the House I desire to present the following figures from the last annual report of the Commissioner of Indian Affairs.

Indian population in Arizona
(Pages 32–33)

Navajo Indians:	
Under Hopi Agency	2,630
Under Leupp Agency	1,183
Under Navajo Agency	11,240
Under Western Navajo Agency	6,498
Total	21,551

Indian population in New Mexico
(Page 36)

Navajo Indians:	
Under Pueblo Bonito Agency	2,880
Under San Juan Agency	7,000
Under Southern Pueblo Agency	392
Total	9,272
Total Navajos in both States	30,823

For 14 years, as a Member of this House, I have spoken for the Navajo Indians of Arizona. In all that time I have neglected no opportunity to do everything that was possible to advance their welfare. Millions of dollars have been appropriated for their benefit, and no one will be bold enough to deny that I was at least here and knew what was being done. The Navajo Indians, over 20,000 of them, two-thirds of the entire tribe, are an integral part of the people of Arizona, all of whom I have been sent here to represent. They are my constituents, and I have taken care of them. I shall continue to see that no harm comes to them. Neither will I permit their best interests to be jeopardized by new and alleged friends who at this late date would have Congress believe that there has been a betrayal of trust and a perpetration of injustice.

Mr. FREAR. Mr. Speaker, a parliamentary question.

The SPEAKER. The gentleman will state it.

Mr. FREAR. Is it proper at this time to offer a motion as a substitute to recede and concur in the Senate amendment?

Mr. MADDEN. It is not a Senate amendment, it is a conference report complete, and the gentleman has to adopt it or reject the conference report.

Mr. BLANTON. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BLANTON. Is not this the fact, that the House has agreed, out of future revenues of these Indians, that the money shall be reimbursable merely to keep their present fund intact?

Mr. MADDEN. Exactly.

Mr. BLANTON. What harm can there be if that is the fact?

Mr. FREAR. If the gentleman will yield, there is $100,000 reimbursable charge against the Indians. They have $116,000 in the Treasury.

Mr. HAYDEN. The gentleman from Wisconsin is mistaken in his facts.

Mr. MADDEN. Mr. Speaker, there is not a dollar charged against these Indians in this fund. They have $116,000 in the Treasury. We are not proposing to make any charge against that $116,000. What we are proposing to do is, when their country is opened up by the construction of a bridge and the expenditure of over $1,000,000 by the State of Arizona in the construction of 130 miles of road in order to enable them to develop, that then whatever is advanced out of the Indians' money resulting from the development as a result of all this expenditure by other parties, that shall be charged against the fund of the Indians and against the expenditure by the Government of the United States.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BLACK of Texas. Why should the United States Government advance money to the States of Utah and Arizona to build this bridge out of Federal funds?

Mr. MADDEN. The Indians are wards of the Government, and it always has been the custom and is the law that the United States Government shall conserve the rights of the Indians and shall create such obligations in the conservation of their rights as may seem wise, and the report pending before the House is the result of earnest and careful consideration and is deemed by those who have brought it in and are now advocating it as being wise, and we ask the House to adopt our views of it by adopting the conference report.

Mr. FREAR. Will the gentleman yield?

Mr. MADDEN. I will.

Mr. FREAR. Is it not a fact that the Indians have never consented to this proposition, that they are opposed to it, and it will not add $1 to the value of their property and is purely a tourist automobile bridge and——

Mr. HAYDEN. I emphatically deny that statement.

Mr. FREAR. I am asking the gentleman from Illinois if it is not a fact?

Mr. MADDEN. It is not.

Mr. FREAR. It was so stated in another body.

Mr. MADDEN. The statement I made is a statement of facts.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the Chair announced the ayes appeared to have it.

Mr. FREAR. Mr. Speaker, I demand the yeas and nays, and on that I make the point of order that there is no quorum present.

The SPEAKER. Not a sufficient number have arisen, and the yeas and nays are refused.

Mr. FREAR. I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. MADDEN. Mr. Speaker, I move a call of the House; it will be an automatic roll call.

The SPEAKER. It is simply a call of the House.

Mr. BEGG. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The roll was called, and the following Members failed to answer to their names:

[Roll No. 43]

Berger	Fulmer	Nelson, Me.	Swoope
Brand, Ohio	Gallivan	Nelson, Wis.	Taylor, Tenn.
Britten	Golder	Norton	Thayer
Butler	Hall, N. Dak.	O'Connor, La.	Treadway
Cleary	Hastings	O'Connor, N. Y.	Tydings
Connolly, Pa.	Hawley	Oldfield	Vaile
Cox	Kendall	Parks	Vare
Crumpacker	Kerr	Prall	Warren
Curry	Kiess	Pratt	Wilson, Miss.
Deal	Lee, Ga.	Quayle	Wood
Doyle	Lehlbach	Shallenberger	Woodruff
Eaton	Luce	Simmons	Woodrum
Esterly	Magee, Pa.	Stevenson	Wright
Flaherty	Martin, La.	Sullivan	Zihlman
Fort	Mills	Sumners, Tex.	
Foss	Moore, Ky.	Swartz	
Fredericks	Morin	Sweet	

The SPEAKER. Three hundred and sixty-seven Members have answered to their names. A quorum is present.

Mr. TILSON. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. MADDEN. Mr. Speaker, I ask for a vote.

Mr. SWING. Mr. Speaker, may we have the motion read for the information of those who have come in?

The SPEAKER. Without objection, the Clerk will again report the amendment.

Mr. MADDEN. Mr. Speaker, it is not an amendment; it is a conference report.

The SPEAKER. Without objection, the Clerk will again report the items in conference.

There was no objection.

The items were again reported.

The SPEAKER. The question is on agreeing to the conference report.

Mr. FREAR. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Mr. MADDEN moves that the House recede from its disagreement to the amendment of the Senate No. 28, and agree to the same with an amendment as follows: "Restore the matter stricken out by said amendment amended to read as follows: Bridge near Lee Ferry, Ariz.: To defray one-half the cost of the construction of a bridge and approaches thereto across the Colorado River at a site about 6 miles below Lee Ferry, Ariz., as authorized by the act of February 26, 1925, $100,000, to remain available until June 30, 1927, and to be reimbursed from funds hereafter placed in the Treasury to the credit of the Navajo Indians."

Mr. MADDEN. Mr. Speaker, I yield one minute to the gentleman from Wisconsin [Mr. FREAR].

The SPEAKER. The gentleman from Wisconsin is recognized for one minute.

Mr. FREAR. Mr. Speaker, this is a conference agreement that compels the Navajo Indians to pay $100,000 for a tourist bridge in Arizona. The Senate yesterday unanimously struck out the $100,000 Indian reimbursable feature from the conference report on the bridge. The House to-day should concur with that action of the Senate, because this bridge was never proposed to be constructed with the consent of the Indians. They have no interest in it. They have protested against it. They receive no benefit from it. The $100,000 is ultimately to be taken out of their funds, of which they now have only $116,000 on hand. I have shown before that these Indians need every dollar of their funds for sickness and trachoma. They are sadly in need of help. They get no benefit whatever from this tourist bridge proposition. It should be stricken out and the conference report should not be accepted until that is done.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the Speaker announced that the Chair was in doubt.

Mr. MADDEN. Mr. Speaker, I ask for a division.

The SPEAKER. A division is demanded.

The House divided; and there were—ayes 235, noes 30.

So the conference report was agreed to.

TREASURY AND POST OFFICE APPROPRIATION BILL, 1927

Mr. MADDEN. Mr. Speaker, I call up the conference report on the bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes.

The SPEAKER. The gentleman from Illinois calls up a conference report, which the Clerk will read.

The conference report was read.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5959) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14 and 16.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 7, 8, 11, 12, and 15, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Except that in unusually meritorious cases of one position in a grade advances may be made to rates higher than the average of the compensation rates of the grade but not more often than once in any fiscal year and then only to the next higher rate"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "For repair and reconditioning of one of the steamers of the Coast Guard for use as an ice breaker, $100,000, to be immediately available"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$7,634,600"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,650,000"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 4 and 13.

MARTIN B. MADDEN,
WM. S. VARE,
JOSEPH W. BYRNS,
Managers on the part of the House.

F. E. WARREN,
GEO. H. MOSES,
L. C. PHIPPS,

Except on amendment No. 16.

WM. J. HARRIS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5959) "making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1927, and for other purposes," submit the following statement explaining the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report:

On No. 1, relating to the limitation on the payment of salaries under the classification act: Provides that in unusually meritorious cases of one position in a grade, advances may be made to rates higher than the average of the compensation rates of the grade but not more often than once in any fiscal year and then only to the next higher rate, instead of leaving such advances to the discretion of the Personnel Classification Board, as was proposed by the Senate.

TREASURY DEPARTMENT

On No. 2: Strikes out reference to the Division of Customs in appropriations relating to the Customs Service.

On No. 3: Increases from $160,000 to $163,000, as proposed by the Senate, the amount which may be expended by the Federal Farm Loan Bureau for personal services in Washington.

On No. 5: Makes permanent law of the provision regulating the transportation charges for officers of the Coast Guard performing travel on Government-owned vessels.

On Nos. 6 and 7, relating to the Coast Guard: Appropriates $100,000, as proposed by the Senate, to equip a vessel for use as an icebreaker.

On No. 8: Makes permanent law of the provision regulating the transportation of officers of the Public Health Service on Government-owned vessels.

POST OFFICE DEPARTMENT

On No. 9: Appropriates $7,634,600, instead of $7,384,600, as proposed by the House, and $7,884,600, as proposed by the Senate, for compensation to watchmen, messengers, laborers, and substitutes.

On No. 10: Appropriates $1,650,000, instead of $1,500,000, as proposed by the House, and $1,734,000, as proposed by the Senate, for compensation to clerks in charge of contract stations.

On No. 11: Appropriates $16,495,000, as proposed by the Senate, instead of $16,450,000, as proposed by the House, for rent, light, and fuel for first, second, and third class post offices.

On No. 12: Appropriates $1,602,000, as proposed by the Senate, instead of $1,502,000, as proposed by the House, for miscellaneous expenses at first and second class offices.

On No. 14: Restores the language, stricken out by the Senate, making $200,000 of the appropriation for equipment available for the purchase of equipment and furniture for post-office quarters.

On No. 15: Corrects the spelling of the word "Chauffeurs."

On No. 16: Strikes out the paragraph, inserted by the Senate, relating to the use of stop watches, unit systems, etc., in connection with postal employees.

The committee of conference have not agreed to the following amendments of the Senate:

On No. 4: Relating to the use of confiscated motor vehicles by inspectors in the Narcotic Service.

On No. 13: Appropriating $24,000 for the rental of pneumatic tubes in Boston for transmission of the mails.

MARTIN B. MADDEN,
WM. S. VARE,
JOSEPH W. BYRNS,
Managers on the part of the House.

Mr. MADDEN. Mr. Speaker, I move the adoption of the conference report.

The motion was agreed to.

Mr. MADDEN. Mr. Speaker, I ask leave to take up the two Senate amendments in disagreement. I would like to have these taken up.

The SPEAKER. The Clerk will report the Senate amendments in disagreement.

Mr. MADDEN. The first amendment is No. 4, on page 20 of the bill.

The Clerk read as follows:

Senate amendment numbered 4: Page 20 of the bill, in line 2, after the figures "1922" insert "and the Secretary of the Treasury may authorize the use, by narcotic agents, of motor vehicles confiscated under the provisions of the act of March 3, 1925, and pay the maintenance, repair, and operation thereof from this allotment."

Mr. MADDEN. Mr. Speaker, I move to recede and concur in the Senate amendment.

The SPEAKER. The gentleman from Illinois moves to recede and concur in the Senate amendment. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Senate amendment numbered 13: On page 54, after line 16, insert "For the rental of not exceeding 2 miles of pneumatic tubes, not including labor and power in operating the same, for the transmission of mail in the city of Boston, Mass., $24,000: *Provided*, That the provisions not inconsistent herewith of the acts of April 21, 1902, and May 27, 1908, relating to the transmission of mail by pneumatic tubes or other similar devices shall be applicable hereto."

Mr. MADDEN. Mr. Speaker, I move to recede and concur.

The SPEAKER. The gentleman from Illinois moves to recede and concur in the Senate amendment.

Mr. MADDEN. Mr. Speaker, I want to make a statement. The House will recall that several years ago the tubes in the various sections of the country were taken out. Later on, on account of the congested conditions between the Battery and Forty-seventh Street, New York City, they were restored there. Many efforts have been made to restore the tubes. I have always opposed the restoration. But here comes a peculiar situation. There are several cases, I may say, throughout the country where for a short distance between the general post office and the railroad stations there are very congested conditions which make it almost if not quite impossible to transport the mail on the surface of the streets, resulting in great delay.

Generally speaking, I think that in cases such as this favorable consideration ought to be given to the question. This proposes to establish tubes between the post office in Boston and the North and South Stations. The tortuous, narrow streets between these points make it almost impossible to move traffic during the busy hours of the day. This involves the introduction of tubes in that densely congested area for only a mile and six-tenths.

Mr. BYRNS. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BYRNS. I wanted to ask the gentleman if the inclusion of this appropriation will act as a precedent for other extensions?

Mr. MADDEN. If it did, I will say to my colleague on the conference, who knows my attitude very well, I would be opposed to it. The only reason why I am for it is because it looks as if there were no escape from the introduction of the tubes at this point if we are going to move the mails.

I talked with those representing Boston, who were responsible for the introduction of this amendment in the Senate, and told them frankly I would oppose this measure if it involved a precedent for the extension of the tubes throughout other sections of Boston. I have been assured by them they will not advocate or approve or sanction, as far as they have the power to prevent it, the extension of the tubes generally throughout the city of Boston.

However, I want to say I have always believed there ought to be a system of tubes of some kind, but this system in Boston and in other places is inadequate. There ought to be an adequate system, and it ought to be owned by the Government of the United States, for the day is coming—and it is coming rapidly—when congestion will be so much increased on the streets everywhere we will have to do something to take the traffic off the streets. I have in mind the thought that some day we ought to figure out a plan to cover the congested conditions all over the United States; look to the future and provide against the contingency that may arise as the result of further increased automobile traffic on the streets.

I am not in favor of the extension of the existing tubes, for I do not think they meet the case. These tubes were in my own city. I was one of the instrumentalities through which they were taken out. I think everybody in my district signed a petition asking me to keep them in, but in the face of that petition I voted to take them out. I want to make this public expression of my views in order that I may not be understood as trying now to do something for Boston, because it is in the State of Massachusetts from which the President comes, that I am not doing for other sections of the country. The President has no place in this picture, neither has anybody else nor anything else except the merits of the case itself.

I want the House to believe me when I say I think the case is urgent; that it ought to be approved; that it is meritorious; and that it will fill a need in Boston which is up to the point of an emergency.

Mr. CONNERY. Will the gentleman from Illinois yield to me for a brief statement?

Mr. MADDEN. I yield to the gentleman.

Mr. CONNERY. I can not add anything to the statement of the distinguished chairman of the Committee on Appropriations. He has put the case very clearly and succinctly.

The mail going into South Station in Boston from New York, from Washington, from Chicago, and from all the cities throughout the United States is, and will continue to be, greatly delayed unless you provide some system of tubes to send it over to the North Station, which is one of the main arteries leading throughout Maine, New Hampshire, Vermont, Massachusetts, and all the rest of New England.

This amendment offered by the distinguished chairman of the Committee on Appropriations will rectify this condition of affairs, especially in the streets of Boston where, as he said, conditions are so congested that it is difficult to go even the short distance from the South Station to what we call the Narrow Gauge Station, the Boston, Revere Beach & Lynn Line. It will take a truck sometimes 10 or 15 minutes to go the three or four hundred yards down Atlantic Avenue, and the mail trucks are constantly being held up. But with the pneumatic tubes we will be able to expedite the passage of this mail from the South Station over to the North Station covering the entire New England territory, and in that way give the postal service which we think the people of New England are entitled to.

Mr. MADDEN. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, on the bare question of governmental economy where something is not pushed over on him, I would follow the gentleman from Illinois [Mr. MADDEN] almost anywhere, because he has proven to us he is for efficiency and economy in the Government.

But you who have been here some time will remember the fight necessary to do away with the tubes in Chicago and in New York, and you will remember the report of our special committee that showed the rottenness there was in connection with those tubes and its company. The gentleman right now will tell you he does not favor this company or its tubes, and yet he asks us to vote $24,000 a year as annual rental in Boston to carry the mail a mile and a quarter, whereas if you let it by contract you can find 100 contractors who would agree to transport the mail that mile and a quarter for one-half of the sum.

You will remember the fight that New York made to put these tubes back. Time and time again they came on this floor, and time and time again we whipped them to a finish, and finally they brought it to another vote and it was a tie vote, and the Speaker of the House of Representatives had to vote in favor of the tubes to give them back to New York. That is the history of the transaction.

They took them away from Chicago and they never put them back, but they did put them back in New York. Oh, I am fearful, Mr. Speaker. When it comes to New York wanting to get its tubes back, with its rotten company, we vote them back because it is in New York; when it comes to Philadelphia wanting $2,186,000 out of the Treasury we give it to Philadelphia because it is Philadelphia, and when it comes to Boston wanting $24,000 a year for tubes to transport the mail a mile and a quarter, we give it to them because it is Boston asking for it.

Mr. CONNERY. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman; yes.

Mr. CONNERY. You did not give Boston their $12,500 appropriation, as you gave Philadelphia and all these other cities that came in here. It was cut down to $6,000.

Mr. BLANTON. But the gentleman from Massachusetts expects to get this $24,000. The gentleman voted for the $2,186,000 for Philadelphia. And now he expects one for Boston.

Mr. CONNERY. Will the gentleman yield again?

Mr. BLANTON. Yes.

Mr. CONNERY. I did not even know about this matter of the $12,500.

Mr. BLANTON. But you did vote for the $2,186,000 Philadelphia appropriation?

Mr. CONNERY. I voted for the Philadelphia matter, of course, in commemoration of the Declaration of Independence, the Constitution of the United States, and all that Philadelphia stands for.

Mr. BLANTON. The trouble is that a man who wants a hand-out votes for everybody else's hand-out, so that when the time comes they will have plenty of votes to pass it.

I think somebody has pushed something over on the gentleman from Illinois right now. I think if we left it to his good judgment this provision would not be in the bill. I know what a strong delegation the Massachusetts men have here. I know how Boston appeals to the Congress. I know how Philadelphia does. I know how this great, big, fine, splendid delegation from New York appeals to us, and they usually get what they want; but when it comes to building a little bridge out in Arizona for the Indians, with their own money, we hear some fearful accusations made about something for Arizona out in the West.

Mr. CONNERY. Will the gentleman yield to me?

Mr. BLANTON. I yield.

Mr. CONNERY. I wish to say to the gentleman that I do not come from Boston. I come from the greatest shoe city in the United States, Lynn, Mass. [Applause.]

Mr. BLANTON. The gentleman from Massachusetts [Mr. CONNERY] can get anything he wants here in the House, because he has such a pleasing personality.

Mr. CONNERY. I thank the gentleman from Texas.

Mr. MADDEN. Mr. Speaker, I simply want to say that nobody put anything over on me with respect to this matter. It has merit. I ask for a vote, Mr. Speaker.

The SPEAKER. The question is on the motion of the gentleman from Illinois to recede and concur.

The motion was agreed to.

COMMITTEE ON THE JUDICIARY

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be given leave to sit during the sessions of the House for a few days until they complete a report on the question of the impeachment of Judge English, of Illinois.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that the Judiciary Committee may be permitted to sit during the sessions of the House until the completion of the consideration of the impeachment case. Is there objection?

Mr. KING. I object.

RAILWAY LABOR DISPUTES

Mr. PARKER. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9463) to provide for the prompt disposition of disputes between carriers and their employees, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. MADDEN in the chair.

The Clerk reported the title to the bill.

The CHAIRMAN. The gentleman from New York [Mr. PARKER] has consumed two hours and the gentleman from Kentucky two hours and seven minutes.

Mr. PARKER. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MERRITT].

Mr. MERRITT. Mr. Chairman, I think the committee will agree with me that the debate on this railway labor bill has been very interesting. The committee no doubt appreciates the fundamental importance of the question as a whole, and also the delicacy and difficulty of reaching the result which we all want to reach, which is the proper and efficient functioning of the railway transportation system, and that the employees shall receive fair wages and fair treatment. I think all of us were impressed with the very able argument made by the gentleman from Maine [Mr. NELSON], one of the members of our committee. His argument was a notable one, even in this House where so many good speeches are made. It seemed to me that by that speech he placed himself in the front rank of the debaters of the House. [Applause.]

Now, the principal point that I got from the gentleman's argument was that the difficulty with this bill is that it does away with certain public safeguards which past legislation has provided. That argument, I think, has much plausibility on its face and much plausibility if the documents and the laws are read by themselves, but it leaves out what seems to me to be a fundamental consideration, namely, that the so-called public safeguards embodied in previous legislation, thus having the force of law, have not proved, in fact, to be safeguards. They looked like safeguards, but when the emergency came they did not function. I did not hear anyone point to any great occasion, or any great trouble, which had been settled by the force of law.

I think the reason for this, and the reason why the arguments so ably made by Mr. NELSON and others fail, is that they do not take into account the variable human equation. Engineers can plan for the construction of a bridge, the chemist can make plans for chemical compounds and, dealing with known ingredients, they can tell what the result will be. But when you deal with human nature you can not tell, because human nature has a way of acting not in the way you want it and not in the way that the law says it shall.

In his argument the gentleman from Maine [Mr. NELSON] agreed, in answer to a question, that it was not possible by law to force any man or any number of men to work. That being so, it appears to me that any legislation based on the assumption that you can force any man to continue in his employment is based upon a fundamental fallacy, and you will not get what you expect out of it.

As I read the history of strikes and labor relations generally it is this: While you can not force any man to work positively, you can, and it has been done on many occasions, sometimes on railroads and sometimes in industrial strife—you can prevent men who want to leave their employment from interfering with others who wish to take their places. That is as far as the law thus far has proved practicable.

I think as our civilization gets more complicated and more interrelated the more need there is of paying attention to underlying economic law, and what has been forgotten in this debate so far, pay attention to the psychology of mankind. That is what human relations depend on. Therefore, I propose in the few minutes allotted to me to discuss what I think are the economic principles and the phychological principles which underly this bill and which, to my mind, make it very desirable that it should pass.

These principles, I think, are sound both from an economic and psychological point of view. Anyone who has had to do with employment of men in considerable numbers appreciates that the greatest factor in the success of such employment from every point of view, including skill and efficiency, and therefore economical production, is good will. No man with a feeling of antagonism to his employer, or to the other party to a contract, can give his undivided and cheerful attention to his work, and such cheerfulness and such concentration are essential to the best work of anyone.

An appreciation of these facts has been growing in almost every branch of business, and I have seen in my own experience a revolutionary change in the general attitude between employers and employees throughout the country. The old attitude of the employer which was so common a generation or two ago that "this property is mine and I can do with it as I like, and I can hire as I like and fire as I like" has practically disappeared. No intelligent employer of labor now fails to recognize that his employees are not mere units, and still less mere machines, but that they are human beings with like feelings and like desires to his own, and with the same rights to "life, liberty, and the pursuit of happiness."

As a result of this changed attitude there have arisen, in all large industries through the country, plans for the physical welfare of employees while at work, with periodical examination as to their health, with insurance for sick benefits and as a protection for their families after their death, for retiring pensions, and so forth. And as to the conditions of labor and wages it is very common to have shop councils and shop committees so that the employers and the employed can meet together as partners in a common enterprise, and as fellow men who can discuss their common interests and relationships as man to man.

You may attribute this movement either to humanity or to an enlightened selfishness, but employers and employed have come to see the economic facts that continuity of employment, efficiency, quality of work, and quantity of output are alike beneficial to the employer and the employed. This has been obvious to employers for a long time, but employees have been somewhat slow to perceive that increased quantity of output per unit of working time is beneficial to the working man. There can be no dispute of the fact that increased wages in terms of exchange of goods and services must depend on increase of production. Wages in the end can only be paid out of production and not from capital, because so far as they are paid from capital the wage fund will constantly decrease and finally vanish. A great factor in the serious labor situation of Great Britain has been the fallacy, fostered by men of the labor unions of Great Britain, that the less work a man turned out the better it would be for his fellows, because there would be more work to be done. But they forgot that if this policy were generally pursued it would mean that by reason of this lessened product by each individual there would be less food and less clothing and less coal to be distributed and less profit to the employers from which they could pay wages.

I was interested to see a short time ago a statement by the present head of the American Federation of Labor that their principles were to foster greater efficiency in and increased production by every individual and greater wages. There is no doubt that the two, that is, production and wages, must go together and that they will go together. I have reminded you of these underlying economic principles, with which I am sure you are familiar, in order to point out that it is these principles which are the basis of this railway labor bill.

I feel sure that if Members of the House could have been present at the hearings on this bill they would have been impressed, as were the committee, by the repeated statements by all those who appeared before the committee, representing both the railways and the men, that in the negotiations which preceded the agreement on which this bill is based a new spirit had appeared. Instead of the feeling of antagonism and suspicion there was a universal agreement that all parties were acting in good faith and with the earnest desire to reach an agreement which would tend to that unity and good will which I have pointed out as so essential to the performance of any duty.

Everybody recognizes the absolute importance of the smooth and continued functioning of the railway transportation system. Everybody knows that if that system should be paralyzed even for one week the suffering and death resulting therefrom would be a national calamity. And no one recognizes this more clearly and acutely than the railway managers and employees. So the question is whether the continuity of that service and the good will and esprit de corps of the employees, and, finally, the efficiency and ultimate cheapness of the service, can best be brought about by peace or by war.

I am the last to believe that human nature is going to be changed overnight, either by a contract or by law. Whether we enact this bill, or whether we do not, there are bound to be times when the railway employees, or some sections of them, will think that their wages should be raised and the terms of their employment should be changed, and just as surely there will come times when the railway managers will disagree with them. When those times come, is it going to be better to discuss these questions with a feeling of friendliness and confidence, despite differences of opinion, or to begin those discussions with a feeling of antagonism?

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. PARKER. Mr. Chairman, I yield the gentleman three minutes more.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for a question there?

Mr. MERRITT. Yes.

Mr. BLANTON. Is the gentleman for this bill?

Mr. MERRITT. I am. If at the beginning of such a discussion either party can say to the other, "You can discuss all you like, but if you do not agree with what I say I have got a law hanging over your head which will make you agree with me," let any of us ask himself whether any such statement or such condition would not raise in him a spirit of antagonism and resistance which would not tend to agreement in the first place and which surely would tend to disobedience or evasion of the law in the second.

Gentlemen have said that the difficulty with the bill and with the agreement is that the public is not sufficiently protected. It has already been pointed out to you that the public is certainly fully represented in the board of mediation which is appointed by the President and from which anyone interested either in the railways or in any association of employees is specifically excluded, and this board of mediation, therefore, which previous experience has shown will succeed in settling practically all the disputes which come before it, will have every interest and inclination to protect the public. The same is true of the neutral or deciding arbitrators in the case of arbitration and also in the final emergency board provided for by the bill. But beyond all that, the railways are not governed, and I hope and believe that the labor unions are not governed by people who believe that railway costs and rates can be raised indefinitely and passed on to the public. If American business has demonstrated anything in the past 50 years, it is that the only way to make great business successes is to furnish some product either in goods or services of universal demand and at the lowest possible price, the resulting profits coming from the quantity of the goods or services produced efficiently and cheaply and sold for a very small advance over cost. The shining examples which occur to me are Mr. Carnegie to begin with and, of course, the great modern example, Mr. Ford. Mr. Ford has claimed and demonstrated that it is possible to increase wages and cut down unit cost. The ultimate cost of any service or article is not gauged by the absolute rate of wages which a man receives, but by the number of units, whether of service or goods which he produces in proportion to his wages. The railroads themselves have demonstrated this very thing, because, since the roads were returned to their owners under the railway transportation act, practically every road has turned operating deficits into reasonable profits not by decreasing wages but by increasing efficiency. That is, they have increased and improved their facilities and their rolling stock and their management of trains and terminals so that with the same number of men, or perhaps with fewer men and with the same rate of wages, with the men working more earnestly and more efficiently they have so increased their passenger-carrying capacity and their train-mile movement of freight that without decreasing wages and with lowered freight rates the net return to the roads has changed operating deficits into profits. In short, they have produced in the transportation services the same economies resulting from quantity production and efficiency which Mr. Ford has produced in the manufacture of his automobiles.

As I have said before, these results can only be brought about by cooperation and good will between the employers and the employed, and this agreement which has been embodied in this bill is the greatest step forward in the direction of cooperation and good will which has ever been reached in the transportation industry. We have only recently seen in the coal industry the disastrous results of lack of cooperation and lack of good will between employers and their associated employees.

It may be that we shall be disappointed in the operation of this bill. It may be that those of us who hope that this is the beginning of a new era in the transportation interests will be disappointed, but it does seem to be the part of wisdom, when the railways and their employees, who are most directly interested, who know more about the business and more about each other, have reached an agreement based on good will and mutual understanding, it does, as I say, seem the part of wisdom for the Congress not to block this good understanding at the outset.

If it shall appear that the railways or their employees have not reached that point of development where they can negotiate on fair and equal terms as between themselves and at the same time recognize their paramount obligation to the public service, then it will be time to see whether the Government can use its powers to protect the rights of the public. If so, it can do so much more wisely and with more chance of success after the failure of peaceful negotiations than at the present time when both sides want peace and neither side wants coercion.

It appears to me, therefore, that every consideration of economic law and every consideration of human nature and human relationship makes it wise and desirable that this bill should pass. [Applause.]

Mr. BARKLEY. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman and gentlemen of the committee, I shall endeavor to complete my remarks even before the expiration of the 30 minutes, and as questions many times confuse rather than clarify a discussion, I shall at this time request not to be interrupted during the course of my remarks.

I suppose that many Members of the House, and many members of the committee that had this bill under consideration, at first blush approach it with at least a small degree of apprehension, because it is and was up until its being placed in the form of a bill a rather unusual proceeding. I think this is the first time in my knowledge of an attempt at any sort of legislation for the last 10 years in which the employees and the employers have agreed upon any substantial proposition, it matters not what part of the transportation question it touched. As far as I am individually concerned, I have never been able as a member of the Committee on Interstate and Foreign Commerce for 13 years to please either one of these groups. At this time I take pleasure in raising my voice and saying that I am going to vote to ratify the agreement that these gentlemen have entered into for discussion and for settlement, if possible, of their disputes.

I do not look for the millenium in controversies between labor and capital on this bill at all. I think there will be dissension and discord among them in the years that are to come, in a degree at least, as there has been in the past, but here is the situation that confronts us: In practical effect today we have no law on this question. We might as well be honest with ourselves and face the facts. Under Title III of the transportation act of 1920 nothing is being done of any benefit to anybody. Both the employees and the employers refuse not only to obey the decisions of the Railroad Labor Board, but they refuse even to appear before it when requested to do so. In other words, it is this law or this proposal that we have before us, or none.

I am willing to take this. I am willing, at least for the present, to accept in good faith what the representatives of the employees say and what the representatives of the carriers say. They come before us, as we come before you, and say that they believe earnestly and honestly that under this system they can have peace in railroad industry. If this bill brings that about and we have continuity of service upon the railroads, it will have accomplished a great deal.

Both sides of this controversy further say that they can operate under the provisions of this bill and not pass on to transportation new and undue burdens. I accept their challenge, and I, along with many millions of other people, will await with interest and very much anxiety to see if their predictions along these lines are carried out. To say that I do not have a doubt would be going too far. To say that I have a hope that it may come is expressing only my wish in the matter. I do not view this bill with alarm at all, as some gentlemen view it. There is very little in this proposal that has not already been on the statute books somewhere in the past. Only this morning I read the provisions of the Erdman Act and of the Newlands Act of 1913, and I found practically every provision, with the exception of the emergency board, has been enacted into law in spirit at least in one or both of those bills. Gentlemen talk about the protection of the public, and, of course, the public is of first concern in all these matters.

They say they fear a mandate will come down from those people to the Interstate Commerce Commission to increase rates, and they base that on the proposition that the decisions of the arbitration board are filed with the courts of the land and therefore become orders and judgments of the court. That is nothing new. The Erdman Act of 1898 had that exact provision in it. The Newlands Act of 1913 had that exact provision in it, and I do not think then that the Interstate Commerce Commission was granting excessive rates under the agreements that they made or the arbitration to which they were parties as are afflicting us to-day under title 3 of the transportation act. Gentlemen, let me say this: There are two things that Congress can do in relation to railroad disputes. One is to pass a law with teeth in it, and title 3 of the transportation act of 1913 was a mere jesture. You created a board with responsibilities enough to make it unpopular and completed that unpopularity by giving it no power to enforce its orders. My thought is that when people are going to contract in reference to wages that unless you are going to have something that will go to the extent of compulsory arbitration then the less law that you can possibly have will be better for all concerned. [Applause.] And I do not think there are any men here who are willing at this time, or will be willing, to undertake the hazardous proposition of compulsory arbitration, which has never worked anywhere it has been tried, and I do not believe will work here. I want it distinctly understood that in supporting this bill, I do not expect—and I hope it may be interpreted under the hearings and under the discussions here by the Interstate Commerce Commission—that excessive burdens may be passed on to the freight and passenger payers. I, at least for the present, take what both sides say in reference to this matter at 100 per cent.

I do know this, that at the present time under the present rate that we pay for transportation that agriculture and many industries in this land are languishing and paying many millions of dollars more in freight rates than they should pay. I believe that the railroads could live, that they could be reasonably prosperous under economic and honest management and yet lift from the backs of the people of this land who pay the charges for transportation many, many millions of dollars. I think the time has come for the Interstate Commerce Commission to be as it was intended to be by the men who wrote the law under which it operates and those who have supported it down to the present time, and that is not to grant everything that a road wants in the way of increased rates, and that it should remember that it was formed for and in the interest of and to protect the people of the United States. [Applause.] I pity the Interstate Commerce Commission in reference to the many demands and the tremendous amount of work it has piled upon its shoulders. There is nothing wrong with the law creating the Interstate Commerce Commission, there is nothing wrong with the law creating the Tariff Commission, there is nothing wrong with the law creating the Federal Trade Commission. They would, every one, have been wholesome and helpful to the American people if they had been in the past, or would be in the future, carried out in the way that the men who wrote the law intended that they should be.

Although the Interstate Commerce Commission for 25 years had the faith and confidence of the American people as no other commission in the Government had, yet to-day there is not a commission in the Government that has the faith and confidence of the American people, and there is not one that deserves it. [Applause.] The appointing power in this country has practically destroyed every commission in it. The Tariff Commission has grown to be a body made up under the unholy abdication of power that Congress made in passing the flexible provision of the tariff law, to find what the President wants them to find.

The Federal Trade Commission was formed to bring about honest practices in business, to protect honest business against unfair practices and cut-throat competition. Will anyone here argue that the Federal Trade Commission has not deteriorated in its membership until to-day it has lost, and justly lost, the faith and confidence of the American people? The Interstate Commerce Commission was never intended to be and never would have been a sectional body if the spirit and intent of the law creating it had been carried out. The Interstate Commerce Commission to-day is so far away from some of the sections of the land that it is a stranger to the people of those sections. They look upon it with suspicion with distrust. Until a few days ago when a gentleman from Alabama was appointed a member of the Interstate Commerce Commission, you could draw a line parallel with the southern boundary of Kentucky from the Atlantic to the Pacific Ocean,

taking in 15 States, and there was not on the Interstate Commerce Commission a single member from any of all that great, rich, fast-developing portion of the United States. Three members of the Interstate Commerce Commission from one State in the Union! I do not want the Interstate Commerce Commission to be a sectional body. What I plead for is that it be a nonsectional body, and who is there that contends that there is not in any three or four States of the Union a man of character and ability sufficient to make a member of this commission who would be as great an honor to it as any man who ever served upon it? I have introduced a bill that I have not up to this time been able to get considered in the committee on account of other things being pushed, the rubber investigation and what not, with which the committee had no business under its jurisdiction—as I say, I have introduced a bill to region the United States into districts for the appointment of Interstate Commerce Commissioners and provide that there shall be 12 districts and that one commissioner shall be appointed—and only one—from each one of those districts.

I do not see how any man or any set of men who believe in fair play and who are not swayed by greed could oppose a bill of this sort. I trust that we may enact it. I trust that the people of the United States and the Interstate Commerce Commission, with its membership coming from every portion of the land and acting in the interest of the public, may again bring it back to the high standard that it once occupied in the estimation of the American people. As constituted at present—and I would not for a moment cast any reflection on many of the splendid, patriotic gentlemen who are giving their lives to that great service as members of that commission—but as constituted at the present time, coming from one corner only of the United States, as they do at this time, I would not expect that it shall have the faith and confidence of the American people, either on account of its personnel or on account of the decisions that it hands down.

If the public is not protected in this bill, then under the bills in the past that came nearer bringing about peace in industry than ever was known, the public was not represented. Oh, how I long to see the day come when we may have peace in all industry! [Applause.] And we shall have peace in industry in this country when both sides, representing necessarily a selfish group, are ready and willing to meet over the council table in a spirit of give and take.

I want to put it in the RECORD here and now that the main reason that I have for supporting this bill is that both sides of this controversy pledge themselves, their organizations, and all the power that they possess, to bring about peace in industry, and yet they are pledged that they will not pass on undue burdens to the people. If I did not have that assurance, I would not support this bill.

As I said in the beginning, I look forward with some degree of apprehension to the operations of this bill; but if it does not live up to the expectations of the men who framed it, Congress will still be in session, will still have the power of revision, and will say to these gentlemen who come to us with such faith and confidence, "Your plan has failed; now we will try one of our own." I accept the challenge of these gentlemen that we will have uninterrupted transportation; that we will have peace in this industry; and that no undue burdens will be laid upon the freight payers of the land.

I believe in high wages. I believe in buying high and selling high. Coming from an agricultural section of the country, I could not believe otherwise. When the farmer and the agriculturist receive high prices they can afford to pay high prices. Low prices mean stagnation in industry. I believe that possible wages may be paid so that men might rear their families, properly housed, properly clothed, and properly fed, able to buy them books, that they may go to school, in order that we may have in this land in the future what is necessary for the perpetuity of every government on earth, and that is a healthy and virile and educated and cultured race. [Applause.] But I am not willing to pick out the employees of one industry and the controllers of one industry and say that all of this prosperity, all of these splendid wages, shall be passed on to that one class or that one group.

I believe that railroad rates, as I said a moment ago, could be reduced many millions of dollars and that the transportation systems could operate and declare reasonable and safe dividends, and when this reduction is made from the income of the railroads that at least a reasonable per cent of it will be passed on to the freight payers, and not all of it passed to those who work for the railroads. I am so earnest in saying that that I want the Interstate Commerce Commission to understand that we are not passing a bill here under which a mandate by these parties might be passed down to them. I want to make it so definite that that is not the intent of Congress that I am going to vote in this House, as I did in committee, for the amendment offered by the gentleman from Kansas [Mr. HOCH]. The amendment does not in any way disturb the agreement that labor and their employers made when they wrote this bill. It is the expression of the will and the intent of the Congress in ratifying the agreement that they have entered into and which they say they intend to carry out.

I trust that this measure will bring about that peace in industry that is hoped for. I trust that the dissension that we have had in this country may fade away under the provisions of this bill, as predicted by those who drew it and who advocate it, representing both sides of this great business, because, in the language of the Great Commander, if it is possible not only in this industry but in all other industries of the land and amongst all people, both of this and other lands, "Let us have peace." [Applause.]

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman from Texas yields back three minutes.

Mr. COOPER of Ohio. Mr. Chairman, I yield 20 minutes to the gentleman from Kansas [Mr. HOCH].

The CHAIRMAN. The gentleman from Kansas is recognized for 20 minutes.

Mr. HOCH. Mr. Chairman and gentlemen of the committee, the committee has been very patient during this debate, which I think we will all agree has been very interesting, and I do not rise now to enter upon a general discussion of the bill, as much as I would like to do that. I rise particularly to discuss with you very briefly the amendment which I expect to offer, and to which frequent reference has been made during this discussion.

With reference to the bill as a whole, I want to say simply in passing, so that I may not be misunderstood, I subscribe to this agreement in the main under the practical situation with which we are confronted, and I do not share the extreme fears which some express with reference to the protection of the public interests generally by this measure; and instead of criticizing, as some gentlemen have done, the representatives of the carriers and the representatives of the employees for getting together in mutual agreement, I sincerely think we ought to commend them for the spirit of cooperation and concession which they have evidenced in this matter. The public is deeply interested in seeing a spirit of good will prevail on the railroads. [Applause.]

I want to say this further word. During the years I have been a member of the committee I have never seen a finer spirit, a more sincere spirit, than was evidenced by the two attorneys, Mr. Richberg and Mr. Thom, representing the two parties directly concerned in this controversy in the hearings.

But, my friends, because I do not want to take too much of your time, I shall proceed directly to the particular matter of this amendment. I am deeply concerned that we shall not here set up any machinery which will in any way limit the power of the Interstate Commerce Commission to protect the public against unreasonable charges.

What is the situation under the present law? Under section 15a of the transportation act, which is the so-called rate-making section of the law, the Interstate Commerce Commission is charged with the duty of fixing rates upon the railroads; and it is provided in that section that they have the right and the duty to scrutinize the expenditures of the railroads when they come to fixing rates.

It provides that there must be reasonable expenditures for maintenance, for equipment; it provides there must be honest and economical management; and I think it is at once apparent to us all that if there be any unreasonable expenditures on the part of the railroads, and we are to fix rates under a fair-return rule, then if those unreasonable rates are included when determining rates we have passed on to the public an undue burden. Therefore it is of vital and fundamental concern that we shall maintain unquestioned the power of the Interstate Commerce Commission to scrutinize expenditures of the railroads before they shall determine to pass on those expenditures to the public in the way of freight and passenger rates.

Mr. BEGG. Would the gentleman object to an interruption or a question?

Mr. HOCH. No; I am glad to yield.

Mr. BEGG. I would like to ask the gentleman if there is anything in any of the laws or in this bill compelling the Interstate Commerce Commission to raise rates in the event there should be collusion and they should pay more than was reasonable for salaries or wages?

Mr. HOCH. If the gentleman will bear with me just a moment, I intend to develop that point.

Let it be understood I am not here proposing to give any new power to the Interstate Commerce Commission. I am proposing we shall make it clear beyond the peradventure of a doubt—and I say there is doubt in the language of this bill—that not only the right but the responsibility of the commission is preserved to protect the public against unreasonable charges. I am not proposing power in the Interstate Commerce Commission to set aside contracts. I am not proposing they shall have the right to review a wage agreement between the parties and set it aside if they think it wise to do so. There is most serious doubt as to the constitutionality of such a suggestion, but I am not for the moment discussing that question. If I have the time and do not weary you too much, I may discuss that a little later. I am not proposing any power to set aside a contract.

I am not proposing anything that would in any way infringe upon the right of the carriers and the employees to enter into contracts. But I am proposing that the right shall be clearly maintained to say, "If you have made an unwarranted contract, the burden of that unwarranted contract shall not be passed on to the public." That is the fundamental issue here. [Applause.]

Mr. BANKHEAD. Will the gentleman yield in that connection?

Mr. HOCH. Yes; I yield.

Mr. BANKHEAD. Is it the gentleman's contention there is any authority under existing law controlling the decisions of the Interstate Commerce Commission, by which it is made their duty to consider that question?

Mr. HOCH. Absolutely; and I have just attempted to state that if you will read the rate-making section of the law, 15a, to which I have referred, you will find the very language which I quoted almost verbatim—that in fixing rates they shall take into consideration honest, economical, and efficient management and the reasonableness of expenditures for maintenance, equipment, and so forth. They have no right under the law to pass on to the public, in any freight or passenger burden, any expenditure which is not a reasonable and warranted expenditure.

Mr. BLANTON. Will the gentleman yield?

Mr. HOCH. I yield very briefly; yes.

Mr. BLANTON. We who are opposed to this bill are getting a very brief deal.

Mr. HOCH. I will yield for a question. If the gentleman has a question, please ask it. I want to proceed.

Mr. BLANTON. If the gentleman is successful in getting his amendment passed, then the gentleman is for all the balance of the bill?

Mr. HOCH. I shall discuss that before I get through with my remarks.

Mr. BLANTON. Is the gentleman for it in that event? I so understood him to state just now and I want to know whether I am correct in my understanding that the gentleman is for the bill with his amendment in it.

Mr. HOCH. The gentleman, of course, diverts me, but I have no hesitancy in saying that if it comes to be understood that the bill in its present form is to be interpreted in a way which will preclude the Interstate Commerce Commission from scrutinizing expenditures, then I am not for the bill.

Mr. CARSS. Will the gentleman yield for a question that is pertinent here?

Mr. HOCH. Yes; I yield.

Mr. CARSS. Under the amendment of the gentleman, do you give authority to the Interstate Commerce Commission to hold up an award or an agreement that has been arrived at between the two parties, pending the time they may make an investigation?

Mr. HOCH. No, sir; I do not.

Mr. CARSS. Then what is the purpose of your amendment?

Mr. HOCH. If the gentleman will permit me, I am trying as rapidly as I can and in as logical a way as I can to give to the gentlemen of the committee the significance of my amendment.

Mr. COOPER of Ohio. Will the gentleman yield for one question there?

Mr. HOCH. I yield.

Mr. COOPER of Ohio. If the Interstate Commerce Commission has the power, which the gentleman just stated, under the transportation act of 1920, then there is not anything in this bill which we are considering that is going to take that power away from them.

Mr. HOCH. Then, I ask the gentleman what objection there can possibly be to an amendment which simply clarifies the situation?

Mr. COOPER of Ohio. May I ask the gentleman if there is anything in this bill——

Mr. HOCH. If the gentleman will permit, I will attempt to come rapidly to that point, and I can not yield to further interruptions for the moment, because I think I will touch upon most of the questions that would be asked.

Mr. BARKLEY. Will the gentleman yield? And if I use too much of the gentleman's time, I will yield him some more time. Is it not true that in all the laws which have been thus far enacted on this subject, especially in the Erdman and in the Newlands Acts, the same provision was carried that is carried in this bill, which made the decisions of the arbitration board final as to the merits between the parties, but under those laws the Interstate Commerce Commission not only had but exercised the power to determine whether those increases, if they were increases, entered into the increase in railroad rates?

Mr. HOCH. The gentleman means the judgment of the court in cases under the Erdman Act?

Mr. BARKLEY. And under the Newlands Act, too.

Mr. HOCH. I will ask the gentleman this question: Does he understand that under the language in this bill the Interstate Commerce Commission is precluded from an inquiry as to the merits of a wage adjustment?

Mr. BARKLEY. They are not precluded from making an inquiry by the decision of the arbitration board whether an increased rate shall be granted.

Mr. HOCH. Then what objection can there be——

Mr. BARKLEY. The objection to the amendment is that it is an open invitation for everybody to appear before the Interstate Commerce Commission and use the amendment to drag them into an inquiry into the original merits of the question. The Interstate Commerce Commission has said that nothing will so destroy it as to drag them into questions of this sort.

Mr. HOCH. Gentlemen, we can not dodge this question—either the Interstate Commerce Commission is precluded from scrutiny or it is not. If it is not, the door is open now and it must be kept open.

Now let me get on to the particular place where this amendment is offered and the signification of it. If the carriers and the employees make a voluntary agreement as to wages, I do not believe that there is anyone who will question but what under the present law and under the proposed law the Interstate Commerce Commission will have the power to scrutinize that wage agreement and determine whether it was reasonable and warranted when it is deciding a question as to whether it should pass on to the public the additional burden.

The gentleman talks about opening up the door on the proposition; the door is open now under the law. It is not only open but it is the solemn duty of the commission to consider the merits of a wage agreement and determine whether it will pass the burden on to the public. So much for voluntary agreements. Now this bill provides that if they do not agree by voluntary agreement they may enter into arbitration proceedings to settle the question. One side may appoint an arbitrator and the other side appoint one and the two may agree upon the third. In case they do agree as to the third arbitrator the public has had no voice in any way in the settlement of that dispute. The bill provides that the decision of the arbitration board shall be conclusive as to the merits as between the parties. It provides that the arbitration award shall be filed in the district court of the United States and become a judgment of the court.

Now here is the question I raise. Suppose the railroads thinking it wise or expedient to yield to economic pressure and grant a wage increase which they do not think is warranted—and if I had time I would read some testimony as to what they claim has been done in the past on that proposition, though of course the employees do not agree and believe that the increases were warranted, and the men may be right about that—but the railroads contended they were not, but under economic pressure they yield.

Now, suppose the railroads think it expedient to grant a wage increase which they do not think is warranted. Have we not by arbitration proceedings set up a method under which they could at least contend that the commission was precluded from scrutinizing this wage agreement? Suppose to-morrow there are demands for $300,000,000 wage increases. Let us assume that carriers do not think this increase is warranted, but decide to yield under economic pressure, as they say they have done in the past. But they do not want to agree and take chances on getting an increase in rates from the commission. So they go to arbitration. The employees appoint one arbitrator and the railroads appoint one and the two agree on a third. The representative of the railroads, without any collusion whatever, could easily agree on an arbitrator that they thought might not be unfriendly to the

attitude which they thought it was expedient to take. The representative of the railroads would continue to vote against the increase and the other two would vote for them. It would become binding and conclusive as to the merits of the controversy, and it would be filed in the Federal district court and become a judgment of the court.

Now I ask this question: Suppose that is done and the railroads go to the Interstate Commerce Commission and ask the commission to pass on to the public the burden which it really did not believe was warranted. Would not it be possible for some one to rise and say, "You are precluded from any inquiry as to the merits in this case; here is the judgment of the court. Why, this railroad can't do anything but pay this increase; are you going to refuse to figure this increase in in determining rates when the railroad is helpless and must pay these increases?"

Now, my friends, it is argued that under the proposed law they would not be, even in the case of arbitration award, precluded from making that inquiry.

If that be true, why such deep concern when we simply propose an amendment to make it clear beyond peradventure of a doubt? All that I propose in connection with that provision dealing with arbitration awards is to add a proviso which lifts it beyond uncertainty and makes it certain that the railroads shall not be permitted to avoid their responsibility to the public if a wage increase which they think is unwarranted be granted and at the same time foreclose the commission from scrutiny with reference to the increase when determining whether they will pass the burden on to the general public. Some gentlemen talk as though there is something very mysterious about this proviso What is it?

Provided, That nothing herein shall be construed to preclude the Interstate Commerce Commission from considering the merits of any such arbitration award when determining freight or passenger rates or other charges.

I make this prediction, if we pass this bill without this clarifying amendment, that as certainly as one day follows the other, if arbitration awards are made granting very substantial increases, attorneys for the railroads will contend before the Interstate Commerce Commission that under this language the commission is bound by the court order and is precluded from any scrutiny, any examination, any consideration of the merits and must pass on to the public, without question, the burden which is there raised.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. HOCH. Yes.

Mr. BEGG. Does the gentleman mean to say what I understood him to say, that the Interstate Commerce Commission is compelled to grant an increase in rates if the contingency arises which the gentleman has just outlined? That, to me, is the crux of the whole argument. Do the railroads when they appoint their arbitrators and agree to a third one take the hazard of being compelled to absorb the increased rate in their income?

Mr. HOCH. Would the gentleman prefer to have the railroads take a little hazard or to have the public take all the hazard of being precluded from any inquiry as to the reasonableness of expenditures which vitally affect rates? [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. PARKER. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. BEGG. Mr. Chairman, I want the public protected. I think they are protected right now by the Interstate Commerce Commission. I do not think it is necessary to do anything else to protect them any further, unless the court order is mandatory on the commission and compels them to raise the rates.

Mr. HOCH. Certainly the gentleman can see the importance of reasonable expenditures under our present system of making rates. The gentleman from Texas [Mr. BLACK] used a very striking expression yesterday in referring to this as possibly instituting a cost-plus system upon the public, without any inquiry by the public as to whether those costs are warranted. I do not contend that the parties to this agreement intended any such results. I do not believe that they did. But I am deeply concerned now as to why they should object to an amendment which simply clarifies the thing that privately many of them have said they thought was already the law. This is an important matter, too important to permit the slightest doubt or uncertainty about. [Applause.] Some of us think that the general public, the producers, the shippers, the consumers, have little enough protection at best. Shall we pass a measure which might under at least a plausible interpretation of the law preclude inquiry by the Interstate Commerce Commission?

Shall we pass a law under which an argument could be made with plausibility, at least before the commission, that the law takes away from them the power they now possess of scrutinizing expenditures as to reasonableness, and say that Congress has fixed this and that there is nothing left for the commission to do except to pass it on to the public? I am afraid the commission might agree with that argument, and I do not want the chance for that argument to be made.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. HOCH. Yes.

Mr. BURTNESS. And, in fact, did not Mr. Thom, in opposing the so-called Hoch amendment, state rather frankly that he did not want to agree to some proposition which would preclude some railroad lawyer in the future arguing before the Interstate Commerce Commission the fact that the arbitration award did preclude such an inquiry?

Mr. HOCH. That sort of an argument is precisely what I want to prevent. I do not want any attorney coming before the commission and saying that under this language the commission is precluded from an inquiry into the reasonableness of the expenditures.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. HOCH. Yes.

Mr. BARKLEY. Suppose this amendment or any similar amendment should be adopted declaring the legislative intention of Congress to fix upon the Interstate Commerce Commission the responsibility of inquiry into these emoluments or awards——

Mr. HOCH. Will the gentleman please read the amendment?

Mr. BARKLEY. I have read the amendment; and any mention of the commission's name in this connection places on them the moral obligation to inquire into these things, if they do not already have that.

Mr. HOCH. Yes; and they must continue to have that moral obligation.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. BARKLEY. Mr. Chairman, I yield the gentleman two minutes. Suppose there is such an investigation and the interstate Commerce Commission finds the wage award was justified, does not that place upon them the moral obligation to pass that award on to the public whether otherwise they would or not?

Mr. HOCH. The gentleman states a peculiar argument. The gentleman contends that under the present law they have the duty and right to make the inquiry, and yet he suggests that if we say it in the law we have done something that will tie them up to some particular line of action.

Why, it is simply a question, gentlemen, of whether you intend to preclude the commission from this inquiry or whether you do not so intend. If you want to preclude them, you can not consistently vote for the amendment which I propose, but if you do intend they shall not be precluded from this inquiry in the public interest, then what reasonable objection can be made to the amendment which does nothing more than state that in plain English language?

I must conclude. Does anyone imagine if these wage agreements are fair and reasonable the Interstate Commerce Commission is not going to include the figures in determining rates? Certainly not. I do not say that they will make unreasonable agreements. I only say that there should be clearly retained in public authority the right to look into the merits of such agreements before determining the question of freight rates and other charges on the public.

The amendment proposes nothing unfair to employees or to the railroads. I believe in the right of employees to bargain collectively with the railroads. The employees have the advantage which comes from compact organization and the occupying of a strategic position. The railroads have many advantages not necessary to enumerate. The rights of both must be fully protected. But certainly it is of equal importance to preserve every possible protection which the law can give to the unorganized public. The public interest must be paramount. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. Mr. Chairman, when unanimous consent was requested by the majority leader that time be equally controlled by the gentleman from New York [Mr. PARKER] and the gentleman from Kentucky [Mr. BARKLEY], both of whom every one knew were in favor of this bill; the majority leader and the gentleman from New York and the gentleman from Kentucky all assured us that those of us who were against this bill would be given a fair equal division of time under the rules of the House. Now the rules of the House require

that those who are against a piece of legislation shall have a fair division of one-half the time.

Now the proponents of this bill up to this time have taken about four times as much time as those who are against it. Mr. BLACK of Texas and Mr. NELSON of Maine are the only two men who have been allowed to speak against this bill, and together they have had only 53 minutes, while those in favor of the bill have used 3 hours and 48 minutes. The gentleman from Kansas [Mr. HOCH] is for this bill if he can get his little amendment adopted, hence his 27 minutes should be charged against the proponents. Those of us who are against this bill do not believe that amendment amounts to anything, and we who are against this bill demand fair play in the House.

The CHAIRMAN. It would be difficult for the gentleman to persuade the Chair that there was a point of order in the gentleman's statement. The question of the division of time is in control of the respective gentlemen having control of the time.

Mr. BLANTON. I submit this to the gentleman from New York [Mr. PARKER] and to the gentleman from Kentucky [Mr. BARKLEY], especially when we sacrificed our rights under the rules and gave them control of the time, that they shall give those of us who are against this bill a fair opportunity to be heard?

Mr. BARKLEY. If the gentleman will yield, I just spoke to the gentleman a half minute ago and said I would yield him 25 minutes.

Mr. BLANTON. But it was to be after the gentleman from New York yielded to somebody else. That could take up most of the afternoon.

Mr. BARKLEY. No; if the gentleman had been willing to speak yesterday afternoon he had the opportunity then.

Mr. BLANTON. Yes, at 15 minutes to 5 o'clock, when it was time to adjourn. I submit this question of fair play to the two gentlemen for their decision.

Mr. BARKLEY. Mr. Chairman, I yield 20 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, nearly two years ago, in a speech in this Chamber on the Howell-Barkley bill, I charged that the Railroad Labor Board had failed. The charge was denied at that time, but the events which have since transpired have fully confirmed it. No one will deny it now. On every side and by all interests it is admitted that the board has ceased to perform any useful function.

The seeds of its failure were in the plan on which the board was conceived. It was created with the front of a court but with none of the powers of a court to enforce its decisions. It had the semblance and machinery of a judicial forum, but its functions were merely advisory. It was to hear evidence and conduct trials, but no respect was required for its decrees. As a court and functioning in the public eye its actions were self-conscious and it could not perform as an efficient agency of mediation or conciliation. Functioning with the machinery of a court and with the manner of courts it was inevitable that the board should soon lose the confidence of those against whom it gave its decisions. It was inescapable that it should be the subject of their suspicion and distrust and be charged with prejudice or partiality.

FAILURE OF RAILROAD LABOR BOARD

The seeds of failure inherent in the plan of the Railroad Labor Board must have soon impaired its efficiency. To this inherent fault was added the tactlessness or worse of certain members of the board who were unwilling to adjust themselves to the limits of the authority conferred upon them. Accused as partisans, these offending members were guilty of partisanship, if indeed they had not been partisan all the while. With so low a conception of duty as an impartial representative of the public, no court could long have commanded confidence or respect.

The Railroad Labor Board having failed, railroad managers and employees are left with no machinery whatever with which to settle the issues which are constantly arising between them. They have no machinery for agreeing on wage scales or for making contracts even when acceptable to both sides—no means whereby the friction and disputes which constantly arise in every industry may be adjusted and smoothed away. It is imperatively necessary for the public welfare that such machinery should be created—that means should be provided for the promotion of peace between the employees and the managers. To meet that need, the bill now before the House is presented.

The necessity that peace machinery should be provided for the railroad industry is almost a matter of common knowledge. I call attention to the evidence of witnesses, to be found in the hearings. First in the hearings on page 142 is the evidence of Colonel Thom, representing the railroads:

Mr. HUDDLESTON. In view of the decision of the Supreme Court as to the lack of power on the part of the Labor Board and the general irritation and dissatisfaction with the board existing on behalf of labor, I want to ask you if you do not think that in future the labor organizations will be practically unanimous in declining to pay any attention to the Labor Board whatever?

Mr. THOM. My own general impression is that they have arrived at that stage already, Mr. Huddleston.

Mr. HUDDLESTON. And that the Labor Board, as a practical matter, affords no means of settling disputes?

Mr. THOM. The Labor Board is a suggestion of compulsion without power. It is based upon the theory of compulsion and has no power to enforce its orders.

Mr. HUDDLESTON. So that, as a practical matter, unless we do adopt some satisfactory substitute, the employees and employers in the railroad industry will be left to fight their differences to a finish by any means that they may choose to adopt?

Mr. THOM. That seems to me to be the situation, Mr. Huddleston.

Mr. HUDDLESTON. So that instead of opposition to this bill being in the interests of peace, it is, in your judgment, in the interests of chaos?

Mr. THOM. That is my judgment. Now, we have heard the newspapers, and it has been discussed here this morning that there are pending on the part of individual organizations the proposal to ask for increased wages. Mr. Robertson has said that a vote is being taken on individual roads in his order as to whether or not that demand shall be made. Now, suppose it is made. If this bill is not passed, we have the Labor Board. Those organizations will not go before it. What is going to happen? On the other hand, they come here before you and tell you that this plan will work to prevent interruption of transportation; can you take the responsibility of depriving the country of that guaranty of peaceful cooperation in the settlement of this demand that seems to be about to be made? Is that wise on the part of Congress? Irrespective of what your views may be as to whether there should be a system of absolute compulsion on these labor questions, is it not right that when the parties come and say, "We can see in this a method of protecting the public against interruption of transportation," that they should at least be allowed to try that question out?

I interrogated Mr. Robertson, president of the Brotherhood of Railway Firemen and Enginemen, on the same subject. He said on page 193 of the hearings:

Mr. HUDDLESTON. Mr. Robertson, what is the attitude of railroad labor generally toward the Railroad Labor Board?

Mr. ROBERTSON. Very hostile. It is very objectionable to the railroad labor organizations.

Mr. HUDDLESTON. What is the present disposition with reference to submitting disputes to the Railroad Labor Board?

Mr. ROBERTSON. There are very few disputes submitted that can be settled otherwise.

Mr. HUDDLESTON. What do you think will transpire in the future on this point when disputes arise between the employees and the managers?

Mr. ROBERTSON. That situation will continue.

Mr. HUDDLESTON. Do you think that this opposition on the part of the employees toward the Railroad Labor Board is such that disputes will continue to be submitted—large and important disputes—to the Railroad Labor Board?

Mr. ROBERTSON. I do not think there will be any disputes submitted to the Railroad Labor Board—not by the organization I represent, I can speak on that—because they can not decide them and have their decisions made effective, so why consume the time in submitting them?

Mr. HUDDLESTON. So that if your organization should have disputes you will in future resort to your own methods in dealing with the disputes?

Mr. ROBERTSON. Yes, sir; whatever methods we may be able to adopt to bring about a settlement.

Mr. HUDDLESTON. Then, so far as your organization is concerned, the Railroad Labor Board and whatever machinery it affords for the settlement of disputes, if any, has ceased to exist?

Mr. ROBERTSON. Practically nil; yes, sir.

Mr. HUDDLESTON. And there remains no means by which you can settle your disputes which are acceptable to your organization other than to resort to your own methods and to such machinery as you may yourselves devise?

Mr. ROBERTSON. Yes, sir; and there has been a tendency on the part of the managers and ourselves, in view of the feeling toward the Railroad Labor Board, I think I can safely say by both sides to try to settle our differences in conference, and we have very largely succeeded along that line in the last couple of years.

Mr. HUDDLESTON. For the last two years there has been a marked attitude on the part of railroad labor to try to agree with the management without resort to the Labor Board?

Mr. ROBERTSON. Yes, sir.

Mr. Doak, of the Railroad Trainmen, said on same subject, as found on page 201 of the hearings:

Mr. HUDDLESTON. Mr. Doak, what important disputes have been submitted to the Railroad Labor Board during the last 12 months?

Mr. DOAK. Well, that would be pretty hard for me to answer, Mr. HUDDLESTON.

Mr. HUDDLESTON. Do you know of any?

Mr. DOAK. Well, I do not know. I think some of the organizations have submitted some disputes, probably jointly with the carriers, or ex parte, to the Labor Board. But I think the transportation organizations very largely have refrained from submitting any disputes to the Labor Board.

Mr. HUDDLESTON. Since the strike the shop crafts have refrained also?

Mr. DOAK. I understand that they have lately, of course, and they have had a good reason for it, Mr. Huddleston. The most disastrous strike in the history of the United States, in my opinion, occurred to the shop men as the result, I believe, of some things that the Labor Board did.

Mr. HUDDLESTON. And the systems' unions have not submitted any controversies, have they?

Mr. DOAK. Not that I know of.

Mr. HUDDLESTON. So that there is practically nobody left to submit disputes. The 12 shop crafts and the 4 brotherhoods and the company unions seem to cover pretty well the entire labor field.

Mr. DOAK. We did not go out, I mean the conductors and trainmen, and say they would not go to the board. We said probably we had better go ahead and take a chance with the board. But we did have this reservation, frankly, when we said we would abide by the decision if we liked it, and if we did not, we would not.

Mr. HUDDLESTON. Just to sum the matter up, what is the Railroad Labor Board now doing that is of value to the country?

Mr. DOAK. I can not see that they are doing anything that is of advantage to the public.

Mr. HUDDLESTON. And what are they going to be able to do in future—leaving the law as it now stands—what are they going to be able to do in your opinion and from your knowledge of the subject?

Mr. DOAK. Mr. Huddleston, as stated in my direct statement here, I have taken pains to investigate all of the different systems of adjusting labor disputes in the world, all that we could get hold of as a matter of fact, and after comparing the Labor Board and its activities with a lot of other failures, I think that it is one of the most conspicuous failures of any piece of legislation that has ever been enacted.

Mr. HUDDLESTON. And if we should fail to pass this bill, that will leave the railroad management and employees to their own devices almost altogether, so far as future disputes may be concerned?

Mr. DOAK. Yes; that is true.

The active opposition to the measure comes from the National Manufacturers' Association, whose agent, Mr. Emery, appeared before the committee. Though opposing the bill with every argument that ingenuity could muster, Mr. Emery appeared to be in full agreement with the other witnesses that the Railroad Labor Board was a failure, as appears from his statement on page 255 of the hearings:

Mr. HUDDLESTON. You have heard the statements made both by Colonel Thom and Mr. Richberg and by the representatives of the labor organizations that the Railroad Labor Board will not be resorted to in future as an instrumentality for settling disputes of importance. Do you agree with that?

Mr. EMERY. Yes; and I think that is one of the best arguments, Mr. HUDDLESTON, for the continuance of the labor board that I have heard, because it means the parties are going to adjust their disputes without going to a public tribunal. If a public tribunal drives them back to settle their differences between themselves, it is performing an effective public service.

PURPOSE OF THIS BILL

To sum up the situation, the Railroad Labor Board has now sunk to the stage that it commands respect from neither managers nor employees, and will be resorted to in future, if at all, in merely minor matters and without any intent to abide its decisions if they should be unsatisfactory. The existing condition, therefore, is that there is great need for some machinery whereby dealings between managers and employees may be facilitated and peace be promoted in the railroad industry. This bill is presented for that purpose.

To understand this bill it is necessary that we proceed with more imagination than those possess who rely on mere "hunches" and suspicions. It is necessary that we should regard the frame in which the picture is hung. It is important that our eyes should dwell upon the background and upon the lights and shadows that play around it. Bear in mind that this is not a lawyer's bill, nor was it written by attitudinizing statesmen feeling a need to keep themselves square with their constituencies. It comes from no sources of theoretical legalism, nor of practical, though pushcart, politics. It is a practical bill—practical as set off against theoretical and fanciful and as distinguished from mere "hunches" and suspicions. It is a bill which embodies an agreement made between practical men who understand human psychology down to its very roots—of men who have spent their lives dealing with railroad labor and with the issues that arise between railroad managers and their employees.

The employees were represented by Mr. Robertson and Mr. Doak, and the railroads by Mr. Lee and Mr. Walber, all highly capable men with lifelong experience in dealing with these matters. Mr. Robertson, president of the Firemen's Brotherhood, and Mr. Doak, vice president of the Trainmen, are men of high ability and character. They are two of the outstanding men in the labor movement. They represented the employees.

Mr. Elisha Lee, of the Pennsylvania System, and Mr. Walber, of the New York Central, who represented the railroads, are men of a high type, who combine great ability with a lifelong experience in dealing with railroad labor from the employer's standpoint.

DRAWN BY PRACTICAL MEN WHO WANT PEACE

These practical men, who knew their subject and knew what they wanted, got together. They wanted to produce peace in the railroad industry. They wanted harmony between the employers and the employees. They were tired of bickering and strife and confusion. They were not guessing and were not acting on suspicions. They got together and they agreed on what this bill should be. The negotiations were carried on for a long time. The agreement represents numerous concessions by both sides. Familiar as I am with the policies of labor and the principles to which the unions give adherence, I recognize that in certain provisions of this bill labor has made great concessions. Labor has gone a long way. It has gone the extreme limit to which labor may go without a sacrifice of fundamental principles. Probably those who understand the viewpoint of the employer side as well will note that similar concessions have been made on that side.

These practical men got together and agreed upon the terms which should be expressed in this bill. Having agreed, they then called in their lawyers to put that agreement into legal shape as an act of Congress. Mr. Richberg represented the employees in this work. In my opinion he is without doubt the ablest man in the whole country in his line, in his combined ability to understand the viewpoint of labor, in his knowledge of the laws relating to labor, and in his ability to write such an agreement into a proper and understandable bill. Mr. Richberg knows more about the laws relating to labor and about the psychology of the labor movement than any lawyer in America.

On the other side was the able and gifted Colonel Thom, who represented the railroads. Here in the presence of my Virginia friends, I feel like calling him "Colonel Thom, of the Eastern Shore"—Colonel Thom, the old-fashioned Virginia gentleman, who, beneath the guise of his courtly manners and dignified presence, carries to-day one of the greatest brains there is in America. Oh, how I wish Colonel Thom could be hired as the advocate of the people of the United States instead of the railroads of this country. [Applause.]

These two gifted lawyers, having only one end in view—that is, to put the agreement between labor and the managers into proper form for the promotion of peace in the transportation industry—got together and wrote up this bill. They appeared before the committee and explained it. We gave it many days of careful consideration. Colonel Thom and Mr. Richberg had worked upon it for weeks and the committees representing the employees and the managers had labored for months. Yet we are called upon now, upon the spur of the moment, to reject some of the most important and serious provisions of the bill and to thrust into it inconsistent and half-baked ideas which may render it wholly unworkable.

SPIRIT IN WHICH BILL IS PRESENTED

The most valuable thing in connection with this bill is the psychology which lies back of it, the sincere desire for peace between themselves on the part of the managers and the employees. The value which this bill has consists chiefly in the fact that the antagonistic parties have approved it, that they really want peace between themselves, and that they ask its passage in the interest of peace. It lies in their confidence in the measure and their pledge of mutual faith for its support. It lies in the bill being actually used for the settling of disputes. If the parties proceed under the provisions of the bill, if they try in good faith to adjust their differences between themselves, and failing that listen with attentive ears to mediation and finally submit the matter to arbitration, the bill will be a success. Such actions must in their nature be volun-

tary. Their value depends on that fact. The parties must be encouraged to rely on the bill. Any change in the bill which would tend to discourage the resort to its machinery or the final submission of the matter to arbitration will tend to defeat the purpose of the bill and to rob it of its value.

As I have stated, the committee gave many days to the consideration of the bill. The press carried accounts of our hearings. All hearings were public. All interested parties were given a chance to express themselves. Aside from the representatives of the managers and of the employees, the only appearances in opposition to the bill were by the agent of the National Manufacturers' Association and by an attorney for certain New England manufacturers. No other interests opposed the bill.

Traffic associations, great shippers and employers, coal operators, supply men, farmers, traveling salesmen—all having vast interests in transportation—none of them appeared. No one opposed the bill on their behalf. I call particular attention to the fact that the farmers' organizations did not appear in opposition to the bill. It seems strange that their legislative agents, who, as I understand, are kept here in Washington to represent the Grange and the Farm Bureau Federation, did not wake up until the committee had finished its work. They did not appear before the committee. They did not ask to be heard. Now, we find them galvanized into life and presenting objections to the bill. Of course, we know that their folks back at home have made no study of the bill and are not really opposed to it.

OPPOSITION DESIRE STRIFE AND DISORDER

The National Manufacturers Association is composed of great employers of labor, organized, as I understand into an "open-shop" association. The real capacity in which they opposed this bill was as "labor baiters." In that capacity their agent shone most. It is charged against the Communists that they desire political revolution and disorder, and that they hope to gain political advantage from civil strife and confusion. Whether this is true I do not know, but it is a fact that there are those in the labor world who want to see strife and conflict. They do not want industrial peace. What they want is confusion and bickering and strikes and riots—they hope to gain out of such turmoil some advantage for themselves in the form of cheap labor and slave conditions. They want to destroy the unions so that in the rout which follows they will be able to take a few more cents each day of profit from the laborer's toil. Oh, how foolish they are—how blind they are. They can not see that, although they may gain to-day, they will lose to-morrow; that although it may be a dollar in their pockets now, it will be many dollars out of their pockets in future; that although they may save the present, they will destroy the future.

The enlightened employer recognizes that agreement among the parties is the way to prevent industrial strife, and that agreement is the way to peace. He wants peace in the industrial world. The enlightened employer recognizes that man can not be made to work by force, that force is a poor instrument for use in industry. As was well said by the able gentleman from Connecticut [Mr. MERRITT], intelligent employers in these times recognize the fact that you can not make men work by force. You can not chain them to their jobs, and although you outlaw strikes, and even though you may assemble soldiers in serried ranks, at last you can not have efficient production unless the worker wants to produce. [Applause.]

It is indeed a happy day when we find evidence of this enlightenment among the great employers who operate the railroads.

FAITH IN FORCE, THE CROWNING FOLLY OF THIS AGE

So far as I know, I am the only unrepentant and unapologetic pacifist remaining in Congress. I admit that I am a pacifist; yea, I boast it. I mean a pacifist in the true sense of the word, not in the sense of those who use the term as an epithet—one who hates war and would rather rely on justice than on force. I received a slanderous publication this morning in which I was accused of being a radical and a pacifist. I am glad that the man sent it to me by mail instead of delivering it in person, for remember that after all I am a "fighting pacifist." But, as it is, my sense of humor has reasserted itself. He called me a "pacifist." Of course, I knew what he meant, and that was why I resented it. Had he called me a "Christian" meaning what he did, I should have felt the same. I am proud of being a pacifist in the true sense of the word, in that I do not believe in force.

The crowning folly of this age is its faith in force. The militarists believe in physical force. The legalists believe in legal force. The sociologists believe in the force of public opinion, and of course they are more nearly right than the other two. But, after all, for every instance of misconduct corrected by force of any kind, there are 10,000 errors that are corrected by man's instinctive and natural love of justice and desire for righteousness. [Applause.]

That which makes me so happy to support this bill is that it is the recognition upon the part of the great agreeing parties—labor and capital—that force is of little or no value. It is a march along the way of justice and righteousness. Labor always recognizes that a strike, which is a form of force, is not the best way to settle a dispute. Intelligent employers recognize that agreement among the parties is much better for industry than strike breakers slothing under the protection of the police.

This bill is a splendid promise of peace in the railroad industry. It images a beautiful picture of men sitting down together and discussing in calmness the issues between them. The picture is one of agreement between men of exhaustive knowledge on the subject. The adversary parties have agreed upon this bill. They have pledged their faith that it will work. As employers and employees, they have expressed their opinion that the bill will be a success. Who will dare to put his judgment against theirs? Only one who is better qualified or who has better opportunity for knowledge and experience should dare.

An amendment may have the effect to defeat their purpose. It will tend to relieve the parties of the responsibility which they have assumed. If we make a change so vital as to discourage arbitration, they will be relieved in some measure of their obligation to arbitrate. That follows inevitably. Such a change ought not to be based on speculation and suspicion, but upon an absolute certainty that it is desirable.

WHAT THE PUBLIC GETS

Some one has asked me "What does the public get out of this bill?" The answer is, the public gets peace in the railroad labor world, the public gets a reasonable certainty of the continuation of transportation at no added cost. That is all the public wants. It is all that it needs. It is all that it has the right to get. There is not the slightest reason to think that there is a chance that any wage settlement made under this bill will be anything but just and reasonable. There is as much probability of wage decreases as of increases. The public wants just and fair wages paid to railroad employees. The public has no desire to be benefited at the expense of the employees. After all, the public's chief concern is that the trains shall be kept running steadily. The public has a tremendous interest in peace between the employees and the managers. This is just such a bill as the public interest requires, even if it were not supported by the managers and the employees, who are directly interested in labor questions.

I believe that this bill will promote peace. Those who wrote it had that desire. They wrote it to that end. They settled its terms with that sole object in view. They were men of long practical experience. They were not theorists. They were not dealing with abstractions. They had no critical constituencies before whom they were posturing. They had no necessity to make a pretense of zeal in the public welfare so as to keep themselves solid with their voters. All they had to do was the best they could to accomplish the purpose which they had in mind—to promote peace in the transportation industry. They say this bill will promote peace, and as such a measure I support it.

As a lover of peace I support this bill. I believe in peace—international peace among the nations of the world, peace between contending factions and antagonistic groups, peace between conflicting classes, peace between religions and sects, peace between men of every opinion, of every faith, of every class and of every land—the peace of God for all the world. I believe in industrial peace—peace between the master and him who toils—peace between labor and capital—peace which makes for a united country and the glory of America. [Applause.]

Mr. BARKLEY. Mr. Chairman, I yield 25 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. PARKER. Mr. Chairman, and I yield 25 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, the position that the American people find themselves in with respect to this proposed legislation is even a worse situation than was a minister who once spent the night with a mountain couple. The next morning at breakfast table the old lady passed him a tin cup full of black coffee and said, "Brother Walker, would you take cream and sugar?" The old minister looked all around, over the table and elsewhere, and seeing neither sugar dish nor cream pitcher, said "No, I will drink mine straight," and then the old lady brought up out of her lap from under the table a

well-filled sugar dish and a pitcher of cream and said, "As for me and my old man, we will take cream and sugar in our coffee." In this bill the railroads and their employees have reserved all of the cream and sugar for themselves, and the American people are left out entirely.

Much has been said about this being an agreement between the railroad operators and the employees and therefore that it should be adopted. There was such an agreement between them when the Erdman Act was prepared by their attorneys and passed through Congress in 1898. There was such an agreement between the railroads and their employees, when the Newlands Act was prepared by their attorneys and forced through Congress under a threatened strike in 1913. There is such an agreement at this time.

I agree with the distinguished and able gentleman from Alabama [Mr. HUDDLESTON] when he says he "wishes to God that the people of America had as distinguished and eminent a lawyer as Judge Thom to represent them." I echo that sentiment. I wish to-day the American people had such able counsel, and if they had you would not have gotten this bill out of your committee so easily.

I agree with the gentleman from Alabama when he said there is no more able lawyer in the United States upon such measures than Mr. Richberg, of Chicago. Here we have 2,000,000 railroad employees, a group, represented by the great Richberg, of Chicago, who brings this measure to the railroad operators—a little group, a handful as compared with the people—and they have their distinguished counsel, Judge Thom, who agrees to it. Then, in behalf of the railroads and their employees, it is put through this committee, with a great Richberg and a great Thom representing their clients, but there was no Richberg or Thom there, representing the people, to interfere.

As against these 2,000,000 railroad employees who want this bill passed I bring you the 2,000,000 organized farmers represented by the National Grange and represented by the American National Farm Bureau, who have sent each one of you their earnest protest against this measure.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Not now. I will, though, when I get through. I bring you those farmers. Are they not entitled to just as much consideration as these railroad employees when they are equal in number? They are organized, but there are 10,000,000 other farmers who are unorganized. Are we going to disregard their rights? Let us see if we can get to some agreement about the facts. Is there any man on this floor who will deny that there are 12,000,000 farmers in the United States? If there is I want to hear from him. Then, it seems, we can agree on the fact that there are 12,000,000 farmers in the United States.

Mr. KETCHAM. The figures say six and a half million farmers. If the gentleman includes the hired men, or if he figures in their families, there are more.

Mr. BLANTON. I am talking about those who are engaged in working on farms and ranches for a living. There are 12,000,000 of them in spite of the contrary agricultural census.

Mr. KETCHAM. There are 12,000,000 who are owners of farms?

Mr. BLANTON. No. But a farm renter who farms for a living is just as much a farmer as the one who owns the land from whom he rents same.

Mr. KETCHAM. I said if you figure in the families there are more than six and a half million.

Mr. BLANTON. I am talking about those who farm for a living—renters, owners, farmers, and ranchmen—because all ranchmen farm some.

Mr. KETCHAM. If the gentleman means that, then he has not made his statement accurately.

Mr. BLANTON. How many does the gentleman say there are?

Mr. KETCHAM. I say there are 20,000,000 of those, if you include the hired men and all of the members of the families.

Mr. BLANTON. The gentleman from Michigan is taking merely the census of the Agricultural Department, which does not count the renters who annually rent land from farmers who own large farms. The Agricultural Department gets a count of the owner of the land, but in many cases it misses the renters. Let me illustrate: My constituent, Judge J. R. Stubblefield, of Eastland, Tex., owns a large acreage of farms. The Agricultural Department has him counted as one farmer. But as a matter of fact Judge Stubblefield has about 15 men renting land from him, all of whom are heads of families with their families helping them to farm their rented land, and on such the Agricultural Department has no check or count, for I have given the matter much study for quite a while. John Guitar, of my home city, has farms embracing several thousand acres. He is counted one farmer. But he has many farmers working his land for him, and they are not counted.

But we are getting nearer together when the gentleman from Michigan admits that there are 20,000,000 American people who are dependent upon farms and farm crops for a living. Now, does anybody else deny there are 12,000,000 farmers in the United States? The gentleman from Michigan denies it, though the facts are against him. Does anybody else here deny there are 12,000,000 farmers in the United States? We have 1 denying it out of 435 Members here. There are 12,000,000 farmers in the United States, because the count made by the Agricultural Department shows over 6,000,000, and most of its count are either owners or permanent renters, while as a matter of fact there are about 6,000,000 renters not counted. Now, how many people are given to each family? There are usually five alloted to a family.

If there are 12,000,000 farmers who make their living by farming, owners and renters and hired men, and we may count for each a family of five people, that would be 60,000,000 people dependent upon the farms in the United States for their support. Sixty million people in the United States whose production on farms must be moved to markets by railroads, and who are dependent upon the farms for their living, and who must pay the bill every time freight rates are increased to meet wage increases. These farmers in many places are not able to make ends meet. They can not afford to pay present freight rates. They can not afford to have legislation passed which will surely end in no relief, and may end in freight charges being increased. Now, let us see if we can not lay down some fundamentals and agree to them. Is there any man in this House who will contend otherwise but what Congress should not pass any law for any group of individuals giving them special favors that would be unjust to the whole people? Will anyone contend otherwise? Then we seem to agree to that fundamental.

Mr. SCHAFER rose.

Mr. BLANTON. Does the gentleman contend against it?

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. I do not yield for a speech. Does the gentleman contend against that proposition?

Mr. SCHAFER. I can not answer "yes" or "no."

Mr. BLANTON. That is a fundamental which a man ought to be able to stand up and look his fellow man in the eye and answer "yes" or "no." Is there anybody else in this House who will rise and say that he will contend that Congress ought to pass special laws giving special favors to any group that would be unjust to the whole people? Does anybody contend that?

Mr. SCHAFER. The gentleman votes for those laws every day.

Mr. BLANTON. I do not yield unless the gentleman answers my question. Is there anybody here who will say that that is not a fundamental? If so, I will yield for him to deny it.

Mr. SCHAFER. I will deny it.

Mr. BLANTON. The gentleman is one, and I am not surprised that he would. [Laughter.] However, the distinguished gentleman from Wisconsin knows he and I are personal friends; I do not agree with him on any economic proposition, but I am a personal friend of the gentleman's.

Mr. SCHAFER. Will the gentleman yield for an answer?

Mr. BLANTON. I think the gentleman is a young, earnest, zealous Congressman here trying his best to get the light of day, but I believe he is doing it very slowly. [Laughter.]

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. Not right now, but I will gladly yield later. Now, let us see if we can agree on another fundamental. Is there any man in this House who will deny that this is a sound, statesmanlike fundamental that this Congress should never pass a law that would give special favors to one group, when same would vitally affect adversely and would constitute an injustice to other equally deserving groups in the country? Will anyone deny that as a fundamental? Anybody deny that? Then we have agreed on two fundamentals.

Mr. SCHAFER. I will deny it.

Mr. BLANTON. The gentleman from Wisconsin does, and the balance of the Members do not, because they are fundamental propositions. Then what do we have? We have a bill coming in here, agreed upon by two groups, by railroad owners and by railroad employees, that I maintain is an injustice to every other person in the United States. I maintain it is unjust to the whole people. I maintain that it is unjust to every other group of citizens in the United States. My col-

league from the San Antonio district represents cowmen. I want to ask if he knows of a single cowman in the United States who is satisfied with the present railroad rates. I yield to him to answer.

Mr. WURZBACH. I want to say——

Mr. BLANTON. Do you know of one? If you do, name him.

Mr. JOHNSON of Washington. Mr. Chairman, I make the point of order the gentleman is addressing Members in the second person.

The CHAIRMAN. The gentleman from Texas will proceed in order.

Mr. BLANTON. I will now yield to any man in this House who can tell me the name of one single stockman in the United States who is satisfied with the present railroad tariff freight rates. Now, if anyone can name me one, name him. You can not do it. I will yield to any colleague in this House who can get on this floor and tell me the name of one single farmer in the United States who is now satisfied with the present freight rates.

I pause for an answer. Name me one farmer in the whole United States who is satisfied with the present freight rates. You can not do it. They are all dissatisfied. You take my distinguished colleague from the El Paso district. He can ship 33 head of cows from his ranch to Fort Worth for about $125, while if he shipped one bull there it would cost him $100.

Mr. CARSS. Will the gentleman yield?

Mr. BLANTON. Not now, but I will gladly do so after a while. Now, if the gentleman from Michigan is correct when he says there are only 20,000,000 people in the United States who are farmers and farmers' dependents, then I ask you whether you do not consider their interests of just as much importance as the interests of the 2,000,000 railroad employees? Why should we prefer the latter over the former, when this bill will ruin farmers by increasing freight rates?

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. In a moment, I will. Is that reasonable? I can name you sheepmen who have sent their lambs to market and they could not sell them for enough to pay the freight. Some of them have been called upon to dig up more money than their lambs sold for to finish out the rest of the freight charges.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. Not right now. I want first to get these facts before my colleagues. Then I will yield. You know we who are against this bill are in a terrible fix, when it comes to getting time for debate.

The rules of the House provide, every time a piece of important legislation comes upon the floor of this House, that those who are against it shall have an equal opportunity to be heard with those who favor it. The rules require the time to be equally divided. They are sound, salutary rules which protect the interests of the minority, who sometimes speak for the whole people of this country. When our majority leader [Mr. TILSON] got up here the other day and asked that the control of this debate should run along at least two whole days and should be controlled by the gentleman from New York [Mr. PARKER] and the gentleman from Kentucky [Mr. BARKLEY], I was a little suspicious, for both of them are for this bill. I thought, however, that the distinguished gentleman from Kentucky should control the debate. This has been one of his pets for a long time. He was the introducer, not the author, of the Barkley bill; he did not write a word in that bill; it was specially prepared by Judge Richberg and handed to him. But he was the introducer of the so-called Barkley bill, and I thought the gentleman, with the present introducer [Mr. PARKER] should control the time of the debate, and I did not object, and I agreed to the unanimous-consent request, because we who were against the bill were assured by the majority leader and those in charge of the bill that we would have plenty of opportunity to discuss it.

Yet this is the way the time has been doled out: The gentleman from Ohio [Mr. COOPER] spoke 45 minutes for the bill. The gentleman from Kentucky [Mr. BARKLEY] spoke one hour and 44 minutes for the bill. The gentleman from Michigan [Mr. MAPES] spoke 45 minutes for the bill. That was yesterday; that was in all 3 hours and 14 minutes for the bill. How much time was used against it? My friend from Texas [Mr. BLACK] was given 23 minutes, and our friend the gentleman from Maine [Mr. NELSON] was given 32 minutes, making 53 minutes in all against the bill. That is, 3 hours and 14 minutes for the bill, and only 53 minutes against it, covering yesterday's debate. Those for the bill got most of the cream and sugar.

Mr. CARSS. Mr. Chairman, will the gentleman yield there?

Mr. BLANTON. My friend will have to excuse me.

Mr. CARSS. I suggest that the gentleman use his time in speaking on the bill.

Mr. BLANTON. That is a wise suggestion, but I almost had to crawl on the front part of my anatomy to get the time that I have now. But let us discuss the bill. [Applause.]

This bill is nothing in the world but a conglomeration of the favorable provisions to labor and the railroads that were contained in the Erdman Act and in the Newlands Act with all of the favorable provisions safeguarding the public left out. And I repeat what has been well said by my colleague from Texas [Mr. BLACK] and by the gentleman from Maine [Mr. NELSON], that practically every single safeguard which the American people have had in railroad legislation from 1888 up to this time has been removed from the present bill.

Now, let us see if that is so. The Erdman Act was passed in 1898. It also was an agreement between the railroads and the employees. Remember that. It was brought in and pushed through Congress just as this measure is being pushed through. But it had some splendid provisions in it. Railroads and employees knew at that time that they could not get a bill through Congress unless the public had some safeguards, and they gave the public some real safeguards in that bill. What were the safeguards? Let me show you. Note what was in the Erdman Act of 1898. It provided that when the railroads and their employees submitted to arbitration, they should agree in writing upon certain provisions.

One was that, pending the arbitration, the status existing immediately prior to the dispute shall not be changed.

Was not that a good provision? Yes. That was a great safeguard to the people, that pending the arbitration, the status quo should be maintained.

Now, what was the next thing agreed to?

Mr. COOPER of Ohio. How long?

Mr. BLANTON. During the arbitration and for three months after the award, and that not one of them could interfere with it, and that the award should last one whole year.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret I can not at this moment.

Mr. NEWTON of Minnesota. The gentleman does not want to make a missfatement.

Mr. BLANTON. What misstatement have I made?

Mr. NEWTON of Minnesota. Because by giving 30 days' notice either party——

Mr. BLANTON. Why don't you wait until I get to that clause? If the gentleman were as familiar with the Erdman Act as I am he would have known that that clause is the last one in the agreement. What I have mentioned is part of the first one. I am mentioning them to you seriatim.

The Erdman Act was approved June 1, 1898, and it was not changed until Congress passed the Newlands Act in 1913. In the Erdman Act Congress provided that when the railroads and the employees agreed to arbitrate, they had to sign the following agreements, to wit:

First. That the board of arbitration shall commence their hearings within 10 days from the date of the appointment of the third arbitrator and shall find and file their award, as provided in this section, within 30 days from the date of the appointment of the third arbitrator, and that pending the arbitration the status existing immediately prior to the dispute shall not be changed: *Provided*, That no employee shall be compelled to render personal service without his consent.

Second. That the award and the papers and proceedings, including the testimony relating thereto certified under the hands of the arbitrators, and which shall have the force and effect of a bill of exceptions, shall be filed in the clerk's office of the circuit court of the United States for the district wherein the controversy arises or the arbitration is entered into, and shall be final and conclusive upon both parties unless set aside for error of law apparent on the record.

Third. That the respective parties to the award will each faithfully execute the same, and that the same may be specifically enforced in equity so far as the powers of a court of equity permit: *Provided*, That no injunction or other legal process shall be issued which shall compel the performance by any laborer against his will of a contract for personal labor or service.

Fourth. That employees dissatisfied with the award shall not by reason of such dissatisfaction quit the service of the employer before the expiration of three months from and after the making of such award without giving 30 days' notice in writing of their intention so to quit. Nor shall the employer dissatisfied with such award dismiss any employee or employees on account of such dissatisfaction before the expiration of three months from and after the making of such award without giving 30 days' notice in writing of his intention so to discharge.

Fifth. That said award shall continue in force as between the parties thereto for the period of one year after the same shall go into practical operation, and no new arbitration upon the same subject between the same employer and the same class of employees shall be had until the expiration of said one year if the award is not set aside as provided in section 4. That, as to individual employees not belonging to the labor organization or organizations which shall enter into the arbitration, the said arbitration and the award made therein shall not be binding unless the said individual employees shall give assent in writing to become parties to said arbitration.

Were they not valuable rights for the public? Certainly they were. They were splendid protections to the public. And at that time it did not cost our farmers the value of their crop to ship same to market. Now note section 5 of the Erdman Act:

SEC. 5. That for the purposes of this act the arbitrators herein provided for, or either of them, shall have power to administer oaths and affirmations, sign subpœnas, require the attendance and testimony of witnesses, and the production of such books, papers, contracts, agreements, and documents material to a just determination of the matters under investigation as may be ordered by the court; and may invoke the aid of the United States courts to compel witnesses to attend and testify and to produce such books, papers, contracts, agreements, and documents to the same extent and under the same conditions and penalties as is provided for in the act to regulate commerce, approved February 4, 1887, and the amendments thereto.

Note that it gave the arbitrators the right to swear witnesses and to require the attendance of witnesses and to require the production of books, papers, contracts, agreements, and documents. That was a most valuable right.

And the Erdman Act permitted a majority of the employees to act for themselves, for note the following portion of section 6:

Any agreement of arbitration which shall be entered into conforming to this act, except that it shall be executed by employees individually instead of by a labor organization as their representative, shall, when duly acknowledged as herein provided, be transmitted to the chairman of the Interstate Commerce Commission, who shall cause a notice in writing to be served upon the arbitrators, fixing a time and place for a meeting of said board, which shall be within 15 days from the execution of said agreement of arbitration: *Provided, however,* That the said chairman of the Interstate Commerce Commission shall decline to call a meeting of arbitration under such agreement unless it be shown to his satisfaction that the employees signing the submission represent or include a majority of all employees in the service of the same employer and of the same grade and class, and that an award pursuant to said submission can justly be regarded as binding upon all such employees.

And note also that section 7 and section 8 of said Erdman Act embraced valuable provisions for the public:

SEC. 7. That during the pendency of arbitration under this act it shall not be lawful for the employer, party to such arbitration, to discharge the employees, parties thereto, except for inefficiency, violation of law, or neglect of duty; nor for the organization representing such employees to order, nor for the employees to unite in, aid, or abet, strikes against said employer; nor, during a period of three months after an award under such an arbitration, for such employer to discharge any such employees, except for the causes aforesaid, without giving 30 days' written notice of an intent so to discharge; nor for any of such employees, during a like period, to quit the service of said employer without just cause, without giving to said employer 30 days' written notice of an intent so to do; nor for such organization representing such employees to order, counsel, or advise otherwise. Any violation of this section shall subject the offending party to liability for damages: *Provided,* That nothing herein contained shall be construed to prevent any employer, party to such arbitration, from reducing the number of its or his employees whenever in its or his judgment business necessities require such reduction.

SEC. 8. That in every incorporation under the provisions of chapter 567 of the United States Statutes of 1885 and 1886 it must be provided in the articles of incorporation and in the constitution, rules, and by-laws that a member shall cease to be such by participating in or by instigating force or violence against persons or property during strikes, lockouts, or boycotts, or by seeking to prevent others from working through violence, threats, or intimidations.

And under this Erdman Act there were 61 controversies settled between the railroads and their employees. And these safeguarding provisions for the public should have been perfected and kept in the law, but they were allowed to stay there only until 1913, when the employees forced the Newlands Act through Congress under threat of strike. The Erdman Act came nearer bringing about a situation whereby the American people, through the courts, could force uninterrupted continuous service.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In a moment. I have plenty of time, and I will yield to the gentleman later to his heart's content.

Were they not valuable rights for the people of the country? Why, yes. Let me remind you of one provision of section 7 of the Erdman Act, which provides:

That during the pendency of arbitration under this act it shall not be lawful * * * for the organization representing such employees to order, nor for the employees to unite in, aid, or abet strikes against said employer.

Was not that a valuable right to the people? It would prevent a tie-up of the railroads, because in 1894, when the Debs strike was on, President Cleveland called out the National Guard of this country and stopped it.

Mr. COOPER of Ohio. Will the gentleman yield on that?

Mr. BLANTON. Yes.

Mr. COOPER of Ohio. I call the gentleman's attention to the fact that the Erdman Act was not passed until 1898 and the Debs strike was in 1894.

Mr. BLANTON. The gentleman is right. That was a slip of the tongue. When I am wrong I admit it freely. President Cleveland called them out under the previous act, which had in it practically the same provisions—the act of 1888.

Mr. NEWTON of Minnesota. The gentleman is mistaken. The act of 1888 did not begin to have the elaborate provisions of the Erdman Act.

Mr. BLANTON. The act of 1888 made their acts unlawful, and it was upon the unlawful part of it that President Cleveland acted. It was because it was unlawful for them to do that. If it had not been unlawful the President could not have interfered with them at all.

Mr. CARSS. Will the gentleman yield just a moment?

Mr. BLANTON. I want to say to the distinguished gentleman from Minnesota that he and I do not agree on railway questions, but there are lots of fundamentals we do agree upon, just like I do with the distinguished gentleman from Kentucky. I can not forget the splendid service the gentleman from Kentucky [Mr. BARKLEY] rendered to the American people when we passed the prohibition enforcement act. He stood on this floor and helped us fight every single attempt that was made to ruin the bill. That is the reason I appreciate him even when I am against him, and just so it is with the gentleman from Minnesota [Mr. CARSS]. On every moral question, and on every great fundamental affecting people of the United States, outside of labor questions, the gentleman stands four-square for all the people, and I appreciate him even when I am against him on a question of this kind. I now yield, with pleasure, to the gentleman.

Mr. CARSS. I want to call the attention of the gentleman to the fact that when Grover Cleveland called out the troops, he did that for the purpose of preventing an interruption of the mail service of the United States, or at least that was the pretext he gave for calling out the troops.

Mr. BLANTON. That was the pretext, but the main purpose was to protect the rights of the American people to uninterrupted transportation.

Mr. COOPER of Ohio. Will the gentleman yield there?

Mr. BLANTON. I yield.

Mr. COOPER of Ohio. President Cleveland did not compel the railroad employee to work against his own desires or his own wishes. All that President Cleveland wanted was the American mail carried without being interrupted.

Mr. BLANTON. But he prevented them from interfering with other people working on those trains, which they were doing.

Let me tell you something else. You have here in Washington a live, modern, mercantile establishment. By long business service to the people of Washington they have been able to build up a splendid business and to construct a magnificent eight or ten story department store. Because some of their employees do not like the way they handle their business, they are marching all around that building as strikers, with banners telling everybody who attempts to go into that store not to go in same, as it is an unfair store and they ought to stay away, thereby trying to ruin the business of this concern. I do not believe in that kind of lawlessness.

Just a few years ago the Raleigh Hotel, because some union wanted the white waiters in there to demand increases of wages when they did not want to do it, forced them against their will to strike. The Raleigh Hotel employed some other waiters, and for several weeks you saw not the strikers themselves but banner holders, who were paid $25 a week as barkers to march around the Raleigh Hotel and insult patrons. Every single man or woman who went in there was told by these banner holders they were indecent if they went into the scab hotel because there was a strike there. A good woman, who runs a

young ladies' school in Baltimore, brought some of her young ladies over here and started in the Raleigh Hotel to lunch. They were told they were not decent. She had the man arrested, and he was fined here in the courts for doing that, and we finally stopped it. I have seen banners carried around the White House by strikers. I have seen such banners carried around this Capitol Building of the Nation. It is outrageous and must stop.

When the Interparliamentary Union, composed of representatives from all of the parliaments of the world, met here last October—here in this Chamber, where almost all the nations of the world were here represented—they met here in the interest of the peace of the world. One of those guests of ours from another country, on one occasion when he went out of this Capitol, was met by a bunch of people standing out there with banners calling him a red-handed cutthroat and murderer, and thank God I was one of those who told them if they did not stop it I would enter a complaint against them.

Mr. SCHAFER. Will the gentleman now yield for a question?

Mr. BLANTON. Now I yield, gladly.

Mr. SCHAFER. Is the gentleman opposed to all banners? I suppose you would accept the banner of the meetings of the members of the Anti-Saloon League when they are on parade, would you not?

Mr. BLANTON. Such banners would not be the kind that violate laws, but would incite obedience to laws. I would rather accept them than the banner the gentleman follows—the beer and light wine banner.

Mr. SCHAFER. Will the gentleman yield further?

Mr. BLANTON. I am now going to yield to my friend from Wisconsin just as long as he wants me to, but for questions only.

Mr. SCHAFER. Yes; for a question. You have stated you were opposed to any legislation in favor of any one class, then you are opposed to legislation in the interests of the sheep raisers or the cattle raisers of Texas because that would be in the interest of a class?

Mr. BLANTON. I am glad the gentleman asked me that question. I have never been in favor of any legislation that gave them any special favors that constituted injustice to every other American citizen or every other class or group in the United States. All legislation in their behalf has been just to the balance of the people.

Mr. SCHAFER. On that class stuff, then, you are absolutely opposed to giving any special favors to the class of disabled veterans of a war?

Mr. BLANTON. Oh, that is a national question, and one concerning which all the people in the United States are for it.

Mr. SCHAFER. No; that is a class.

Mr. BLANTON. Let me tell you this: There is not a single home in the United States that has not an interest in the veterans of the World War. Around the fireside in practically every American home to-day there is some thought of some one crippled, or some one sick, or a vacant chair connected with that family, as a result of the war. I want to say to my friend from Wisconsin that there is a rule in my office that can not be disobeyed, and that is that when a veteran of the World War calls on me for help I do not care whether he comes from Wisconsin, from Florida, or Kalamazoo, he gets help immediately and I do not stop to ask him where he lives or who is his Congressman.

Mr. SCHAFER. The gentleman had admitted his true stand a few minutes ago when he was raving about being opposed to legislation favoring a certain class, and now he states he is in favor of class legislation.

Mr. BLANTON. The gentleman knows that I am not in favor of it. Legislation for veterans is not class legislation; it is national, for the whole country owes them more than we can ever pay.

Mr. SCHAFER. The gentleman's statements conflict. One moment he says he is against any class legislation and then he says he is in favor of it.

Mr. BLANTON. The gentleman from Wisconsin can not get another man in the House to back him up in his statement that relief for war veterans is class legislation. There is no connection between the two questions. The matter of taking care of the World War veterans is a solemn duty that rests upon the shoulders of every true, loyal American citizen. It is not a class, it is a national question, it is a question as big as this Government and that flag.

Mr. SCHAFER. The gentleman is in favor of class legislation, is he not?

Mr. BLANTON. I have tried to make the gentleman understand that I am not. If the gentleman wants to ask a courteous question I will yield. I will gladly yield all he wants me to for questions. Come on. [Laughter.]

Mr. SCHAFER. The gentleman has stated that he is in favor of these farm organizations representing the two types of farm organizations.

Mr. BLANTON. I think their protests against this bill are just. Is the gentleman for them?

Mr. SCHAFER. I am for the farmers.

Mr. BLANTON. Is the gentleman going to vote against these farmers' amendments?

Mr. SCHAFER. Well, maybe the gentleman can convert me.

Mr. BLANTON. Some of them come from Wisconsin.

Mr. SCHAFER. The gentleman stated that the amendment is to give the Interstate Commerce Commission a final determination of the wage settlement. Does the gentleman have any information that the farm organizations are very well satisfied that the Interstate Commerce Commission can effect a revision of the rates on farmers' products?

Mr. BLANTON. Well, that is a fair question and I am going to answer it. The two farm organizations, the National Grange and the National American Farm Bureau, have concluded that this little Hoch amendment is not worth the paper it is written on, because it confers no power whatever on the Interstate Commerce Commission, and they have sent us a real amendment asking us to vote for it, and I am going to vote for it. Their amendment is not enough protection for the American people, but I will vote for it as far as it goes.

Now let me tell you about the Hoch amendment. I wish you would look and see how carefully it is drawn. It does not say that the Interstate Commerce Commission has the authority to set aside an unfair wage agreement when it would require an increased freight rate. It does not say that. It says:

> *Provided*, That nothing herein shall be construed to preclude the Interstate Commerce Commission from considering the merits of any such arbitration award when determining freight or passenger rates or other charges.

That is negative and gives no power whatever. Now, if they already have that power under the present law, then the Hoch amendment is good, but they have not got it under the present law. The Hoch amendment does not confer it on them.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. BLANTON. I will yield, because my friend from New York is a great economist, who has taught economic questions in one of the biggest universities of our Nation, and whenever he speaks he speaks with authority. [Applause.]

Mr. JACOBSTEIN. I would like to ask an economic question.

Mr. BLANTON. All right.

Mr. JACOBSTEIN. Is the gentleman in favor of giving the Interstate Commerce Commission such power as would make it impossible to grant a wage increase if the executives were willing to do it?

Mr. BLANTON. Yes. I am in favor of giving them the power to set aside any wage agreement that would cause an increase of the freight rates.

Mr. JACOBSTEIN. Then the gentleman wants to give the commission the power to set a maximum wage which shall be paid. Is the gentleman willing to say the same thing to the farmer and make a price for his products?

Mr. BLANTON. I will tell you why I am in favor of it. Every farmer and producer in the United States knows that freight rates now are too high. They are all clamoring for a reduction; they can not stand another cent raise in freight tariff.

That being the case, if voluntary wage schedules are agreed upon by the railroads and employees around the council table with no one representing the American public, when the large railroads are guaranteed a 5½ per cent profit regardless of expenses, they care little because they know that any increase of wages must result in an increased freight rate; hence there must be some safeguard for the American people.

Mr. BARKLEY. Will the gentleman yield?

Mr. BLANTON. I have to yield to the gentleman from Kentucky.

Mr. BARKLEY. No; the gentleman does not have to yield.

Mr. BLANTON. I can not refuse, but I hope the gentleman will not take up all my time.

Mr. BARKLEY. If the Supreme Court says, and it has said, that the Congress has no power to interfere with private agreements on railroads as to wages, how would the gentleman confer that power on the commission?

Mr. BLANTON. I am going to settle that question right now. Whenever a lawyer gets up on this floor and will not admit what is in a Supreme Court decision, then we may hardly expect fair admissions from a committee that is in

favor of a particular bill. The gentleman from Michigan [Mr. MAPES] spoke yesterday, and I asked him if he did not know that the concluding paragraph in the decision in the case of Wilson against New held that this Congress in an emergency of that kind has even the right to fix wages? I asked him if he did not know that the Supreme Court of the United States held in Wilson against New that Congress had also a right in the interest of the American people to force compulsory arbitration. He said no, he would not agree to that. That is what he said. He said that he would not agree that the Supreme Court had held that.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes, if I have not stated the gentleman's position correctly, but do not take up all of my time.

Mr. MAPES. What I said to the gentleman as I recall——

Mr. BLANTON. Well, it is in the RECORD.

Mr. MAPES. And therefore the gentleman ought to state it correctly.

Mr. BLANTON. I will leave it to every colleague here. He may get the RECORD and read my statement to-morrow and the one that the gentleman made yesterday, and they will be able to determine for themselves whether or not I am correct.

Mr. MAPES. I did not rise for that special purpose, but I would be glad to set the gentleman right.

Mr. BLANTON. I am now going to set the gentleman from Michigan right. I can not yield any further.

Mr. MAPES. Will the gentleman yield for a question?

Mr. BLANTON. Yes, gladly; always.

Mr. MAPES. Do I understand the gentleman to say that he is going to offer the so-called grange and farm bureau amendment?

Mr. BLANTON. If no member of the famous so-called House farm bloc is brave enough to offer it, I am. I am not afraid to do anything in the world that I think ought to be done for the American people, but let me tell you this. If you think the American people won't back you up in it you are mistaken. The people have always supported me.

Mr. MAPES. Will the gentleman yield for a further question?

Mr. BLANTON. Mr. Chairman, I can not yield further.

Mr. MAPES. On that point.

Mr. BLANTON. I have only a few moments left.

The CHAIRMAN. The gentleman declines to yield.

Mr. BLANTON. I have only about 15 minutes left, hence I can not yield.

Mr. MAPES. I want to ask the gentleman——

Mr. BLANTON. I regret that I can not yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. BLANTON. I now want to read what the Supreme Court of the United States said in Wilson *v.* New.

Mr. MAPES. I wanted to call attention——

Mr. BLANTON. Mr. Chairman, the gentleman is violating the rules. The gentleman ought to obey the rules, even if he is from Michigan. [Laughter.] I want all of you to pay attention to what the Supreme Court held in this case of Wilson *v.* New (243 U. S. p. 331), which was decided on March 19, 1917—the Supreme Court of the United States held this:

> Being of the opinion that Congress had the power to adopt the act in question, whether it be viewed as a direct fixing of wages to meet the absence of a standard on that subject, resulting from the dispute between the parties, or as the exertion by Congress of the power which it undoubtedly possessed to provide by appropriate legislation for compulsory arbitration—a power which inevitably resulted from its authority to protect interstate commerce in dealing with a situation like that which was before it—we conclude that the court below erred in holding that the statute was not within the power of Congress to enact, and in restraining its enforcement, and its decree, therefore, must be and it is reversed and the cause remanded, with directions to dismiss the bill.

It will be seen that in that opinion they held that this Congress in such an emergency as was before the country when the Adamson law was passed, had even the right to fix the wages and had the right to force compulsory arbitration.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Not now. If the gentleman will give me more time, I will.

Mr. BARKLEY. Well, I shall not do that.

Mr. BLANTON. Then I shall not yield. Some who have spoken for this bill have said that President Coolidge has urged us to pass it. I deny that. No one here can say he is for it. It is said that in his last message he stated that it was his understanding that these two parties have reached an agreement and that he wanted us to pass it when it was brought in. That is not what he said. He had a very important proviso in that statement, and that has been overlooked by everyone.

Here is what President Coolidge actually said:

> Whenever they bring forward such proposals which seem sufficient also to protect the interests of the public, they should be enacted.

When they bring forward such proposals which seem sufficient to protect the American people, then, and only then, should you pass the law. That was what Mr. Coolidge said. And I submit that they have not yet brought us a bill that protects the interests of the American people.

And remember what President Roosevelt said to Congress in 1905. Here is what he said:

> In any great labor disturbance not only are employer and employee interested, but also a third party—the general public. Every considerable labor difficulty in which interstate commerce is involved should be investigated by the Government and the facts officially reported to the public.

And then again in his message to Congress in 1907 President Roosevelt said:

> I renew my previous recommendation that the Congress favorably consider the matter of creating the machinery for compulsory investigation of such industrial controversies as are of sufficient magnitude and of sufficient concern to the people of the country as a whole to warrant the Federal Government in taking action.
>
> The need for some provision for such investigation was forcibly illustrated during the past summer. A strike of telegraph operators seriously interfered with telegraphic communication, causing great damage to business interests and serious inconvenience to the general public. Appeals were made to me from many parts of the country, from city councils, from boards of trade, from chambers of commerce, and from labor organizations, urging that steps be taken to terminate the strike. Everything that could with any propriety be done by a representative of the Government was done, without avail, and for weeks the public stood by and suffered without recourse of any kind. Had the machinery existed and had there been authority for compulsory investigation of the dispute, the public would have been placed in possession of the merits of the controversy and public opinion would probably have brought about a prompt adjustment.
>
> Each successive step creating machinery for the adjustment of labor difficulties must be taken with caution, but we should endeavor to make progress in this direction.
>
> The provisions of the act of 1898 creating the chairman of the Interstate Commerce Commission and the Commissioner of Labor a board of mediation in controversies between interstate railroads and their employees has, for the first time, been subjected to serious tests within the past year, and the wisdom of the experiment has been fully demonstrated. The creation of a board for compulsory investigation in cases where mediation fails and arbitration is rejected is the next logical step in a progressive program.

And remember what our President, Woodrow Wilson, was forced to tell Congress in 1916, when he forced a law to be passed under a threat of national calamity.

In his message to Congress August 29, 1916, President Wilson said:

> The matter came some three weeks ago to a final issue and resulted in a complete deadlock between the parties. The means provided by law for the mediation of the controversy failed, and the means of arbitration for which the law provides were rejected.
>
> * * * * * * *
>
> The 400,000 men from whom the demands proceeded had voted to strike if their demands were refused. The strike was imminent. It has since been set for the 4th of September next. It affects the men who man the freight trains on practically every railway in the country. The freight service throughout the United States must stand still until their places are filled, if, indeed, it should prove possible to fill them at all. Cities will be cut off from their food supplies, the whole commerce of the Nation will be paralyzed, men of every sort and occupation will be thrown out of employment, countless thousands will in all likelihood, it may be, be brought to the very point of starvation, and a tragical national calamity brought on, to be added to the other distresses of the time, because no basis of accommodation or settlement has been found.
>
> Just so soon as it became evident that mediation under the existing law had failed and that arbitration had been rendered impossible by the attitude of the men, I considered it my duty to confer with the representatives of both the railways and the brotherhoods, and myself offer mediation, not as an arbitrator, but merely as spokesman of the Nation, in the interest of justice, indeed, and as a friend of both parties, but not as judge, only as the representative of 100,000,000 men, women, and children who would pay the price, the incalculable price, of loss and suffering should these few men insist upon approach-

ing and concluding the matters in controversy between them merely as employers and employees, rather than as patriotic citizens of the United States looking before and after and accepting the larger responsibility which the public would put upon them.

* * * * * * *

While my conferences with them (railroad managers) were in progress, and when to all outward appearance those conferences had come to a standstill, the representatives of the brotherhoods suddenly acted and set the strike for the 4th of September.

Proceeding further the President said:

I based my counsel upon the indisputable fact that there was no means of obtaining arbitration. The law supplied none; earnest efforts of mediation had failed to influence the men in the least. To stand firm for the principle of arbitration and yet not get arbitration seemed to me futile, and something more than futile, because it involved incalculable distress to the country and consequences in some respects worse than those of war, and that in the midst of peace.

I yield to no man in firm adherence, alike of conviction and of purpose, to the principle of arbitration in industrial disputes; but matters have come to a sudden crisis in this particular dispute and the country had been caught unprovided with any practicable means of enforcing that conviction in practice—by whose fault we will not now stop to inquire.

The President proceeded further:

Having failed to bring the parties to this critical controversy to an accommodation, therefore I turn to you, deeming it clearly our duty as public servants to leave nothing undone that we can do to safeguard the life and interests of the Nation. In the spirit of such a purpose, I earnestly recommend the following legislation.

* * * * * * *

Fifth. An amendment of the existing Federal statute which provides for the mediation, conciliation, and arbitration of such controversies as the present by adding to it a provision that in case the methods of accommodation now provided for should fail, a full public investigation of the merits of every such dispute shall be instituted and completed before a strike or lockout may lawfully be attempted.

* * * * * * *

There is one other thing we should do if we are true champions of arbitration. We should make all arbitral awards judgments by record of a court of law in order that their interpretation and enforcement may lie, not with one of the parties to the arbitration, but with an impartial and authoritative tribunal.

Was not that a terrible situation for this Republic? It must have been a great humiliation for President Wilson.

I want to settle one question right now while I have the opportunity. Will any man rise on his feet to-day and say that the Newlands bill in 1913 was not passed under the threat of a strike? I yield if anyone sees fit to do so.

Why, last Monday I put in the debates of Senator Kellogg, Senator Knute Nelson, Mr. ROBINSON, Democratic leader, Senator after Senator, Mr. Newlands, a former Member of the House, all of whom say that they had to pass this Newlands bill just like it was written. That they could not change it by the dotting of an "i" or the crossing of a "t." That a strike had been called, and that Congress must act quickly and do just like the railroads and employees wanted and pass the bill, else there would be a nation-wide strike. And it passed under such conditions. Will anybody deny the Adamson Act was passed under such a threat? No; you know it is so.

I can remember during the war, when there was Government control and operation of railroads. I came to Congress believing that possibly it was best for the Government to take over the railroads permanently. I have had my mind disabused of that fool idea since I have been here. [Applause.] I watched Government control of the railroads during and after the war.

I saw during the war Mr. Director McAdoo hand out of your Public Treasury $764,000,000 at one hand-out to threatening employees, and dated it back six months on their salaries. I saw Director Hines, under such threats, hand out $67,000,000 more in the same way. I saw the Railroad Labor Board later on hand out $600,000,000 more.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. Not right now. I do not desire to be discourteous, but I can not yield. They say in this bill the mediators are the representatives of the American people and therefore we are protected. What have the mediators to do with the fixing of the wage schedules? They have no voice whatever. These mediators have nothing to do with the wage schedules. They have nothing to do with the fixing of wages. The mediators can not sit around the settlement table and agree upon these wage schedules, and not a single person represents the American public in the settlement around the council table?

The arbitrators are selected by the men themselves and the mediators must select the third, if they can not agree. But do not you know what will occur? I will tell you why. Mr. Thom, that splendid lawyer and his associates who represents the affiliated railroads of this county, they came to the conclusion that it is cheaper to agree with the railroad employees on legislation, and every time the railroad wages are increased look to the Interstate Commerce Commission to increase the freight tariff for them—as I say, they found it is cheaper than to fight the employees and have strikes, and they have laid down on the people. If you will read Mr. Thom's evidence before the Senate committee in 1924, and read the evidence he gave the other day before the Senate committee you will see where he turned completely around on this question.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BLANTON. Will the gentleman yield me five minutes, I have been interrupted so much. I think I have been fairly generous in yielding. I think I have yielded to everybody. May I have a little more time? Come on; I will say something else nice about the gentleman in a minute. [Laughter.]

Mr. BARKLEY. How much time does the gentleman want?

Mr. BLANTON. Five minutes from the gentleman from Kentucky and five from the gentleman from New York.

Mr. BARKLEY. I have no desire to enter into any corrupt bargain with the gentleman in order to get a compliment, but I will yield the gentleman five minutes.

Mr. PARKER. I will yield the gentleman five.

Mr. BLANTON. Thank you both very much.

Mr. BARKLEY. And I want that compliment.

Mr. BLANTON. And the gentleman shall get it.

Mr. COOPER of Ohio. Will the gentleman yield for a question?

Mr. BLANTON. Mr. Chairman, I will yield to the distinguished gentleman from Ohio always.

Mr. COOPER of Ohio. The gentleman stated a few moments ago that the two parties to the disputes could not appoint the neutral arbitrator. I would like to call his attention to the fact that in 13 cases of arbitration under the Newlands Act in 10 cases both parties could not agree on the neutral arbitrator, and in 8 other cases it ran beyond the 30 days and the board of mediation appointed the arbitrator. In 15 cases the board of mediation appointed the neutral arbitrator.

Mr. BLANTON. In the first place, they do not have to arbitrate. They can limit the agreement for an arbitration just like they want to. They can limit it to a wage increase and not let the railroads have any say on any other question. I know that the railroads will do exactly like coal operators did in the coal condition recently. We had a $600,000 coal investigation which was going to tell the people the facts about the coal business and create public sentiment and crystallize it, and the record was that big and that thick [illustrating].

Nobody read it. And the newspapers have not told us what is in it and will not tell the people what was in it. We have had a terrible coal strike, and it has cost these poor miners $150,000,000 in wages alone, and they have suffered and everybody who is poor in the United States has suffered. It is not the rich who have suffered. And it is not the rich who ever suffer. They can buy their coal in the summer time and pay just what is asked for it, and get enough of it to fill their cellars. The rich do not suffer in a coal strike. It is the poor people who have been frozen or half frozen all these months. It is the poor people who have not been able to buy cheap substitutes because they were not readily available and they did not have the money. The poor miners have suffered and have not got one cent as increase. All the expenses of that strike we are now paying. I bought some cheap run-of-mine soft coal last week here in Washington that can be laid down here from the mine at $4.25 a ton, and yet I paid $14 for it last week right here in Washington. We are now paying for that strike. We will pay for strikes under this bill. We pay for every strike brought about in the United States.

What does this little President's commission that is provided for in this bill amount to? The bill says that whenever the mediators fail and when the conciliators fail, when there is no arbitration, when everything comes to a show-down, and a strike is threatened, and it appears to the President that there is a situation of imminent danger to the country, then what can he do? Oh, he can appoint a little commission and clothe it with recommendations that they shall go to these employees and ask them to permit them to investigate! But they are given no power. They can not swear a witness; they can not force a piece of evidence to be brought before them; they can not force a single record to be brought before them; they can

not issue a subpœna; they can not enforce the attendance of a witness unless both the railroad and the employees agree.

Ah, I am not willing to trust them, and I tell you why. President Cleveland said he could not trust them when he had to send out the troops to break the strike. President Roosevelt could not trust them when he attempted to put down a strike. Secretary McAdoo and President Wilson could not trust them, because they had to hand out millions of dollars to stop a strike. I can not depend on their faith and their good will. I want to put some teeth into this law that will protect the American people. Let us get back to this transportation act.

Senator CUMMINS is still a wise statesman, is he not? Is not the Senate Committee on Interstate and Foreign Commerce a wise committee? Let me show you what they did in their report in 1920, from the public standpoint and in the interest of the people generally.

From pages 21 and 22 of the committee report No. 304 on Senate bill S. 3288, reported by the Committee on Interstate Commerce in the United States Senate, I quote the following:

Hitherto, the Government has not undertaken to adjudge the disputes which have so disturbed the field of transportation and which promise to be still more serious in the future than they have been in the past. All that legislation has done up to this time has been to authorize mediation and conciliation and to present an opportunity for voluntary arbitration. After the most careful consideration, it is the judgment of the committee that the time has come to make another advance in the settlement of disputes likely to end in the suspension or restraint of transportation. This forward step must be clearly understood in order to be justly considered. In a controversy between railway workers and railway managers with respect to wages and working conditions and which could only be settled by agreement between the disputants, the right to strike—that is, a concerted cessation of work—seems inevitable, for it is the only weapon which the workers could effectually employ. A proposal to prohibit an agreement among workers to quit their employment at a given time without substituting some other instrumentality for securing justice would not receive at the hands of Congress a moment's consideration. In making the strike unlawful, it is obvious that there must be something given to the workers in exchange for it. The thing substituted for the strike should be more certain in attaining justice and should do what the strike can not do—namely, protect the great masses of the people who are not directly involved in the controversy. The committee has substituted for the strike the justice which will be administered by the tribunals created in the bill for adjudging disputes which may hereafter arise.

From the public standpoint and in the interest of the people generally, it has become perfectly clear that, in transportation at least, both the strike and the lockout must cease. This country has been so developed, its population is so situated, its commerce so crystallized, that regularity and continuity in transportation have become absolutely indispensable to the lives and health of the people and the existence of our industrial and commercial welfare. A general suspension in the movement of traffic for a fortnight would starve or freeze, or both, a very large number of men, women, and children; and if it were continued a month or two months, it would practically destroy half our population. Our business affairs would be so disordered that the loss would be greater than in any conceivable war in which we might engage. It is just as much the function of the Government in these circumstances to see to it that transportation is adequate, continuous, and regular as it is to maintain order, punish crime, and render justice in any other field of human activity. It is clear, therefore, that the Government must settle the controversies between railway managers and railway employees, which, if left to be fought out between the parties themselves, will lead to the consequences just described. There is but one way in which this can be done: The Government must undertake to declare, in any such case, what is justice, what is fair and right, between the parties to the dispute, and then there must be no concerted rebellion or conspiracy among those whose rights have been adjudged for the purpose of coercing either of the parties to the dispute into another and different settlement.

And in the Senate bill, as it passed the United States Senate, I quote the following provision:

SEC. 30. It shall be unlawful for two or more persons, being officers, directors, managers, agents, attorneys, or employees of any carrier or carriers subject to the act to regulate commerce, as amended, for the purpose of maintaining, adjusting, or settling any dispute, demand, or controversy, which, under the provisions of this act, can be submitted for decision to the committee of wages and working conditions or to a regional board of adjustment, to enter into any combination or agreement with the intent substantially to hinder, restrain, or prevent the operation of trains or other facilities of transportation for the movement of commodities or persons in interstate commerce, or in pursuance of any such combination or agreement and with like purpose substantially to hinder, restrain, or prevent the operation of trains or other facilities of transportation for the movement of commodities or persons in interstate commerce; and, upon conviction, any such persons shall be punished by a fine not exceeding $500 or by imprisonment not exceeding six months, or by both such fine and imprisonment.

That protected the American people. That amendment came on the floor of the Senate, and a motion was made to strike it out, and how many votes did it get? Twenty-four. Thirty-nine voted against striking it out. And it stayed in. When the Senate voted on that bill finally, before it was sent to conference, do you know how many Senators voted against that bill? Thirty. Only 30 Senators voted against the bill with the antistrike provision in it, but there were 46 Senators who stood like a solid rock phalanx to keep that provision in the bill. And they kept it in the bill in the Senate. It was the House that took it out.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield for a question?

Mr. BLANTON. Certainly. There is not a man in the United States for whom I have higher regard than my friend from Ohio. [Applause.]

Mr. COOPER of Ohio. I would like to ask the gentleman a fair question.

Mr. BLANTON. Go ahead.

Mr. COOPER of Ohio. I do it in the right spirit.

Mr. BLANTON. Certainly.

Mr. COOPER of Ohio. Is the gentleman from Texas in favor of compulsory arbitration and an antistrike law?

Mr. BLANTON. Yes. You will not get any protection to the American people unless you bring that about, and if you bring that about you will have the best relations that ever existed between the railroads and their employees. It must come about.

I want to remind my friend from Ohio what happened in this House. There is not a better friend of labor in the world than my friend from Ohio [Mr. COOPER], and because he would not obey the orders of these railroad unions when we had that transportation bill up here, but exercised his judgment as an American legislator and voted his judgment and disobeyed their orders just one time in the history of his whole service, they tried their best to beat him in his Ohio district in 1920. I will tell you what I did.

I am a loyal, orthodox, patriotic Democrat, and he is a loyal, orthodox, patriotic Republican, and I have lots of friends and acquaintances in his district, and I sat down and wrote to every one of them in that Ohio district, and I said, "For God's sake, support COOPER of Ohio and send him back to Congress. He must not be defeated." [Applause.] He is the kind of a man we need here. He and I disagree on this subject, but if you strike a general average on him, and if you strike a general average on the gentleman from Minnesota [Mr. CARSS], or if you strike a general average on the gentleman from Kentucky [Mr. BARKLEY], you will find that they are big, stalwart American statesmen who get wrong only once in awhile. [Applause.] What are you going to do about this bill? I am going to vote against it.

Mr. JACOBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. JACOBSTEIN. Can you name a country in which compulsory arbitration and antistrike laws have really worked? Name one.

Mr. BLANTON. Listen! The United States will probably be the first one. When I think of all the countries in the world except the United States, I can see in all the big ones a seething mass of anarchy right now, where their cabinets are changing overnight because they have been compromising with this question. Do not think you will be annihilated by labor if you vote for a statesmanlike law. They did not defeat COOPER because he once disobeyed their demands. He was elected and he will be reelected. They are not going to defeat me in my district, because the people back me there, and I will be elected and I will be reelected. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. PARKER. Mr. Chairman, I yield 30 minutes to the gentleman from Minnesota [Mr. NEWTON]. [Applause.]

Mr. NEWTON of Minnesota. Mr. Chairman——

Mr. KETCHAM. Will the gentleman yield before proceeding with his argument?

Mr. NEWTON of Minnesota. I yield to the gentleman from Michigan in order that he may make a correction pertaining to the farmers.

Mr. KETCHAM. Mr. Chairman and members of the committee, during the very able argument of the gentleman from Texas my authority in attempting to give the exact number of farmers in the United States was challenged. I checked the matter up with the Department of Agriculture, and I now want to put the exact figures in the RECORD and leave it to the judgment of the 434 Members of the House who was more nearly correct. These are the official figures for 1925—6,372,263 farmers.

Mr. BLANTON. Will the gentleman from Minnesota permit me to state that since the Republicans have been in power almost one-half of the farmers have left the farms. [Laughter and applause.]

Mr. KETCHAM. In reply may I say to the gentleman that these are the figures for 1925, four years after the Republican administration came in, and may I also say that they are some thousands beyond what they were in 1921, when we took over this bad situation from the Democrats. [Laughter and applause.]

Six million three hundred and seventy-two thousand two hundred and sixty-three farmers in 1925. The total farm population instead of being 60,000,000 was 31,614,265. These are the official figures and I leave the determination of the matter to the judgment of the House.

Mr. DENISON. If the gentleman will permit, I think the gentleman from Texas was more nearly accurate in his statement about the farmers than he was about a great many of the points he was discussing. [Laughter.]

Mr. NEWTON of Minnesota. Mr. Chairman, I was going to suggest that while I am not an expert on farm matters like the gentleman from Michigan [Mr. KETCHAM]—the entire membership recognizing him as an authority—yet from my scant knowledge of that subject, I was of the opinion that the gentleman from Texas [Mr. BLANTON] was far more accurate in speaking of the farmers than he was in setting forth the attitude of the Supreme Court as to the power of Congress over wage agreements between carrier and employee and as to other phases of the general question before us.

For example, the case of Wilson *v.* New (243 U. S.) the case where the court interpreted the Adamson law. The court very clearly said that it was only in the event of an emergency growing out of the failure of the parties to agree upon a wage that Congress had the power to interfere. There can be no question at all in the mind of anyone reading the opinion that that was the opinion of the majority of the court as expressed in the majority opinion written by Chief Justice White.

Let me quote two or three lines of the decision:

> It is also equally true that as the right to fix by agreement between the carrier and its employees a standard of wages to control their relations is primarily private, the establishment and giving effect to such agreed-on standards is not subject to be controlled or prevented by public authority.

That is the language of the great Chief Justice.

The gentleman from Texas [Mr. BLANTON] is a valuable Member of the House. We need a critic from time to time, but at times I feel that in his critical zeal the gentleman sometimes is not as careful in submitting his arguments and his facts as he should be. On Monday he obtained leave to extend his remarks upon the subject matter before us. In availing himself of this privilege he set forth certain statements which he had taken from the Senate hearings upon the bill that is before us. These statements, or excerpts of statements, were inserted in the Senate hearings by Mr. Emery. There are some 12 or 15 of them. They are set forth in the RECORD on pages 4364 and 4365. The casual reader would infer that the railroad presidents making the statements are opposed to the enactment of this bill. Apparently that must have been the purpose of Mr. Emery in putting them in the RECORD in the Senate.

Now, what are facts in reference to those statements? It appears that the excerpts are taken from statements appearing in the large annual—1926—edition of the Railway Age. Early in the fall this paper sent out a questionnaire to the railway executives throughout the country, asking them to make certain observations upon business and transportation conditions. There was a general question as to what was thought in general about amendments to the transportation act. Therefore some of them in replying referred in a general way to the transportation act, and as being opposed in a general way to changes. The questions were submitted and the answers given without reference to this bill and long before December 21 last, when carriers and workmen came to an understanding. This issue was put forth on the 1st day of January.

It may be of interest to ascertain the attitude of the railroads represented by these executives upon the bill in question. How did they vote when the matter was referred to them? Well, here is Mr. Downes, president of the Central of Georgia; his road voted for this bill.

Mr. Harahan, president of the Chesapeake & Ohio, his road voted for this measure. The Delaware, Lackawanna & Western, represented by Mr. Davis in this record, his road voted for this bill. Mr. Needles, representing the Norfolk & Western, his road voted for this bill. Mr. Needles was one of the committee representing the carriers in drafting this bill. Mr. Gorman, president of the Chicago, Rock Island & Pacific, his road voted for this bill. Mr. Sproul, representing the great Southern Pacific system, his road voted for this bill. Mr. Storey, representing the Santa Fe, his road voted for it. Mr. Loomis, representing the Lehigh Valley Railroad, his road voted for it, and Mr. Loomis assisted in drafting the original form of the bill.

So that of the 15 statements of railway executives appearing in the RECORD, about 9 of them supported this measure when it was referred to them. They stand here not as critics or opponents but as sponsors of this legislation.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. NEWTON of Minnesota. I yield.

Mr. COOPER of Wisconsin. Who compiled those misleading excerpts?

Mr. NEWTON of Minnesota. They were inserted in the record of the Senate hearings on this bill at the request of Mr. Emery.

Mr. COOPER of Wisconsin. Mr. Emery is the man whose name appeared prominently in the Mulhall investigation some years ago, is he not?

Mr. NEWTON of Minnesota. I do not know about that. I am merely stating what the fact is as to the attitude of these roads and for the benefit of the House.

Mr. BLANTON. Will the gentleman yield?

Mr. NEWTON of Minnesota. I yield.

Mr. BLANTON. The gentleman will remember I stated emphatically that this bill came in here as the agreement of the railroads and the employees. That reprint of the position of the railroads was merely to show that the railroads have changed their attitude when they found out they could get a bill that would permit them through the Interstate Commerce Commission to get from the public the cost in increased tariffs.

Mr. NEWTON of Minnesota. The gentleman is drawing something from the excerpts that is unwarranted. They were commenting generally on the transportation act. They had no idea that they were going to be committed either for or against some specific change that might be submitted later. That is the unfairness of submitting a record of that kind to the Senate committee. I can understand how the gentleman, busy as he is, working into the night, would be misled by it. Those are the facts before the House.

Mr. BLANTON. I claim that they and Mr. Thom have been turning sommersaults.

Mr. NEWTON of Minnesota. We all know Mr. Thom. I think it would be rather difficult for Mr. Thom to execute that maneuver. [Laughter.]

Mr. Chairman, there is no more perplexing problem than the adjustment of the relations of employer and employee in the transportation industry with its one and one-half millions of workmen and invested capital of twenty billions of dollars owned by hundreds of thousands of stockholders. We hope this plan will help solve that problem. It is a pleasure to see it indorsed on this floor by the able and distinguished gentleman from Connecticut, a large employer of labor and for years a close student of economic affairs. Also the gentleman from Ohio [Mr. COOPER], for years a railroad engineer, and one of the most valuable and influential Members of this House. Therefore, carriers and employers having agreed upon the scheme and pledged their joint word to Congress that it will work, we should be for it, providing the rights of the public are adequately protected.

The interest of the public arises through its right to enjoy—

(1) Continuous, uninterrupted, and efficient service.

(2) At a just and reasonable price.

The rights of the public in this respect are now protected, in so far as they are protected, by the provisions of Title III of the transportation act. Upon page 4294 of the RECORD I have placed in parallel columns for the benefit of the Members a comparison of Title III of the transportation act with the Parker-Watson bill. The question is, Do the provisions of this bill protect the public to a greater extent than those in the existing law? I say, emphatically, yes; both as to continuous

service and as to reasonable price for that service. I shall discuss them in the order given.

Mr. TINCHER. Will the gentleman yield?

Mr. NEWTON of Minnesota. I will.

Mr. TINCHER. Does the gentleman think that the workmen in supporting this bill are confident that their demands for enormous increase of wages will be accomplished by the passage of this law?

Mr. NEWTON of Minnesota. Answering the gentleman, I think the labor attitude is this: They have had experience with the Railroad Labor Board. It has been unsatisfactory. There has been much of delay. This is true, especially on the less important questions. They know that the railroad management at least understands the problem. They feel that the Railroad Labor Board members in many instances do not. They prefer submitting their case to those who know most about it.

Mr. TINCHER. They have applications for considerable raise in wages, have they not?

Mr. NEWTON of Minnesota. I understand that the applications have been very greatly exaggerated, but there are, I think, one, two, or three applications pending for wage increases.

Mr. TINCHER. Does the gentleman think that the railroad operators are supporting the bill because they think that under the law they will not get this raise?

Mr. NEWTON of Minnesota. I think the operators are supporting the bill because they see in it a chance for them to talk business with men unhampered by outside people who know little or nothing about it. They see an opportunity to convince the men that wages ought not to be increased, and possibly the men see an opportunity to convince the railroad management that under the facts and circumstances the wages should be increased. Both see advantages in the plan.

Mr. TINCHER. Does not the gentleman think that the list of names he read of those who have indorsed the legislation did it for the reason that they had no confidence in Congress and were afraid that Congress would put something in the law like the notorious Howard-Barkley bill?

Mr. NEWTON of Minnesota. I believe they feel that if left to a plan of their own that they can produce better results than with one that is the exclusive product of legislative tinkering with these delicate relations.

Mr. Chairman, I must proceed. In what way does the present system protect the public in enjoying continuous service? By persuasion only. Nothing else. The Railroad Labor Board can request the disputing parties to submit their differences. It can not require them to do so. If the parties should respond and submit their dispute, neither party is bound by the decision, and the Labor Board is powerless to enforce its decision. This is the law as it is written and as it has been interpreted by the courts, including the Supreme Court. Both carriers and employees from time to time have refused to submit disputes for decision, and at times decisions rendered have been ignored by both parties. Therefore, we have a Railroad Labor Board that is absolutely impotent to enforce its decrees.

Adjustment boards are only permissive and not required. None have been established. There is no provision for mediation and conciliation or for arbitration. There is no antistrike or antilockout provision. The whole scheme is persuasive. Therefore, under the present law there is practically no protection to the public.

What about the provisions in this bill? In the first place certain duties, in the interest of maintaining service, are imposed.

(1) To make and maintain agreements.

(2) To make reasonable effort to settle disputes.

Then follow specific provisions as to procedure for both parties to follow in a bona fide effort to settle in conference. For the settlement of grievances, boards of adjustment are required to be established. Their jurisdiction is defined, and the decision is final. Under existing law these boards "may be created." They were not created, and that failure has had no little to do with the failure of the Railroad Labor Board. Too many minor disputes came before it.

Mr. GARRETT of Tennessee. Would it be agreeable to the gentleman to yield to me for a question?

Mr. NEWTON of Minnesota. Certainly.

Mr. GARRETT of Tennessee. The gentleman says it is required that they shall get together. May I ask the gentleman how can that requirement be enforced?

Mr. NEWTON of Minnesota. Of course, where the boards of adjustment must be created by agreement it is possible for the parties to disagree and not to have an adjustment board; but it is our understanding from the hearings that the parties have agreed in the main upon a procedure whereby these boards will be established. Now, then, if one party to the dispute shows no inclination whatever to carry out the terms and provisions of this act there is a violation of a very important legal obligation that is laid down in the law, and that is enforcible in the courts.

Mr. SPROUL of Kansas. Will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. SPROUL of Kansas. Is it not a fact that every provision in the law is merely directory, without any provision or method of enforcement?

Mr. NEWTON of Minnesota. Oh, no; the word "shall" is used. Certain duties, both general and specific, are laid upon the parties. However, I do not want to mislead my friend.

The whole theory of this bill, at least up to the emergency board, is cooperative, not compulsory. That is, there is no compulsion to do or not to do specific acts; but there are imposed upon the parties, in the interests of the public and the maintenance of uninterrupted service, certain duties. The violation by either party of these duties would call for appropriate action in the courts of law and equity by the aggrieved party or the public.

Mr. SPROUL of Kansas. In what way? Where is there any such provision?

Mr. NEWTON of Minnesota. Through the theory of the common law. The duties are laid down. The law for enforcement would be developed in the courts after the obligations are made and understood.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. GARRETT of Tennessee. I am very greatly troubled in my own mind about this bill, and I want to arrive at the correct conclusion if I can. Does the gentleman mean that the matter to which we have just been referring can be enforced now by mandatory injunction?

Mr. NEWTON of Minnesota. I mean that there are obligations imposed by this bill upon both carrier and employee; that these obligations can be enforced in the law and equity courts just the same as other obligations and duties are enforceable in those courts. In this connection I shall insert excerpts from statements from the proponents of this measure which will substantiate this interpretation of the provisions of this bill. I quote from the House hearings as follows (p. 41):

Mr. FREDERICKS. Now does this law up to the time where the mediation board is provided for require the doing of anything which you could not do without it?

Mr. RICHBERG. Require otherwise?

Mr. FREDERICKS. Yes.

Mr. RICHBERG. I think it does; in other words, it requires both parties to make every reasonable effort to make and maintain agreements. It makes that a legal duty upon them.

Mr. FREDERICKS. How is that enforced?

Mr. RICHBERG. Well, that is a different question.

Mr. FREDERICKS. I know it is. I am asking you as a different question.

Mr. RICHBERG. Well, when you say to require—I do not want to say that it compels in the sense of putting a legal force on them. We have avoided in the bill in any way setting up any penalty sections or any sections for the invocation of any judicial authority except in the enforcement of an arbitration award, the thought being this, that so far as this law stated duties imposed upon the parties by act of Congress, if they failed to live up to their duties, and there was any action which a court could take, consistent with the judicial powers and its limitations, to compel the enforcement of that duty as a legal obligation, it would be subject to enforcement. But the law for such enforcement or compulsion should be developed in the courts, according to the old common-law theory of letting the courts develop the law after the obligations are clearly understood, rather than to write into the law a specific line of penalties and writs of enforcement.

* * * * * * *

What we have sought here is not to enforce the orders of any Government tribunal but to provide a basis upon which it may be possible to enforce legal obligations written by Congress. Now, that would present a different question in a judicial proceeding. For example, it may well be that an effort on the part of any group of men of either party, representing either employer or employees, to set up barriers to the free operation of this law, would be in violation of the law, and it would be possible to obtain judicial power to enforce that.

(Page 60)

Mr. RICHBERG. In the first place, I think if either party showed a willful disregard of the fundamental requirements, that they should make every reasonable effort to make an agreement—in other words, if

they refuse absolutely to confer, to meet or discuss or negotiate. I think there is a question as to whether there might not be invoked some judicial compulsion, but I would rather see that left to development rather than see it written into the law. But outside of that, if the parties do not make an agreement, I think you face this question, first, as to whether the Government board of mediation could bring them to see the error of their ways; and, second, if that effort was unsuccessful, whether they could bring them to refer that dispute to an arbitration, and then, if it was of sufficient magnitude so that it actually affected commerce substantially, whether the emergency board could not itself bring about an adjustment.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. LAGUARDIA. According to the gentleman, after an agreement has been reached and made a part of the record, then either party may resort to law for damages for violation or to equity for specific performance?

Mr. NEWTON of Minnesota. Exactly. They may resort to any remedy open in the courts of law or equity.

Mr. LAGUARDIA. That is not my understanding of it.

Mr. NEWTON of Minnesota. That is my understanding of it. If the parties, for example, agreed on an adjustment board and submitted their differences to that board, the decision of that adjustment board is final and binding upon the parties and can be enforced by either party in the courts.

Mr. LAGUARDIA. And if the worker on a railroad refuses to abide by that, he could be haled before the court for contempt?

Mr. NEWTON of Minnesota. Is the gentleman talking about an individual employee now?

Mr. LAGUARDIA. I mean after an agreement has been entered into and made a record of the court, as is provided in this bill. Then if there is any disobedience or noncompliance with the provisions of that agreement, the gentleman means to say that the railroad may go into a court of equity and require specifice performance?

Mr. NEWTON of Minnesota. I have not given thought to that particular provision about specific performance, but every legal right that inures in the common law could be made use of here to enforce these specific obligations that are laid upon the parties. In the case of the man referred to, if he submitted his dispute to the board of adjustment and that board decided against him, it would be up to him to perform the obligations required of him. If he failed, there is not any question but that there would be open to the aggrieved party whatever right there might exist under the principles of law and equity for a violation of the agreement.

Mr. LAGUARDIA. His remedy at law?

Mr. NEWTON of Minnesota. Yes; or equity.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. COOPER of Ohio. I believe the gentleman from Minnesota meant to say the board of arbitration. He has been speaking of the adjustment board.

Mr. NEWTON of Minnesota. It would be true also of the board of adjustment. The decision on grievances made by the board of adjustment is final and binding upon the parties as well.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. WAINWRIGHT. What power will this board which may finally be appointed by the President have? What can it accomplish?

Mr. NEWTON of Minnesota. I am not ready to go into that, but I shall a little bit later.

Mr. MICHENER. Mr. Chairman, the gentleman has referred to the common law. Will he give us an instance where the common law in a Federal court would apply?

Mr. NEWTON of Minnesota. The general principles of the common law of course prevail in the United States courts, and in the State courts. I do not recognize that there would be any distinction.

Mr. MICHENER. Just give us an illustration, for instance, where it would apply in a particular case.

Mr. NEWTON of Minnesota. Take, for example, a decision in reference to an award pertaining to a group of men. I think I can give it to you specifically here by quoting from Mr. Richberg.

Mr. MICHENER. And Mr. Richberg is the attorney for the unions?

Mr. NEWTON of Minnesota. Yes. I think this is the one that I have in mind:

Mr. MAPES. Suppose that Congress should enact this bill into law, and there should be no agreement entered into at all by the employees and the management, what parts of the law would be enforceable?

Mr. RICHBERG. In the first place, I think if either party showed a willful disregard of the fundamental requirements, that they should make every reasonable effort to make an agreement—in other words, if they refuse absolutely to confer, to meet or discuss or negotiate, I think there is a question as to whether there might not be invoked some judicial compulsion, but I would rather see that left to development rather than see it written into the law.

That is not the statement I have in mind. I shall insert. It is as follows and appears on pages 57 and 58 of the House hearings:

Mr. HOCH. I want to ask a question further with reference to arbitration. Is there any legal obligation in any way enforceable upon either party to abide by the award of arbitration?

Mr. RICHBERG. Yes; it is made a judgment of court.

Mr. HOCH. In what way can that judgment be enforced?

Mr. RICHBERG. Of course it depends upon the character of the judgment. If it is a judgment, for example, for back pay I can see immediately that could be enforced. If it is a judgment that a man is entitled only to a certain pay, or is not entitled to the pay he is claiming, of course that could be enforced. He would not get his pay. If it is a judgment that a certain rule or working condition shall be maintained, I should think in practically every instance that judgment could be enforced. If a question arose, for example, as to whether a work train should be run or should not be run on a railroad, and that controversy was arbitrated, and it was finally decided it should be run or should not, such obligations are imposed on the railroads, by the Interstate Commerce Commission, all the time, so I assume that kind of an obligation could be enforced. Any decision of practically any type of arbitral matter, it seems to me, could be enforced. The very fact that it could be submitted to arbitration makes it, as a rule, a matter which could be subsequently enforced.

Now of course by that I do not mean that you could force a body of men to work on conditions that were unacceptable to them. I do not mean that. Because there is no way that I know of, that has yet been discovered in the history of the world, of doing that. But outside of that form of enforcement I think practically anything that could be submitted to arbitration could be enforced.

Mr. HOCH. Well, while there would be no way of getting at the individual employee along the line you have just suggested, of compelling him by continuing in his employment to abide by an award, would concerted action on the part of employees—or we will call it conspiracy—not to abide by an award of arbitration, be an unlawful thing, either under this act or under any other law?

Mr. RICHBERG. Well, as I read the laws that have been written quite clearly in recent years, not only in the lower courts, but in the Supreme Court of the United States, a conspiracy to induce men to violate a contract has been quite persistently and consistently enjoined and prohibited under dire penalties by the courts, and certainly this law does not make any change in that law. Now here is a contract, here is an award under a contract, an agreement to abide by it, and certainly a concerted movement to break that is just like conspiracy to break any other kind of a contract, subject to the same law.

Mr. HOCH. Then while we have not changed the general laws with reference to conspiracy we have set up here or created a new provision against which the offense of conspiracy might lie, namely, we have set up provision for an award of arbitration, and you have now stated that it is an unlawful thing not to abide by that award, therefore we have in effect enlarged the field within which the law against conspiracy operates?

Mr. RICHBERG. Well, perhaps we have enlarged the field out of which contracts may be created. Of course we have not changed the law that a conspiracy to violate a contract is subject to injunction. But perhaps we have enlarged the field out of which contracts may be created. Although I will add that that is precisely the provision of the Newlands law to-day, which, although Congress does not appropriate for the commission of mediation, is the law to-day, providing for an award by arbitration, and having it made a judgment of the court.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. COOPER of Ohio. I find that the gentleman from Minnesota is correct. On page 6 of the bill, paragraph (e) I find these words, referring to the Adjustment Board:

Shall stipulate that decisions of adjustment boards shall be final and binding on both parties to the dispute.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. TABER. What would the gentleman say to subdivision 8 of section 9, which provides—

Nothing in this act shall be construed to require an individual employee to render labor or service without his consent, nor shall anything in this act be construed to make the quitting of his labor or service by an individual employee an illegal act.

How can you enforce this against the employee with that provision in the law?

Mr. NEWTON of Minnesota. So far as the individual employee is concerned, of course under our Constitution you can not require a man to perform a service of labor against his will, excepting as a punishment for crime.

Mr. TABER. But if he makes a contract you do not make it good against his will.

Mr. NEWTON of Minnesota. If he makes a contract, of course, he is liable for violation of the contract.

Mr. TABER. But this says not.

Mr. NEWTON of Minnesota. Oh, no.

Mr. TABER. It says that it shall not be an illegal act.

Mr. NEWTON of Minnesota. What is the gentleman reading from?

Mr. TABER. Pages 26 and 27, beginning at the bottom of page 26—

nor shall anything in this act be construed to make the quitting of his labor or service by an individual employee an illegal act.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. MAPES. Is there not a distinction between the individuals, groups, or organization? This bill is dealing with organizations more particularly and not with individuals. Organizations that come before these adjustment boards and have difficulties settled are bound by the decision. Of course, under the involuntary servitude clause of the Constitution no individual would be so bound.

Mr. NEWTON of Minnesota. The provision in question is merely a statement of the fundamental law of the land as interpreted by the courts, both in the State and in the Nation. That is all there is in the provision.

Mr. TABER. But those laws do not apply to a situation where the employee himself submits the matter to the decision of a tribunal which has jurisdiction over it.

Mr. NEWTON of Minnesota. That is all right. But no law could require him to perform labor against his will under the circumstances. It could not be done under the Constitution.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. NEWTON of Minnesota. I will.

Mr. LAGUARDIA. Does not this go a little bit further than that, because it also provides the court shall not issue a decree compelling service—the last sentence of this provision?

Mr. NEWTON of Minnesota. No court has any right to-day to issue a process against an individual compelling him to labor against his consent.

Mr. LAGUARDIA. Under a contract they could. They do it every day with reference to specific performance. It has been held——

Mr. NEWTON of Minnesota. In these labor disputes?

M. LAGUARDIA. No; but they have done it recently in the garment industry when an individual enters into a contract. They use the negative by enjoining them from quitting or interfering.

Mr. NEWTON of Minnesota. That is, of combining to quit or of conspiring to get others to quit.

Mr. LAGUARDIA. Which has the same effect.

Mr. NEWTON of Minnesota. That is a different proposition.

Mr. Chairman, in this connection I quote from the Senate hearings upon a similar bill, as follows:

(Page 89, Mr. Richberg)

This bill provides that a court shall enter a judgment upon an arbitration award which shall be final and conclusive upon the parties. Now, it is quite likely or entirely possible that the questions arbitrated would be so decided that a man might be compelled to make a choice between working under unacceptable conditions or quitting his employment. And yet he may have some other particularly good reasons for quitting his position, if he does not want to abide by the decision. To provide that the judgment shall be final and conclusive on the parties might seem to provide for a judgment that an individual shall render labor or service without his consent. Now, of course, that can not be done under the Constitution. No. It was felt in the Newlands Act, and we believe it should be made clear here that nothing shall be so construed as to require an employee to render service without his consent—and we have made it stronger here than the Newlands Act, by referring to the individual employee. Nothing shall require the individual employee to render labor or service without his consent. Now, the only practical addition to the Newlands Act is this phrase, "Nor shall anything in this act be construed to make the quitting of his labor or service of an employee an illegal act."

Now, let me point out that that does not affect his status one iota. It does not have any effect upon the general laws concerning strikes, but it simply points out that the individual may quit his employment or service without being considered as having done an illegal act. In this act we have made it absolutely clear, not only to employers but to employees that we have not written into the act any new law which may be construed to make the quitting of labor by "an employee" an illegal act.

There is a prohibition against any court of the United States or any State court issuing the process of the court to compel involuntary service, and the courts have not been so kindly disposed in construing these acts and to make it thus illegal for a man to quit. Now, we are not in any way affecting the law of combination or the law of conspiracy as established in the courts, unfortunate as I think that development has been. We are simply protecting individual rights, which we think ought to be protected under the Constitution of the United States. And when Mr. Emery asks you why, when that has been written into the Constitution, why is it necessary to write it into law, I say that it has been necessary to write a good deal of law to protect the Constitution, and this is one place where the employees are willing to be placed under legal obligations, but they do not see any good reason for not making just as strong as possible a prohibition against the abuse of judicial power and violation of constitutional guaranty against involuntary service.

The CHAIRMAN. You regard this, then, as having no reference whatever to group action at all?

Mr. RICHBERG. I regard it as not having any reference to group action, but as protecting the right of individual action.

The CHAIRMAN. Then, as I get your point, it is partly a reenactment of the Newlands Act, which has reference to this thing specifically?

Mr. RICHBERG. Precisely. Now, there is only one phrase inserted to make the meaning quite clear. The Newlands Act prohibited the Federal courts from issuing any process to compel an individual to continue in his labor or service without his consent, and this act includes the words "or of any State." [Reading:]

"Nor shall any court of the United States, or of any State, issue any process to compel the performance by an employee of such labor or service without his consent."

The only purpose of that is to make it entirely clear. We do not want any limitation that it does not apply to the State courts as well as to the Federal courts. These acts may come before the State courts, as well as before the Federal courts, and it is as much within the power of the State courts to construe them, and what we want to do is to make it perfectly clear that these acts which may come before the State courts in matters of litigation and contract between employers and employees—to make it perfectly clear that these provisions do not imply any obligations to render service without the consent of the individual.

The specific reference to "United States" and "State courts" is omitted from the text of the amended bill before us.

Mr. Chairman, I must proceed. Under existing law there is no provision for arbitration. Under the Erdman Act something like 61 major disputes were settled by arbitration. This in 15 years. The bill before us makes elaborate provisions for arbitration. The gentleman from Texas [Mr. BLANTON] praised the Erdman Act. It performed well in its day. He said it is the best law ever written on this subject. He then quoted from its provisions as to arbitration. It began and ended with voluntary arbitration and conciliation. He praised arbitration, that an award was final and conclusive, was made a judgment of court, had compulsory process, award was enforceable in equity, and so forth. That is equally true of the arbitration provisions in this bill. In addition the award under this bill is enforceable not for merely a year but forever unless changed by the parties. In addition there was no power under the Erdman Act for the arbitration board to swear witnesses as well as to compel their attendance.

Mr. BLANTON. The gentleman is mistaken about that. That is in the Erdman Act.

Mr. NEWTON of Minnesota. Not to swear the witnesses.

Mr. BLANTON. Yes; to swear the witnesses and to send out compulsory process.

Mr. NEWTON of Minnesota. The power to send out compulsory process was in, but not the right to swear the witnesses. The request for legislation for the Newlands Act by Mr. Seth Low and others was based in part upon the fact that a witness could not be sworn under a voluntary arbitration. I refer the gentleman to the Senate report on the bill, page 25.

Mr. BLANTON. Section 7 and section 8 in the Erdman Act were both repealed in the Newlands Act. They are not in the Newlands Act.

Mr. NEWTON of Minnesota. The Newlands Act eliminated that provision about not striking during the pendency of the arbitration.

Mr. BLANTON. They were the most valuable rights for the people.

Mr. NEWTON of Minnesota. There would be nothing very valuable to the public about those provisions. Striking was prohibited pending an arbitration to which the parties had agreed. Under the provisions of this bill if the parties agree to arbitrate, an award can be made by a majority and is final and conclusive upon the parties and enforceable by the courts. While arbitration is pending, the parties having agreed to submit their differences to arbitration, a strike or lockout while arbitration was pending would be a violation of the agreement and an appropriate remedy would be in the courts.

Mr. BLANTON. The gentleman's admissions and those of the gentleman from New York [Mr. PARKER] have almost turned our friend from Wisconsin [Mr. SCHNEIDER] against the bill. He is getting scared of this bill.

Mr. NEWTON of Minnesota. I want to say this: I do not know of a single instance—and I have tried to find out—where a group of railway workmen of any consequence and size ever referred a matter to arbitration and then violated their word and struck while the matter was pending. If that statement is correct—and I have been unable to find out differently—why do we need any provision such as has been mentioned by the gentleman from Texas?

Suppose mediation fails and the parties refuse to arbitrate and the dispute is so acute as to cause a strike and interrupt interstate commerce. Under existing law there is the Railroad Labor Board to influence the parties and public opinion. It has practically no influence with the parties and very little more with the public. Here is the way we meet that situation in this bill.

Mr. McKEOWN. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. I am sorry I can not yield. I must get through with my statement. I have been just as liberal as possible, and I do not want to detain the House.

The emergency board is to be appointed by the President for the emergency. It will be composed of big men such as Roosevelt appointed to the Coal Commission. They must investigate and report in 30 days. During this period and for 30 days thereafter there can be no strike or lockout or other change in conditions between the parties. President Wilson recommended such a board in 1916 as follows:

> Having failed to bring the parties to this critical controversy to an accommodation, therefore I turn to you, deeming it clearly our duty as public servants to leave nothing undone that we can do to safeguard the life and interests of the Nation. In the spirit of such a purpose, I earnestly recommend the following legislation.
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> * * * * * * *
>
> An amendment of the existing Federal statute which provides for the mediation, conciliation, and arbitration of such controversies as the present by adding to it a provision that in case the methods of accommodation now provided for should fail, a full public investigation of the merits of every such dispute shall be instituted and completed before a strike or lockout may lawfully be attempted.
>
> * * * * * * *
>
> There is one other thing we should do if we are true champions of arbitration. We should make all arbitral awards judgments by record of a court of law in order that their interpretation and enforcement may lie, not with one of the parties to the arbitration but with an impartial and authoritative tribunal.

President Coolidge made similar recommendation in December, 1924, as follows:

> Another matter before the Congress is legislation affecting the labor sections of the transportation act. Much criticism has been directed at the workings of this section. * * * It would be helpful if a plan could be adopted which, while retaining the practice of systematic collective bargaining, with conciliation and voluntary arbitration of labor differences, could also provide simplicity in relations and more direct local responsibility of employees and managers. But such legislation will not meet the requirements of the situation unless it recognizes the principle that the public has a right to the uninterrupted service of transportation and therefore the right to be heard when there is danger that the Nation may suffer a great injury through the interruption of operations because of labor disputes.

Again, in December, 1925, he said:

> I am informed that the railroad managers and their employees have reached a substantial agreement as to what legislation is necessary to regulate and improve their relationship. Whenever they bring forward such proposals, which seem sufficient also to protect the interests of the public, they should be enacted into law.
>
> It is gratifying to report that both the railroad managers and railroad employees are providing boards for the mutual adjustment of differences in harmony with the principles of conference, conciliation, and arbitration. The solution of these problems ought to be an example to all other industries. Those who ask the protection of civilization should be ready to use the methods of civilization. * * *
>
> The manifest inclination of the managers and employees of the railroads to adopt a policy of action in harmony with these principles marks a new epoch in our industrial life.

Now, what can this board do? It will be the business of this board not to sit as a court and hear little petty matters but to take up the broad general questions, consider them, bring the parties together, eliminate the points of disagreement, find out just what are the major points of difference, and then try to bring about a solution.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. PARKER. Mr. Chairman. I yield the gentleman 10 more minutes.

Mr. NEWTON of Minnesota. For 30 days they have time to deliberate, and for 30 days when they deliberate, if they are unable to bring the parties together, if they and the President are unable to bring the parties together——

Mr. McKEOWN. Mr. Chairman, I make the point of no quorum.

Mr. NEWTON of Minnesota. Do not take this out of my time, Mr. Chairman.

Mr. McKEOWN. I withdraw the point of no quorum, Mr. Chairman.

Mr. NEWTON of Minnesota. They have this period of 30 days, and the parties under the plain language of this bill agree to maintain the status quo; that is, there is what amounts to an antistrike and antilockout clause in here, and this is the first time there has ever been written into the statutes of the Nation any provision for maintaining the status quo, except when the parties have agreed to submit to arbitration. This was the provision in the Erdman Act. In this situation the parties have been unable to agree. They are in disagreement, but under this plan which has been agreed to they agree to maintain the status quo. And, gentlemen of the House, this will give the public more rights and will do more to enable them to maintain continuous, uninterrupted transportation upon a disagreement and deadlock than any other provision that has been written into law.

Mr. BEEDY. Will the gentleman yield for a moment, and I want to say that I have heard it said here since the gentleman started, that he is shedding a great deal of light on this question. I know the gentleman wants the facts to appear as they are, and there is some doubt whether this does establish the status quo.

Mr. McKEOWN. Mr. Chairman, I was withholding my point of order because the gentleman was not yielding. If the gentleman yields——

Mr. NEWTON of Minnesota. I will yield to the gentleman in just a moment.

The CHAIRMAN. Does the gentleman insist upon his point of order?

Mr. McKEOWN. No.

Mr. BEEDY. On page 277 of the hearings on this bill before the House committee, when Mr. Richberg had finally said there was an agreement not to call a strike; that is, not to have the men suspend work, Mr. Emery finally said:

> I understand, then, that Mr. Richberg's view is that this section imposes a legal obligation upon the parties to freeze the situation confronting the President's committee until they are through with their investigation.

And Mr. Richberg said:

> I do not know.

He does not know, in other words, whether this preserves the status quo or not.

Mr. NEWTON of Minnesota. I want to say to the gentleman that if he had been in the committee he would have appreciated the situation. Here is a man who came before the committee antagonistic to this bill and openly said he wanted to defeat it. His whole attitude has been antagonistic to it. He is looked upon by the proponents of this legislation as an enemy of labor. When he injects a question to the lawyer representing the workmen it looks entirely different from the way it looks when that same question is put by a member of the committee. I have a number of extracts here from Mr. Richberg's statement clearly showing just the contrary.

Mr. BEEDY. But Mr. Richberg does not deny that he has said upon former occasions that he does not know what the force of this last clause of section 10 is.

Mr. NEWTON of Minnesota. Let me read from Mr. Richberg's statement on page 251 of the hearings:

Mr. MAPES. Is there a legal obligation not to strike?

Mr. RICHBERG. I claim that this imposes a legal obligation on both parties to maintain the conditions and that under those circumstances if the employees precipitate a strike during this investigation or for 30 days afterwards, they would be violating the obligations of this law, and that the only qualification I put on that in my opening statement was if the other side had changed the condition first.

Mr. BEEDY. Would not a fair interpretation of Mr. Richberg's position be this?—He thinks that the last subsection of section 10 in this bill will preserve the status quo, but he is not sure; and therefore when definitely interrogated, he answered, "I do not know."

Mr. NEWTON of Minnesota. Be that as it may, it is the opinion of the members of the committee that section 10 clearly prohibits a strike or lockout or other change in conditions during this period. Let me quote further from the House hearings as to section 10:

(Page 215)

Mr. RICHBERG. Yes; and I am seeking to give it to the fullest extent I can. I think with the law which is developed at the present time against conspiracies to interrupt interstate commerce, with legal obligations imposed upon the parties, that if either party arbitrarily took a step to change the conditions which were being the subject of presidential investigation during this period, that they would be subject to the strongest form of judicial compulsion to prevent any such action.

(Pages 276 and 277)

Mr. RICHBERG. I am willing to go this far, Mr. Hoch; that if the courts interpret that provision to prevent action on each side in the way of preparation—I am speaking now, perhaps, my own individual opinion, but I would say personally, well and good, so far as preparation may be regarded as a part of conditions. If the courts interpret that provision to mean that in the face of the controversy either side might be preparing to protect itself against a threatened conflict, well and good. Let it be equally balanced. But the thing which the public in interested in, and as I understand it, is thoroughly protected in, is that the exact conditions, the payment of wages, the working conditions, the maintaining of relations of employment, all those things that are perfectly evident on the face of the circumstances and existed when the dispute arose—if they are preserved, then there is every possibility for a peaceful settlement, and that is what we are trying to get.

Mr. HOCH. I am trying to get your interpretation as a possible guide to the interpretation by the court, if the situation should arise.

Mr. RICHBERG. I am trying to meet that, and I am trying to meet it just as fairly as I can in dealing with a very complicated situation. Now, I have said very clearly, and I want to repeat it, that I have no question but that this imposes the obligation not to carry on any strike movement, not to call a strike—that is, not to have the men suspend work—and imposes upon the employer precisely the same obligation that he shall not begin picking off men and discharging them in order to disintegrate the forces; and I think those are equally balanced obligations.

Now, I do not know whether the carriers would desire any legislation providing that during the 60-day period when they thought they might be threatened with a strike, they should not be permitted to prepare for it. I do not know what their attitude is. I can say that I certainly believe, from the standpoint of the employees, that they would have no interest in making any preparations for a strike except to meet hostile efforts on the other side.

Mr. Robertson, representing the employees, said, on page 290, as follows:

Mr. ROBERTSON. Mr. Chairman and gentlemen, in order that the committee might know what motivated or prompted the parties in negotiating this article 10, to employ the language that is employed there—and I will say it has not been changed by the attorneys—I will say that we looked at it from a practical point of view. We felt that the public were more interested in preserving continuity of service than in knowing how lawyers believe certain language would probably be interpreted by the courts.

We felt that the word "conditions" very clearly described the situation which would be confronting us when a threatened interruption of interstate commerce occurred. The railroads agreed with us that that word "conditions" meant if they threatened, or, rather, served notice on us of a desire to reduce wages they would not be permitted to reduce wages during this 60 days mentioned in article 10; if we had sought an increase in wages or a change in conditions—that is, a change in working rules—we agreed as practical men that we could not nor would we have any reason for authorizing a strike unless it were to change those conditions; therefore we would not authorize a strike, because no strike was ever authorized except to change conditions. The only exception that there could be would be that if the railroad disobeyed the law—or, rather, disrespected that particular provision and forced arbitrarily a reduction of wages upon the employees—we felt we would then be justified, perhaps, in authorizing a strike if it was necessary to preserve the conditions, but we would not be changing the conditions.

Mr. MAPES. Even in a case of that kind, could not the board of mediation anew try to get you together, and if you failed to get together on the new matters in dispute, go to the President and have another board appointed to consider the new dispute, and delay the strike under the new conditions for 60 days?

Mr. ROBERTSON. That may be true.

Mr. MAPES. In other words, you can not put in a strike order, make a strike order effective instantaneously, can you, with men all over the country?

Mr. ROBERTSON. No, sir; we can not.

Mr. MAPES. And while you are trying to do that the board of mediation might step in and the President might appoint another board.

Mr. ROBERTSON. That is true.

Mr. MAPES. I was just wondering if I am right in that.

Mr. McKEOWN. I wanted to know whether or not after this board decides a question it becomes a settled precedent or whether afterwards they can bring up the same question again.

Mr. NEWTON of Minnesota. The gentleman refers to which board?

Mr. McKEOWN. The arbitration board or the other board.

Mr. NEWTON of Minnesota. The decision of the adjustment board is final and conclusive and binding upon the parties. That is true of the arbitration board.

Mr. McKEOWN. Suppose they wait for another year or for two years, can they bring it up again?

Mr. NEWTON of Minnesota. The parties themselves, of course, can agree to change the agreement, but it must embody the agreement of the parties.

I now yield to the gentleman from North Dakota.

Mr. BURTNESS. The question I had in mind, referring to your construction as to maintaining the status quo, is whether that includes an inhibition against, for instance, calling for a strike vote as well as an inhibition against actually leaving employment.

Mr. NEWTON of Minnesota. I would say that means any change whatever in the existing conditions; and the taking of a strike vote within the 30-day period or within 30 days thereafter would certainly be a change in the conditions; and in the hearings the gentleman will find, if my recollection serves me correctly, an express statement to that effect.

Now, the objection has been made that this board has not the power to go out and subpœna a person and bring him before it. Personally, I would prefer to have that power lodged with the emergency board.

I would rather have this agreement with section 10 in it, acceptable to the management and workmen, without the right of subpœna, than to have the right of subpœna and have one of the parties to the agreement so disappointed as not to want to work under it.

Mr. GARNER of Texas. Which one of the parties objected to the subpœna?

Mr. NEWTON of Minnesota. I understand that was objectionable to the workmen; they did not want the subpœna provision. Now, take the ordinary arbitration proceeding where a party has refused—and I am quoting a specific case—to bring its evidence before the board of arbitrators, the board decided against the party refusing to produce the evidence. If either one of these parties should refuse to bring material evidence before the presidential board, it would be an invitation for an adverse decision and that decision or recommendation would be upheld by the public.

Neither party would defy the President of the United States and neither party would defy the able and well-known type of public men who would be appointed on that board.

Mr. Chairman, I must now discuss the second proposition, the right of the public to reasonable rates. Fear is expressed that the carriers and employees will get together, raise wages and pass them on to the public, or that by force of organization and economic pressure the employees will compel the carriers to consent to an unwarranted increase in wages. I believe these fears to be groundless. The executives of the railroads have worked up because of ability. They are answerable to stockholders and directors. They know how difficult it is to get an increase in rates from the Interstate Commerce Commission. These executives have every reason not to yield ex-

cepting when shown that there is a just need for an increase in wages. Therefore the management represents the public in representing the railroads.

Take Mr. Walber who appeared before the committee. He is the personnel vice president of the New York Central. Everybody concedes that the workmen understand a man like Mr. Walber and also understand that he is a man that knows his business and has some feeling of obligation to the road and to the public.

Mr. BURTNESS. Will the gentleman yield?

Mr. NEWTON of Minnesota. I will.

Mr. BURTNESS. I agreed thoroughly with the gentleman's statement a few minutes ago as to the meaning of this provision under the subsection of provision 8. Now, assuming it went out of the bill entirely, what will be the difference, what effect would it have on the bill? Would it have any effect?

Mr. NEWTON of Minnesota. I understand not. But the gentleman understands, as we all understand, that this represents an agreement among the two parties——

Mr. BURTNESS. That is what this bill contemplates.

Mr. NEWTON of Minnesota. It was necessary to get an agreement among the rank and file of the workmen. They want to know what it is. They are not lawyers. They do not know their legal rights in every instance. I apprehend when this was put in there it was put in just because it was in the Newlands Act. It was put in there largely for psychological reasons. It was put in to be doubly sure.

Mr. BURTNESS. In other words it is an additional safeguard in this proposition and in accord——

The CHAIRMAN. The time of the gentleman has expired.

Mr. PARKER. I yield the gentleman 10 additional minutes.

Mr. BURTNESS. I want to call the attention of the gentleman to this: Does the gentleman see any objection properly to safeguarding the rights of others in the same way as certain groups are safeguarded by the eighth subdivision in this bill?

Mr. NEWTON of Minnesota. I think that the rights of others he refers to are well safeguarded. I see no reason for safeguarding them for psychological reasons.

Mr. BURTNESS. Well, then, I would ask the gentleman if there is any objection to a provision of this bill which would safeguard such rights as the people who pay the transportation bill would have, save for them such rights as the Interstate Commerce Commission now has in determining whether the management is efficient and economical?

Mr. NEWTON of Minnesota. Their rights are safeguarded, I might say——

Mr. BURTNESS. In any specific language such as we find in this subdivision?

Mr. NEWTON of Minnesota. The Interstate Commerce Commission under section 15a very clearly safeguards the rights of the public.

Mr. BURTNESS. I hope it does. I hope this bill will never be construed in such a way as to take away any safeguards to which the gentleman refers, but will there be any objection to writing that same safeguard in the bill for the public in that respect, just exactly as it has been written into the bill for the employees of this country in this very provision we have under discussion?

Mr. NEWTON of Minnesota. I can see very serious objection, but I do not want to get into a discussion of that at this time.

I think that I speak for practically every member of the committee when I say that it is the understanding of us all that there is absolutely not one provision in the bill before us that in any way impairs or qualifies or modifies the right that the Interstate Commerce Commission now has in reference to this question of rates and their right to go into every fact before they agree to permit any advance in rates.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. I am sorry I can not.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. I hope the gentleman will excuse me.

Mr. SINNOTT. Will my friend yield?

Mr. NEWTON of Minnesota. I will yield to the gentleman from Oregon, then I shall have to proceed.

Mr. SINNOTT. I would like very much to know whether any party in the hearings explicitly disavowed any purpose or intent in this bill to affect the jurisdiction of the Interstate Commerce Commission?

Mr. NEWTON of Minnesota. That is very clear in the hearings, and if I am not stating it correctly, I want to yield to the gentleman from New York [Mr. PARKER], the chairman of the committee and the author of this bill, to say if I am stating it correctly.

Mr. PARKER. You are.

Mr. BURTNESS. What about the specific statement made by Mr. Thom, representing the carriers, to the effect that he did not want anything written into this bill that would prevent attorneys or others arguing that the arbitration award would be absolutely binding and conclusive on the Interstate Commerce Commission when it came down to the question of determining rates?

Mr. PARKER. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Certainly.

Mr. PARKER. If my memory serves me correctly, did not Mr. Thom make this statement, that he himself thought that there was no limitation at all, but he did not know what some other lawyer might think? Is not that exactly his statement?

Mr. NEWTON of Minnesota. The gentleman has stated it very accurately.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. PARKER. I yield to the gentleman five minutes more.

Mr. NEWTON of Minnesota. Now, I have said that there is no occasion to fear that carriers and employees would get together in this manner, but some men do not agree with me.

What is the remedy? Under the common law all rates must be just and reasonable, and under the interstate commerce act we have written it into the statute law. All rates must be just and reasonable. Furthermore, under the interstate commerce act no railroad can raise a single rate against the wishes of the Interstate Commerce Commission.

Having the right of suspension, of course they are constantly exercising that right and compelling carriers to prove that increase in the rate is necessary. But, mind you, the burden of proof under the law is on the carrier to demonstrate that he must have the additional compensation. That has been the law of the land for a number of years.

When we passed the transportation act we further increased the responsibilities of the commission, and we said that in passing upon the question of a fair return from rates that the commission shall take into consideration honest, efficient, and economic management. It is the duty of the commission to take into consideration each and all of these things along with all other factors before increasing the rates as applied for.

The fear is that the arbitrators will get together and agree upon an increase which will be lifted upon the public. Let us see. We will suppose the arbitrators were in collusion and that they get together. Say the increase is $150,000,000 or $250,000,000, a substantial increase.

The carriers concerned bring their application to the commission for an increase of rates. That is suspended pending the hearings. A public hearing is held. It may be held in portions of the country or all together down here in Washington. At that hearing, any citizen, any shipper, feeling that the proposed rate of increase is not justified may appear. They do appear. Shippers have that right. In these latest proposals in the western territory they have appeared for several months protesting and showing that freight rates should not be increased. If there is collusion, if there is any possible evidence of the carriers having yielded without any just reason to yield, the shippers and the public generally will bring that to the attention of the commission. Under these circumstances it must be perfectly apparent that the commission will not grant the increase. They could not grant it under these circumstances.

Mr. McLAUGHLIN of Michigan. Under these circumstances will the commission be authorized to set aside a decree of the court which this bill says the court can enter?

Mr. NEWTON of Minnesota. The commission would not be authorized to set aside a decree of the court.

Mr. McLAUGHLIN of Michigan. Then the increased wages would go?

Mr. NEWTON of Minnesota. Certainly. As long as the judgment stood the wages would have to be paid.

Mr. McLAUGHLIN of Michigan. Would not the charge of corruption and collusion have to be made to the court to induce it to set aside its decree?

Mr. NEWTON of Minnesota. The judgment would bind the parties to the arbitration but not the commission. This in itself would prevent undue yielding under pressure or collusion.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. NEWTON of Minnesota. May I not have a few more minutes?

Mr. PARKER. I yield two more minutes to the gentleman.

Mr. NEWTON of Minnesota. It must be understood that the commission, in passing on an application for an increase in rates, may deny the application altogether, grant it in part, or grant the application in its entirety. Its decision is binding

upon the parties litigant and can not be set aside by the courts if there is any evidence before the commission to support the decision. In other words, their decision on the facts is conclusive on the courts.

Mr. Chairman, the Interstate Commerce Commission has held, under the old Mann-Elkins Act, that it was not obligated in any sense to grant an increase in rates upon the showing that the railroad had granted a substantial increase in wages to its employees. This decision is entitled "In re Rate Investigation No. 3400" and will be found on page 243 of volume 20 of the Interstate Commerce Commission Reports. The application for an increase was by a group of carriers and was upon all class rates and upon about one-half of the commodity rates in official classification territory. In its opinion the commission, in denying the application, used this language:

> This commission must stand for the entire public, including the railroads. It can not accede to the mere wish of any class; it must recognize the just demands of all classes; it must have in mind those who do not appear as well as those who are represented before it.

Later on, on page 278, the commission said:

> This commission certainly could not permit the charging of rates for the purpose of enabling railroads to pay their workmen extravagant compensation as measured by the general average compensation paid labor in this country as a whole.

This decision was rendered several years before section 15a of the transportation act became a law. This provision in section 15a requires the commission before increasing rates to provide a fair return to give express consideration to the question of honest, efficient, and economical management. Therefore, if the commission took the above precaution under old law it will take even more precaution under the terms and provisions of the transportation act. I should mention that in the above-mentioned case the principal basis of the application for an increase in rates was the increased wage granted by the carriers to the men.

Mr. Chairman, the rights of the public are far better protected under the proposed law than under existing law. The parties who must work together in order that the public may have uninterrupted transportation at a reasonable price say that they can amicably work and serve the public together under the terms and provisions of the bill as written. In my judgment it needs no amendment to protect the rights of the public. I would rather have the bill as it is written and have both parties sponsoring it than to have the bill with a more or less worthless amendment, with one or both parties dissatisfied.

If one or both parties fails to carry out the spirit and intent of this act, then it must be expected that Congress will then proceed to enact legislation far different in its terms and provisions than the one before us. I hope that in carrying out the terms and provisions of this bill the parties will act in the same friendly, public-spirited way that they have conducted the negotiations leading up to the agreement embodied in this bill. If they do, its success is assured. I plead for its passage substantially as it is now before us. [Applause.]

Mr. BARKLEY. Mr. Chairman, my understanding is that the gentleman from New York desires to complete the general debate this afternoon. I realize the temptation of Members to leave the floor at this time and go to their offices, and therefore ask the Members who are here to sit here until we have adjourned, so that the men who are to speak will have an audience to which they are entitled.

Mr. BURTNESS. Mr. Chairman, surely the gentleman thinks that this bill is of sufficient importance to justify us continuing on in general debate a good share of to-morrow.

Mr. BARKLEY. I think we ought to conclude the debate as nearly as possible this afternoon. I yield 10 minutes to the gentleman from Missouri [Mr. HAWES].

Mr. HAWES. Mr. Chairman, I should prefer not to occupy the time of the House to-night. If the debate is to proceed to-morrow, I should like very much to address the committee to-morrow.

Mr. PARKER. Mr. Chairman, I have no doubt that debate will go on to-morrow. I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MADDEN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9463, and had come to no resolution thereon.

THE CURTIS-REED BILL—FEDERAL CONTROL OF STATE EDUCATION—THE PROPOSED DEPARTMENT OF EDUCATION

Mr. HILL of Maryland. Mr. Speaker, I ask unanimous consent to address the House on the subject of the proposed department of education.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILL of Maryland. Mr. Speaker, on December 8, 1925, there was introduced in the Senate (S. 291) a bill to create a department of education, and for other purposes. A similar bill has been introduced in the House, and the Senate-House bill is known as the Curtis-Reed bill.

There exists to-day in the Department of the Interior a Bureau of Education. Its duties are defined in the Congressional Directory of January, 1926, as follows:

> The Commissioner of Education has charge of the Bureau of Education, which collects statistics and general information showing the conditions and progress of education in the United States and all foreign countries; advises State, county, and local school officers as to the administration and improvement of schools; issues annually a report, a number of bulletins, and miscellaneous publications; issues biennially a biennial survey of education; has charge of the schools for the education of native children in Alaska and of the support and medical relief of natives of Alaska; supervises the reindeer industry in Alaska; and administers the endowment fund for the support of colleges for the benefit of agriculture and mechanic arts. The commissioner is a member of the Federal Board for Vocational Education, which has charge of the administration of the acts of Congress providing Federal aid for vocational education in the several States and rehabilitation and reeducation for persons maimed in industry. The commissioner is also a member of the Federal Board of Maternity and Infant Hygiene, chairman of the Federal Council of Citizenship Training, and representative of the Department of the Interior on the interdepartmental board on insular and outlying possesions.

The Curtis-Reed bill proposes to expand the Bureau of Education into a separate executive department, equal in rank to the State Department, the Treasury Department, the War Department, and the others of the 10 executive departments, whose heads are members of the President's Cabinet.

The Curtis-Reed bill proposes a secretary of education with a salary of $15,000 a year, an assistant secretary of education with a salary of $7,500 a year, a solicitor of education, a chief clerk, and all the paraphernalia of a new executive department, with an initial annual appropriation of $1,500,000.

The proposed department of education is: First, unnecessary; second, an unwarranted expansion of Federal control; and third, adds needless expense to the Federal Government. I shall vote against the Curtis-Reed bill and all such legislation.

The question of expanding the Bureau of Education into an executive department has been agitated for many years. I discussed the matter at length in 1916, and studied it for years prior thereto. In 1916 I expressed the opinion that there would probably be among the Cabinet officers of the future a secretary of education, but at that time no suggestion had been made for the expenditure of enormous sums for direct control of education in the States. The pending bill authorizes an appropriation of $1,500,000 a year, but from the statements and previous activities of those supporting this bill the sum of $1,500,000 is merely an initial appropriation. If this bill is passed, within five years pressure will be brought to bear upon Congress to make annual expenditures of $100,000,000 or more.

Section 9 of the proposed bill is as follows:

> SEC. 9. For the fiscal year ending June 30, 1926, and annually thereafter the sum of $1,500,000, or so much thereof as may be necessary, is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated to the department of education, for the purpose of paying salaries and the conducting of studies and investigations, the paying of incidental and traveling expenses incurred in connection with the investigations or inquiries undertaken by the department and for law books, books of reference and periodicals, and for the paying of rent where necessary, and for such other purposes as may be necessary to enable the department of education to carry out the provisions of this act. All unexpended appropriations which shall be available at the time when this act takes effect in relation to the various bureaus, offices, and branches of the Government which are by this act transferred to or included in the department of education, or which are abolished by this act, and their authority, powers, and duties transferred to the department of education shall become available for expenditure by the department of education, and shall be treated the same as if such bureaus, offices, and branches of the Government had been directly named in the laws making the appropriations as part of the department of education.

As above pointed out, agitation for a department of education is not new. By the act of March 2, 1866, a department of education was established for the purpose of collecting and diffusing such information relative to schools as would aid the people of the United States in the establishment and maintenance of efficient school systems and otherwise promote the cause of education throughout the country. This department was not intended to be an executive department of equal rank

with those already created, but it was not attached to any existing executive department nor was its head under the direct authority of any Cabinet officer. A commissioner of education as head of this department was authorized, just as later a commissioner of labor was created. The latter has become head of the executive Department of Labor, but the Commissioner of Education has not yet become secretary of education. The Curtis-Reed bill proposes to make him such.

By the act of July 20, 1868, the name of the Department of Education was changed to the Office of Education and was placed under the direction of the Secretary of the Interior. One of the greatest needs at the present time in the Federal service is the proper training of efficient civil servants. The Civil Service Commission stands for efficiency in the civil service of the Government based upon merit rather than upon political affiliations, and the efficient conduct of the Federal executive must depend upon a realization of the fact that certain offices require expert service and technical training. It would seem not improper that the general educational interests of the Nation now fostered by the Bureau of Education should be combined with those activities of the Government which have in view proper training and specialized efficiency in the service of the Government itself. In order to do this, however, it is not necessary to have a new Cabinet officer at $15,000 a year and a new assistant Cabinet officer at $7,500 a year and an initial annual appropriation of $1,500,000. The proposed department of education is unnecessary, because the present Bureau of Education can perform all necessary functions. If it needs more money for its legitimate purposes appropriate it, but do not create a new department.

The Curtis-Reed bill proposes in section 8 the following functions for the department of education:

SEC. 8. (a) The department of education shall collect such statistics and facts as shall show the condition and progress of education in the several States and in foreign countries. In order to aid the people of the several States in establishing and maintaining more efficient schools and school systems, in devising better methods of organization, administration, and financing of education, in developing better types of school buildings and in providing for their use, in improving methods of teaching, and in developing more adequate curricula and courses of study, research shall be undertaken in (1) rural education; (2) elementary education; (3) secondary education; (4) higher education; (5) professional education; (6) physical education, including health education and recreation; (7) special education for the mentally and physically handicapped; (8) the training of teachers; (9) immigrant education; (10) adult education; and (11) such other fields as in the judgment of the secretary of education may require attention and study.

(b) The department shall make available to educational officers in the several States and to other persons interested in education the results of the research and investigations conducted by it, and the funds appropriated for printing and binding for the department of education shall be available for the printing and binding of the results of such research and investigations.

In reference to the need of a new department of education, it will not be improper for me to quote the opinion of the man who was Commissioner of Education in 1916, the Hon. Philander P. Claxton, whose advice upon this subject is of very great interest and importance.

Mr. Claxton stated to me in 1916 that the Bureau of Education attempted definitely the following things: (1) To be a clearing house for accurate information in regard to all phases and problems of education in this country and throughout the world. (2) To be a clearing house for well-matured opinion; that is, the consensus of the best opinion on any particular problem of education, whether administrative, financial, or pedagogic. (3) To be a source of sound and reliable advice on any particular subject connected with education in any part of the United States. (4) To assist school officials and citizens in bringing about better educational conditions in any State or section of the country, and in bringing about better opportunities for education for all the people; that is, to conduct its own campaigns for educational betterment and to assist in campaigns conducted by States and local communities or by associations interested in any particular form of education. (5) In addition to the above he said, "It was trying to find its way toward working out a definite body of scientific knowledge in regard to education in general and methods of teaching in particular, to do something similar to what had been done by the Department of Agriculture, working through the agricultural experiment stations in the several States" for the 25 years prior to 1916.

As to the advisability of a separate department of education, Mr. Claxton said to me in 1916:

Just whether these things can be better done through a separate department with a Cabinet member at its head, or through a well-supported bureau in the Department of the Interior, I am unable to say. The separate department would have somewhat more independence and probably more influence than a bureau. But, on the other hand, a department with a Cabinet position would necessarily be more closely allied with changing partisan politics. No doubt there will some time be a department of education. This will, I think, come as a result of a large increase in the support and extension of the functions of the present bureau.

The Curtis-Reed bill does not, from the specific terms of the bill, extend the functions of Federal supervision of education. The Curtis-Reed bill provides, however, a basis on which an enormous extension can and undoubtedly would be made. I am in favor of all manner of fostering education under the Bureau of Education, but I consider a new department of education (1) unnecessary, (2) in its probable results an unwarranted extension of Federal jurisdiction, and (3) as needless expense, starting with more than $1,500,000 a year.

Commissioner Claxton called attention to the fact that—

a department with a Cabinet position would necessarily be more closely allied with changing partisan politics.

When "partisan politics" get into a Federal system of intrastate education local self-government will be at an end. I am in favor of the best possible school and educational systems within the several States of this Union, but I am against Federal control of all schools and education, and that is what the Curtis-Reed bill will ultimately mean if it is ever passed.

The Bureau of Education can minister to general educational welfare. We do not need a new Cabinet post of secretary of education. It is another case of attempted usurpation of local State rights, and I am against it. [Applause.]

FEDERAL INHERITANCE TAX LAW

Mr. GARNER of Texas. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. GARNER of Texas. Mr. Speaker, in the meantime I send to the Clerk's desk a newspaper clipping, which is the cause of my taking the floor, and which I ask the Clerk to read.

The Clerk read as follows:

BROWN SAYS GARNER IS A "COMMON LIAR"—"ORDINARY BLATHERSKITE" ALSO APPLIED TO TEXAS CONGRESSMAN FOR HIS REMARKS

COLUMBIA, S. C., February 23.—Edgar A. Brown, speaker of the House of Representatives of the South Carolina General Assembly and chairman of the State Democratic Executive Committee, replying to-night to charges made by Representative GARNER of Texas in Congress to-day that he had been "bought" by the American Bankers' League to advocate repeal of the Federal inheritance tax law, denounced the Texas Congressman as "a common, ordinary, blatherskite and liar."

Speaker Brown declared that "Congressman GARNER ought to produce the proof and put it in the CONGRESSIONAL RECORD, in proof of his rash statement, or he ought publicly to admit that he is the liar that he is, and say that the reason he made the statement against me was made because I went at the invitation of his own people to his own State, and by the record proved that his position on the inheritance tax matter was inconsistent, undemocratic, and communistic in its tendency, and because of my speech out there a great state-wide mass meeting was later held in Texas, as a result of which Congressman GARNER will likely be retired to private life at the end of this year."

Mr. GARNER of Texas. Mr. Speaker, I ask the indulgence of my colleagues just for a moment. I really should apologize to them for dignifying this statement of Mr. Brown and calling it to their attention, but I thought it might be interesting for them to know that when I charged Mr. Brown with having his expenses paid to urge the repeal of the estate tax we were in the House Office Building and in company with another Member of the House. Mr. Brown was about 4 feet away with no impediments between us physically or otherwise. I then charged him with having his expenses paid. He did not deny the statement. In view of what he has said about my statement, the remarkable thing is that he did not resent the statement, though he had ample time and opportunity to do so. I think that is sufficient for me to say in reference to this newspaper clipping. [Applause.]

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 1. An act to reduce and equalize taxation, to provide revenue, and for other purposes; and

S. 2825. An act to grant the consent and approval of Congress to the South Platte River compact.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. STEVENSON, for an indefinite period, on account of illness.

To Mr. QUAYLE, for an indefinite period, on account of illness.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 6740. An act granting the consent of Congress to the Norfolk & Western Railway Co. to construct a bridge across the Tug Fork of Big Sandy River at or near a point about two miles and a half east of Williamson, Mingo County, W. Va., and near the mouth of Lick Branch;

H. J. Res. 153. Joint resolution for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes;

H. R. 1. An act to reduce and equalize taxation, to provide revenue, and for other purposes;

H. R. 97. An act authorizing an expenditure of $50,000 from the tribal funds of the Indians of the Quinaielt Reservation, Wash., for the improvement and completion of the road from Taholah to Moclips on said reservation;

H. R. 5013. An act extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway;

H. R. 5850. An act authorizing an appropriation for the payment of certain claims due certain members of the Sioux Nation of Indians for damages occasioned by the destruction of their horses;

H. R. 6376. An act to amend the act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes, approved August 25, 1919, as amended by act of March 6, 1920; and

H. R. 6727. An act to authorize the Secretary of the Interior to issue certificates of competency removing the restrictions against alienation on the inherited lands of the Kansas or Kaw Indians in Oklahoma.

ORDER OF BUSINESS TO-MORROW

Mr. TILSON. Mr. Speaker, it was agreed that general debate on this railroad bill should continue not to exceed two days. To-day, it will be recalled, an hour and a half was taken out for another matter, and I ask unanimous consent that general debate shall continue for 1 hour and 30 minutes to-morrow; otherwise it might be construed that debate is closed now.

Mr. BEEDY. Mr. Speaker, reserving the right to object, if the gentleman will make the request without putting a limit upon it, say, general debate continue until terminated. There are requests, I understand, for two hours, and a less time will shut Members out.

Mr. TILSON. That is the time which has already been taken from the committee.

Mr. BLANTON. If the gentleman will permit, the gentleman will remember yesterday much of the time of this body was taken up with some other matters.

Mr. TILSON. That is what I am saying.

Mr. BLANTON. And also this morning much time was taken up, so that the gentleman ought to give the two days.

The SPEAKER. The original agreement was for general debate to last two days. Under the subsequent agreement, by which it was made in order to call up this bill until finished under the rules of the House, the Chair thinks that there is now no limit to general debate.

Mr. TILSON. Can we arrive at some time as to close of debate after the two hours to-morrow?

Mr. GARRETT of Tennessee. Personally I would have no objection, in view of the gentleman's statement, to reach an agreement that is satisfactory, say, two hours, one hour to a side.

Mr. BURTNESS. Mr. Speaker, reserving the right to object, I am one on this side of the House who desires time——

The SPEAKER. There is nothing before the House.

Mr. BURTNESS. I thought there was a request made to close debate in two hours.

The SPEAKER. There was a mere statement to that effect.

Mr. TILSON. I asked for two hours; but if it is believed that it will take longer, we want to be reasonable.

Mr. BARKLEY. It seems to me we ought to be able to make some agreement this afternoon in order that we may know what to depend on.

Mr. PARKER. Mr. Speaker, I ask unanimous consent that the general debate on this bill proceed for three hours to-morrow, one-half the time to be controlled by the gentleman from Kentucky [Mr. BARKLEY] and one-half to be controlled by myself.

Mr. BARKLEY. That is satisfactory.

The SPEAKER. The gentleman from New York asks unanimous consent that further general debate be limited to three hours, one half of the time to be controlled by the gentleman from Kentucky and the other half to be controlled by himself. Is there objection?

Mr. BURTNESS. Reserving the right to object, Mr. Speaker, I want to ask the gentleman from New York, the chairman of the committee, whether that will take care of all the requests that have been made to him for time, both by those who favor the bill and those who oppose it?

Mr. PARKER. It will, if they do not want too much time. It will not if everybody wants to talk an hour.

Mr. BURTNESS. Will it take care of Members who have sat for weeks diligently seeking to solve this problem, so that if they want half an hour they could have it?

Mr. PARKER. Two members of the committee only have expressed a desire to speak, one the gentleman from North Dakota [Mr. BURTNESS] and the other the gentleman from Illinois [Mr. DENISON]. I would like to give them full opportunity to speak on this bill.

Mr. BURTNESS. Other Members have complained to me that they have not been given the time they desire. I know that the gentleman from New York is more familiar with the situation than anyone else. Does he think that the time suggested will take care of these men also?

Mr. PARKER. Plenty of time will be given under the five-minute rule.

Mr. BLANTON. Mr. Speaker, I reserve the right to object in order to have some understanding. The proponents of the bill up to this time have used about four times as much time as those against the bill. If it is understood that Members who are against this bill claiming time shall have at least half of the time to-morrow, there will be no objection to the request. The Members opposing the bill ought to have at least half the time.

Mr. TILSON. How many men has the gentleman found who wished to speak?

Mr. BLANTON. The gentleman from Maine [Mr. BEEDY] has made some very valuable suggestions, and I imagine he is going to speak on this bill or desires to speak.

Mr. PARKER. I believe there is no Member on this side against the bill who has made a request for time.

Mr. BURTNESS. The gentleman from South Dakota [Mr. WILLIAMSON] has made request for time, has he not?

Mr. PARKER. Yes; the gentleman is correct about that.

Mr. BLANTON. With the understanding that those who may be against the bill and who ask for time shall be given at least half the time, there will be no objection to the request.

Mr. PARKER. Does not the gentleman think he got a fair deal to-day?

Mr. BLANTON. I think I did; and I thank the gentleman from New York and the gentleman from Kentucky [Mr. BARKLEY] for their fairness to me.

Mr. PARKER. I think the gentleman may well leave it to the gentleman from Kentucky and myself.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. PARKER]?

Mr. BLANTON. I shall not object.

The SPEAKER. The Chair hears no objection, and it is so ordered.

ADJOURNMENT

Mr. PARKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.) the House adjourned until to-morrow, Friday, February 26, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 26, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.30 a. m.)

To amend the Code of Law for the District of Columbia in relation to the qualifications of jurors (H. R. 5823).

Amending subchapter 5 of the Code of Law of the District of Columbia, as amended to June 7, 1924, relating to offenses against public policy (H. R. 8989).

COMMITTEE ON EDUCATION

(10 a. m.)

To create a department of education (H. R. 5000 and S. 291). Joint hearing with the Senate Committee on Education and Labor.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(10 a. m.)

Providing for the consolidation of the functions of the Department of Commerce relating to navigation, to establish load lines for American vessels (H. R. 7245).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

Department of national defense.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To provide for the equalization of promotion of officers of the staff corps of the Navy with officers of the line (H. R. 7181).

COMMITTEE ON PENSIONS

(10 a. m.)

To pension soldiers who were in the military service of the United States during the period of Indian wars, campaigns, and disturbances, and the widows, minors, and helpless children of such soldiers, and to increase the pensions of Indian war survivors and widows (H. R. 12), and other bills on the same subejct.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

(10 a. m.)

Authorizing the construction by the Secretary of Commerce of a power-plant building on the present site of the Bureau of Standards, in the District of Columbia (H. R. 5358).

Authorizing the purchase by the Secretary of Commerce of a site and the construction and equipment of a building thereon for use as a master track scale and test car depot (H. R. 5359).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. DENISON: Committee on Interstate and Foreign Commerce. H. R. 9007. A bill granting the consent of Congress to Harry E. Bovay to construct, maintain, and operate bridges across the Mississippi and Ohio Rivers at Cairo, Ill.; with an amendment (Rept. No. 376). Referred to the House Calendar.

Mr. DENISON: Committee on Interstate and Foreign Commerce. S. 122. An act granting the consent of Congress to the Iowa Power & Light Co. to construct, maintain, and operate a dam in the Des Moines River; without amendment (Rept. No. 377). Referred to the House Calendar.

Mr. MONTGOMERY: Committee on Indian Affairs. S. 2334. An act authorizing the sale and conveyance of certain lands on the Kaw Reservation in Oklahoma; without amendment (Rept. No. 378). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLTON: Committee on the Public Lands. H. R. 5385. A bill to provide for the disposition of asphalt, gilsonite, elaterite, and other like substances on the public domain; with amendments (Rept. No. 379). Referred to the Committee of the Whole House on the state of the Union.

Mr. BACON: Committee on Immigration and Naturalization. H. R. 9761. A bill to supplement the naturalization laws by extending certain privileges to aliens who served honorably in the military or naval forces of the United States during the World War; without amendment (Rept. No. 382). Referred to the House Calendar.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 9558. A bill to provide for allotting in severalty agricultural lands within the Tongue River or Northern Cheyenne Indian Reservation in Montana, and for other purposes; with amendments (Rept. No. 383). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 3797. A bill to increase the limit of cost of public building at Decatur, Ala.; without amendment (Rept. No. 384). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 6244. A bill to authorize the Secretary of the Treasury to exchange the present Federal building and site in the city of Rutland, Vt., for the so-called memorial building and site in said city, to acquire such additional land as may be necessary, and to construct a suitable building thereon for the use and accommodation of the post office, United States courts, and other governmental offices; with amendments (Rept. No. 385). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. S. 989. An act to amend section 129 of the Judicial Code relating to appeals in admiralty cases; without amendment (Rept. No. 386). Referred to the House Calendar.

Mr. DENISON: Committee on Interstate and Foreign Commerce. H. R. 7093. A bill granting the consent of Congress to O. Emerson Smith, F. F. Priest, W. P. Jordan H. W. West, C. M. Jordan, and G. Hubard Massey to construct, maintain, and operate a bridge across the southern branch of the Elizabeth River, at or near the cities of Norfolk and Portsmouth, in the county of Norfolk, in the State of Virginia; with amendments (Rept. No. 387). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SWOOPE: Committee on War Claims. H R. 3436. A bill for the relief of certain officers and former officers of the Army of the United States, and for other purposes; with amendments (Rept. No. 380). Referred to the Committee of the Whole House.

Mr. WINTER: Committee on War Claims. H R. 3446. A bill for the relief of Ulric O. Thynne; without amendment (Rept. No. 381). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLLIER: A bill (H. R. 9758) granting the consent of Congress to Harry E. Bovay to construct, maintain, and operate a bridge across the Mississippi River at or near the city of Vicksburg, Miss.; to the Committee on Interstate and Foreign Commerce.

By Mr. KING: A bill (H. R. 7959) making appropriation for the improvement of Quincy (Illinois) Bay; to the Committee on Rivers and Harbors.

By Mr. LARSEN: A bill (H. R. 9760) to establish a fish-cultural station in the State of Georgia for the propagation and hatching of shad and all species of fresh-water fish which may be feasible, desirable, and suitable for food; to the Committee on the Merchant Marine and Fisheries.

By Mr. BACON: A bill (H. R. 9761) to supplement the naturalization laws by extending certain privileges to aliens who served honorably in the military or naval forces of the United States during the World War; to the Committee on Immigration and Naturalization.

By Mr. JONES: A bill (H. R. 9762) to provide for the redistribution, after a specified period of time, of books, pamphlets, and other publications allotted to the Members of Congress for distribution through the Senate or House folding room; to the Committee on Printing.

By Mr. STALKER: A bill (H. R. 9763) for the erection of a public building at Watkins, Schuyler, County, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. FROTHINGHAM: A bill (H. R. 9764) to amend the act of February 11, 1924, entitled "An act to equip the United States penitentiary, Leavenworth, Kans., for the manufacture of supplies for the use of Government, for the compensation of prisoners for their labor, and for other purposes"; to the Committee on the Judiciary.

By Mr. JOHNSON of Indiana: A bill (H. R. 9765) for the creation of a national military park commission; to the Committee on Military Affairs.

By Mr. ZIHLMAN: A bill (H. R. 9766) to amend an act entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes," approved March 3, 1925; to the Committee on the District of Columbia.

By Mr. HUDDLESTON: Joint resolution (H. J. Res. 180) authorizing the Secretary of War to lend tents and camp equip-

ment for the use of the reunion of the United Confederate Veterans, to be held at Birmingham, Ala., in May, 1926; to the Committee on Military Affairs.

By Mr. GREEN of Iowa: Concurrent resolution (H. Con. Res. 12) to print additional copies of the revenue act of 1926; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARKLEY: A bill (H. R. 9767) granting a pension to Louisa J. Flowers; to the Committee on Invalid Pensions.

By Mr. COLTON: A bill (H. R. 9768) granting a pension to Alma Barney; to the Committee on Pensions.

By Mr. CORNING: A bill (H. R. 9769) granting a pension to William L. Myers; to the Committee on Invalid Pensions.

By Mr. CROWTHER: A bill (H. R. 9770) granting an increase of pension to Ella E. Snyder; to the Committee on Invalid Pensions.

By Mr. DAVENPORT: A bill (H. R. 9771) granting a pension to Laura Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9772) granting an increase of pension to Jennie M. Lambert; to the Committee on Invalid Pensions.

By Mr. ESTERLY: A bill (H. R. 9773) for the relief of Catharine L. Kline; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 9774) granting an increase of pension to Cecilia McCullough; to the Committee on Invalid Pensions.

By Mr. HILL of Maryland: A bill (H. R. 9775) for the relief of Sherman Miles; to the Committee on Military Affairs.

By Mr. HULL of Tennessee: A bill (H. R. 9776) to correct the military record of James Moore; to the Committee on Military Affairs.

By Mr. KEARNS: A bill (H. R. 9777) granting a pension to Charles Allen; to the Committee on Pensions.

Also, a bill (H. R. 9778) granting an increase of pension to Elizabeth Rice; to the Committee on Invalid Pensions.

By Mr. LITTLE: A bill (H. R. 9779) granting a pension to Lewis A. Brooks; to the Committee on Pensions.

By Mr. McLEOD: A bill (H. R. 9780) to correct the military record of George A. Winslow; to the Committee on Military Affairs.

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 9781) granting an increase of pension to Nannie M. Forsha; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 9782) granting a pension to Mary E. Packer; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 9783) granting an increase of pension to Lucina Monroe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9784) granting an increase of pension to Mary Norton; to the Committee on Invalid Pensions.

By Mr. PEAVEY: A bill (H. R. 9785) for the relief of N. H. Hultin; to the Committee on Indian Affairs.

By Mr. SMITH: A bill (H. R. 9786) for the relief of Edward Kesson; to the Committee on Claims.

By Mr. SPROUL of Kansas: A bill (H. R. 9787) to correct the military record of Samuel Wemmer; to the Committee on Military Affairs.

By Mr. STRONG of Pennsylvania: A bill (H. R. 9788) granting a pension to Margaret C. Richardson; to the Committee on Invalid Pensions.

By Mr. SWANK: A bill (H. R. 9789) authorizing and directing the Secretary of the Interior to examine a certain Senate report on Indian traders and to take certain action in respect thereto, and for other purposes; to the Committee on Indian Affairs.

By Mr. SWARTZ: A bill (H. R. 9790) granting an increase of pension to Alverta M. Tyrrell; to the Committee on Pensions.

Also, a bill (H. R. 9791) granting an increase of pension to Keziah Imhof; to the Committee on Pensions.

By Mr. TEMPLE: A bill (H. R. 9792) for the relief of J. B. Orndoff; to the Committee on Claims.

By Mr. THATCHER: A bill (H. R. 9793) granting a pension to Annie E. Christley Curts; to the Committee on Invalid Pensions.

By Mr. WELSH: A bill (H. R. 9794) granting a pension to Julia Louise Strech; to the Committee on Invalid Pensions.

By Mr. FULLER: Resolution (H. Res. 148) to pay Norman E. Ives $1,200 for extra and expert services to the Committee on Invalid Pensions by detail from the Bureau of Pensions; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

817. By Mr. CONNERY: Resolution in favor of coining memorial half dollars to commemorate the sesquicentennial celebration to be held at Philadelphia; to the Committee on Industrial Arts and Expositions.

818. Also, resolution of the members of the Lawrence, Mass., Turn Verein, favoring a modification of the Volstead Act; to the Committee on the Judiciary.

819. By Mr. CURRY: Petition of citizens of Solano and Napa Counties, Calif., favoring reflooding of Lower Klamath Lake, Calif.; to the Committee on Irrigation and Reclamation of Arid Lands.

820. By Mr. FULLER: Petition of the Patent Law Association, of Chicago, Ill., urging an adequate increase in the salaries of Federal judges; to the Committee on the Judiciary.

821. By Mr. LEAVITT: Resolutions of the Women's Clubs, of Denton, Valier, and Wolf Point, Mont., favoring extension of the provisions of the Sheppard-Towner Maternity Act; to the Committee on Interstate and Foreign Commerce.

822. By Mr. MORIN: Petition of the Knights of St. George, an organization of 25,000 men, Joseph H. Reiman, supreme president; H. L. Hegner, vice president, of Pittsburgh, Pa., protesting against the passage of the Curtis-Reed bill providing for a department of education; to the Committee on Education.

823. Also, petition of Pittsburgh (Pa.) Council of Catholic Women, Mrs. Teresa M. Molamphy, president, protesting against the passage of the Curtis-Reed bill providing for a department of education; to the Committee on Education.

824. By Mr. MORROW: Petition of Civic Club of Farmington, N. Mex., protesting against the use of tribal funds for the appropriation for the bridge at Lee Ferry, Ariz., over the Colorado River; to the Committee on Indian Affairs.

825. By Mr. O'CONNELL of New York: Petition of the All-American Standards Council of San Francisco, Calif., favoring the passage of the Britten metric standards bill (H. R. 10); to the Committee on Coinage, Weights, and Measures.

826. Also, petition of Clarence J. Shearn, of New York City, favoring the passage of House bill 7907 to increase the salaries of Federal judges; to the Committee on the Judiciary.

827. By Mr. STRONG of Pennsylvania: Petition of Indiana Council 598, United Commercial Travelers of America, Indiana, Pa., urging favorable action on House bill 4497 to amend section 1 of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.